



AMERICAN EXPRESS

Merchant Regulations

U.S.

April 2021

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Summary of Changes

Change Icons

Important updates are listed in the Summary of Changes Table and also indicated in the *Merchant Regulations* with a change icon. A change icon alongside the title of a section or subsection denotes revised, added, or removed text from the section or subsection. Changes in the *Merchant Regulations* are indicated with a change icon as shown here:



Summary of Changes Table

Important updates are listed in the following table and are also indicated in the *Merchant Regulations* with a change icon.

Chapter	Section/Subsection	Description of Change
Chapter 2, "Doing Business With American Express"	Section 2.5, "Use of Third Parties"	Added clarifying language around the use of third parties.
	Section 2.6, "Compliance with the Technical Specifications"	Relocated language to Section 2.6, "Compliance with the Technical Specifications" .
	Subsection 2.6.3, "Compliance with Payment Product Terms and Conditions"	Added language referencing payment product terms and conditions.
Chapter 4, "Transaction Processing"	Subsection 4.5.1.2, "Contact Chip Card Charges"	<ul style="list-style-type: none"> Removed reference to the Oil Fraud Protection Program. Removed Chip Card fraud liability shift exclusions for fuel Customer Activated Terminals (CATs).
	Subsection 4.8.1, "Substitute Charge Records"	Relocated language for Substitute Charge Records from previous Section 11.10.
	Subsection 4.18.1, "Introductory Offers"	Added requirements around Introductory Offer.
Chapter 5, "Authorization"	Section 5.3, "The Purpose of Authorization"	Added reference to new Estimated Authorization Subsection 5.3.1, "Estimated Authorization" .
	Subsection 5.3.1, "Estimated Authorization"	Relocated Estimated Authorization language.
	Section 5.4, "Authorization Process"	Added description language.
	Section 5.5, "Possible Authorization Responses"	Clarified Authorization language.
Chapter 6, "Submission"	Section 6.4, "Submission Process"	Added description language.

Chapter	Section/Subsection	Description of Change
Chapter 8, "Protecting Cardmember Information"	Section 8.2, "Definitions"	Updated definitions.
	Section 8.3, "Cardholder Data Compromise"	Added Cardholder Data Compromise Program.
	Section 8.5, "Data Incident Management Obligations"	Increased the Data Incident notification timeframe.
	Section 8.6, "Indemnity Obligations for a Data Incident"	Updated references to Subsection 14.2.3, "Submission and Settlement Fees" .
Chapter 10, "Risk Evaluation"	Section 10.2, "Prohibited and Restricted Merchants"	Updated categories description.
Chapter 11, "Chargebacks and Inquiries"	N/A	Clarified language in Chapter 11.
	Subsection 11.6.3, "Fraud"	Added Multiple ROC Chargeback code.
	Section 11.7, "Compelling Evidence"	Expanded and revised Compelling Evidence policy.
	Section 11.11, "Chargeback Programs"	Clarified language.
Chapter 12, "Specific Industries"	Subsection 12.7, "Oil/Petroleum"	Removed reference to the Oil Fraud Protection Program.
	Subsection 12.7.3, "Oil Fraud Protection Program"	Removed Oil Fraud Protection Program section.
	Section 12.8, "Parking"	Eliminated Parking section. No industry specific procedure needed.
	Section 12.9, "Restaurants"	
	Subsection 12.10.1.1, "Cruise Line—Special Authorization Procedures"	
	Subsection 12.10.2.1, "Lodging—Special Authorization Procedures"	
	Subsection 12.10.3.1, "Vehicle Rentals—Special Authorization Procedures"	Relocated Estimated Authorization language to Subsection 5.3.1, "Estimated Authorization" .
	Section 12.19, "Taxicabs and Limousines"	
Section 12.20, "Card Not Present Retail and Grocery"		

Chapter	Section/Subsection	Description of Change
Chapter 13, "Payment Aggregator"	Section 13.1, "Introduction"	Reinforced language to comply with changes introduced with new products and/or services.
	Section 13.2, "Definitions"	Modified definitions.
	Section 13.3, "Recruitment of Sponsored Merchants"	Clarified language.
	Section 13.4, "General Payment Aggregator Requirements"	Clarified requirement for Aggregated Charges.
	Subsection 13.6.1, "Transactional Data Requirements"	Reinforced reference to Section 4.4 requirements.
	Chapter 13.6.2, " Disapproval of Merchant Cancellation Notification and Reporting"	Relocated language to section 13.9.
	Chapter 13.9, "Prohibited Categories and Exclusions"	<ul style="list-style-type: none"> • Clarified language • Updated categories description
Chapter 14, "Merchant Fees"	Subsection 14.2.4, "Data Security Fees"	<ul style="list-style-type: none"> • Added Cardholder Data Compromise Non-Compliance fee table. • Modified Data Incident non-compliance fee table. • Updated Non-Validation Fee table.
Glossary		Added/modified definitions.

Contact Information



Merchant Services (general customer service for Merchants)	1.800.528.5200
Authorization Department	1.800.528.2121
Travelers Cheque/Gift Cheque Customer Service	1.800.221.7282
Travelers Cheque Authorizations and Fraud	1.800.525.7641
American Express Terminal Assistance (If a vendor other than American Express provided your terminal, contact that vendor directly.)	1.800.851.5948
General Charge/Credit forms (Vendor supplying paper Charge and Credit forms.)	1.877.867.3409
American Express Enterprise Incident Response Program (EIRP)	1.602.537.3021 or 1.888.732.3750 EIRP@aexp.com
SecureTrust, a division of Trustwave	1.866.659.9016



Paper submissions	American Express Merchant Services Paper ROC SOC Submitters PO Box 981558 El Paso, TX 79998-1558
Rush Paper Submissions	Datamark, Inc Attn: ROCs / SOCs 43 Butterfield Circle El Paso, TX 79906 915-242-6227
Customer Service Disputes	American Express Credit Card Account Customer Service Department PO Box 981532 El Paso, TX 79998 Fax: 623.444.3000
Fraud Disputes	Overnight/Signature Required American Express Datamark, Inc. 43 Butterfield Circle El Paso, TX 79906-5202



Point of Sale materials	www.americanexpress.com/decals
Merchant Fraud Prevention information	www.americanexpress.com/fraudinfo
American Express Merchant homepage	www.americanexpress.com/merchant

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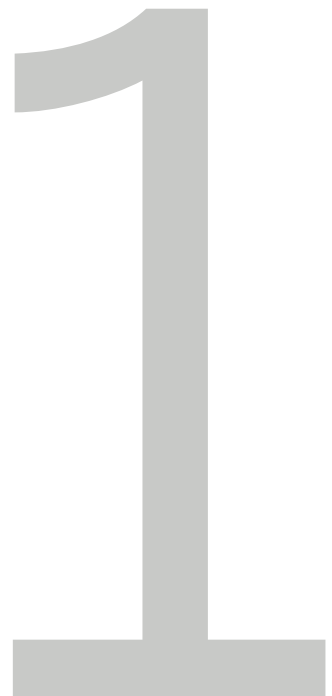
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Introduction

- 1.1 About American Express
- 1.2 About the Merchant Regulations
- 1.3 Organization of the Merchant Regulations
- 1.4 Changes in the Merchant Regulations



1.1 About American Express

American Express was established more than 160 years ago and has undergone remarkable changes over the years. One characteristic has remained constant, however: our commitment to the core values of our founders. American Express is guided by a value system that is steadfastly focused on doing business in more than 130 countries around the globe with trust and integrity, delivering quality products and services to our valued customers.

The American Express Network operates worldwide, including in Territories where Applicable Law, or other considerations, may require that certain of our Affiliates or licensees act as Acquirers.

The Network also supports millions of Merchants globally and processes a vast number of Transactions daily, forging relationships between Cardmembers and Merchants. We help build the businesses of millions of Merchants, from neighborhood shops to multinational corporations.

1.2 About the Merchant Regulations

We are pleased to provide the *American Express Merchant Regulations*. It offers best practices, helpful tips, and available tools to assist your businesses. You can be more successful if you have access to and understand Card acceptance policies and procedures.

To serve all Merchants consistently, we require them to operate under the *Merchant Regulations*.

The *Merchant Regulations* set forth the policies and procedures governing your acceptance of the American Express® Card. It is a part of, and is hereby incorporated by reference into, the Agreement. You agree to be bound by and accept all provisions in the *Merchant Regulations* (as changed from time to time) as if fully set out in the Agreement and as a condition of your agreement to accept the Card.

1.3 Organization of the Merchant Regulations

Information boxes like this one are displayed throughout the *Merchant Regulations* to highlight important information such as definitions, fraud alerts, helpful tips and further information.

You should read the global policies together with any country-specific policies that follow. The two sections are organized one after the other, making it easier to read and find the information you need.

The American Express *Merchant Regulations* are designed to meet the needs of busy Merchants. The content is organized into:

- global policies that apply to your Establishment, and
- country-specific policies that apply to your Establishments located in the specific country listed.

In the event of any conflict between the global policies and country-specific policies, the requirements of the country-specific policies take precedence. In the event of any conflict between the Agreement and Applicable Law, the requirements of law govern.

The *Merchant Regulations* follow the flow of the Transaction process—from Card acceptance, to Authorization, to Submission, to Settlement, to Disputed Charges, to Chargebacks. To make it easier for you to locate the information you need quickly, the *Merchant Regulations* were designed with the following functionality:

- Important information is identified throughout the *Merchant Regulations* using the information boxes to the left of the main text.
- Point-and-click links to and from chapters are identified by [blue underlined text](#) when viewing the *Merchant Regulations* online.
- A table of contents and comprehensive glossary are provided in the *Merchant Regulations*.

- Capitalized terms used in the *Merchant Regulations* have the meanings ascribed to them in the [Glossary](#). In addition, certain specialized terms also appear and are defined in the chapter or section in which they are used.
- All amounts referenced herein are stated in U.S. dollars.

1.4 Changes in the Merchant Regulations

We reserve the right to make changes to the *Merchant Regulations* in scheduled changes and at any time in unscheduled changes as set forth in the General Provisions (see [Subsection 1.4.1. "Scheduled Changes"](#) and [Subsection 1.4.2. "Unscheduled Changes"](#)). You agree to accept all changes (and further to abide by the changed provisions of the *Merchant Regulations*) as a condition of your agreement to accept the Card, except where Applicable Law takes precedence.

1.4.1 Scheduled Changes

The *Merchant Regulations* are published on a scheduled basis, twice each year, in April and October. We have the right to, and hereby notify you that we may, change the provisions of the *Merchant Regulations* in scheduled releases (sometimes called "Notification of Changes" in our materials) as follows:

- a release of scheduled changes, to be published every April, which changes shall take effect in the following October (or in a later) edition of the *Merchant Regulations* or during the period between two editions of the *Merchant Regulations*, and
- a release of scheduled changes, to be published every October, which changes shall take effect in the following April (or in a later) edition of the *Merchant Regulations* or during the period between two editions of the *Merchant Regulations*.

Where a change is to take effect during the period between two editions of the *Merchant Regulations*, we shall also include the change in the edition of the *Merchant Regulations* covering the period during which the change shall take effect, noting the effective date of the change therein.

1.4.2 Unscheduled Changes

We have the right, and hereby notify you that we may, change the provisions of the *Merchant Regulations* in separate unscheduled releases.

Provisions changed in unscheduled releases generally take effect ten (10) days after notice to you (unless another effective date is specified in the notice).

Doing Business With American Express

- 2.1 Introduction
- 2.2 Benefits of Accepting the American Express Card
- 2.3 The American Express Merchant Number
- 2.4 Merchant Information
- 2.5 Use of Third Parties
- 2.6 Compliance with the Technical Specifications
- 2.7 Establishment Closing
- 2.8 Verification and Disclosure of Information
- 2.9 Call Monitoring
- 2.10 Permitted Uses of Merchant Information
- 2.11 Cardmember Offers
- 2.12 Marketing Programs



2.1 Introduction

At American Express, we feel privileged to do business with Merchants like you and want to help make the process of accepting Cards as simple as possible. The *Merchant Regulations* explain the policies and procedures related to accepting American Express Cards. It also highlights some of the services and tools that can help your business. This chapter outlines some general concepts that relate to doing business with American Express.

2.2 Benefits of Accepting the American Express Card

Sign up to manage your Merchant Account online and you can access easy-to-use account management features (terms apply). You can:

- find out how much you're getting paid
- manage cash flow
- get access to detailed Transaction features
- learn about and review new Disputed Charges

To enroll or learn more, go to www.americanexpress.com/merchant.

The decision you have made to accept the American Express Card demonstrates a commitment to the millions of Cardmembers who carry the Card.

Accepting the Card allows you to:

- offer your customers the convenience of paying with American Express Cards, and
- improve retention by allowing customers with recurring Charges to pay automatically.

Accepting the Card also allows you to:

- access your Merchant Account through our online program, and
- manage your Inquiries, Submissions and payment information online with daily updates.

2.3 The American Express Merchant Number

If you do not know your Merchant Number, refer to your current statement—either paper or electronic (by accessing your Merchant Account online (terms apply))—or contact the representative from your corporate office that works with American Express.

Your Merchant Number (sometimes called a "Merchant ID", "Establishment number" or "SE number" in our materials) is a unique number we assign to your Establishments.

- If you have more than one Establishment, we may assign a separate Merchant Number for each.
- If you accept Card Present Charges and also accept Card Not Present Charges, you must notify us so that we may assign a separate Merchant Number for each.
- Your Merchant Number is assigned to you based on our classification of your industry. Certain Establishments may operate in more than one industry classification (e.g., a gasoline station with both in-store and Customer Activated Terminal (CAT) Transactions). In these instances, you must obtain a separate Merchant Number for each industry classification.
- Each Merchant Number is designated for a single currency.
- We may refuse to assign a Merchant Number or grant Card acceptance privileges to an Establishment.

If you require an additional Merchant Number, call [Merchant Services](#).

You must use your Merchant Number to identify your business any time you contact us. This is the easiest and fastest way for us to access your Merchant Account information.

A Merchant Number is the sole property of American Express and you shall only use it for operating your Card acceptance relationship with us. You shall not assign or otherwise transfer any Merchant Number to any other party. You are responsible for safeguarding Merchant Numbers.

2.4 Merchant Information

Incorrect information may result in servicing issues. For example, if your business name changes and American Express is not notified, your customers may not recognize the Charge on their statements. This could result in Disputed Charges.

As a result of IRS rules governing "merchant acquiring entities," American Express is required to withhold 24% of Submission from any Merchant whose tax identification number (TIN) and/or legal name are missing or do not match what is on file with the IRS. To avoid potential backup withholdings, you must notify us any time there is a change to your TIN, legal name, and/or business address, and ensure you respond to any requests for verification and record updates from us.

Having current information about you enables us to serve you better.

You and any person signing the application to accept Cards must have provided all required information. We will obtain, verify, record, and analyze information (including your telephone calls) that identifies each person or Entity (which may, in our sole discretion, include information about its owners) applying to accept the Card and open a Merchant Account, as well as information that may be provided in subsequent calls or interactions with us. We will use such information to improve our services, prevent fraud, or for other business purposes.

When you apply to accept the Card and open a Merchant Account, we will ask for your business name, a business street address and a business tax identification number. If you provide us with your personal name, street address, or tax identification number to be used as your business name, business street address, or business tax identification number, we will use this information as your business information for purposes of our relationship with you. Additionally, we may request or require that you provide information about your significant owners, including name, street address, date of birth, an identification number, such as a social security number, and other Merchant information, which may include additional contact information for your significant owners, personnel (e.g., authorized signers), and Establishments. This information may include telephone numbers, email addresses, and facsimile numbers. We may also ask to see identifying documents such as a business license, driver's license or similar documentation that will allow us to identify you. If you provide us with your personal contact number(s) to be used as your business contact number(s), we will use this information as your business information for purposes of our relationship with you. Information that you include when you apply to accept the Card and open a Merchant Account will be collected and retained by us. We share this information with Affiliates and other business lines of American Express in order to conduct analytics and make the information available to certain third-parties, including for tax reconciliation or expense management services and their users. By applying to accept the Card and open a Merchant Account, you consent to our disclosure of the information therein for these purposes.

You agree that, upon providing contact information to us, we may send you messages, including important information about your Merchant Account as well as information on products, services, and resources available to your business. These messages may be sent to the phone numbers, email addresses or fax numbers you provide. If you provide a wireless phone number to us, you agree that we may contact you at that number and the communications we send may include autodialed short message service (SMS or "text") messages or automated or prerecorded calls. If you provide a fax number to us, you agree that we may send you fax communications. We may otherwise use and share Merchant information for business purposes and as permitted by law. We use reasonable administrative, technical and physical security measures to protect Merchant information consistent with the sensitivity of the information.

You may opt out of newsletters or messages about products, services and resources for different forms of communications by contacting us at 1-800-528-5200 or by logging onto americanexpress.com/merchant and selecting "update your email address" from the list of account options and then selecting "marketing communications", or by exercising any opt-out options that we may describe or offer in emails, SMS messages, faxes or other communications. If you have opted-out, we may still send you servicing messages related to information about your account.

You must also notify us of any additions, deletions, and/or modifications to your Merchant information, particularly changes related to:

- banking information (e.g., routing number, Bank Account, bank name),
- legal name of business or corporate owner registered with the IRS,
- federal tax identification number as registered with the IRS,
- full physical address/location,
- telephone number at which we can contact you (e.g., your business telephone number),
- telephone number at which your customers may contact you (e.g., your customer service telephone number),
- email address at which we can contact you (e.g., your business email address),
- email address at which your customers may contact you (e.g., your customer service email address),
- website URL,
- goods/services offered (type of business),
- method of doing business (e.g., mail order, internet, storefront),
- form of organization (e.g., sole proprietorship, partnership, limited liability company, corporation, non profit, government),
- publicly traded or privately held organization,
- ownership/control (e.g., sale of business, change in control of business),
- significant owners that control 25% or more of your business. If you do not have a single significant owner that controls 25% or more, you still must provide one owner. For each significant owner or owner, provide:
 - name,
 - full home physical address/location,
 - Social Security Number or date of birth,
- authorized signer information,
 - name and title,
 - Social Security Number,
- other critical business information that helps us contact or do business with you (e.g., change of Processor).

This list is not exhaustive and we may, at our sole discretion, require additional information.

2.5 Use of Third Parties

Generally we require information about the third parties you work with such as their company name, address, and telephone number; the name, address, and telephone number of an individual whom we may contact about your Merchant Account; and the types of Merchant processing services offered by such third party.

As a Merchant, you make decisions and choices on behalf of your business each and every day. Some Merchants choose to deal directly with us for all aspects of the Transaction process; others enlist the assistance of various third parties to provide them with services. These third parties are your Covered Parties and may include:

- service providers/Processors,
- Terminal Providers,
- vendors, and
- Other agents contracted to operate on your behalf.

You may retain, at your expense, such third parties, provided that we may deny or reject your use of a third party to perform services and/or your obligations under the Agreement at any time in our sole discretion. You remain financially and otherwise liable for all obligations (including confidentiality obligations and compliance with the *Technical Specifications*), services, and functions they perform under the Agreement for you, such as the technical

requirements of authorizing and submitting Transactions to us, as if you performed such obligations, services, and functions. Any omission or failure to perform by your third party does not relieve you of your obligations under the Agreement. We need not alter our conduct of business in respect of your third parties' performance and may rely upon that performance as if done by you.

Any listing or certification by us of third parties does not constitute a guarantee or warranty by us of their performance and does not relieve you of your responsibility and liability for any such third party that you elect to use.

You are responsible and liable for all problems and expenses caused by your third parties, including any Settlement payments misdirected to other parties because of the mis-programming of your Point of Sale (POS) System by your third parties, and for any fees your third parties charge us or that we incur as a result of your third parties. We may bill you for any fees or deduct them from our payments to you.

You must ensure that these third parties cooperate with us to enable your Card acceptance. You must notify us if you intend for these third parties to deal directly with us and notify us promptly in writing if you change such third parties. You must provide us, on request, all relevant non-confidential information about your third parties. We generally use this information to help in servicing your Merchant Account, including troubleshooting issues affecting the processing of your Transactions, and ensuring compliance with the *Technical Specifications* (see [Section 2.6, "Compliance with the Technical Specifications"](#)).

2.6 Compliance with the Technical Specifications

You may be required to comply with conditional and/or optional requirements in the *Technical Specifications* depending on:

- your industry,
- type of connectivity to the Network,
- method of Transaction processing, and/or,
- use of certain fraud mitigation tools.

Information regarding requirements for your Point of Sale devices is available at americanexpress.com/merchantspecs, under Technical Mandates.

A vast number of Transactions traverse, and are processed by, the American Express Network. Merchants, Processors, Terminal Providers, and others must conform to the *Technical Specifications* in order to connect to and transact on the Network.

Each Authorization request and Transaction, including data contained therein, must comply with the *Technical Specifications*, any other (or different) requirements of our local operating centers and Applicable Law. We reserve the right to modify the *Technical Specifications* or requirements of our local operating centers.

You must ensure that you and any third parties you enlist to facilitate Transaction processing with us comply with the *Technical Specifications* (see [Section 2.5, "Use of Third Parties"](#)). Valid and accurate data must be provided for all data elements in accordance with the *Technical Specifications*. Failure to comply with the *Technical Specifications* may impact your ability to successfully process Transactions and lead to your placement into our POS System non-compliance program. See [Subsection 2.6.2, "POS System Non-Compliance Program"](#).

To ensure your compliance with the *Technical Specifications*, work with your Processor, Terminal Provider, or if you have a direct link with us, your American Express representative.

You may be charged non-compliance fees if you fail to comply with the *Technical Specifications*. See [Subsection 14.2.3, "Submission and Settlement Fees"](#) and [Subsection 14.2.2, "Authorization Fees"](#).

If commercially reasonable for you, and not prohibited by any of your other agreements, you must work with us to configure your Authorization, Submission and POS Systems to communicate directly with our systems for Authorization and Submission of Charge Data.

Merchants who connect to the Network directly may elect to receive email notifications when updates are made to the *Technical Specifications*. To receive such email notifications, contact your American Express representative or send an email to SpecQuestions@aexp.com.

2.6.1 Merchant Category Codes

If you are unsure of the MCC assigned to you, please contact [Merchant Services](#). We also recommend that you review your Authorization and Submission data periodically to ensure it accurately represents your industry classification.

You must provide us with an accurate and complete description of your industry classification so we can assign a Merchant Category Code (MCC) to your Merchant Number. If you have multiple, distinct businesses, those businesses will be assigned appropriate MCCs and Merchant Numbers. If you have multiple businesses, but a distinction between them is unclear, then we will use the MCC most closely representing your business's primary industry classification.

You must use the most accurate MCCs in all Authorizations and Submissions.

2.6.2 POS System Non-Compliance Program

American Express monitors for conformance to our *Technical Specifications* including our requirements for POS Systems (available at americanexpress.com/merchantspecs under "technical mandates"). Failure to conform may lead to your placement in this non-compliance program.

If you are placed into our POS System non-compliance program, you will be notified with further details about the program. We may assess a POS System non-compliance assessment for failure to comply (see [Subsection 14.2.2, "Authorization Fees"](#)).



2.6.3 Compliance with Payment Product Terms and Conditions

We offer various payment processing solutions and products. If you choose to utilize one or more such products, you and any third parties you enlist must comply with the corresponding terms and conditions, which we may update from time to time, and which are available at www.americanexpress.com/merchantspecs. In the event of any conflict between the terms and conditions of the payment processing product and the *Merchant Regulations*, the terms and conditions of the payment processing product will prevail.

2.7 Establishment Closing

If you close any of your Establishments, you must follow these guidelines:

- Notify American Express' [Merchant Services](#) immediately.
- Your policies must be conveyed to the Cardmember prior to completion of the Charge and printed on the copy of a receipt or Charge Record the Cardmember signs. See [Section 4.11, "Return and Cancellation Policies"](#) for additional information.
- If you are not providing refunds or exchanges, post notices indicating that all sales are final (e.g., at the front doors, by the cash registers, on the Charge Record and on your website and catalog).
- Your return and cancellation policies must be clearly disclosed at the time of sale.
- For Advance Payment Charges or Delayed Delivery Charges, you must either deliver the goods or services for which you have already charged the Cardmember or issue Credit for any portion of the Charge for which you have not delivered the goods or services.

2.8 Verification and Disclosure of Information

We obtain information about you from your application to accept the Card and from other sources (e.g., credit reporting agencies and providers of business information).

We may request from consumer or commercial credit reporting agencies or other investigative agencies an investigative or consumer report about the commercial or personal finances of you, any person signing your application to accept the Card (or any other application/setup page used in applying for Card acceptance), and any person providing us with permission to obtain such information in connection with the Agreement. You authorize and direct us to inform such persons directly, or through you, of reports about such persons that we have requested from such agencies.

Such information will include the name and address of the agency furnishing the report. You also authorize American Express to use the reports from consumer reporting agencies for marketing and administrative purposes.

The information we obtain about you from your application to accept the Card will include your taxpayer identification number.

We may, at our sole discretion, disclose information about you and/or any person signing the application/setup page of the Agreement, if applicable, and/or any person providing us with permission to obtain or disclose information in connection with the Agreement, including information about your Merchant Account, to our agents, subcontractors, Affiliates, and other parties, including industry organizations and reporting agencies, for any purpose permitted by law, including debt collection, fraud prevention, and risk reduction.

You and/or any person signing the application/setup page of the Agreement, if applicable, and/or any person providing us with permission to obtain or disclose information in connection with the Agreement, hereby release and waive any right or Claim arising out of or related to such disclosure, including defamation Claims, even if the information that we disclose is incorrect or

incomplete. You acknowledge that we may report your business name and the name of your principals to the MATCH™ (Member Alert to Control High Risk Merchants) listing maintained by MasterCard. You and they hereby specifically consent to the reporting, and you and they hereby waive and hold us harmless from all Claims and liabilities you and they may have as a result of such reporting.

2.9 Call Monitoring

We will monitor or record (or both) and analyze telephone calls with you to improve our services, prevent fraud, or for other business purposes.

2.10 Permitted Uses of Merchant Information

Further to the terms of the Agreement, we may use your name, address (including your website addresses or URLs), customer service telephone numbers, and/or industry classification in any media at any time.

2.11 Cardmember Offers

We want to help encourage Cardmembers to seek out and shop at small Merchants that accept the American Express Card. From time to time, we may include small Merchants in Cardmember offers. There is no additional cost to your business to be included in these offers.

For more information, visit www.americanexpress.com/us/small-business/shop-small and click on the Cardmember Offers tab. There you can view offer terms and conditions, determine if your business is an eligible small Merchant that is included in any offers, and access any available signage to promote Cardmember offers, that you are included in, to your customers.

2.12 Marketing Programs

As a Merchant, you may be eligible to participate in American Express Marketing Programs that we conduct from time to time. We have the right, in our sole discretion, whether or not to approve you as an eligible Merchant for a Marketing Program. Not all Merchants are eligible for Marketing Programs. If we determine that you are eligible for a Marketing Program, you have the right, in your sole discretion, to decide whether you will elect to participate in such a Marketing Program. If you do elect to participate in such Marketing Program, you must complete and sign an Insertion Order, which we will provide to you. The Insertion Order will contain the specific details of the Marketing Program (e.g., promotion of the Offer, applicable marketing channels). The provisions of this [Chapter 2, "Doing Business With American Express"](#), along with the Insertion Order, will govern your participation in such programs.

During your participation in a Marketing Program as set forth in an Insertion Order, you must indicate your acceptance of the Card by displaying our Marks at the point of sale (including online or mobile services) or at the store entry in conformance with [Subsection 3.2.1, "Treatment of the American Express Marks"](#). If you do not display the marks of any other payment form at the point of sale (including online or mobile services) or at store entry, the foregoing sentence shall not apply.

2.12.1 Honoring the Offer

You must not impose any restrictions on the Offer other than those specifically described in the copy approved by you and us. If you become aware of any issues with the Offer, you shall give us prompt written notice thereof, which notice will not relieve you of your obligations pursuant to the Marketing Program IO.

2.12.2 License

You hereby grant us a non-exclusive, non-transferable, royalty-free license to use those of your Marks, as set forth in the Marketing Program IO or as otherwise necessary to promote the Offer, and any copy you submit hereunder in any communications media (e.g., television, radio, print or online promotions), in connection with and solely to identify and promote the Marketing Program in the manner set forth in the Marketing Program IO, subject to [Subsection 2.12.4, "Copy Requirements; Approval of Marketing Materials"](#). We shall not alter or modify those Marks in any way.

In the case of Merchant-Provided Creative, we hereby grant to you a non-exclusive, non-transferable, royalty-free license to use those of our Marks, as set forth in the Insertion Order, in connection with and solely to identify and promote the Program in the manner set forth in the Insertion Order, subject to [Subsection 2.12.4, "Copy Requirements; Approval of Marketing Materials"](#). You shall not alter or modify our Marks in any way.

Upon the termination or expiration of the Marketing Program, the licenses granted in this [Subsection 2.12.2, "License"](#) shall expire.

2.12.3 Hyperlinking

Each of American Express and Merchant hereby grants to the other the right to establish a hyperlink to its respective designated website(s) from, and embed a bitmap image referenced in the Insertion Order, or on American Express or Merchant's website(s), digital platform(s) and/or emails that are sent by American Express or Merchant to promote the Program as set forth in the Marketing Program IO. Additionally, if applicable, you grant us the right to use a QR Code to establish a hyperlink to your website from offline or direct mail marketing materials to be created under the Program. You shall notify us immediately of any change in a URL associated with a QR Code or any other URL in connection with an Offer. In case of a change in American Express' or Merchant's URL, American Express or Merchant, as applicable, shall adjust the hyperlinks as soon as possible, but in no event later than five (5) business days from the date of receipt of notice of such change.

2.12.4 Copy Requirements; Approval of Marketing Materials

All copy shall conform to the space, style, and format requirements established by us. You will have the opportunity to review and approve all Marketing Materials within three (3) business days following receipt of such materials, which approval shall not be unreasonably withheld. You must not create or distribute any Marketing Materials or distribute Merchant-Provided Creative (if applicable as set forth in [Subsection 2.12.2, "License"](#)) unless we have expressly approved in writing both the channel and content for any such Marketing Materials or Merchant-Provided Creative. For the avoidance of doubt, we have final approval over all Marketing Materials related to the Program and reserve the right not to approve any Marketing Materials for any reason. You accept full responsibility for the accuracy of the Marketing Materials approved by you in accordance with this [Subsection 2.12.4, "Copy Requirements; Approval of Marketing Materials"](#) (excluding American Express' Marks and/or content related to American Express' products and services).

2.12.5 Promotion of the Offer

We, our Affiliates, and licensees reserve the right to discontinue promoting any Offer that does not comply with our policies and guidelines. Regardless of any prior approval by us, you shall immediately, upon our request, stop communication of any Offer and communicate any messaging provided by us related to the removal, cancellation, and/or modification of any Offer. For the avoidance of doubt, any removal, cancellation, and/or modification of an Offer does not modify the Offer End Date (as indicated in Section 2 of the Insertion Order), and, if it is

a Merchant-fulfilled Offer, you are obligated to fulfill all Offers through their respective Offer End Dates.

2.12.6 Audit

You shall, on not less than three (3) business days' prior written notice from us, permit us or our representatives to audit your facilities, business practices and records in connection with the Program as necessary to verify your compliance with the terms of the Agreement relating to Cardmember Information and No Reverse Engineering. You will reasonably cooperate with us in any such audit.

2.12.7 No Reverse Engineering

You shall not, directly or indirectly, for your benefit or the benefit of any other party discover, reverse engineer, decompile, decode or otherwise use Segmentation Criteria, Cardmember Information, any information obtained through hyperlinks, or any Reports to (i) establish the personal identity of any Cardmember participating (or attempting to participate) in an Offer or (ii) identify any individual or group as Cardmembers for any purpose, including, without limitation, to create a group or segment composed exclusively of Cardmembers. In no event shall you use Cardmember Information, Segmentation Criteria, or any information obtained through hyperlinks to target, direct any marketing or solicitation or conduct analyses solely of Cardmembers on the basis of such persons being Cardmembers. You shall not, directly or indirectly, distribute, share, market, or sell Cardmember Information, Segmentation Criteria, any Reports, or any information obtained through hyperlinks to any third parties (which term, for the purposes of this [Subsection 2.12.7, "No Reverse Engineering"](#), includes your Affiliates).

2.12.8 Confidentiality

Each of American Express and Merchant agree to treat any information it receives from the other party in connection with the Program and the Insertion Order as Confidential Information, as defined and subject to the requirements under the Agreement.

2.12.9 Registered Card-Specific Terms

The following terms apply to certain Registered Card Offers, based on the specific Offer details selected in the Insertion Order.

In connection with a Registered Card Offer, we will issue statement credits to qualifying Cardmembers, which amount shall be funded in accordance with the Insertion Order.

If you submit a Credit to American Express in connection with a Transaction, we will deduct the full amount of the Credit from our payment to you in accordance with the terms of the Agreement and will not be obligated to reduce it by the amount of the statement credit provided to Cardmembers in connection with the Registered Card Offer. We may change the procedure described in this [Subsection 2.12.9, "Registered Card-Specific Terms"](#) by providing you with thirty (30) days' prior written notice. In the event a Credit is issued for the amount of the entire Transaction within sixty (60) days of the date of the Transaction, we will refund to you the statement credit associated with such Transaction.

2.12.10 Intellectual Property Rights

Nothing herein shall be construed to restrict, impair, or deprive American Express or Merchant of any of its intellectual property rights that existed prior to, or arise in connection with, the Program.

2.12.11 Indemnity

In addition to your indemnification obligations under the Agreement, you hereby release and agree to indemnify, defend, and hold harmless us, our Affiliates, licensees and their respective officers, directors, and agents, from any third-party claims and/or demands arising out of or related to (i) the content of all Marketing Materials, Merchant-Provided Creative approved or provided by you (excluding our Marks and/or content related to our products and services); (ii) any material breach of this chapter by you in connection with a Program; and, (iii) in the case of a Merchant-fulfilled Offer, your fulfillment of or failure to fulfill the Offer.

In addition to any of our indemnification obligations under the Agreement, we hereby release and agree to indemnify, defend, and hold harmless you, and your respective officers, directors, and agents, from any third-party claims and/or demands arising out of or related to (i) content of our products and/or services or creative provided by us; and (ii) any material breach of this Marketing Program IO.

2.12.12 Limitation of Liability: Disclaimer

NEITHER PARTY WILL BE LIABLE TO THE OTHER FOR ANY CLAIMS ARISING OUT OF OR RELATED TO THE USE BY AMERICAN EXPRESS OF ANY THIRD-PARTY PLATFORMS FOR DISTRIBUTION OF THE OFFER THAT RESULT IN CONNECTION WITH OR OUT OF THE TERMS AND CONDITIONS, REGULATIONS AND/OR ACTIONS OR INACTIONS OF ANY SUCH THIRD-PARTY PLATFORM. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS CHAPTER, THE MARKETING PROGRAM IO IS PROVIDED TO MERCHANT "AS IS" BY US WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED.

2.12.13 Termination

American Express may terminate this Marketing Program IO for any reason upon written notice to you. This Marketing Program IO will automatically terminate upon expiration or termination of the Agreement as specified therein. Notwithstanding the foregoing, your obligations to fulfill and/or fund an Offer, as applicable, shall survive expiration or termination of this Marketing Program IO. Additionally, all terms which are intended by their nature to survive expiration or termination shall so survive, including the Outstanding Balance term in the Marketing Program IO, Cardmember Information as defined in this Agreement, and Sections [2.12.7](#), [2.12.8](#), [2.12.10](#), [2.12.11](#) and [2.12.12](#) hereof. Upon termination of this Marketing Program IO, any amounts owed to American Express hereunder will be immediately due and payable.

Card Acceptance

- 3.1 Card Acceptance
- 3.2 Treatment of the American Express Brand
- 3.3 Prohibited Uses of the Card
- 3.4 Prohibited Merchants
- 3.5 Treatment of American Express Cardmember Information



3.1 Card Acceptance

You must accept the Card as payment for goods and services (other than those goods and services prohibited under [Section 3.3, "Prohibited Uses of the Card"](#)) sold, or (if applicable) for charitable contributions made, at all of your Establishments, except as expressly permitted by state statute. You are jointly and severally liable for the obligations of your Establishments under the Agreement.

By accepting the Card at your Establishment, you are providing your customers with convenience and flexibility in choosing their method of payment.

3.2 Treatment of the American Express Brand

You may issue policies related to customer identification, and define minimum Charge amounts, subject to Applicable Law and the Agreement.

For the past 160 years, American Express has built a brand that is synonymous with trust, integrity, security, quality, and customer service. We work diligently to uphold our reputation, and restrict Merchants from engaging in activities that would harm our business or brand.

Except as expressly permitted by Applicable Law, you must not:

- indicate or imply that you prefer, directly or indirectly, any Other Payment Products over our Card,
- try to dissuade Cardmembers from using the Card,
- criticize or mischaracterize the Card or any of our services or programs,
- try to persuade or prompt Cardmembers to use any Other Payment Products or any other method of payment (e.g., payment by check),
- impose any restrictions, conditions, disadvantages or fees when the Card is accepted that are not imposed equally on all Other Payment Products, except for electronic funds transfer, or cash and check,
- suggest or require Cardmembers to waive their right to dispute any Transaction,
- engage in activities that harm our business or the American Express Brand (or both),
- promote any Other Payment Products (except your own private label card that you issue for use solely at your Establishments) more actively than you promote our Card, or
- convert the currency of the original sale Transaction to another currency when requesting Authorization or submitting Transactions (or both).

You may offer discounts or in-kind incentives from your regular prices for payments in cash, ACH funds transfer, check, debit card, or credit/charge card, provided that (to the extent required by Applicable Law): (i) you clearly and conspicuously disclose the terms of the discount or in-kind incentive to your customers, (ii) the discount or in-kind incentive is offered to all of your prospective customers, and (iii) the discount or in-kind incentive does not differentiate on the basis of the Issuer or, except as expressly permitted by applicable state statute, payment card network (e.g., Visa, MasterCard, Discover, JCB, American Express). The offering of discounts or in-kind incentives in compliance with the terms of this paragraph will not constitute a violation of the provisions set forth above in this [Section 3.2, "Treatment of the American Express Brand"](#).

3.2.1 Treatment of the American Express Marks

Whenever payment methods are communicated to customers, or when customers ask what payments are accepted, you must indicate your acceptance of the Card and display our Marks (including any Card application forms we may provide you) as prominently and in the same manner as any Other Payment Products.

Our corporate logo, the "American Express® Blue Box" logo, is the strongest visual symbol of our company's image. The "Blue Box" represents and reinforces the high quality service and

values of American Express. The appropriate version of the “Blue Box” logo must be displayed on all point-of-purchase materials and signs. The following guidelines apply to your use of the “Blue Box” logo in communications:

- Maintain at least 1/3 “X” (where “X” is equal to the height of the Blue Box Logo) between the Logo and any accompanying element.
- The “Blue Box” logo minimum size is 3/8” and 1/2” is the preferred size.
- The “Blue Box” logo must always be shown in the pre-approved “American Express blue” or, in one- or two-color communications, black.

You must not use our Marks in any way that injures or diminishes the goodwill associated with the Mark, nor in any way (without our prior written consent) indicate that we endorse your goods or services. You shall only use our Marks as permitted by the Agreement and shall cease using our Marks upon termination of the Agreement.

For additional guidelines on the use of our Marks, contact your American Express representative or call [Merchant Services](#).

For more information and to order free point-of-purchase decals, you can also visit the American Express website at www.americanexpress.com/decals.

3.3 Prohibited Uses of the Card

You must not accept the Card for any of the following:

- adult digital content sold via Internet Electronic Delivery,
- amounts that do not represent bona fide sales of goods or services (or, if applicable, amounts that do not represent bona fide charitable contributions made) at your Establishments; for example, purchases at your Establishments by your owners (or their family members) or employees contrived for cash flow purposes, or payments that you have accepted in order to advance cash to Cardmembers in connection with the Transaction,
- amounts that do not represent bona fide, direct sales by your Establishment to Cardmembers made in the ordinary course of your business,
- cash or cash equivalent; for example, purchases of gold, silver, platinum and palladium bullion and/or bars (collectible coins and jewelry are not prohibited), or virtual currencies that can be exchanged for real currency (loyalty program currencies are not prohibited),
- Charges that the Cardmember has not specifically approved,
- costs or fees over the normal price of the goods or services (plus applicable taxes) that the Cardmember has not specifically approved,
- damages, losses, penalties, or fines of any kind, except as provided in [Section 4.21, "Property Damage to Accommodations and other Rentals"](#) and [Section 12.10.3.4, "Capital Damages"](#),
- gambling services (including online gambling), gambling chips, gambling credits, or lottery tickets,
- unlawful/illegal activities, fraudulent business transactions or when providing the goods or services is unlawful/illegal (e.g., unlawful/illegal online internet sales of prescription medications or controlled substances; sales of any goods that infringe the rights of a Rights-holder under laws applicable to us, you, or the Cardmember),
- overdue amounts or amounts covering returned, previously dishonored or stop-payment checks (e.g., where the Card is used as a payment of last resort),
- sales made by third parties or Entities conducting business in industries other than yours, except as provided in [Chapter 13, "Payment Aggregator"](#),
- amounts that represent repayment of a cash advance including, but not limited to, payday loans, pawn loans or payday advances, or

An example of selling something that infringes the rights of a Rights-holder, is the sale of counterfeit goods.

- other items of which we notify you.

You must not use the Card to verify your customer's age.

For more information on prohibited and restricted industries, and on how we monitor such uses of the Card, see [Chapter 10, "Risk Evaluation"](#).

3.4 Prohibited Merchants

Some Merchants, and/or some of their Establishments, are not eligible (or may become ineligible) to accept our Card. Such Merchants or Establishments will be denied the privilege to accept our Card if we find they meet one or more of the criteria for a prohibited Merchant, including the criteria set forth in [Chapter 10, "Risk Evaluation"](#).

3.5 Treatment of American Express Cardmember Information

Remember: if the Agreement terminates, Cardmember Information can only be retained according to the Payment Card Industry Data Security Standard (PCI DSS), which is available at www.pcisecuritystandards.org.

Any and all Cardmember Information is confidential and the sole property of the Issuer, American Express or its Affiliates.

Except as otherwise specified, you must not disclose Cardmember Information, nor use nor store it, other than to facilitate Transactions at your Establishments in accordance with the Agreement. For more information, see [Section 4.4, "Completing a Transaction at the Point of Sale"](#).

For more information about protecting Cardmember Information, see [Chapter 8, "Protecting Cardmember Information"](#).

With respect to participation in American Express marketing programs for Merchants located in the United States, Puerto Rico, the U.S. Virgin Islands, and other U.S. territories and possessions, use of Cardmember Information shall be in accordance with the terms set forth in this [Section 3.5, "Treatment of American Express Cardmember Information"](#). For purposes of the foregoing sentence, Cardmember Information shall not include Independently Collected Information. For the avoidance of doubt, the foregoing provisions do not restrict you from obtaining or using Independently Collected Information in accordance with Applicable Law.

Furthermore, you shall not collect, directly or indirectly, or use Segmentation Criteria for any purpose whatsoever. In the event that you are able to extrapolate or infer any Cardmember Information or Segmentation Criteria, or otherwise mistakenly, inadvertently or inappropriately obtain access to any Cardmember Information, Segmentation Criteria or any other American Express proprietary information, then you shall not use any such information for any purpose and you shall immediately notify us and, as we may request, return or destroy such information. You shall not use Cardmember Information or Segmentation Criteria to establish the personal identity of any Cardmember participating (or attempting to participate) in a marketing campaign, nor identify any individual or group as Cardmembers for any purpose, including, without limitation, to create a group or segment composed exclusively of Cardmembers.

Transaction Processing

- 4.1 The Many Types of Transactions
- 4.2 Transaction Process
- 4.3 American Express Payment Options
- 4.4 Completing a Transaction at the Point of Sale
- 4.5 Processing an In-Person Charge
- 4.6 Customer Activated Terminals
- 4.7 Processing a Card Not Present Charge
- 4.8 Charge Records
- 4.9 Processing a Credit
- 4.10 Credit Records
- 4.11 Return and Cancellation Policies
- 4.12 Processing Transactions for Specific Industries
- 4.13 Corporate Purchasing Card Charges
- 4.14 Advance Payment Charges
- 4.15 Aggregated Charges – Internet
- 4.16 Delayed Delivery Charges
- 4.17 No PIN Program
- 4.18 Recurring Billing Charges
- 4.19 Processing Prepaid Cards
- 4.20 Processing Travelers/Gift Cheques
- 4.21 Property Damage to Accommodations and other Rentals



4.1 The Many Types of Transactions

Remember when the only method by which to make a Charge was in person, in the presence of a store clerk at a traditional “brick and mortar” Establishment? In today’s marketplace, point of sale Transactions encompass a wide variety of customer options, including:

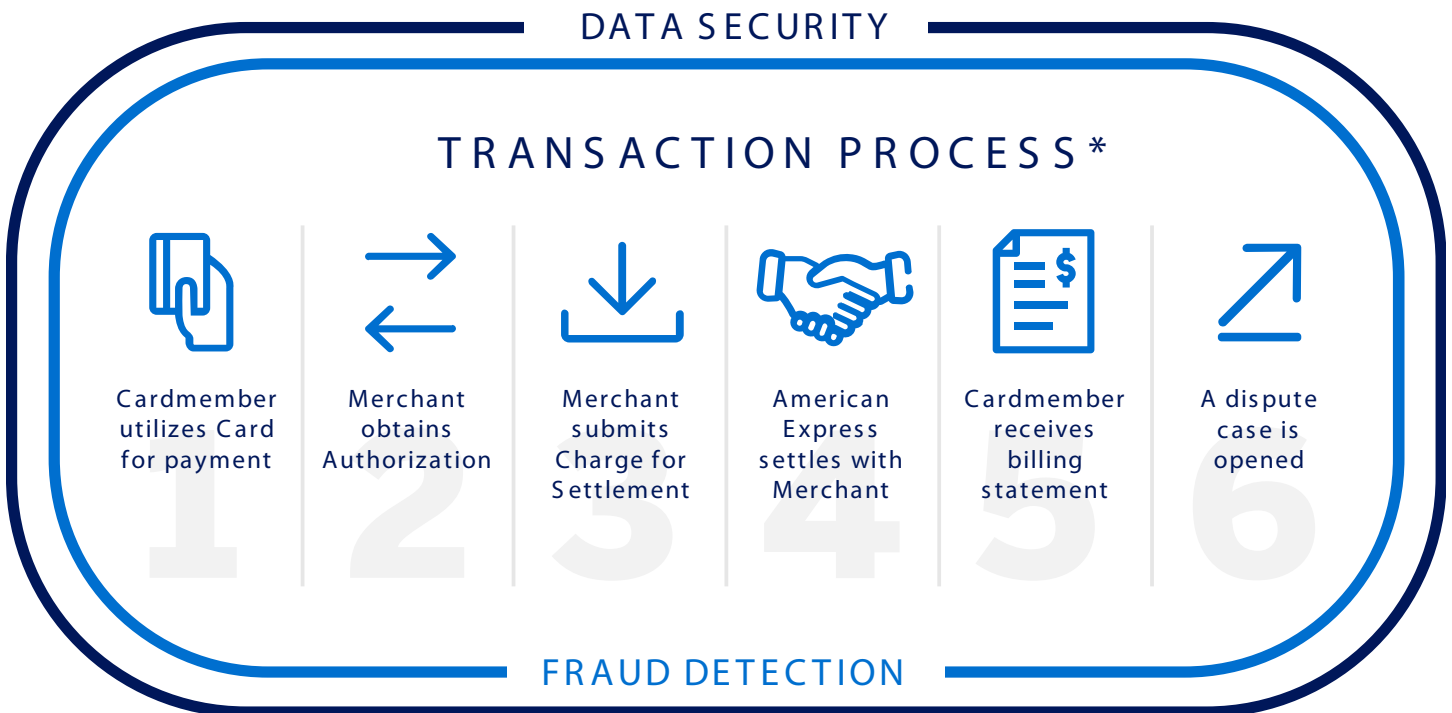
- in-store Transactions
- internet/e-commerce Transactions
- Application-initiated Transactions
- phone/mail order Transactions
- CAT Transactions

This chapter of the *Merchant Regulations* addresses Transaction processing and offers specific procedures for dealing with various Transaction types. It covers Card Present, Card Not Present, the acceptance of Prepaid Cards and more.

4.2 Transaction Process

The first step in understanding the Card acceptance process is to understand the American Express Transaction process.

The following graphic illustrates the high level phases that occur throughout the Transaction process. We will refer to this Transaction process at various points throughout the *Merchant Regulations*.



* This graphic is for illustration purposes only and is not to be construed as limiting or waiving American Express' rights with respect to Cardmember Information or other information.

4.3 American Express Payment Options



American Express offers many products and services. If you are interested in a service that is not listed here, contact your American Express representative.

Contactless technology allows the transfer of payment information wirelessly when an embedded Chip is held up to a contactless reader. For more information, contact [Merchant Services](#).

In an ongoing commitment to offering a variety of products, American Express Issuers deliver a wide range of payment options.

Payment options available in your area include:

Credit and Charge Cards

- Charge Cards and standard Credit Cards such as the Blue from American Express® Card
- Cash Rewards Cards
- Sports and Special Interest “Loyalty” Cards
- Airline and Hotel Rewards Cards
- Small Business and Corporate Cards
- Many more

Additional products and services

- Prepaid Cards
- Travelers Cheques
- Gift Cheques
- Contactless (both physical Cards and Mobile Devices)

4.4 Completing a Transaction at the Point of Sale

When Cardmembers make an Application-initiated Transaction or pay using other mobile phone or tablet application based payments (which Cardmembers may have created by providing Cardmember Information when the account was established), the Transaction Data collected to facilitate the Card Not Present Charge has already been provided directly by the Cardmember. Such Merchants are not required to have the Cardmember re-enter the Transaction Data.

All valid Transactions begin with a Cardmember’s purchase at the point of sale. Whether the physical Card is used to facilitate a Card Present Charge, or the Cardmember provides his or her Cardmember Information over the phone, via mail order, or the internet, the Transaction must not be completed without the Card and/or information provided by the Cardmember.

To accept the Card for Charges at your Establishments, at the point of sale, you must:

- clearly and conspicuously disclose all material terms of sale prior to obtaining an Authorization, and
- clearly and conspicuously inform Cardmembers at all points of interaction (e.g., sales conducted in person, over the internet, mobile or via mail or telephone order) what Entity is making the sales offer, so that the Cardmember can clearly distinguish you from any other party involved in the interaction (e.g., a vendor of goods or provider of services you may engage, or another Merchant seeking to conduct business with the Cardmember).

Transaction Data

All information required by American Express evidencing one or more Transactions, including information obtained at the point of sale, information obtained or generated during Authorization and Submission, and any Chargeback.

The Transaction Data you collect to facilitate the Charge must be, or have been, provided directly to you by the Cardmember.

You must not accept or have accepted Transaction Data from, nor shall you provide or have provided Transaction Data to, any third parties other than your Covered Parties. If you fail to comply with this requirement, in addition to our rights and remedies listed under [Section 10.3, "Monitoring"](#), we may, in our sole discretion, charge you non-compliance fees (see [Subsection 14.2.5, "Data Pass Violation Fee"](#)), suspend Card acceptance privileges at your Establishments, or terminate the Agreement.

4.5 Processing an In-Person Charge

American Express offers a variety of fraud prevention solutions that can be enabled at the point of sale. See [Chapter 9, "Fraud Prevention"](#), which offers advice for implementing these solutions in your business.

In-Person Charges refer to Charges in which the Card and Cardmember are present at the point of sale. An example of this is when a Cardmember presents a Card to the Merchant at a retail store.

For all In-Person Charges, the Card must be presented. There are several ways in which you can conduct the In-Person Charge. The steps you take vary according to how you go about conducting the following two types of In-Person Charges:

- electronic Charges
- key-entered Charges

4.5.1 Electronic Charges

Electronic POS Systems automatically capture required information from the Card so it can be used to request Authorization for the Charge. Electronic charges can be conducted in a variety of ways depending on the type of Card presented.

- Magnetic Stripe Cards – Contain Cardmember and Card account information on the stripe on the back of the card or in a contactless Chip embedded in the Card.
- Chip Cards – Contain a Chip on which data is stored (including Cardmember and Card account information), which the POS System can read in order to guide the processing of the Transaction.
- Mobile Devices – An Issuer approved and American Express recognized electronic device (including, but not limited to, a mobile telephone, tablet, or wearable device) that is enabled to initiate a Digital Wallet Payment Transaction.

Some Magnetic Stripe, Chip Cards, and Mobile Devices may be read over the contactless interface of the POS System. The Charge Record is then created from the information captured during the electronic Charge.

Work with your Terminal Provider, Processor or if you have a direct link to American Express, your American Express representative if you have questions about your POS System's capabilities.

