AMERICAN EXPRESS

Merchant Operating Guide

All Regions

April 2026

For changes in this edition please see the Summary of Changes Table

This guide is intended for use by Merchants that have entered into a legally binding Agreement with a Merchant Services Provider based in the applicable Region to accept the American Express® Card.

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This document was published on April 17, 2026 and is in full force and effect as of such date, except for changes that will become effective on October 16, 2026, or another date, as specified herein.

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Document Conventions

Regional Applicability

This *Merchant Operating Guide* should be used by Merchants that have entered into an Agreement with a Merchant Service Provider in the applicable Regions listed in the table below:

Geographic Area	Applicable Regions
APAC	Australia
Canada	Canada
EMEA	EEA Countries and U.K. only
LAC	Mexico and Argentina
United States (U.S.) Region	The 50 States and the District of Columbia, American Samoa, Guam, Commonwealth of the Northern Mariana Islands, Puerto Rico, U.S. Minor Outlying Islands, and the U.S. Virgin Islands, but no other U.S. territory or possession.

Icons Used

Important updates are listed in the Summary of Changes Table and also indicated in the *Merchant Operating Guide* with a change bar. Change bars are vertical lines in the left margin that identify revised, added, or removed text. A change bar is a vertical line, usually in the left margin, that identifies added or revised text. Only substantial changes in the *Merchant Operating Guide* with potential impacts to a Merchant's operational procedures are indicated with a change bar as shown in the left margin.

Removed text is referenced in this Summary of Changes using the section numbering from the previous publication to avoid confusion. Removed text is highlighted with a trash can icon placed in the margin next to any significant deletion of text, including sections, tables, paragraphs, notes, and bullet points.

Blue lines bordering paragraphs indicate region-specific information.

Summary of Changes Table

Other important updates are listed in the following table and are also indicated in the *Merchant Operating Guide* with a change bar.

Chapter	Section/Subsection	Description of Change
Entire document		Minor updates throughout the *Merchant Operating Guide*, including capitalization.
Chapter 4, "Transaction Processing"	Section 4.6.2.1, "Clearing Records"	• Clarified the required retention timeframe of Clearing Records for Charge Transactions. • Clarified Merchants' requirement to provide a copy of the original or electronic Clearing Record.
	Section 4.6.3.1, "Clearing Records"	• Clarified the required retention timeframe of Clearing Records for Charge Transactions. • Clarified Merchants' requirement to provide a copy of the original or electronic Clearing Record.
Chapter 5, "Authorizations"	Section 5.3.1, "Estimated Authorization"	Updated the Estimated Authorization procedures for car rental periods.
	Section 5.3.2, "Estimated Charge Amount"	Updated the Authorization Validity Period for Car Rentals, Lodging, and Steamships & Cruise Lines.
Chapter 12, "Dispute Resolution"	Section 12.1, "Arbitration Agreement (as to Claims involving American Express) (U.S.)"	Added clarifying statement.
Glossary of Terms		Added/modified definitions.

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Introduction

1.1 About the Merchant Operating Guide

1.2 Organization of the Merchant Operating Guide

1.3 Changes in the Merchant Operating Guide

1

1.1 About the Merchant Operating Guide

This *Merchant Operating Guide* sets 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 Merchant Agreement with your Merchant Services Provider ("the Agreement"). You agree to be bound by and accept all provisions in the *Merchant Operating Guide* (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. If you do not accept a change to the *Merchant Operating Guide* communicated in accordance with Section 1.3 of this *Merchant Operating Guide*, you must opt out of accepting the American Express Card pursuant to the Agreement before the effective date of the change. By continuing to accept the American Express® Card after the effective date of the change, you agree to be bound by the revised terms of the *Merchant Operating Guide*.

You should consult with your Merchant Services Provider for further information about any policy or procedure contained in the *Merchant Operating Guide*.

1.1.1 Intended Audience for this Guide

This *Merchant Operating Guide* is intended for use by Merchants that have entered into a legally binding Agreement with a Merchant Services Provider based in an applicable Region to accept the American Express® Card. While not an exhaustive list, qualifying Merchants:

- are physically located and maintain a bank account at a financial institution within your applicable region as approved by your Merchant Services Provider;
- have an estimated annual American Express Charge volume that meets the program requirements as communicated to you by your Merchant Services Provider; and,
- transact in local currency and receive payment from your Merchant Services Provider into a local bank account or any other currency approved by your Merchant Services Provider.

Canada: Amex Bank of Canada is a licensed user of the American Express Network and provides access to qualified Merchant Services Providers that have entered into a Program Agreement and comply with the *American Express® Technical Specifications*.

LAC: The *Merchant Operating Guide* has been prepared in both English and Spanish. In the event of any inconsistency, the English version shall apply and be binding upon the parties.

1.2 Organization of the Merchant Operating Guide

This *Merchant Operating Guide* is designed to meet the needs of busy Merchants. The content is organized into:

- policies that apply to your Establishment in all applicable Regions, and
- region specific policies that apply to your Establishments located in the specific region listed.

In the event of any conflict between the general provisions and the region specific provisions in this Guide, the requirements of the region-specific policies take precedence. In the event of any conflict between the Agreement, this Guide, and Applicable Law, the requirements of Applicable Law govern.

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

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- Important information is identified throughout the *Merchant Operating Guide* 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 Operating Guide* online.
- A table of contents and comprehensive glossary are provided in the *Merchant Operating Guide*.
- Capitalized terms used in the *Merchant Operating Guide* have the meanings ascribed to them in the Glossary of Terms. 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 (USD) and may be subject to currency conversion at the applicable exchange rates as of the date of publication, unless otherwise specified.

1.3 Changes in the Merchant Operating Guide

The *Merchant Operating Guide* is published twice each year, in April and October.

1.3.1 Scheduled Changes

American Express may change the provisions of the *Merchant Operating Guide* in scheduled changes as follows:

- a release of scheduled changes, to be published every April, with changes that shall take effect in the following October or on such other date as set forth in the *Merchant Operating Guide*, and
- a release of scheduled changes, to be published every October, with changes that shall take effect in the following April or on such other date as set forth in the *Merchant Operating Guide*.

Where a scheduled change is to take effect during the period between two editions of the *Merchant Operating Guide*, the change will be included in the edition of the *Merchant Operating Guide* covering the period during which the change shall take effect, noting the effective date of the change. Such changes will not take effect less than ninety (90) days after the release is posted unless another effective date is necessary to comply with Applicable Law and is specified in the notice.

1.3.2 Unscheduled Changes

American Express may also change the provisions of the *Merchant Operating Guide* in separate unscheduled releases at any time, which shall take effect ninety (90) days after the release is posted unless another effective date is necessary to comply with Applicable Law and is specified in the notice.

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Doing Business with American Express

2.1 Introduction

2.2 Benefits of Accepting the American Express Card

2.3 Merchant Information

2.4 Compliance with the Technical Specifications

2.5 Establishment Closing

2.6 Verification and Disclosure of Information

2.7 Permitted Uses of Merchant Information

2.8 Governing Law; Jurisdiction; Venue (as to Claims involving American Express) U.S., Canada Only

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2.1 Introduction

The *Merchant Operating Guide* explains 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

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.

Canada: In line with American Express' core values of trust and integrity and as required under the Bank Act (Canada), when dealing with our customers, including Merchants or another person, American Express will not: take advantage of that person, or impose undue pressure on or coerce that person for any purpose, including to obtain a product or service from a particular provider or as a condition for obtaining another product or service from American Express.

2.3 Merchant Information

Important notifications from American Express regarding your acceptance of the Card will be sent to you via your Merchant Services Provider.

U.S., APAC, LAC: You agree that, upon providing contact information to your Merchant Services Provider, American Express may send you commercial marketing messages, including information on products, services, and resources available to your business. These messages may be sent to the mailing address, phone numbers, email addresses, or fax numbers you provide. If you provide a wireless phone number, you agree that American Express may contact you at that number and the communication American Express sends may include autodialed short message service (SMS or "text") messages or automated or prerecorded calls. If you provide a fax number, you agree that American Express may send you fax communications. American Express may otherwise use and share your information for business purposes and as permitted by Applicable Law. American Express uses reasonable administrative, technical, and physical security measures to protect Merchant information consistent with the sensitivity of the information. You may opt out of receiving American Express commercial marketing communications about products and services by contacting your Merchant Services Provider directly via inbound telephone, email, website, or any other means identified by your Merchant Services Provider, or by exercising any opt-out option that American Express may describe or offer in emails, SMS messages, faxes, or other communications. If you have opted out, you may continue to receive important transactional or relationship communications from American Express. In addition, you may continue to receive marketing communications from American Express while American Express updates its records to reflect your opt-out choice.

APAC (Australia Only): American Express may include your Marks, details and those of your Establishments in guides, directories, lists, and other marketing materials in connection with your acceptance of the Card. American Express may also have our Affiliates and selected third parties do this on our behalf or for their own benefit. If you do not agree, you must notify your Merchant Services Provider in writing.

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Canada Only: Canada operates as an opt-in region in compliance with Canadian law. Merchants in Canada will only receive commercial marketing communications from American Express if they have explicitly consented to do so. Merchants may withdraw this consent by following the opt-out procedures described above. If you have opted out, you may continue to receive important transactional or relationship communications from American Express. In addition, you may continue to receive marketing communications from American Express while American Express updates its records to reflect your opt-out choice.

2.4 Compliance with the Technical Specifications

A vast number of Transactions traverse, and are processed by, the American Express Network. Merchants, processors, Terminal Providers, and others must conform to the *American Express 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 *American Express Technical Specifications*, any other (or different) requirements of our local operating centers and Applicable Law. American Express reserves the right to modify the *American Express Technical Specifications* or requirements of our local operating centers.

You must ensure that you and any third parties you enlist to facilitate Transaction processing comply with the *American Express Technical Specifications* (valid and accurate data must be provided for all data elements in accordance with the *American Express Technical Specifications*).

Contact your Merchant Services Provider for further information about complying with these specifications.