4.5.1.1 Magnetic Stripe Card Charges

Only the person whose name appears on an American Express Card is entitled to use it. Cards are not transferable.

When presented with a Card at the point of sale, you must:

1. Verify that the Card is not visibly altered or mutilated (see [Chapter 9, "Fraud Prevention"](#) for additional information),
2. Capture Magnetic Stripe data by swiping the Card (unless the Charge was already initiated by waving the contactless Chip Card in close proximity to the POS System, as described in [Subsection 4.5.1.3, "Contactless Chip Card Charges"](#)),
3. Obtain an Authorization Approval,
4. Verify the Card's Expiration Date,
5. Match the Card Number and the Expiration Date on the Card to the same information on the Charge Record, and
6. Ensure the name that prints on the Charge Record matches the name on the front of the Card.*
7. If you choose or are required by Applicable Law to obtain a Cardmember signature, see [Subsection 4.5.1.2.2, "Obtaining Signature for In-Person Charges"](#).

* Except when the Cardmember name is not captured on the Charge Record or for Prepaid Cards that do not show a name on their face.

If you encounter an In-Person Transaction that raises concern, refer to [Subsection 4.5.3, "Actions for In-Person Charges"](#) and proceed accordingly.

4.5.1.2 Contact Chip Card Charges

Only the person whose name appears on an American Express Card is entitled to use it. Cards are not transferable.

In the case of Chip and PIN Transactions, if the PIN is not validated, you may be liable for Chargebacks unless your Establishment and the Charge qualify for the No PIN Program (see [Section 4.17, "No PIN Program"](#)).

Transactions that are manually key-entered when a Chip Card is presented may be subject to counterfeit, lost/stolen and non-received Chargebacks in the event of a fraud dispute. To minimize your risk of Chargebacks, we recommend that you avoid manually key-entered Transactions.

When presented with a Chip Card to be inserted into a Chip Card reader, you must:

1. Verify that the Card is not visibly altered or mutilated (see [Chapter 9, "Fraud Prevention"](#) for additional information).
2. Capture Chip Card Data by inserting the Card into the Chip Card reader.

The POS System will advise Cardmembers to enter their PIN (a Chip and PIN Charge) or complete the Transaction without a PIN. You can also set your POS System to prompt the Cardmember to sign for the Charge (a Chip and signature Charge) see [Subsection 4.5.1.2.2, "Obtaining Signature for In-Person Charges"](#).

For Chip and PIN Charges: Cardmembers will enter their PIN into the POS System using the keypad. If the Chip and PIN Charge is unable to be completed due to a technical problem, the POS System will show an error message. Follow the procedures for a swiped Charge in [Subsection 4.5.1.1, "Magnetic Stripe Card Charges"](#). Failure to validate the PIN, when required, can render you liable for Chargebacks if the Cardmember disputes the Charge. Validating a PIN may not be required if your Establishment and the Charge qualify for the No PIN Program (see [Section 4.17, "No PIN Program"](#) for additional information).

3. Obtain an Authorization Approval.
4. Verify the Card's Expiration Date.
5. Match the Card Number and the Expiration Date on the Card to the same information on the Charge Record, and
6. Ensure the name that prints on the Charge Record matches the name on the front of the Card.*
7. If you choose or are required by Applicable Law to obtain a Cardmember signature, see [Subsection 4.5.1.2.2, "Obtaining Signature for In-Person Charges"](#).

* Except when the Cardmember name is not captured on the Charge Record or for Prepaid Cards that do not show a name on their face.

Ensure that you comply with *Technical Specifications* and submit your MCC code accurately in the Authorization and Submission Transaction. See [Section 2.6, "Compliance with the Technical Specifications"](#) for additional details.

For Merchants who choose to implement American Express Quick Chip and the No PIN program, please refer to [Subsection 4.5.1.2.1, "American Express Quick Chip"](#) for more information about potential fraud liability shift impacts.

If you use Enabled Chip and PIN POS Systems to process a Chip Transaction for Other Payment Products, then you must configure those Enabled Chip and PIN POS Systems for our Chip Cards in accordance with our *Technical Specifications* and other requirements we make available.

To avoid Chip Card fraud liability shift, you must use an Enabled Chip and PIN POS System that can process Chip Cards at the time of the Transaction, and you must comply with all applicable Card acceptance procedures. Chip Card fraud liability shift does not apply to contactless Transactions or Digital Wallet Payments.

Chip Card fraud liability shift applies to all industries. Chip Card fraud liability shift applies to CATs attached to automated fuel dispensers - MCC 5542.

If your POS System is not an Enabled Chip and PIN POS System that can process Chip Cards, and a Chip Card is presented, we may exercise Chargeback for counterfeit, lost, stolen or non-received fraud.

If your POS System is a Capable Chip and PIN POS System that can process Chip Cards and a Chip Card is presented:

- we may exercise Chargeback for counterfeit, lost, stolen or non-received fraud if a Chip Card with PIN functionality is presented and the Charge is not submitted as a Chip and PIN Charge because at the time of the Transaction, your Capable Chip and PIN POS System was not configured to process the Chip and PIN Charge.
- we will not exercise Chargeback for counterfeit, lost, stolen or non-received fraud for Fallback Transactions, if after inserting the Chip Card, your POS System prompts you to complete the Transaction by swiping the Magnetic Stripe of the Card, provided you follow all applicable Card acceptance steps as outlined in [Subsection 4.5.1.1, "Magnetic Stripe Card Charges"](#).

If you are presented with a Chip Card and manually key-enter the Transaction, you may be subject to counterfeit, lost/stolen and non-received Chargebacks in the event of a fraud dispute.

We will monitor your transactional data, including your reporting of the POS System capability provided in the Point of Service Data Code listed in our *Technical Specifications*. We may use this information to determine eligibility for Chip Card fraud liability shift, see [Section 10.3, "Monitoring"](#).

4.5.1.2.1 American Express Quick Chip

For more information on American Express Quick Chip, please work with your terminal provider to determine which implementation approach best meets your business needs.

We may exercise Chargeback for EMV^{®1} counterfeit (chargeback code F30) or EMV lost, stolen or non-received fraud (chargeback code F31) if you implement American Express Quick Chip and the following applies:

- You implement the No PIN program, and
- You are using a Terminal which supports a provisional transaction amount, and
- The final transaction performed is over the No PIN threshold.

4.5.1.2.2 Obtaining Signature for In-Person Charges

If you choose or are required by Applicable Law to obtain signature on a manual imprint, printed, or electronic Card Present Charge, you must:

1. Obtain signature and verify that the signature is identical to the name on the Card, and*

1. EMV[®] is a registered trademark in the U.S. and other countries and an unregistered trademark elsewhere. The EMV trademark is owned by EMVCo, LLC.

2. Compare the signature (when obtained) on the Charge Record with the signature on the Card.

* Except when the Cardmember name is not captured on the Charge Record or for Prepaid Cards that do not show a name on their face.

4.5.1.3 Contactless Chip Card Charges

Some Chip Card Charges involve transmission of payment information when the Card is waved in close proximity to a contactless reader. Merchants that choose to accept Contactless payments must comply with the current American Express contactless POS System requirements.

When presented with a Chip Card to be read via a contactless reader, and the Charge qualifies for the No PIN Program, you must:

1. Capture Magnetic Stripe or Chip Card Data using the contactless reader.
2. Obtain an Authorization Approval.

For Charges that do not qualify under the No PIN Program, follow the Card acceptance procedures outlined in either:

- [Subsection 4.5.1.1, "Magnetic Stripe Card Charges"](#),
- [Subsection 4.5.1.2, "Contact Chip Card Charges"](#) or
- [Subsection 4.5.1.4, "Digital Wallet Payments"](#).

See [Section 4.17, "No PIN Program"](#) for additional information.

4.5.1.4 Digital Wallet Payments

Mobile Devices do not have the same security features as a traditional plastic Card. For instance, the screen on the Mobile Device may not display all the digits of the Card Number and expiration date, or the Cardmember name. Likewise, there may not be a CID visible on the handset screen.

Digital Wallets within a Mobile Device conduct Transactions as follows:

- For a Digital Wallet Contactless-initiated Transaction, the Mobile Device completes a Card Present Charge by waving the device in close proximity to a contactless-enabled POS System.
- For a Digital Wallet Magnetic Secure Transmission Transaction, the Mobile Device completes a Card Present Charge by waving the device in close proximity to the magnetic swipe enabled POS System.
- For a Digital Wallet Application-initiated Transaction, the Mobile Device completes a Card Not Present Charge (typically made online) using a software application within the Mobile Device and not the contactless payment application.

When presented with a Mobile Device for a Card Present Charge, you should:

1. Capture Magnetic Stripe or Chip Card data by having the Cardmember wave the Mobile Device in close proximity to the contactless reader or magnetic swipe enabled POS System. Merchants that choose to accept contactless payments should comply with the most current American Express contactless POS System requirements.
2. Obtain an Authorization Approval.
3. If you choose or are required by Applicable Law, obtain a signature, see [Subsection 4.5.1.2.2, "Obtaining Signature for In-Person Charges"](#).
4. If applicable, have the Cardmember complete a Consumer Device Cardholder Verification Method (CDCVM) on contactless initiated Transactions.
5. Continue to include an indicator in the Authorization that the Transaction is a contactless Transaction, if applicable.
6. If a Mobile Device initiated Transaction cannot be processed for any reason, you should request that the Cardmember provide the companion physical Card and complete the Transaction by following the relevant Card acceptance procedures outlined in:
 - [Subsection 4.5.1.1, "Magnetic Stripe Card Charges"](#), or

- [Subsection 4.5.1.2, "Contact Chip Card Charges"](#).

For Application-initiated Transactions, you should follow Card Not Present Charge policy as described in [Section 4.7, "Processing a Card Not Present Charge"](#).

For a Transaction to be recognized as Digital Wallet Application-initiated Transaction, you should:

1. Certify for Digital Wallet Application-initiated Transactions with your Processor, terminal Provider or if you have a direct link to American Express, your American Express representative.
2. Include appropriate indicators in the Authorization and Submission that the Transaction is a Digital Wallet Application-initiated Transaction (see [Section 2.6, "Compliance with the Technical Specifications"](#)).

4.5.2 Key-Entered Charges

There are instances when you may need to key-enter an In-Person Charge. This occurs most often when the POS System cannot read the Card.

If the Card cannot be read electronically and you wish to key-enter the transaction, then you must:

1. Verify that the Card is not visibly altered or mutilated (see [Chapter 9, "Fraud Prevention"](#), for additional information),
2. Key-enter the data,
3. Obtain an Authorization Approval,
4. Verify the Card's Expiration Date,
5. Match the Card Number and the Expiration Date on the Card to the same information on the Charge Record,
6. Validate the Card's presence by taking an imprint of the Card (the imprint is for your records). Failure to validate the Card's presence by taking an imprint of the Card can render you liable for Chargebacks if the Cardmember disputes the Charge.

* Except when the Cardmember name is not captured on the Charge Record or for Prepaid Cards that do not show a name on their face.

You may still be subject to other fraud Chargebacks, including counterfeit, lost, stolen and non-received for manually key-entered Transactions.

You may also validate the Card's presence by performing Card Identification (CID) verification. See [Subsection 9.11.1.1, "Card Identification \(CID\) Verification"](#) for additional information.

Key-entered Charges are subject to a fee. See [Subsection 14.2.2, "Authorization Fees"](#).

If you are presented with a Card and manually key-enter the Transaction, you may be subject to counterfeit, lost/stolen and non-received fraud Chargebacks.

Charges initiated with a contactless-enabled mobile device must not be key-entered.

Supplies to help you process paper Charge and Credit Records are available. Contact [Paper submissions](#) to order paper supplies.

Only the person whose name appears on an American Express Card is entitled to use it. Cards are not transferable.

In-Person Charges that must be key-entered because the Magnetic Stripe cannot be read are more likely to be fraudulent. See [Chapter 9, "Fraud Prevention"](#) to learn how to inspect the Card and for procedures to follow when you suspect fraud. Transactions that are manually key-entered when a Chip Card is presented may be subject to counterfeit, lost/stolen and non-received Chargebacks in the event of a fraud dispute. To minimize your risk of Chargebacks, we recommend that you avoid manually key-entered Transactions.

4.5.3 Actions for In-Person Charges

The following table describes the course of action required during an In-Person Transaction process:

If	Then
The Card is obviously altered or counterfeit.	Do not accept the Card.
The Cardmember is attempting to use the Card outside of its Valid Dates. Note: Cards are valid through the last day of the month on the front of the Card.	Do not accept the Card. Advise the Cardmember to contact the customer service number on the back of the Card.
It appears that someone other than the Cardmember is attempting to use the Card.	Do not accept the Card. Indicate that the Cards are non-transferable and that only the Cardmember is permitted to use the Card.
The signature does not match the name on the Card.	Call the Authorization Department with a Code 10.
You are unable to obtain Authorization electronically.	Call the Authorization Department .
The Authorization is Declined.	Do not accept the Card, and follow your internal policies for handling various Authorization responses. See Section 5.5, "Possible Authorization Responses" .
The customer presents an unsigned Card.	An unsigned Card is invalid. Show customer that the Card is not signed. Ask the customer to sign the Card and also request photo identification (ID) such as a valid driver's license or passport to compare the signatures.
The customer's signature on the Charge Record does not appear to match the customer's signature on the Card.	
The Card Numbers and Valid Dates on the Card do not match the Charge Record.	Call the Authorization Department with a Code 10, or, if you prefer, simply decline to accept the Card. For more information on Code 10, see Chapter 9, "Fraud Prevention" .
The name on the Charge Record does not match the name on the Card (except in the case of a Prepaid Card which may not show a name on its face).	
The appearance of the Card or the actions of the customer make you suspicious.	

4.6 Customer Activated Terminals

Zip Code Verification is a tool available to minimize the risk of fraud at CATs. The Zip Code Verification tool compares the billing zip code provided by the customer with that on file for the Cardmember. See [Chapter 9, "Fraud Prevention"](#) for more information.

We will accept Charges for purchases at your CATs, provided that you meet the requirements for Charge Records as detailed in [Section 4.8, "Charge Records"](#) as well as comply with the *Technical Specifications* (see [Section 2.6, "Compliance with the Technical Specifications"](#)). You must also follow any additional requirements in order for us to accept Charges for purchases at your CATs.

You must include:

- the full Magnetic Stripe data stream or Chip Card Data in all Authorization requests, and
- a CAT indicator on all Authorization requests and Submissions.

We will not be liable for actual or alleged fraudulent Charges occurring through CATs, and we will have the right to Chargeback for those Charges.

4.7 Processing a Card Not Present Charge

Mail orders, telephone orders, and Internet Orders increase your business opportunities, but such Card Not Present Charges do not provide you the opportunity to inspect the physical Card. For these Card Not Present Charges, fraud might be difficult for you to detect.

You must:



Obtain Cardmember Information as described below



Obtain an Authorization Approval



Submit the Charge to American Express

For Card Not Present Charges, you must create a Charge Record as described in [Section 4.8, "Charge Records"](#). The information you must obtain in order to proceed with the Transaction includes:

- Card Number or Token, and
- Card or Token Expiration Date.

In addition, we also recommend that you ask for:

- name as it appears on the Card,
- Cardmember's billing address, and
- complete shipping address, if different from the billing address.

In situations where goods are ordered through a Card Not Present channel and the goods are picked up at a physical location by the Cardmember, we recommend that you ask to see the Card used to make the purchase, obtain a Cardmember signature on the pickup form, and obtain proof verifying the Cardmember's identity before releasing the goods.

In situations where goods are ordered through a Card Not Present channel and are picked up at a physical store by an authorized third party, we recommend that you use American Express fraud prevention tools (e.g., SafeKey®, CID verification) prior to completing the Transaction, confirm some relationship between the third party and the Cardmember, and obtain proof verifying the identity of the authorized third party before releasing the merchandise.

If you ship goods to an alternate address, we recommend that you keep a record of this. Then you can show a record of previous undisputed Transactions which were shipped to this address.

We have the right to Chargeback for any Card Not Present Charge that the Cardmember denies making or authorizing. We will not Chargeback for such Charges based solely upon a Cardmember claim that he or she did not receive the disputed goods if you have:

- verified with us the address to which the goods were shipped was the Cardmember's full billing address, and
- provided Proof of Delivery signed by the Cardmember or an authorized signer of the Card indicating the delivery of the goods or services to the Cardmember's full billing address.

We will not be liable for actual or alleged fraudulent Transactions over the internet and we will have the right to Chargeback for those Charges.

For Internet Orders, you must:

- use any separate Merchant Numbers that we provide you for Internet Orders in all your requests for Authorization and Submission of Charges,
- provide us with at least one (1) month's prior written notice of any change in your internet address, and
- comply with any additional requirements that we may have from time to time.

Additionally, if a Disputed Charge arises involving a Card Not Present Charge that is an Internet Electronic Delivery Charge, we may exercise Chargeback for the full amount of the Charge.

Ensure that your Proof of Delivery includes a courier receipt with the following information at minimum:

- date merchandise was delivered,
- full name of recipient, and
- full shipping address (e.g., suite or apartment number, city, state/province, zip/postal code, country).

When providing Proof of Delivery, a signature from the Cardmember or an authorized signer of the Card is not required.

4.8 Charge Records

You must create a Charge Record for every Charge. For each Charge submitted electronically, you must create an electronically reproducible Charge Record that complies with the *Technical Specifications*. See [Section 2.6, "Compliance with the Technical Specifications"](#). For each Charge submitted on paper, you must comply with the Charge Record requirements listed in [Section 6.6, "Submission Requirements—Paper"](#).

The Charge Record (and a copy of the customer's receipt) must disclose your return and/or cancellation policies. See [Section 4.11, "Return and Cancellation Policies"](#) for additional information.

If the Cardmember wants to use different Cards for payment of a purchase, you may create a separate Charge Record for each Card used. However, if the Cardmember is using a single Card for payment of a purchase, you shall not divide the purchase into more than one Charge, nor shall you create more than one Charge Record.

For all Charge Records, you must:

1. submit the Charge to American Express directly, or through your Processor, for payment.
2. retain the original Charge Record (as applicable) and all documents evidencing the Charge, or reproducible records thereof, for the time frame listed in our country-specific policies. See [Chapter 8, "Protecting Cardmember Information"](#) for additional information.
3. provide a copy of the Charge Record to the Cardmember.

You may be able to create more than one Charge Record if the purchase qualifies for a Delayed Delivery Charge. See [Section 4.16, "Delayed Delivery Charges"](#).

For Transit Contactless Transactions, a Charge Record is not required for every Charge. Please refer to [Subsection 12.15.4, "Transit Charge Information"](#) for more information.

The retention time frame for Charge Records is twenty-four (24) months from the date you submitted the corresponding Charge to us.

Pursuant to Applicable Law, truncate the Card Number and do not print the Card's Expiration Date on copies of Charge Records delivered to Cardmembers. Truncated Card Number digits must be masked with replacement characters such as "x," " *," or "#," and not blank spaces or numbers. Here is an example of a Charge Record with a truncated Card Number.

Rocco's Pizza 123 Brighton Beach Ave 1-800-867-5309 THE NATION'S FINEST	
Emp:	Rg: 1 Printed: 12:06 PM
Card Type: AMEX XXXXXXXXXXXX1002 XX/XX Authorization Code: 592052 Reference Number: 1002 Date: 3/2/2021 12:06 PM	
AMOUNT:	\$10.50
TIP:	_____
TOTAL:	_____
Signature _____	
I agree to pay the above total according to the card holder agreement	
Chk# 19	

4.8.1 Substitute Charge Records

In some cases, you may provide a Substitute Charge Record as supporting documentation for Card Not Present Charges in place of the original Charge Record. You must also provide any additional information requested in the Inquiry. Substitute Charge Records may be used in response to the following Inquiry reasons:

- [\(127\)](#)
- [\(176\)](#)
- [\(193\)](#)
- [\(691\)](#)

See [Section 11.8, "Inquiry Types"](#) for additional information regarding Inquiry reasons.

The Substitute Charge Record must include the following:

- Card Number

- Cardmember name
- Merchant name
- Merchant location
- Transaction date/date goods or services were shipped or provided
- Transaction amount
- Authorization Approval
- description of goods/services

Additionally, the following optional information should be included, if available, on Substitute Charge Record:

- date goods/services were ordered
- website address
- your customer service's telephone number/email address
- "ship to" name and address
- Automated Address Verification response code
- order confirmation number
- electronically captured Cardmember signature

4.9 Processing a Credit

A Credit may occur when a Merchant processes a refund for purchases or payments made on the Card.

Follow these steps to issue a Credit:

1. Create a Credit Record.
2. Compare the last four digits on the Charge Record against the Card presented (when applicable).
3. Have the Cardmember sign the Credit Record (optional).
4. Provide a copy of the Credit Record to the Cardmember.

In determining the date that a Credit is due, you should apply the date on which you accepted the return of the goods or forgave the amount that your customer owed you for the services.

You must submit Credits to us within seven (7) days of determining that a Credit is due and create a Credit Record that complies with our requirements (see [Section 4.10, "Credit Records"](#) for additional information). You must not issue a Credit when there is no corresponding Charge, nor issue a Credit in exchange for cash or other consideration from a Cardmember.

You must submit all Credits under the Merchant Number of the Establishment where the Charge originated.

A Credit must be issued in the currency in which the original Charge was submitted to us.

You must issue Credits to the Card used to make the original purchase; however, if the Credit is for the return of a gift by someone other than the Cardmember who made the original purchase, apply your usual refund policy.

If the Cardmember indicates that the Card on which the purchase was originally made is no longer active or available, do the following:

- For all Cards except Prepaid Cards, advise the Cardmember that you must issue the Credit to that Card. If the Cardmember has questions, advise him or her to call the customer service number on the back of the Card in question.
- If the inactive or unavailable Card is a Prepaid Card, apply your usual refund policy for returns.

If you issue a Credit, we will not refund the Discount or any other fees or assessments previously applied on the corresponding Charge.

4.10 Credit Records

You must create a Credit Record for any Credit you issue. For each Credit submitted electronically, you must create an electronically reproducible Credit Record, and the Credit must comply with the *Technical Specifications*. See [Section 2.6, "Compliance with the Technical Specifications"](#).

If you submit Credits on paper, you must create a Credit Record containing all of the following required data:

- full Card Number and Expiration Date (pursuant to Applicable Law), and if available, Cardmember name,
- the date the Credit was issued,
- the amount of the Credit,
- your Establishment name and address and, if applicable, store number, and
- your Merchant Number.

For all Credit Records, you must:

1. Submit the Credit to American Express directly, or through your Processor.
2. Retain the original Credit Records (as applicable) and all documents evidencing the Transaction, or reproducible records thereof, for the time frame listed in our country-specific policies.
3. Provide a copy of the Credit Record to the Cardmember.

The retention time frame for Credit Records is twenty-four (24) months from the date you submitted the corresponding Credit to us.

Pursuant to Applicable Law, truncate the Card Number and do not print the Card's Expiration Date on copies of Credit Records delivered to the Cardmember.

4.11 Return and Cancellation Policies

Post your return, exchange and cancellation policies in various places at your Establishment including:

- signs near the cash registers,
- on the Charge Record/ sales slip the customer signs,
- in any contract the Cardmember signs, and
- in terms and conditions of purchase on your website with "I accept" functionality.

It is recommended that you submit Credits the day the cancellation is received from the Cardmember.

Your return and cancellation policies must be fair and clearly disclosed at the time of sale in compliance with Applicable Law. Your policies must be conveyed to the Cardmember prior to completion of the Charge and printed on a copy of a receipt, Charge Record, or otherwise provided to the Cardmember in writing.

You must not give cash refunds to Cardmembers for goods or services they purchase on the Card, unless required by Applicable Law. Your refund policy for purchases on the Card must be at least as favorable as your refund policy for purchases made with Other Payment Products or other payment methods.

Return Policy recommendations:

Provide clear return instructions for your customers, including the following information:

- customer service telephone number,
- reference number for the return,
- expected processing time for the Credit, and
- return address, preferably on a pre-formatted shipping label (if applicable).

Cancellation Policy recommendations:

Document cancellation policy and terms and conditions on the contract the Cardmember signs, or on your website, as applicable. Provide Cardmember with a cancellation number that can be tracked in your records.

4.11.1 Return Policy For Prepaid Products

An example of a prepaid product return policy that is different from your standard return policy is if you allow returns or exchanges on store merchandise but sales of prepaid products are final.

This section applies to Merchants who accept our Card for the purchase of any prepaid product (Prepaid Cards, non-American Express branded stored value or gift cards, or both). If your return policy for the purchase of prepaid products is different from your standard return policy, notwithstanding the requirements listed in [Section 4.11, "Return and Cancellation Policies"](#), you must ensure that such prepaid product-specific return policy is clearly disclosed to the Cardmember at the time of purchase and also coded to print on all receipts and copies of Charge Records you provide to Cardmembers.

4.12 Processing Transactions for Specific Industries

Most policies and procedures in the *Merchant Regulations* are applicable to all Merchants, regardless of industry. Some Merchants classified in specific industries, however, are subject to additional policies and procedures. These policies and procedures are contained in [Chapter 12, "Specific Industries"](#).

4.13 Corporate Purchasing Card Charges

Accepting the CPC helps assist with procurement costs. The CPC Card enables streamlining of the procurement process, from sourcing and buying, to billing, payment, and reconciliation.

We may adjust your Discount for Corporate Purchasing Card (CPC) Charges if you meet certain criteria.

In order for us to adjust your Discount for CPC Charges (if applicable), you must capture additional or reformatted Transaction Data on the Charge Record, and Transmission Data on the Transmissions, according to the *Technical Specifications*. See [Section 2.6, "Compliance with the Technical Specifications"](#), including:

- the sales tax,
- the ship-to zip code,
- CPC Cardmember reference information,
- the name of the CPC Cardmember's company, and
- the Transaction descriptor, which is a description of purchased goods and/or services.

Failure to comply with these requirements may impact our adjustments to your Discount for CPC Charges. You must obtain Authorization for and submit each CPC Charge to us electronically according to the *Technical Specifications*. We may modify the preceding requirements from time to time.

4.14 Advance Payment Charges

Advance Payment Charge

A Charge for which full payment is made in advance of your providing the goods and/or rendering the services to the Cardmember.

Purchases involving Advance Payment Charges generally carry a higher level of risk than other Charges, due to the fact that goods and services are not provided at the time the Charge is processed. For this reason, we may withhold settlement for part or all of such Charges until we deem that our risk has diminished.

To minimize your risk of a Disputed Advance Payment Charge, always:

- clearly disclose all reservation, sales, cancellation, and refund policies (see [Section 4.11, "Return and Cancellation Policies"](#)), and
- retain a copy of the Cardmember's written consent, including a detailed description and expected delivery date of the goods and/or services to be provided in a format that easily allows you to respond to an Inquiry.

See [Chapter 11, "Chargebacks and Inquiries"](#) for additional information.

In some countries, certain industries may be able to process Advance Payment Charges.

You must follow these procedures if you offer Cardmembers the option or require them to make Advance Payment Charges for the following types of goods and/or services:

- Custom-orders (e.g., orders for goods to be manufactured to a customer's specifications)
- Entertainment/ticketing (e.g., sporting events, concerts, season tickets)
- Tuition, room and board, and other mandatory fees (e.g., library fees) of higher educational institutions
- Airline tickets
- Vehicle rentals
- Rail tickets
- Cruise line tickets
- Lodging
- Travel-related services (e.g., tours, guided expeditions)

For an Advance Payment Charge, you must:

- State your full cancellation and refund policies, clearly disclose your intent and obtain written consent from the Cardmember to bill the Card for an Advance Payment Charge before you request an Authorization. The Cardmember's consent must include:
 - his or her agreement to all the terms of the sale (including price and any cancellation and refund policies), and
 - a detailed description and the expected delivery date of the goods and/or services to be provided (including, if applicable, expected arrival and departure dates).
- Obtain an Authorization Approval.
- Complete a Charge Record. If the Advance Payment Charge is a Card Not Present Charge, you must also:
 - ensure that the Charge Record contains the words "Advance Payments" (see [Section 4.8, "Charge Records"](#)), and
 - within twenty-four (24) hours of the Charge being incurred, provide the Cardmember written confirmation (e.g., email or facsimile) of the Advance Payment Charge, the amount, the confirmation number (if applicable), a detailed description and expected delivery date of the goods and/or services to be provided (including expected arrival and departure dates, if applicable) and details of your cancellation/refund policy.

If you cannot deliver goods and/or services (e.g., because custom-ordered merchandise cannot be fulfilled), and if alternate arrangements cannot be made, you must immediately issue a Credit for the full amount of the Advance Payment Charge which cannot be fulfilled.

In addition to our other Chargeback rights, we may exercise Chargeback for any Disputed Advance Payment Charge or portion thereof if, in our sole discretion, the dispute cannot be resolved in your favor based upon unambiguous terms contained in the terms of sale to which you obtained the Cardmember's written consent.

4.15 Aggregated Charges – Internet

Aggregated Charge

A Charge that combines multiple small purchases or refunds (or both) incurred on a Card into a single, larger Charge before submitting the Charge for payment.

To minimize your risk of a Disputed Charge with Aggregated Charges, always:

- confirm to the Cardmember the Aggregated Charge amount and individual purchase details (and/or refund as applicable) at check-out, and
- in the email confirmation, advise where the Cardmember can find additional information about their purchases (and/or refunds as applicable).

In some countries, if we classify you in an internet industry, you may process Aggregated Charges.

If we classify you in an internet industry, you may process Aggregated Charges provided the following criteria are met:

- Clearly disclose your intent and obtain written consent from the Cardmember that their purchases or refunds (or both) on the Card may be aggregated and combined with other purchases or refunds (or both) before you request an Authorization.
- Each individual purchase or refund (or both) that comprises the Aggregated Charge must be incurred under the same Merchant Number and on the same Card.
- Obtain a pre-Authorization of no more than \$15. See [Section 5.12, "Pre-Authorization"](#) for additional information.
- Create a Charge Record for the full amount of the Aggregated Charge. For more information on Charge Records, see [Section 4.8, "Charge Records"](#).
- The amount of the Aggregated Charge must not exceed \$15 or the amount for which you obtained pre-Authorization.
- Submit each Charge Record within our Submission time frame (see [Section 6.5, "Submission Requirements—Electronic"](#)). For the purposes of [Section 6.5, "Submission Requirements—Electronic"](#), a Charge will be deemed "incurred" on the date of the first purchase (and/or refund as applicable) that comprises the Aggregated Charge.
- Provide the Cardmember with an email containing:
 - the date, amount, and description of each individual purchase (and/or refund as applicable) that comprises the Aggregated Charge, and
 - the date and the amount of the Aggregated Charge.

4.16 Delayed Delivery Charges

To minimize your risk of a Disputed Charge with Delayed Delivery Charges, always:

- clearly disclose all sales and refund policies (see [Section 4.11, "Return and Cancellation Policies"](#)), and
- retain a copy of the Cardmember's written consent in a format that easily allows you to respond to an Inquiry.

See [Chapter 11, "Chargebacks and Inquiries"](#) for additional information.

In some countries, you may accept the American Express Card for Delayed Delivery Charges if you meet specific criteria.

To accept the Card for Delayed Delivery Charges, you must:

- clearly disclose your intent and obtain written consent from the Cardmember to perform a Delayed Delivery Charge before you request an Authorization,
- obtain a separate Authorization Approval for each of the two Delayed Delivery Charges on their respective Charge dates,
- clearly indicate on each Delayed Delivery Charge Record that the Charge is either for the deposit or for the balance of the Delayed Delivery Charge,
- submit the Delayed Delivery Charge Record for the balance of the purchase only after the goods have been shipped, provided or services rendered,
- submit each Delayed Delivery Charge Record within our Submission time frames (see [Section 6.5, "Submission Requirements—Electronic"](#)). For the purposes of [Section 6.5, "Submission Requirements—Electronic"](#), the Charge will be deemed "incurred":
 - for the deposit - on the date the Cardmember agreed to pay the deposit for the purchase
 - for the balance - on the date the goods are shipped, provided or services are rendered,
- submit and Authorize each Delayed Delivery Charge under the same Merchant Number, and
- treat deposits on the Card no differently than you treat deposits on all Other Payment Products.

4.17 No PIN Program

The No PIN Program does not provide protection against all Chargebacks. Even if an Establishment and Charge qualify under the No PIN Program, the Merchant may still be subject to Chargeback for reasons unrelated to its failure to obtain PIN from the Cardmember at the point of sale. For more information about Disputed Charges and Chargebacks, see [Chapter 11, "Chargebacks and Inquiries"](#).

For Merchants who choose to implement American Express Quick Chip and the No PIN program, please refer to [Subsection 4.5.1.2.1, "American Express Quick Chip"](#) for more information about potential fraud liability shift impacts.

Your Establishment may participate in our No PIN Program. The No PIN Program allows Establishments not to request a signature or a PIN from Cardmembers on the Charge Record.

To qualify for the No PIN Program, both the Establishment and each Charge must meet the following criteria:

Establishment criteria:

If we classify your Establishment in an industry that accepts In-Person Charges, then the Establishment may participate in the No PIN Program with the exception of the following categories:

- Merchants who do not conduct In-Person Charges (i.e., internet, mail order or telephone order).
- Prohibited Merchants or prohibited Transactions (or both) as defined in [Chapter 10, "Risk Evaluation"](#). See [Section 3.3, "Prohibited Uses of the Card"](#).
- High Risk Merchants as defined in [Subsection 10.3.1, "High Risk Merchants"](#).
- Merchants placed in our Fraud Full Recourse Program. See [Section 11.11, "Chargeback Programs"](#).

Charge criteria:

- The amount or Charge must meet the threshold established in our country-specific policy.
- The Charge Submission must include the appropriate indicator to reflect that the Card and the Cardmember were present at the point of sale.
- The Charge Submission must include a valid Approval.

Under the No PIN Program, we will not exercise Chargeback for such Charges based solely on the Establishment's failure to obtain the Cardmember's PIN at the point of sale.

If we receive disproportionate amounts or numbers of Disputed Charges under the No PIN Program, you must work with us to reduce the amount or number of Disputed Charges. If such efforts fail, we may place you in any of our Chargeback programs, see [Section 11.11, "Chargeback Programs"](#), or we may modify or terminate your Establishment's participation in the No PIN Program.

The established threshold for Charges to qualify under the No PIN Program is \$200 or less for Contactless and \$50.00 or less for all other In-Person Charges.

Note: Obtaining Cardmember signature on Card Present Transactions is optional to complete a Charge Record, and at your discretion, unless required by Applicable Law.

4.18 Recurring Billing Charges

To minimize your risk of Chargeback with Recurring Billing Charges, always:

- ensure updates are applied in a timely manner when notified of Cardmember cancellation or Card Number update, and
- obtain express consent from the Cardmember to continue billing after the end date of the contract.

For more tips on reducing Chargebacks, see [Chapter 11, "Chargebacks and Inquiries"](#).

Recurring Billing is an option offered to Cardmembers to make recurring Charges automatically on their Card. The Recurring Billing Charges are for a product or service the Cardmember agrees to pay periodically and automatically (e.g., membership fees to health clubs, magazine subscriptions, and insurance premiums).

If you offer Cardmembers the option to make Recurring Billing Charges, you must:

- obtain the Cardmember's express consent for you to bill the Card before submitting the first Recurring Billing Charge,
- notify the Cardmember that he or she can cancel such consent at any time and provide contact details for canceling recurring billing.

In addition to our other Chargeback rights, we may exercise Chargeback for any Charge which does not meet the requirements listed in this section (including requirements listed in our country-specific policies). We may also exercise Chargeback, prior to sending you an Inquiry, if you process Recurring Billing Charges after we have previously notified you that the Cardmember has canceled their consent for Recurring Billing Charges.

The method you use to secure such consent must contain a disclosure that you may receive updated Card account information from the Issuer.

Before submitting a Recurring Billing Charge, you must obtain Authorization and complete a Charge Record (see [Section 4.8, "Charge Records"](#)), except with the words "signature on file," if applicable, on the signature line and the appropriate electronic descriptor on the Charge Record. For complete Authorization requirements, see [Chapter 5, "Authorization"](#).

If the Agreement terminates for any reason, then you must notify all Cardmembers for whom you have submitted Recurring Billing Charges that you no longer accept the Card.

You must fulfill Cardmembers' requests that you discontinue the Recurring Billing Charges immediately and provide cancellation numbers to them.

The cancellation of a Card constitutes immediate cancellation of that Cardmember's consent for Recurring Billing Charges. We need not notify you of such cancellation, nor will we have any liability to you arising from such cancellation.

If a Card is canceled, or if a Cardmember cancels consent to Recurring Billing Charges, you are responsible for arranging another form of payment (as applicable) with the Cardmember.

You must permit us to establish a hyperlink from our website to your website (including its home page, payment page or its automatic/Recurring Billing page) and list your customer service contact information.

You must retain evidence of consent to receive updated Card account information from the Issuer for twenty-four (24) months from the date you submit the last Recurring Billing Charge.

If you offer Cardmembers the option to make Recurring Billing Charges, you must:

- ensure that your process for cancellation of Recurring Billing is simple and expeditious,
- clearly and conspicuously disclose all material terms of the option, including, if applicable, initial notice of recurring billing, and the fact that Recurring Billing will continue until the option is canceled by the Cardmember,

Recurring Billing Charges can either be for a fixed or varying amount.

- Fixed amount—the dollar amount does not change from one payment to the next (e.g., monthly magazine subscription).
- Varying amount—the dollar amount changes from one payment to the next (e.g., monthly utility bill).

- within twenty-four (24) hours of incurring the first Recurring Billing Charge, provide the Cardmember written confirmation (e.g., email or facsimile) of such Charge, including all material terms of the option and details of your cancellation/refund policy, and
- where the material terms of the option change after Submission of the first Recurring Billing Charge, promptly notify the Cardmember in writing of such change and obtain the Cardmember's express written consent to the new terms prior to submitting another Recurring Billing Charge.

If your Recurring Billing Charge amounts vary, you must offer the Cardmember the right to receive written notification of the amount and date of each Recurring Billing Charge:

- at least ten (10) days before submitting each Charge, or
- whenever the amount of the Charge exceeds a maximum Recurring Billing Charge amount specified by the Cardmember.

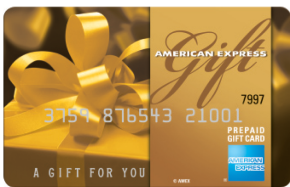
We may exercise Chargeback for any Charge of which you have notified the Cardmember and to which the Cardmember does not consent.

4.18.1 Introductory Offers

If you offer Cardmembers an option to make Recurring Billing Charges that include an Introductory Offer, you must comply with all requirements set forth in this [Section 4.18, "Recurring Billing Charges"](#) policy in addition to the following requirements:

- Clearly and conspicuously disclose all material terms of the Introductory Offer to the Cardmember, including a simple and expeditious cancellation process that allows the Cardmember to cancel before submitting the first Recurring Billing Charge.
- Obtain the Cardmember's express consent to accept the terms and conditions of the Introductory Offer.
- Send Cardmember a confirmation notification in writing upon enrollment in the Introductory Offer.
- Send Cardmember a reminder notification in writing before submitting the first Recurring Billing Charge, that allows the Cardmember a reasonable amount of time to cancel.

4.19 Processing Prepaid Cards



Prepaid Cards are available for a variety of uses: gifting, travel, incentive, etc. All American Express Prepaid Cards show the American Express "Blue Box" logo either on the face or back of the Prepaid Card. Prepaid Cards may or may not be embossed. Most Prepaid Cards can be used for both in-store and online purchases.

Prepaid Cards are valid through the date on the Card. Follow the relevant Card acceptance procedures outlined in [Chapter 4, "Transaction Processing"](#) when presented with a Prepaid Card at the point of sale just like any other Card. A Prepaid Card must be tendered for an amount that is no greater than the funds available on the Card.

- Instruct Cardmembers that, before making a purchase, they may check their remaining funds by:
 - calling the twenty-four (24) hour, toll-free number on the back of the Card,
 - checking online, or
 - using the mobile app offered by their Issuer (where available).
- Because Prepaid Cards are pre-funded, if you receive a Decline when seeking Authorization, ask the customer to go online, use their mobile app, or call the toll-free number on the back of the Card to confirm that the purchase price does not exceed the available funds on the Prepaid Card.

- If the Prepaid Card does not have enough funds to cover the purchase price, process a Split Tender Transaction or request an alternative form of payment. See [Section 5.13, "Additional Authorization Requirements"](#).
- You must create a Charge Record for a Prepaid Card as you would any other Card.

For information about processing Prepaid Cards, call the customer service number on the back of the Card in question.

4.20 Processing Travelers/Gift Cheques

American Express Travelers Cheques, Cheques for Two, and Gift Cheques are easy to accept provided that the cheque is an authentic American Express Travelers Cheque. See [Subsection 4.20.1, "Acceptance Procedures"](#).

Businesses can accept these cheques for payment. You can deposit Travelers Cheques, Cheques for Two and Gift Cheques directly into your Bank Account as they never expire.

Travelers Cheques

American Express Travelers Cheques are a widely used and recognized travel currency. If they are ever lost or stolen, they can be replaced quickly and easily, almost anywhere in the world, usually within twenty-four (24) hours.

Travelers Cheques come in various denominations and currencies.

Gift Cheques

American Express Gift Cheques function like Travelers Cheques, and are available in \$10, \$25, \$50, and \$100 denominations only. Any Gift Cheque presented that is greater than \$100 is counterfeit. If you receive a Gift Cheque greater than \$100, do the following:

- Contact [Travelers Cheque/Gift Cheque Customer Service](#).
- Do not accept it.
- Write the word "VOID" across the front of the counterfeit Cheque.

For further information, see [Chapter 9, "Fraud Prevention"](#).

Travelers Cheques in circulation come in denominations ranging from \$20 to \$1000. Be cautious when presented with an American Express Travelers Cheque in a denomination of \$500 or greater. These higher-denominated Travelers Cheques are rarely sold, and therefore are more likely to be counterfeit. For information on how to perform a "smudge test," which is designed to test the authenticity of the Travelers Cheques, see [Section 9.9, "Travelers Cheque and Gift Cheque Security Features"](#).

4.20.1 Acceptance Procedures

Accepting American Express Travelers and Gift Cheques is easy:

- Watch your customer countersign in the lower left corner of the cheque, and compare the countersignature to the signature in the upper left corner for American Express Travelers Cheques and Gift Cheques. For Cheques for Two, the customer's countersignature must match either one of the two signatures on top.
- Validate Security Features—Validating these features will help reduce the acceptance of counterfeit cheques. See [Section 9.9, "Travelers Cheque and Gift Cheque Security Features"](#).
- Obtain authorization—American Express recommends obtaining an authorization to reduce the chances of accepting fraudulent cheques. American Express offers a variety of authorization tools. See authorization methods in the following table to determine your course of action.

If	Then
The signature and countersignature are a reasonable match (they look alike, but may not be identical)	Accept the cheque. There is no need to obtain any identification.
You suspect that the countersignature may be false, or you did not watch the customer countersign	Ask the customer to turn the cheque over and sign again across the left-hand side (in the same manner one typically endorses a check). Then take the cheque and fold up the bottom right-hand corner so that you can compare the original signature with the new one.
The signatures are not the same, or if there is a question regarding the validity of the cheque	Call the Travelers Cheque/Gift Cheque Customer Service .
You suspect that the Travelers cheque being presented is fraudulent	Use any of the following methods to verify that the cheque you are accepting is authentic: <ul style="list-style-type: none"> • Perform a smudge test (see Chapter 9, "Fraud Prevention" for details). • Obtain online Authorization at www.americanexpress.com/verifyamextc.

4.21 Property Damage to Accommodations and other Rentals

If a Cardmember expressly consents to use the Card to pay for Property Damage Fees and/or smoking fees to a rented accommodation or equipment, you may accept the Card, provided you have complied with following conditions for payment for such fees, and we classify the rental as one of the following:

- Lodging accommodations
- Cruise line accommodations
- Trailer parks and campground rental
- Motor home rental
- Boat rental
- Aircraft rental
- Bicycle rental
- Motorcycle rental
- Equipment rental

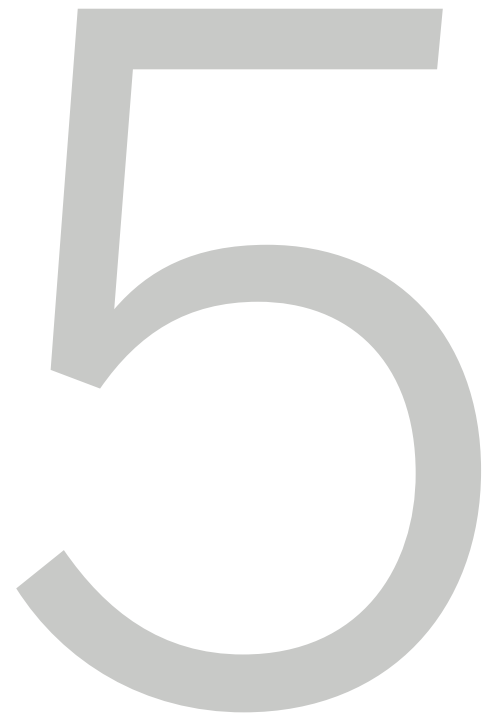
Conditions for Payment for such fees:

- The Card was used as the original payment method for the accommodations or rental.
- You must provide in writing, to the Cardmember, an itemized list and description of the property and/or smoke damage which has occurred.
- Prior to submitting a Charge, you must obtain the Cardmember’s agreement in writing* to:
 - Accept responsibility for the fees associated with the property and/or smoke damage.
 - Select American Express as the payment method for the fees associated with the property and/or smoke damage.
 - Accept the total amount for which the Cardmember is responsible, and that the final billed amount can be up to 15% more than the estimated amount. No amounts in excess of 115% of the disclosed amount shall be charged to the Cardmember’s Card, without the express prior written consent of the Cardmember.

- You must obtain Authorization for the amount the fees associated with the property and/or smoke damage each time a Charge is submitted.
- You must prepare a Charge Record separate from the Charge Record for the rental or lodging stay. You must adhere to all requirements outlined in [Chapter 4, "Transaction Processing"](#) for completion of the Charge Record. In addition, you must observe the following:
 - After the exact fee associated with the property and/or smoke damage has been determined and the Charge is ready for Submission, you must provide the Cardmember with an itemized summary; insert the amount on the Charge Record (in no event in excess of the estimated amount plus 15% agreed to by the Cardmember).
- In addition to the other Chargeback rights contained in the Agreement, we may exercise Chargeback rights with respect to any Charge for damages which is not submitted in accordance with all the procedures contained within the Agreement, including the provisions of this [Section 4.21, "Property Damage to Accommodations and other Rentals"](#).
- You must not include the following in an Authorization Request or in a Charge Submission:
 - Losses due to theft of the equipment.
 - Losses due to theft of property or equipment from within a rental accommodation.
 - Loss of revenue due to the loss of use of the rental equipment, lodging, or cruise accommodations.
- You must submit the Charge to us within ninety (90) calendar days of check-out, disembarkation, or rental return date.
 - * The Cardmember's consent must be provided in writing after the damages have occurred and without any threat or duress.

Authorization

- 5.1 Introduction
- 5.2 Transaction Process
- 5.3 The Purpose of Authorization
- 5.4 Authorization Process
- 5.5 Possible Authorization Responses
- 5.6 Obtaining an Electronic Authorization
- 5.7 Obtaining a Voice Authorization
- 5.8 Card Identification (CID) Number
- 5.9 Authorization Reversal
- 5.10 Authorization Time Limit
- 5.11 Floor Limit
- 5.12 Pre-Authorization
- 5.13 Additional Authorization Requirements



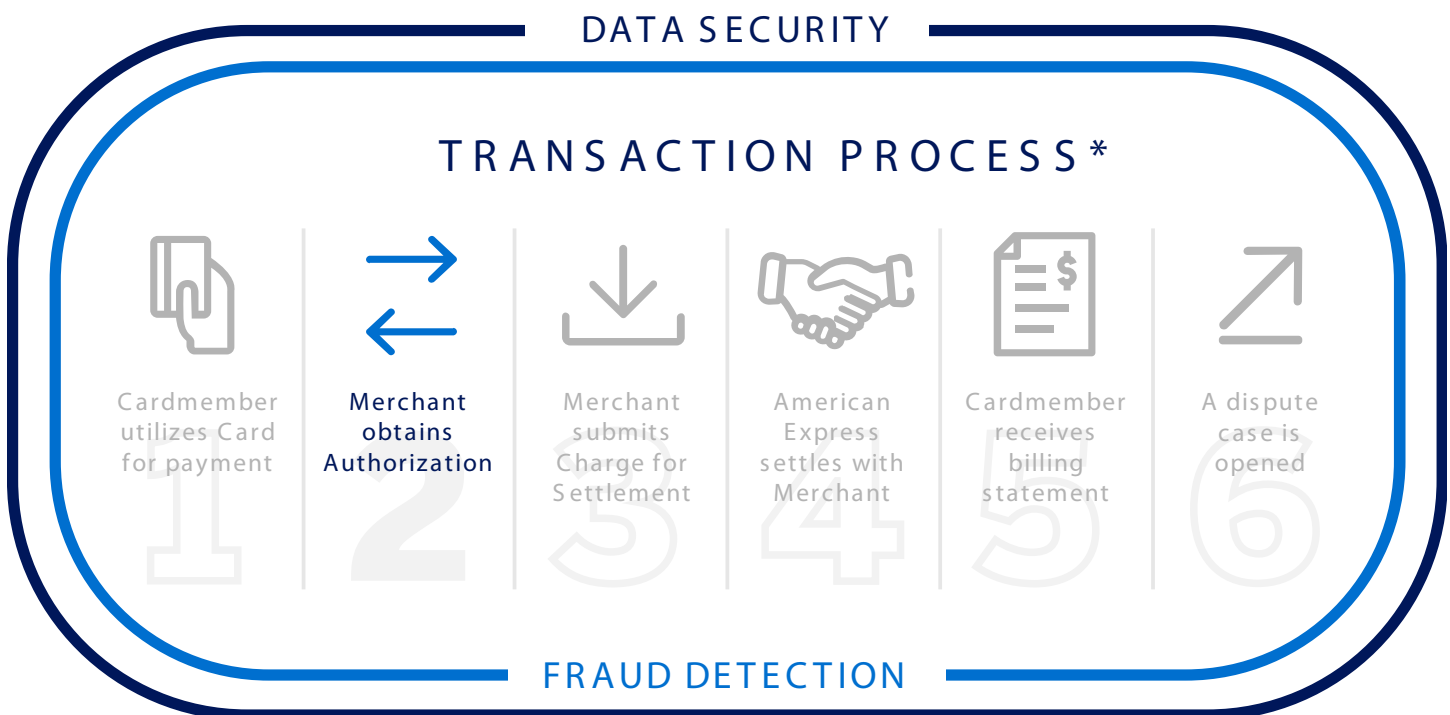
5.1 Introduction

The payment card industry devotes significant amounts of time and resources to developing Authorization systems and decision models in an effort to mitigate the financial losses.

Every Transaction begins and ends with the Cardmember. Between the time the Cardmember presents the Card for payment and receives the goods or services, however, a great deal of data is exchanged, analyzed and processed. A process that literally takes seconds at the point of sale is actually a highly complex approach to analyzing each Transaction.

5.2 Transaction Process

The Authorization process begins when you provide an Authorization request to us. After requesting Authorization, you receive an Authorization response, which you use, in part, to determine whether to proceed with the Charge.



* This graphic is for illustration purposes only and is not to be construed as limiting or waiving American Express' rights with respect to Cardmember Information or other information.

5.3 The Purpose of Authorization

The purpose of an Authorization is to provide you with information that will help you determine whether or not to proceed with a Charge.

For every Charge, you are required to obtain an Authorization Approval except for Charges under a Floor Limit (see [Section 5.11, "Floor Limit"](#)). The Authorization Approval must be for the full amount of the Charge except for Merchants and/or Transaction types that we classify in the industries listed in Section 5.3.1 "Estimated Authorization".

An Authorization Approval does not guarantee that (i) the person making the Charge is the Cardmember, (ii) the Charge is in fact valid or bona fide, (iii) you will be paid for the Charge, (iv) you will not be subject to a Chargeback, or (v) the Charge you submit will not be rejected.



5.3.1 Estimated Authorization

We recommend that you perform an additional Authorization as soon as the Charge amount exceeds the original Authorization by the Estimated Authorization percentage in the table in this section as follows:

- For Authorizations obtained intermittently – at least once per day.
- For Authorizations for estimated amounts at the point the amount of costs incurred exceeds the Authorization for estimated amounts by more than Estimated Amount percentage .

For example in the lodging industry:
If the Authorization was for \$1,000, and the total of purchases was no more than \$1,150, no further Authorization is necessary. However, if the total purchases were \$1,200, and you did not obtain additional Authorization, then we have Chargeback rights up to \$50.

If we classify or otherwise determine that you are in one of the following industries, then the following Estimated Authorization procedures apply where the final Charge amount is not known at the time of Authorization.