2.4.1 Merchant Category Codes

You must use the Merchant Category Code (MCC) that most closely represents your business and industry classification. You must use the most accurate MCCs in all Authorizations and Submissions. If you have multiple, clearly distinct businesses that may qualify for more than one MCC, then those businesses should be segmented across the appropriate MCCs and Merchant Numbers. If you have multiple businesses, but a distinction between them is not clear or cannot reasonably be determined, then you should use the MCC which most closely represents your primary business.

If the MCC used in the Submission does not match the MCC of the corresponding Authorization, you must remediate the mismatch as soon as possible, at your own expense and in accordance with any instructions you may receive from American Express or your Merchant Services Provider. Failure to comply with MCC data requirements may result in the assessment of non-compliance fees. Please work with your Merchant Services Provider if you have questions related to your MCC assignment.

American Express can require corrections to the MCC assignments if it determines, in its sole discretion, an incorrect MCC was assigned.

2.4.2 Compliance with Payment Product Terms and Conditions

American Express offers various payment processing solutions and products. If you choose to utilize one or more such products, you and your Merchant Services Provider 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 Operating Guide, the terms and conditions of the payment processing product will prevail. All products and services may not be available to all Merchants.

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2.5 Establishment Closing

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

- Notify your Merchant Services Provider and follow their guidelines for notification of Establishment closing.
- 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.
- 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 websites and catalogs).
- 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.

2.6 Verification and Disclosure of Information

2.6.1 When you provide information to your Merchant Services Provider, such information may be disclosed and shared with your Merchant Services Provider's agents, subcontractors, Affiliates, and other parties, including American Express, industry organizations, and reporting agencies, for any purpose permitted by Applicable Law.

U.S., APAC, Canada, LAC: In addition to the above, you acknowledge that American Express collects and retains such information, shares such information with Affiliates and its other business lines, and may use such information to improve services, prevent fraud, and for other business purposes, including but not limited to conducting analytics and making information available to certain third parties, including for tax reconciliation or expense management services and their users. You further acknowledge that by entering into the Agreement with your Merchant Services Provider, you provide permission to obtain or disclose information in connection with the Agreement, consent to American Express' disclosure of such information for the foregoing purposes, and hereby release and waive any right or claim arising out of or related to such disclosure, including defamation claims, even if the information that is disclosed is incorrect or incomplete.

U.S. Only: Your business name and the name of your principals may be reported to the MATCH™ (Member Alert to Control High Risk Merchants) listing maintained by MasterCard. You hereby specifically consent to the reporting and waive and hold American Express and your Merchant Services Provider harmless from all claims and liabilities you may have as a result of such reporting.

2.7 Permitted Uses of Merchant Information

2.7.1 The information you provide to your Merchant Services Provider may be transferred to American Express or its Affiliates globally, for example, to process transactions and provide you with American Express products or services. Regardless of where American Express processes your information, American Express protects it in the manner described in its online privacy statement and according to all Applicable Laws.

U.S., APAC, Canada, LAC: In addition to the above, for the purpose of communicating your acceptance of the Card, American Express may use your name, address (including website addresses or URLs), customer service telephone numbers, and/or industry classification in any media at any time. This information is based on what you have provided to your Merchant

Services Provider or is otherwise publicly available. For more information on American Express' Online Privacy Statement, please visit American Express' Online Privacy Statement:

U.S.: https://www.americanexpress.com/us/company/privacy-center/online-privacy-disclosures/

Argentina: https://www.americanexpress.com/es-ar/empresa/legal/centro-de-privacidad/declaracion-de-privacidad/?inav=ar_footer_privacidad_confidencialidad

Australia: https://www.americanexpress.com/au/about-us/disclosures/privacy-statement/

Canada; https://www.americanexpress.com/en-ca/company/legal/privacy-centre/privacy-statement/

Mexico: https://www.americanexpress.com/mx/empresa/avisos-de-privacidad.html

U.S., Canada: American Express wants to help encourage Cardmembers to seek out and shop at small merchants that accept the American Express Card. From time to time, American Express 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:

U.S.: www.americanexpress.com/us/small-business/shop-small

Canada: www.americanexpress.com/ca/en/merchant/shop-small

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.

2.8 Governing Law; Jurisdiction; Venue (as to Claims involving American Express) U.S., Canada Only

U.S.: The *Merchant Operating Guide* and all Claims are governed by and shall be construed and enforced according to the laws of the State of New York without regard to internal principles of conflicts of law. Subject to Section 12.1, any action by either party under the *Merchant Operating Guide* shall be brought only in the appropriate federal or state court located in the County and State of New York. Each party consents to the exclusive jurisdiction of such court and waives any Claim of lack of jurisdiction or forum non conveniens.

Canada: The Agreement and all Claims are governed by and shall be construed and enforced according to the laws of the Province of Ontario and the laws of Canada applicable in Ontario. Subject to Section 12.2, any action by either party under the Agreement shall be brought only in the appropriate court located in Ontario. Each party consents to the exclusive jurisdiction of such court and waives any Claim of lack of jurisdiction or forum non conveniens.

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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

3.1 Card Acceptance

3.1.1 By accepting the Card at your Establishment, you are providing your customers with convenience and flexibility in the choice of payment methods offered.

U.S., APAC, Canada, LAC Only: You must accept the Card as payment for goods and services sold (other than those goods and services prohibited under Section 3.3, "Prohibited Uses of the Card"), or (if applicable) for charitable contributions made, at all of your Establishments, except as expressly permitted by Applicable Law. You are jointly and severally liable for the obligations of your Establishments under the Agreement.

3.1.2 Japan Credit Bureau (Australia and Canada only)

American Express has an established relationship with Japan Credit Bureau (JCB), a Card Issuer based in Japan, whereby we act as JCB's merchant acquirer in Canada and Australia. Merchants in Canada and Australia can accept and process JCB cards with the same Discount Rate as American Express Cards. The definition of American Express Card or Card includes JCB cards and references to our Marks include the marks of JCB. Merchants in Canada and Australia are able to accept JCB cards on the same Merchant Number and on the same Terminal device on which they accept the American Express Card.

We may disclose information concerning Transactions on JCB cards to JCB and its affiliates to process those Transactions, and as appropriate to implement JCB card acceptance on the Network.

Canada: Complimentary American Express and JCB decals and signage are available for Merchants in Canada. See www.americanexpress.ca/signage for more information.

3.2 Treatment of the American Express Brand

American Express works diligently to uphold its reputation and restricts Merchants from engaging in activities that could harm American Express' business or brand.

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

- criticize or mischaracterize the Card or any of American Express' services or programs,
- suggest or require Cardmembers to waive their right to dispute any Transaction,
- engage in activities that harm American Express' business or the American Express Brand (or both),
- convert the currency of the original sale Transaction to another currency when requesting Authorization or submitting Transactions (or both).

U.S., Canada, APAC, LAC: In addition to the above you must not:

- indicate or imply that you prefer, directly or indirectly, any Other Payment Products over the Card,
- try to dissuade Cardmembers from using the Card,
- 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, cash, or check,
- 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 the Card.

This document contains sensitive, confidential and trade secret information, and must not be disclosed to third parties without the express prior written consent of American Express.

U.S. Only: 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, 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".

APAC (Australia Only): If you choose to charge Cardmembers a fee or surcharge for using the Card, the fee or surcharge must not exceed your reasonable cost of accepting the Card and you must notify customers prior to their purchase decision that your Establishment charges such a fee or surcharge. If you cannot meet these obligations, your Merchant Services Provider may have the right to terminate the Agreement in accordance with its terms.

Canada Only: The prohibitions stated in this Section 3.2, "Treatment of the American Express Brand" apply unless allowable under Applicable Law or industry codes of conduct to which American Express subscribes. Specifically, you may offer discounts from your regular posted prices to prospective buyers for other methods of payments such as cash or by electronic funds transfer, cheque, or credit and debit products issued on other payment networks, provided that you clearly and conspicuously disclose the terms of the discount offer to all prospective buyers at the point of purchase or checkout.

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 American Express' Marks in accordance with the following.

American Express' corporate logo, the "American Express® Blue Box" logo, is the strongest visual symbol of American Express' 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 American Express' Marks in any way that injures or diminishes the goodwill associated with the American Express Mark, nor in any way (without American Express' prior written consent) indicate that American Express endorses your Goods or Services. You must only use American Express' Marks as permitted by the Agreement and must cease using American Express' Marks upon termination of the Agreement.

For additional guidelines on the use of American Express' Marks, contact your Merchant Services Provider.

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3.3 Prohibited Uses of the Card

The Merchant must not accept the Card for any of the following:

- Any Transactions in the Prohibited and Restricted Industries. The Merchant should reach out to their Merchant Services Provider for additional information on these industries,
- Transaction 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 a Merchant. This includes costs or fees over the normal price of the Goods or Services (plus applicable taxes) that the Cardmember has not specifically approved,
- Submitting Clearing Records for amounts that do not correspond to the value of the Goods or Services provided. This restriction does not apply in the case of Partial Authorizations. Refer to Subsection 4.5.7, "Processing Prepaid Cards" and Subsection 5.3.5, "Partial Authorization" for additional details on Partial Authorizations related requirements. Examples of forbidden Transactions include purchases at Merchants by owners (or their family members) or employees contrived for cash flow purposes, or payments that the Merchant has accepted in order to advance cash to Cardmembers in connection with the Transaction,
- Capturing or processing Clearing Records on behalf of any other Merchant or non-Merchant, except as otherwise expressly permitted by their Merchant Services Provider,
- Submitting more than one (1) Clearing Record for Goods or Services purchased in a single Transaction, except for lodging Merchants, Split Shipment Transactions of Goods, and airline or cruise line Merchants that have received approval from their Merchant Services Provider,
- Splitting a single Charge by creating two (2) or more Clearing Records on a single Card for a single Charge in order to avoid Authorization,
- Damages, losses, penalties, or fines of any kind, except as provided in Subsection 11.12.1, "Vehicle Rental (U.S., Canada, LAC)",
- Unlawful/illegal activities, fraudulent business transactions or when providing the Goods or Services is unlawful/illegal,
- 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),
- Amounts that represent repayment of a cash advance including, but not limited to, payday loans, pawn loans, payday advances, or other items of which American Express or the Merchant Services Provider notifies the Merchant.

3.4 Prohibited Merchants

Some Merchants, and/or some of their Establishments, are not eligible (or may become ineligible) to accept the Card. Such Merchants or Establishments will be denied the privilege to accept the Card if it is determined that they meet one or more of the criteria for a Prohibited Merchant, including the criteria set forth in Chapter 9, "Risk Evaluation". For additional information regarding Prohibited Merchants, contact your Merchant Services Provider directly.

3.5 Treatment of American Express Cardmember Information

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 about protecting Cardmember Information, see Data Security Requirements.

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AMERICAN EXPRESS

Transaction Processing

4.1 Introduction
4.2 General Requirements
4.3 In-Person Charges
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4

4.1 Introduction

4.1.1 This chapter details American Express' policy regarding Merchants' Card acceptance and Charge processing procedures.

4.2 General Requirements

4.2.1 To accept the Card for Charges, Merchants must clearly and conspicuously:

- Disclose all material terms of sale before obtaining an Authorization,
- 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 the Merchant from any other party involved in the interaction (e.g., a vendor of goods or provider of services the Merchant may engage, or another Merchant seeking to conduct business with the Cardmember).

APAC (Australia Only): In addition to the above, if the Merchant transfers Cardmember Information to a recipient overseas, the Merchant must ensure that the recipient complies with the Privacy Laws at all times. At the point of sale, the Merchant must clearly and conspicuously inform the Cardmember which entity is making the offer of Goods or Services, so that the Cardmember can clearly distinguish the Merchant from any other party involved in the sale.

4.2.2 The Transaction Data a Merchant collects to facilitate the Charge must be, or have been, provided directly to the Merchant by the Cardmember.

Merchants must not accept or have accepted Transaction Data from, nor shall Merchants provide or have provided Transaction Data to, any third parties other than their Covered Parties, for the purposes of processing a Transaction authorized by a Cardmember. American Express, in its sole discretion, may assess fees, suspend Card acceptance, or terminate the Agreement of any Merchant found to have accepted Transaction Data from or provided Transaction Data to an unauthorized third party.

Contact a Merchant Services Provider for further information regarding Section 4.2, "General Requirements".

4.3 In-Person Charges

In-Person Charges refer to Charges in which the Card and Cardmember are present at the Point of Sale (POS).

For all In-Person Charges and regardless of the amount of the Transaction or the Floor Limit, the Merchant must:

- Have the Card present, except for Split Shipment Transactions of Goods.
- Not accept a Card that is visibly altered, mutilated, or presented by anyone other than the Cardmember.
- Ensure the Card is processed by a chip-capable POS device if the Card is chip-enabled or swiped through electronic data capture equipment.
- Obtain an Authorization.
- Notify the Cardmember immediately if the Card is declined.
- Obtain a Cardmember signature if the Merchant chooses or is required by Applicable Law. Refer to Subsection 4.3.1, "Obtaining Signature for In-Person Charges". For questions concerning In-Person Charges, Merchants should contact their Merchant Services Provider.
- If applicable, obtain the Personal Identification Number (PIN) to authenticate the Cardmember. No PIN is required to authenticate the Cardmember if the Merchant and the

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Transaction qualify under the No Signature/No PIN Program. Refer to Subsection 4.3.2, "No Signature/No PIN Program" for more information.

- Ensure that the Card is being used within the valid dates shown on the face of the Card. If only an Expiration Date appears on the Card, the date of Charge must be prior to this date.
- Complete a single Transaction Receipt for the entire amount of the Charge Transaction, except for airlines, cruise lines, and lodging Merchants, and Split Shipment Transactions of Goods. The Merchant may accept separate forms of payments for the same Transaction (i.e., Cardmember wishes to pay for part of the Transaction with the Card and the balance with another form of payment). Merchants operating in the airline and cruise line industries must receive approval from their Merchant Services Provider.
- Match the Card Account number and Expiration Date appearing on the front of the Card to the same information on the back of the Card and/or printed on the terminal receipt by the POS terminal.
- Identify Merchants using Customer Activated Terminals (CATs) in the Authorization Request message via the Point of Service Data Code. All Transactions at CATs must be Authorized. Refer to the *Technical Specifications*, and Subsection 4.3.4, "Customer Activated Terminals" for more information.
- For keyed Transactions, key in the Card Account number and Expiration Date. For embossed Cards, obtain an imprint of the Card to ensure the Card and Merchant data are legible on the Transaction Receipt. No imprint is required if the Transaction meets any applicable exclusion conditions for a missing imprint. "Signature on file" is not an acceptable signature. A pencil rubbing or photocopy of the Card is not considered proof of a valid imprint.
- If suspicious of a Card or Cardmember, the Merchant is instructed to call American Express with a Code 10. Refer to Subsection 8.9.2, "Card Present Fraud Tools" for more information.

If the Merchant processes Charges manually or the electronic capture device is inoperable, the Merchant must Imprint the Card onto a Clearing Record that conforms to American Express' specifications as described in Subsection 4.6.2, "Charge Transactions". The Merchant may provide handwritten Card details on the Clearing Record only when:

- A POS device is not available, and
- A Card imprinter is not available if a flat-printed Card is presented.

Failure to obtain an Imprint may subject the Transaction to a Chargeback unless the Transaction meets any of the conditions for exclusion.

The Merchant is at risk of a Chargeback if a Charge proves to be fraudulent and the Merchant completes the Transaction when the Cardmember is present and does not have their Card.

In all cases, Merchants will be liable for fraudulent Charges arising from a failure to comply with American Express' Card acceptance procedures.

4.3.1 Obtaining Signature for In-Person Charges

If a Merchant chooses or is required by Applicable Law to obtain signature on a manual imprint, printed, or electronic Card Present Charge, the Merchant must:

1. Obtain the signature on the Clearing Record.
2. If possible, verify that the name indicated by the signature is the same as the name on the Card.
3. Verify that the signature on the Clearing Record matches the signature on the Card, except in the case of Prepaid Cards that may not include a signature.

If a Merchant requests Cardmember signature and the signature panel on the Card is blank, in addition to requesting an Authorization, the Merchant must:

1. Require the Cardmember to sign the Card.

2. Ask the Cardmember for an official form of identification bearing a signature, such as a driver's license or passport.
3. Compare the signature on the Card to the official form of identification for consistency .
4. If the Cardmember refuses to sign the Card, the Transaction should not be completed.

Merchants may provide the Cardmember's written signature, or a signature obtained electronically on a POS device (for In-Person Charges) on the Clearing Record.

U.S.: Chargeback may be exercised for EMV®[1] counterfeit or EMV lost, stolen, or nonreceived fraud if the Merchant implement American Express Quick Chip and the following applies:

- The Merchant implements the No Signature/No PIN program, and
- The Merchant is using a POS device which supports a provisional transaction amount, and
- The final transaction performed is over the No Signature/No PIN threshold.

For more information on American Express Quick Chip, the Merchant should work with their Merchant Services Provider to determine which implementation approach best meets their business needs.

4.3.2 No Signature/No PIN Program

The No Signature/No PIN (Cardholder Verification Method) Program allows a Merchant to process a Card Present Transaction without obtaining the Cardmember's signature or PIN as required in Section 4.3, "In-Person Charges" unless required by Applicable Law, if all the following requirements are met:

- The Merchant is in a designated country listed in the "No Signature/No PIN Program and Contactless Transaction Limits" table in the *Technical Specifications*.
- The Transaction amount is equal to or less than the amount listed in the "No Signature/No PIN Program and Contactless Transaction Limits" table in the *Technical Specifications*.
- The Merchant's MCC is not listed in Table 4-1: Ineligible Merchant Category Codes for the No Signature/No PIN Program.
- The Transaction is Authorized.
- The indicator provided in the Submission request must indicate a Card Present and Cardmember Present Transaction.

U.S.: Chargeback may be exercised for EMV®1 counterfeit or EMV lost, stolen, or non-received fraud if the Merchant implements American Express Quick Chip and the following applies:

- The Merchant implements the No Signature/No PIN program, and
- The Merchant is using a Terminal which supports a provisional transaction amount, and
- The final transaction performed is over the No Signature/No PIN threshold.

For more information on American Express Quick Chip, Merchants will work with their Merchant Services Provider to determine which implementation approach best meets their business needs.

Table 4-1: Ineligible Merchant Category Codes for the No Signature/No PIN Program

MCC Code	Description
4814	Telecommunications Services

1. **U.S.:** 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.

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Table 4-1: Ineligible Merchant Category Codes for the No Signature/No PIN Program

MCC Code	Description
4816	Computer Network/Information Services
4899	Cable and Other Pay Television Services
5542	Automated Fuel Dispensers
5964	Direct Marketing - Catalog Merchants
7273	Dating and Escort services
7297	Massage Parlors
7375	Information Retrieval Services
7393	Detective Agencies, Protective Agencies and Security Services

APAC: Merchants are prohibited from signing Dating Services 7273 & Massage Parlors 7297

Obtaining Cardmember signature on Card Present Transactions is optional to complete a Clearing Record, and at the Merchants' discretion, unless required by Applicable Law.

U.S.: The established threshold for Charges to qualify under the No PIN Program is USD $200 or less for all In-Person Charges.

Canada: The established threshold for Charges to qualify under the No PIN Program is CAD $250 or less for Contactless and CAD $50.00 or less for all other In-Person Charges.

4.3.3 Contact Chip Card Charges

For Chip and PIN Cards, the Merchant must ensure that their POS systems are capable of accepting Chip Cards, and, if applicable, are capable of PIN verification.

When presented with a Chip Card, the Card must be inserted into the reader of the POS that must capture Chip Card Data (unless the Charge is processed through Contactless Technology, in which case the Merchant must follow the steps outlined in Subsection 4.3.5, "Contactless Chip Card Charges").

For Transaction amounts equal to or greater than the contact limit, and for Transactions that do not qualify for the No Signature/No PIN Program (Subsection 4.3.2, "No Signature/No PIN Program"), the POS system should advise the Cardmember to enter the PIN (a "Chip and PIN Transaction") or any other (CVM), excluding Cardmember signature. Upon such advice, the Merchant must ensure that the Cardmember completes the applicable CVM when prompted by the POS system. Failure to capture the PIN may result in Chargebacks for lost, stolen, or non-received fraudulent In-Person Charges Received. For further information on non- received fraudulent In- Person Charges Received, the Merchant should contact their Merchant Services Provider. If a Merchant chooses to obtain a Cardmember signature, Refer to Subsection 4.3.1, "Obtaining Signature for In-Person Charges".