You may only obtain an Estimated Authorization in the industries listed below. You must obtain the Cardmember’s consent to such estimated amount prior to requesting the Authorization.

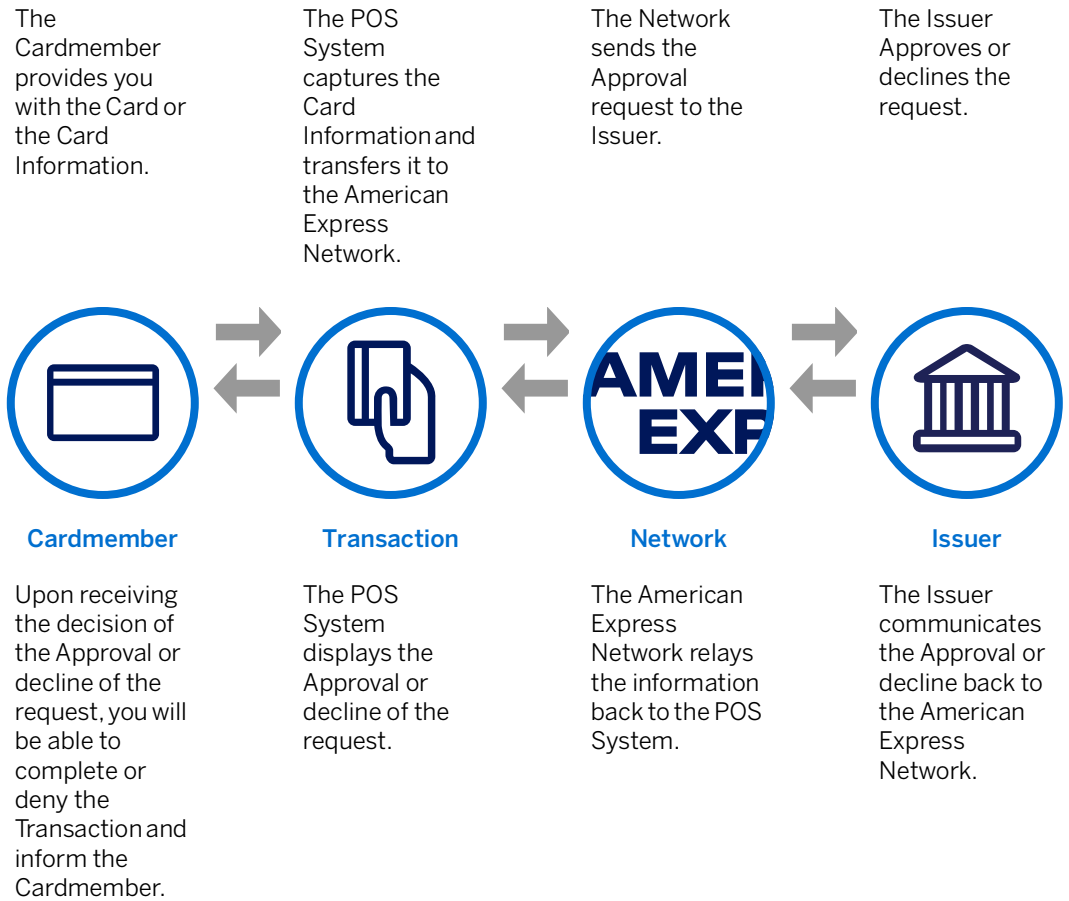
You must submit the corresponding Charge as soon as you become aware of the full amount to be charged. For any amount of the Charge that exceeds the amount for which you obtained an Authorization, you must obtain the Cardmember’s consent.

If the final amount of the Charge is:

- no greater than the amount for which you obtained Authorization plus the applicable Estimated Authorization percentage listed below of that amount, no further Authorization is necessary; or
- greater than the amount for which you obtained Authorization by more than the applicable Estimated Authorization percentage listed below of that amount, you must obtain a new Authorization. If you fail to obtain such Authorization, or your request for such Authorization is declined, we will have Chargeback rights for the amount in excess of the original Authorization amount plus the applicable Estimated Authorization percentage of that amount. For the avoidance of doubt, we will have Chargeback rights for the final amount of the Charge for reasons other than the failure to obtain an approved Authorization.

Industry	Estimated Authorization Percentage
Cruise Lines (See Subsection 12.10.1)	15%
Grocery (Card Not Present)	15%
Lodging (See Subsection 12.10.2)	15%
Vehicle Rentals (See Subsection 12.10.3)	15%
Restaurants	20%
Retail (Card Not Present)	15%
Taxicabs and Limousines	20%

5.4 Authorization Process



5.5 Possible Authorization Responses

If you have a point of sale terminal printer, the Approval prints automatically. If you do not have a point of sale terminal printer, write down the Approval clearly on the Charge Record. You will need it as supporting documentation.

Responses to your requests for Authorization are generated by Issuers and transmitted by us to you. The following are among the most commonly generated responses to your request for Authorization. The exact wording may vary, so check with your Processor or Terminal Provider to determine what Authorization responses will display on your equipment.

Authorization response	What it means
Approved	The Charge is approved.
Partially Approved (for use with Prepaid Cards only)	The Charge is approved. The approval is for an amount less than the value originally requested. The Charge must only be submitted for the approved amount. Collect the remaining funds due from the Cardmember via another form of payment. See Section 5.13, "Additional Authorization Requirements" for more information about split tender.
Declined or Card Not Accepted	The Charge is not approved. Do not submit the Charge. If you nevertheless choose to submit the Charge, you will be subject to a Chargeback or we may reject the Charge. Inform the Cardmember promptly that the Card has been Declined. If the Cardmember has questions or concerns, advise the Cardmember to call the customer service telephone number on the back of the Card. Never discuss the reason for the Decline.
Pick up	You may receive an Issuer point of sale response indicating that you must pick up the Card. Follow your internal policies when you receive this response. Never put yourself or your employees in unsafe situations. If your policies direct you to do so, you may initiate the pick up process by calling our Authorization Department .

5.6 Obtaining an Electronic Authorization

Failure to comply with the *Technical Specifications* for Authorization may impact your ability to successfully process Transactions. For example, we may not be able to issue an Authorization response or process the Charge at Submission (see [Section 6.5, "Submission Requirements—Electronic"](#)).

Generally, Establishments must obtain an electronic Authorization.

You must ensure that all Authorization requests comply with the *Technical Specifications* (see [Section 2.6, "Compliance with the Technical Specifications"](#)). If the Authorization request does not comply with the *Technical Specifications*, we may reject the Submission or we may exercise a Chargeback.

If the Card is unreadable and you have to key-enter the Charge to obtain an Authorization, then you must follow the requirements for key-entered Charges. See [Subsection 4.5.2, "Key-Entered Charges"](#) for additional information.

If you use an electronic POS System to obtain Authorization, the Approval must be printed automatically on the Charge Record.

Occasionally, obtaining an electronic Authorization may not be possible (e.g., due to POS System problems, System Outages, or other disruptions of an electronic Charge). In these instances, you must obtain a Voice Authorization (see [Section 5.7, "Obtaining a Voice Authorization"](#)).

We will have the right to assess non-compliance fees for Authorization requests that do not comply with the *Technical Specifications* (see [Subsection 14.2.3, "Submission and Settlement Fees"](#)).

5.7 Obtaining a Voice Authorization

American Express may assess a fee for Voice Authorization. Some ways to avoid this fee are:

- process and submit Charges electronically.
- obtain the Approval.

When Authorization is required, if your electronic POS System is unable to reach our Authorization system, or you do not have an electronic POS System, you must seek Authorization using the following steps:

1. Call our [Authorization Department](#).
2. The voice response system or an American Express representative will request, at a minimum, the following information:
 - Card Number
 - Merchant Number
 - Charge amount

In some situations, you may be asked for additional information such as Expiration Date or CID Number.

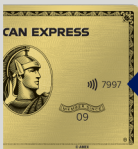
3. A response will be provided. If the request for Authorization is approved, capture the Approval for Submission.
4. If you are submitting electronically, you must enter the Approval into your POS System. For instructions on how to complete this type of Charge, contact your Terminal Provider, Processor, or if you have a direct link to American Express, your American Express representative.

We may assess a fee (see [Subsection 14.2.2. "Authorization Fees"](#)) for each Charge for which you request a Voice Authorization unless such a failure to obtain Authorization electronically is due to the unavailability or inoperability of our computer Authorization system.

5.8 Card Identification (CID) Number

Card Identification (CID) Number

CID is a four-digit number printed on the face of the Card.



CID

The Card Identification (CID) Number provides an extra level of Cardmember validation and is part of the Authorization process. The CID Number is printed on the Card.

If, during the Authorization, a response is received that indicates the CID Number given by the person attempting the Charge does not match the CID Number that is printed on the Card, re-prompt the customer at least one more time for the CID Number. If it fails to match again, follow your internal policies.

Note: CID Numbers must not be stored for any purpose. They are available for real time Charges only. See [Chapter 8. "Protecting Cardmember Information"](#).

See [Chapter 9. "Fraud Prevention"](#) for more information on CID Numbers and CID Verification.

5.9 Authorization Reversal

We recommend that you reverse an Authorization for an Approved Charge if you do not intend to send a Submission to American Express within the Authorization time limits. See [Section 5.10. "Authorization Time Limit"](#).

You may reverse an Authorization for a corresponding Charge by initiating an Authorization reversal message.

There may be a fee assessed for Approved Charges for which you do not reverse or submit or for which you submit late. See [Subsection 14.2.2. "Authorization Fees"](#).

After a Charge Record has been submitted to us, however, the Authorization cannot be canceled or changed. For example, if you make an error in a Charge but have already submitted the Charge Record, you cannot systematically request a change in the Charge. You must

instead, follow the procedures for Processing a Credit, as defined in [Section 4.9, "Processing a Credit"](#).

5.10 Authorization Time Limit

Authorization Approvals are valid for seven (7) days after the Authorization date except for certain Charges from Merchants that we classify in the cruise line, lodging, and vehicle rental industries (see [Section 12.10, "Travel Industries"](#) for Authorization Approval validity times for each of these industries). You must obtain a new Approval if you submit the Charge to us more than seven (7) days after the original Authorization date.

For Charges of goods or services that are shipped or provided more than seven (7) days after an order is placed, you must obtain an Approval for the Charge at the time the order is placed and again at the time you ship or provide the goods or services to the Cardmember.

The new Approval must be included in the Charge Record. If either of the Authorization requests is Declined, do not provide the goods or services or submit the Charge. If you do, you will be subject to a Chargeback.

5.11 Floor Limit

Floor Limit

A monetary threshold amount for a single Charge, at or above which you must obtain an Authorization before completing the Charge.

We may assign a Floor Limit to an Establishment. If any one Charge, or series of Charges made on the same day by any one Cardmember at the Establishment, is equal to or greater than this Floor Limit, the Establishment must request Authorization.

We maintain a zero-dollar Floor Limit on all Charges for our Merchants in the U.S., Puerto Rico, the U.S. Virgin Islands, and other U.S. territories and possessions, meaning that we require an Authorization on all purchases, regardless of the amount.

5.12 Pre-Authorization

A pre-Authorization is an Authorization request that you submit in advance of providing the goods or services, allowing you then to submit the Approved Charge (e.g., fuel pump CATs).

5.13 Additional Authorization Requirements

There are instances, which are outlined in the following table, when additional Authorization requirements apply.

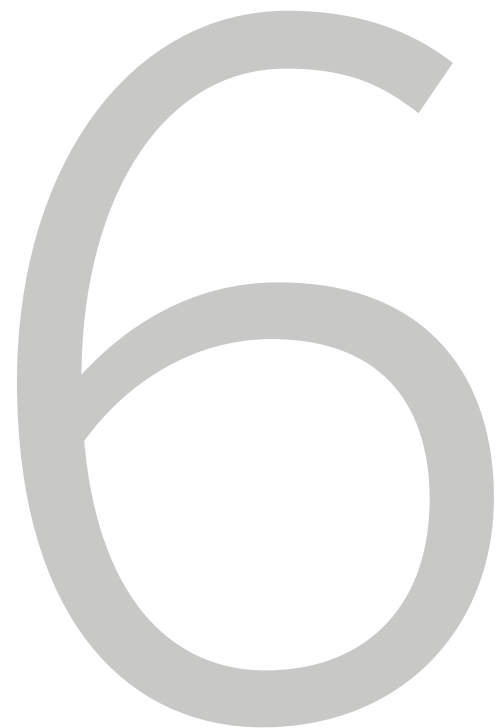
Merchants classified in certain industries are also subject to additional specific Authorization requirements. See [Chapter 12, "Specific Industries"](#).

Topic	Additional requirements
Recurring Billing	<p>You must flag all requests for Authorization with a Recurring Billing indicator.</p> <p>To improve the likelihood of obtaining an Approval to an Authorization request, we recommend you periodically verify with Cardmembers that all their information (e.g., Card Number, Expiration Date and billing address) is still accurate. See Section 4.18, "Recurring Billing Charges".</p>

Topic	Additional requirements
American Express Gift Cheques and American Express Travelers Cheques	<p>You are not required to obtain Authorization prior to accepting Gift and Travelers Cheques. You must, however, follow the appropriate procedures outlined in Section 4.20, "Processing Travelers/Gift Cheques". Questions concerning the validity of Gift or Travelers Cheques can be raised by calling the Travelers Cheque/Gift Cheque Customer Service.</p>
Split Tender	<p>During a Split Tender Transaction, the Cardmember uses multiple forms of payment for a single purchase (e.g., prepaid cards, cash, American Express Card).</p> <p>You may follow your policy on combining payment on Prepaid Cards with any Other Payment Products or methods of payment. If the other payment method is an American Express Card then you are required to follow all provisions of the Agreement.</p> <p>Check with your Terminal Provider, Processor or if you have a direct link to American Express, your American Express representative to determine if your POS System is set up for Split Tender functionality.</p>

Submission

- 6.1 Introduction
- 6.2 Transaction Process
- 6.3 Purpose of Submission
- 6.4 Submission Process
- 6.5 Submission Requirements—Electronic
- 6.6 Submission Requirements—Paper
- 6.7 How to Submit



6.1 Introduction

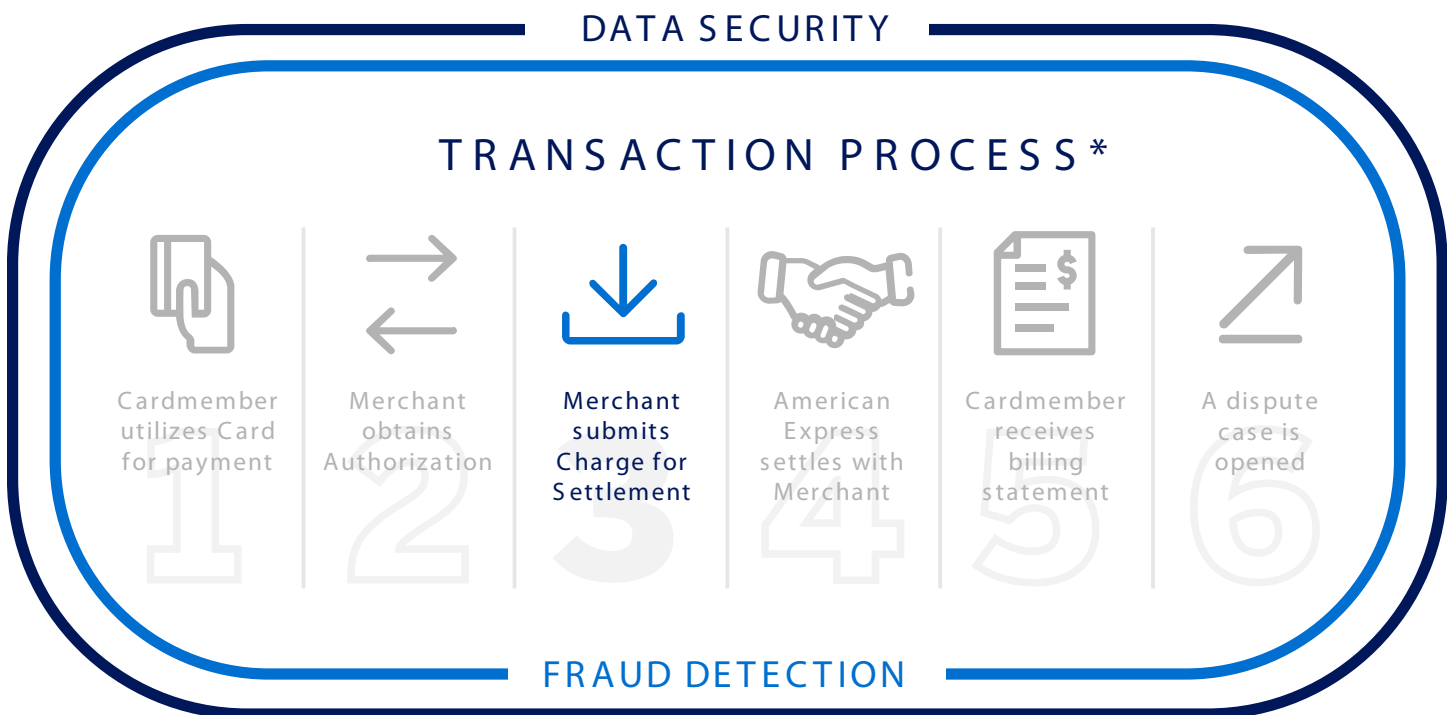
Merchants are familiar with commitments that keep their business running smoothly. One such commitment is to submit Transactions conducted at your Establishments to us for payment.

Since payment cannot occur until the Transactions are submitted, we encourage you to submit Transactions daily even though you have up to seven (7) days to do so.

See [Section 4.5, "Processing an In-Person Charge"](#) and [Section 4.9, "Processing a Credit"](#) for additional information.

6.2 Transaction Process

Collect Transactions during the business day and submit them to us, directly or through a Processor, usually at the end of a day. If you have any Submission problems, contact your POS System vendor or Processor, Terminal Provider, or your American Express representative.



* This graphic is for illustration purposes only and is not to be construed as limiting or waiving American Express' rights with respect to Cardmember Information or other information.

6.3 Purpose of Submission

After we receive the Submission, either directly from you or from your Processor, we process it and settle with you according to your payment plan, speed of payment and payment methods, as described in [Chapter 7, "Settlement"](#).

Transactions will be deemed accepted on a given business day if processed by us before the close of business.

For three-day payment plans or longer, the cutoff time is 12:30 a.m. Eastern Standard Time and Eastern Daylight Saving Time.

Use the following table to determine the associated cutoff time in your area.

Time Zones* (3-day pay or longer)			
Pacific Time	Mountain Time	Central Time	Eastern Time
9:30 p.m.	10:30 p.m.	11:30 p.m.	12:30 a.m.

* Time zones include Standard and Daylight Saving Time.

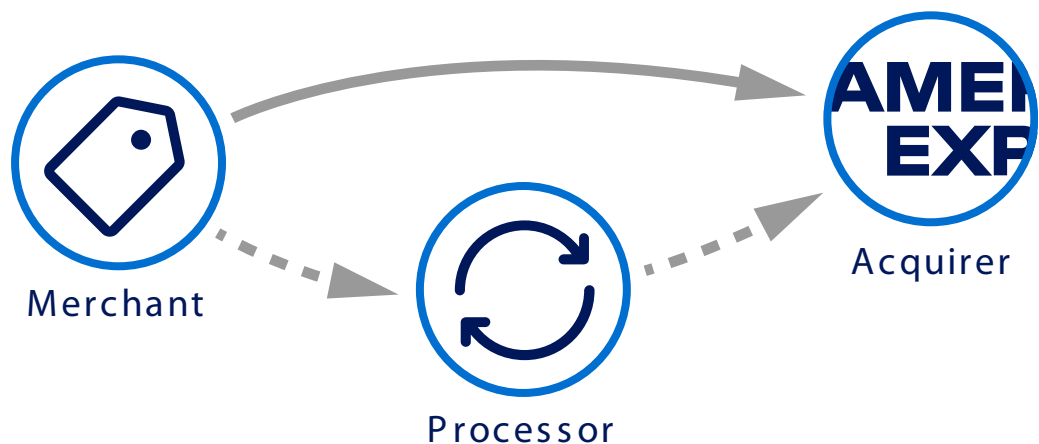
For one-day payment plans, the cutoff time is 5:00 p.m. during Eastern Standard Time and 6:00 p.m. during Eastern Daylight Saving Time. Use the following tables to determine the associated cutoff time in your area.

Standard Time Zones (1-day pay)			
Pacific Standard Time	Mountain Standard Time	Central Standard Time	Eastern Standard Time
2:00 p.m.	3:00 p.m.	4:00 p.m.	5:00 p.m.

Daylight Saving Time Zones (1-day pay)			
Pacific Daylight Saving Time	Mountain Daylight Saving Time	Central Daylight Saving Time	Eastern Daylight Saving Time
3:00 p.m.	4:00 p.m.	5:00 p.m.	6:00 p.m.

6.4 Submission Process

After you collect the Transactions during your business day, we encourage you to submit them to us daily, directly or through a Processor.



Following the instructions displayed in your POS System, you can submit your Transactions to be processed and Settled.

Payments cannot occur until the Transactions are Submitted, received, and processed by us. Depending on your business model, the Transactions will be Submitted directly to us or

through your Processor. Please see [Section 6.3, "Purpose of Submission"](#) for cut off times that may apply to you or your Processor.

6.5 Submission Requirements—Electronic

For additional information about retaining information, see [Section 4.8, "Charge Records"](#) and [Section 8.4, "Standards for Protection of Cardmember Information"](#).

Besides impacting your Transaction processing, failure to comply with the *Technical Specifications* may increase your Disputed Charges. For instance, for a Card Not Present Charge, if you do not provide a customer service telephone number or web address, Cardmembers who do not recognize Charges, may initiate "no knowledge" Inquiries rather than contact you directly to identify the Charge.

For additional requirements for third parties, see [Section 2.5, "Use of Third Parties"](#).

You must submit Transactions electronically except under extraordinary circumstances.

When you transmit Charge Data and Transmission Data electronically, you must still complete and retain Charge Records and Credit Records.

A Submission or Batch must comply with the *Merchant Regulations*, including the *Technical Specifications* (see [Section 2.6, "Compliance with the Technical Specifications"](#)). Failure to follow these requirements could result in a rejection of your Submission or Batch or delay in your payment (or both). If a Submission or Batch rejects, you may not be paid until the Submission or Batch is corrected and resubmitted. You must work with your Terminal Provider and/or Processor, or if you have a direct link with American Express, your American Express representative, to correct the error, then resubmit. For Submissions which fail to comply with the *Technical Specifications*, we have the right to Chargeback.

Your Establishments in the United States, Puerto Rico, the U.S. Virgin Islands, and other U.S. territories and possessions, must submit Charges and Credits only in U.S. dollars.

6.5.1 Charge Submissions

You must submit all Charges to us within seven (7) days of the date they are incurred. Charges are deemed "incurred" on the date the Cardmember indicates to you that they will pay for the goods or services purchased with the Card. Charges must not be submitted to us until after the goods are shipped, provided, or the services are rendered. You must submit all Charges under the Merchant Number of the Establishment where the Charge originated.

For Aggregated Charges, the Charge must be submitted within seven (7) days of the date of the last purchase (and/or refund as applicable) that comprises the Aggregated Charge. See [Section 4.15, "Aggregated Charges – Internet"](#) for additional information.

Delayed Delivery Charges and Advance Payment Charges may be submitted before the goods are shipped, provided or the services are rendered. See [Section 4.16, "Delayed Delivery Charges"](#) and [Section 4.14, "Advance Payment Charges"](#) for additional information.

We may assess a fee for Approved Charges that we Authorize for which you do not reverse or submit or for which you submit late. See [Subsection 14.2.2, "Authorization Fees"](#).

6.5.2 Credit Submissions

You must submit all Credits to us within seven (7) days of determining that a Credit is due. You must submit each Credit under the Merchant Number of the Establishment where the Credit originated.

6.6 Submission Requirements—Paper

If you are presented with an un-embossed Prepaid Card, you must handwrite the required information to process a Charge Record. See [Section 4.8, "Charge Records"](#).

If you cannot obtain an electronic Authorization, you must obtain a Voice Authorization (see [Section 5.7, "Obtaining a Voice Authorization"](#) for more information).

Retain a copy of the Charge Record with the Cardmember's signature for your records (see [Section 4.8, "Charge Records"](#) and [Subsection 11.6.4, "Inquiry/Miscellaneous"](#) for more information).

Submitting electronically allows you to avoid paying a paper Submission rate. Electronic Submission ensures your Submission file is sent to us quickly, so we can begin the process of settling with you. If you are not submitting electronically, contact [Merchant Services](#) for information on how to facilitate electronic Submission.

If, under extraordinary circumstances, you submit Transactions on paper, you must do so in accordance with our instructions outlined in [Chapter 4, "Transaction Processing"](#).

Examples of circumstances that may prevent Merchants from submitting electronically are:

- special events (e.g., conferences, outdoor marketplaces, concerts)
- Merchants that do not conduct business from fixed locations (e.g., taxis and limousine services)
- remote locations, or Merchants who experience System Outages

If you submit Charges on paper, you must create a Charge Record containing all of the following required data:

- Full Card Number and Expiration Date (pursuant to Applicable Law), and if available, Cardmember name.
- The date the Charge was incurred.
- The amount of the Charge, which must be the total price for the purchase of goods and services (plus applicable taxes and gratuities) purchased on the Card.
- The Authorization Approval.
- A clear description of the goods or services purchased by the Cardmember.
- An imprint or other descriptor of your name, address, Merchant Number and, if applicable, store number.
- The words "No Refunds" if you have a no refund policy, and your return and/or cancellation policies. See [Section 4.11, "Return and Cancellation Policies"](#) for additional information.
- If a Card Not Present Charge, the words "telephone order," "mail order," "Internet Order," or "signature on file," as applicable.

Charge Records submitted on paper must comply with the applicable requirements in [Section 4.8, "Charge Records"](#).

Charges must be submitted in accordance with the applicable requirements described in [Section 6.5, "Submission Requirements—Electronic"](#).

See [Paper submissions](#) to obtain the address when submitting Transactions on paper.

Fees may apply if you submit Transactions on paper. See [Subsection 14.2.3, "Submission and Settlement Fees"](#).

6.7 How to Submit

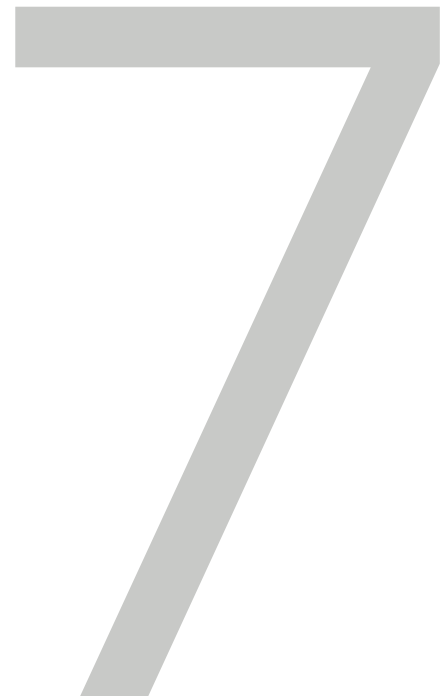
Many terminals are equipped with a "batch out" key or functionality. Contact your Terminal Provider for information on the best way for you to submit a batch.

In many cases, your POS System automatically processes the Transactions in Batches at the end of the day. To be sure, contact your Terminal Provider or review the instructions for Submissions that were provided with your POS System.

On busy days, your Transaction volume may be greater than your POS System's storage capability. Work with your Terminal Provider to determine your storage capacity, then determine if you will need to submit more than once each day (e.g., submit a Batch at midday and again in the evening).

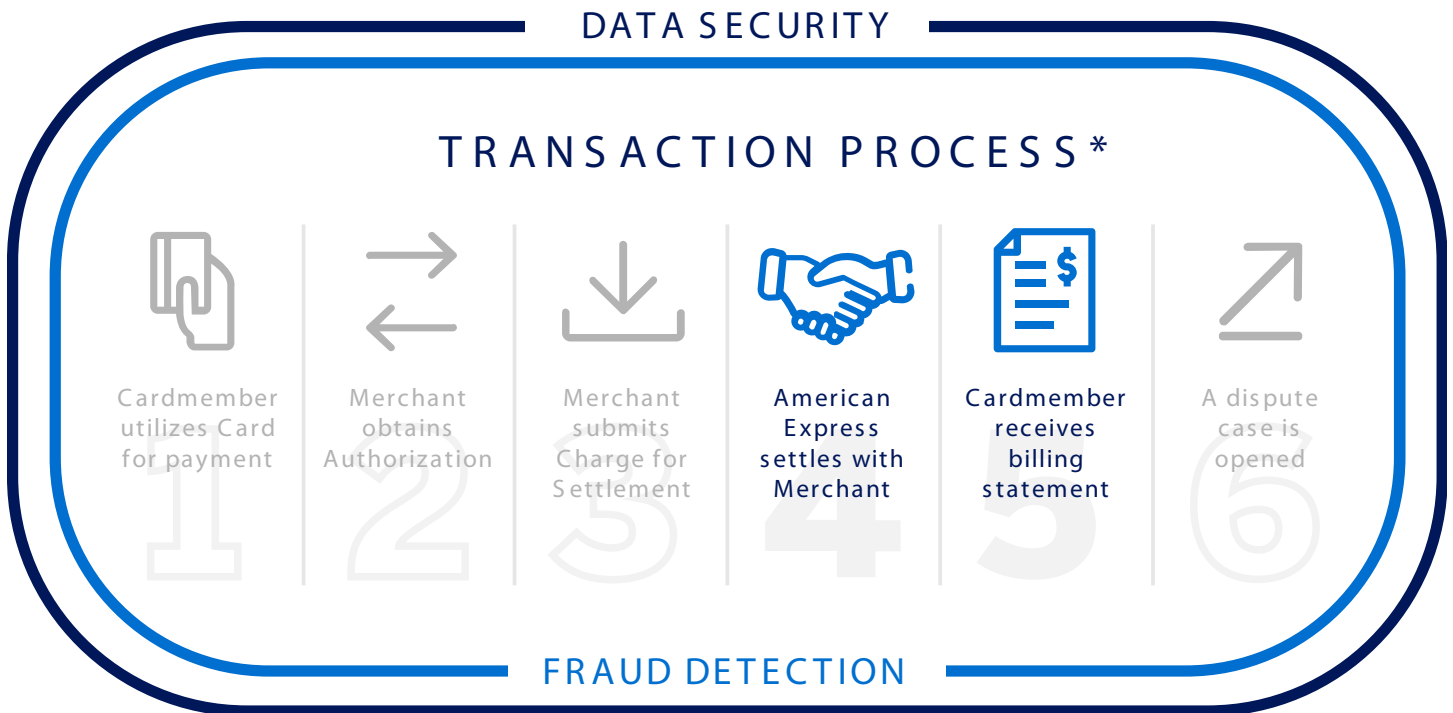
Settlement

- 7.1 Transaction Process
- 7.2 Settlement Amount
- 7.3 Discount/Discount Rate
- 7.4 Method of Payment
- 7.5 Speed of Payment
- 7.6 Payment Options
- 7.7 Reconciliation Options
- 7.8 Payment Errors or Omissions
- 7.9 Collecting from Cardmembers



7.1 Transaction Process

After we receive a Submission file from you, we begin the process of settling. The Settlement amount is determined by totaling the Submissions adjusted for applicable debits and Credits.



* This graphic is for illustration purposes only and is not to be construed as limiting or waiving American Express' rights with respect to Cardmember Information or other information.

7.2 Settlement Amount

Your Settlement amount will be the face amount of Charges submitted from your Establishments pursuant to the Agreement, less all applicable deductions, rejections, and withholdings, which may include:

- Discounts
- Amounts you owe us or our Affiliates
- Amounts for which we have Chargebacks
- Amounts for which you have submitted Credits

We will subtract from our payment to you (or debit your Bank Account), the full amount of all applicable deductions, rejections and withholdings, but if we cannot, then you must pay us promptly upon receipt of our notification of any amount owing.

We will pay you the Settlement amount according to your payment plan in U.S. dollars.

7.3 Discount/Discount Rate

Discount/Discount Rate

An amount that we charge you for accepting the Card, which amount is: a percentage (Discount Rate) of the face amount of the Charge that you submit, or a flat per-Transaction fee, or a combination of both.

Your initial Discount is indicated in the Agreement or otherwise provided to you in writing by us. In addition to your Discount, we may charge you additional fees and assessments (see [Chapter 14, "Merchant Fees"](#) or as otherwise provided to you in writing by us). We may adjust any of these amounts and may change any other amount we charge you for accepting the Card.

We may charge you different Discounts for Charges submitted by your Establishments that we have classified in different industries. We will notify you of such fees, such adjustments and charges, and assessments and any different Discounts that apply to you.

7.3.1 Corporate Purchasing Card Discount Reduction

If you meet the requirements outlined in [Section 4.13, "Corporate Purchasing Card Charges"](#), we may adjust your Discount for Charges made on the American Express[®] CPC. This Adjustment will not apply if you do not meet requirements in [Section 4.13, "Corporate Purchasing Card Charges"](#), or if your Discount is a flat Transaction fee for CPC Charges. We will notify you of such adjustments.

7.4 Method of Payment

We will send Settlement amounts to you electronically to the Bank Account you designate.

You agree that the Bank Account is the account into which payments for Charges (and any other Settlement amounts) will be made and from which debits will be made for Chargebacks, Credits, the Discount, fees or assessments, amounts you owe us or our Affiliates, or other applicable deductions under the Agreement. We have the right (and you hereby authorize us) to initiate such debits from the Bank Account on your behalf, and you shall maintain in the Bank Account sufficient available funds to cover your payment obligations to us or our Affiliates under the Agreement.

You must provide us with the bank's name and bank routing information, and your Bank Account number, and you must notify your bank that we will have access to your account for debiting and crediting the Bank Account.

You must immediately notify us of any changes to your Bank Account information. Failure to notify us of such changes may cause us to delay your Settlement until you update your Merchant Account. To update your Merchant Account, contact your American Express representative, or contact [Merchant Services](#).

The policies of the financial institution at which you have a Bank Account govern when funds are available from the Bank Account.

We will not be responsible for any obligations, damages, or liabilities in excess of the amount of the applicable debit, credit, or adjustment to your Bank Account in the event that your bank does not honor any such item or improperly applies it to your Bank Account.

For information regarding NACHA Operating Rules and Guidelines, visit www.nacha.org.

You are required to maintain a Bank Account at a financial institution domiciled in the United States for the purposes of the Agreement. The bank you designate in the United States must have access to the Federal Reserve System to receive transactions via an automated clearing house (ACH). You must participate in electronic pay and we will send Settlement amounts to you electronically via ACH to the Bank Account you designate at a bank in the United States that participates in the ACH. You hereby agree that we shall have direct access to the Bank

Account and all necessary rights to debit all amounts hereunder from the Bank Account. You hereby agree that such debits shall be in accordance with the NACHA Operating Rules and Guidelines, and you agree to be bound by such terms. The NACHA Operating Rules and Guidelines are available at www.nacha.org, or its successor website. If we are required to pay you by check, we may assess a fee. See [Subsection 14.2.3. " Submission and Settlement Fees"](#).

7.5 Speed of Payment

Frequency and speed of payment depends on your payment plan. Subject to Applicable Law, we shall make payment to the Bank Account that you or the Establishment designates, as applicable. If we pay you centrally for consolidated Charges submitted from Establishments, then you are responsible for settling payments with each Establishment whose Charges have been so consolidated.

Your initial choice of a payment plan is indicated in the Agreement or otherwise provided to you in writing. We may offer, in our discretion, other payment plans and change your payment plan and will notify you of those terms, as applicable.

Fifteen (15) and thirty (30) day payment plans may include a reduction in the base Discount Rate.

Unless otherwise agreed in writing, we will use commercially reasonable efforts to initiate ACH payment to your Bank Account according to your payment plan after our receipt of the Charge prior to our cutoff time for receiving and processing Charges. If your payment date falls on a day that our bank is not open for processing ACH payments, we will initiate payment on the next day our bank is open for such processing.

You may choose one of the following payment plans. If you do not choose a payment plan, you will automatically be enrolled in either the one-day or three-day payment plan, based on eligibility.

- One-day payment plan: If your annual Charge volume is less than \$5,000,000, you may be eligible for a one-day payment plan. We initiate payment one (1) day* after our cutoff time for receiving and processing Charges. At this time, one-day payment plan may not be available outside the fifty states of the United States.
- Three-day payment plan: We initiate payment three (3) days* after our cutoff time for receiving and processing Charges.
- Fifteen-day payment plan: We initiate payment fifteen (15) days* after our cutoff time for receiving and processing Charges.
- Thirty-day payment plan: We initiate payment thirty (30) days* after our cutoff time for receiving and processing Charges.

The following table illustrates the one and three-day payment plans:

Receipt Date (Day 0)	Settlement Day (Day 1)	Settlement Day (Day 3)
Sunday	Monday	Wednesday
Monday	Tuesday	Thursday
Tuesday	Wednesday	Friday
Wednesday	Thursday	Monday*
Thursday	Friday	Monday*
Friday	Monday*	Monday
Saturday	Monday*	Tuesday

* ACH network does not operate on Saturdays, Sundays and Federal Reserve holidays.

Payment plan cutoff times differ. See [Section 6.3, "Purpose of Submission"](#) for more information.

7.6 Payment Options

American Express offers you net pay whereby you are paid the full amount of the Charges submitted less the Discount and other applicable amounts.

7.6.1 Net Pay

Net pay is the payment option where the Discount and other amounts are deducted from (or netted out of) the payment to you. For example, you submit a \$100 Charge and your Discount Rate is 3%. Assuming there are no other Adjustments to your Settlement amount, you will be paid \$97.00. You are paid the full amount of the Charges submitted less the Discount and other applicable amounts.

See [Section 7.2, "Settlement Amount"](#) for additional information.

7.6.2 Gross Pay

The gross pay options makes it easier to reconcile your Merchant Account by breaking out the cost of the Discount, fees, and Chargebacks into Transactions separate from the payment Settlement.

In addition to net pay, we also offer you two gross pay options.

You are paid the full amount of the Charges submitted, and then a second Adjustment occurs to deduct the Discount and other applicable amounts.

Gross pay is a payment option where the Discount and other amounts are not deducted (or netted out) from the face amount of the Charge you submit. Instead, when we pay you for the face amount of the Charge, we will settle with you by debiting your Bank Account (or otherwise deduct from payments) the amounts described in [Section 7.2, "Settlement Amount"](#). In order to be eligible for gross pay, you must:

- submit all Charges electronically,
- participate in electronic pay,
- participate in the one (1) day or three (3) day payment plan.

By way of illustration, if you submit a \$100 Charge and your Discount Rate is 3%, assuming there are no other Adjustments to your Settlement amount, you will be paid \$100 and we will debit your Bank Account separately for \$3.

You may qualify for one of the following two gross pay options:

- Monthly gross pay option: we will debit your Bank Account monthly for the total Discount and other amounts for all of a month's Charges, and we may increase your Discount Rate by the amount of the monthly gross pay fee if your annual Charge volume is equal to or greater than \$3,000,000. See [Subsection 14.2.3, "Submission and Settlement Fees"](#), for the monthly gross pay fee.
- Daily gross pay option: we will debit your Bank Account separately for the Discount and other amounts for Charges at the time of each of our payments to you.

To determine if you are eligible for one of these gross pay options, contact [Merchant Services](#). We have the right, in our sole discretion, to determine your eligibility for the gross pay option and modify your payment option at any time.

If you do not choose a payment option, then one of the following two automatic enrollments will occur:

- You will automatically be enrolled in the monthly gross pay option if you meet the eligibility requirements for gross pay described above in this [Section 7.6, "Payment Options"](#) and your expected annual Charge volume is less than \$3,000,000.

- You will automatically be enrolled in the net pay option if you do not meet the eligibility requirements for monthly gross pay.

7.7 Reconciliation Options

Log into your Merchant Account online to access easy-to-use reconciliation tools, including electronic statements. The monthly electronic statements are the default reconciliation format provided by American Express. Each statement contains a summary of your Merchant Account's activity for the Settlement period, as well as details, including dates and Submission amounts.

You may choose to receive paper statements. If you do so, then we may assess a fee for each paper statement. See [Section 14.2. "Types of Fees"](#).

In addition, you can also use the raw data reconciliations to reconcile your Merchant Account. Each format can be used separately or in combination with the other formats. This format provides you with a raw data feed that you can import into your own software system. To request further information regarding availability of this format, contact your American Express representative.

7.8 Payment Errors or Omissions

You must notify us in writing of any error or omission in respect of your Discount or other fees or payments for Charges, Credits or Chargebacks within ninety (90) days of the date of the statement containing such claimed error or omission. If you do not provide such notice within the required timeframe, we will consider the statement to be conclusively settled as complete and correct in respect of such amounts, except for any erroneous payments by us. If the error involves a Chargeback, then [Section 11.6. "Chargeback Reasons"](#) applies to a request for Chargeback Reversal.

If we determine at any time that we have paid you in error, we will exercise Chargeback to recover such erroneous payment. If you receive any payment from us not owed to you under the Agreement, you must immediately notify us (by calling [Merchant Services](#)) and your Processor, and return such payment to us promptly.

We have the right to withhold future payments to you (or debit your Bank Account) until we fully recover the amount. We have no obligation to pay any party other than you under the Agreement.

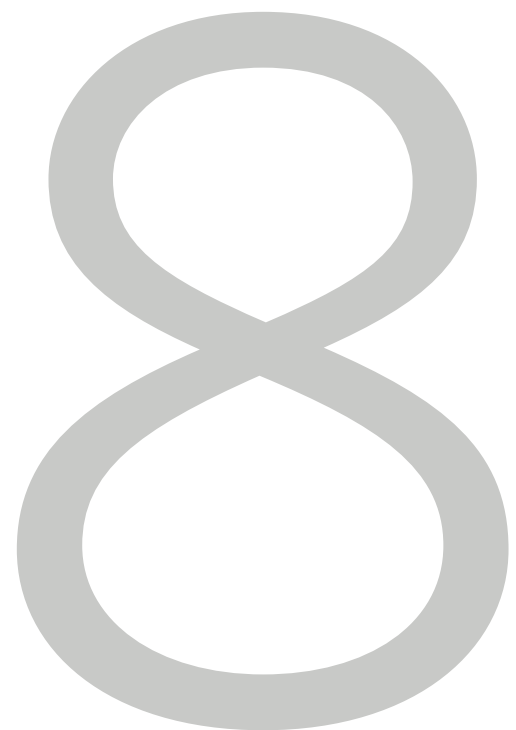
7.9 Collecting from Cardmembers

You must not bill or collect from any Cardmember for any purchase or payment made on the Card unless:

- we have exercised Chargeback for such Charge,
- you have fully paid us for such Charge, and
- you otherwise have the right to do so.

Protecting Cardmember Information

- 8.1 Data Security Operating Policy
- 8.2 Definitions
- 8.3 Cardholder Data Compromise
- 8.4 Standards for Protection of Cardmember Information
- 8.5 Data Incident Management Obligations
- 8.6 Indemnity Obligations for a Data Incident
- 8.7 Periodic Validation of Merchant Systems
- 8.8 Confidentiality and Disclosure
- 8.9 Disclaimer



8.1 Data Security Operating Policy

As a leader in consumer protection, American Express has a long-standing commitment to protect Cardholder Data and Sensitive Authentication Data, ensuring that it is kept secure.

Compromised data negatively impacts consumers, Merchants, and Issuers. Even one incident can severely damage a company's reputation and impair its ability to effectively conduct business. Addressing this threat by implementing security operating policies can help improve customer trust, increase profitability, and enhance a company's reputation.

American Express knows that you share our concern and requires, as part of your responsibilities, that you comply with the data security provisions in the Agreement and this Data Security Operating Policy. These requirements apply to all your equipment, systems, and networks (and their components) on which encryption keys, Cardholder Data, or Sensitive Authentication Data (or a combination of each) are stored, processed, or transmitted.

8.2 Definitions

For the purposes of this [Chapter 8, "Protecting Cardmember Information"](#) and the corresponding [Section 14.2, "Types of Fees"](#), the following definitions apply:

Approved Scanning Vendors (ASVs) – An Entity that has been qualified by the Payment Card Industry Security Standards Council, LLC to validate adherence to certain PCI DSS requirements by performing vulnerability scans of internet facing environments. See [Section 8.7, "Periodic Validation of Merchant Systems"](#).

Attestation of Compliance (AOC) – A declaration of the status of your compliance with the PCI DSS, in the form provided by the Payment Card Industry Security Standards Council, LLC.

Attestation of Scan Compliance (AOSC) – A declaration of the status of your compliance with the PCI DSS based on a network scan, in the form provided by the Payment Card Industry Security Standards Council, LLC.

Buyer Initiated Payment (BIP) Transactions – A payment transaction enabled via a payment instruction file processed through BIP.

Card Number – The unique identifying number that the Issuer assigns to the Card when it is issued.

Cardholder Data – Has the meaning given in the then current Glossary of Terms for the PCI DSS.

Compromised Card Number – An American Express Card account number related to a Data Incident.

Covered Parties – Any or all of your employees, agents, representatives, subcontractors, Processors, Service Providers, providers of your point-of-sale (POS) equipment or systems, or payment processing solutions, Entities associated with your American Express Merchant Account, and any other party to whom you may provide Cardholder Data or Sensitive Authentication Data (or both) access in accordance with the Agreement.

Data Incident – An incident involving the compromise or suspected compromise of American Express encryption keys, or at least one American Express Card account number in which there is:

- unauthorized access or use of Encryption Keys, Cardholder Data, or Sensitive Authentication Data (or a combination of each) that are stored, processed, or transmitted on your equipment, systems, and/or networks (or the components thereof) of yours or the use of which you mandate;

- use of such Encryption Keys, Cardholder Data, or Sensitive Authentication Data (or a combination of each) other than in accordance with the Agreement; and/or
- suspected or confirmed loss, theft, or misappropriation by any means of any media, materials, records, or information containing such Encryption Keys, Cardholder Data, or Sensitive Authentication Data (a combination of each).

Data Incident Event Window – The period that begins as of the date of compromise, if known, or 365 days prior to the Notification Date if the actual date of compromise is not known. The Data Incident Event Window ends 30 days after the Notification Date.

Data Security Operating Policy (DSOP) – The American Express data security policy, as described in [Chapter 8, "Protecting Cardmember Information"](#) of the *Merchant Regulations*.

EMV Specifications – The specifications issued by EMVCo, LLC, which are available at <http://www.emvco.com>.

Encryption Key – All keys used in the processing, generation, loading and/or protection of Account Data. This includes, but is not limited to, the following:

- Key Encrypting Keys: Zone Master Keys (ZMKs) and Zone PIN Keys (ZPKs)
- Master Keys used in secure cryptographic devices: Local Master Keys (LMKs)
- Card Security Code Keys (CCKs)
- PIN Keys: Base Derivation Keys (BDKs), PIN Encryption Key (PEKs), and ZPKs

Forensic Incident Final Report Template – The template available from the PCI Security Standards Council, which is available at <https://www.pcisecuritystandards.org>.

Franchisee – An independently owned and operated third party (including a franchisee, licensee, or chapter), other than an Affiliate, that is licensed by a Franchisor to operate a franchise and that has entered into a written agreement with the Franchisor whereby it consistently displays external identification prominently identifying itself with the Franchisor's Marks or holds itself out to the public as a member of the Franchisor's group of companies.

Franchisor – The operator of a business that licenses *persons or Entities (Franchisees) to distribute goods and/or services under, or operate using the operator's Mark*; provides assistance to Franchisees in operating their business or influences the Franchisee's method of operation; and requires payment of a fee by Franchisees.

Issuer – Any Entity (including American Express and its Affiliates) licensed by American Express or an American Express Affiliate to issue Cards and to engage in the Card issuing business.

Level 1 Merchant – 2.5 million American Express Card Transactions or more per year; or any Merchant that American Express otherwise deems a Level 1.

Level 2 Merchant – 50,000 to 2.5 million American Express Card Transactions per year.

Level 3 Merchant – 10,000 to 50,000 American Express Card Transactions per year.

Level 4 Merchant – Less than 10,000 American Express Card Transactions per year.

Merchant Level – The designation we assign Merchants related to their PCI DSS compliance validation obligations, as described in [Section 8.7, "Periodic Validation of Merchant Systems"](#).

Notification Date – The date that American Express provides issuers with final notification of a Data Incident. Such date is contingent upon American Express' receipt of the final forensic report or internal analysis and shall be determined in American Express' sole discretion.

Payment Application – Has the meaning given to it in the then current Glossary of Terms for Payment Card Industry Payment Application Data Security Standard, which is available at <https://www.pcisecuritystandards.org>.

Payment Card Industry Data Security Standard (PCI DSS) – The Payment Card Industry Data Security Standard, which is available at <https://www.pcisecuritystandards.org>.

Payment Card Industry Security Standards Council (PCI SSC) Requirements – The set of standards and requirements related to securing and protecting Payment Card Data, including the PCI DSS and PA DSS, available at <https://www.pcisecuritystandards.org>.

PCI Approved – A PIN Entry Device or a Payment Application (or both) that appears at the time of deployment on the list of approved companies and providers maintained by the PCI Security Standards Council, LLC, which is available at <https://www.pcisecuritystandards.org>.

PCI Forensic Investigator (PFI) – An Entity that has been approved by the Payment Card Industry Security Standards Council, LLC to perform forensic investigations of a breach or compromise of Payment Card Data.

PCI PIN Security Requirements – The Payment Card Industry PIN Security Requirements, which are available at <https://www.pcisecuritystandards.org>.

PIN Entry Device – Has the meaning given to it in the then current Glossary of Terms for the Payment Card Industry PIN Transaction Security Requirements Point of Interaction Modular Security Requirements, which is available at <https://www.pcisecuritystandards.org>.

Point-to-Point Encryption (P2PE) – A solution that cryptographically protects account data from the point where a Merchant accepts the Payment Card to the secure point of decryption.

Point of Sale (POS) System – An information processing system or equipment, including a terminal, personal computer, electronic cash register, contactless reader, or payment engine or process, used by a Merchant, to obtain Authorizations or to collect Transaction data, or both.

Qualified Security Assessors (QSAs) – Entities that have been qualified by the Payment Card Industry Security Standards Council, LLC to validate adherence to the Payment Card Industry Data Security Standard. See [Section 8.7, "Periodic Validation of Merchant Systems"](#).

Risk-Mitigating Technology – Technology solutions that improve the security of American Express Cardholder Data and Sensitive Authentication Data, as determined by American Express. To qualify as using a Risk-Mitigating Technology, you must demonstrate effective utilization of the technology in accordance with its design and intended purpose. Examples include: EMV, Point-to-Point Encryption, and tokenization.

Security Technology Enhancement Program (STEP) – American Express' program in which Merchants are encouraged to deploy technologies that improve data security. To qualify for STEP, Merchants must not have had a Data Incident in the 12 months prior to submitting the Annual Attestation of Compliance and conducted at least 75% of all Transactions using Point-to-Point Encryption or face to face Transactions using EMV Chip Enabled Devices.

Self Assessment Questionnaire (SAQ) – A self assessment tool created by the Payment Card Industry Security Standards Council, LLC., intended to evaluate and attest to compliance with the PCI DSS.

Sensitive Authentication Data – Has the meaning given in the then current Glossary of Terms for the PCI DSS.

Validation Documentation – The AOC rendered in connection with an Annual Onsite Security Assessment or SAQ, the AOSC and executive summaries of findings rendered in connection with Quarterly Network Scans, or the annual STEP Attestation.

8.3 Cardholder Data Compromise

You must, and you must cause your Covered Parties to, evaluate and remediate security gaps in your Cardholder Data Environment (CDE) upon notification, from American Express, of a potential Cardholder Data compromise. Examples of Cardholder Data compromise include, but are not limited to:

- **Common Point of Purchase (CPP):** American Express Cardmembers report fraudulent Transactions on their Card accounts and are identified and determined to have originated from making purchases at your Establishments.
- **Card Data found:** American Express Card and Cardholder Data found on the world wide web linked to Transactions made at your Establishments.
- **Malware suspected:** American Express suspects that your business is using software infected with or vulnerable to malicious code.

Your Cardholder Data compromise obligations are:

- You must promptly review your CDE for data security gaps and remediate any findings.
 - You must cause your third-party vendor(s) to conduct a thorough investigation of your CDE if outsourced.
- You must provide a summary of action taken or planned after your review, evaluation, and/or remediation efforts upon notification from American Express.
- You must provide updated PCI DSS validation documents in accordance with [Section 8.7, "Periodic Validation of Merchant Systems Action 3"](#) below.
- As applicable, you must engage a qualified PCI Forensic Investigator (PFI) to examine your CDE if you or your third-party vendor(s) is unable to resolve the Cardholder Data compromise within a reasonable period of time, as determined by American Express.

American Express has the right to impose non-compliance fees, withhold payment, and/or terminate the Agreement if you cannot meet these obligations.

The fees for the Cardholder Data compromise non-compliance are outlined in [Subsection 14.2.4, "Data Security Fees"](#).

8.4 Standards for Protection of Cardmember Information

Remember if the Agreement terminates, Cardholder Data can only be retained according to the PCI DSS which is available at www.pcisecuritystandards.org.

You must, and you must cause your Covered Parties, to:

- store Cardholder Data only to facilitate American Express Card Transactions in accordance with, and as required by, the Agreement, and
- comply with the current PCI DSS and other PCI SSC Requirements applicable to your processing, storing, or transmitting of Cardholder Data or Sensitive Authentication Data no later than the effective date for implementing that version of the applicable PCI SSC Requirement.
- use, when deploying new or replacement PIN Entry Devices or Payment Applications (or both), in attended locations, only those that are PCI Approved.

You must protect all Charge Records and Credit Records retained pursuant to the Agreement in accordance with these data security provisions; you must use these records only for purposes of the Agreement and safeguard them accordingly. You are financially and otherwise liable to American Express for ensuring your Covered Parties' compliance with this [Chapter 8, "Protecting Cardmember Information"](#) (other than for demonstrating your Covered Parties' compliance with this policy under [Section 8.7, "Periodic Validation of Merchant Systems"](#) except as otherwise provided in this section).

8.5 Data Incident Management Obligations

Data Incident

Means an incident involving unauthorized access or use of encryption keys, Cardholder Data, or Sensitive Authentication Data (or a combination of each) that are stored, processed, or transmitted on equipment, systems, and/or networks (or the components thereof); of yours or the use of which you mandate.

You must notify American Express immediately and in no case later than seventy-two (72) hours after discovery of a Data Incident.

To notify American Express, contact the [American Express Enterprise Incident Response Program \(EIRP\)](#) toll free at 1.888.732.3750, or, or email at EIRP@aexp.com. You must designate an individual as your contact regarding such Data Incident. In addition:

- You must conduct a thorough forensic investigation of each Data Incident.
- For Data Incidents involving 10,000 or more unique Card Numbers, you must engage a PCI Forensic Investigator (PFI) to conduct this investigation within five (5) days following discovery of a Data Incident.
- The *unedited* forensic investigation report must be provided to American Express, within ten (10) business days of its completion.
- You must promptly provide to American Express all Compromised Card Numbers. American Express reserves the right to conduct its own internal analysis to identify Card Numbers involved in the Data Incident.

Forensic investigation reports must be completed using the current Forensic Incident Final Report Template available from PCI. Such report must include forensic reviews, reports on compliance, and all other information related to the Data Incident; identify the cause of the Data Incident; confirm whether or not you were in compliance with the PCI DSS at the time of the Data Incident, and confirm your commitment to prevent future Data Incidents by (i) providing a plan for remediating all PCI DSS deficiencies, and (ii) confirming your participation in the American Express compliance program (as described below). Upon American Express' request, you shall provide validation by a Qualified Security Assessor (QSA) that the deficiencies have been remediated.

Notwithstanding the foregoing paragraphs of this [Section 8.5, "Data Incident Management Obligations"](#):

- American Express may, in its sole discretion, require you to engage a PFI to conduct an investigation of a Data Incident for Data Incidents involving less than 10,000 unique Card Numbers. Any such investigation must comply with the requirements set forth above in this [Section 8.5, "Data Incident Management Obligations"](#), and must be completed within the time frame required by American Express.
- American Express may, in its sole discretion, separately engage a PFI to conduct an investigation for any Data Incident and may charge the cost of such investigation to you.

You agree to work with American Express to rectify any issues arising from the Data Incident, including consulting with American Express about your communications to Cardmembers affected by the Data Incident and providing (and obtaining any waivers necessary to provide) to American Express all relevant information to verify your ability to prevent future Data Incidents in a manner consistent with the Agreement.

Notwithstanding any contrary confidentiality obligation in the Agreement, American Express has the right to disclose information about any Data Incident to Cardmembers, Issuers, other participants on the American Express Network, and the general public as required by Applicable Law; by judicial, administrative, or regulatory order, decree, subpoena, request, or other process; in order to mitigate the risk of fraud or other harm; or otherwise to the extent appropriate to operate the American Express Network.



8.6 Indemnity Obligations for a Data Incident

Your indemnity obligations to American Express under the Agreement for Data Incidents shall be determined, without waiving any of American Express' other rights and remedies, under this [Section 8.6, "Indemnity Obligations for a Data Incident"](#). In addition to your indemnity obligations (if any), you may be subject to a Data Incident non-compliance fee as described below in this [Section 8.6, "Indemnity Obligations for a Data Incident"](#).

For Data Incidents that involve:

- 10,000 or more American Express Card Numbers with:
 - Sensitive Authentication Data or,
 - Expiration Date,you shall also compensate American Express at the rate of \$5 USD per Account Number.

However, American Express will not seek indemnification from you for a Data Incident that involves:

- less than 10,000 American Express Card Numbers or,
- more than 10,000 American Express Card Numbers, if you meet the following conditions:
 - you notified American Express of the Data Incident pursuant to this chapter,
 - you were in compliance at the time of the Data Incident with the PCI DSS (as determined by the PFI's investigation of the Data Incident), and
 - the Data Incident was not caused by your wrongful conduct or that of your Covered Parties.

Notwithstanding the foregoing paragraphs of this [Section 8.6, "Indemnity Obligations for a Data Incident"](#), for any Data Incident, regardless of the number of American Express Card Numbers, you shall pay American Express a Data Incident non-compliance fee not to exceed \$100,000 USD per Data Incident (as determined by American Express in its sole discretion) in the event that you fail to comply with any of your obligations set forth in [Section 8.5, "Data Incident Management Obligations"](#). For the avoidance of doubt, the total Data Incident non-compliance fee assessed for any single Data Incident shall not exceed \$100,000 USD. The fee for the Data Incident non-compliance fee is noted in [Subsection 14.2.4, "Data Security Fees"](#).

American Express will exclude from its calculation any American Express Card Account Number that was involved in a prior Data Incident indemnity claim made within the twelve (12) months prior to the Notification Date. All calculations made by American Express under this methodology are final.

American Express may bill you for the full amount of your indemnity obligation for Data Incidents or deduct the amount from American Express' payments to you (or debit your Bank Account accordingly) pursuant to the Agreement.

Merchants' indemnity obligations for Data Incidents hereunder shall not be considered incidental, indirect, speculative, consequential, special, punitive, or exemplary damages under the Agreement; provided that such obligations do not include damages related to or in the nature of lost profits or revenues, loss of goodwill, or loss of business opportunities.

8.6.1 Technology-Based Indemnity Reduction

In its sole discretion, American Express may reduce the indemnity obligation for Merchants solely for Data Incidents that meet each of the following criteria:

- Applicable Risk-Mitigating Technology was used prior to the Data Incident and was in use during the entire Data Incident Event Window; and

- A thorough investigation in accordance with the Payment Card Industry Forensic Investigator (PFI) program was completed (unless otherwise previously agreed in writing); and
- Forensic report clearly states the Risk-Mitigating Technology were used to store and/or transmit the data at the time of the Data Incident; and
- You do not store (and did not store throughout the Data Incident Event Window) Sensitive Authentication Data or any Cardholder Data that has not been made unreadable.

Where an indemnity reduction is available, the reduction to your indemnity obligation under [Section 8.6. "Indemnity Obligations for a Data Incident"](#) (excluding any non-compliance fees payable), will be determined as follows:

Indemnity Obligation Reduction	Required Criteria
Standard Reduction: 50%	>75% of total Transactions processed on Chip Enabled Devices ¹ , OR Risk-Mitigating Technology in use at >75% of Merchant locations ²
Enhanced Reduction: 75% to 100%	>75% of all Transactions processed on Chip Enabled Devices ¹ AND another Risk-Mitigating Technology in use at >75% of Merchant locations ²

¹ As determined by American Express internal analysis

² As determined by PFI investigation

- The Enhanced Reduction (75% to 100%) shall be determined based on the lesser of the percentage of Transactions using Chip Enabled Devices AND Merchant locations using another Risk-Mitigating Technology. The examples below illustrate the calculation of the indemnity reduction.
- To qualify as using a Risk-Mitigating Technology, you must demonstrate effective utilization of the technology in accordance with its design and intended purpose. For example, deploying Chip Enabled Devices and processing Chip Cards as Magnetic Stripe or Key Entered Transactions, is NOT an effective use of this technology.
- The percentage of locations that use a Risk-Mitigating Technology is determined by PFI investigation.
- The reduction in the indemnity obligation does not apply to any non-compliance fees payable in relation to the Data Incident.

Enhanced Indemnity Obligation Reduction

Ex.	Risk-Mitigating Technology in use	Eligible	Reduction
1	80% of Transactions on Chip Enabled Devices 0% locations use other Risk- Mitigating Technology	No	50% Standard Reduction (less than 75% use of Risk-Mitigating Technology, does not qualify for Enhanced Reduction) ¹

Ex.	Risk-Mitigating Technology in use	Eligible	Reduction
2	80% of Transactions on Chip Enabled Devices	Yes	77% Enhanced Reduction (based on 77% use of Risk-Mitigating Technology)
	77% locations use other Risk-Mitigating Technology		
3	93% of Transactions on Chip Enabled Devices	Yes	93% Enhanced Reduction (based on 93% of Transactions on Chip Enabled Devices)
	100% locations use other Risk-Mitigating Technology		
4	40% of Transactions on Chip Enabled Devices	No	50% Standard Reduction (less than 75% of Transactions on Chip Enabled Devices does not qualify for Enhanced Reduction)
	90% locations use other Risk-Mitigating Technology		

¹ a Data Incident involving 10,000 American Express Card Accounts, at a rate of \$5 per account number (10,000 x \$5 = \$50,000) may be eligible for a reduction of 50%, reducing the Indemnity Obligations from \$50,000 to \$25,000, excluding any non-compliance fees.

8.7 Periodic Validation of Merchant Systems

You must take the following actions to validate under PCI DSS annually and quarterly the status of your and your Franchisees' equipment, systems and/or networks (and their components) on which encryption keys, Cardholder Data, or Sensitive Authentication Data (or a combination of each) are stored, processed, or transmitted.

There are four actions required to complete validation:

[Action 1](#) – Participate in American Express' compliance program under this policy.

[Action 2](#) – Understand your Level and Validation Requirements.

[Action 3](#) – Complete the Validation Documentation that you must send to American Express.

[Action 4](#) – Send the Validation Documentation to American Express within the prescribed timelines.

Action 1 – Participate in American Express' Compliance Program under this Policy

Level 1 Merchants and Level 2 Merchants, as described below must participate in American Express' PCI Compliance Program under this policy by providing the full name, email address, telephone number, and physical mailing address of an individual who will serve as their general data security contact. You must submit this information to SecureTrust, a division of Trustwave (<https://portal.securetrust.com>), which administers the program on behalf of American Express, by one of the methods listed in [Action 4](#) below. You must notify SecureTrust if this information changes, providing updated information where applicable. Your failure to provide such contact information will not affect our rights to assess fees for non-validation as outlined in [Subsection 14.2.4, "Data Security Fees"](#).

American Express may designate, at our sole discretion, certain Level 3 and Level 4 Merchants' participation in American Express' compliance program under this policy by sending them

written notice. Any such Merchant must enroll in the compliance program no later than ninety (90) days following receipt of the notice.

Buyer Initiated Payments (BIP) Transactions are not included in the volume of American Express Card Transactions to determine merchant Level and validation requirements.

Action 2 – Understand Your Level and Validation Requirements

Most Merchant Levels are based on the volume of Transactions submitted by Establishments that roll-up to the highest American Express Merchant Account level.* You will fall into one of the Merchant Levels specified in the following table.

* In the case of Franchisors, this includes volume from their Franchisee Establishments. Franchisors who mandate that their Franchisees use a specified Point of Sale (POS) System or Service Provider also must provide validation documentation for the affected Franchisees.

Merchant Table

Merchant Level/ Annual American Express Transactions	Validation Documentation		
	On-Site Assessment Report on Compliance (ROC)	Self-Assessment Questionnaire (SAQ) AND Quarterly Network Scan	STEP Attestation for eligible Merchants
Level 1/ 2.5 million or more	Mandatory	Not applicable	Optional (replaces ROC)
Level 2/ 50,000 to 2.5 million	Optional	SAQ mandatory (unless submitting an On-Site Assessment) scan mandatory with certain SAQ types	Optional (replaces SAQ and network scan or ROC)
Level 3**/ 10,000 to 50,000	Optional	SAQ optional (mandatory if required by American Express) scan mandatory with certain SAQ types	Optional (replaces SAQ and network scan or ROC)
Level 4**/ 10,000 or less	Optional	SAQ optional (mandatory if required by American Express) scan mandatory with certain SAQ types	Optional (replaces SAQ and network scan or ROC)

**For the avoidance of doubt, Level 3 and Level 4 Merchants need not submit Validation Documentation unless required at American Express' discretion, but nevertheless must comply with, and are subject to liability under all other provisions of this Data Security Operating Policy.

American Express reserves the right to verify the accuracy and appropriateness of the PCI validation documentation provided as needed, including by engaging, at American Express' expense, a QSA or PFI of our choice.

Determine your Merchant Level and the Validation Documentation that you must send to American Express.

Validation Documentation		
Annual Onsite Security Assessment	Annual Self Assessment Questionnaire	Quarterly Network Scan
<p>The annual onsite security assessment is a detailed onsite examination of your equipment, systems, and networks (and their components) where encryption keys, Cardholder Data, or Sensitive Authentication Data (or a combination of each) are stored, processed, or transmitted. It must be performed by:</p> <ul style="list-style-type: none"> • a QSA, or • you and attested to your chief executive officer, chief financial officer, chief information security officer, or principal. <p>The annual onsite security assessment must be submitted annually to American Express on the applicable Attestation of Compliance (AOC). To fulfill validation obligations under this policy, the AOC must support compliance with all requirements of the PCI DSS and, upon request, include copies of the full report on compliance.</p>	<p>The annual self assessment is a process using the PCI DSS Self Assessment Questionnaire (SAQ) that allows self-examination of your equipment, systems, and networks (and their components) where encryption keys, Cardholder Data, or Sensitive Authentication Data (or a combination of each) are stored, processed, or transmitted. It must be performed by you and certified by your chief executive officer, chief financial officer, chief information security officer, or principal. The AOC section of the SAQ must be submitted annually to American Express. To fulfill validation obligations under this policy, the AOC section of the SAQ must certify your compliance with all requirements of the PCI DSS and include full copies of the SAQ on request.</p>	<p>The quarterly network scan is a process that remotely tests your internet-connected computer networks and web servers for potential weaknesses and vulnerabilities. It must be performed by an Approved Scanning Vendor (ASV). On a quarterly basis, you must complete and submit the ASV Scan Report Attestation of Scan Compliance (AOSC) or executive summary of findings of the scan (and copies of the full scan, upon request) to American Express. The AOSC or executive summary must certify that the results satisfy the PCI DSS scanning procedures, that no high risk issues are identified, and that the scan is passing or compliant (all Merchants except those who also submit an Onsite Security Assessment Report, and STEP-eligible Merchants). For the avoidance of doubt, Quarterly Network Scans are mandatory if required by the applicable Self Assessment Questionnaire.</p>

Action 3 – Complete the Validation Documentation that you must send to American Express

Visit www.pcisecuritystandards.org for:

- Lists of Qualified Security Assessors (QSAs) and Approved Scanning Vendors (ASVs)
- Self Assessment Questionnaires (SAQs)
- The Attestation of Compliance (AOC) and Attestation of Scan Compliance (AOSC)

Level 1, Level 2, and certain Level 3 and Level 4 Merchants must submit the Validation Documentation marked “mandatory validation documentation” in the table in [Action 2](#).

- Level 1 Merchants' Validation Documentation must include the AOC from the annual onsite security assessment report.
- Level 2 Merchants' Validation Documentation must include the AOC from the SAQ and the AOSC or the executive summaries of findings of the Quarterly Network Scans, as described in the table above. Level 2 Merchants may choose to submit the AOC from the annual onsite security assessment report if preferred.
- Level 3 Merchants and Level 4 Merchants are not required to submit Validation Documentation unless requested by American Express (but must comply with, and are subject to liability under, all other provisions of this policy).
- STEP-eligible Merchants may submit the STEP Annual Attestation in place of other Validation Documentation.

Action 4 – Send the Validation Documentation to American Express

All Merchants and Service Providers required to participate in the American Express PCI Compliance Program must submit the Validation Documentation marked “mandatory” in the tables in [Action 2](#).

You must submit your Validation Documentation to SecureTrust by one of these methods:

SECURE PORTAL: Validation Documentation may be uploaded via SecureTrust's secure portal. Contact [SecureTrust](#) or via email at americanexpresscompliance@securetrust.com for instructions in using this portal.

SECURE FAX: Validation Documentation may be faxed to 1.312.276.4019. Include your Merchant name, DBA ("Doing Business As") name, the 10-digit Merchant Number, data security contact name, Merchant address and phone number.

Email the encryption key required to decrypt the Validation Documentation along with your Merchant name, DBA ("Doing Business As") name, 10-digit Merchant Number, data security contact name, Merchant address and phone number to SecureTrust at americanexpresscompliance@securetrust.com.

If you have general questions about the program or the process above, contact [SecureTrust](#) or via email at americanexpresscompliance@securetrust.com.

Compliance and validation are completed at your expense. By submitting Validation Documentation, you represent and warrant to American Express that you are authorized to disclose the information contained therein and are providing the Validation Documentation to American Express without violating any other party's rights.

8.7.1 Merchants Not Compliant with PCI DSS

If you are not compliant with the PCI DSS, then you must submit one of the following documents:

- An Attestation of Compliance (AOC) including “Part 4. Action Plan for Non-Compliant Status”
- A PCI Prioritized Approach Tool Summary and Attestation of Compliance (PASAOC)
- A Project Plan Template (available for download via SecureTrust's secure portal)

Each of the above documents must designate a remediation date, not to exceed twelve (12) months following the document completion date, in order to achieve compliance. You must

submit the appropriate document to American Express by one of the methods listed in [Section 8.7, "Periodic Validation of Merchant Systems"](#). You shall provide American Express with periodic updates of your progress toward remediation under the "Action Plan for Non-Compliant Status." American Express shall not impose non-validation fees (see [Subsection 8.7.2, "Non-Validation Fees and Termination of Agreements"](#)) on you for non-compliance prior to the remediation date, but you remain liable to American Express for all indemnity obligations related to a Data Incident and are subject to all other provisions of this Data Security Operating Policy.

For the avoidance of all doubt, Merchants that are not compliant with PCI DSS are not STEP eligible.

8.7.2 Non-Validation Fees and Termination of Agreements

American Express has the right to impose non-validation fees and terminate the Agreement if you do not fulfill these requirements or fail to submit the mandatory Validation Documentation to American Express by the applicable deadline.

American Express will attempt to notify the data security contact of any applicable deadlines for each annual and quarterly reporting period prior to applying the non-validation fee. The fees for non-validation are outlined in [Section 14.2, "Types of Fees"](#).

If American Express does not receive your mandatory Validation Documentation within sixty (60) days of the first deadline, then American Express has the right to terminate the Agreement in accordance with its terms as well as impose non-validation fees on you.

8.7.3 Periodic Validation of STEP-eligible Merchants

Merchants that are compliant with PCI DSS may also, at American Express' discretion, qualify for American Express' STEP if they deploy certain additional security technologies throughout their Card processing environments.

Merchants may be STEP eligible only if the Merchant has not experienced a Data Incident in the previous 12 months and if 75% of all merchant Card transactions are performed using:

- EMV – on an active Chip-Enabled Device having a valid and current EMVCo (www.emvco.com) approval/certification and capable of processing AEIPS compliant Chip Card Transactions, or
- Point-to-Point Encryption (P2PE) – communicated to the Merchant's processor using a PCI-Security Standards Council-approved or QSA-approved Point-to-Point Encryption system.

If you are classified as a STEP-eligible Merchant, you may submit a declaration of the status of your compliance with the PCI DSS, in the form which is available at <https://portal.securetrust.com> (*Annual STEP Attestation*) instead of other Validation Documentation. It must be performed by you and certified by your chief executive officer, chief financial officer, chief information security officer, or principal. You must complete the process by submitting the STEP Attestation annually to American Express (see [Section 8.7, "Periodic Validation of Merchant Systems"](#), [Action 3](#)).

8.8 Confidentiality and Disclosure

American Express shall take reasonable measures to keep (and cause its agents and subcontractors, including SecureTrust, to keep) your reports on compliance, including AOCs rendered in connection with an annual onsite security assessment or SAQ and the AOSC and executive summaries of findings rendered in connection with quarterly network scans, in confidence and not disclose the Validation Documentation to any third party (other than American Express' Affiliates, agents, representatives, service providers, and subcontractors)

for a period of three (3) years from the date of receipt, except that this confidentiality obligation does not apply to Validation Documentation that:

- is already known to American Express prior to disclosure;
- is or becomes available to the public through no breach of this paragraph by American Express;
- is rightfully received from a third party by American Express without a duty of confidentiality;
- is independently developed by American Express; or
- is required to be disclosed by an order of a court, administrative agency or governmental authority, or by any law, rule or regulation, or by subpoena, discovery request, summons, or other administrative or legal process, or by any formal or informal inquiry or investigation by any government agency or authority (including any regulator, inspector, examiner, or law enforcement agency).

8.9 Disclaimer

AMERICAN EXPRESS HEREBY DISCLAIMS ANY AND ALL REPRESENTATIONS, WARRANTIES, AND LIABILITIES WITH RESPECT TO THIS DATA SECURITY OPERATING POLICY, THE PCI DSS, THE EMV SPECIFICATIONS, AND THE DESIGNATION AND PERFORMANCE OF QSAs, ASVs, OR PFIs (OR ANY OF THEM), WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Issuers are not third-party beneficiaries under this Data Security Operating Policy.

For further information about American Express Data Security, please visit www.americanexpress.com/datasecurity.

For information about PCI Security Standards, LLC:

- PCI Data Security Standards
- Self Assessment Questionnaire
- List of Qualified Security Assessors
- List of Approved Scanning Vendors
- List of PCI Forensic Investigators

www.pcisecuritystandards.org

Fraud Prevention

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- 9.2 Transaction Process
- 9.3 Strategies for Deterring Fraud
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- 9.12 American Express SafeKey



9.1 Introduction

You work hard to protect the interests of your business and Cardmembers. Unfortunately, fraudulent Card use can undermine your best efforts. Millions of dollars are lost each year because of such fraud.

We offer a full suite of tools and programs that can help to mitigate the chances of fraud on American Express Cards and reduce this cost to your business. We offer a variety of premium value tools that complement many aspects of your business. We and our Affiliates also may offer separate fraud tools and services, which are not a subject of the Agreement.

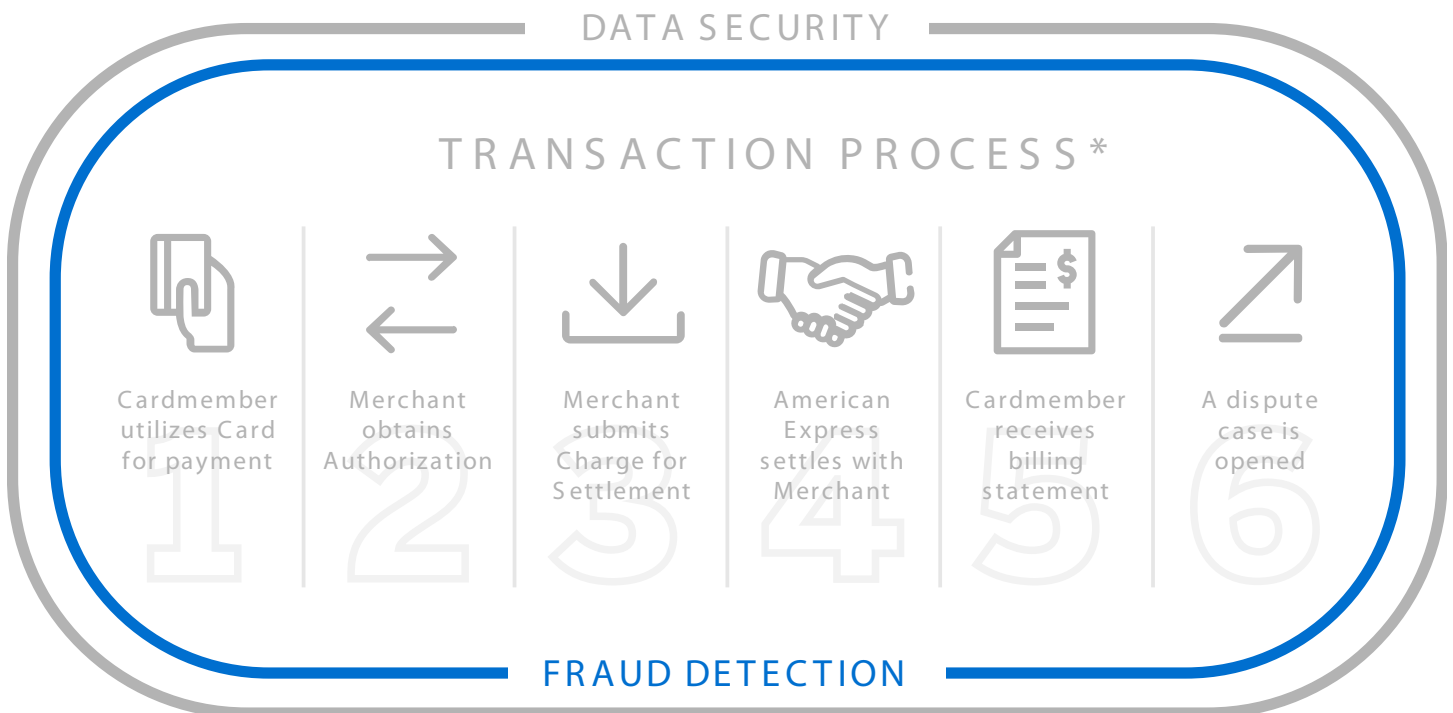
Some Merchants may not be eligible to participate in the full suite of fraud tools and fraud liability shift programs offered. Additionally, we may, in our sole discretion, immediately suspend or terminate a Merchant from using any fraud tool or participation in any fraud liability shift program and we may suspend or terminate any fraud tool or fraud liability shift program at any time.

This chapter of the *Merchant Regulations* offers fraud mitigation tips for both Card Present and Card Not Present Transactions.

9.2 Transaction Process

Our primary strategy for combating fraudulent Card use is to address it at the point of Authorization. To accomplish this, we work with you to implement best practices and fraud mitigation tools.

While fraud usually is thought of as a deceptive act at the point of sale, detection can actually occur during any stage in the Transaction process. For this reason, "fraud detection", as depicted in the following graphic, applies throughout the entire Transaction process.



* This graphic is for illustration purposes only and is not to be construed as limiting or waiving American Express' rights with respect to Cardmember Information or other information.

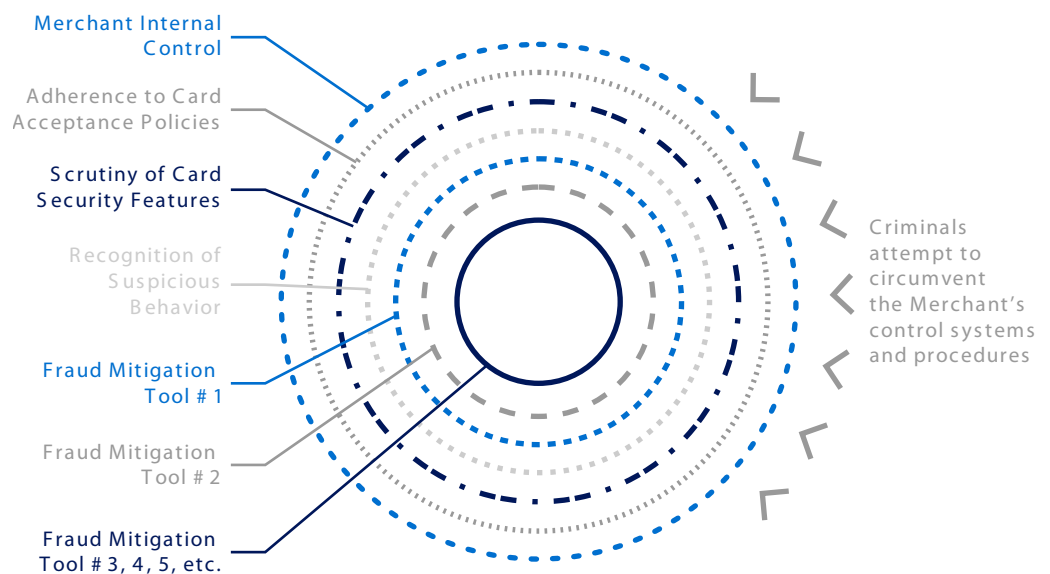
9.3 Strategies for Deterring Fraud

We recommend implementing multiple layers of fraud protection to help secure your business. These layers may include a combination of your point of sale procedures and controls as well as implementation of fraud mitigation tools.

Layers of Protection

Your first layer for mitigating fraud is to follow our Card acceptance policies and procedures, as outlined in [Chapter 4, "Transaction Processing"](#). Other fraud mitigation strategies that you choose to implement may include any combination of:

- recognition of suspicious behaviors or circumstances that may signal fraudulent activity
- implementation of fraud mitigation tools that take advantage of our risk controls to identify fraudulent activity
- additional risk models or controls that you can develop internally or obtain externally from third parties



We are committed to working with Merchants to deploy tools that can help reduce the likelihood that fraudulent Charges will be Approved. The implementation and use of the strategies and tools detailed in this chapter, however, does not guarantee that (i) the person making the Charge is the Cardmember, (ii) the Charge is in fact valid or bona fide, (iii) you will be paid for the Charge, or (iv) you will not be subject to a Chargeback.

The following illustration compares the data captured during a standard Card Not Present Charge (left) with the amount of data that can be captured when our full suite of fraud mitigation tools is implemented (right).

DATA CAPTURED

Card Not Present Charge: Standard	Card Not Present Charge: Our Suite of Fraud Mitigation Used
Card: 37XXXXXXXXXX2009 Amount: \$257 Merchant: Internet Merchant XXXXXX01	Card: 37XXXXXXXXXX2009 Name: C.F. Frost Amount: \$257 Merchant: Internet Merchant XXXXXX01 CID Number: XXXX AAV: 2213 E Main, 85021 AAV Name: C.F. Frost AAV Phone: 814-880-1234 Email: cffrost@ispprovider.net IP Address: 122.22.15.18 Host Name: PHX.QW.AOL.COM Ship to Address: 995 Sansone St, 94116 Ship to Phone: 415.555.5555 Ship to Country: USA

9.4 Card Acceptance Policies

A critical component in your overall fraud mitigation strategy is to follow our Card acceptance procedures, as defined in [Chapter 4, "Transaction Processing"](#). The procedures outlined in [Chapter 4, "Transaction Processing"](#) are required under the Agreement and can also serve as your first line of defense against potential fraud. The additional layers of fraud mitigation mentioned previously can supplement this line of defense.

9.5 Card Security Features



In many cases, the physical appearance of the Card will offer the most obvious clues of fraudulent activity.

Our Card security features are designed to help you assess whether a Card is authentic or has been altered. Ensure that all of your personnel are familiar with our Card's security features so they can identify potentially compromised Cards.

The following picture is just one example of an American Express Card; we offer a number of different Cards. These are some things you must look for:

1. Pre-printed CID Numbers usually appear above the Card Number, on either the right or the left edge of the Card.
2. All American Express Card Numbers start with "37" or "34." The Card Number appears embossed on the front of the Card. Embossing must be clear, and uniform in sizing and spacing. Some Cards also have the Card Number printed on the back of the Card in the signature panel. These numbers, plus the last four digits printed on the Charge Record, must all match.
3. Do not accept a Card outside the Valid Dates.
4. Only the person whose name appears on an American Express Card is entitled to use it. Cards are not transferable.
5. Some Cards contain a holographic image on the front or back of the plastic to determine authenticity. Not all American Express Cards have a holographic image.
6. Some Cards have a Chip on which data is stored and used to conduct a Charge.
7. The signature on the back of the Card must match the Cardmember's signature on the Charge Record, and must be the same name that appears on the front of the Card. The signature panel must not be taped over, mutilated, erased or painted over. Some Cards also have a three-digit Card Security Code (CSC) number printed on the signature panel.

Further Information

The four-digit CID Number is located on the front of the Card where the three-digit CSC is located on the back of the Card. These codes are considered Card security features and can validate that the Card is present for a Charge. You should prompt your customers for the four-digit CID Number. See [Subsection 9.11.1, "Electronic Verification Services"](#) for additional information.

Note: The security features for Prepaid Cards and Travelers Cheques are listed in [Section 9.7, "Prepaid Card Security Features"](#) and [Section 9.9, "Travelers Cheque and Gift Cheque Security Features"](#).

9.5.1 Compromised Card Security Features

In this example of an altered Card, the signature panel has been painted white under the signature. In addition, the Card Number has been erased from the back panel.



Do not accept a Card if:

Altered Magnetic Stripe

- The Magnetic Stripe has been altered or destroyed.
- The Card Number on the front of the Card does not match the number printed on the back (when present), or the last four digits printed on the Charge Record (or both).

Altered Front of the Card

- The Card Number or Cardmember name on the front of the Card appears out of line, crooked, or unevenly spaced.
- The ink on the raised Card Number or Cardmember name is smudged or messy.
- The Card Number or Cardmember name is not printed in the same typeface as the American Express typeface.

Altered Back of the Card

- The Card Number printed on the back of the Card (when present) is different from the Card Number on the front.
- The Card Number on the back of the Card (when present) has been chipped off or covered up.
- The signature panel has been painted-out, erased, or written over.

Altered Appearance of the Card

- There are "halos" of previous embossing or printing underneath the current Card Number and Cardmember name.
- A portion of the surface looks dull compared with the rest of the Card. Valid American Express Cards have a high-gloss finish.
- The Card has a bumpy surface or is bent around the edges.
- You suspect any Card security features have been compromised.
- The Card appears physically altered in any way.

If you suspect Card misuse, follow your internal store policies, and, if directed to do so, call the [Authorization Department](#) and state that you have a Code 10. **Never put yourself or your employees in unsafe situations, nor physically detain or harm the holder of the Card.**

Often, you can look closely at Cards to determine if they're altered or counterfeit. As another layer in your internal fraud prevention program, educate yourself and all your personnel on how to identify a potentially altered Card. Visit our website at: www.americanexpress.com/fraudinfo.

9.6 Recognizing Suspicious Activity

No single factor by itself is indicative of risk; however, when a combination of factors is present during a Transaction, additional scrutiny is warranted. If you have any doubts of suspicious activity call in a Code 10.

Diligently scrutinizing behaviors and circumstances can help prevent you from being victimized by fraud.

As a prudent Merchant, you must always be aware of circumstances that may indicate a fraudulent scheme or suspicious behaviors that may flag a fraudulent customer.

Suspicious Behaviors

A suspicious situation may arise, causing you to question the authenticity of the Card, or the legitimacy of the person presenting it. Any single behavior may not be risky. However, when customers exhibit more than one of the following behaviors, your risk factor may increase:

- larger-than-normal Transaction dollar amounts,
- orders containing many of the same items,
- orders shipped to an address other than a billing address,

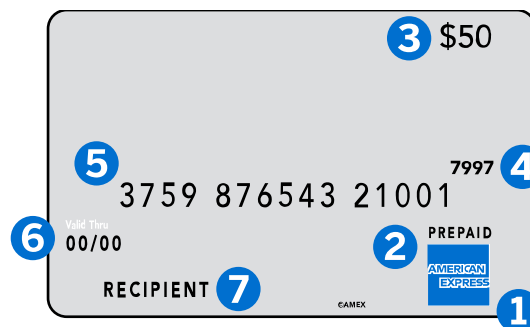
- orders using anonymous/free email domains,
- orders sent to postal codes or countries where you show a history of fraudulent claims,
- orders of a "hot" product (i.e., highly desirable goods for resale),
- customer is a first-time shopper,
- customer is purchasing large quantities of high-priced goods without regard to color, size, product feature, or price,
- customer comes in just before closing time and purchases a large quantity of goods,
- customer wants to rush or overnight the order,
- customer has a previous history of Disputed Charges,
- customer is rude or abusive toward you; wanting to rush or distract you,
- customer frequents your Establishment to make small purchases with cash, then returns to make additional purchases of expensive items with a Card.

If you suspect Card misuse, follow your internal store policies, and immediately call the [Authorization Department](#) with a Code 10. **Never put yourself or your employees in unsafe situations, nor physically detain or harm the holder of the Card.** For clarity, this does not limit your other obligations and liabilities under the Agreement.

9.7 Prepaid Card Security Features

You are responsible for following all our Prepaid Card acceptance procedures in [Section 4.19, "Processing Prepaid Cards"](#). Although there are a number of unique Prepaid Cards, all Prepaid Cards share similar features, except that:

- Prepaid Cards may or may not be embossed, and
- The following features may appear on the front or back of the Card (or a combination of both):



1. The American Express logo generally appears in the bottom right corner.
2. The words PREPAID or INCENTIVE will generally be shown above the American Express logo.
3. Cards pre-loaded with funds may show the dollar amount or the total points (reloadable Cards generally will not show a number).
4. The CID Number will appear usually above the Card Number or above the logo.
5. The Card Number appears on the Card.
6. The Valid Date or Expiration Date appears on the Card.
7. The recipient's name or company name may appear on the Card; otherwise a generic "Recipient" or "Traveler" may appear, or this area might be blank.

9.8 Recognizing Suspicious Activity for Prepaid Cards

We recommend that you follow the procedures in the preceding [Section 9.6. "Recognizing Suspicious Activity"](#) in addition to being vigilant for the following suspicious behaviors related specifically to Prepaid Cards:

- customer frequently makes purchases and then returns goods for cash. (To avoid being the victim of this scheme, we suggest you follow your internal store procedures when you cannot issue a Credit on the Card used to make the original purchase),
- customer uses Prepaid Cards to purchase other Prepaid Cards,
- customer uses large numbers of Prepaid Cards to make purchases.

9.9 Travelers Cheque and Gift Cheque Security Features

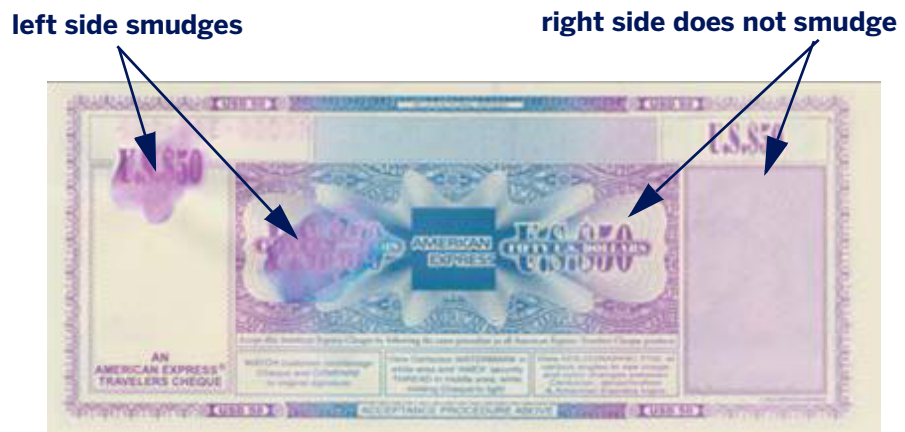
We offer a variety of cheque verification solutions to help you avoid accepting fraudulent cheque products. For more details about Authorization solutions, contact us via email at tconlineAuthorizations@aexp.com.

Even though our Travelers Cheques and Gift Cheques offer more convenience and security, counterfeit products circulate worldwide. You must verify all cheque products presented at your Establishment and contact the [Authorization Department](#) with questions or suspicions.

One of the easiest and most effective tests to determine authenticity is the smudge test:

1. Turn the cheque over (non-signature side).
2. Locate the denomination on the right side of the cheque. Wipe a moistened finger across the denomination. The ink should not smudge.
3. Wipe a moistened finger across the denomination on the left side of the cheque. The ink should smudge.

The following shows an example of a smudge test:



For Travelers and Gift Cheque acceptance procedures, see [Section 4.20. "Processing Travelers/Gift Cheques"](#). We also recommend you follow the procedures in the preceding [Section 9.6. "Recognizing Suspicious Activity"](#) to assist you in the mitigation of fraud.

As another layer of protection, there are a number of security features inherent in our Travelers Cheque and Gift Cheque products. Following are a few security features to help you recognize an authentic Cheque.



9.10 Fraud Mitigation Tools

Our Affiliate—Accertify, Inc.—offers a comprehensive and integrated software platform, and other tools strategies, for mitigating the risk of online fraud on all payment card types, not only American Express Cards. To learn more, call 800.231.4912 or visit www.accertify.com.

We offer fraud mitigation tools for both Card Present and Card Not Present Transactions to help verify that a Charge is valid. These tools help you mitigate the risk of fraud at the point of sale, but are not a guarantee that (i) the person making the Charge is the Cardmember, (ii) the Charge is in fact valid or bona fide, (iii) you will be paid for the Charge, or (iv) you will not be subject to a Chargeback. For optimal use of the tools, it is critical that:

- you comply with the applicable sections of the *Technical Specifications* (see [Section 2.6, "Compliance with the Technical Specifications"](#)), and
- you provide high quality data in the Authorization request.

Failure to comply with all applicable sections of the *Technical Specifications* can impair or prevent your use of our fraud mitigation tools.

The following table shows the tools available to you and indicates which tools are appropriate for each type of Transaction.

Fraud Mitigation Tools			
Tool	In-Person	CAT	Card Not Present
Track 1	●	●	
Code 10	●		
Terminal ID	●	●	
Enhanced Authorization			●
Verification Services			
Electronic Verification Services			
• American Express SafeKey (AESK)			●
• Card Identification (CID) Verification	●		●
• Automated Address Verification (AAV)			●

Fraud Mitigation Tools			
Tool	In-Person	CAT	Card Not Present
• Telephone Number Verification			•
• Email Address Verification			•
• Zip Code Verification	•	•	•
Additional Services			
• Name and Address Verification			•

9.10.1 Track 1

Description	There are two tracks of information encoded in the Magnetic Stripe. Track 1 contains additional data that provides an extra layer of fraud protection.
Purpose	Criminals often alter the data when creating a counterfeit Magnetic Stripe. Sending the Track 1 data as part of the Authorization request helps facilitate additional verifications.
How It Works	The POS System captures data encoded in Track 1 of the Magnetic Stripe and sends it to the Issuer in the Authorization request. The Issuer can utilize this information to assess whether the transmitted Track 1 data is fraudulent.
Industry	Appropriate for all Card Present Charges.
Implementation	To implement this tool, work with your Processor, Terminal Provider, or if you have a direct link to American Express, your American Express representative.

9.10.2 Code 10

Description	A special phrase ("Code 10 Authorization Request") that Merchants use to indicate to the American Express representative that you have suspicions concerning the Cardmember, the Card, the CID Number, the circumstances of the sale, or any combination thereof.
Purpose	"Code 10 Authorization Request" is used so that the customer does not know that you are suspicious.
How It Works	By asking for a "Code 10 Authorization" you alert the American Express representative that you are suspicious of this Card, customer or Transaction. The representative then asks "yes" or "no" questions in order to assess the situation and make a recommendation. Respond to the representative's questions calmly; avoid rousing the customer's suspicions.
Industry	Appropriate for all In-Person Charges.
Implementation	If you suspect Card misuse, follow your internal store policies, and, if directed to do so, call the Authorization Department with a Code 10 Authorization Request. Only pick up a Card if directed to do so by an American Express representative or the Issuer. Never put yourself or your employees in unsafe situations.

9.10.3 Terminal ID

Description	The Terminal ID tool captures a numeric identifier uniquely assigned to each register or terminal at a particular Establishment and sends the numeric identifier ("Terminal ID") to American Express with each Authorization request.
Purpose	The Terminal ID tool helps detect high risk patterns of a particular register or terminal. Certain registers or terminals may be the source of higher-than-normal fraud due to their location (e.g., proximity to an exit) or other circumstances that a criminal may find appealing (e.g., self-check out). When you submit the Terminal ID with each Charge, the Issuer can apply its risk modeling to each Charge originating from a high-risk register or terminal and incorporate the result into the appropriate Authorization response to you.
How It Works	As a Card is swiped, the POS System captures the Terminal ID and sends it to the Issuer with the Authorization Request. The Issuer reviews this information using risk modeling and incorporates the result into the Authorization decision.
Industry	Appropriate for all Card Present Charges.
Implementation	To implement this tool, work with your Processor, Terminal Provider, or if you have a direct link with American Express, your American Express representative.

9.10.4 Enhanced Authorization

Further Information

Criminals rely on the anonymity of confirming orders via email, shipping goods and then converting them to cash. That is why we request data such as email address and shipping address with Enhanced Authorization. Sending this information with an Authorization request reduces the anonymity criminals rely upon. It also allows us to identify multiple Cards being used to ship goods to a single compromised location.

Description	Charges that contain Enhanced Authorization data provide valuable information for determining the risk of Card Not Present Charges. When these additional data elements are included in Authorization requests, the Issuer can make a more thorough risk assessment, enabling a more informed Authorization decision.
Purpose	Enhanced Authorization helps mitigate fraud before a Charge is Authorized by analyzing key data elements submitted with Authorization requests. While sending all data elements is the most effective use of Enhanced Authorization, any additional data elements can provide a more informed Authorization response. Enabling the review of your Enhanced Authorization data against Cardmembers', Merchants', and industry information improves risk assessment and enables legitimate Charges to be processed with greater efficiency.
How It Works	<p>Merchants may already be capturing Enhanced Authorization data elements and other Card information as part of the ordering process. You can submit the enhanced data in the Authorization request. Enhanced data elements may include:</p> <ul style="list-style-type: none"> • Internet Data – IP address, email address, product SKU (Stock Keeping Unit) • Phone Data – Order telephone number • Airline Data – Passenger name, origin airport, destination airport, travel date, routing, class of service, number of passengers, airline carrier codes, email address, IP address • Shipping Data – Ship-to address, postal code, country code, telephone number, first and last name, and shipment method <p>Using these data elements to assess Charge risk is widely accepted for Card Not Present Charges. Where this American Express tool can add additional value is in the ability to leverage Cardmember and Merchant information history, combined with large volumes of data that flow on our Network, all of which can then be analyzed and incorporated into the Authorization response.</p>
Industry	Appropriate for all Card Not Present Charges.
Implementation	To implement this tool, work with your Processor, Terminal Provider, or if you have a direct link to American Express, your American Express representative.

9.11 Verification Services

We also offer tools that help verify information provided by your customer for both Card Present Charges and Card Not Present Charges. These verification tools can be used in multiple layers simultaneously to help you mitigate the risk of fraud, but are not a guarantee that (i) the person making the charge is the Cardmember, (ii) the Charge is in fact valid or bona fide, (iii) you will be paid for the Charge, or (iv) you will not be subject to a Chargeback.

These verification services help mitigate the risk of fraud prior to the completion of a purchase by comparing information provided by the customer at the point of sale with information on file with the Issuer. The response from the Issuer only indicates the validity of and/or discrepancies in the information you provided for the customer. Although the Authorization may have been

approved, you can decide whether to submit the Charge based on the verification response and your internal policies.

Prepaid Cards do not always require a Cardmember to provide an address to the Issuer. For these Charges you may receive an "Information Unavailable" response. Apply your existing policies for handling online purchases that receive an "Information Unavailable" response.

9.11.1 Electronic Verification Services

Electronic verification services offer a cost effective way to help mitigate the risk of fraud at the point of sale. These services allow you to compare information provided by the customer with information about the Cardmember not available on the Card, thereby allowing you to make a more informed decision about the validity of the Charge prior to completion of the purchase.

Electronic verification can be used:

- when processing Authorizations in real time and/or when combining Authorizations and submitting all at once,
- to help identify high-risk Charges, and
- with, or in the case of some verification tools, without an Authorization request.

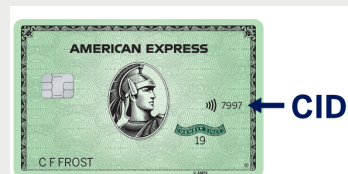
9.11.1.1 Card Identification (CID) Verification

The CID Number must not be stored after Authorization even if it has been encrypted. See [Section 8.4, "Standards for Protection of Cardmember Information"](#) for additional information.

Training is recommended to minimize incorrect entries of the CID Number. Training materials are available for sales and/or telephone order representatives. To obtain these materials, see our website at: www.americanexpress.com/fraudinfo.

Description

The CID Verification tool helps mitigate fraud on keyed and swiped Charges. The CID Number is associated with each individual Card. Merchants request the four-digit CID Number printed on the Card from the customer at the time of purchase and then submit the CID Number with the Authorization request. Verification of the CID Number is one method to authenticate whether an individual making a purchase has possession of the Card.



The CID is a four-digit (flat) number that is printed on every American Express Card. The CID Number is usually located above the Card Number on the face of the Card.

Purpose

- Because the CID Number is associated with each individual Card, prompting for the CID Number authenticates the Card.
- Requesting the CID Number for Card Not Present Charges helps to determine that the person placing the order actually has the Card in his or her possession.
 - Requesting the CID Number for Card Present Charges helps to determine that the person making the purchase is not using an altered or counterfeit Card.

<p>Requirement</p>	<p>To utilize this tool, you must:</p> <ul style="list-style-type: none"> capture the CID Number and enable your POS System to be able to receive a CID response code. If you receive an “invalid CID Number” Decline, or a “no match” response code, then re-prompt the person making the purchase to re-enter the correct CID Number. add systematic editing and monitoring abilities to prevent unlimited and repetitive (more than two) entries of the CID Number. monitor and maintain a high positive match rate.
<p>How It Works</p>	<p>You obtain the four-digit CID Number and send it with the Authorization request. The Issuer compares this CID Number with that on file for the Card and, based on the comparison, returns a response code to your POS System.</p> <p>Check with your Processor, Terminal Provider or, if you have a direct link to American Express, your American Express representative to determine the codes that will be returned to your POS System. Use the code received to assess the level of risk and determine whether to complete the Charge.</p>
<p>Industry</p>	<p>Appropriate for Card Present and Card Not Present Charges.</p>
<p>Implementation</p>	<p>To implement this tool, work with your Processor, Terminal Provider, or if you have a direct link to American Express, your American Express representative.</p>

9.11.1.2 Automated Address Verification

We recommend that you utilize AAV with the Authorization request. In doing so, you will receive a match response, based on the AAV data sent, in addition to the Authorization response.

Description	The Automated Address Verification tool compares the billing name, street address, and zip code provided by the customer with the Cardmember's billing information on file with the Issuer.
Purpose	The Automated Address Verification tool helps you evaluate the validity of a Charge by comparing information provided by the customer at the point of sale with information about the Cardmember not available on the Card.
How It Works	<p>You request information about your customer at the point of sale, including all or any of the following:</p> <ul style="list-style-type: none"> • name • billing address • zip code <p>You supply this information in the Authorization request, through your POS System.</p> <p>The Issuer compares the information provided by you with the Cardmember's records, and returns a response code.</p> <p>You should use the AAV response code from the Issuer to assess the level of risk and determine whether to complete the Charge.</p> <p>Check with your Processor, Terminal Provider, or if you have a direct link to American Express, your American Express representative to determine the codes that will be returned to your POS System.</p>
Industry	Appropriate for all Card Not Present Charges.
Implementation	To implement this tool, work with your Processor, Terminal Provider, or if you have a direct link to American Express, your American Express representative.

9.11.1.3 Telephone Number Verification

Description	The Telephone Number Verification tool compares the telephone number information provided by the customer with that on file with the Issuer.
Purpose	The Telephone Number Verification tool helps you evaluate the validity of a Charge by comparing information provided by the customer at the point of sale with information about the Cardmember that is not available on the Card.
How It Works	<p>You request telephone number information from the customer at the point of sale.</p> <p>You supply this information in the Authorization request, through your POS System.</p> <p>The Issuer compares the information provided by you with the Cardmember's records, and returns a response code.</p> <p>You should use the response code from the Issuer to assess the level of risk and determine whether to complete the Charge.</p> <p>Check with your Processor, Terminal Provider, or if you have a direct link to American Express, your American Express representative to determine the codes that will be returned to your POS System.</p>
Industry	Appropriate for all Card Not Present Charges.
Implementation	To implement this tool, work with your Processor, Terminal Provider, or if you have a direct link to American Express, your American Express representative.

9.11.1.4 Email Address Verification

Description	The Email Address Verification tool compares email information provided by the customer with that on file with the Issuer.
Purpose	The Email Address Verification tool helps you evaluate the validity of a Charge by comparing information provided by the customer at the point of sale with information about the Cardmember not available on the Card.
How It Works	<p>You request email information from the customer at the point of sale. You supply this information in the Authorization request, through your POS System.</p> <p>The Issuer compares the information provided by you with the Cardmember's records, and returns a response code.</p> <p>You should use the response code from the Issuer to assess the level of risk and determine whether to complete the Charge.</p> <p>Check with your Processor, Terminal Provider, or if you have a direct link to American Express, your American Express representative to determine the codes that will be returned to your POS System.</p>
Industry	Appropriate for all Card Not Present Charges.
Implementation	To implement this tool, work with your Processor, Terminal Provider, or if you have a direct link to American Express, your American Express representative.