If a Merchant is unable to complete a Chip Card Transaction due to a technical problem, the POS should show an error message and either decline the Transaction or direct the

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Establishment to capture full Magnetic Stripe data by following the procedure for non-Chip Card Transactions (Refer to Section 4.3, "In-Person Charges").

If the Merchant swipes a Chip Card through the POS system when no technical problem exists, or at any time manually keys a Charge into the POS system, the Transaction may be declined and, if it is not, American Express may have Chargeback rights for fraudulent In-Person Charges.

American Express will monitor Merchant transactional data, including the reporting of the POS system capability provided in the Point of Service Data Code listed in American Express' Technical Specifications. American Express may use this information to determine eligibility for Chip Card fraud liability shift. Section 9.2, "Monitoring" for more information.

In addition, Merchants will be liable for any losses that American Express may suffer and American Express will have Chargeback rights for fraudulent In-Person Charges, and/or may terminate the agreement, if:

- The POS system has not been upgraded to accept Chip Cards; or
- The Merchant and their Processing Agent do not have the ability to capture and send Chip Card Data; or
- The Merchant has not certified the POS system with American Express to accept Chip Transactions or Chip and PIN Transactions.

If Merchant's POS is a capable Chip and PIN POS that can process Chip Cards and a Chip Card is presented, American Express may exercise Chargeback for counterfeit, lost, stolen, or nonreceived 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, the Merchant's capable Chip and PIN POS system was not configured to process the Chip and PIN Charge.

American Express will not exercise Chargeback for counterfeit, lost, stolen, or non-received fraud for Fallback Transactions, if after inserting the Chip Card, the Merchant's POS prompts the Merchant to complete the Transaction by swiping the Magnetic Stripe of the Card, provided that all applicable Card acceptance steps are followed as outlined in Section 4.3, "In-Person Charges".

If a Merchant is presented with a Chip Card and manually keys the Transaction, the Merchant may be subject to counterfeit, lost, stolen, or non-received Chargebacks in the event of a fraud dispute.

If the Merchant upgrades their POS system for Chip and PIN acceptance for Other Payment Products, then you must comply with the *Technical Specifications* and other requirements American Express makes available.

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

U.S.: In addition to the above, if the Merchant uses Enabled Chip and PIN POS systems to process a Chip Transaction for Other Payment Products, they must configure those systems for American Express Chip Cards according to American Express' *Technical Specifications* and requirements.

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

If the Merchant's POS system is not an Enabled Chip and PIN POS system, and a Chip Card is presented, American Express may exercise Chargeback for counterfeit, lost, stolen, or non-received fraud.

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If the Merchant's POS system is a Capable Chip and PIN POS system, and a Chip Card with PIN functionality is presented but the Charge is not submitted as a Chip and PIN Charge, Chargeback may be exercised for counterfeit, lost, stolen, or non-received fraud.

Chargeback will not be exercised for counterfeit, lost, stolen, or non-received fraud for Fallback Transactions, if after inserting the Chip Card, the Merchant's POS system prompts the Merchant to swipe the Magnetic Stripe, provided the Merchant follows all applicable Card acceptance procedures.

If a Chip Card is presented and the Transaction is manually keyed, the Merchant may be subject to counterfeit, lost/stolen, and non-received Chargebacks in the event of fraud. The Merchant must refer to they're Merchant Services Provider's information on Disputes and Chargebacks for further information.

4.3.4 Customer Activated Terminals

Merchants must ensure that all (new, replaced, or existing) unattended chip-enabled offline or online capable Customer Activated Terminals (CATs) (Transit Access Terminals (TATs)) support "No CVM" for Contactless and AEIPS Transactions.

Merchants must ensure that the terminal examines the Chip CVM list in priority order and selects the first CVM supported by both the terminal and the Chip. Refer to the *Technical Specifications* for more information.

American Express will accept Charges for purchases at the Merchant's unattended terminals (e.g., Customer Activated Terminals (CATs) or payment kiosks) provided the Merchant meets the requirements for Charge Records in Section 4.6, "Charge and Credit Clearing Records" as well as comply with the *Technical Specifications* (see Section 2.4, "Compliance with the Technical Specifications"). The Merchant must contact their Merchant Services Provider for additional information on CAT requirements.

In order to process Transactions through CATs, the Merchant must:

- include in all requests for Authorization full Magnetic Stripe stream or Chip Card Data;
- ensure the Charge complies with the *Technical Specifications*, including flagging all requests for Authorization and all Charge submissions with a CAT indicator, where technically feasible;
- follow any additional Authorization procedures that American Express may provide to the Merchant if the Merchant accepts the Card at a CAT that is part of, or attached to, a fuel dispenser, or electric vehicle charging station; and
- ensure that the CAT notifies the Cardmember if the Transaction is declined, where technically feasible.

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

4.3.5 Contactless Chip Card Charges

Merchants accepting Contactless payments are exempt from the requirements set forth in Section 4.3, "In-Person Charges" except for the following requirements:

- Merchants must complete a single Clearing Record for the entire amount of the Transaction. Merchants may accept separate forms of payment for the same Transaction (i.e., Cardmember wishes to pay for part of the Transaction with the Card and the balance with another form of payment).
- Merchants must comply with the Card and Contactless terminal requirements as defined in the *Technical Specifications*.

The Merchant is at risk of a Chargeback if a Charge proves to be fraudulent and the Merchant completes the Transaction when:

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- The Cardmember is present and does not have their Card or Mobile Device.
- The Cardmember does not sign the Transaction Receipt, if required.

When a Cardmember presents a Chip Card or Mobile Device for a Contactless Transaction:

- If the Charge amount is equal or less than the Contactless Transaction limit and there is no CVM, the Merchant must capture the Charge Data using a Contactless reader and obtain an Authorization.
- If the Charge amount is over the Contactless Transaction limit and there is no CVM, or if the Merchant is unable to complete a Contactless Transaction, or if prompted by the POS, the Merchant must follow the process outlined in Subsection 4.3.5, "Contactless Chip Card Charges" or Subsection 4.3.7, "Non-Chip Cards" as appropriate.

A Consumer Device Cardmember Verification Method (CDCVM) is required for Digital Wallet Contactless-initiated Transactions if both the Mobile Device and the Merchant's POS are capable of performing the verification. Merchants must create a Clearing Record for these Charges as described in Section 4.6, "Charge and Credit Clearing Records" including an indicator that the Transaction is a Digital Wallet Contactless-initiated Transaction.

Merchants should comply with the most current American Express Contactless-enabled POS requirements to ensure POS acceptance of Digital Wallet Contactless-initiated Transactions. American Express will not exercise missing Imprint, counterfeit, lost, stolen, or non-received fraud Chargebacks for Contactless or Digital Wallet Contactless-initiated Transactions if the Merchant successfully verifies the Cardmember via CDCVM and meets all the criteria and requirements listed above. This does not apply to Disputed Charges involving other dispute reasons (e.g., Goods or Services disputes).

Merchants are required to comply with requests from their Merchant Services Provider or American Express for written responses to Disputed Charges related to fraud for Contactless or Digital Wallet Contactless-initiated Transactions.

APAC, EMEA, LAC: Contactless Charges that are $100 or less, a signature is not required. Section 4.3.2, "No Signature/No PIN Program" does not apply to these Charges. For Contactless Charges that are $100 or less, the Merchant Services Provider will not exercise a counterfeit, lost, stolen, or non-received fraud Chargeback provided that Magnetic Stripe or Chip Card Data was captured and an Authorization Approval was obtained.

For Charges above $100 or that do not qualify under the No Signature/No PIN Program, or if any of the following exclusions apply, Merchants must follow the Card acceptance procedures outlined in either Subsection 4.3.5, "Contactless Chip Card Charges", Subsection 4.3.3, "Contact Chip Card Charges", or Subsection 4.4, "Card Not Present Charges".

Exclusions:

- Prohibited Merchants or prohibited Transactions (or both) as defined in Chapter 9, "Risk Evaluation". See Section 3.3, "Prohibited Uses of the Card".
- High Risk Merchants as defined in Section 10.3.1, "High Risk Merchants".
- Merchants placed in American Express' Fraud Full Recourse Program.

4.3.6 Merchant-Presented Quick Response

Merchants accepting Merchant Presented Quick Response (MPQR) are exempt from the requirements set forth in Section 4.3, "In-Person Charges", Subsection 4.3.2, "No Signature/No PIN Program", and Section 4.4, "Card Not Present Charges", and must instead meet the requirements below.

If a Merchant has the ability to process MPQR Transactions, the Merchant must:

- Display the Quick Response (QR) code, which can be dynamic or static, for scanning by the Cardmember;
- Have the Cardmember use their Mobile Device to scan the MPQR code;
- Ensure the MPQR code is not altered or tampered with;
- Receive a notification that the Transaction has been approved and check the Transaction amount is correct before providing the Goods or Services. If the Merchant does not receive the notification, they should contact American Express to confirm the status of the MPQR Transaction;
- Contact American Express or decline the Transaction if the Merchant is suspicious of the Cardmember or receive notification from American Express to do so; and
- Retain records of MPQR Transactions (e.g., notification from American Express, an invoice, or other documentation of the Transaction).

4.3.7 Non-Chip Cards

For In-Person Charges where the Card is not a Chip Card, the POS provides instructions for a Merchant to swipe, and the Merchant must:

- Swipe the Card through the POS system (unless the Charge is processed through Contactless Technology, in which case the Merchant must follow the steps outlined in Subsection 4.3.5, "Contactless Chip Card Charges").
- Follow the steps outlined in Section 4.3, "In-Person Charges".

4.4 Card Not Present Charges

For Charges made by mail, telephone, or Internet, where the Card is not present, Merchants must comply with the following procedures:

- Obtain an Authorization for every Charge
- Complete a Clearing Record as described in Section 4.6, "Charge and Credit Clearing Records" including an indicator designating both the Transaction as Card Not Present and the applicable Transaction type (i.e., mail, telephone, internet, recurring billing, standing Authorization). Refer to the *Technical Specifications* for more information.
- All Internet Transactions must be submitted electronically and have a zero (0) Floor Limit.
- Use any separate Merchant Numbers provided by their Merchant Services Provider for Internet Transactions.
- Obtain the following information to proceed with the Transaction:
  - Cardmember's name
  - Card Account number or Token
  - Expiration Date
  - Cardmember's billing address
  - Card Identification Number (CID) (optional)
  - Shipping or delivery address
- If the order is shipped or delivered more than seven (7) days after the original Authorization, obtain a new Authorization before shipping or delivering the order. Charges may not be submitted for payment until the order is shipped. The Transaction Date of the Charge is the date the Goods are shipped or delivered.
- For Card Not Present Charges where Goods are to be collected from a designated store, Merchants must establish a process to ensure that the Goods are collected either by the Cardmember who placed the order, or by an authorized third party designated by the Cardmember at the time of placing the order.
- Immediately notify the Cardmember if the Transaction is declined.

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If the Goods are to be collected by the Cardmember, the Card must be presented by the Cardmember upon collection and the Transaction should be treated as an In-Person Charge and comply with the provisions provided in Section 4.3, "In-Person Charges".

- Obtain an Authorization Approval
- Submit the Charge to American Express

4.5 Other Charges

4.5.1 Advance Payment

Advance Payments allow Cardmembers to authorize Charges to their Card prior to Goods and/or Services being delivered when such a Payment is required (e.g., custom orders for goods, entertainment/ticketing, tuition, room and board, fees at institutions of higher education, travel).

If a Merchant either requires or provides Cardmembers the option to make an Advance Payment, they must:

- Obtain Authorization, and
- Complete a Clearing Record.
- State their full cancellation and refund policies, clearly disclose their intent and obtain written consent from the Cardmember to bill the Card for an Advance Payment before requesting an Authorization. The Cardmember's consent must include:
  - Their 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.

If the Advance Payment is a Card Not Present Charge, the Merchant must also:

- Ensure that the Clearing Record contains the words "Advance Payment" or Advance Deposit."
- within twenty-four (24) hours of the Charge being incurred, provide the Cardmember written confirmation of the following:
  - The Advance Payment Charge
  - The Charge amount
  - Details of the Merchant's cancellation/refund policy
  - 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)

If a Merchant cannot deliver goods and/or services , and if alternate arrangements cannot be made, the Merchant must immediately issue a Credit for the full amount of the Advance Payment that cannot be fulfilled.

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

Specific industries may have additional requirements to process Advance Payments.

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4.5.2 Aggregated Transactions

This section explains the requirements for Transactions processed by Merchants conducting business over the Internet and explains the general policies and rules that apply to the processing of multiple purchases as a single Aggregated Transaction.

Aggregated Transactions cannot exceed $15 (USD or local currency equivalent) or such other amount as notified to the Merchant by their Merchant Services Provider, and are considered Card Not Present. Transactions in excess of $15 USD are not eligible for Aggregated Transaction processing.

Merchants must comply with the following when processing Aggregated Transactions:

- Prior to the Transaction being Authorized, disclose that individual purchases may be aggregated and obtain the Cardmember's consent to combining such purchases into one (1) Aggregated Transaction.
- Each individual purchase or refund (or both) that comprises the Aggregated Transaction must be incurred under the same Merchant Number and on the same Card.
- Obtain an Authorization in advance of a Transaction being aggregated.
- Create a Clearing Record for the full amount of the Aggregated Transaction as indicated in Subsection 4.6.2, "Charge Transactions".
- Provide the Cardmember with a confirmation containing:
  - the date, amount, and description of each individual purchase (and/or refund as applicable)
  - the date and the amount of the Aggregated Transaction.
- Submit a Clearing Record for each Aggregated Transaction within the timeframe outlined in Section 6.5, "Submission Requirements – Electronic".
- Ensure that a meaningful description of the products and/or Services that comprise a single Aggregated Transaction is included as part of the Submission to the Merchant's Merchant Services Provider.

4.5.3 Credentials-on-File

Merchants must obtain Cardmember consent before storing Cardmember credentials. It is recommended that Merchants process an initial Authorization upon receiving Cardmember consent to store credentials.

Merchants may store Cardmember credentials to initiate Merchant-Initiated Transactions (MITs). Cardmembers may also use their stored credentials to initiate Transactions.

4.5.4 Merchant-Initiated Transactions

A Merchant-Initiated Transaction (MIT) is a Transaction that is initiated by the Merchant through use of Credentials-on-File without direct participation from the Cardmember.

Merchants must obtain Cardmember consent to initiate an MIT, or a series of MITs. This may occur before or after storing a Cardmember's credentials.

It is recommended that Merchants:

- Only submit MITs after initial Cardmember-initiated Transactions (CIT).
- Submit MITs with the applicable Transaction indicators and data elements in the Authorization Request as described in the *Technical Specifications*.

4.5.5 Delayed Delivery

For Delayed Delivery Charges, the Merchant must:

- Clearly disclose intent and obtain written consent from the Cardmember to perform a Delayed Delivery Charge before the Merchant request an Authorization,

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- Clearly mark the first Charge Clearing Record as a "deposit" and the second Charge Clearing record as a "balance",
- Obtain separate Authorization Approval for each of the Delayed Delivery Charges on their respective Charge dates,
- Submit the "balance" Transaction only after the goods have been shipped, or delivered or Services are rendered,
- Submit each Delayed Delivery Clearing Record within seven (7) days of the Charge being incurred. 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 obtain Authorization for each Delayed Delivery Charge under the same Merchant Number,
- Adhere to the requirements in Subsection 4.5.4, "Merchant-Initiated Transactions" when processing Delayed Delivery Charges, and
- Treat deposits on the Card no differently than deposits on all Other Payment Products.

4.5.6 Recurring Billing

Recurring Billing is a payment method where the Cardmember consents and authorizes the Merchant to Charge the Cardmember's Card Account on a periodic basis for Goods or Service agreed in writing by the Cardmember (e.g., membership fees to health clubs, magazine subscriptions, insurance premiums). Each Recurring Billing Charge may be for a variable or a fixed amount. Merchants should adhere to the requirements in Subsection 4.5.4, "Merchant-Initiated Transactions" when processing Merchant-Initiated Transactions for Recurring Billing.

Before submitting the first Recurring Billing Transaction the Merchant must:

- Disclose all material terms of the Recurring Billing Transaction Agreement to the Cardmember including, but not limited to, the duration of the Recurring Billing Agreement, the amount, and frequency with which the Recurring Billing Transaction will be submitted, and including, if applicable, the fact that Recurring Billing Charges will continue until the option is canceled by the Cardmember;
- Ensure Recurring Billing Transactions contain the Recurring Billing Indicator in the Authorization and Submission messages.
- Submit an Authorization Request for all Recurring Billing Transactions (see Section 4.4, "Card Not Present Charges" for details).
- Obtain the Cardmember's express consent to process the Recurring Billing Transactions on their Card;
- Obtain the Cardmember's name, Card Account, signature (if applicable), Card expiry date, the Cardmember's billing address, and a statement confirming their consent for the Merchant to charge their Card for the same or different amounts at specified or different times;
- Provide the Cardmember written confirmation (e.g., email or facsimile) of such Transaction, including all material terms of the option and details of the Merchant's cancellation or refund policy, within twenty-four (24) hours of incurring the first Recurring Billing Transaction;
- Comply with any instructions of which the Merchant Services Provider may reasonably notify the Merchant;
- Notify the Cardmember that they are able to discontinue Recurring Billing Transactions at any time and provide contact details for canceling Recurring Billing Transactions;
- Provide a simple and expeditious cancellation process for Recurring Billing Transactions. This cancellation process must be clearly and conspicuously disclosed to the

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Cardmember at the time of their consent to submit Recurring Billing Transactions on their Card.

- Notify the Cardmember that they can revoke their consent to process Recurring Billing Transaction on their Card.

Any changes to the Recurring Billing Transaction agreement must be made in accordance with the agreement with the Cardmember and Applicable Law. Such changes must take effect before submitting any subsequent Recurring Billing Transactions on the Card.

If the material terms of the Recurring Billing Transaction change after Submission of the first Recurring Billing Transaction, the Merchant must 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 Transaction or cancel any future scheduled Charges.

The method the Merchant uses to secure the Cardmember's consent must contain a disclosure that the Merchant may receive updated Card Account information from the financial institution issuing the Cardmember's Card. The Merchant must retain evidence of such consent for two (2) years from the date the Merchant submits the last Recurring Billing Charge.

If notification is required prior to each varying Recurring Billing Charge, the Merchant must notify the Cardmember of the amount and date of each Recurring Billing Charge:

- At least ten (10) days before submitting each Charge; and
- Whenever the amount of the Charge exceeds a maximum Recurring Billing Charge amount specified by the Cardmember.

In addition to other Chargeback rights, American Express may exercise Chargeback for any Charge that does not meet the requirements set forth in this Subsection 4.5.6, "Recurring Billing"" and Subsection 4.5.6.1, "Introductory Offers". American Express may also exercise its Chargeback rights for any Charge of which the Merchant has notified the Cardmember and to which the Cardmember does not consent or if the Merchant processes Recurring Billing Charges after the Cardmember or American Express has notified the Merchant that the Cardmember has withdrawn consent for Recurring Billing Charges.

The cancellation of a Card constitutes immediate withdrawal of that Cardmember's consent for Recurring Billing Charges. American Express is not required to notify the Merchant of such cancellation, nor have any liability to the Merchant arising from such cancellation. The Merchant must discontinue the Recurring Billing Charges immediately if requested to do so by a Cardmember directly, through American Express, or the Cardmember's Issuer. If a Card Account is canceled, or if a Cardmember directly through American Express or the Card issuer withdraws consent to Recurring Billing Charges, the Merchant is responsible for arranging another form of payment (as applicable) with the Cardmember (or former Cardmember).

If a Cardmember withdraws consent but the Recurring Billing Merchant continues to submit Recurring Billing Transactions, American Express may reject the Transaction or the Merchant may be subject to Chargebacks.