9.11.1.5 Zip Code Verification

Description	The Zip Code Verification tool compares the billing zip code provided by the customer with the Cardmember’s billing zip code on file with the Issuer.
Purpose	The Zip Code Verification tool helps you evaluate the validity of a Charge by comparing information provided by the customer at the point of sale with information about the Cardmember not available on the Card.
How It Works	<p>The customer is prompted to enter his or her billing zip code at the point of sale.</p> <p>You supply this information in the Authorization request, through the your POS System.</p> <p>The Issuer compares the billing zip code entered with that on file for the Cardmember and, based on the comparison, returns a response code to you.</p> <p>You should incorporate the response from the Issuer into their risk assessment process and determine whether to complete the Charge.</p> <p>Check with your Processor, Terminal Provider, or if you have a direct link to American Express, your American Express representative to determine the codes that will be returned to your POS System.</p>
Industry	Appropriate for all Card Not Present and Card Present Charges; optimal when your customers swipe their Card through your POS System.
Implementation	To implement this tool, work with your Processor, Terminal Provider, or if you have a direct link to American Express, your American Express representative.

9.11.2 Additional Services

In addition to our electronic verification services, we also offer verification services that can be utilized by telephone. These services allow you to compare information provided by the customer with information about the Cardmember not available on the Card, thereby allowing you to make a more informed decision about the validity of the Charge prior to completion of the purchase.

9.11.2.1 Name and Address Verification (NAV)

Description	The Name and Address Verification (NAV) tool helps you validate the billing name, street address, zip code and telephone number provided by the customer with that information on file with the Issuer. The validation takes place when you call our Authorization Department .
Purpose	The NAV tool helps you evaluate the validity of a Charge by comparing information provided by the customer at the point of sale with information about the Cardmember not available on the Card.
How It Works	<p>You request information from the customer at the point of sale, including all or any of the following:</p> <ul style="list-style-type: none"> • name • billing address • zip code • telephone number <p>You supply this information to American Express by calling our Authorization Department and following the prompts on the automated system or providing information directly to the appropriate Issuer. You will be advised of whether or not the information provided by the customer matches the Cardmember Information on file with the Issuer. You should use the responses to help assess the level of risk and determine whether to proceed with the Charge.</p>
Industry	Appropriate for all Card Not Present Charges.
Implementation	To use this tool, call our Authorization Department and request a name and address verification.

9.12 American Express SafeKey

The American Express SafeKey® Program ("AESK") enables Merchants to verify Cardmembers during the online authentication process in order to help reduce the likelihood of American Express Card fraud.

The American Express SafeKey Program does not eliminate online fraud, especially where no authentication occurs. We encourage Merchants to also utilize multiple fraud tools in addition to American Express SafeKey. For more information, please see Electronic Verification Services in [Section 9.10, "Fraud Mitigation Tools"](#).

American Express offers different versions of the AESK program. Your Establishments must use the version of SafeKey that supports the appropriate types of Transactions you process. For additional information about American Express SafeKey Program, please refer to the relevant *SafeKey Implementation Guide*, *SafeKey Protocol Guide*, and *Technical Specifications* which are available at www.americanexpress.com/merchantspeccs.

9.12.1 American Express SafeKey Fraud Liability Shift

Some American Express Cards such as gift cards are not eligible for the AESK Program, as they cannot be fully authenticated by the Issuer at the time of the Charge.

Under our American Express SafeKey program (the AESK Program), we will not exercise our Chargeback rights for Card Not Present (F29), see [Section 11.6, "Chargeback Reasons"](#). The AESK program does not apply to Disputed Charges involving dispute reasons other than fraud (e.g., the AESK Program does not apply to goods or services disputes).

To qualify for SafeKey fraud liability shift program, you must be in compliance with the requirements below:

- The SafeKey charge was:
 - SafeKey Fully Authenticated and received an Electronic Commerce Indicator (ECI) 5, or
 - SafeKey Attempted and received ECI 6,
- Complete and accurate data is required for SafeKey Charges, as well as compliance with the relevant *SafeKey Implementation Guide*, *SafeKey Protocol Guide*, and *Technical Specifications*, and
- You maintain either a fraud ratio of less than 1% or fraud charges of less than U.S. \$25K, calculated monthly, based on all Charges as determined by American Express.

As clarification to the accurate and complete data requirement listed above, we reserve the right to invalidate SafeKey fraud liability shift eligibility for SafeKey Charges, for example:

- You submit SafeKey authentication data to us that is different from the authentication data used during the SafeKey authentication process.
- You submit authentication data that is invalid or reused authentication data from a different SafeKey Charge.

Risk Evaluation

- 10.1 Introduction
- 10.2 Prohibited and Restricted Merchants
- 10.3 Monitoring

10

10.1 Introduction

As a Merchant, you understand the hard work and dedication it takes to keep a business running. At American Express, we also work hard to maintain our business and uphold our reputation as a world-class global payments and network company. Part of our regimen is to evaluate Merchants to ensure compliance with our policies and procedures, in addition to assessing any potential risk to our business.

10.2 Prohibited and Restricted Merchants

Some Merchants, and/or some of their Establishments, are not eligible (or may become ineligible) to accept the Card. We may suspend acceptance of Cards by you or any of your Establishments or terminate the Agreement (including immediate termination without prior notice to you) if we determine or have reason to believe, in our sole discretion, that you meet any of the following criteria:

- Participation as a Merchant on our Network or acceptance of Cards (or both) by you or any of your Establishments may cause us not to be in compliance with Applicable Laws, regulations, or rules.
- You do not have a verifiable physical address and can only be reached by telephone.
- You or any of your Establishments are involved (or knowingly participate or have participated) in a fraudulent or illegal activity.
- You or any of your Establishments are identified as a sponsor of international terrorism, as warranting special measures due to money laundering concerns, or as noncooperative with international anti-money laundering principles or procedures.

Additionally, we may suspend acceptance of Cards by you or any of your Establishments or terminate the Agreement if:

- You are listed on the U.S. Department of Treasury, Office of Foreign Assets Control, Specially Designated Nationals and Blocked Persons List (available at www.treas.gov/ofac).
- You are listed on the U.S. Department of State’s Terrorist Exclusion List (available at www.state.gov).
- You are located in or operating under license issued by a jurisdiction identified by the U.S. Department of State as a sponsor of international terrorism, by the U.S. Secretary of the Treasury as warranting special measures due to money laundering concerns, or as noncooperative with international anti-money laundering principles or procedures by an intergovernmental group or organization of which the United States is a member.
- Your verifiable physical address is not located in the United States, Puerto Rico, U.S. Virgin Islands, or other U.S. territories or possessions.
- You or any of your Establishments fall into one of the following categories and/or accept Transactions for the prohibited activities displayed in the following table:

Prohibited Business Types	Description
Bankruptcy services	A company or agency that is in the business of recovering money owed on delinquent accounts or supporting the bankruptcy process.

Prohibited Business Types	Description
Child pornography	An individual or Entity providing or associated with the visual depiction of a minor engaged in obscene or sexually explicit conduct, whether made or produced by electronic, mechanical, or other means.
Check cashing / guarantee	A business that provides customers with a way to turn a check into cash without having to rely on a bank account.
Credit restoration	A service aimed at improving credit ratings by disputing errors and outdated claims with credit bureaus.
Marijuana-related businesses	Any individual or Entity that manufactures, processes, distributes, or dispenses marijuana, or byproducts or derivatives of marijuana, whether for recreational or medicinal purposes, and whether or not subject to a governmental licensing regime.
Payday lending	A company that lends customers money at high interest rates on the agreement that the loan will be repaid when the borrower receives their next pay-check.
Prostitution	A person or business providing sexual services in return for payment.
Wire transfers in-person (not online)	A business that specializes in the transfer of money from one location to another.

- You or any of your Establishments fall into one of the following categories and/or accept Transactions for the restricted activities displayed in the following table:

Restricted Business Types	Description
Bail / bail bond	Bail – A sum of money paid by a criminal defendant to be released from jail under the condition that they appear for court appearances. This does not include a bail bond fee.
Cash at Point of Sale from a non-financial institution	A cash advance from a non-financial Institution.
Charity	A non-profit, non-political organization that collects donations, including fundraising.
Commercial leasing merchants	A business that conveys land, real estate, equipment, or other property to another for a specified time in return for regular periodic payment. Examples include commercial real estate and commercial vehicles, such as trucks and marine vessels. This does not include residential Real Estate Agents and Managers – Rental (MCC 6513).
Condo (real estate) down payments	Down payments for purchase of a condominium.

Restricted Business Types	Description
Debt collection	The process of pursuing payments of debts owed by individuals and/or businesses.
Digital file hosting (cyberlockers)	Online data hosting services that provide remote storage space within a secure storage architecture; they can be accessed globally over the Internet; Cyberlockers can also be called online storage or cloud storage.
Door-to-door sales	Unsolicited individual (who may go from door to door) selling goods and/or services with immediate payment expected.
Escort services	A business, agency or person who, for a fee, provides or offers to provide an escort.
Foreign exchange	A business or financial institution that has the legal right to exchange one currency for another currency.
Gambling	The wagering of money or something of value on an event with an uncertain outcome, with the primary intent of winning money or material goods. Examples include: <ul style="list-style-type: none"> • Betting, including lottery tickets, casino gaming chips, off-track betting, and wagers at race tracks • Government-licensed online casinos (online gambling) • Government-licensed horse/dog racing • Government-owned and other lotteries
Investment on futures	A legal agreement to buy or sell something at a predetermined price at a specified time in the future, between parties not known to each other. Examples include, but are not limited to, gold, silver, platinum, and palladium bullion and/or bars, precious metals, securities (stocks, bonds, commodities, and mutual funds), timber, and wine futures.
Licensed insolvency practitioners	A professional intermediary in insolvency procedures.
Mortgage payments	A payment which includes principal and interest paid by borrower to lender of a home loan.
Multi-level marketing / pyramid selling	A sales system that uses one or more of the following practices: <ul style="list-style-type: none"> • participants pay money for the right to receive compensation for recruiting new participants. • a participant is required to buy a specific quantity of products, other than at cost price for the purpose of advertising, before the participant is allowed to join the plan or advance within the plan. • participants are knowingly sold commercially unreasonable quantities of the product or products (this practice is called inventory loading). • participants are not allowed to return products on reasonable commercial terms.

Restricted Business Types	Description
Online adult entertainment	A business that primarily sells adult digital content via Internet Electronic Delivery.
Pharmacies (card not present)	Online pharmacies selling prescription drugs / products.
Political party donations	Contributions, funds, goods, or services raised to promote the interests for a national, state, or local political party, candidate or campaign.
Telemarketing – travel related	A business that telemarkets travel related products or services or other travel arrangements.
Tobacco and smokeless tobacco retailers (card not present)	A business that sells tobacco, smokeless tobacco, and e-cigarettes online.
Top-up wallet	Functionality that provides a Stored Value Digital Facility (SVDF), a feature that allows funds to be loaded into a digital wallet for subsequent payments, including purchases of goods and services, at single or multiple payment acceptors.
Travel tour operators	A business that provides travel information and booking services.
Unlicensed massage parlors	A massage parlor that is not registered with a governing body.
Virtual currency / cryptocurrency	Digital money not authorized or adopted by a government. Issued and controlled by its developers and used and accepted among members of a specific virtual community.

We have the right, in our sole discretion, whether or not to approve you as an eligible Merchant in a restricted industry.

Contact your American Express representative or Merchant Services.

Mixed Business

If any segment of your or any of your Establishments business falls into any of the aforementioned business types, you and your Establishments must not accept the Card for those Transactions. If you or any of your Establishments accept our Card for these Transactions, we will exercise Chargeback. We may also place you or any of your Establishments in one of our Chargeback programs (see [Section 11.11, "Chargeback Programs"](#)), suspend acceptance of Cards by you or any of your Establishments, and/or terminate the Agreement (or take any combination of these actions).

10.3 Monitoring

After you become a Merchant on the Network, we monitor to identify potential risks, assess your financial status and compliance with the Agreement.

We use internal and third-party information when monitoring and look for, among other things:

- disproportionate Disputed Charges and Chargebacks,
- Merchants that meet our High Risk Merchant criteria,

- schemes to defraud American Express,
- legal, compliance, or other credit and fraud risks, or
- data submitted in compliance with the *Technical Specifications*.

We will monitor you for actions or behaviors (or both) which may put us, Issuers or Cardmembers at risk. Based on the results of our monitoring, we reserve the right to take action to mitigate our risk, including one or more of the following (in our sole judgment):

- requesting information about your finances and operations,
- instituting Card acceptance restrictions,
- exercising Chargeback, rejecting Charges or withholding Settlements,
- charging fees or assessments to your Merchant Account,
- requesting corrective action by you,
- terminating any Establishment's Card acceptance privileges or suspending those privileges until the risk has subsided, or
- terminating the Agreement and your Merchant Account.

10.3.1 High Risk Merchants

High Risk Merchants are those types of businesses that we determine put us at risk and/or whose business has excessive occurrences of fraud.

If we determine, in our sole discretion, that you meet the criteria for one or more of the High Risk Merchant categories, we may place you in a Chargeback program and/or terminate the Agreement. For more information on our Chargeback programs, see [Section 11.11, "Chargeback Programs"](#).

We consider you to be "high risk" if you meet at least one criteria in the following table:*

Category	Description
High risk industry	A Merchant whose type of business has had historically high occurrences of fraud and Disputed Charges with us or as compared to other similarly situated Merchants (or both). Examples of high risk industries include: internet electronic delivery and aggregators.
Performance	A Merchant whose recent high occurrences of fraud present an excessive risk to us. These Merchants have high occurrences of fraud and/or high fraud amounts for a number of consecutive months.
Canceled derogatory	A Merchant whose Agreement was canceled due to unsatisfactory activity.
Fictitious	A Merchant that accepts Cards fraudulently.
Prohibited	A Merchant is not eligible to accept our Card on our Network. For the prohibited criteria see Section 10.2, "Prohibited and Restricted Merchants"

* This list is not exhaustive and we may, at our sole discretion, consider other criteria as high risk.

10.3.2 Fraudulent, Deceptive, or Unfair Business Practices, Illegal Activities, or Prohibited Uses of the Card

If we determine or have reason to believe, in our sole discretion, that you engage or have engaged (or knowingly participate or knowingly have participated) in any of the activities listed

in the following table; in any scheme that defrauds American Express, Issuers, and/or our Cardmembers; or in business practices that we deem fraudulent, deceptive and/or unfair, we may take corrective action on your Merchant Account, which may include but is not limited to:

- placement in our Chargeback programs (see [Section 11.11, "Chargeback Programs"](#)),
- exercising Chargeback, rejecting Charges or withholding Settlements, or
- termination of the Agreement (including immediate termination without prior notice to you).

Factoring	Factoring occurs when Transactions do not represent bona fide sales of goods or services at your Establishments (e.g., purchases at your Establishments by your owners (or their family members) or employees contrived for cash flow purposes).
Collusion	Collusion refers to activities whereby your employee collaborates with another party to conduct fraudulent Transactions. It is your responsibility to set appropriate controls to mitigate such activity as well as to have monitoring systems to identify such activity.
Marketing fraud	Marketing fraud occurs when mail, telephone, or Internet Order solicitations are used for fraudulent or deceptive purposes (e.g., to obtain valid Cardmember Information for fraudulent Transactions, or to charge unauthorized sales to a valid Card account).
Identity theft	Identity theft is the assumption of another person's identity to gain access to their finances through fraudulent Merchant setup or fraudulent Transactions.
Illegal activities, fraudulent (other than marketing), unfair or deceptive business practices, or prohibited uses of the Card	<p>If we determine, or have reason to believe, in our sole discretion, that you engage or have engaged (or knowingly participate or knowingly have participated) in fraudulent, deceptive, or unfair business practices, or accepted the Card to facilitate, directly or indirectly, illegal activity of any kind, and without waiving our other rights and remedies, we have the right to terminate the Agreement.</p> <p>If we find that the Transaction involved a prohibited use of the Card (see Section 3.3, "Prohibited Uses of the Card"), we may apply the corrective actions listed above.</p>

This list is not exhaustive and does not reflect all circumstances under which we may act to protect our interests.

We may assess fees to your Merchant Account (see [Section 14.2.5, "Data Pass Violation Fee"](#)) if we determine or have reason to believe, in our sole discretion, that you engage or have engaged (or knowingly participate or knowingly have participated) in any of the activities listed in the table in [Subsection 10.3.2, "Fraudulent, Deceptive, or Unfair Business Practices, Illegal Activities, or Prohibited Uses of the Card"](#) in any scheme that defrauds American Express, Issuers, and/or our Cardmembers; or in business practices that we deem fraudulent, deceptive and/or unfair.

10.3.2.1 Consumer Protection Monitoring Program

American Express monitors the Network for fraudulent, deceptive, and unfair practices relating to the sale, advertising, promotion, or distribution of goods or services to consumers. If we determine or have reason to believe, in our sole discretion, that you engage or have engaged (or knowingly participate or knowingly have participated) in such fraudulent, deceptive, or unfair practices, we may place you in our Consumer Protection Monitoring Program. Examples of instances that might trigger our review of a particular Merchant or Establishment include, but

are not limited to, frequent consumer complaints, regulatory or consumer advocate (e.g., Better Business Bureau) inquiries, media coverage of a particular Merchant and/or industry, and high levels of Disputed Charges and/or Chargebacks.


If you are placed in the Consumer Protection Monitoring Program, we will send you a questionnaire regarding your business practices, and conduct an investigation.

We may suspend or refuse to allow Card acceptance at an Establishment, or terminate the Agreement, if:

- you do not respond to our questionnaire, by the date we designate, with sufficient information about your business practices, and/or
- we conclude, in our sole discretion, that you or the Establishment in question engage or have engaged (or knowingly participate or knowingly have participated) in fraudulent, deceptive, or unfair practices relating to the sale, advertising, promotion, or distribution of goods or services to consumers.

If, in the course of our investigation, it does not appear that you engage or have engaged (or knowingly participate or knowingly have participated) in such fraudulent, deceptive, or unfair practices, we still may conduct an annual investigation of your business practices.

Chargebacks and Inquiries

- 
- 11.1 Introduction
 - 11.2 Transaction Process
 - 11.3 Disputed Charges Rights
 - 11.4 Disputed Charges Process
 - 11.5 Chargebacks and Inquiries Response Timeframe
 - 11.6 Chargeback Reasons
 - 11.7 Compelling Evidence
 - 11.8 Inquiry Types
 - 11.9 Chargeback and Inquiry Monitoring
 - 11.10 How We Chargeback
 - 11.11 Chargeback Programs
 - 11.12 Ways to Receive Chargebacks and Inquiries
 - 11.13 Response Methods



11.1 Introduction

This chapter describes how American Express processes Inquiries and Chargebacks.

Highlights of this chapter include:

- a discussion of the American Express Disputed Charge process,
- a review of the ways to handle Disputed Charges,
- examples of various Inquiry types and recommended supporting documentation, and
- an overview of the American Express Chargeback policies.

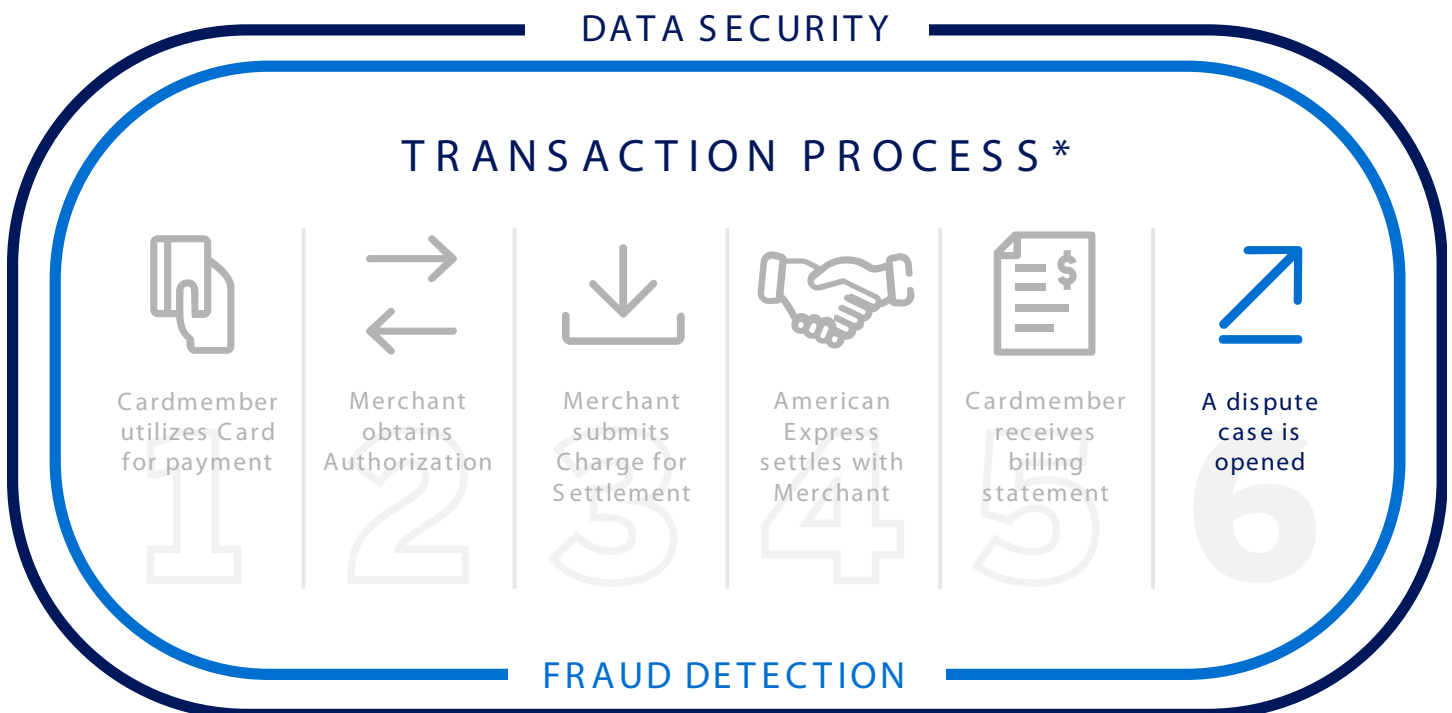
11.2 Transaction Process

Charges may be disputed for a variety of reasons. In general, most Disputed Charges stem from:

- Cardmember dissatisfaction with some aspect of the purchase, (e.g., a failure to receive the merchandise, duplicate billing of a Charge, incorrect billing amount),
- unrecognized Charge where the Cardmember requests additional information,
- Cardmember billed for goods or services not yet received, or
- actual or alleged fraudulent Transactions.

If a Cardmember disputes a Charge, American Express opens a case. We may also open cases when Issuers or the Network initiates disputes. If a case is opened, we may initiate a Chargeback to you immediately or send you an Inquiry.

You must not suggest or require Cardmembers to waive their right to dispute any Transaction, as a condition to accepting the Card.



* This graphic is for illustration purposes only and is not to be construed as limiting or waiving American Express' rights with respect to Cardmember Information or other information.

11.3 Disputed Charges Rights

With respect to a Disputed Charge:

- we may send you an Inquiry prior to exercising Chargeback;
- we have Chargeback rights, prior to sending you an Inquiry, if we determine that we have sufficient information to resolve the Disputed Charge in favor of the Cardmember; or
- for Charges subject to the Chargeback Programs, we have Chargeback rights where you do not have the right to request a reversal of our decision to exercise our Chargeback rights (See [Section 11.11. "Chargeback Programs"](#)).

We have Chargeback rights:

- whenever Cardmembers bring Disputed Charges, as described herein and/or under Applicable Law or pursuant to a contractual right to withhold payments,
- in cases of actual or alleged fraud relating to Charges,
- if you do not comply with the Agreement (including omitting any Transaction Data from Charge Submissions), even if we had notice when we paid you for a Charge that you did not so comply and even if you obtained Authorization for the Charge in question, or
- as provided elsewhere in the Agreement.

All judgments regarding resolution of Disputed Charges are at our sole discretion.

We may reinvestigate a previously Disputed Charge if a Cardmember provides new or additional information after we review the initial supporting documentation. In such case, you may be required to provide additional information to support the validity of the Charge.

You must not resubmit a Disputed Charge after it has been resolved in favor of the Cardmember. We will Chargeback all such Disputed Charges that are resubmitted.

If you have established a process whereby your Service Provider will receive and manage Disputed Charges on your behalf, you agree that we are not liable for your Service Provider's failure to perform its responsibilities to you, including responding to us within the dispute resolution timelines set out in the Agreement.

11.4 Disputed Charges Process

The following describes the Disputed Charges process:

Case is opened	<p>We may take one of the following actions, based upon the information provided by you, the Cardmember, Issuer, or Network:</p> <ul style="list-style-type: none"> • We may send you a Chargeback or, if we cannot resolve the Disputed Charge without further information from you, an Inquiry. • We may resolve the Disputed Charge in your favor and either take no further action (if we have not previously exercised Chargeback) or reverse our previous Chargeback. <p>None of these actions affect procedures under any Chargeback programs (see Subsection 11.6.6. "Chargeback Programs") in which you have been placed.</p>
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<p>Merchant receives a Chargeback or Inquiry</p>	<p>American Express tries to resolve a Disputed Charge by first using information available to us. However, in instances where we cannot resolve a Disputed Charge, we will send you a Chargeback or, if we cannot resolve the Disputed Charge without further information from you, an Inquiry.</p> <p>The Chargeback or Inquiry that we will send to you includes information about the Charge in question, required documentation that you must send us to support the Charge, and a deadline by which your response must be received.</p> <p>Refer to the following sections for more information:</p> <ul style="list-style-type: none"> • Section 11.5, "Chargebacks and Inquiries Response Timeframe" • Section 11.6, "Chargeback Reasons" • Section 11.8, "Inquiry Types" • Section 11.12, "Ways to Receive Chargebacks and Inquiries"
<p>Merchant responds</p>	<p>You may respond to the Chargeback or Inquiry by:</p> <ul style="list-style-type: none"> • providing the required documentation to support the validity of the Charge • authorizing a Chargeback to your Merchant Account, • issuing a Credit to the Card Number, • issuing a partial Credit to the Card Number and providing American Express with supporting documentation for the remainder of the Charge and the reason for providing only a partial Credit. <p>See Section 11.13, "Response Methods" for the process to follow when responding to a Chargeback or Inquiry.</p> <p>Note: If you choose not to respond to our Inquiry, we will debit your Merchant Account with a "No Reply" Chargeback (see Section 11.6, "Chargeback Reasons").</p>
<p>American Express reviews</p>	<p>American Express reviews your response to ensure it includes all the required and requested pieces of information about the Disputed Charge. Upon receipt of the required information, we will determine whether to process, reverse, or uphold the Chargeback.</p>
<p>Disputed charge is resolved</p>	<p>When a Disputed Charge is resolved, one of the following may occur:</p> <ul style="list-style-type: none"> • We will notify the Cardmember and Issuer of the resolution, with consideration to any supporting documentation you provide. • We will notify you of a Chargeback and debit your Bank Account. See Section 11.10, "How We Chargeback" for details. <p>We typically resolve Disputed Charges within two (2) Cardmember billing cycles from the time the dispute is opened. The documentation you receive from us may provide a more exact timeframe.</p>

We may reinvestigate a previously Disputed Charge if a Cardmember provides new or additional information after we review the initial supporting documentation regarding a Disputed Charge. In such case, you may be required to provide additional information to support the validity of the Charge.

You must not resubmit a Disputed Charge after it has been resolved in favor of the Cardmember. We will Chargeback all such Disputed Charges that are resubmitted.

11.5 Chargebacks and Inquiries Response Timeframe

You must respond in writing to our Chargeback and Inquiry within twenty (20) days.

11.6 Chargeback Reasons

When we process a Chargeback to you, we will provide information about the Chargeback.

For each Chargeback reason, the following tables include:

- Description – brief description of the Chargeback reason,
- Information provided with Chargeback – type of information provided by the Cardmember or Issuer (or both) to support the Chargeback (documentation may not be provided with the Chargeback if it was preceded by an Inquiry),
- Support required to request a Chargeback Reversal – examples of required documentation if you request a Chargeback Reversal.

The tables in the following subsections list the Chargeback reasons and information related to each Chargeback reason. The key below describes the applicable classification and code structure of Chargeback codes by country.

Classification	Code Structure	Country
International Standards Organization (ISO)	4 numeric digits	All countries outside of U.S. and Canada
U.S./Canada Chargeback reason code	1 alpha followed by 2 numeric digits	U.S. and Canada

11.6.1 Authorization

Invalid Authorization (ISO 4521) / Charge amount exceeds authorization amount (A01)	
Description	The amount of the Authorization Approval was less than the Charge amount you submitted. Certain exceptions apply, see Subsection 5.3.1, "Estimated Authorization" .
Information provided with the Chargeback	<ul style="list-style-type: none"> • Charge Data
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> • Proof that a valid Authorization Approval was obtained for the full Charge amount in accordance with the Agreement unless exceptions apply, or • Proof that a Credit which directly offsets the Disputed Charge has already been processed

Invalid Authorization (ISO 4521) / No valid authorization (A02)	
Description	The Charge you submitted did not receive a valid Authorization Approval; it was declined or the Card was expired. See Section 5.3.1. "Estimated Authorization" for industry clarifications.
Information provided with the Chargeback	<ul style="list-style-type: none"> Charge Data
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> Proof that a valid Authorization Approval was obtained in accordance with the Agreement, or Proof that a Credit which directly offsets the Disputed Charge has already been processed For a Transit Contactless Transaction, proof that: <ul style="list-style-type: none"> Authorization was obtained within the Authorization Time Period for any Aggregated Charge that caused the combined taps since the most recent approved Authorization to exceed the Chargeback Protection Threshold, or a new Account Status Check Authorization was obtained at the time when the most recent approved Authorization exceeded the Authorization Time Period, or if the Account Status Check or Authorization was declined, the Transaction amount was less than or equal to the Declined Authorization Protection threshold <p>For "expired or not yet valid Card", the following support is also acceptable:</p> <ul style="list-style-type: none"> Proof that the Charge was incurred prior to the Card Expiration Date or within the Valid Dates on the Card

Invalid Authorization (ISO 4521) / Authorization approval expired (A08)	
Description	The Charge was submitted after the Authorization Approval expired. See Section 5.10. "Authorization Time Limit" .
Information provided with the Chargeback	<ul style="list-style-type: none"> Charge Data
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> Proof that a valid Authorization Approval was obtained in accordance with the Agreement, or Proof that a Credit which directly offsets the Disputed Charge has already been processed

11.6.2 Cardmember Disputes

Credit Not Presented (ISO 4513 / C02)

Description	We have not received the Credit (or partial Credit) you were to apply to the Card.
Information provided with the Chargeback	<ul style="list-style-type: none"> • Charge Data, or • Copy of the Credit Record or details showing that you were to provide Credit to the Cardmember
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> • If no Credit (or only partial Credit) is due, a written explanation of why credit is not due with appropriate documents to support your position, or • Proof that a Credit which directly offsets the Disputed Charge has already been processed

Credit Not Presented (ISO 4513) / Goods/services returned or refused (C04)

Description	The goods or services were returned or refused but the Cardmember did not receive Credit.
Information provided with the Chargeback	<ul style="list-style-type: none"> • Charge Data, and • If returned: Details of the return (e.g., returned date, shipping documentation, etc.), or • If refused: Date of the refusal and the method of refusal
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> • Written explanation refuting the Cardmember's claim that goods were returned to your business, or • If returned: A copy of your return policy, an explanation of your procedures for disclosing it to the Cardmember, and details explaining how the Cardmember did not follow the return policy, or • A copy of the Charge Record indicating the terms and conditions of the purchase with details explaining how the Cardmember did not follow the policy, or • If goods/services refused: Proof that the goods/services were accepted (e.g., signed delivery slip if the goods were delivered, screen print showing use of the service if service was provided via internet), or • Proof that a Credit which directly offsets the Disputed Charge has already been processed

Credit Not Presented (ISO 4513) / Goods/services canceled (C05)	
Description	The Cardmember claims that the goods/services ordered were canceled.
Information provided with the Chargeback	<ul style="list-style-type: none"> • Charge Data, and • Cancellation details (e.g., cancellation number, cancellation date, email notification, written documentation requesting cancellation, acknowledgment that cancellation request was received)
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> • A copy of your cancellation policy, an explanation of your procedures for disclosing it to the Cardmember, and details explaining how the Cardmember did not follow the cancellation policy, or • A copy of the Charge Record indicating the terms and conditions of the purchase and details explaining how the Cardmember did not follow the policy, or • Proof that a Credit which directly offsets the Disputed Charge has already been processed

Credit Not Presented (ISO 4513) / “No show” or CARD Deposit canceled (C18)	
Description	The Cardmember claims to have canceled an Assured Reservation or a Credit for a CARDeposit Charge was not received by the Cardmember.
Information provided with the Chargeback	<ul style="list-style-type: none"> • Charge Data, and • Cancellation details (e.g., cancellation number, cancellation date, email notification, written documentation requesting cancellation, acknowledgment that cancellation request was received)
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> • Documentation that supports the validity of the “no show” reservation or CARDeposit Charge, or • Proof that a Credit which directly offsets the Disputed Charge has already been processed

Goods and Services Not Received (ISO 4554 / C08)

Description	The Cardmember claims to have not received (or only partially received) the goods/services.
Information provided with the Chargeback	<ul style="list-style-type: none"> • Charge Data, and • Written description of the goods/services the Cardmember purchased, or • Documentation showing return, or attempt to return, the partially received goods (e.g., pickup/delivery confirmation)
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> • Proof that the goods or services were received in their entirety by the Cardmember or the Cardmember's authorized representative, or • Proof that the goods or services were delivered to the address specified by the Cardmember, or • Completion of work order approved in writing by the Cardmember showing the Cardmember received the services and dates that the services were used/provided, or • Proof refuting Cardmember's claim that services were canceled or that the goods were returned to the Merchant, or • Proof that a Credit which directly offsets the Disputed Charge has already been processed, or • Compelling Evidence as defined in Subsection 11.7.1, "Compelling Evidence for goods/services not received or only partially received (ISO 4554/C08)"

Paid Through Other Means (ISO 4515 / C14)

Description	The Cardmember has provided us with proof of payment by another method.
Information provided with the Chargeback	<ul style="list-style-type: none"> • Charge Data, and • Documentation or written explanation describing how the Cardmember paid with another form of payment
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> • Documentation showing that the Cardmember's other form of payment was not related to the Disputed Charge, or • Proof that the Cardmember provided consent to use the Card as a valid form of payment for the Disputed Charge, or • Proof that a Credit which directly offsets the Disputed Charge has already been processed

Cancellation of Recurring Goods/Services (ISO 4544 / C28)	
Description	Cardmember claims to have canceled or attempted to cancel Recurring Billing Charges for goods or services. Please discontinue all future billing for this Recurring Billing Charge.
Information provided with the Chargeback	<ul style="list-style-type: none"> • Charge Data, and • Cancellation or attempted cancellation details (e.g., cancellation number, cancellation date, email notification, written documentation requesting cancellation, acknowledgment that cancellation request was received)
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> • A copy of your cancellation policy, an explanation of your procedures for disclosing it to the Cardmember, and details explaining how the Cardmember did not follow the cancellation policy. For Charges in connection with an Introductory Offer, proof that you have fulfilled the requirements set forth in Subsection 4.18.1, "Introductory Offers", or • Proof that the Cardmember has not canceled and continues to use the service or receive the goods, or • Proof that a Credit which directly offsets the Disputed Charge has already been processed

Not as Described or Defective Merchandise (ISO 4553 / C31)

Description	The Cardmember claims to have received goods/services that are different than the written description provided at the time of the Charge.
Information provided with the Chargeback	<ul style="list-style-type: none"> • Charge Data, and • A description of the Cardmember's claim that the goods/services received differ from your written description provided at the time of Charge, and • In the case of goods: written description of the Cardmember's attempt to return the goods
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> • Proof refuting the Cardmember's claim that the written description differs from the goods/services received, or • Proof that the Cardmember agreed to accept the goods/services as provided, or • Proof that a Credit which directly offsets the Disputed Charge has already been processed, or • Proof that goods and services matched what was described at time of purchase (e.g., photographs, e-mails) <p>For goods or services purchased by the Cardmember that were received in a damaged or defective state, the Merchant must provide one (1) or more of the following items:</p> <ul style="list-style-type: none"> • Show that an attempt was made by the Merchant to repair or replace damaged or defective goods or to provide replacement services • If returned, state how the Cardmember did not comply with the Merchant's clearly documented cancellation, return policy or applicable law and regulations • Show that the Cardmember agreed to accept the goods or services "as is"

Not as Described or Defective Merchandise (ISO 4553 / C32)

Description	The Cardmember claims to have received damaged or defective goods/services.
Information provided with the Chargeback	<ul style="list-style-type: none"> • Charge Data, and • Description of the damage or defective goods/services, date of receipt of the goods/services, extent of the damage to the goods or how the service was defective, and • Details of how you were notified or how the Cardmember attempted to notify you of the issue, and • If returned: Details of how the Cardmember returned, or attempted to return, the goods to you
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> • Proof refuting the Cardmembers claim that the goods/services were damaged or defective (provided that, in the case of goods, they were not returned to you), or • Proof that an attempt was made to repair or replace damaged or defective goods or to provide replacement services, or • Proof that the Cardmember did not comply with your clearly documented cancellation and return policies or Applicable Law (provided that, in the case of goods, they were returned to you), or • Proof that the Cardmember agreed to accept the goods as delivered, or • Proof that the goods/services were not returned to you, or • Proof that a Credit which directly offsets the Disputed Charge has already been processed

Car Rental Charge Non-Qualified or Unsubstantiated (ISO 4750) / Vehicle rental – capital damages, theft, or loss of use (M10)	
Description	The Cardmember claims to have been incorrectly billed for Capital Damages, theft, or loss of use. See Subsection 12.10.3.4, "Capital Damages" .
Information provided with the Chargeback	<ul style="list-style-type: none"> • Charge Data, and • If the Transaction amount exceeds the estimated amount by more than 15%, a copy of the specific estimate of the Capital Damages agreed to by the Cardmember. • If the Cardmember purchased the Merchant's collision, loss, or theft insurance—documentation that proves the Cardmember purchased, and was charged for the car rental Merchant's collision, loss, or theft insurance. • If the Cardmember was charged for theft or loss of use of the vehicle—documentation that proves the Cardmember was charged for theft or loss of use of the vehicle.
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> • Proof that the Charge submitted was within the specific estimate of the Capital Damages agreed in writing by the Cardmember, plus 15%. • Proof refuting Cardmember's claim that they were covered by the Merchant's insurance (i.e., rental agreement evidencing Cardmember's waiver of insurance or documentation that shows the Cardmember purchased insurance that was not sufficient to pay for the Capital Damages) • Proof that the Charge was valid and not for theft or loss of use • Proof that the Cardmember agreed in writing to accept liability for the Capital Damages • Proof that a credit which directly offsets the Disputes Charge has already been processed.

11.6.3 Fraud

Missing imprint (ISO 4527 / F10)	
Description	The Cardmember claims they did not participate in this Charge that was not processed using Magnetic Stripe or Chip Card Data. Note: Not applicable to Card Not Present Charges, and Digital Wallet Payments.
Information provided with the Chargeback	<ul style="list-style-type: none"> • Charge Data
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> • Proof that this was a Card Not Present Charge, or • Proof that a Credit which directly offsets the Disputed Charge has already been processed, or • Proof that the Card was present by providing an imprinted Charge Record or showing capture of the Magnetic Stripe

Multiple ROCs (ISO 4534 / F14)

Description	The Cardmember claims they participated in one valid Transaction with your Establishment, however, the Cardmember denies participation in the additional and subsequent Transactions that were submitted by you.
Information Provided with the Chargeback	<ul style="list-style-type: none"> • Charge Data for each Charge.
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> • Proof that each of the Transactions are valid Charges, or • Proof that a correcting Transaction, which directly offsets the disputed Transaction, has already been processed

No Valid Authorization (ISO 4755) / No Cardmember Authorization (F24)

Description	<p>The Cardmember claims they did not participate in this Charge. You submitted the Charge for payment, but the Charge was not Authorized, was declined or was submitted with an expired Authorization.</p> <p>Note: If prior Authorization was provided for a lesser amount, the Chargeback amount is restricted to the difference of the Authorized amount and the submitted Transaction amount.</p> <p>For estimated Charge amounts, the Chargeback amount is restricted to the difference of the Authorized amount plus the allowable percentage and the submitted Transaction amount. See Chapter 12. "Specific Industries".</p>
Information provided with the Chargeback	<ul style="list-style-type: none"> • Charge Data
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> • Proof that a Credit which directly offsets the Disputed Charge has already been processed, or • Proof that you received a valid Authorization for the Charge

Card Not Present (ISO 4540 / F29)	
Description	The Cardmember denies participation in a mail order, telephone order, application-initiated, or internet Charge.
Information provided with the Chargeback	<ul style="list-style-type: none"> Charge Data
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> Proof of Delivery to the Cardmember's billing address, or Proof that you attempted to validate the CID and you did not receive a response or you received an "unchecked" response, or Proof that you validated the address via Authorization and shipped goods to the validated address, or Proof that a Credit which directly offsets the Disputed Charge has already been processed, or Compelling Evidence as defined in Subsection 11.7.2, "Compelling Evidence for Card Not Present Fraud (ISO 4540/F29)"

Fraud Liability Shift – Counterfeit (ISO 4798) / EMV Counterfeit (F30)	
Description	<p>The Cardmember denies participation in the Charge and a counterfeit Chip Card was used at a POS System where the Transaction was not processed as a Chip Card Transaction because either the POS System was not an Enabled Chip and PIN POS System or the Transaction was manually keyed.</p> <p>Note: Not applicable to contactless Transactions and Digital Wallet Payments.</p>
Information provided with the Chargeback	<ul style="list-style-type: none"> Charge Data
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> Proof that this was a Card Not Present Charge, Proof that the POS System processed a Chip Card Transaction, or Proof that a Credit, which directly offsets the Disputed Charge, has already been processed

Fraud Liability Shift - Lost/Stolen/Non-Received (ISO 4799) / EMV Lost / Stolen / Non Received (F31)

Description	The Cardmember denies participation in the Charge and Chip Card with PIN capabilities was lost/stolen/non-received and was used at a POS System where the Transaction was not processed as a Chip Card Transaction with PIN validation because either the POS System is not an Enabled Chip and PIN POS System, or, the Transaction was manually keyed. Note: Not applicable to contactless Transactions and Digital Wallet Payments, and Charges that qualify under the No PIN Program. (See Section 4.17. "No PIN Program").
Information provided with the Chargeback	<ul style="list-style-type: none"> • Charge Data
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> • Proof that this was a Card Not Present Charge, • Proof that the POS System processed a Chip Card Transaction with PIN validated, or • Proof that a Credit, which directly offsets the Disputed Charge, has already been processed

11.6.4 Inquiry/Miscellaneous

Insufficient Reply (ISO 4517 / R03)

Description	Complete support and/or documentation were not provided as requested in response to an Inquiry.
Information provided with the Chargeback	<ul style="list-style-type: none"> • Charge Data
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> • Proof that a Credit which directly offsets the Disputed Charge has already been processed

No Reply (ISO 4516 / R13)

Description	We did not receive your response to our Inquiry within the specified timeframe. See Section 11.5. "Chargebacks and Inquiries Response Timeframe" .
Information provided with the Chargeback	<ul style="list-style-type: none"> • Charge Data
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> • Proof you responded to the original Inquiry within the specified timeframe, or • Proof that a Credit which directly offsets the Disputed Charge has already been processed

Chargeback authorization (M01)	
Description	In response to our Inquiry, we have received your authorization to process Chargeback for the Charge.
Information provided with the Chargeback	<ul style="list-style-type: none"> Charge Data
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> Proof that a Credit which directly offsets the Disputed Charge has already been processed

11.6.5 Processing Error

Unassigned Cardmember Account Number (ISO 4523 / P01)	
Description	<p>You have submitted a Charge using an invalid or otherwise incorrect Card Number.</p> <p>Note: You may resubmit the Charge to us if you are able to verify and provide the correct Card Number.</p>
Information provided with the Chargeback	<ul style="list-style-type: none"> Charge Data
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> Copy of the imprint that confirms Card Number, or Proof that you obtained an Authorization Approval for such Card Number, or Copy of the Charge Record from the terminal that electronically read the Card Number, or Proof that a Credit which directly offsets the Disputed Charge has already been processed

Credit/Debit Presentment Error (ISO 4752) / Credit processed as Charge (P03)	
Description	The Cardmember claims the Charge you submitted should have been submitted as a Credit.
Information provided with the Chargeback	<ul style="list-style-type: none"> Charge Data, and Copy of the Credit Record or details showing you agreed to provide Credit to the Cardmember
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> Proof that the Charge was submitted correctly, or Proof that a Credit which directly offsets the Charge has already been processed

Credit/Debit Presentment Error (ISO 4752) / Charge processed as Credit (P04)	
Description	The Cardmember claims the Credit you submitted should have been submitted as a Charge.
Information provided with the Chargeback	<ul style="list-style-type: none"> • Charge Data, and • Copy of the Charge Record or details of the Charge
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> • Proof that the Credit was submitted correctly, or • Proof that a Charge that directly offsets the Credit has already been processed

Incorrect Transaction Amount or Primary Account Number (PAN) Presented (ISO 4507) / Incorrect Charge amount (P05)	
Description	The Charge amount you submitted differs from the amount the Cardmember agreed to pay.
Information provided with the Chargeback	<ul style="list-style-type: none"> • Charge Data, and • Copy of the Charge Record and details describing the discrepancy
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> • Proof that the Cardmember agreed to the amount submitted, or • Proof that the Cardmember was advised of and agreed to pay for any additional or delayed Charges using the Card the Charge was submitted to, or • Itemized contract/documentation substantiating the Charge amount submitted, or • Proof that a Credit which directly offsets the Disputed Charge has already been processed

Late Presentment (ISO 4536) / Late submission (P07)	
Description	The Charge was not submitted within the required timeframe. See Section 6.5, "Submission Requirements—Electronic" .
Information provided with the Chargeback	<ul style="list-style-type: none"> • Charge Data
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> • Proof the Charge was submitted within the required timeframe, or • Proof that a Credit which directly offsets the Disputed Charge has already been processed

Multiple Processing (ISO 4512) / Duplicate Charge (P08)

Description	The individual Charge was submitted more than once.
Information provided with the Chargeback	<ul style="list-style-type: none"> Charge Data for each Charge
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> Documentation showing that each Charge is valid, or Proof that a Credit which directly offsets the Disputed Charge has already been processed

Non-matching Card Number (ISO 4507 / P22)

Description	The Card Number in the Submission does not match the Card Number in the original Charge.
Information provided with the Chargeback	<ul style="list-style-type: none"> Charge Data, and Supporting documentation showing the Card Number on the Charge Record is different than on the Submission
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> Copy of the Card imprint confirming the Card Number, or Copy of the Charge Record from the terminal that electronically read the Card Number, or Proof that a Credit which directly offsets the Disputed Charge has already been processed

Currency Discrepancy (ISO 4530 / P23)

Description	The Charge was incurred in an invalid currency. See Section 6.5. "Submission Requirements—Electronic" .
Information provided with the Chargeback	<ul style="list-style-type: none"> Charge Data
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> Proof that a Credit which directly offsets the Disputed Charge has already been processed

11.6.6 Chargeback Programs

Fraud Full recourse (ISO 4763 / FR2)

Description	The Cardmember denies authorizing the Charge and your Establishment has been placed in the Fraud Full Recourse Program.
Information provided with the Chargeback	<ul style="list-style-type: none"> • Charge Data
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> • Proof that you had not been placed in the Fraud Full Recourse Program at the time of the Chargeback, or • Proof that the POS System processed a Transit Contactless Transaction for less than or equal to the Chargeback Protection Threshold, or • Proof that a Credit which directly offsets the Disputed Charge has already been processed

Immediate Chargeback Program (FR4)

Description	The Cardmember has disputed the Charge and you have been placed in the Immediate Chargeback Program.
Information provided with the Chargeback	<ul style="list-style-type: none"> • Charge Data
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> • Proof that you are not enrolled in the Immediate Chargeback Program at the time of the Chargeback, or • Proof that a Credit which directly offsets the Disputed Charge has already been processed

Partial Immediate Chargeback Program (FR6)

Description	The Cardmember has disputed the Charge and you have been placed in the Partial Immediate Chargeback Program.
Information provided with the Chargeback	<ul style="list-style-type: none"> • Charge Data
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> • Proof that you are not enrolled in the Partial Immediate Chargeback Program at the time of the Chargeback, or • Proof that a Credit which directly offsets the Disputed Charge has already been processed

11.7 Compelling Evidence

If you provide Compelling Evidence, we will validate the support (e.g., name and address supplied for the Cardmember matches the Issuer's records, confirm that previous Transactions were not disputed).

You may provide Compelling Evidence as support to demonstrate the Cardmember participated in the Transaction, received goods or services, or benefited from the Transaction. If we determine that the evidence satisfies the relevant section(s) of the Compelling Evidence policy, the Issuer will review the Compelling Evidence with the Cardmember prior to making a decision on the Chargeback reversal request. Merchants are expected to provide all available information, and to only submit Compelling Evidence when the Merchant strongly believes the Cardmember participated in the Transaction, received goods or services, or authorized the Charge. Only Compelling Evidence that has been gathered in compliance with Applicable Law may be relied upon. For a list of Compelling Evidence items, see [Subsection 11.7.1. "Compelling Evidence for goods/services not received or only partially received \(ISO 4554/C08\)"](#) and [Subsection 11.7.2. "Compelling Evidence for Card Not Present Fraud \(ISO 4540/F29\)"](#).

11.7.1 Compelling Evidence for goods/services not received or only partially received (ISO 4554/C08)

Item #	Allowable Compelling Evidence for goods/services not received or only partially received (ISO 4554 / C08) Chargeback Reversal request must include one (1) of the following items:
1	For Transactions involving goods or services, evidence to prove that there is a link between the person who received the goods or services and the Cardmember (e.g., photographs, emails), or
2	For Airline or other passenger transportation Transactions, one (1) of the following must be provided: <ul style="list-style-type: none"> • Evidence that the Cardmember or designated passenger participated in the flight or transportation (e.g., scanned boarding pass or passenger manifest), or • Credits of frequent flyer miles or loyalty point program rewards for the flight or travel in question, showing a direct connection to the Cardmember, or • Proof flight in question was available during airline bankruptcy proceedings, or • Evidence of additional Transactions related to the original Transaction, such as seat upgrades, baggage payment, or purchases made on board the aircraft or passenger transport, or • Itemized invoice for associated Charges, or Or,
3	For Card Not Present Transactions where the goods are picked up at the Merchant's location: <ul style="list-style-type: none"> • The Merchant must provide the Cardmember or authorized third party signature on the pickup form as well as additional proof to demonstrate that the identity of the Cardmember or authorized third party was verified at the time of pickup Or,

Item #	Allowable Compelling Evidence for goods/services not received or only partially received (ISO 4554 / C08) Chargeback Reversal request must include one (1) of the following items:
4	<p>For e-commerce Transactions representing the sale of Digital Goods or Services downloaded from a Merchant's website or application or accessed online, one (1) of the following must be provided:</p> <ul style="list-style-type: none"> • Proof that the Cardmember's IP address at the time of purchase matches the IP address where the digital goods were downloaded, or • Proof the Cardmember's email address provided at the time of purchase matches the email address used to deliver the digital goods, or • Proof that the Merchant's website was accessed by the Cardmember for Digital Goods or Services after the Transaction Date. <p>Note: In addition to the above, one (1) of the following may also be provided:</p> <ul style="list-style-type: none"> • Description of the digital goods, or • Date and time the digital goods were downloaded or accessed.

11.7.2 Compelling Evidence for Card Not Present Fraud (ISO 4540/F29)

Item #	Allowable Compelling Evidence for Card Not Present fraud (ISO 4540 / F29) Chargeback Reversal request must include one (1) of the following items:
1	<p>For Transactions involving the shipment of goods or services, proof that the Transaction contains a shipping address that matches a previously used shipping address from an undisputed Transaction, or</p>
2	<p>For Airline or other passenger transportation Transactions, one (1) of the following must be provided:</p> <ul style="list-style-type: none"> • Evidence that the Cardmember or designated passenger participated in the flight or transportation (e.g., scanned boarding pass, or passenger manifest), or • Credits of frequent flyer miles or loyalty point program rewards earned or redeemed for the flight or travel in question, showing a direct connection to the Cardmember, or • Proof of receipt of the flight or transportation ticket at the Cardmember's billing address, or • Proof that the Transaction contains the designated passenger name that matches a previously used passenger name from an undisputed Transaction, <p>Or,</p>

E-commerce Merchants must adhere to policy noted in item three (3) rather than attempting to provide incomplete evidence such as usage details or billing authorization.

Item #	Allowable Compelling Evidence for Card Not Present fraud (ISO 4540 / F29) Chargeback Reversal request must include one (1) of the following items:
3	<p>For e-commerce Transactions involving the sale of Digital Goods or Services, provide all of the following:</p> <ul style="list-style-type: none"> a. Cardmember name linked to the account with the Merchant and b. Description of the goods or services and the date/time they were purchased and downloaded, accessed, or provided to the Cardmember, c. Proof that the device and Card used for the disputed Transaction was used in a previous Transaction that was not disputed and the following information is currently linked to the Cardmember account with the Merchant: <ul style="list-style-type: none"> i. Device ID ii. IP address and geographical location iii. Device name (if available), <p>In addition, provide three (3) or more of the following:</p> <ul style="list-style-type: none"> ▪ Proof that the Merchant validated the Card and the Cardmember prior to or at the time of purchase and received an AAV (Automated Address Verification) verification response of "Y" or CSC (Card Security Code) verification response of "Y", ▪ Proof that the customer account with the Merchant was accessed by the Cardmember and successfully verified by the Merchant on or before the Transaction date, ▪ Proof that the Cardmember password or CDCVM was captured by the Merchant in order to complete the Transaction, ▪ Phone number and/or email address linked to the customer profile held by the Merchant. <p>Or,</p>
4	<p>For Recurring Billing Transactions initiated on the Merchant's website all of the following must be provided:</p> <ul style="list-style-type: none"> a. Proof of a legally binding contract held between the Merchant and the Cardmember, and b. Proof the Cardmember accessed the Merchant's website or application to establish services on or before the Transaction date, and c. Proof the Cardmember received the goods or services, and d. Proof of a previous Transaction that was not disputed <p>Or,</p>

Item #	Allowable Compelling Evidence for Card Not Present fraud (ISO 4540 / F29) Chargeback Reversal request must include one (1) of the following items:
5	<p>For Transactions involving the sale of website search and/or advertising services to promote consumer products or services, all of the following must be provided:</p> <ul style="list-style-type: none"> a. Proof of a legally binding contract held between the Merchant and the Cardmember, and b. Details of the initial ad-service setup, including at least two (2) of the following items: <ul style="list-style-type: none"> i. Purchaser's IP address and geographical location at the date and time of the initial ad-service setup ii. Email address of purchaser iii. Company name or purchaser name, and c. Proof the Cardmember has accessed the Merchant's website to establish services on or before the Transaction date, and d. Proof that the device and Card used for the disputed Transaction was used in a previous Transaction that was not disputed. In addition, provide the following information that is currently linked to the Cardmember account with the Merchant: <ul style="list-style-type: none"> i. Device ID ii. IP address and geographical location iii. Device name (if available), and e. Proof that the Cardmember received the goods or services, and f. Description of the goods or services and the date they were provided.

11.8 Inquiry Types

American Express tries to resolve Disputed Charges by first using information available to us. This includes, but is not limited to, replying with a Substitute Charge Record on your behalf in attempts to resolve the Disputed Charge. American Express relies on the information previously provided by the Merchant related to the disputed transaction when generating a Substitute Charge Record. No warranty, express or implied, is made by American Express, nor do we accept any liability regarding the accuracy, adequacy, completeness, reliability, or usefulness of the information provided by the Merchant and used in creating a Substitute Charge Record.

In instances where we cannot resolve a Disputed Charge, we will send you an Inquiry. The form of Inquiry that we will send you includes information about the Charge in question, explanations of the material you must send us to support the Charge, and a deadline by which your response must be received. In response to Inquiries, we will accept Compelling Evidence items ([Section 11.7. "Compelling Evidence"](#)) to show that the Cardmember participated in the Transaction, received the goods or services, or benefited from the Transaction. In addition, when providing Proof of Delivery, a signature from the Cardmember or an authorized signer of the Card is not required.

Inquiry category and definition	Industry and supporting documentation
<p>(127 / 176) Does Not Recognize/ Remember/ No Knowledge (127) <i>Cardmember does not recognize or remember the Charge.</i> (176) <i>Cardmember does not recognize or remember the Card Not Present Charge.</i></p>	<p>The Cardmember claims to not recognize the Charge. Please do one of the following:</p> <ul style="list-style-type: none"> • provide support and itemization; or • issue Credit <p>If the Charge relates to shipped goods, please include Proof of Delivery with the full delivery address.</p>
<p>(158) Credit Not Processed <i>Cardmember claims Credit is due from Merchant, but has not received the Credit.</i></p>	<p>The Cardmember has requested Credit for goods that were returned to your Establishment. Please do one of the following:</p> <ul style="list-style-type: none"> • issue Credit, or • explain why Credit is not due along with a copy of your return policy
<p>(004) Non Receipt of Goods/Services <i>Cardmember did not receive the goods or services.</i></p>	<p>The Cardmember requests delivery of goods / services ordered but not received. Please provide:</p> <ul style="list-style-type: none"> • the service or ship the goods, or • Proof of Delivery or proof of services rendered. <p>For other recommended supporting documentation, please refer to Section 11.7. "Compelling Evidence".</p>
<p>(680) Overcharge/ Incorrect Transaction Amount <i>Cardmember claims that the amount of the Transaction is incorrect.</i></p>	<p>The Cardmember claims the Charge amount you submitted differs from the amount the Cardmember agreed to pay. Please do one of the following:</p> <ul style="list-style-type: none"> • issue Credit, or • explain why Credit is not due and provide relevant documentation.
<p>(024) Damaged or Defective Goods <i>Goods received from the Merchant were damaged or defective.</i></p>	<p>The Cardmember claims the goods received are damaged or defective and requests return authorization. If a return is not permitted, please provide:</p> <ul style="list-style-type: none"> • a copy of your return or refund policy. • information on your efforts to resolve the claim.
<p>(059) Repair or Replacement of Defective Goods <i>Goods received from the Merchant were damaged or defective. Request for repair, replacement or return instructions.</i></p>	<p>The Cardmember requests repair or replacement of damaged or defective goods received. Please provide:</p> <ul style="list-style-type: none"> • return instructions and make the appropriate repairs, or • a copy of your return/replacement policy and explain why the goods cannot be repaired/replaced.

Inquiry category and definition	Industry and supporting documentation
<p>(021) Goods or Services Canceled or Returned <i>The Cardmember recalls the purchase, but claims to have canceled / returned it. This category includes billings for canceled reservations, no show Charges, canceled lodging/cruise deposits, canceled recurring/ continuing billing and other deposits.</i></p>	<p>The Cardmember claims the goods / services were canceled / expired or the Cardmember has been unsuccessful in an attempt to cancel the goods / services. Please:</p> <ul style="list-style-type: none"> • issue Credit, or • provide a copy of your cancellation policy or, • if applicable provide, contract approved in writing by the Cardmember, and discontinue future billings.
<p>(063) Not as Described or Dissatisfied with Goods or Services <i>Goods or services do not conform to the documented description; or not satisfied with the goods or services that were delivered or provided</i></p>	<p>The Cardmember requests:</p> <ul style="list-style-type: none"> • replacement for goods or services that were not as described by your Establishment, or • Credit for the goods or services as the Cardmember is dissatisfied with the quality. • A copy of terms and conditions for all goods or services provided including warranty information, if applicable. Advise of efforts taken to resolve the issue and/or options available for resolution.
<p>(155) Services Not Rendered <i>Cardmember has not received the goods or services that were purchased.</i></p>	<p>The Cardmember has requested Credit for goods / services that were not received from your Establishment. Please:</p> <ul style="list-style-type: none"> • issue Credit, or • provide Proof of Delivery or services were provided, or • provide a copy of the purchase agreement indicating provided in writing to the Cardmember the cancellation policy and an explanation of why Credit is not due. <p>For other recommended supporting documentation, please refer to Section 11.7, "Compelling Evidence".</p> <p>When providing Proof of Delivery, a signature from the Cardmember or an authorized signer of the Card is not required.</p>

Inquiry category and definition	Industry and supporting documentation
<p>(193) Fraudulent Transactions <i>Cardmember claims Charge is fraudulent.</i></p>	<p>The Cardmember claims the Charge incurred at your Establishment is fraudulent.</p> <p>For a Card Present Charge, provide:</p> <ul style="list-style-type: none"> ▪ a copy of the Charge Record and ▪ if applicable, an imprint of the Card, if one was taken. <p>For a Card Not Present Charge, provide:</p> <ul style="list-style-type: none"> ▪ a copy of the Charge Record, ▪ any contracts or other details associated with the purchase, and ▪ Proof of Delivery with to the Cardmembers complete and valid billing address. <p>For other recommended supporting documentation, please refer to section Section 11.7, "Compelling Evidence".</p> <p>When providing Proof of Delivery, a signature from the Cardmember or an authorized signer of the Card is not required.</p>
<p>(062) Credit Presentment Error <i>The Charge should have been submitted as a Credit</i></p>	<p>The Cardmember claims the referenced Charge should have been submitted as a Credit. Please:</p> <ul style="list-style-type: none"> • issue Credit, or • provide support and itemization for the Charge and an explanation of why Credit is not due.
<p>(154) Canceled or refused <i>The goods or services were canceled or refused.</i></p>	<p>The Cardmember claims the goods / services were canceled and /or refused. Please:</p> <ul style="list-style-type: none"> • issue Credit, or • provide Proof of Delivery, • proof that the Cardmember was made aware of your cancellation policy and an explanation why Credit is not due.
<p>(173) Duplicate Billing <i>Cardmember was Charged multiple times for the same Transaction</i></p>	<p>The Cardmember requests Credit from your Establishment for a duplicate billing.</p> <ul style="list-style-type: none"> • If your records show this is correct, please issue Credit. • If Credit is not due, provide support and itemization of both charges and provide an explanation in full to us.
<p>(175) Credit Not Presented <i>Credit is due but does not appear.</i></p>	<p>The Cardmember claims that a Credit is due but has not appeared on his/ her account. Please:</p> <ul style="list-style-type: none"> • issue Credit, or • provide support for the Charge and an explanation of why Credit is not due.
<p>(684) Paid by Other Means <i>Charge was paid by another form of payment</i></p>	<p>The Cardmember claims the Charge was paid by another form of payment. Please:</p> <ul style="list-style-type: none"> • issue Credit, or • provide proof that the Cardmember's payment by other means was not related to the Disputed Charge; or • that you have no record of the Cardmember's other payment.

Inquiry category and definition	Industry and supporting documentation
<p>(691) Cardmember Requests Support <i>Cardmember only requesting supporting documentation.</i></p>	<p>The Cardmember is not disputing the Charge at this time, but is requesting support and itemization. Please provide this requested documentation.</p>
<p>(693) Vehicle Rental and capital damages <i>Cardmember has question the Charge for damages/theft or loss.</i></p>	<p>The Cardmember has questioned the Charge for damages / theft or loss. Please</p> <ul style="list-style-type: none"> • issue credit; or • provide a copy of the following documentation: <ul style="list-style-type: none"> ▪ itemized rental agreement, ▪ itemized documentation to support the Charge, ▪ proof that the Cardmember agreed in writing to accept responsibility for the Charge, and ▪ proof that the Cardmember agreed in writing to select American Express as the payment method for the Charge.

11.9 Chargeback and Inquiry Monitoring

We monitor the number of Chargebacks and Inquiries at all Merchants and Establishments on the Network. Your Chargebacks and/or Inquiries may be considered disproportionate if any of the following conditions are present:

- You are unable to provide supporting documentation for Charges made at your Establishment consistently.
- The number of No Reply and Insufficient Chargebacks at your Establishment is deemed to be excessive relative to your prior history or industry standards.

If any of the preceding conditions, or any conditions listed in our country-specific policies are present, notwithstanding anything to the contrary in the Agreement, we may place you in any of our Chargeback programs ([Section 11.11, "Chargeback Programs"](#)), or create a Reserve, (or both).

The list of conditions above is not exhaustive and does not reflect all circumstances under which we will act to protect our interests.

Your Chargebacks and/or Inquiries may be considered disproportionate if:

- We receive a disproportionately high number of Disputed Charges relative to your prior history or industry standards.
- The monthly ratio of Disputed Charges to gross Charges (less Credits) at an Establishment exceeds three percent (3%) in any three (3) months.
- The monthly ratio of Chargebacks (less Chargeback Reversals) to gross Charges (less Credits) at an Establishment exceeds one percent (1%) in three (3) consecutive months.

Additionally, if you meet any of the conditions in the second bullet point above, we may charge you a fee (see [Subsection 14.2, "Types of Fees"](#)).

11.10 How We Chargeback

We may Chargeback by (i) deducting, withholding, recouping from, or otherwise offsetting against our payments to you or debiting your Bank Account, or we may notify you of your

obligation to pay us, which you must do promptly and fully; or (ii) reversing a Charge for which we have not paid you. Our failure to demand payment does not waive our Chargeback rights.

In the event of a Chargeback, we will not refund the Discount or any other fees or assessments, or we will otherwise recoup such amounts from you.

11.11 Chargeback Programs

Certain Chargebacks arise because Merchants are in our Chargeback programs.

Fraud Full Recourse Program

The Fraud Full Recourse Program allows us to Chargeback any time a Cardmember disputes a Charge based on actual or alleged fraud without the right to request a reversal of our decision to exercise our Chargeback rights.

You may be placed in this program for one or more of the following reasons:

- You are a High Risk Merchant. For more information on the high risk criteria, see [Subsection 10.3.1, "High Risk Merchants"](#).
- An Establishment experiences a disproportionately high number of Disputed Charges relative to your prior history or industry standards.
- You engage or participate in fraudulent, deceptive, or unfair business practices, illegal activities, or prohibited uses of the Card, see [Subsection 10.3.2, "Fraudulent, Deceptive, or Unfair Business Practices, Illegal Activities, or Prohibited Uses of the Card"](#).

Note: We may place you in a Chargeback program upon signing, or any time during the term of the agreement. The above list is not exhaustive and we may, at our sole discretion, place you in the program for other reasons. Placement in the Fraud Full Recourse Program binds you to the program terms indicated above. We will have the rights set forth in this subsection, even if we had notice of such defect at the time of payment, you have received an Authorization and/or have complied with all other provisions of the Agreement. In the event of a conflict between this program and any other program, e.g., Fraud liability shift programs, the terms of the Fraud Full Recourse Program will prevail.

Immediate Chargeback Program

If you are enrolled in this program, you will receive a Chargeback without first receiving an Inquiry any time a Cardmember disputes a Charge for any reason other than actual or alleged fraud.

You may choose to enroll in this program to avoid receiving Inquiries or Disputes.

Partial Immediate Chargeback Program

If you are enrolled in this program, you will receive a Chargeback below a predetermined amount without first receiving an Inquiry any time a Cardmember disputes a Charge for any reason other than actual or alleged fraud. All disputed amounts above the predetermined amount will be processed under our standard Chargeback and Inquiry policy.

You may choose to enroll in this program to avoid receiving Inquiries below a specific dollar amount.

Note: We may, at our sole discretion, place you in this program at any time during the term of the agreement for other reasons.

11.12 Ways to Receive Chargebacks and Inquiries

American Express has a variety of options for the exchange of Inquiry information with you. In addition to the traditional paper by mail method, you can access your Merchant Account online to receive and respond to Chargebacks and Inquiries.

Managing your Merchant Account online offers the following benefits:

- allows you to address Disputed Charges and urgent Chargebacks and Inquiries,
- helps eliminate the risk of mail delays and shuffling through stacks of paper, and
- allows you to upload and send scanned supporting documentation.

If you prefer, you can receive and respond to Inquiries by paper via mail.

11.13 Response Methods

You may respond to Inquiries through various channels depending on how you receive your Chargebacks and Inquiries.

Online	Mail	Fax
<p>You may respond to Chargebacks and Inquiries online at www.americanexpress.com/merchant:</p> <ul style="list-style-type: none"> • Respond to Chargebacks and Inquiries directly without paperwork. • Address Disputed Charges and urgent Inquiries. <p>Online is our preferred method for handling Chargebacks and Inquiries.</p>	<p>If you prefer to mail your responses, use the Disputed Charge addresses listed in the Contact Information page.</p>	<p>You may fax replies directly to Customer Service Disputes . Fax numbers are typically found in the dispute notification, the Contact Information page, or the disputes fax number website. For paper by mail Disputes, we prefer that you fax all responses and include the Inquiry cover sheet. This will ensure the timely receipt of your documentation.</p>

For mail and fax responses, you must include the claim form with your response. The claim form must include the case number. Each page of the supporting documentation for the Disputed Charge must also include the case number. If the documentation does not contain the case number, or you are unable to locate the case number, you must include a copy of the initial Chargeback or Inquiry letter with your response. Failure to provide the correct case number or the cover letter may result in a liability to you.

Specific Industries

- 12.1 Introduction
- 12.2 Rental Establishments
- 12.3 Auto Dealers
- 12.4 Business-to-Business (B2B)/Wholesale Distribution
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- 12.11 Government/Utilities/Education
- 12.12 Internet/Online Pharmacies
- 12.13 Online/Mail Order Tobacco Retail
- 12.14 Franchises
- 12.15 Transit Contactless Transactions



12.1 Introduction

This chapter states additional policies and procedures applicable to Merchants classified in specific industries. All other provisions and requirements of the Agreement apply to these Merchants as well. To the extent possible, the provisions of this [Chapter 12, "Specific Industries"](#) and the other provisions of the *Merchant Regulations* shall be interpreted to give each their full effect. However, if a conflict is deemed to exist between them, then the provisions of this [Chapter 12, "Specific Industries"](#) shall govern.

12.2 Rental Establishments

Rental Establishments

Long-term rentals used as primary residences.

In some countries, additional policies and procedures are applicable to Merchants who accept the Card for payment for Rental Establishments.

If we determine that you are primarily in the business of operating one or more Rental Establishments, then you must provide to us, promptly on request, a list of your Rental Establishments and notify us of any subsequent changes in the list. In order to qualify for the Discount for Charges of rent on Rental Establishments and related security deposits and common room fees (collectively, *Rent Payments*), you must offer Recurring Billing Charges for Rent Payments and actively promote acceptance of the Card (including by general communications to residents), and the majority of your Charge volume must come from Recurring Billing Charges for Rent Payments. See [Section 4.18, "Recurring Billing Charges"](#).

We may charge you different Discount for Charges submitted by your Establishments that are not Rental Establishments (e.g., Discount for the parking lot industry will apply to Charges from parking lots operated at your Rental Establishments). We may use your name, addresses, (including your website addresses or URLs) and telephone numbers in any media at any time to indicate that you accept the Card for Rent Payments, including Recurring Billing Charges for Rent Payments.

Customers should feel free to use all forms of payment that Merchants accept without being penalized for choosing a particular form of payment. To promote consumer choice, Merchants are generally prohibited from imposing any restrictions, conditions, or disadvantages when the Card is accepted that are not imposed equally on all Other Payment Products. See [Section 3.2, "Treatment of the American Express Brand"](#). You must not impose a higher convenience fee, whether in the form of a flat fee or as a percentage of the final Transaction amount, on Charges than you impose on Other Payment Products, except for automated clearing house funds transfers, cash, and checks.

Rental Establishments may assess convenience fees on Charges, provided that they comply with the other requirements of this section, as follows:

- You must clearly disclose the amount of convenience fees to the customer, which may include itemization on the customer receipt, invoice or confirmation email, and give the customer the opportunity to cancel the Charge if the customer does not want to pay the convenience fee.
- Any explanation, verbal or written, describing why the convenience fee is being assessed, or how it is calculated, must characterize the convenience fee as an assessment to cover your administrative costs and not as an assessment to cover your cost of accepting the Card.

Your third-party service provider can only assess a convenience fee when it accepts the Card for Charges in compliance with the requirements of this section.

12.3 Auto Dealers

In some countries, additional policies and procedures are applicable to Merchants classified in the auto dealer industry.

This section applies to Merchants that we classify in an auto dealer industry.

The following requirements will apply to Charges for the down payment or the entire purchase price of new and used motor vehicles.

You may accept the Card for down payment of a motor vehicle, subject to the following provisions:

- You must not submit a Charge for the down payment price of a used motor vehicle unless and until you have obtained the Cardmember's approval in writing on the agreement/bill of sale setting forth the terms of the sale, including down payment price, and your cancellation policy.
- In addition to our other Chargeback rights, we also have Chargeback rights for any portion of the Charge for the down payment price of a used motor vehicle which is disputed by the Cardmember, if such Disputed Charge cannot be resolved in your favor based upon unambiguous language contained in the written agreement/bill of sale.
- Should a Cardmember exercise his or her right to rescind the written agreement/bill of sale during any rescission period set forth in the Cardmember's agreement with you or at law, you shall submit a Credit to us promptly.
- If we have classified you as an auto dealer of used motor vehicles exclusively, the down payment must not exceed 50% of the full purchase price of the motor vehicle.
- If the Cardmember denies making or authorizing the Charge, we will have Chargeback rights for such Charge in addition to our other Chargeback rights (see [Chapter 11, "Chargebacks and Inquiries"](#)).

You may also accept the Card for the entire purchase price of a new or used motor vehicle, subject to the following provisions:

- We have classified you as an auto dealer of new or new and used motor vehicles (i.e., your dealership sells new motor vehicles exclusively or both new and used motor vehicles).
- The amount of the Charge does not exceed the total price of the motor vehicle after deduction of applicable discounts, taxes, rebates, cash down payments, and trade-in values.
- You must not submit a Charge for the entire purchase price of a new or used motor vehicle unless and until you have a written agreement/bill of sale signed by the Cardmember setting forth the terms of the sale, including purchase price, delivery date and your cancellation policy.
- In addition to our other Chargeback rights, we also have Chargeback rights for any portion of the Charge for the entire purchase price of a new or used motor vehicle which is disputed by the Cardmember, if such Disputed Charge cannot be resolved in your favor based upon unambiguous language contained in the written agreement/bill of sale.
- Should a Cardmember exercise his or her right to rescind the written agreement/bill of sale during any rescission period set forth in the Cardmember's agreement with you or at law, you shall submit a Credit to us promptly.
- If the Cardmember denies making or authorizing the Charge and you have not transferred title or physical possession of the motor vehicle to the Cardmember, we will have Chargeback rights for such Charge in addition to our other Chargeback rights. See [Chapter 11, "Chargebacks and Inquiries"](#).

12.4 Business-to-Business (B2B)/Wholesale Distribution

Line Item Detail (LID) allows Merchants to receive a detailed invoice which expands the purchase order to include data such as the product numbers, part numbers, price per unit, quantity, etc. For information on Line Item Detail, contact your American Express representative or [Merchant Services](#).

To minimize your risk of a Chargeback with B2B Charges, always:

- Obtain the Cardmember's approval in writing whenever establishing a card on file or a Recurring Billing agreement with the Cardmember.
- For Card Not Present Charges, obtain Proof of Delivery.
- Maintain clear and accurate records of orders and returns.

In some countries, additional policies and procedures are applicable to Merchants we classify in the business-to-business (B2B) or wholesale distribution industry.

If we classify you in the business-to-business (B2B) or wholesale distribution industries, and we determine that you are not in the Telecommunications industry, then notwithstanding the prohibition in [Section 3.3, "Prohibited Uses of the Card"](#), you may accept the Card for overdue amounts to the extent that acceptance of overdue amounts is a common practice in your industry and does not constitute an attempt to obtain payment from the Cardmember whose prior methods of payment have, in our reasonable judgment, been difficult to collect or uncollectible. An indicator of such difficulty, for example, may be the fact that you have sent an overdue customer account to collections.

For the purposes of [Section 6.5, "Submission Requirements—Electronic"](#), a Charge submitted by your Establishments classified in the foregoing industries will be deemed "incurred" on the date the Cardmember indicates to you that the Cardmember will pay for the goods or services purchased with the Card, so long as:

- this is a common practice in your industry, and
- does not constitute an attempt to obtain payment from the Cardmember when prior methods of payment have been difficult to collect or uncollectible.

Notwithstanding the restriction in [Section 6.5, "Submission Requirements—Electronic"](#), you must not submit any Charge until the goods have been shipped or services have been provided to the Cardmember. To the extent that you have clearly disclosed your intentions to the Cardmember and the Cardmember agrees, then you may submit the following types of Charges to us before you ship the goods to the Cardmember:

- Charges representing deposits on custom and special orders (so long as you comply with Applicable Law) or goods not in inventory at the time the order is placed.
- Charges representing advance, partial, or full payment for goods that the Cardmember requests you to ship at a later date.

Note: For CPC Charges, you may qualify, at our sole discretion, for an adjustment in your Discount. See [Section 4.13, "Corporate Purchasing Card Charges"](#).

12.5 Charitable Donations

In some countries, additional policies and procedures are applicable to Merchants who accept the Card for charitable donations.

If we determine that you are a non-profit organization incorporated or registered under Applicable Law and recognized as an Entity qualifying for tax exemption under Section 501(c)(3) of the U.S. Internal Revenue Service Code (Code), then:

- You must provide to us promptly, on request, documentation of such tax exempt status.
- You may accept the Card for charitable donations that:
 - are tax-deductible to the payor as a charitable contribution under the Code, or
 - include the receipt of an item or service of value (such as meal or admission to an event or other incentive) where at least a portion of the amount is tax-deductible to the payor as a charitable contribution under the Code.

If you accept the Card for Transactions that are not tax-deductible to the payor as a charitable contribution under the Code, we may charge you a different Discount for such Transactions.

12.6 Insurance

Agency

Any Entity or line of business that uses your Marks or holds itself out to the public as a member of your group of companies.

In some countries, additional policies and procedures are applicable to Merchants classified in the insurance industry.

This section contains provisions specific to Merchants that we classify in the insurance industry. If any of your goods or services are sold or billed by independent Agencies, then you must provide to us a list of such independent Agencies and notify us of any subsequent changes in the list.

We may use this list to conduct mailings that encourage such independent Agencies to accept the Card. We may mention your name in such mailings, and you must provide us with a letter of endorsement or assistance as we may require.

You must use your best efforts to encourage independent Agencies to accept the Card. We acknowledge that you have no control over such independent Agencies. From time to time, and subject to [Chapter 3, "Card Acceptance"](#), we may establish joint marketing campaigns that promote Card acceptance specifically at your Establishments or, generally, at insurance companies. A necessary purpose for which you submit Cardmember Information that is responsive to such joint marketing campaigns includes our use of that information to perform back-end analyses to determine the success of such joint marketing campaigns.

We undertake no responsibility on your behalf for the collection or timely remittance of premiums. We will not be subject to any liability, under any circumstances, for any claim arising from, or related to, any insurance policy issued by you or your Agencies. You must indemnify, defend, and hold harmless us and our Affiliates, successors, assigns, and Issuers, from and against all damages, liabilities, losses, costs, and expenses, including legal fees, to Cardmembers (or former Cardmembers) arising or alleged to have arisen from your or your Agencies termination or other action regarding their insurance coverage; breach, negligent or wrongful act or omission; failure to perform under the Agreement; or failure in the provision of your or their goods or services.

If the Card is accepted as payment for fixed rate cash value life insurance policies or fixed rate annuities under the Agreement, you represent and warrant that the fixed rate cash value life insurance policies and fixed rate annuities for which the Card will be accepted for premium payments are not securities requiring registration under the Securities Act of 1933, and, in addition to your other indemnification obligations to us, you must further indemnify, defend, and hold harmless us and our Affiliates, successors, assigns and Issuers from and against all damages, liabilities, losses, costs, and expenses, including legal fees, arising or alleged to have arisen from your or your Agencies breach of this representation and warranty.

12.7 Oil/Petroleum

In some countries, additional policies and procedures are applicable to Merchants classified in the oil/petroleum industry.

For information about CATs, see [Section 4.6, "Customer Activated Terminals"](#).

12.7.1 Requirements

You must:

- Obtain a unique Merchant Number for your CAT gas pump sales. If you conduct any other business at your Establishment (e.g., convenience store sales, car washing services), you must obtain a unique Merchant Number for those lines of your business.
- Submit dealer location data along with each Authorization request and each Submission file. Dealer location data consists of your business':

- dealer number (store number)
- name
- street address
- city
- postal code

12.7.2 Recommendations

Due to the high risk of fraud at the gas pump, we recommend that you adopt our full set of fraud mitigation tools. See [Chapter 9, "Fraud Prevention"](#).

American Express has implemented several policies and fraud prevention tools to assist in combating fraud at the gasoline pump.

We recommend that you:

- Set a pre-Authorization request of \$100 at your CAT gas pumps.
- For higher Charges such as diesel, adjust the pre-Authorization amount to accommodate the higher Charges.
- Set your CAT gas pumps to shut off when they reach the pre-Authorization amount.
- Request a separate Authorization for purchases that exceed the original pre-Authorization amount.

12.8 Telecommunications

Telecommunications

Communication services, including personal communication services; cellular, paging, long distance, etc.

In some countries, additional policies and procedures are applicable to Merchants classified in the Telecommunications industry.

We may establish audit procedures determined in our discretion to ensure that no Charges except for Recurring Billing Charges are submitted under the Merchant Number designated for Recurring Billing Charges.

The list of Affiliates that you must provide to us under the "List of Affiliates" section of the Agreement must include any Agency in the geographic area where you offer any Telecommunications services.

12.9 Timeshares

Timeshare Unit

The exclusive right to occupy a unit in a real estate development.

In some countries, additional policies and procedures are applicable to Merchants accepting the card for Timeshare Units.

If we determine (or you otherwise provide documentation to us) that you are a member of the American Resort Development Association (www.arda.org) and for at least two (2) years you have been in the business of selling Timeshare Units or listing Timeshare Units for sale, rental, or exchange, you must accept the Card for:

- no more than 50% of the purchase price of an ownership interest or other annual occupancy right in a Timeshare Unit, if the total amount of Charges you submit to us during any consecutive twelve (12)-month period is no more than a threshold we determine (currently \$3 million), or the full purchase price of an ownership interest or other annual occupancy right in a Timeshare Unit, if the total amount of Charges you submit to us during any consecutive twelve (12)-month period exceeds that threshold.
- membership fees to register or list a Timeshare Unit for sale, rental, or exchange.
- maintenance fees or annual fees associated with the Timeshare Units, subject to the provisions of [Section 4.18, "Recurring Billing Charges"](#).

You must not submit any Charge until you have the irrevocable right to retain the payment under Applicable Law and under a written agreement signed by the Cardmember. You must not accept the Card for campground memberships, recreational fees, or interests in real property

other than Timeshare Units, subject to what is described in [Section 4.18, "Recurring Billing Charges"](#).

12.10 Travel Industries

Additional policies and procedures are applicable to Merchants classified in the cruise line, lodging and vehicle rental industries. In addition, the Assured Reservations Program is available to Merchants in the lodging, trailer park/campground, vehicle, aircraft, bicycle, boat, equipment, motor home, and motorcycle rentals (see [Subsection 12.10.4, "Assured Reservations"](#)).

12.10.1 Cruise Line

This section applies to Merchants that we classify in the cruise line industry. Cruise line Merchants may permit Cardmembers to use the Card to make purchases:

- at all cruise line ticket and sales offices worldwide including all central reservation systems (e.g., cruise ship travel, connecting air packages, air tickets, shore excursions and tours, port transfer and baggage charges, and pre- and post-cruise travel packages), and
- for on-board purchases on cruise line ships (e.g., purchase on shipboard of cabin upgrades, entertainment, goods, beverages, laundry services, gratuities, deck chairs, spa services).



12.10.1.1 Cruise Line—Special Authorization Procedures

For additional information about accepting Prepaid Cards, see [Section 4.19, "Processing Prepaid Cards"](#).

We recommend that you perform an additional Authorization as soon as the Charge amount exceeds the original Authorization by 15% as follows:

- For Authorizations obtained intermittently – at least once per day.
- For Authorizations for estimated amounts at check-in – at the point the amount of costs incurred exceeds the Authorization for estimated amounts by more than 15%.

For on-board purchases:

- There may be times when you cannot obtain Authorization for every on-board purchase made on the Card. Instead, you must:
 - seek Authorization for estimated amounts at embarkation or check-in (with Authorization of any amounts in excess of such estimate to be obtained at the end of the cruise), or
 - seek Authorization intermittently (no less than daily) through the duration of the cruise.

Inform the Cardmember of any estimated amount for which Authorization will be requested and obtain the Cardmember's consent to the estimated amount before initiating the Authorization Request.

- If the POS System is unavailable to obtain an Authorization, then you must either:
 - obtain Authorization by telephoning our [Authorization Department](#), or
 - collect all Charges during such nonfunctioning time and as soon as reasonably possible obtain an Authorization.
- An Authorization made for on-board purchases is valid for the duration of the cruise.

Upon check-out, follow the procedures for estimated amounts in [Subsection 5.3.1, "Estimated Authorization"](#)

12.10.2 Lodging

This section applies to Merchants that we classify in the lodging industry, and includes special Authorization procedures and programs for check-in and check-out. The Assured Reservations and CARDeposit® programs allow certain Charges to be submitted that would otherwise not be allowed by American Express.

12.10.2.1 Lodging—Special Authorization Procedures

For additional information about accepting Prepaid Cards, see [Section 4.19, "Processing Prepaid Cards"](#).

We recommend that you perform an additional Authorization as soon as the Charge amount exceeds the original Authorization by 15%. For example: If the Cardmember extends the stay, before allowing the additional stay, obtain Authorization for the additional stay (plus incidentals) that exceeds the original Authorization for estimated amounts by 15%.

When Cardmembers opt to pay for lodging stays on the Card, you must follow these procedures:

Upon check-in:

- Determine the estimated amounts of Charges based upon the room rates and the number of days that the Cardmember expects to stay, plus taxes and other known incidental amounts (Estimated Lodging Charges).
- Inform the Cardmember of the Estimated Lodging Charges for which Authorization will be requested and obtain the Cardmember's consent to the estimated amount before initiating the Authorization Request.
- Obtain Authorization for the full amount of the Estimated Lodging Charge.
- Do not overestimate the Authorization amount.
- An Authorization for Estimated Lodging Charges is valid for the duration of the lodging stay.

Upon check-out, follow the procedures for estimated amounts in [Subsection 5.3.1, "Estimated Authorization"](#).

12.10.2.2 Assured Reservations – Lodging

Assured Reservations means a Cardmember's accommodation is guaranteed by you to be held until the published check-out time on the date following the scheduled arrival date, as indicated by the Cardmember when making the Assured Reservation. You must honor Assured Reservations.

Lodging Merchants may submit "no show" charges, if they comply with the provisions of the Assured Reservations Program and the Cardmember does not use or cancel the reservation in accordance with program requirements.

Your Assured Reservations Program responsibilities include the following:

- When accepting an Assured Reservation, you must advise the Cardmember that, if the Cardmember does not claim the Assured Reservation, or cancel it within the time specified

in your stated reservation policy, the Cardmember may be charged for one (1) night's lodging plus applicable taxes. If the Cardmember does not claim the Assured Reservation or cancel in accordance with your stated reservation policy, you may bill the Cardmember for a "no show" Charge.

- If the Cardmember cancels an Assured Reservation, you must provide a cancellation number to the Cardmember and maintain a record of the cancellation number.
- Use the proper "no show" indicator, when submitting a "no show" Charge. If you are unsure of how to transmit using this code, contact your Processor or Terminal Provider, or if you have a direct link to American Express, your American Express representative.

If you do not honor the Assured Reservation Program requirements, your obligation to the Cardmember is the following:

- Pay for one (1) night's accommodation at a comparable property, located nearby.
- Pay for transportation to the alternate location.
- Pay for a three (3)-minute telephone call.
- Use good faith efforts to forward all communications to the Cardmember at the alternate location.

Failure to meet the previously-mentioned obligations may result in a Chargeback if the Cardmember disputes a "no show" Charge.

If we receive disproportionate numbers of Disputed "no show" Charges, you must work with us to reduce the number of disputes. If such efforts fail to reduce the number of disputes, we may place you in any of our Chargeback programs. See [Section 11.11, "Chargeback Programs"](#).

12.10.2.3 CARDeposit Program

CARDeposit Program

A program that permits Cardmembers to charge the payment of an Advance Payment Charge to their Cards when a deposit is required.

As a lodging Merchant, if you require room deposits, you must participate in the CARDeposit program. You must accept the Card for payment of CARDeposits. Your CARDeposit program responsibilities include the following:

- Follow all requirements for an Advance Payment Charge, as described in [Section 4.14, "Advance Payment Charges"](#).
- Upon arrival, the Cardmember must show the Card. If the Cardmember does not have the Card, other identification must be shown.
- Ensure the Charge Record contains the words "CARDeposit" on the Cardmember signature line or, for Charge Records submitted electronically, the appropriate indicator on the Charge Data. If you are unsure of how to submit the Charge using the appropriate indicator, contact your Processor, Terminal Provider, or if you have a direct link to American Express, your American Express representative.

If	Then
The CARDeposit is canceled	You must send a written cancellation notice showing the cancellation number to the Cardmember within three (3) business days from the date of such cancellation. If a refund is due, pursuant to your advance deposit cancellation policy, you must include the appropriate indicator or submit a Credit form with the words "CARDeposit Cancellation" on the Cardmember signature line. If you are unsure of how to submit using the appropriate indicator, contact your Processor or Terminal Provider, or if you have a direct link to American Express, your American Express representative.

If	Then
An arrival date of a CARDeposit is changed	You must send the Cardmember a written confirmation of the change within three (3) business days from the date the reservation was changed.
You are unable to honor a CARDeposit that was not previously canceled	Your obligation to the Cardmember includes the following: <ul style="list-style-type: none"> You must issue a Credit for the CARDeposit. You must pay for accommodations at a comparable location nearby, until the duration of the original reservation expires (up to fourteen (14) nights) or until accommodations become available at the original location, whichever occurs first. You must provide transportation to and from the alternate location once a day until the original accommodations are available. You must pay for one, three (3)-minute call to advise of the move to the alternate location, and one, three (3)-minute call to advise of the return to the original location.

12.10.2.4 Emergency Check-in

If a Cardmember whose Card is lost or stolen requests check-in, you must call the [Authorization Department](#), ask for an American Express representative, request Authorization for an "Emergency Check-In", and follow the representative's instructions.

12.10.3 Vehicle Rentals

This section applies to Merchants that we classify in the vehicle rental industry. When Cardmembers opt to pay for vehicle rentals (not to exceed four (4) consecutive months) on the Card, you must follow the listed procedures.

12.10.3.1 Vehicle Rentals—Special Authorization Procedures

Upon rental of the vehicle:

- Determine the full estimated amount of the Charge (Estimated Vehicle Rental Charge). The Estimated Vehicle Rental Charge shall be determined by multiplying the rental rate by the rental period reserved by the Cardmember, plus any known incidentals. You must not overestimate this amount or include an amount for any possible damage to or theft of the vehicle.
- Inform the Cardmember of the Estimated Vehicle Rental Charge for which Authorization will be requested and obtain the Cardmember's consent to the estimated amount before initiating the Authorization Request.
- Obtain Authorization for the full amount of the Estimated Vehicle Charge.
- If you fail to obtain Authorization for the Estimated Vehicle Rental Charge and submit the Charge, and the Cardmember fails to pay the Charge for any reason, we will have Chargeback rights for the full amount of the Charge.
- An Authorization for Estimated Vehicle Rental Charges is valid for the duration of the rental agreement.

For additional information about accepting Prepaid Cards, see [Section 4.19, "Processing Prepaid Cards"](#).

We recommend that you perform an additional Authorization as soon as the Charge amount exceeds the original Authorization by 15%. For example: If the Cardmember extends their rental period, before allowing the additional rental period, obtain Authorization for the additional rental cost (plus incidentals) that exceeds the original Authorization for estimated amounts by 15%.

Upon check out, follow the procedures for estimated amounts in [Subsection 5.3.1, "Estimated Authorization"](#) and

If	Then
A Cardmember decides to extend a rental period	You must request Authorization for the estimated Charge amount that will be in excess of the Estimated Vehicle Rental Charge. Authorization approved—If Authorization is granted, the amount of the subsequent Authorization will be added to the original Estimated Vehicle Rental Charge and that total will be considered the Estimated Vehicle Rental Charge. Authorization declined—If Authorization is declined, the original Estimated Vehicle Rental Charge amount will remain the Estimated Vehicle Rental Charge.
Any additional Charges not previously approved for Authorization are incurred when the vehicle is returned	You must request Authorization for the additional amount not previously approved for Authorization.

12.10.3.2 Prepayment on Vehicle Rentals

If you permit Cardmembers to make Charges with the Card for vehicle rentals where Cardmembers elect to prepay for a vehicle rental over the phone, at the counter and via your company websites (not on any other third-party reservation system) (Prepaid Rental), you must:

- Follow all requirements for an Advance Payment Charge, as described in [Section 4.14, "Advance Payment Charges"](#).
- Ensure that your vehicle rental contract with the Cardmember contains the terms and conditions of said reservation and cancellation policies.

12.10.3.3 Assured Reservations – Vehicle Rentals

Assured Reservations means a Cardmember's reservation is guaranteed by you to be held until the vehicle return time, as indicated by the Cardmember when making the Assured Reservation. You must honor Assured Reservations.

Vehicle Rental Merchants may submit "no show" Charges, if they comply with the provisions of the Assured Reservations Program and the Cardmember does not use or cancel the reservation in accordance with program requirements. See [Section 12.10.4, "Assured Reservations"](#) for details.

12.10.3.4 Capital Damages

Merchants should provide the Cardmember with written documentation containing all of the Capital Damages details (e.g., incident report, damage estimate, photographs of the damages) when the Charge is submitted.

If a Cardmember voluntarily opts to use the Card to pay for property damage to a rented vehicle (Capital Damages), you may accept the Card, provided you have complied with all of the following conditions for payment of such items:

- The Card was used for the vehicle rental at the time the vehicle was checked out.
- You must provide in writing, to the Cardmember, an itemized list and description of specific damages which have occurred.
- Prior to submitting a Charge, you must obtain the Cardmember's agreement in writing* to:
 - Accept responsibility for the Capital Damages, and

- Select American Express as the payment method for the Capital Damages, and
 - Accept the total estimated amount for which the Cardmember may be responsible, and that the final billed amount can be up to 15% more than the estimated amount. No amounts in excess of 115% of the disclosed amount shall be charged to the Cardmember's Card, without the express prior written consent of the Cardmember.
- * The Cardmember's acknowledgment must be made after the damages have occurred and without any threat or duress.
- You must obtain Authorization for the amount of the Capital Damages each time a Capital Damages Charge is submitted.
 - On each occasion the Cardmember has chosen to use the Card for Capital Damages, you must prepare a Charge Record separate from the Charge Record for the rental. You must adhere to all requirements outlined in [Chapter 4, "Transaction Processing"](#) for the completion of the Charge Record. In addition, you must observe the following:
 - After the exact amount of the Capital Damages has been determined and the Charge is ready for Submission, you must provide the Cardmember with an itemized notice of Damages; insert the amount of the Capital Damages on the Charge Record (in no event in excess of the estimated amount plus 15% agreed to by the Cardmember in writing.
 - For Charge Records submitted on paper or by other non-electronic means, you must write "Capital Damages" on the signature line; for electronic Submission you must provide the indicator. For instructions on how to provide the indicator, contact your Processor or Terminal Provider, or if you have a direct link to American Express, your American Express representative.
 - In addition to the other Chargeback rights contained in the Agreement, we may exercise Chargeback rights with respect to any Charge for Capital Damages which is not submitted in accordance with all the procedures contained within the Agreement, including the provisions of this [Subsection 12.10.3.4, "Capital Damages"](#).

You must never include the following in an Authorization Request or in a Charge Submission:

- Losses due to theft of the vehicle, or
- Loss of revenue incurred by you due to loss of use of the rental vehicle in question.

12.10.3.5 Capital Damages to Rental Vehicles - Documentation

You must comply with requests from the Cardmember or the Cardmember's insurance adjustor to supply documentation related to the capital loss incident, if applicable.

12.10.4 Assured Reservations

Assured Reservations Program

The Assured Reservations Program allows Cardmembers to contact a participating property or rental agency, to make an Assured Reservation and guarantee the reservation by providing their American Express Card. The Assured Reservations Program is available to the following industries: hotel, trailer park/campground, vehicle, aircraft, bicycle, boat, equipment, motor home, and motorcycle rentals.

Assured Reservations means:

- For accommodation reservations (including hotel and trailer park/campground): a Cardmember's accommodation is guaranteed by you to be held until the published check-out time on the date following the scheduled arrival date, as indicated by the Cardmember when making the Assured Reservation.
- For vehicle, aircraft, bicycle, boat, equipment, motor home and motorcycle rentals: a Cardmember's reservation is guaranteed by you to be held until the return time, as indicated by the Cardmember when making the Assured Reservation.

You must honor Assured Reservations. You may submit "no show" charges, if you comply with the provisions of the Assured Reservations Program and the Cardmember does not use or cancel the reservation in accordance with program requirements.

Your Assured Reservations Program responsibilities include the following:

- When accepting an Assured Reservation, you must advise the Cardmember that, if the Cardmember does not claim the Assured Reservation, or cancel it within the time specified

in your stated reservation policy, you may bill the Cardmember for a "no show" Charge as follows:

- For accommodation reservations (including hotel and trailer park/campground): one (1) night's accommodation plus applicable taxes.
- For vehicle, aircraft, bicycle, boat, equipment, motor home, and motorcycle rentals: one (1) day's rental or the daily/hourly incremental equivalent of the rental rate agreed upon in the rental agreement, plus applicable taxes.
- If the Cardmember cancels an Assured Reservation, you must provide a cancellation number to the Cardmember and maintain a record of the cancellation number.
- Use the proper "no show" indicator, when submitting a "no show" Charge. If you are unsure of how to transmit using this code, contact your Processor or Terminal Provider, or if you have a direct link to American Express, your American Express representative.

If you do not honor the Assured Reservation Program requirements, you must provide comparable accommodations, and/or services, when reasonably available, at no additional cost to the Cardmember, in accordance with the rental agreement. Merchants classified in the Lodging industry are also subject to the requirements set forth in [Subsection 12.10.2.2, "Assured Reservations – Lodging"](#).

Failure to satisfy the previously-mentioned obligations may result in a Chargeback if the Cardmember disputes a "no show" Charge.

If we receive disproportionate numbers of Disputed "no show" Charges, you must work with us to reduce the number of disputes. If such efforts fail to reduce the number of disputes, we may place you in any of our Chargeback programs. See [Section 11.11, "Chargeback Programs"](#).

12.11 Government/Utilities/Education

In some countries, additional policies and procedures are applicable to Merchants in government, utilities or education industries.

This section applies to Merchants that we classify in the government, utilities, or certain education industries (i.e., higher education, private school–kindergarten to grade 12).

Customers should feel free to use all forms of payment that Merchants accept without being penalized for choosing a particular form of payment. To promote consumer choice, Merchants are generally prohibited from imposing any restrictions, conditions, or disadvantages when the Card is accepted that are not imposed equally on all Other Payment Products. See [Section 3.2, "Treatment of the American Express Brand"](#).

The Merchant must not impose a higher convenience fee, whether in the form of a flat fee or as a percentage of the final Transaction amount, on Charges than it imposes on Other Payment Products, except for electronic funds transfers, cash, and checks. American Express views discrimination against Cardmembers as a breach of the Agreement.

Merchants classified in the government, utilities, and education sectors may assess convenience fees on Charges, provided that they comply with the other requirements of this section.

The Merchant must clearly disclose the amount of convenience fees to the customer, which may include itemization on the customer receipt, invoice or confirmation email, and give the customer the opportunity to cancel the Charge if the customer does not want to pay the convenience fee.

Any explanation, verbal or written, describing why the convenience fee is being assessed, or how it is calculated, must characterize the convenience fee as an assessment to cover the Merchant's administrative costs and not as an assessment to cover the Merchant's cost of accepting the Card.

Your third-party service provider can only assess a convenience fee when it accepts the Card for the foregoing Charges in compliance with the requirements of this section.

12.12 Internet/Online Pharmacies

In some countries, additional policies and procedures are applicable to internet/online pharmacy Merchants that accept the Card for sales of prescription medications.

If we determine that you are an internet/online pharmacy Merchant that accepts the Card for sales of prescription medications (as defined by Applicable Law or regulation) in the Card Not Present environment:

- you must be certified by the Verified Internet Pharmacy Practice Sites program of the National Association of Boards of Pharmacy (www.nabp.net), or
- you or your authorized representative must attest that you comply with the licensing and inspection requirements of (i) U.S. federal law and the state in which you are located and (ii) each state to which you dispense pharmaceuticals.

Upon request, you must promptly provide to us documentation that you fulfill the foregoing requirements. The Agreement may be terminated if you do not provide this documentation promptly.

Specific procedures exist for Transaction processing by internet/online Merchants. These procedures appear in [Section 4.7, "Processing a Card Not Present Charge"](#).

See Appendix A.5 for the [Affidavit of Compliance with Laws—Internet/Online Pharmacies](#).

12.13 Online/Mail Order Tobacco Retail

In some countries, additional policies and procedures are applicable to online/mail order tobacco retail Merchants.

If we classify or otherwise determine that you are an online or mail order (or both) tobacco or e-cigarette Merchant, then you must provide us with the website address of the online store from which you sell your tobacco products. If your website facilitates tobacco sales, you will be required on request to provide an executed and notarized Affidavit of Compliance with Laws—Online/Mail Order Tobacco. If you fail to complete the Affidavit, your Merchant Account and the Agreement may be terminated.

We may monitor your website.

See Appendix A.4 for the [Affidavit of Compliance with Laws—Online/Mail Order Tobacco](#) form.

12.14 Franchises

In some countries, additional policies and procedures are applicable to Merchants classified by us as engaging in *Franchising*.

This section applies to Merchants we classify as engaging in *Franchising*.

If we determine, in our sole discretion, that you are engaging in *Franchising*, then you must require that 100% of your Franchisees to accept the Card and take the necessary steps in order to enable themselves to accept the Card. This requirement applies where consistent with applicable law and contracts. We reserve the right to refuse, in our sole discretion, to enter into an American Express Card Acceptance agreement with any *Franchisee*. In addition, you must:

- Provide to us, upon our request, a list including all your *Franchisees* located in the United States, in a format that we prescribe. You must submit to us an updated list on at least an annual basis or more frequently as we may require;

- Designate an authorized representative responsible for coordinating all matters related to your *Franchisees* and *Franchisee Merchants*;
- Produce a package that includes an endorsement letter, printed on your letterhead and signed by an authorized representative of your organization recognizable to all *Franchisees*, advising *Franchisees* that they are required to accept the Card. Such package must be communicated to all of your *Franchisees* within sixty (60) days of the date on which you commence Card acceptance under the Agreement, via the same priority communication channels used to communicate key system changes (e.g., email or intranet);
- Within sixty (60) days of the date you commence Card acceptance under the Agreement, promote and endorse Card acceptance to your *Franchisees* through all company announcements and newsletters (e.g., print media, email communications), as well as by posting on your website or intranet;
- Regularly promote and endorse Card acceptance to your *Franchisees* through your announcements and newsletters, both in print media, as applicable, and posted on your website at least once annually, including both our toll-free number and online Card acceptance application web page as we may provide to you;
- Assist us in identifying any non-accepting *Franchisees* and provide us with their contact information so that we may encourage Card acceptance and convert such *Franchisees* to *Franchisee Merchants*;
- Submit to us all promotions, endorsements, and other communications related to your *Franchisees'* acceptance of the Card for our review and prior written approval, which we may withhold or delay in our sole discretion;
- Send letters to *Franchisees* that have not accepted the Card within sixty (60) days of the date you commence Card acceptance under the Agreement, reinforcing the requirement that they accept the Card;
- Periodically, or upon our request, send an email to all *Franchisees* from an authorized representative recognizable to all *Franchisees* for the purpose of promoting the Card. Such email must include a link to our online enrollment process;
- Build Card acceptance into all of your Point of Sale (POS) or payment processing systems that you recommend or mandate to your *Franchisees*;
- Provide Agreements for Card acceptance to your *Franchisees* during your onboarding process during which they initially become *Franchisees*;
- Allow us to participate in, and have access to your *Franchisees*, during franchise events you sponsor;
- Identify American Express as a designated supplier in your franchise materials;
- If you have not reached 100% Card acceptance across all of your *Franchisees* within ninety (90) days following the date on which you commenced Card acceptance under the Agreement, you must repeat the requirements appearing in the third and fourth bullets above, within thirty (30) days of the ninety (90) day mark;
- You shall distribute all notices, statements, amendments, and other communications related to the Agreement that you receive from us to your *Franchisee Merchants*, including our Merchant mailings relating to Card acceptance (typically sent during September and October of each year), within 30 days of your receipt thereof from us. Upon our request, you shall provide us with proof of such distributions.