If the Agreement is terminated for any reason, then the Merchant shall notify all Cardmembers for whom they have submitted Recurring Billing Charges of the date when the Merchant will no longer be accepting the Card. At American Express' option the Merchant will continue to accept the Card for up to ninety (90) days after any termination takes effect.

The Merchant will permit American Express to establish a hyperlink from American Express' website to their website (including its home page, payment page, or its automatic/recurring billing page) and list their customer service contact information.

EMEA: If the Merchant submits a Recurring Billing Charge for an amount which was not specified in full when the Cardmember provided consent to Recurring Billing Charges and the Merchant does not obtain the Cardmember's consent specifically in relation to the full exact

amount of such Charge, American Express will have Chargeback rights for the full amount of the Charge for a period of one hundred and twenty (120) days from submission of the applicable Charge, and thereafter for any disputed portion of such Charge (up to and including the full amount). If the Cardmember consents to an adjusted Charge amount, American Express may exercise American Express' Chargeback rights accordingly. Nothing in this paragraph will prejudice American Express' Chargeback rights generally in relation to Recurring Billing Charges.

4.5.6.1 Introductory Offers

Merchants who offer Recurring Billing that include an Introductory Offer to Cardmembers must comply with the following requirements in addition to those stated in this Section 4.5.6, "Recurring Billing":

- 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 the first Recurring Billing Transaction occurs.
- Obtain the Cardmember's express consent accepting the terms and conditions of the Introductory Offer.
- Send the Cardmember a confirmation notification in writing upon enrollment in the Introductory Offer.
- Send the Cardmember a reminder notification in writing before the first Recurring Transaction is set to occur, that allows the Cardmember a reasonable amount of time to cancel.

4.5.7 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. Swipe or insert the 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 the Merchant receives 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.
- The Merchant must create a Charge Record for a Prepaid Card as they would any other Card.
- The Merchant may follow their 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 the Merchant is required to follow all provisions of the Agreement.
- The Merchant should check with their Merchant Services Provider to determine if the Merchants POS system is set up for Split Tender functionality.

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

4.5.8 Travelers Cheques

American Express Travelers Cheques are no longer available for purchase. Support is available by phone and the American Express website for customers wishing to redeem Travelers Cheques. Travelers Cheques remain backed by American Express and have no expiration date. Details of how customers can redeem their Travelers Cheques can be found at https://americanexpress.com/travelerscheque.

For support, please contact Customer Service at 1.800.221.7282.

4.5.9 Split Shipment

A split shipment Transaction occurs when a Cardmember makes a single purchase of multiple individually priced goods and the goods are delivered to the Cardmember in multiple shipments. Unit prices and items sold as a set must not be billed as separate Charges. The Merchant may obtain a single Authorization and submit multiple Charge Records for the purpose of completing a split shipment Transaction. The Authorization will be valid for up to seven (7) days after the Authorization date. Section 5.2, "Authorization Time Limit".

To accept the Card for split shipment Transactions, the Merchant must:

- State their full cancellation and refund policies;
- Advise the Cardmember of the Authorization amount that will be requested;
- Disclose and obtain the Cardmember's consent that the items from the purchase will be delivered separately and billed as separate Charges;
- Provide the estimated delivery date(s); and
- Submit a Charge Clearing Record only after each item has shipped.

4.6 Charge and Credit Clearing Records

4.6.1 General Requirements

This section details the requirements for creating, submitting, retaining, and maintaining accurate and compliant Charge Clearing Records and Credit Clearing Records within the Transaction processing framework.

4.6.2 Charge Transactions

4.6.2.1 Clearing Records

Merchants must create a Clearing Record for every Charge. For each Charge submitted electronically, Merchants must create an electronically reproducible Clearing Record, that complies with the *Technical Specifications*.

If the Cardmember wants to use different Cards for payment of a purchase, Merchants may create a separate Clearing Record for each Card used. However, if the Cardmember is using a single Card for payment of a purchase into more than one Charge, nor shall the Merchant create more than one Clearing Record except in the case of lodging, or Split Shipment Transactions. Refer to Subsection 4.5.9, "Split Shipment" for more information.

Merchants must ensure that all Clearing Records are kept for at least 24 months (or longer if required by Applicable Law) from the date the Merchant submitted the corresponding Transaction to their Merchant Services Provider. If the Merchant Services Provider sends a Merchant a request, the Merchant must provide a copy of the original or electronically stored Clearing Record and other supporting documents and data to their Merchant Services Provider within the response timeframe from the date of the Merchant Services Provider's request.

Charges must be submitted to their Merchant Services Provider for processing.

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4.6.2.2 Transaction Receipts

The Merchant must complete a Transaction Receipt at time of purchase for every Charge. Examples include pre-printed forms supplied to the Merchant by the Merchant Services Provider, a Transaction receipt created by an electronic POS device (such as an Authorization terminal with printer, or a checkout register).

A Transaction Receipt must be provided to the Cardmember at the conclusion of the Transaction. A Merchant must provide a revised Transaction Receipt to the Cardmember if the Merchant changes the included information.

Merchants must:

- Truncate the Primary Account Number (PAN) and not display the Expiration Date in accordance with the PCI DSS in place at the time of the Transaction or according to Applicable Law.
- Keep all Transaction Receipts for at least (1) year (or longer if required by Applicable Law).
- Merchants may truncate the PAN on their own copies in accordance with the PCI DSS in place at the time of the Transaction or according to Applicable Law. Refer to Data Security Requirements) for more information.
- A Clearing Record is not required at the time of the Transaction for Contactless Transactions using a Contactless-enabled Card originating at Transit Access Terminals (TATs). Refer to Subsection 4.6.2, "Charge Transactions".
- Transaction Receipts, whether printed or electronic, must include the following:
  - The PAN or Token truncated in accordance with requirements stated above. Truncated Card Account digits must be masked with replacement characters such as "x," " *," or "#," and not blank spaces or numbers. For manually imprinted Transaction Receipts provided to the Cardmember, the Card Account number and Expiration Date are required.
  - Cardmember name, if available.
  - Transaction date.
  - Amount of the Charge:
    - The total purchase price of Goods and Services purchased, including applicable taxes, tips, postage and shipping fees.
    - Any tip amount, when requested by the Merchant, should be filled in by the Cardmember before the total is entered in the form.
  - Description of the Goods and Services purchased.
  - Merchant name (or DBA – "Doing Business As" Name) and address.
  - Merchant number.
  - Authorization approval code number.
  - The words "No Refund," if a no-refund policy is applicable, or other wording that conforms to Applicable Law or regulations and describes the Merchant's return policy.
- Merchants requesting a Cardmember signature must not require Cardmembers to sign the Transaction Receipt until the total amount is shown.

4.6.3 Credit Transactions

4.6.3.1 Clearing Records

When a Cardmember returns merchandise purchased with a Card or for any reason is due Credit toward a submitted Charge made with a Card, the Merchant must comply with the following requirements and restrictions.

- A Merchant must never issue a Credit unless that Merchant previously processed a corresponding Charge.
- A Merchant must only issue a Credit Transaction to the Card Account used in the original Charge. For Digital Wallet program Transactions, the Credit can be processed using either

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the Mobile Device or the corresponding Card. The Payment Account Reference (PAR) can assist Merchants in verifying that the PAN or Token presented corresponds to the Card Account used in the original Charge.

- There is no requirement for the Merchant to obtain Authorization for a Credit. Merchants may submit an Authorization on Credit for refunds outlined in Subsection 5.3.6, "Authorization on Credit".
- A Merchant must never refund Cash against a previously submitted Charge, except as follows:
  - If Applicable Law requires a Merchant to refund cash to a Cardmember.
  - If the refund is being requested by the recipient of a gift purchased by a Cardmember.
  - The original Charge was processed on a Prepaid Card and that Prepaid Card is no longer available.
  - Merchants may apply their in-store return policy when Prepaid Cardmembers no longer have their Card.
- Merchants must ensure that all Clearing Records are kept for at least 24 months (or longer if required by Applicable Law) from the date the Merchant submitted the corresponding Charge to their Merchant Services Provider. If the Merchant Services Provider sends a Merchant a request, the Merchant must provide a copy of the original or electronically stored Clearing Record and other supporting documents and data to their Merchant Services Provider within the response timeframe from the date of the Merchant Services Provider's request.
- Credits must be submitted to their Merchant Services Provider for processing.

Merchants must follow these steps to issue a Credit:

1. Obtain Authorization, if the Merchant supports Authorization on Credit.
2. Create a Credit Clearing Record.
3. Compare the last four (4) digits on the Credit Clearing Record against the Card presented (when applicable).
4. Have the Cardmember sign the Credit Record (optional).
5. Provide a copy of the Transaction Receipt to the Cardmember.

Merchants must submit Credits to their Merchant Services Provider within seven (7) days of determining that a Credit is due, and create a Credit Clearing Record that complies with the following requirements.

Merchants must submit all Credits under the Merchant Number for the Establishment where the Charge originated.

A Credit must be issued in the currency in which the original Charge was submitted to the Merchant Services Provider.

Merchants must issue Credits to the Card used to make the original purchase. If the Card is not available, Merchants may implement their in-store refund policy.

If a Merchant issues a Credit, American Express will not refund the Discount or any other fees or assessments previously applied to the corresponding Charge. However, in certain cases, American Express may refund the Discount (but not any other fees or assessments) previously applied to the corresponding Charge. American Express will deduct the full amount of the Credit from the Merchant (or debit the Merchant's Bank Account). If American Express is unable to do so, the Merchant must promptly remit payment upon receipt of an invoice from American Express. The Discount on Chargebacks will not be refunded (see Section 10.4, "How Chargebacks Work").

Merchant must see their Merchant Services Provider for additional information on Credit Submission.

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For all Credit Clearing Records, Merchants must:

1. Submit the Credit to their Merchant Services Provider directly.
2. Retain the original Credit Clearing Records (as applicable) and all documents evidencing the Transaction, or reproducible records thereof, for the applicable Retention Period from the date the Merchant submitted the corresponding Credit.
3. Provide a copy of the Transaction Receipt to the Cardmember.

Merchants must ensure that all Credit Clearing Records, whether original or electronically stored are kept for the applicable Retention Period from the date the Credit was submitted to their Merchant Services Provider.

Pursuant to Applicable Law, truncate the Card Account and do not print the Card's Expiration Date on copies of Credit Transaction Receipts provided to the Cardmember.

4.6.3.2 Transaction Receipts

The Merchant must complete a Transaction Receipt for every Credit issued. Examples include pre-printed forms supplied to the Merchant by the Merchant Services Provider, a Transaction receipt created by an electronic POS device (such as an Authorization terminal with printer, or a checkout register). A Transaction Receipt must be provided to the Cardmember at the conclusion of the Transaction regardless of whether the Clearing Record is manually imprinted or electronically created. A Merchant must provide a revised Transaction Receipt to the Cardmember if the Merchant changes the included information.

Merchants must:

- Truncate the PAN and not display the Expiration Date in accordance with the PCI DSS in place at the time of the Transaction or according to Applicable Law.

Transaction Receipts, whether paper or electronic, must include the following:

- The PAN or Token truncated in accordance with requirements stated above. Truncated Card Account digits must be masked with replacement characters such as "x," " *," or "#," and not blank spaces or numbers. For manually imprinted Transaction Receipts provided to the Cardmember, the Card Account number is required.
- Credit date.
- Amount of the Credit.
- Merchant name (or DBA – "Doing Business As" Name) and address.
- Merchant Number.
- The Cardmember signature, if required by Applicable Law.

Merchants must ensure that all Transaction Receipts are kept for the applicable Record Retention Period from the date the Merchant submitted the corresponding Charge to their Merchant Services Provider.

4.7 Use of Third Parties

Merchants make decisions and choices on behalf of their business each and every day. Merchants must deal directly with their Merchant Services Provider and/or other relevant entities for all aspects of the Transaction process. These third parties are the Merchant's Covered Parties and may include:

- Merchant Services Provider/Service Providers/processors,
- Terminal Providers,
- Vendors, and
- Other agents contracted to operate on the Merchant's behalf.

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Merchants may retain, at their expense, such third parties; however, the Merchant 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 the Merchant, such as the technical requirements of authorizing and submitting Transactions to American Express, as if the Merchant performed such obligations, services, and functions.

The Merchant is responsible and liable for all problems and expenses caused by their Merchant Services Provider and/or third parties, including any Settlement payments misdirected to other parties because of the misprogramming of the POS system by the Merchant's Merchant Services Provider and/or third parties.

EMEA: As a Merchant, your payment processing relationship with American Express is managed through your Merchant Services Provider, who oversees end-to-end payment processing. While you have the right to change service providers, it's important to understand that making such changes independently and without notice can result in service disruptions. Key account details, such as your Merchant ID (MID) and Submitter Numbers, are proprietary to your current Merchant Services Provider. Sharing this information with a new processor without proper coordination may lead to compliance violations and settlement disruptions.

Please review your existing contract with your Merchant Services Provider to determine the role and services that they are performing on your behalf, as switching to a new Merchant Services Provider may involve a new contract for acceptance of American Express. Taking these steps helps reduce risks and maintain uninterrupted payment processing for your establishment.

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AMERICAN EXPRESS

Authorizations

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5.7 Card Identification (CID) Number
5.8 Pre-Authorization

5

5.1 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 or Credit.

If you choose to support Authorization for Credit, you shall comply with the Authorization requirements as applicable.

For every Charge, you are required to obtain an Authorization Approval except for Charges under a Floor Limit (see Section 5.4, "Floor Limit"). For every Credit, American Express recommends that you obtain an Authorization Approval for the full amount of the refund in accordance with Section 4.6, "Charge and Credit Clearing Records".

The Authorization Approval must be for the full amount of the Charge except for Merchants and/or Transaction types that American Express classifies in Section 5.3.2, "Estimated Charge Amount".

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.

Contact your Merchant Services Provider for further information regarding Chapter 5, "Authorizations".

5.2 Authorization Time Limit

Authorization Approvals for Charges are valid for seven (7) days after the Authorization date. You must obtain a new Approval if you submit the Charge to your Merchant Services Provider more than seven (7) days after the original Authorization date.

Authorization Approvals for Credit are valid for seven (7) days. After seven (7) days, American Express recommends that you obtain a new Approval for Credit Authorization.

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.

Estimated Charge Amounts for Merchants in eligible industries are valid for the time periods listed in Table: 5-1, "Estimated Charge Amount". You must obtain a new Authorization if you do not submit the Charge to your Merchant Services Provider within the Authorization Validity timeframe.

5.3 Variable Authorization

You must submit a single Authorization for the full amount of a Charge, or you may utilize Variable Authorizations if the final Charge amount is not known at the time of the initial Authorization.

Variable Authorization is a suite of optional capabilities that allows Merchants to adjust the amount of a pending Authorization before the Charge is submitted.

Refer to the *Technical Specifications* to determine if Variable Authorization is available for your geographical region.

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5.3.1 Estimated Authorization

The following Estimated Authorization procedures apply where the final Charge amount is not known at the time of Authorization.

- You may obtain an Estimated Authorization for a good faith estimate of the final Charge amount. Do not overestimate the Authorization amount. You must inform the Cardmember of any estimated amount for which Authorization will be requested and must obtain the Cardmember's consent to the estimated amount before initiating the Authorization request.
- Estimated Authorization amounts must be greater than zero ($0.00).
- You must inform the Cardmember that the amount of the Estimated Authorization is not final and may change.
- For travel industries (e.g., lodging, cruise line, and car rental), upon reservation or check-in, determine the estimated amounts of Charges based upon the daily rate and the expected number of days, plus taxes and any known incidental amounts. You must not include an amount for any possible damage to or theft in the Estimated Authorization. You may obtain Authorization and submit intermittently (no less than daily) throughout the duration of travel.
- For car rental periods exceeding four (4) months, you represent and warrant hereunder that your multi-month rental program complies with Applicable Law.
- Regardless of the industry, you must submit the corresponding Charge as soon as you become aware of the 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.
- You should indicate that the Authorization amount is an estimated amount by placing the Estimated Authorization indicator in the Authorization message. Refer to the *Global Credit Authorization Guide* for additional information about Estimated Authorization messages.
- For pre-Authorization at Automated Fuel Pumps and electric vehicle charging stations, see Section 11.13, "Oil, Petroleum, and Electric Vehicles".

5.3.2 Estimated Charge Amount

If American Express classifies or otherwise determine that you are in an industry that is eligible for Estimated Charge variance in Table: 5-1, "Estimated Charge Amount", then the Authorization Approval is valid for Authorization amounts that are within the corresponding Estimated Charge variance percentage as listed in the table.

If the Estimated Charge Amount falls within the range listed in Table: 5-1, "Estimated Charge Amount" then no further Authorization action is necessary.

Estimated Charge percentages listed below do not apply to Partially Approved Authorizations.

EMEA: Estimated Charge Variance percentages may not apply.

Table 5-1: Estimated Charge Amount

Industry	MCC	Estimated Charge Variance +/-	Authorization Validity Period
Eating Places, Restaurants	5812	30%[2]	7 days
Drinking Places	5813	30%[2]	7 days

Table 5-1: Estimated Charge Amount (Continued)

Industry	MCC	Estimated Charge Variance +/-	Authorization Validity Period
Grocery Stores (Card Not Present)	5411	15%[1]	7 days
Retail Stores (Card Not Present)	All MCCs	15%[1]	7 days
Taxicabs & Limousines	4121	20%	7 days
Car Rental[3, 4]	7512	15%	30 days
Lodging[3]	7011	15%	30 days
Motor Home & RV Rentals	7519	15%	7 days
Truck Rental[4]	7513	15%	7 days
Fast Food Restaurants	5814	30%[2]	7 days
Beauty & Barber Shops	7230	20%	7 days
Health & Beauty Spas	7298	20%	7 days
Steamship & Cruise Lines[3, 4]	4411	15%	30 days

[1] The 15% Estimated Charge variance for Retail and Grocery only applies to Card Not Present Charges.

[2] The Estimated Charge variance at Restaurant, Fast Food, and Drinking Places for debit and prepaid Charges is 20%.

[3] **EMEA:** You must have express written approval from your Merchant Services Provider to operate in this category. Contact your Merchant Services Provider for information on eligibility criteria and requirements.

[4] **APAC:** Merchants are prohibited from signing Truck Rental 7513, Steamship & Cruise Lines 4411.

5.3.3 Incremental Authorization

Incremental Authorization allows a Merchant to request an increase in the amount of a previously approved Authorization. Merchants may submit an Incremental Authorization request if the following conditions are met:

- The original Authorization request was submitted as an Estimated Authorization, and contained the Estimated Authorization indicator
- The Estimated Authorization request was Approved
- The Charge has not been Submitted

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If the final Charge amount is greater than the amount of the Estimated Authorization Approval (plus any Estimated Charge variance in Table: 5-1, "Estimated Charge Amount") then you may request an Incremental Authorization for the amount that is greater than the previously Approved amount.

In addition, if you perform an Incremental Authorization, the following will apply:

- If the Cardmember is not present at the time of Incremental Authorization, refer to Subsection 4.5.3, "Credentials-on-File" and Subsection 4.5.4, "Merchant-Initiated Transactions" for additional information.
- If the Incremental Authorization request is declined or otherwise not Approved, then the original Estimated Authorization approval will continue to be valid for the duration of the Authorization validity period.
- The data elements required in the *American Express Technical Specifications* (e.g., point of service data codes) from the initial Estimated Authorization will apply to the final Charge. If the Card is no longer available at the time of the Incremental Authorization request, you must request the Incremental Authorization as a "Card-on-file" Charge in accordance with the *Technical Specifications*.
- An Incremental Authorization Approval does not increase the Authorization validity period.
- Refer to the *Technical Specifications* (including the *Global Credit Authorization Guide*) for additional information about Incremental Authorization messages.