12.15 Transit Contactless Transactions

12.15.1 Card Acceptance Requirements for Transit Contactless Transactions

When accepting and processing Transit Contactless Transactions you must:

- Be classified in one of the following MCCs: 4111, 4112, 4131, 4784, 7523 and pass that MCC in the Authorization and Submission

- Not accept expired Cards
- Flag all requests for Authorization and Submission with a transit indicator and meet additional transit technical requirements (see [Section 2.6, "Compliance with the Technical Specifications"](#)).

12.15.2 Authorization and Submission Requirements

When accepting a Transit Contactless Transaction, you must obtain an Account Status Check Authorization for any amount up to the Chargeback Protection Threshold (as set forth in [Subsection 12.15.3, "Transit Thresholds"](#)). The following sets out how to proceed based on the response you receive to the Account Status Check.

If	Then
The Account Status Check or Authorization is declined	Place the Card on the Deny List. If the amount is less than or equal to the Declined Authorization Protection threshold, submit a Transit Contactless Transaction as defined in Subsection 12.15.3, "Transit Thresholds" . If the amount is greater than the Declined Authorization Protection threshold, you must not submit a Transit Contactless Transaction. You may request a new Authorization as outlined in Subsection 12.15.5, "Transit Debt Recovery" . Note: Authorizations for partial fares cannot be submitted. You must not split a Transaction with the intent of avoiding a single Authorization for the full amount of the purchase.
The Account Status Check Authorization is approved	Continue to accept taps and submit the Aggregated Transit Charge, until the first occurrence of either: <ul style="list-style-type: none"> • the combined taps since the most recent Approved Authorization exceed the Chargeback Protection Threshold, or • the time since the most recent Approved Authorization exceeds the Authorization Time Period (as set forth in Subsection 12.15.3, "Transit Thresholds").
The combined taps exceed the Chargeback Protection Threshold	You must obtain a new Authorization at the time of submission of an Aggregated Transit Charge if the combined taps since the most recent Approved Authorization exceed the Chargeback Protection Threshold. The amount to be Authorized is the Aggregated Transit Charge since the most recent submission, not to exceed the Chargeback Protection Threshold. Note: If the amount to be Authorized exceeds the Chargeback Protection Threshold, you must submit multiple Transactions where each Transaction amount is below or equal to the Chargeback Protection Threshold.
The time since the most recent Approved Authorization exceeds the Authorization Time Period	You must obtain a new Account Status Check Authorization for any amount below the Chargeback Protection Threshold.

Failure to satisfy the previously-mentioned obligations may result in a "No valid authorization (A02)" Chargeback.

12.15.3 Transit Thresholds

Chargeback Protection Threshold is \$15.

Authorization Time Period is seven (7) days.

Declined Authorization Protection is \$6.

12.15.4 Transit Charge Information

You must ensure the Cardmember has access to the following information for a minimum of one hundred and twenty (120) days:

- Name associated with the Merchant Number
- Total Transaction amount
- Date of travel
- Start time of each individual journey, if available
- End time of each individual journey, if available
- Final Transaction date

12.15.5 Transit Debt Recovery

If an Authorization is declined, you may attempt to recover any outstanding debt, providing all the following conditions are met:

- The value of the debt is greater than the Declined Authorization Protection Threshold.
- You obtain an approved Authorization for the full value of the debt owed.
- You do not attempt more than six (6) Authorizations after the initial Authorization was declined.
- No more than thirty (30) days have elapsed since the initial Authorization was declined.

12.15.6 Management of the Deny List

You must maintain a Deny List by adding or removing Card Numbers based on any new Authorization approval or decline. The Deny List must be updated at least once daily. We recommend that you update the Deny List more frequently when possible.

When a Card is tapped, you must immediately check the Deny List and refuse entry to any Cardmember when the Card Number of the Card used appears on the Deny List.

You must not submit Contactless Transit Transactions when the Card Number appears on the Deny List at the time of submission attempt. A Card Number must be removed from the Deny List if an Account Status Check or Authorization request is subsequently approved.

We may issue Chargebacks if you fail to comply with these requirements or the provisions of this [Section 12.15. "Transit Contactless Transactions"](#).

12.15.7 Pay-In-Advance Transit Passes

You may offer a pay-in-advance fare program, which allows Cardmembers to use their Card, Contactless Card or Mobile Device to purchase, in advance of travel:

- a. time-based, unlimited travel passes, which allow the Cardmember to use their Contactless Card or Mobile Device to enter and/or use the transit system until the time limit for such pass expires, or
- b. passes for a defined-dollar amount or defined number of trips, which allow the Cardmember to use their Contactless Card or Mobile Device to enter and/or use the transit system until the balance is used. Balances (dollar amount or number of trips, as applicable) on these passes are reduced as the Cardmember uses the transit system.

If the Cardmember uses a Pay-In-Advance Transit pass, you must:

- Limit the system functions to account identification and fare validation only, and
- Not process taps as Transit Contactless Transactions.

Payment Aggregator

- 13.1 Introduction
- 13.2 Definitions
- 13.3 Recruitment of Sponsored Merchants
- 13.4 General Payment Aggregator Requirements
- 13.5 Financial and Payment Terms
- 13.6 Sponsored Merchant Reporting Requirements
- 13.7 Indemnity—Limitation of Liability
- 13.8 Audit and Oversight
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13



13.1 Introduction

In some countries, additional policies and procedures are applicable to Merchants who provide payment services on behalf of Sponsored Merchants.

This [Chapter 13, "Payment Aggregator"](#) states additional requirements applicable to Merchants classified as Payment Aggregators. All other provisions and requirements of the Agreement apply to them as well. To the extent possible, the provisions of this [Chapter 13, "Payment Aggregator"](#) and the other provisions of the Merchant Regulations shall be interpreted to give each their full effect. However, if a conflict is deemed to exist between them, the provisions of this [Chapter 13, "Payment Aggregator"](#) shall control.

If you wish to provide Payment Services, we may request that you provide to us additional information about your business. We have the right, in our sole discretion, whether or not to approve and/or designate you as a Payment Aggregator on our Network. If we so approve and/or designate you, then:

- you must comply with the requirements of this [Chapter 13, "Payment Aggregator"](#),
- you must cooperate and provide reasonable assistance when requested by American Express, prior to the effective date of a change, to conduct certification and test activities verifying compliance of updates. American Express reserves the right to limit, impose conditions on, or withhold any component of, or any benefit associated with, such changes until American Express certifies Payment Aggregator's changes,
- the prohibitions in the Agreement (including [Section 3.3, "Prohibited Uses of the Card"](#)) against acting on behalf of other parties will not apply to your Payment Services, and
- in addition to our other rights and remedies, we may assess other non-compliance fees if you fail to comply with policies and requirements in this [Chapter 13, "Payment Aggregator"](#) (see [Subsection 14.2.8, "Payment Aggregator Fees"](#)). In lieu of or in addition to the imposition of such non-compliance fees, we, in our sole discretion, may require you to take such action and we may take such action as we deem necessary or appropriate to ensure compliance with policy and requirements. In the exercise of such discretion, we may consider the nature, willfulness, number and frequency of occurrences and possible consequences resulting from a failure to comply with policy and requirements. We may also, in our sole discretion, provide notice and to specify a time frame by which to cure such non-compliance before assessing non-compliance fees.



13.2 Definitions

For purposes of this [Chapter 13, "Payment Aggregator"](#), the following definitions apply:

American Express Technical Specifications – The *Technical Specifications* (including the *American Express Authorization Guide* and *Financial Settlement Guide*), *BIN Range Specifications*, *Close Rate reporting requirements*, mandatory, conditional, and optional Sponsored Merchant Data elements described in the *Sponsored Merchant Information Interface*, and *Secure File Transfer Protocol Quick Reference Guide*.

Estimated Annual Charge Volume – The annual Charges that you estimate a Sponsored Merchant Prospect will submit using a Card in the first twelve months after executing a Sponsored Merchant Agreement with you.

High CV Sponsored Merchant – A Sponsored Merchant with either (1) \$1,000,000 or greater in Charge volume in a rolling twelve month period or (2) greater than \$100,000 in Charge volume in any three consecutive months. For clarification, if a Sponsored Merchant has multiple Establishments under the same tax identification number (TIN), the Charge Volume from all Establishments shall be summed together when determining whether the Sponsored Merchant has exceeded the thresholds above.

Oversight Review – A periodic review of a Payment Aggregator's Payment Services.

Payment Aggregator – A provider of Payment Services (formerly referred to as "Payment Service Provider" or "PSP" and sometimes called an "aggregator" or "master merchant" in our materials).

Payment Services – The provision of payment services in connection with Transactions between Cardmembers and Sponsored Merchants whereby you, the Entity providing such services (and not the Sponsored Merchant), are the Merchant of record, submit Transactions under your Merchant Number and receive payment from us for Charges (among other things).

Sponsored Merchant – Any third-party Entity (or seller of goods) appointed by you and who has executed a Sponsored Merchant Agreement. Sponsored Merchants are one of your Covered Parties pursuant to [Chapter 8, "Protecting Cardmember Information"](#).

Sponsored Merchant Agreement – The standard form agreement governing your provision of Payment Services that you must have the Sponsored Merchant Prospect execute pursuant to this [Chapter 13, "Payment Aggregator"](#).

Sponsored Merchant Data – The mandatory, conditional, and optional requirements including, but not limited to, names, postal and email addresses, tax ID numbers, names and social security numbers of the authorized signer of Sponsored Merchants, and similar identifying information about Sponsored Merchants, as set forth in the American Express *Technical Specifications*. For clarification, Sponsored Merchant Data does not include Transaction Data.

Sponsored Merchant Information Interface – Any format (including, but not limited to data files transmitted by secure file transfer protocol (SFTP), application programming interfaces (APIs), or through other methods) containing the Sponsored Merchant Data requirements set forth in the *American Express Technical Specifications*. The Global Sponsored Merchant File and Sponsored Merchant Acquisition API are examples of Sponsored Merchant Information Interface formats.

Sponsored Merchant Prospect – Any third-party seller of goods and services that either:

- does not accept the Card and which operates one or more Sponsored Merchant Websites or other Establishments, or
- accepts the Card with respect to its existing methods for selling goods and services but also proposes to submit Transactions through a Payment Aggregator.

Sponsored Merchant Website – Any website operated by a Sponsored Merchant Prospect for the sale of goods or services (or both).

13.3 Recruitment of Sponsored Merchants

If we approve and/or designate you as a Payment Aggregator, you are permitted to recruit for your Payment Services only Sponsored Merchant Prospects that:

- are located in the United States, but not in Puerto Rico, the U.S. Virgin Islands, or other U.S. territories and possessions,
- transact in U.S. currency only (i.e., price their goods and services and receive Payment Services from you solely in U.S. dollars) and to which you remit Settlement payments solely to U.S. bank accounts,
- have Estimated Annual Charge Volume of less than \$1,000,000, and
- do not fall within any of the prohibited categories or restrictions set forth in [Section 13.9, "Prohibited Categories and Exclusions"](#).

You must recruit Sponsored Merchant Prospects for Payment Services only in accordance with the provisions of this [Chapter 13, "Payment Aggregator"](#).

13.3.1 Payment Aggregator Registration Process

You must register with American Express in accordance with this [Chapter 13, "Payment Aggregator"](#) and perform due diligence screening of your Sponsored Merchants, which must include a financial review and background check of each Sponsored Merchant per the provisions of this [Chapter 13, "Payment Aggregator"](#).

You must send to American Express a Payment Aggregator Registration Form as provided in [Appendix A.2, "Payment Aggregator Registration Form"](#) via email with the subject line entitled "Payment Aggregator Registration Form" to: program.oversight.management@aexp.com.

You may solicit and sign Sponsored Merchant Prospects only after you have completed the Payment Aggregator Registration process set forth in these *Merchant Regulations*, and any required testing and/or certification and American Express has provided its approval for you to operate as a Payment Aggregator.

If you fail to comply with the Payment Aggregator registration, American Express has the right to issue a warning letter indicating your non-compliance. You shall have thirty (30) days to comply. If you fail to comply within thirty (30) days then American Express, in its sole discretion, may:

- assess the non-compliance fees set forth in [Subsection 14.2.8, "Payment Aggregator Fees"](#),
- take additional actions to address the non-compliance, including revocation of your eligibility to sign Sponsored Merchants.

13.3.2 Payment Aggregator Changes

You must update your Payment Aggregator information to keep such information current using the Payment Aggregator Change Form provided in [Appendix A.3, "Payment Aggregator Change Form"](#).

In addition to your obligations under the Agreement, you must also use the Payment Aggregator Change Form to notify us if you are terminating your participation as a Payment Aggregator. You must send to American Express the Payment Aggregator Change Form via email with the subject line entitled "Payment Aggregator Change Form" to: program.oversight.management@aexp.com.

In addition to our other rights and remedies, we may assess a non-compliance fee as described in [Subsection 14.2.8, "Payment Aggregator Fees"](#) if you fail to fulfill these reporting requirements.

13.3.3 Sponsored Merchant Agreements

You must enter into a Sponsored Merchant Agreement with each Sponsored Merchant Prospect that meets the foregoing requirements, and you must enforce each Sponsored Merchant's compliance with the provisions of the Sponsored Merchant Agreements, including terminating your provision of Payment Services to it if it has breached any of those provisions. You must not provide Payment Services before the Sponsored Merchant Agreement has been executed.

All Sponsored Merchant Agreements must be consistent with the American Express Brand, all Applicable Laws, rules and regulations, and must include the following basic provisions:

- A legally enforceable agreement from the Sponsored Merchant to accept Cards in accordance with the terms of its Sponsored Merchant Agreement.
- An express agreement from the Sponsored Merchant to accept Cards in accordance with the terms of the Sponsored Merchant Agreement and these basic provisions.

- An acknowledgment from the Sponsored Merchant that it may be converted from your Payment Services program to a direct Card acceptance relationship with us if and when it becomes a High CV Sponsored Merchant in accordance with [Subsection 13.3.4, "Conversion of Large Merchants"](#). This acknowledgment must include express agreement that, upon conversion, (i) the Sponsored Merchant will be bound by our then-current Card acceptance agreement; and (ii) we will set pricing and other fees payable by the Sponsored Merchant for Card acceptance.
- An express authorization from the Sponsored Merchant to Payment Aggregator to submit Transactions to, and receive settlement from, us on behalf of the Sponsored Merchant.
- Express disclosures and consents necessary for:
 - you to disclose Transaction Data, Sponsored Merchant Data, and other information about the Sponsored Merchant to us and our Affiliates, agents, subcontractors, and employees, and
 - us and our Affiliates, agents, subcontractors, and employees to use such information to perform under the Agreement, operate and promote the Network, perform analytics and create reports, and for any other lawful business purpose, including as described in [Section 2.4, "Merchant Information"](#).
- A third-party beneficiary provision, conferring on us beneficiary rights, but not obligations, to the Sponsored Merchant Agreement that will fully provide us with the ability to enforce the terms of the Sponsored Merchant Agreement against the Sponsored Merchant.
- A provision containing the disclosures as described in [Section 2.11, "Cardmember Offers"](#).
- Requirements to display our Marks and otherwise honor the Card in accordance with [Chapter 3, "Card Acceptance"](#) and the following sections of the *Merchant Regulations* must be included verbatim, except as appropriate to conform with the phrasing and terminology of the Sponsored Merchant Agreement (e.g., references in the sections to "you" can be changed to the term by which you refer to the Sponsored Merchant).
 - First paragraph of [Section 3.1, "Card Acceptance"](#).
 - Second paragraph of [Section 3.2, "Treatment of the American Express Brand"](#).
 - Last paragraph of [Section 3.2, "Treatment of the American Express Brand"](#).
 - First and third paragraphs of [Section 3.2.1, "Treatment of the American Express Marks"](#).
 - Second paragraph, and first sentence of third paragraph, of [Section 3.5, "Treatment of American Express Cardmember Information"](#).
- Requirement that the Sponsored Merchant comply with the applicable website information display guidelines set forth in [Section 13.4, "General Payment Aggregator Requirements"](#).
- Requirements that will enable you to comply with [Chapter 4, "Transaction Processing"](#), [Chapter 5, "Authorization"](#), [Chapter 6, "Submission"](#), [Chapter 8, "Protecting Cardmember Information"](#), and [Chapter 11, "Chargebacks and Inquiries"](#).
- Industry-specific requirements of [Chapter 12, "Specific Industries"](#), as applicable to the Sponsored Merchant.
- Requirement to maintain customer service information pursuant to [Subsection 13.4.1, "Customer Service Information"](#).
- Prohibitions against processing Transactions or receiving payments on behalf of, or (unless required by law) re-directing payments to any other party.
- Requirement that Sponsored Merchants' refund policies for purchases on the Card must be at least as favorable as their refund policy for purchases on any Other Payment Products, and the refund policy be disclosed to Cardmembers at the time of purchase and in compliance with Applicable Law.
- Prohibition against billing or collecting from any Cardmember for any purchase or payment on the Card unless Chargeback has been exercised, the Sponsored Merchant has fully paid for such Charge, and it otherwise has the right to do so.

- Limitation of liability provision, including a provision in which the Sponsored Merchant agrees to abide by the limitation on our liability set forth in the Agreement.
- Covenant that the Sponsored Merchant is not a third-party beneficiary under the Agreement.
- Requirement to comply with all Applicable Laws, rules and regulations relating to the conduct of the Sponsored Merchant's business.
- Authorization for you to terminate your provision of Payment Services to the Sponsored Merchant when required by us in accordance with the provisions of this [Chapter 13, "Payment Aggregator"](#).
- Requirement to remove our Marks from the Sponsored Merchant's website and wherever else they are displayed upon termination of the Sponsored Merchant Agreement or a Sponsored Merchant's participation in your Payment Services.
- The dispute resolution provision in [Appendix A.1, "Arbitration Agreement \(as to Claims Involving American Express\)"](#), except as appropriate to conform with the phrasing and terminology of the Sponsored Merchant Agreement.

You must provide to us copies of your standard Sponsored Merchant Agreement form from time to time on request.

If we notify you that a Sponsored Merchant has breached any of these provisions, then you shall cease providing Payment Services to it within five (5) days after your receipt of such notice and cause it to remove all our Marks from its Sponsored Merchant Website and other locations immediately.

13.3.4 Conversion of Large Merchants

Without limiting the prohibition in [Section 13.3, "Recruitment of Sponsored Merchants"](#) against signing Sponsored Merchant Prospects with Estimated Annual Charge Volume of \$1,000,000 or greater, we may notify you for any reason (including your signing an ineligible Sponsored Merchant Prospect) that a Sponsored Merchant has become a High CV Sponsored Merchant.

Within five business days of receiving the notice, you shall provide us with data to enable us to assign the High CV Sponsored Merchant a unique Merchant Number.

Effective on the date specified in the notice, the following shall apply:

- the High CV Sponsored Merchant shall become a direct Card-accepting Merchant under our standard Card acceptance program and cease to be a Sponsored Merchant,
- you shall no longer have the right to permit the High CV Sponsored Merchant to accept Cards under a Sponsored Merchant Agreement,
- the High CV Sponsored Merchant will be bound by our Card acceptance agreement (to which you shall not be a party) and our Discount and other fees and assessments shall apply, and
- we shall provide the High CV Sponsored Merchant with our "welcome kit" containing our current Card acceptance agreement and information about our standard Card acceptance program.

13.4 General Payment Aggregator Requirements

You shall:

- Perform verification checks, credit checks, "know your customer," and anti-money laundering checks of Sponsored Merchants in accordance with all Applicable Laws and regulations and otherwise as we may require, providing us, on request, copies of your policies governing these checks and otherwise responding to our request about your performance of these checks.

- Undertake appropriate due diligence in the selection and commission of subcontractors prior to performing services. At a minimum, such due diligence will include, but not be limited to, performing background checks to ensure that the subcontractors and their representatives represent a legitimate business and do not participate in any illegal products/services, fraudulent practices and unfair, deceptive, or abusive practices, and are compliant with Applicable Law.
- Maintain, update as necessary, and execute an escheatment process with respect to amounts payable to a Sponsored Merchant that complies with Applicable Laws. If Payment Aggregator is unable to locate a Sponsored Merchant or a Sponsored Merchant's bank account to remit payment of Charges to the Sponsored Merchant, then Payment Aggregator will adhere to Applicable Laws.
- Ensure, on an ongoing basis, that its website, and each Sponsored Merchants' Websites do not contain libelous, defamatory, obscene, pornographic, or profane material or any instructions that may cause harm to any individuals or Entities or damage to the American Express Brand.
- Ensure that Sponsored Merchants adhere to the following website information display guidelines in the event a Sponsored Merchant has a website and/or operates an e-commerce business. The Sponsored Merchant Website must display the following:
 - An accurate description of the goods/services offered, including the currency type for the Transaction (e.g., U.S. Dollars).
Note: Transaction currency must be in U.S. Dollars.
 - Sponsored Merchant's physical address in the U.S.
 - An email address or telephone number for customer service disputes.
 - Return/refund policy.
 - A description of the Sponsored Merchant's delivery policy (e.g., no overnight delivery).
 - A description of the Sponsored Merchant's security practices (e.g., information highlighting security practices the Sponsored Merchant uses to secure Transactions on its systems, including Transactions conducted on the Internet).
 - A statement of known export restrictions, tariffs, and any other regulations.
 - A privacy statement regarding the type of personal information collected and how the information is used. Additionally, Sponsored Merchants must provide to customers the option to decline being included in marketing campaigns or having their personal information included on lists sold to third parties.
- Provide Sponsored Merchants an option to opt-out of direct mail, newsletters or messages about products, services and resources from American Express for different forms of communications by contacting you via inbound telephone, email, facsimile, website and any other means identified by you, or by exercising the opt-out options that may be described or offered in emails, SMS messages, faxes or other communications from American Express. If the Sponsored Merchant has opted-out, it may continue to receive messages from American Express regarding services and programs designed to enhance the value of the American Express Network. You may provide this option using an "opt-out checkbox" or other appropriate mechanism. You must identify Sponsored Merchants that opt-out in the applicable field as set forth in the Sponsored Merchant Information Interface (see [Section 13.6, "Sponsored Merchant Reporting Requirements"](#)) in order for American Express to update its records accordingly. If a Sponsored Merchant opts out from receiving American Express related marketing, you shall not send such Sponsored Merchant further marketing that appears to have originated from or have involved American Express.
- Comply with all applicable provisions in [Chapter 3, "Card Acceptance"](#), [Chapter 4, "Transaction Processing"](#), [Chapter 5, "Authorization"](#), [Chapter 6, "Submission"](#), [Chapter 8, "Protecting Cardmember Information"](#), [Chapter 9, "Fraud Prevention"](#), [Chapter 11, "Chargebacks and Inquiries"](#), [Chapter 12, "Specific Industries"](#) and [Chapter 14, "Merchant Fees"](#).
- Maintain all licenses and legal and regulatory permissions necessary to perform your Payment Services.

- Establish separate Merchant Numbers with us as we may require, and submit Charges thereunder in the same currency (i.e., U.S. dollars) that the Sponsored Merchant presented the price to the Cardmember.
- Settle payments for Sponsored Merchant Charges to the applicable Sponsored Merchant. You shall not process payment on behalf of any Entity other than a Sponsored Merchant.
- Not combine purchases or refunds (or both) from more than one Sponsored Merchant when processing an Aggregated Charge.
- If we should establish any method to identify Sponsored Merchants by additional descriptors, you shall comply with our implementation of such method of identification.
- Conform to any additional requirements that are provided to you for Internet Orders.
- Certify for, and participate in, our Automated Address Verification service in connection with your Payment Services.
- Inform your Processor that you are classified as a Payment Aggregator and work with them to ensure that your submission of required data elements comply with the *American Express Technical Specifications*.
- Inform us promptly of any information related to any Sponsored Merchant or any Sponsored Merchant Website or other location that could reasonably lead to a Claim or demand against us by, or our liability to, a third party.
- Upon termination of the Agreement, require that all Sponsored Merchants remove our Marks from their Sponsored Merchant Websites and all other locations.
- Ensure additional due diligence is performed on any prospects classified as high risk in accordance with [Section 13.9, "Prohibited Categories and Exclusions"](#).

13.4.1 Customer Service Information

You and each Sponsored Merchant must maintain customer service information that is readily available for review by Cardmembers transacting with the Sponsored Merchant. The customer service information should provide clear instructions on how to contact you or the Sponsored Merchant, including an active customer service email address and telephone number.

13.4.2 Disclosures to Cardmembers and Sponsored Merchants

The billing descriptor information you submit must be adequate enough to reduce instances of Cardmember "no knowledge" disputes.

It is important that Cardmembers recognize Transactions made through your Payment Services on their billing statements. Accordingly, you must:

- make clear to Cardmembers at the time of sale and on their billing statements who is the seller (e.g., you or, when you are providing Payment Services, the Sponsored Merchant), and
- advise the Cardmember that you are accepting the Charge and ensure that your name prominently appears wherever appropriate (i.e., on the Sponsored Merchant Website payment page, and on any Transaction receipt or confirmation email issued to the Cardmember by you or the Sponsored Merchant).

It is important that Sponsored Merchants understand your Payment Services. Accordingly, to the extent that you assess them fees or assessments for your Payment Services, you must:

- clearly disclose to any Sponsored Merchant that you are charging such fees or assessments (or both) for your Payment Services and the amount thereof, and
- make clear to the Sponsored Merchant that we have not required or requested such fees or assessments (or both).

13.4.3 Chargebacks / Disputed Charges

Payment Aggregators should use best efforts to extend additional time to Sponsored Merchants to provide support to comply with these time frames.

We may exercise Chargeback on Disputed Charges arising in connection with your Payment Services. You are fully responsible and financially liable for all Transactions and all other issues involving Sponsored Merchants. We shall have no responsibility in this regard except as expressly set forth in this [Chapter 13, "Payment Aggregator"](#).

In addition, we may place you in one of our Chargeback programs. See [Section 11.11, "Chargeback Programs"](#).

As a provider of Payment Services to Sponsored Merchants, including disputes management, you must comply with all applicable provisions in [Chapter 11, "Chargebacks and Inquiries"](#).

Notwithstanding the timeframes set forth in [Section 11.11, "Chargeback Programs"](#) and [Section 11.5, "Chargebacks and Inquiries Response Timeframe"](#), requests for Chargeback Reversals and responses to Inquiries must be made no later than thirty (30) days from the date of the Chargeback or Inquiry. The thirty (30) day reply time applies to any Payment Aggregator submitting Sponsored Merchant Data via a Sponsored Merchant Information Interface in accordance with the *American Express Technical Specifications*.

13.4.4 Marketing

To the extent that any of your marketing materials for recruiting Sponsored Merchant Prospects refer to us or the Card, that portion of the materials is subject to our prior review and written approval in each instance. You must send such marketing materials to your American Express representative or to the following address for written approval. We may, in our sole discretion, withhold or delay our approval to use those materials. You shall bear all costs and expenses relating to those materials.

American Express Travel
Related Services Company, Inc.
200 Vesey Street, Floor 32
3 World Financial Center
Mail Drop: 01-32-04
New York, NY 10285

Attn: Payment Aggregator
Team

Under no circumstances shall our approval of, or provision of pre-approval, material or any content therein (or both) be construed to imply any endorsement, representation, or warranty by us, and you shall not state or imply anything to the contrary. We disclaim any and all representations, warranties, whether express, implied, oral or statutory, and liabilities with respect to such materials or any content therein (or both). Your use of such materials or content (or both) is at your own risk.

You shall not use any Cardmember Information or lists of partial or complete Cardmember names for the purpose of providing or selling this information to third parties or other internal uses (e.g., marketing). You shall not use for marketing, sell, or disseminate a list compiled specifically of those Cardmembers who make purchases on the Card at Sponsored Merchants.

13.4.5 Treatment of Specific Industries

This subsection describes the requirements applicable to the assessment of convenience fees by Sponsored Merchants classified in the rental establishments, government, utilities, or certain education (i.e., higher education, private school–kindergarten to grade 12) categories. These requirements apply regardless of whether the convenience fee is imposed by the Sponsored Merchant or Payment Aggregator.

Customers should feel free to use all forms of payment that Sponsored Merchants accept without being penalized for choosing a particular form of payment. To promote consumer choice, Sponsored Merchants are generally prohibited from imposing any restrictions, conditions, or disadvantages when the Card is accepted that are not imposed equally on all Other Payment Products.

Sponsored Merchants must not impose a higher convenience fee, whether in the form of a flat fee or as a percentage of the final Transaction amount, on Charges than it imposes on Other Payment Products, except for electronic funds transfers, cash, and cheques. American Express

views such discrimination against Cardmembers as unfair and in breach of Card acceptance terms.

Sponsored Merchants classified in the rental establishments, government, utilities, and applicable education (i.e., higher education, private school-kindergarten to grade 12) categories may assess convenience fees on Charges, provided that such Sponsored Merchants comply with this [Subsection 13.4.5, "Treatment of Specific Industries"](#) and the requirements in [Chapter 12, "Specific Industries"](#).

Sponsored Merchants must clearly disclose the amount of convenience fees to the customer, which may include itemization on the billing statement, invoice or receipt, and give the customer the opportunity to cancel the Charge if the customer does not want to pay the convenience fee. Any explanation, verbal or written, describing why the convenience fee is being assessed, or how it is calculated, must characterize the convenience fee as an assessment to cover your or your Sponsored Merchant's administrative costs and not as an assessment to cover your or your Sponsored Merchant's cost of accepting the Card.

Prior to a Sponsored Merchant assessing a convenience fee, Payment Aggregator shall notify each Sponsored Merchant of the aforementioned requirements, and monitor each Sponsored Merchant's compliance with these requirements.

13.4.6 General Testing and Monitoring Activities

Payment Aggregator will regularly perform testing and monitoring of Sponsored Merchant Transaction activity. Payment Aggregator's responsibilities in this regard include performing testing and monitoring of the following information, pursuant to Payment Aggregator's then-current processes and procedures, to identify potentially problematic Sponsored Merchant Transactions:

- Out-of-pattern spends at a particular Sponsored Merchant;
- Out-of-pattern spend for a particular Sponsored Merchant's industry type;
- Surge in Sponsored Merchant Submissions for which there is no apparent reason;
- Common point of purchase (e.g., high concentration of Charges made by one Card Member or small group of Card Members at a particular Sponsored Merchant); and
- High volume of Disputed Charges, Chargebacks, or Credits occurring at a particular Sponsored Merchant.

Payment Aggregator will monitor Sponsored Merchant for potentially Suspicious or Unusual Activity, and will file the requisite reports in accordance with Applicable Law.

Payment Aggregator will undertake, in conjunction with the above processes, to identify and address potential instances of illegal, fraudulent, deceptive, unfair or abusive sales and marketing practices on the part of Sponsored Merchants and monitor each Sponsored Merchant's dispute rate on a monthly basis.

Payment Aggregator will maintain records of the tests and monitoring activities performed pursuant to this [Subsection 13.4.6, "General Testing and Monitoring Activities"](#) and provide such records to American Express upon request.

13.5 Financial and Payment Terms

The Discount that we charge you with respect to Charges arising in connection with your Payment Services and our payments to you will be determined from time to time according to [Chapter 7, "Settlement"](#), except: our one-day payment plan does not apply, unless we notify you in writing otherwise, and we may change the speed of payment for Charges as appropriate to manage risk, mitigate harm, or otherwise to the extent appropriate to operate the American Express Network.

You have the right to determine charges and fees payable by Sponsored Merchants to you for the services you provide to Sponsored Merchants, except that you must not discriminate against the Card by charging Sponsored Merchants higher or additional fees or assessments (or both) for such services than you would charge for your similar services you provide to Merchants for Other Payment Products. Any such fees or assessments must not be prohibited by Applicable Law.

13.6 Sponsored Merchant Reporting Requirements

It is important that we know all Sponsored Merchants that have retained you as a Payment Aggregator. Accordingly, we require Sponsored Merchant information. Upon initial setup and at any time upon notification by us, you must submit to us, via such method as we may prescribe, a list of all Sponsored Merchants that have retained you as a Payment Aggregator. Each list must contain the data elements required by, and must be provided in accordance with the timelines specified in, the *American Express Technical Specifications*.

We may notify you if we do not receive the list, or if we believe that it is not complete and accurate. If we still have not received the list or if you fail to correct any omission or inaccuracy in the list within ten (10) days of notice, we shall have the right to terminate the Agreement or your Authorization to provide Payment Services, in our sole discretion.

In addition to our other rights and remedies, we may assess a non-compliance fee as described in [Subsection 14.2.8, "Payment Aggregator Fees"](#) if you fail to fulfill these reporting requirements.

13.6.1 Transactional Data Requirements

In addition to the requirements of [Chapter 13, "Payment Aggregator"](#), you shall provide us with the transaction data required by the *American Express Technical Specifications* with each Authorization and Submission request, as outlined in [Section 4.4, "Completing a Transaction at the Point of Sale"](#), and otherwise with the applicable frequency required by the *American Express Technical Specifications*. Under the Agreement, the requirement in [Chapter 4.4, "Completing a Transaction at the Point of Sale"](#) that Cardmembers provide Transaction Data directly to you is modified to the extent necessary to permit Sponsored Merchants to collect that Transaction Data directly from Cardmembers and provide it directly to you.

13.7 Indemnity—Limitation of Liability

Your indemnity obligations under the Agreement include damages, liabilities, losses, costs and expenses, including legal fees, arising out of, or in connection with the following:

- your breach of any provision of this [Chapter 13, "Payment Aggregator"](#),
- your failure or omission in the provision of Payment Services,
- any Claim from:
 - a Sponsored Merchant Prospect that does not become a Sponsored Merchant,
 - a Sponsored Merchant arising out of or in connection with its Sponsored Merchant Agreement (or both), and
 - a Cardmember relating to the failure in the provision of Sponsored Merchant's goods or services.
- a Sponsored Merchant's act or omission in connection with the relationship established under a Sponsored Merchant Agreement, including liability arising from fraudulent Transactions or Data Incidents at Sponsored Merchants, and
- any claim or action by your personnel, agents, and subcontractors that we are liable to such person as the employee or joint employer of such person, including any claim for employee benefits as a result.

The limitation on our liability set forth in the Agreement shall apply to any damages you may incur in connection with your provision of Payment Services.

13.7.1 Termination

Without waiving our other rights and remedies, if you do not fulfill the requirements of this [Chapter 13, "Payment Aggregator"](#), we may terminate the Agreement, or your authorization to provide Payment Services, with immediate effect and in our sole discretion.

13.8 Audit and Oversight

The following sections apply to your provision of Payment Services.

13.8.1 Audit Rights

We reserve the right to conduct audits of you for the purpose of determining compliance with the policies set forth in these *Merchant Regulations*. You must provide to us and our auditors access at all reasonable times to (i) any facility or part of a facility at which either you or any of your subcontractors providing the Payment Services, (ii) your personnel, and (iii) data and records relating to the Payment Services for the period you are required to maintain such records under these *Merchant Regulations* or the Agreement. Such access is necessary to:

- Verify the security and integrity of American Express information, Cardmember Information, Transaction Data, and Sponsored Merchant Data and examine the systems that process, store, support and transmit that data;
- Verify the appropriate administration and retention of Sponsored Merchant Agreements;
- Review communications from you to Sponsored Merchants that refer to us;
- Conduct any of the audits or inspections referenced elsewhere in these *Merchant Regulations*;
- Examine your performance of the Payment Services and conformance to the terms of these *Merchant Regulations* and the Agreement including, to the extent applicable to the Payment Services and to the Charges, by performing audits: (i) of practices and procedures; (ii) of systems, equipment and software; (iii) of general controls and security practices and procedures; (iv) of disaster recovery and back-up procedures; and (v) as reasonably necessary to enable us to meet, or to confirm that you are meeting, Applicable Laws;
- Review your risk management and compliance practices, policies and controls related to Payment Services;
- Verify that Settlement for Sponsored Merchants is performed in the same manner as for Other Payment Products and that Settlement is directed to a U.S. bank account; and
- Verify that requisite "know your customer," and anti-money laundering efforts were performed by you.

You will provide to us and our auditors such assistance as we may reasonably request. You will cooperate fully with us or our designees in connection with any audit functions, including Oversight Reviews described in [Subsection 13.8.2, "Oversight Reviews"](#) below, and with regard to examinations by regulatory authorities.

We and our auditors will comply with your reasonable security requirements and will schedule and conduct audits in a manner that does not unreasonably interfere with your ordinary business operations.

You will maintain financial and non-financial records of transactions, policies and procedures, and activities used or performed in connection with Payment Services (subject to redaction of highly-confidential information and other information not relevant to Payment Services) that is

reasonably necessary to enable us to exercise our audit rights under this [Section 13.8, "Audit and Oversight"](#).

We may provide information obtained in connection with audits, including audit findings, to our auditors.

No information or materials received by us shall serve to modify any term of, or waive any of our rights under the Agreement, nor shall any attestation accepted by us in lieu of materials requested by us serve to limit our right to require such materials at any time thereafter.

13.8.2 Oversight Reviews

Notwithstanding our audit rights set forth in [Subsection 13.8.1, "Audit Rights"](#), we shall have the right to conduct an Oversight Review at all reasonable times. The Oversight Review shall be conducted by us or our auditors.

We shall provide you with advance notice before conducting an Oversight Review. Prior to commencement, we shall schedule a kick-off meeting at which time the scope of the review shall be communicated to you. You shall have four (4) weeks to provide us with all requisite documentation requested in connection with the Oversight Review.

13.8.3 Audit and Oversight Review Follow-up

Following an audit or examination as set forth in [Subsection 13.8.1, "Audit Rights"](#), and [Subsection 13.8.2, "Oversight Reviews"](#), above, we may conduct, or request our auditors to conduct, an exit conference with you to obtain factual concurrence with issues identified in the review.

You and we will promptly meet to review each audit report after its issuance and to mutually agree upon the appropriate manner in which to respond to the changes suggested by the audit report.

If an audit identifies deficiencies in your systems or processes related to the performance of Payment Services, compliance with Applicable Law, or the integrity or security of American Express Information, you shall provide to us, within thirty (30) days after receiving notice, a remediation plan for our approval addressing the identified deficiencies and actions that you will take to cure such deficiencies.

If you fail to comply with the requirements set forth in [Subsection 13.8, "Audit and Oversight"](#) we have the right to issue a warning letter indicating your non-compliance. You shall have thirty (30) days to comply.

If you fail to comply within thirty (30) days, then we, in our sole discretion, may assess non-compliance fees set forth in [Subsection 14.2.8, "Payment Aggregator Fees"](#).

13.9 Prohibited Categories and Exclusions

Payment Aggregators must not sign any Sponsored Merchant Prospect that falls into one of the below listed categories and/or engages in one of the prohibited activities/businesses appearing in the below listed categories.

We retain the right, in our sole discretion, to not approve any Sponsored Merchant. If we notify you that we disapprove of a Sponsored Merchant, you shall:

- cease providing Payment Services to such Sponsored Merchant within five (5) days after your receipt of such notice,
- promptly on request, confirm details to us of such Sponsored Merchant, and
- cause the Sponsored Merchant to remove all our Marks from its Sponsored Merchant Website or other locations immediately.

We may modify these exclusions at any time in our sole discretion. If you have begun to recruit a Sponsored Merchant Prospect that falls within such a modified exclusion, you must cease all such efforts immediately. If you have begun providing Payment Services to a Sponsored Merchant that falls within any category listed in this [Section 13.9, "Prohibited Categories and Exclusions"](#), you must cease providing Payment Services to it immediately. If a portion of a Sponsored Merchant's Charges, or one of its lines of business, falls within any of the below prohibited categories, then you must exclude that portion or line of business from your Payment Services.

Prohibited Category List – Do Not Sign

Prohibited Category	Description	MCC
Airlines and air carriers (including charter airlines)	All airline and air carrier merchants, including charter airlines.	3000-3300; 4511
Bail/bail bond	Bail – A sum of money paid by a criminal defendant to be released from jail under the condition that they appear for court appearances. This does not include a bail bond fee (MCC 9223) . See Bail/bail bond (fee only) under High Risk Merchant Categories List below.	—
Bankruptcy services	A company or agency that is in the business of recovering money owed on delinquent accounts or supporting the bankruptcy process.	—
Car rental agencies	Branded and non-branded car rental agencies.	3351-3441; 7512
Cash at Point of Sale	A cash advance from financial and non-financial institutions.	6010 6011 6051
Check cashing/guarantee	A business that provides customers with a way to turn a check into cash without having to rely on a bank account.	—
Child pornography	An individual or entity providing or associated with the visual depiction of a minor engaged in obscene or sexually explicit conduct, whether made or produced by electronic, mechanical, or other means.	—
Commercial leasing merchants	A business that conveys land, real estate, equipment, or other property to another for a specified time in return for regular periodic payment. Examples include commercial real estate and commercial vehicles, such as trucks and marine vessels. This does not include residential Real Estate Agents and Managers – Rentals (MCC 6513) .	
Condo (real estate) down payments	Down payments for purchase of a condominium.	6012 6051

Prohibited Category	Description	MCC
Credit restoration	A service aimed at improving credit ratings by disputing errors and outdated claims with credit bureaus.	—
Debt collection	The process of pursuing payments of debts owed by individuals and/or businesses.	7322
Digital file hosting (Cyberlockers)	Online data hosting services that provide remote storage space within a secure storage architecture; they can be accessed globally over the Internet; Cyberlockers can also be called "online storage" or "cloud storage".	4816
Door-to-door sales	Unsolicited individual (who may go from door to door) selling goods and/or services with immediate payment expected.	5963
Foreign exchanges	A business or financial institution that has the legal right to exchange one currency for another currency.	6051
Gambling	The wagering of money or something of value on an event with an uncertain outcome, with the primary intent of winning money or material goods. Examples include: <ul style="list-style-type: none"> Betting, including lottery tickets, casino gaming chips, off-track betting, and wagers at race tracks Government-licensed online casinos (online gambling) Government-licensed horse/dog racing Government-owned and other lotteries 	7800 7801 7802 7995
Investment on futures	A legal agreement to buy or sell something at a predetermined price at a specified time in the future, between parties not known to each other. Examples include, but are not limited to, gold, silver, platinum, and palladium bullion and/or bars, precious metals, securities (stocks, bonds, commodities, and mutual funds), timber, and wine futures.	—
Licensed insolvency practitioners	A professional intermediary in insolvency procedures.	—
Lodging – hotels, motels, resorts (including "branded" Central Reservation Services)	Branded and non-branded lodging establishments.	3501-3999; 7011
Marijuana-related businesses	Any individual or entity that manufactures, processes, distributes, or dispenses marijuana, or byproducts or derivatives of marijuana, whether for recreational or medicinal purposes, and whether or not subject to a governmental licensing regime.	—

Prohibited Category	Description	MCC
Mortgage payments	A payment which includes principal and interest paid by borrower to lender of a home loan.	6012 6051
Multi-level marketing / pyramid selling (also referred to as Direct Marketing - Inbound/Outbound Telemarketing)	<p>A sales system that uses one or more of the following practices:</p> <ul style="list-style-type: none"> • participants pay money for the right to receive compensation for recruiting new participants. • a participant is required to buy a specific quantity of products, other than at cost price for the purpose of advertising, before the participant is allowed to join the plan or advance within the plan. • participants are knowingly sold commercially unreasonable quantities of the product or products (this practice is called inventory loading). • participants are not allowed to return products on reasonable commercial terms. 	5966 5967
Online adult entertainment	A business that primarily sells adult digital content via Internet electronic delivery.	—
Payday lending	A company that lends customers money at high interest rates on the agreement that the loan will be repaid when the borrower receives their next paycheck.	—
Payment Aggregator / Aggregator / Master Merchant / Payment Facilitator / Third Party Service Provider ("TPSP")	<p>A "Payment Aggregator" (sometimes referred to as an "Aggregator", "Master Merchant", or "Payment Facilitator") is an entity that submits transactions for payment to a payment card network on behalf of other merchants who may or may not have direct relationships with merchant acquirers of the network.</p> <p>In certain regions, American Express designates certain Payment Aggregators as TPSPs that provide services primarily to Sponsored Merchants in specific industries such as Government, Education, Utilities, Residential Rent, and Property, Casualty and Health Insurances. A separate agreement and express permission from American Express are required to operate as a TPSP.</p>	—
Person-to-person payments	A service that allows customers to transfer funds from their Bank Account or credit card to another individual's account via the internet or a mobile device.	6538
Prostitution	A person or business providing sexual services in return for payment.	—
Steamships and cruise lines (incl. onboard cruise shops)	Steamship and cruise line merchants.	4411

Prohibited Category	Description	MCC
Telecommunication services	Telecommunication services, including wireless, cable, satellite, wire line, and internet service providers (ISPs).	4814 4816 4899
Telemarketing – travel related	A business that telemarkets travel related products or services or other travel arrangements.	5962
Timeshares	Selling partial ownership of a property for use as a holiday home, whereby a Cardmember can buy the rights to use the property for the same fixed period annually.	7012
Top-up wallet	Functionality that provides a Stored Value Digital Facility (SVDF), a feature that allows funds to be loaded into a digital wallet for subsequent payments, including purchases of goods and services, at single or multiple payment acceptors.	—
Travel agencies and tour operators	A business that provides travel information and booking services.	4722
Virtual currency/ cryptocurrency	Digital money not authorized or adopted by a government. Issued and controlled by its developers and used and accepted among members of a specific virtual community.	6051
Wire transfers in-person (not online)	A business that specializes in the transfer of money from one location to another.	4829

At our request, you must notify us and cooperate with us, which may include providing to us the Sponsored Merchant's contact information, to transition a Sponsored Merchant that you are providing Payment Services to that falls within the below prohibited categories:

- Payment Aggregators (except to the extent that the Payment Aggregator itself sells goods to which it has title)
- telecommunications industry (including wireless, cable, satellite, wireline, and ISP)
- travel industry (including air travel, cruise line, car rental, lodging, and travel tour operators)

Additional supporting information, documentation, or processes are required for the Sponsored Merchant categories listed below, and Payment Aggregator will furnish such documentation to American Express within seventy-two (72) hours of request. This requirement is not intended to create a representation, warranty, or guarantee by Payment

Aggregator that any Sponsored Merchant conducts, or will continue to conduct, business in any particular industry.

High Risk Merchant Category List – Additional Due Diligence Required

High Risk Category	Description	MCC	Due Diligence Requirement
Bail/bail bond (fee only)	This does <i>not</i> include the actual bail or bond payment established to be paid by a criminal defendant to be released from jail under the condition that they appear for court appearances.	9223	At the time of signing a Sponsored Merchant Prospect that is classified as bail/bail bond, Payment Aggregator must ensure that such Sponsored Merchant Prospect submits transactions for the bail bond fee <i>only</i> . American Express reserves the right to exercise Chargeback for transactions submitted for actual bail/bail bond payments.
Charities and social service organizations	A non-profit, non-political organization that collects donations, including fundraising.	8398	At the time of signing a Sponsored Merchant Prospect that is classified as a non-profit, non-political charitable organization and accepting payment for tax deductible donations, Payment Aggregator must obtain proof of such Sponsored Merchant Prospects' tax-exempt status with a regulating tax authority or local council in accordance with Applicable Law.
Dating services and escort services	A business, agency, or person who, for a fee, provides or offers to provide an escort.	7273	At the time of signing a Sponsored Merchant Prospect that is classified as a dating service, Payment Aggregator must obtain proof that such Sponsored Merchant Prospect is a legitimate dating service and does NOT provide services that (i) accept payment directly or indirectly for potentially sexual related services (e.g., Escort services, strippers, etc.) or (ii) promote or provide sexual services in return for payment (e.g., prostitution). A Sponsored Merchant Prospect that provides services in either (i) or (ii) is prohibited and must not be signed. In the event Sponsored Merchant Prospect is an online dating service, Payment Aggregator shall perform minimum verification and monitoring processes (e.g., utilizing an automated web scanning service, capturing screen shot images upon acquisition, and/or conducting periodic and ongoing website reviews), to ensure compliance with these additional verification requirements.

High Risk Category	Description	MCC	Due Diligence Requirement
Massage parlors	A massage parlor that is not registered with a governing body.	7297	At the time of signing a Sponsored Merchant Prospect that is classified as a massage parlor, Payment Aggregator must obtain proof that such Sponsored Merchant Prospect is a legitimate therapeutic massage parlor, possesses the necessary licensure specializing in providing therapeutic massage services, and does NOT provide services that (i) accept payment directly or indirectly for potentially sexual related services or (ii) promote or provide sexual services in return for payment (e.g., prostitution). A Sponsored Merchant Prospect that provides services in either (i) or (ii) is prohibited and must not be signed.
Political party donations	Contributions, funds, goods, or services raised to promote the interests of a national, state, or local political party, candidate, or campaign.	8651	At the time of signing a Sponsored Merchant Prospect that is classified as a political organization, Payment Aggregator must obtain proof that such Sponsored Merchant Prospect is (i) registered as a political party and candidate at the federal, state/provisional, or local level and (ii) registered as a tax exempt organization (e.g., articles of incorporation, online tool to verify non-profit status with tax authority) required in compliance with all Applicable Laws.
Prescription drugs - Pharmacies (card not present)	A business that sells prescription drugs / products online.	5122 5912	At the time of signing a Sponsored Merchant Prospect that is an online pharmacy, Payment Aggregator must obtain an attestation in the format provided in Appendix A.5. "Affidavit of Compliance with Laws—Internet/Online Pharmacies" (or in a different format chosen by Payment Aggregator provided that all the information in Appendix A.5. "Affidavit of Compliance with Laws—Internet/Online Pharmacies" is included) from an authorized representative of the Sponsored Merchant Prospect that it complies with the licensing and inspection requirements of U.S. federal law and the state in which it is located and each state to which it dispenses pharmaceuticals, or proof that the pharmacy is certified by the VIPPS® (Verified Internet Pharmacy Practice Sites) Program of the National Association of Boards of Pharmacy. Payment Aggregator must retain hard copies of this requisite online pharmacy verifying information or documentation for a period of seven (7) years from the date of receipt.

High Risk Category	Description	MCC	Due Diligence Requirement
Tobacco and smokeless tobacco retailers (card not present)	A business that sells tobacco, smokeless tobacco, and e-cigarettes online.	5993	At the time of signing a Sponsored Merchant Prospect that is an online seller of tobacco, including "e-cigarettes", Payment Aggregator must obtain a notarized "Affidavit of Compliance with Laws" in the format provided in Appendix A.4, "Affidavit of Compliance with Laws—Online/Mail Order Tobacco" (or in a different format chosen by Payment Aggregator provided that all the information in Appendix A.4, "Affidavit of Compliance with Laws—Online/Mail Order Tobacco" is included) from the Sponsored Merchant Prospect, ensuring that Sponsored Merchant Prospect complies with all Applicable Laws involving the sale of online tobacco, including, but not limited to, not being listed on the Bureau of Alcohol, Tobacco, Firearms and Explosive's PACT Act Non-Compliant List. Payment Aggregator must retain copies of the notarized Affidavit of Compliance with Laws for a period of seven (7) years from the date of receipt.

Merchant Fees

- 14.1 Introduction
- 14.2 Types of Fees



14.1 Introduction

You must pay us the Discount and you may be subject to various other fees and assessments. Some fees or assessments are for special products or services, while others may be applied because of your non-compliance with our policies and procedures. Many non-compliance fees and assessments can be avoided by correcting the actions that are causing you not to be in compliance.

14.2 Types of Fees

The Agreement provides for various fees and assessments, as described in the following tables.

14.2.1 Card Acceptance Discount Fees

Fee	Description	Amount
Discount	A Discount is one of the amounts we charge you for accepting the Card. For a full description of Discount, see Chapter 7, "Settlement" . To determine the Discount that you pay, contact your American Express representative.	Varies

14.2.2 Authorization Fees

Fee	Description	Amount
Authorization Integrity fee	A fee applied in each month after the following Authorization without submission threshold has been met: If the monthly ratio of the total amount of Approved Charges that are not submitted, reversed or submitted late to total amount of Approved Charges exceeds ten percent (10%) at an Establishment for three (3) consecutive months, we may charge, starting on the 3rd month, a fee for each Approved Charge for which you do not submit, reverse or submit late (Section 5.10, "Authorization Time Limit").	0.10% of amount of the Approved Authorization dollar volume plus \$0.05 for each Approved Charge. For Merchants in the industry classification of air charter or fractional aircraft, 1.0% of the Approved Authorization dollar volume for each Approved Charge.
Gateway fee	If you or your Covered Parties route Authorization requests to American Express through the Visa or MasterCard processing gateways, Visa and MasterCard charge us fees for these Authorizations. We will pass their fees, which may vary depending on Authorization volume and other factors, on to you for all of your Authorizations that are routed through their gateways in a given month.	Varies

Fee	Description	Amount	
Non-swiped Transaction fee (also referred to as the Card/Device Not Present fee)	A fee applied to any Charge for which we did not receive (i) the full Magnetic Stripe or Chip Card Data from the Card/Device, and (ii) the Magnetic Stripe or Chip Card Data indicator.	0.30% of the face amount of each non-swiped Charge	
POS System Non-Compliance Assessment	A fee applied if you are not in compliance with our <i>Technical Specifications</i> including our requirements for POS Systems (available at americanexpress.com/merchantspecs under "technical mandates") that could potentially cause POS System disruptions.	\$100M+ in Annual Charge Volume	\$3,000 - \$5,000 monthly until remediation
		\$10M to \$100M in Annual Charge Volume	\$2,000 - \$3,000 monthly until remediation
		Below \$10M in Annual Charge Volume	Not to exceed \$2,000 per month
Voice Authorization fee	If your POS System is unable to reach our computer Authorization system for Authorization, or you do not have such POS Systems, you must request the Authorization for all Charges by calling the American Express Authorization Department . We may charge you a fee for each Charge for which you request Authorization by telephone unless such failure to request Authorization electronically is due to the unavailability or inoperability of our computer Authorization system. For information on how to avoid Voice Authorization fees, see Section 5.7, "Obtaining a Voice Authorization" .	\$0.65 per Charge	

Fees are cumulative and assessed monthly and will not exceed \$30,000 in a twelve (12) month period after the initial fee assessment.

14.2.3 Submission and Settlement Fees

Fee	Description	Amount
Check fee	A fee may be assessed for each check that we issue/create.	\$1.50 per check
Inbound fee	A fee applied on any Charge made using a Card that was issued outside the United States*.	0.60% of the face amount of the Charge

Fee	Description	Amount
Monthly gross pay fee	If you enroll in the monthly gross pay option, we may charge this fee if the amount of Charges exceeds a threshold amount we determine. For more information on the monthly gross pay option, see Section 7.6, "Payment Options" .	0.03% of the face amount of the Charge
Paper statement fee	If you choose to receive paper statements, we may charge you a fee for each paper statement.	Not to exceed \$7.95 per statement
Paper submission rate	All paper Submissions are charged a higher Discount than electronic Submissions. To determine the Discount Rate you pay for paper Submissions, contact your American Express representative. See Subsection 14.2.1, "Card Acceptance Discount Fees" .	Varies
<i>Technical Specifications</i> non-compliance fee	A fee applied to any Transaction submitted to us that does not comply with the <i>Technical Specifications</i> (see Section 2.6, "Compliance with the Technical Specifications"). This fee applies to Transactions submitted via both a Processor and direct to American Express.	0.75% of the face amount of the Transaction

* As used herein, the United States does not include Puerto Rico, the U.S. Virgin Islands, and other U.S. territories and possessions.

14.2.4 Data Security Fees

Cardholder Data Compromise Non-Compliance Fee

Description	Level 1 Merchant or Level 1 Service Provider	Level 2 Merchant or Level 2 Service Provider	Level 3 or Level 4 Merchant
Non-compliance fee assessed when Cardholder Data compromise obligations are not satisfied within 45 days from the date of notification.	USD \$25,000	USD \$5,000	USD \$1,000
Non-compliance fee assessed when Cardholder Data compromise obligations are not satisfied within 90 days from the date of notification.	USD \$35,000	USD \$10,000	USD \$2,500

Description	Level 1 Merchant or Level 1 Service Provider	Level 2 Merchant or Level 2 Service Provider	Level 3 or Level 4 Merchant
Non-compliance fee assessed when Cardholder Data compromise obligations are not satisfied within 120 days from the date of notification. NOTE: <i>Non-compliance fees may continue to be applied monthly until the obligations are met or Cardholder Data compromise is resolved.</i>	USD \$45,000	USD \$15,000	USD \$5,000

If your Cardholder Data compromise obligations are not satisfied within 120 days from the date of notification, then American Express has the right to impose the Non-compliance fees cumulatively, withhold payments, and/or terminate the Agreement.

Data Incident Non-Compliance Fee

Description	Amount
A fee assessed to you in respect of a Data Incident. See Chapter 8, "Protecting Cardmember Information"	Not to exceed USD \$100,000 per Data Incident

Non-Validation Fee

Description	Level 1 Merchant or Level 1 Service Provider	Level 2 Merchant or Level 2 Service Provider	Level 3 or Level 4 Merchant
A non-validation fee will be assessed if the Validation Documentation is not received by the first deadline.	USD \$25,000	USD \$5,000	USD \$50
An additional non-validation fee will be assessed if the Validation Documentation is not received within 60 days of the first deadline.	USD \$35,000	USD \$10,000	USD \$100
An additional non-validation fee will be assessed if the Validation Documentation is not received within 90 days of the first deadline, and every 30 days thereafter.	USD \$45,000	USD \$15,000	USD \$250

If American Express does not receive your mandatory Validation Documentation within 90 days of the first deadline, then American Express has the right to terminate the Agreement in accordance with its terms as well as impose the foregoing non-validation fees cumulatively on you.

See [Chapter 8, "Protecting Cardmember Information"](#)

14.2.5 Data Pass Violation Fee

Description	
<p>As described in Section 4.4, "Completing a Transaction at the Point of Sale", you must not accept or have accepted Transaction Data from, nor provide or have provided Transaction Data to, any third parties other than your Covered Parties. If, in our sole discretion, we determine that you or any of your Establishments have violated this provision, you may be assessed data pass violation fees.</p> <p>At the time we determine you have violated this provision, we may take the following actions, including assessment of a fee based on the gross Charge volume at your highest Merchant Account level over a rolling twelve (12) month period.</p>	
Charge Volume	Data Pass Violation Fees and Other Actions
Less than \$1,000,000	First violation – \$2,500 fee and warning letter specifying date for correction Second violation – \$5,000 fee and final notice
Between \$1,000,000 and \$10,000,000	First violation – \$5,000 fee and warning letter specifying date for correction Second violation – \$10,000 fee and final notice
Above \$10,000,000	First violation – \$25,000 fee and warning letter specifying date for correction Second violation – \$50,000 fee and final notice
<p>We may, at any time, suspend Card acceptance privileges at your Establishments or terminate the Agreement.</p>	

14.2.6 Excessive Chargeback Fee

Fee	Description	Amount
Excessive Chargeback fee	A fee applied in each month after the following "excessive chargeback" threshold has been met: in any three (3) consecutive months, the monthly ratio of Chargebacks (less Chargeback Reversals) to gross Charges (less Credits) at an Establishment exceeds one (1) percent. For information about Disputed Charge monitoring, see Section 11.9, "Chargeback and Inquiry Monitoring" .	\$25 per Chargeback (less Chargeback Reversals) over the 1 percent ratio.

14.2.7 American Express Merchant Regulations Fee

Fee	Description	Amount
Merchant Regulations fee	A fee for each copy of the <i>Merchant Regulations</i> you order from us. To order a copy, call Merchant Services .	Paper copy \$22.50, plus shipping and handling CD-ROM copy \$8.00, plus shipping and handling

14.2.8 Payment Aggregator Fees

Fee	Description	Amount
Payment Aggregator general non-compliance fee	A fee applied in the event Payment Aggregator fails to comply with the policy and requirements documented in Chapter 13, "Payment Aggregator" . These fees may be assessed where a non-compliance fee has not been specified for a specific policy violation or when non-compliance fees have been assessed, but the Payment Aggregator has not taken action to correct the policy violation.	<ul style="list-style-type: none"> Up to \$10,000 for second violation of the same regulation within a 12-month period after notification of the first violation. Up to \$20,000 for third and subsequent violations of the same regulation within a 12-month period after notification of the first violation.
Payment Aggregator registration non-compliance fee	A fee applied in the event Payment Aggregator fails to comply with the Payment Aggregator registration process as set forth in Section 13.3, "Recruitment of Sponsored Merchants" .	\$15,000 per occurrence
Payment Aggregator Changes & Terminations reporting non-compliance fee	A fee applied if a Payment Aggregator fails to provide updates as set forth in Section 13.3, "Recruitment of Sponsored Merchants" .	\$5,000 per occurrence
Sponsored Merchant reporting non-Compliance fee	A fee applied in the event a Payment Aggregator fails to provide the required Sponsored Merchant Data elements, set forth in Section 13.6, "Sponsored Merchant Reporting Requirements" .	<ul style="list-style-type: none"> Up to \$10,000 for second violation of the same regulation within a 12-month period after notification of the first violation. Up to \$20,000 for third and subsequent violations of the same regulation within a 12-month period after notification of the first violation.

Account Status Check

A type of Authorization request that is used to ask an Issuer to indicate if the Card account represented by the Card Number on the message is valid. The Account Status Check is used, for example, by transit authorities to check the status of a Card account associated with a Transit Contactless Transaction at transit operator's terminal.

Acquirer

Us, an Affiliate of ours, or an Entity licensed by us or an Affiliate in a particular Territory, as the case may be, having arrangements with Merchants (i) entitling Cardmembers to charge purchases of the Merchants' goods or services on the Card and (ii) providing for those Merchants to transfer such Charges to us for processing on the American Express Network.

Adjustment

An American Express credit or debit to your Merchant Account.

Advance Payment Charge

A Charge for which full payment is made in advance of your providing the goods and/or rendering the services to the Cardmember.

Affiliate

Any Entity that controls, is controlled by, or is under common control with either party, including its subsidiaries. As used in this definition, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an Entity, whether through ownership of voting securities, by contract, or otherwise. For the avoidance of doubt, but not by way of limitation, the direct or indirect ownership of more than 50% of (i) the voting securities or (ii) an interest in the assets, profits, or earnings of an Entity shall be deemed to constitute "control" of the Entity.

Agency

Any Entity or line of business that uses your Marks or holds itself out to the public as a member of your group of companies.

Aggregated Charge

A Charge that combines multiple small purchases or refunds (or both) incurred on a Card into a single, larger Charge before submitting the Charge for payment.

Aggregated Transit Charge

An Aggregated Charge that combines multiple small Transit Contactless Transactions incurred on a Card into a single, larger Charge before submitting the Charge for payment.

Agreement

The General Provisions, the *Merchant Regulations*, and any accompanying schedules and exhibits, collectively (sometimes referred to as the Card Acceptance Agreement in our materials).

American Express

American Express Travel Related Services Company, Inc., a New York corporation.

American Express Brand

The American Express name, trademarks, service marks, logos, and other proprietary designs and designations and the imagery owned by American Express or an American Express Affiliate and the goodwill associated with all of the foregoing and with all the goods and services now and in the future provided, marketed, offered, or promoted by American Express or an American Express Affiliate.

American Express Card or Cards

(i) Any card, account access device, or payment device or service in each case bearing our or our Affiliates' Marks and issued by an Issuer or (ii) a Card Number.

American Express Network or Network

The Network of Merchants that accept Cards and the operational, service delivery, systems, and marketing infrastructure that supports this Network and the American Express Brand.

American Express SafeKey (AESK)

American Express SafeKey is an industry standard authentication tool that is designed to provide greater security for online Transactions.

American Express Quick Chip

A software solution that modifies the EMV transaction flow for processing of American Express Cards, which allows a Chip Card to be inserted before the final Transaction amount is known, and does not require the Card to remain in the reader during the online Authorization process.

Applicable Law

(i) any law, statute, regulation, ordinance, or subordinate legislation in force from time to time to which you or we or an Affiliate of either is subject, (ii) the common law as applicable to them from time to time, (iii) any court order, judgment, or decree that is binding on them, and (iv) any directive, policy, rule, or order that is binding on them and that is made or given by a regulator or other government or government agency of any Territory, or other national, federal, commonwealth, state, provincial, or local jurisdiction.

Application-initiated Transaction

A Transaction initiated by an electronic device (including, but not limited to, a mobile telephone, tablet, or wearable device) utilizing a merchant software application within the electronic device.

Approval/Approved

A message granting an Authorization in response to a request for Authorization from a Merchant, consisting of an Approval or other indicator.

Assured Reservation Program

The Assured Reservation Program allows Cardmembers to contact a participating property or rental agency to make an Assured Reservation and guarantee the reservation by giving their American Express Card. The Assured Reservation Program is available to the following industries: hotel, trailer park/campground, vehicle, aircraft, bicycle, boat, equipment, motor home, and motorcycle rentals.

Authorization/Authorized

The process by which a Merchant obtains an Approval for a Charge in accordance with the Agreement.

Authorization Time Period

The number of days an approved Authorization is valid for a transit purchase, before another Account Status Check or Authorization is required.

Authorized Chargeback

A Chargeback that occurs during the Inquiry and Chargeback process when, upon responding to an Inquiry, you authorize us to deduct the amount in dispute from your Bank Account.

Bank Account

An account that you hold at a bank or other financial institution.

Batch

A group of Transactions, submitted to American Express, usually on a daily basis.

Capable Chip and PIN POS System

A POS System that has the technical capability of processing Chip and PIN Card Transactions.

Capital Damages

Damages done to a vehicle while rented to a Cardmember.

Card—See "[American Express Card or Cards](#)".

Card Data

Card Data includes the following elements: Cardmember name, Card Number, Expiration Date, Charge date, the amount of the Charge, the Approval, description of goods and services, your name, your address, your Merchant Number and if applicable the Establishment number, Cardmember signature (if obtained), 'No Refund' if you have a no refund policy and all other information as required from time to time by us or Applicable Law.

Card Identification (CID) Number

A four-digit number printed on the Card. See [Section 5.8, "Card Identification \(CID\) Number"](#) for additional information.

Card Not Present Charge

A Charge for which the Card is not presented at the point of sale (e.g., Charges by mail, telephone, fax or the internet).

Card Number

The unique identifying number that the Issuer assigns to the Card when it is issued.

Card Present Charge

A Charge for which the physical Card and Cardmember are present at the point of sale, including In-Person Charges and Charges made at CATs.

CARDeposit Program

A program that permits Cardmembers to charge the payment of an Advance Payment Charge to their Cards when a deposit is required. See [Subsection 12.10.2.3. "CARDeposit Program"](#) for additional information.

Cardholder Data

Has the meaning given in the then current Glossary of Terms for the PCI DSS.

Cardmember

An individual or Entity (i) that has entered into an agreement establishing a Card account with an Issuer or (ii) whose name appears on the Card.

Cardmember Information

Any information about Cardmembers and Transactions, including, but not limited to, Transaction Data, and Cardmember name, addresses, Card Numbers, and CID Numbers, and the fact that a particular person is a Cardmember.

Charge

A payment or purchase made on the Card.

Charge Data

Data to be included in Submissions of Charge Records.

Charge Record

A reproducible (both paper and electronic) record of a Charge that complies with our requirements and contains the Card Number, Transaction date, dollar amount, Approval, Cardmember signature (if applicable), and other information.

Chargeback

When used as a verb, means (i) our reimbursement from you for the amount of a Charge subject to such right, or (ii) our reversal of a Charge for which we have not paid you; when used as a noun, means the amount of a Charge subject to reimbursement from you or reversal. (Chargeback is sometimes called "full recourse" or "Full Recourse" in our materials).

Chargeback Protection Threshold

The maximum value of one or more aggregated transit Transactions that can be settled against an approved Authorization and protected from Chargebacks.

Chargeback Reversal

Removal of a previously posted Chargeback.

Chip

An integrated microchip embedded on a Card containing Cardmember and account information.

Chip Card

A Card that contains a Chip and could require a PIN as a means of verifying the identity of the Cardmember or account information contained in the Chip, or both, (sometimes called a "smart Card", an "EMV Card", or an "ICC" or "integrated circuit Card" in our materials).

Chip Card Data

The information contained in the Chip on a Chip Card that is used to process Transactions.

Claim

Any claim (including initial claims, counterclaims, cross-claims, and third-party claims), dispute, or controversy between you and us arising from or relating to the Agreement or prior Card acceptance agreements, or the relationship resulting therefrom, whether based in contract, tort (including negligence, strict liability, fraud, or otherwise), statutes, regulations, or any other theory, including any question relating to the existence, validity, performance, construction, interpretation, enforcement, or termination of the Agreement or prior Card acceptance agreements, or the relationship resulting therefrom, except for the validity, enforceability, or scope of section 7.c of the General Provisions.

Code 10

A phrase that you provide to an American Express representative to alert them of a possible suspicious Card and/or Transaction. Code 10 situations usually occur during Authorization.

Collusion

Any Transaction, activity or agreement conducted by a Merchant or its agent with another party, including another Merchant or a Cardmember, that the Merchant knew or should have known was not legitimate, or carried out in violation of [Chapter 10, "Risk Evaluation"](#).

Compelling Evidence

Additional types of documentation provided by the Merchant to demonstrate the Cardmember participated in the Transaction, received goods or services, or benefited from the Transaction.

Consumer Protection Monitoring Program

Our program to monitor for fraudulent, deceptive, or unfair practices relating to the sale, advertising, promotion, or distribution of goods or services to consumers. See [Subsection 10.3.2.1, "Consumer Protection Monitoring Program"](#) for additional information.

Consumer Device Cardholder Verification Method (CDCVM)

An Issuer approved, American Express recognized Cardholder Verification Method (CVM) whereby the Cardmember's credentials are verified on a Mobile Device.

Contactless

Technology enabling a Card or Mobile Device embedded with a radio frequency component (currently, Expresspay) to communicate with a radio frequency-enabled POS System to initiate a Transaction. See also ["Expresspay"](#).

Corporate Purchasing Card (CPC)

The Corporate Purchasing Card (CPC) program assists with procurement costs and enables streamlining of the procurement process from sourcing and buying, to billing payment and reconciliation. See [Section 4.13, "Corporate Purchasing Card Charges"](#) for additional information.



Covered Parties

Any or all of your employees, agents, representatives, subcontractors, Processors, Service Providers, providers of your point-of-sale (POS) equipment or systems or payment processing solutions, Entities associated with your American Express Merchant Account, and any other party to whom you may provide Cardholder Data or Sensitive Authentication Data (or both) access in accordance with the Agreement.

Credit

The amount of the Charge that you refund to Cardmembers for purchases or payments made on the Card.

Credit Record

A record of Credit that complies with our requirements.

Customer Activated Terminal (CAT)

An unattended POS System (e.g., gasoline pump, vending machine, check-out kiosk).

Data Security Operating Policy (DSOP)

The American Express data security policy, as described in [Chapter 8, "Protecting Cardmember Information"](#), of the *Merchant Regulations*.

Debit Card

A Card that accesses a demand deposit, current, savings, or similar account. A Transaction is settled from the accessed account. A Debit Card is not a Prepaid Card.

Decline

A message denying the Merchant's request for Authorization.

Declined Authorization Protection Threshold

The maximum amount that can be settled following a declined Authorization for a Transit Contactless Transaction.

Delayed Delivery Charge

A single purchase for which you must create and submit two separate Charge Records. The first Charge Record is for the deposit or down payment and the second Charge Record is for the balance of the purchase.

Deny List

A list of Card Numbers that have received a declined Account Status Check or Authorization without a subsequent approved one that removes it from the list.



Digital Goods or Services

Digital merchandise or services downloaded or accessed via Internet or another file transfer process (e.g., movies, applications, games, virus scanning software).

Digital Wallet Application-initiated Transaction

An Application-initiated Transaction that is initiated by a digital wallet within a Mobile Device.

Digital Wallet Contactless-initiated Transaction

A contactless Transaction initiated by a digital wallet within a Mobile Device via the contactless interface.

Digital Wallet Magnetic Secure Transmission Transaction

A type of Digital Wallet Payment where a Transaction is initiated by a digital wallet within a Mobile Device via the magnetic stripe reader within a POS System.

Digital Wallet Payment

A Digital Wallet Contactless-initiated Transaction, Digital Wallet Application-initiated Transaction, and/or Digital Wallet Magnetic Secure Transmission (MST) Transaction conducted via a digital wallet, operated by an American Express approved third party wallet provider that resides on a Mobile Device.

Discount/Discount Rate

An amount that we charge you for accepting the Card, which amount is: (i) a percentage (Discount Rate) of the face amount of the Charge that you submit, or a flat per-Transaction fee, or a combination of both. See [Section 7.3, "Discount/Discount Rate"](#).

Disputed Charge

A Charge about which a claim, complaint, or question has been brought.



E-commerce

Electronic commerce is the buying or selling of physical or Digital Goods or Services using the Internet or an electronic network.



E-commerce Transaction

The purchasing of physical or Digital Goods or Services using the Internet, an application, or electronic network on either a personal computer or Mobile Device including, but not limited to, Internet Transactions or Digital Wallet Application-initiated Transactions.

Electronic Commerce Indicator (ECI)

A data element related to American Express SafeKey (AESK) Charge indicating the outcome of the SafeKey authentication.

EMV Specifications

The specifications issued by EMVCo, LLC, which are available at <http://www.emvco.com>.

Enabled Chip and PIN POS System

A Capable Chip and PIN POS System that has been configured to process Chip and PIN Card Transactions.

Entity

A corporation, partnership, sole proprietorship, trust, association, or any other legally recognized entity or organization.

Establishments

Any or all of your and your Affiliates' locations, outlets, websites, online networks, and all other methods for selling goods and services, including methods that you adopt in the future.

Estimated Lodging Charge

The estimated amount of Charges based on the room rates and the number of days the Cardmember expects to stay, plus taxes and other known incidental amounts.

Estimated Vehicle Rental Charge

The rental rate multiplied by the rental period reserved by the Cardmember, plus any known incidental amounts.

Expiration Date

The month and year on which a Card expires (sometimes referred to as "valid thru" or "active thru" date).

Expresspay

An American Express program that enables Contactless transactions.

Fallback

When a Chip Card Transaction cannot be completed through the use of Chip technology in an Enabled Chip and PIN POS System and as a result, is processed as a Magnetic Stripe Transaction.

Floor Limit

A monetary threshold for a single Charge, at or above which you must obtain an Authorization before completing the Charge.

Franchisee

An independently owned and operated third party (including a franchisee, licensee, or chapter), other than an Affiliate, that is licensed by a Franchisor to operate a franchise and that has entered into a written agreement with the Franchisor whereby it consistently displays external identification prominently identifying itself with the Franchisor's Marks or holds itself out to the public as a member of the Franchisor's group of companies.

Franchisor

The operator of a business that licenses *persons or Entities (Franchisees) to distribute goods and/or services under, or operate using the operator's Mark*; provides assistance to Franchisees in operating their business or influences the Franchisee's method of operation; and requires payment of a fee by Franchisees.

Franchisee Merchant

A Franchisee that we have approved for Card acceptance and that has become a Merchant (i.e., by entering into an agreement with us for Card acceptance).

Franchising

The business of licensing Franchisee(s).

Fraud Full Recourse Program

One of our Chargeback programs. See [Section 11.11, "Chargeback Programs"](#) for additional information.

General Provisions

The provisions set out in the Agreement other than the provisions in the Merchant Regulations or any accompanying schedule and exhibit hereto.

High Risk Merchant

A Merchant designation indicating that certain fraud Transactions conducted at the Merchant may be issued as a Chargeback to the Merchant under our Fraud Full Recourse Program.

Immediate Chargeback Program

One of our Chargeback programs. See [Section 11.11, "Chargeback Programs"](#) for additional information.

Independently Collected Information

Information that you collect from your customers independent from a Card transaction, or is not otherwise collected in order to process a Card transaction, provided, however, that the following shall always be deemed to be included within the definition of “Cardmember Information” and shall not be “Independently Collected Information”: (i) Card Numbers (including tokens), Card expiration dates, Card effective dates, CIDs and/or any security identification codes, Segmentation Criteria, and the fact that a particular person is a Cardmember, and (ii) information about Cardmembers provided directly by us to you.

In-Person Charge

A Card Present Charge excluding Charges made at CATs (e.g., a Charge taken at a Merchant attended retail location where the Card is swiped, read by a contactless reader, inserted into a Chip Card reader, or manually key-entered).

Inquiry

Our request for information about a Disputed Charge.

Insertion Order

The agreement executed between Merchant and American Express governing Merchant's participation in a promotional marketing campaign.

Internet Electronic Delivery

Delivery of Digital Goods or Services purchased on the internet via an internet or an electronic network download or another file transfer process (e.g., images or software download).

Internet Order

Card payment information that is taken via the World Wide Web, online (usually via a website payment page), email, intranet, extranet, or other similar network in payment for merchandise or services.

Internet Physical Delivery

Delivery of goods or services purchased on the internet to the Cardmember via mail, shipping services, or courier to a physical address.



Introductory Offer

A free or reduced cost trial, promotion, or other similar offer for a limited period of time that allows Cardmembers to try a product or service before the Card is billed for the regular price of the product or service.

Issuer

Any Entity (including American Express and its Affiliates) licensed by American Express or an American Express Affiliate to issue Cards and to engage in the Card issuing business.

Magnetic Stripe

A stripe on the back of a Card that contains Cardmember and account information in machine readable form.

Marketing Materials

Collectively all copy, customer-facing offer terms and conditions and other communications relating to a Marketing Program.

Marketing Program IO

The American Express Merchant Marketing Program Insertion Order together with the attached Standard Terms.

Marks

Names, logos, service marks, trademarks, trade names, taglines, or other proprietary designs or designations.

Merchant

Any seller of goods or services, non-profit, or government Entity that enters into an Agreement with American Express or its licensees wherein the seller agrees to (i) permit any Cardmember to charge purchases of goods and services at or with such Merchant by means of the Card and (ii) transfer Transactions to American Express or its licensees. This term includes all Establishments (sometimes called "Service Establishments" or "SEs" in our materials).

Merchant Account

An account established by us upon entering into the Agreement with a Merchant.

Merchant Category Code

Four (4) digit code used to identify the industry in which the Merchant is doing business.

Merchant Interactive (MI)

Our online tool that allows for reconciliation of payment, facilitates the resolution of Inquiries and Disputed Charges and provides Merchant reporting or, more generally, access to your Merchant Account online at www.americanexpress.com/merchant.

Merchant Level

The designation we assign Merchants related to their PCI DSS compliance validation obligations, as described in [Section 8.7, "Periodic Validation of Merchant Systems"](#).

Merchant Number

A unique number we assign to your Establishment.

Merchant Regulations

These *American Express Merchant Regulations - U.S.*, which are available at www.americanexpress.com/merchantpolicy and can be accessed by entering your online Merchant Account user ID and password.

Merchant-Provided Creative

Any creative materials provided to American Express by Merchant in connection with a Marketing Program, as described in the Insertion Order.

Mobile Device

An Issuer approved and American Express recognized electronic device (including, but not limited to, a mobile telephone, tablet, or wearable device) that is enabled to initiate a Digital Wallet Payment Transaction.

Mobile Point of Sale (MPOS)

A generic term for a system comprising of a commercial off-the-shelf mobile computing device with cellular or Wi-Fi data connectivity (such as a phone, tablet, or laptop) that may be used in conjunction with a Card-reading peripheral to accept contact and/or Contactless Transactions.

Network—See "[American Express Network or Network](#)".

No PIN Program

A program that allows an Establishment to not request a signature or a PIN from Cardmembers. See [Section 4.17, "No PIN Program"](#) for additional information.

No Reply Chargeback

A Chargeback that is initiated because you do not reply to an Inquiry by the deadline.

Non-Compliance Chargeback

A Chargeback that is initiated because the Charge does not meet the terms of the Agreement.

Notification of Changes

Releases of scheduled changes in the *Merchant Regulations*. See [Section 1.4, "Changes in the Merchant Regulations"](#).

Offer

The offer provided to Cardmembers as described in the Insertion Order.

Offer End Date

The last day that an Offer will be promoted and/or may be redeemed by Cardmembers.

Other Agreement

Any agreement, other than the Agreement, between (i) you or any of your Affiliates and (ii) us or any of our Affiliates.

Other Payment Products

Any charge, credit, debit, stored value, prepaid, or smart cards, account access devices, or other payment cards, services, or products other than the Card.

Outstanding Balance

The amount by which all costs due to American Express based upon your participation in the Program exceeds the amount actually submitted by you as payment for the costs set forth herein.

Oversight Review

A periodic review of a Payment Aggregator's Payment Services.

Partial Immediate Chargeback Program

One of our Chargeback programs. See [Section 11.11, "Chargeback Programs"](#) for additional information.

Payment Aggregator

A provider of Payment Services (formerly referred to as "Payment Service Provider" or "PSP" and sometimes called an "aggregator" or "master merchant" in our materials).

Payment Services

The provision of payment services in connection with Transactions between Cardmembers and Sponsored Merchants whereby you, the Entity providing such services (and not the Sponsored Merchant), are the Merchant of record, submit Transactions under your Merchant Number and receive payment from us for Charges (among other things).

Personal Identification Number (PIN)

A secret code for use with one or more American Express Network, Acquirer, or Issuer systems that is used to authenticate the user (e.g., a Cardmember) to that system.

Point of Sale (POS) System

An information processing system or equipment, including a terminal, personal computer, electronic cash register, contactless reader, Mobile Point of Sale (MPOS), or payment engine or process, used by a Merchant, to obtain Authorizations or to collect Transaction Data, or both.

Prepaid Card

A Card that is marked "Prepaid" or bearing such other identifiers used by American Express from time to time.

Processor

A service provider to Merchants who facilitates Authorization and Submission processing to the Network (sometimes referred to as an "Authorized Gateway Provider") in our materials.

Program

The promotional marketing campaign as described in the Insertion Order executed between Merchant and American Express.

Proof of Delivery

A courier receipt which proves that the goods were delivered to the complete and valid shipping address provided by the Cardmember when the purchase was made.

Property Damage Fee

An additional sum of money that may be charged to a Cardmember in relation to property damage that has been sustained to the rental accommodation (or property therein) or rental equipment (or part thereof) during the stay or rental period for which the Merchant is able to demonstrate the genuine costs incurred or required to repair or replace the property or equipment.

QR Code

The Quick Response Code used to establish a hyperlink to Merchant's website from offline or direct mail marketing materials to be created under the Marketing Program.

Recurring Billing

An option offered to Cardmembers to make recurring Charges automatically on their Card (e.g., membership fees to health clubs, magazine subscriptions, and insurance premiums).

Registered Card Offer

An Offer in which a statement credit will be provided to a Cardmember upon making the required spend at a participating Merchant.

Rent Payments

Charges of rent on Rental Establishments (includes security deposits and common room fees).

Rental Establishments

Long-term rentals used as primary residences. See [Section 12.2, "Rental Establishments"](#) for additional information.

Report

Any report that American Express provides to you that contains information about the Offer, including impressions, enrollments, redemptions, new/lapsed/current customer analysis, and/or other information mutually agreed upon by American Express and you.

Reserve

A fund established and/or collateral held by us as security for your or any of your Affiliates' obligations to us or any of our Affiliates under the Agreement or any Other Agreements.

Rights-holder

A natural or legal person or Entity having the legal standing and authority to assert a copyright or trademark right.

SafeKey Attempted

The Merchant requested authentication of the Cardmember in accordance with the AESK Program and received proof of attempt, i.e., Electronic Commerce Indicator "ECI" 6, from either the Issuer or American Express Network. For the purposes of this definition, a response indicating unable to authenticate, i.e., Electronic Commerce Indicator "ECI" 7, is not considered a proof of attempt.

SafeKey Fully Authenticated

The Merchant requested authentication of the Cardmember in accordance with the AESK Program and received proof of authentication, i.e., Electronic Commerce Indicator "ECI" 5, from either the Issuer or American Express Network.

Segmentation Criteria

Any information about Cardmembers that we use for the purpose of communicating a marketing campaign, including the fact that a particular consumer is a Cardmember.

Settlement

The process by which we compile your debits and credits to calculate a net amount that will be applied to your Bank Account (sometimes called "deposit" or "Deposit" in our materials).

Split Tender

The use of multiple forms of payment (e.g., prepaid products, cash, American Express Card) for a single purchase.

Sponsored Merchant

A Sponsored Merchant Prospect that has entered into a Sponsored Merchant Agreement with you. Sponsored Merchants are one of your Covered Parties.

Sponsored Merchant Agreement

The standard form agreement governing your provision of Payment Services that you must have the Sponsored Merchant Prospect execute pursuant to [Chapter 13, "Payment Aggregator"](#).

Sponsored Merchant Prospect

Any third-party seller of goods and services that either: (i) does not accept the Card and which operates one or more Sponsored Merchant websites or other Establishments, or (ii) accepts the Card with respect to its existing methods for selling goods and services but also proposes to submit Transactions through a Payment Aggregator.

Sponsored Merchant Website

Any website operated by a Sponsored Merchant Prospect for the sale of goods or services (or both).

Submission

The collection of Transaction Data that you send to us.

Substitute Charge Record

A document created from original Transaction data.

Summary of Charge

The total amount of all the Charge Records (Transactions) submitted.

System Outage

Interruption of either Merchant or Network systems or services (e.g., computer system failure, telecommunications failure, or regularly scheduled downtime).

Technical Specifications

The set of mandatory, conditional, and optional requirements related to connectivity to the Network and electronic Transaction processing, including Authorization and Submission of Transactions (sometimes called "specifications" in our materials), which we may update from time to time, and which we make available on our website at www.americanexpress.com/merchantspeccs or upon request from your American Express representative.

Telecommunications

Communication services, including personal communication services; cellular, paging, long distance, etc. See [Section 12.8, "Telecommunications"](#) for additional information.

Terminal Provider

The Processor, vendor or company that provides your POS System.

Territory

A country, region, or sovereign territory approved by us in which you or your affiliates make goods or services available.

Timeshare Unit

The exclusive right to occupy a unit in a real estate development. See [Section 12.9, "Timeshares"](#) for additional information.

Token

A surrogate value that replaces the Card Number.

Transaction

A Charge or Credit completed by the means of a Card.

Transaction Data

All information required by American Express, evidencing one or more Transactions, including information obtained at the point of sale, information obtained or generated during Authorization and Submission, and any Chargeback.

Transit Contactless Transaction

A Contactless (see also "[Expresspay](#)") Transaction for entry into and/or use of a transit system.

Transmission

A method of sending Transaction Data to American Express whereby Transaction Data is transmitted electronically over communication lines.

Transmission Data

The same as Card Data except for the requirements to include: Cardmember name, Expiration Date, the Cardmember's signature (if obtained); and the words "No Refund" if the Merchant has a no refund policy.

URL

Uniform Resource Locator, a term used to identify an internet address.

Valid Dates

The dates on the Card that indicate the first and last date the Card can be used to make purchases.

Voice Authorization

The Authorization of a Charge obtained by calling the American Express [Authorization Department](#).

we, our and us

American Express Travel Related Services Company, Inc., a New York corporation.

you and your

The individual or Entity accepting the Card under the Agreement and (as applicable) its Affiliates conducting business in the same industry (sometimes called the "Merchant," "Service Establishment," or "SE" in our materials).

Appendix

- A.1 Arbitration Agreement (as to Claims involving American Express)
- A.2 Payment Aggregator Registration Form
- A.3 Payment Aggregator Change Form
- A.4 Affidavit of Compliance with Laws—Online/Mail Order Tobacco
- A.5 Affidavit of Compliance with Laws—Internet/Online Pharmacies

Arbitration Agreement (as to Claims involving American Express)

In the event that Sponsored Merchant or [insert the term you use to refer to yourself] is not able to resolve a Claim against American Express, or a claim against [insert the term you use to refer to yourself] or any other entity that American Express has a right to join in resolving a Claim, this section explains how Claims can be resolved through arbitration. Sponsored Merchant or American Express may elect to resolve any Claim by individual binding arbitration. Claims are decided by a neutral arbitrator.

If arbitration is chosen by any party, neither Sponsored Merchant nor [insert the term you use to refer to yourself] nor American Express will have the right to litigate that Claim in court or have a jury trial on that Claim. Further, Sponsored Merchant, [insert the term you use to refer to yourself], and American Express will not have the right to participate in a representative capacity or as a member of any class or be a named party to a class-action with respect to any Claim for which any party elects arbitration. Arbitration procedures are generally simpler than the rules that apply in court, and discovery is more limited. The arbitrator's decisions are as enforceable as any court order and are subject to very limited review by a court. Except as set forth below, the arbitrator's decision will be final and binding.

- i. Initiation of Arbitration.** Claims will be referred to either JAMS or AAA, as selected by the party electing arbitration. Claims will be resolved pursuant to this Arbitration Agreement and the selected organization's rules in effect when the Claim is filed, except where those rules conflict with this Arbitration Agreement. Contact JAMS or AAA to begin an arbitration or for other information. Claims may be referred to another arbitration organization if all parties agree in writing, or to an arbitrator appointed pursuant to section 5 of the Federal Arbitration Act, 9 U.S.C. §§ 1-16 (FAA). Any arbitration hearing that requires the physical presence of the parties shall take place in New York, unless all parties agree to an alternate venue.
- ii. Limitations on Arbitration.** **If any party elects to resolve a Claim by arbitration, that Claim will be arbitrated on an individual basis. There will be no right or authority for any Claims to be arbitrated on a class action basis or on bases involving Claims brought in a purported representative capacity on behalf of the general public, other Merchants or other persons or entities similarly situated.** The arbitrator's authority is limited to Claims between Sponsored Merchant, [insert the term you use to refer to yourself], and American Express. Claims may not be joined or consolidated unless all parties to this Arbitration Agreement agree in writing. An arbitration award and any judgment confirming it will apply only to the specific case brought by Sponsored Merchant, [insert the term you use to refer to yourself] or American Express and cannot be used in any other case except to enforce the award as between Sponsored Merchant, [insert the term you use to refer to yourself] and American Express. This prohibition is intended to, and does, preclude Sponsored Merchant from participating in any action by any trade association or other organization against American Express. Notwithstanding any other provision and without waiving the right to appeal such decision, if any portion of these *Limitations on Arbitration* is deemed invalid or unenforceable, then the entire Arbitration provision (other than this sentence) will not apply.
- iii. Previously Filed Claims/No Waiver.** Sponsored Merchant, [insert the term you use to refer to yourself], or American Express may elect to arbitrate any Claim that has been filed in court at any time before trial has begun or final judgment has been entered on the Claim. Sponsored Merchant, [insert the term you use to refer to yourself], or American Express may choose to delay enforcing or to not exercise rights under this arbitration provision, including the right to elect to arbitrate a Claim, without waiving the right to exercise or enforce those rights on any other occasion. For the avoidance of any confusion, and not to limit its scope, this section applies to any class-action lawsuit relating to the "Honor All Cards," "non-discrimination," or "no steering" provisions of the *American Express Merchant Regulations*, or any similar provisions of any prior American Express Card acceptance agreement, that was filed against American Express prior to the effective date of the Agreement.
- iv. Arbitrator's Authority.** The arbitrator shall have the power and authority to award any relief that would have been available in court, including equitable relief (e.g., injunction, specific performance) and, cumulative with all other remedies, shall grant specific performance whenever possible. The arbitrator shall have no power or authority to alter the Agreement or any of its separate provisions, including this section, nor to determine any matter or make any award except as provided in this section.
- v. Split Proceedings for Equitable Relief.** Sponsored Merchant, [insert the term you use to refer to yourself], or American Express may seek equitable relief in aid of arbitration prior to arbitration on the merits to preserve the status quo pending completion of such process. This section shall be enforced by any court of competent jurisdiction, and the party seeking enforcement shall be entitled to an award of all reasonable attorneys' fees and costs, including legal fees, to be paid by the party against whom enforcement is ordered.
- vi. Small Claims Court.** American Express shall not elect to use arbitration under this section for any Claim Sponsored Merchant properly files in a small claims court so long as the Claim seeks individual relief only and is pending only in that court. Injunctive relief sought to enforce the confidentiality and proprietary rights provisions of the Sponsored Merchant Agreement is not subject to the requirements of this section. This section is not intended to, and does not substitute for our ordinary business practices, policies, and procedures, including our rights to Chargeback and to create Reserves.
- vii. Governing Law/Arbitration Procedures/Entry of Judgment.** This arbitration section is made pursuant to a transaction involving interstate commerce and is governed by the FAA. The arbitrator shall apply New York law and applicable statutes of

limitations and shall honor claims of privilege recognized by law. The arbitrator shall apply the rules of the arbitration organization selected, as applicable to matters relating to evidence and discovery, not the federal or any state rules of civil procedure or rules of evidence, provided that any party may request that the arbitrator expand the scope of discovery by doing so in writing and copying any other parties, who shall have fifteen days to make objections, and the arbitrator shall notify the parties of his/her decision within twenty days of any objecting party's submission. If a Claim is for \$10,000 or less, Sponsored Merchant or American Express may choose whether the arbitration will be conducted solely on the basis of documents submitted to the arbitrator, through a telephonic hearing, or by an in-person hearing as established by the rules of the selected arbitration organization. At the timely request of a party, the arbitrator shall provide a written and reasoned opinion explaining his/her award. The arbitrator's decision shall be final and binding, except for any rights of appeal provided by the FAA. If a Claim is for more than \$10,000 and less than \$100,000, you and we shall be entitled to limited discovery, which shall include no more than (a) reasonable discovery of hard-copy and electronically-stored information, including not more than four custodians, as approved by the arbitrator, who shall consider, *inter alia*, whether the discovery sought from one party is proportional to the discovery received by the other party, and (b) two depositions per party. If a Claim is for \$100,000 or more, or includes a request for injunctive relief, (a) any party to this Agreement shall be entitled to reasonable document and deposition discovery, including (x) reasonable discovery of electronically stored information, as approved by the arbitrator, who shall consider, *inter alia*, whether the discovery sought from one party is proportional to the discovery received by another party, and (y) no less than five depositions per party; and (b) within sixty (60) days of the initial award, either party can file a notice of appeal to a three-arbitrator panel administered by the selected arbitration organization, which shall reconsider *de novo* any aspect requested of that award and whose written decision (or the award (if no written decision is timely requested)) shall be final and binding. At the timely request of a party, the arbitrator(s) shall provide a written and reasoned opinion explaining his/her award. The arbitrator's decisions shall be final and binding, except for any rights of appeal provided by the FAA. If more than sixty (60) days after the written arbitration decision is issued the losing party fails to satisfy or comply with an award or file a notice of appeal, if applicable, the prevailing party shall have the right to seek judicial confirmation of the award in any state or federal court where Sponsored Merchant's headquarters or Sponsored Merchant's assets are located.

- viii. Confidential Proceedings.** The arbitration proceeding and all testimony, filings, documents, and any information relating to or presented during the proceedings shall be deemed to be confidential information not to be disclosed to any other party. All offers, promises, conduct, and statements, whether written or oral, made in the course of the Claim resolution process, including but not limited to any related negotiations, mediations, arbitration, and proceedings to confirm arbitration awards by either party, its agents, employees, experts or attorneys, or by the mediator or arbitrator, including any arbitration award or judgment related thereto, are confidential, privileged, and inadmissible for any purpose, including impeachment or estoppel, in any other litigation or proceeding involving any of the parties or non-parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the negotiation, mediation, or arbitration.
- ix. Costs of Arbitration Proceedings.** Sponsored Merchant will be responsible for paying Sponsored Merchant's share of any arbitration fees (including filing, administrative, hearing or other fees). At Sponsored Merchant's written request, American Express will consider in good faith making a temporary advance of Sponsored Merchant's share of any arbitration fees, or paying for the reasonable fees of an expert appointed by the arbitrator for good cause.
- x. Additional Arbitration Awards.** If the arbitrator rules in Sponsored Merchant's favor against American Express for an amount greater than any final settlement offer American Express made to Sponsored Merchant before any arbitration award is announced, the arbitrator's award will include: (1) any money to which Sponsored Merchant is entitled to pursuant to the award, but in no case less than \$5,000; and (2) any reasonable attorneys' fees, costs and expert and other witness fees incurred by Sponsored Merchant.
- xi. Definitions.** For purposes of this section, [Appendix A.1, "Arbitration Agreement \(as to Claims involving American Express\)"](#) only, (i) American Express includes any of its affiliates, licensees, predecessors, successors, or assigns, any purchasers of any receivables, and all agents, directors, and representatives of any of the foregoing, and (ii) Sponsored Merchant includes Sponsored Merchant's affiliates, licensees, predecessors, successors, or assigns, any purchasers of any receivables and all agents, directors, and representatives of any of the foregoing, and (iii) Claim means any allegation of an entitlement to relief, whether damages, injunctive or any other form of relief, against American Express or against [insert the term you use to refer to yourself] or any other entity that American Express has the right to join in resolving a Claim, including, a transaction using an American Express product or network or regarding an American Express policy or procedure.
- xii. Continuation.** This section will survive termination of the Sponsored Merchant Agreement, any legal proceeding to collect a debt, any bankruptcy and any sale of Sponsored Merchant or Sponsored Merchant's assets (in the case of a sale, its terms will apply to the buyer). If any portion of this [Appendix A.1, "Arbitration Agreement \(as to Claims involving American Express\)"](#), except as otherwise provided in the Limitations on Arbitration subsection, is deemed invalid or unenforceable, it will not invalidate the remaining portions of this [Appendix A.1, "Arbitration Agreement \(as to Claims involving American Express\)"](#), the Sponsored Merchant Agreement, or any predecessor agreement Sponsored Merchant may have had with [insert the term you use to refer to yourself], each of which shall be enforceable regardless of such invalidity.

Payment Aggregator Registration Form

Payment Aggregator registration is required for any prospective Payment Aggregator. Initial Payment Aggregator Registrations must be completed using the Registration Form and you must not promote Card acceptance until the appropriate setup process has been completed. All registrations to be completed by the Payment Aggregator and a signed copy should be returned via email to ProgramOversight.Management@aexp.com.

Payment Aggregator Profile

Payment Aggregator Legal Name: _____

Payment Aggregator DBA Name: _____

Payment Aggregator Full Physical Business Address: _____

Payment Aggregator Business Phone: _____

Payment Aggregator Main Contact Email: _____

Payment Aggregator URL: _____

Does the Payment Aggregator Fully or Partially Operate in these industries? Check all that apply:

Main Industries:

- Education
- Government
- Insurance – Property & Casualty
- Insurance – Healthcare
- Residential Rent
- Utilities
- Other

Exception Industries:

- Charities
- Healthcare – Providers
- Other

Will the Payment Aggregator charge convenience fees?

- Yes
- No, acceptance fee is absorbed by Merchant
- Mixed, convenience fee and fee absorbed by Merchant

Payment Aggregator Annual Credit Card Charge Volume: _____

Please list any processors you are working with: _____

Note: Information contained in this registration form will be used by us for review/approval of you as a Payment Aggregator accepting the American Express Card. Please ensure the information is accurate and correct to avoid delays in the approval process.

1. I/We confirm we have completed a background check and financial review of the Sponsored Merchants and owners inclusive of current financials.

2. I/We confirm that the Sponsored Merchants have been reviewed by appropriate officers based on sound business practice that does not compromise the Payment Aggregator or American Express.
3. I/We confirm that Anti-Money Laundering and Prevention of Terrorist Financing programs are in place to ensure compliance with Applicable Laws and the general Payment Aggregator requirements set forth in [Section 13.4. "General Payment Aggregator Requirements"](#) of the *Merchant Regulations*.
4. I/We confirm that the Sponsored Merchants are currently in good standing with Payment Card Industry (PCI) standards and that the Sponsored Merchants have processes in place to ensure ongoing compliance with PCI Data Security Standards.
5. I/We confirm that processes are in place to ensure that Sponsored Merchant agreements adhere to the general Payment Aggregator requirements set forth in [Section 13.4. "General Payment Aggregator Requirements"](#) of the *Merchant Regulations*.
6. I/We confirm that the Sponsored Merchants are not operating in a prohibited industry or category.
7. I/We confirm that the Sponsored Merchants' websites have been reviewed (if applicable) for compliance with the general Payment Aggregator requirements set forth in [Section 13.4. "General Payment Aggregator Requirements"](#) of the *Merchant Regulations* and processes are in place to ensure ongoing compliance with requirements.
8. I/We confirm that processes are in place to ensure ongoing compliance with *American Express Technical Specifications*.

By submitting this registration form, I/We hereby certify that each of the above statements is true and correct, and am/are submitting this form for consideration by American Express as a Payment Aggregator.

Payment Aggregator Signature: _____

Approvals

GMNS Small Merchant Acquisition: _____

Date: _____

Payment Aggregator Change Form

Any changes to Payment Aggregator data for existing Payment Aggregators registered with American Express, inclusive of terminations, are required semi-annually. Changes may be communicated using this Change Form, an excel template provided by American Express, or an alternate format inclusive of all required fields on this form. All changes to be completed by the Payment Aggregator and a signed copy should be returned via email to Program.Oversight.Management@aexp.com.

Request Date: ____ / ____ / ____

Payment Aggregator Legal Name: _____

Payment Aggregator DBA Name: _____

Payment Aggregator Full Physical Business Address: _____

Payment Aggregator Business Phone: _____

Payment Aggregator Main Contact Email: _____

Payment Aggregator URL: _____

Does the Payment Aggregator Fully or Partially Operate in these industries? Check all that apply:

Main Industries:

- Education
- Government
- Insurance – Property & Casualty
- Insurance – Healthcare
- Residential Rent
- Utilities
- Other

Exception Industries:

- Charities
- Healthcare – Providers
- Other

Will the Payment Aggregator charge convenience fees?

- Yes
- No, acceptance fee is absorbed by Merchant
- Mixed, convenience fee and fee absorbed by Merchant

Payment Aggregator Termination Date (if applicable):

By submitting this change form, I/We hereby certify that each of the above statements is true and correct, and am/are submitting this form in accordance with the Payment Aggregator program requirements.

Payment Aggregator Signature: _____

Affidavit of Compliance with Laws—Online/Mail Order Tobacco

(See [Section 12.13, "Online/Mail Order Tobacco Retail"](#))

The undersigned, _____ (print names here), being an authorized representative of _____ ("Company") (print company name here), a company engaged in the Internet and/or mail order sale of all tobacco products, including e-cigarettes, cigars, hookah tobacco, pipe tobacco, and others, hereby represents, warrants, and certifies to American Express Travel Related Services Company, Inc., its parent, subsidiaries, and affiliates (collectively, "American Express"), that the Company complies with all local, state, and federal laws applicable to tobacco product and e-cigarettes sales. Although not a complete listing of the local, state, and federal laws that apply to my Company's sale of tobacco products, I represent, warrant, and certify that the Company is in compliance with the following statutes:

State or Federal Law (Initial Below)

Jenkins Act (reporting requirements for cigarettes, as amended by the Prevent All Cigarette Trafficking ("PACT") Act of 2009), 15 U.S.C. § 375 et seq. _____

Statutes prohibiting shipment of cigarettes directly to consumers _____

Statutes requiring licensing, tax liability disclosures to consumers, etc. _____

Local and state laws requiring age verification _____

State/federal laws governing the possession of unstamped tobacco products _____

Federal Food, Drug and Cosmetic law as amended by the Family Smoking Prevention and Tobacco Control Act of 2009 _____

If Company is a foreign-based Internet cigarette vendor:

Cigarette Labeling Advertising Act, 15 U.S.C. § 1331 et seq. _____

I recognize and agree that American Express may provide copies of this Affidavit of Compliance to federal, state, and/or local law enforcement authorities for verification of the above representations.

I further recognize and agree that submission of a false certification and/or the failure to comply with all federal, state, and local laws governing the sale of tobacco products will result in the immediate termination of the Company's right to accept American Express Cards.

PRINT OR TYPE FULL LEGAL NAME OF COMPANY:

By: _____

Name: _____

Title: _____

Date: _____

STATE OF _____)

_____) ss

COUNTY OF _____)

On this _____ day of _____, 20_____, before me, the undersigned notary public,

personally appeared _____ (print names here), and s/he indicating to me that s/he has the authorization to execute this affidavit of compliance on behalf of the Company, executed the foregoing instrument for the purposes therein contained, by signing above.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public

Affidavit of Compliance with Laws—Internet/Online Pharmacies

(See [Section 12.12, "Internet/Online Pharmacies"](#))

The undersigned, _____ (print names here), being an authorized representative of

_____ ("Company") (print company name here), a company engaged in the Internet and/or online order sales of prescription medications (as defined by applicable law or regulation), hereby represents, warrants and certifies to American Express Travel Related Services Company, Inc., its parent, subsidiaries and affiliates (collectively, "American Express"), that Merchant complies with all local, state and federal laws applicable to prescription medication sales. Merchant further represents, warrants and certifies that Merchant is either:

- Certified by the Verified Internet Pharmacy Practice Sites ("VIPPS") program of the National Association of Boards of Pharmacy (www.nabp.net)*, or
- Complies with the licensing and inspection requirements of (i) U.S. federal law and the state in which Merchant is located and (ii) each state to which Merchant dispenses pharmaceuticals.

* If Merchant claims VIPPS certification, it must also provide with this Affidavit copies of applicable supporting documentation.

Merchant recognizes and agrees that American Express may provide copies of this Affidavit of Compliance and supporting documentation to federal, state and/or local law enforcement authorities for verification of the above representations. Merchant further recognizes and agrees that submission of a false certification and/or the failure to comply with all federal, state and local laws governing the sale of internet/online prescription medications may result in the immediate termination of the Company's right to accept American Express Cards.

PRINT OR TYPE FULL LEGAL NAME OF MERCHANT:

By: _____

Name: _____

Title: _____

Date: _____

STATE OF _____)

_____) ss

COUNTY OF _____)

On this _____ day of _____, 20____, before me, the undersigned notary public,

personally appeared _____ (print names here), and s/he indicating to me that s/he has the authorization to execute this affidavit of compliance on behalf of Merchant, executed the foregoing instrument for the purposes therein contained, by signing above.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal. _____