5.3.4 Authorization Reversal

- You must reverse an Authorization for an Approved Charge if you do not intend to send a Submission to American Express within the Authorization time limit or Authorization validity period. See Section 5.2, "Authorization Time Limit" and Table: 5-1, "Estimated Charge Amount" in Section 5.3.2, "Estimated Charge Amount".
- If you determine that the final Charge amount is less than the amount of the Authorization Approval minus any Estimated Charge variance listed in Table 5-1: Estimated Authorization Charge Amount, then you must reverse the difference between the final Charge amount and the amount of the Authorization.

You must submit a full or partial Authorization Reversal within 24 hours of determining that the previously Approved amount will not be submitted, or that the amount to be submitted will be less than the previously Approved amount. Refer to the *Technical Specifications* (including the *Global Credit Authorization Guide*) for additional information about Authorization Reversal messages.

Multiple Authorization requests within a single Charge can be reversed with a single Authorization Reversal when the reversal and all previous Authorization requests include the same O-TID. For example, an Estimated Authorization for $100 plus an Incremental Authorization for $50 may both be reversed by a single Authorization Reversal for $150.

The reversed amount of the Charge must not be Submitted.

There may be a fee assessed for Approved Charges which you do not reverse or submit or for which you submit late.

After a Charge Record has been submitted to us, however, the Authorization cannot be reversed, 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 Subsection 4.6.3, "Credit Transactions".

5.3.5 Partial Authorization

Partial Authorization is an optional functionality of Credit, Prepaid, and Debit Cards that allows Merchant to obtain an Authorization for less than the requested purchase amount. The Issuer can approve the Authorization for a partial amount when the Cardmember does not have

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sufficient funds to cover the full purchase amount requested. The Cardmember, then, has the option to pay for the outstanding amount of the purchase by other means.

Partial Authorization approvals may not be available on all Transactions.

Partial Authorization is not supported for the following Transaction types:

- Cross-border Transactions (Transactions in which the Merchant's currency is different than the Issuer's currency);
- Recurring Billing.

5.3.6 Authorization on Credit

Authorization on Credit is a capability available in some areas that allows Merchants to send refund-specific Authorization Request messages to Issuers.

An Authorization on Credit may allow Issuers to display a pending credit to a Cardmember, thus improving the Cardmember experience during refunds.

The Authorization on Credit allows Issuers to match a refund or credit Transaction to the original purchase Transaction and may be required in certain geographic regions.

Check with your Merchant Services Provider, Processor or Terminal Provider, or refer to the *Technical Specifications* to determine if Authorization on Credit is available to you, and if it is required for your geographic region.

5.4 Floor Limit

American Express maintains a zero-dollar Floor Limit on all Charges regardless of the amount. 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.

5.5 Possible Authorization Responses

Responses to your requests for Authorization are generated by Issuers and transmitted 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 Merchant Services Provider to determine what Authorization responses will display on your equipment.

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Table 5-2: Authorization Response

Authorization Response	What It Means
Approved	The Charge or Credit is approved.
Partially Approved (for use with Credit, Prepaid, and Debit 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. For Split Tender, you may follow your policy on combining payment on Credit, Prepaid, and Debit Cards with any Other Payment Products or methods of payment.
Declined or Card Not Accepted	The Charge is not approved. Do not provide the Goods or Services or submit 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. If you submit the Charge after receiving a Decline, American Express may reject the Charge or you will be subject to a Chargeback. The Credit is not approved. Inform the Cardmember promptly that the Credit has been Declined. You may apply your established store policy.
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. Contact your Merchant Services Provider for further information regarding a Pick Up Card response.

5.6 Obtaining an Authorization

You must ensure that all Authorization requests comply with the *Technical Specifications* (see Section 2.4, "Compliance with the Technical Specifications"). If the Authorization request does not comply with the *Technical Specifications*, the Authorization was Declined, or no Approval code was obtained, American Express may reject the Submission or American Express may exercise a Chargeback. Contact your Merchant Services Provider for information about your obligations to comply with the *Technical Specifications*.

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.

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, please work with your Merchant Services Provider.

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5.7 Card Identification (CID) Number

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, follow your internal policies.

Note: CID Numbers must not be stored for any purpose. They are available for real time Charges only. See Data Security Requirements.

See Chapter 8, "Fraud Prevention" for more information on CID Numbers and CID verification.

5.8 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, electric vehicle charging station).

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AMERICAN EXPRESS

Submissions

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

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 your Merchant Services Provider for payment.

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

See Section 4.3, "In-Person Charges" and Section 4.6.3, "Credit Transactions" for additional information.

6.2 Transaction Process

Collect Transactions during the business day and submit them to American Express, through your Merchant Services Provider, usually at the end of a day. If you have any Submission problems, contact your Merchant Services Provider.

6.3 Purpose of Submission

After American Express receives the Submission, American Express will process it and settle with your Merchant Services Provider. Your Merchant Services Provider will then settle directly with you in accordance with the payment plan, speed of payment, and payment method, you have arranged with them.

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

Please contact your Merchant Services Provider for additional information on submitting Transactions, processing cutoff times, and payment procedures.

6.4 Submission Process

After you collect the Transactions during your business day, American Express encourages you to submit them to your Merchant Services Provider daily.

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 through your Merchant Services Provider.

6.5 Submission Requirements – Electronic

You must submit Transactions electronically in accordance with your Merchant Services Provider's instructions.

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 *American Express Merchant Operating Guide*, including the *Technical Specifications* (see Section 2.4, "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

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may not be paid until the Submission or Batch is corrected and resubmitted. You must work with your Merchant Services Provider to correct the error, then resubmit. For Submissions which fail to comply with the *Technical Specifications*, American Express has the right to Chargeback.

You must submit Charges and Credits only in local currency or any other currency approved by your Merchant Services Provider.

6.5.1 Charge Submissions

You must submit all Charges to your Merchant Services Provider 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 your Merchant Services Provider until after the goods are shipped, provided, or the services are rendered. You must submit all Charges under 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 4.5.2, "Aggregated Transactions" 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 4.5.5, "Delayed Delivery" and Section 4.5.1, "Advance Payment" for additional information.

6.5.2 Credit Submissions

You must submit all Credits to your Merchant Services Provider within seven (7) days of determining that a Credit is due. You must submit each Credit under the Establishment where the Credit originated. Please contact your Merchant Services Provider for additional information regarding Credit submission requirements.

6.6 Submission Requirements – Paper

If, under extraordinary circumstances, you need to submit Transactions on paper, you must do so in accordance with instructions provided by your Merchant Services Provider.

6.7 How to Submit

In many cases, your POS system automatically processes the Transactions in Batches at the end of the day. On busy days, your Transaction volume may be greater than your POS system's storage capability.

Consult information provided by your Merchant Services Provider to determine POS storage capacity and whether it's necessary to submit multiple Batches (e.g., submit a Batch at mid-day and again in the evening).

Contact your Merchant Services Provider for additional information regarding submission requirements.

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AMERICAN EXPRESS

Settlement

7.1 Settlement Amount

7.2 Payment Errors or Omissions

7.3 Collecting from Cardmembers

7

7.1 Settlement Amount

After a Submission file is received, the process of settling begins. Settlement of payment from American Express will be made directly to your Merchant Services Provider. All settlement activity to you is the responsibility of your Merchant Services Provider and any questions or concerns should be directed to them for resolution.

7.2 Payment Errors or Omissions

Immediately notify your Merchant Services Provider of any error or omission in respect to your transactions or other fees or payments for Charges, Credits, or Chargebacks.

7.3 Collecting from Cardmembers

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

- Chargeback was exercised for such Charge,
- You have fully paid your Merchant Services Provider for such Charge, and
- You otherwise have the right to do so.

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AMERICAN EXPRESS

Fraud Prevention

8.1 Introduction
8.2 Transaction Process
8.3 Strategies for Deterring Fraud
8.4 Card Acceptance Policies
8.5 Card Security Features
8.6 Recognizing Suspicious Activity
8.7 Prepaid Card Security Features
8.8 Recognizing Suspicious Activity for Prepaid Cards
8.9 Fraud Mitigation Tools

8.1 Introduction

American Express offers 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.

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

This chapter of the *Merchant Operating Guide* offers fraud mitigation tips for both Card Present and Card Not Present Transactions. Contact your Merchant Services Provider for information related to fraud mitigation tools and resources that may be available for your use.

8.2 Transaction Process

American Express' primary strategy for combating fraudulent Card use is to address it at the point of Authorization. To accomplish this, American Express work with Merchants and their Merchant Services Providers 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.

8.3 Strategies for Deterring Fraud

Implementing multiple layers of fraud protection to help secure your business is recommended. 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 the 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 American Express' risk controls to identify fraudulent activity
- additional risk models or controls that you can develop internally or obtain externally from third parties

American Express is committed to working with you and your Merchant Services Provider 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 section, 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.

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

DATA CAPTURED

Card Not Present Charge: **Standard**	Card Not Present Charge: **Full Suite of Fraud Mitigation Used**
Card: 37XXXXXXXXX2009 **Amount:** $257 **Merchant:** Internet Merchant XXXXXXXX01	**Card:** 37XXXXXXXXX2009 **Name:** C.F. Frost **Amount:** $257 **Merchant:** Internet Merchant XXXXXXXX01 **CID Number:** XXXX **AAV:** 2213 E Main **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:** Level 26, 45 Elm Street, London, UK SW1A 1AA **Ship to Phone:** 415.555.5555 **Ship to Country:** United Kingdom

8.4 Card Acceptance Policies

A critical component in your overall fraud mitigation strategy is to follow your Merchant Services Provider's operating instructions, including our Card acceptance procedures as defined in Chapter 4, "Transaction Processing". These procedures can also serve as a your first line of defense against potential fraud. The additional layers of fraud mitigation mentioned previously can supplement this line of defense.

8.5 Card Security Features



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

American Express 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 as a number of different Cards are offered. These are some things you must look for:

1. Pre-printed CID Numbers usually appear above the Card Account number, on either the right or the left edge of the Card.
2. All American Express Card Account numbers start with "37" or "34." The Card Account 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 Account 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.

   Note: The security features for Prepaid Cards are listed in Section 8.7, "Prepaid Card Security Features"

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

Altered Back of the Card

- The Card Account number printed on the back of the Card (when present) is different from the Card Account number on the front.
- The Card Account 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 Account 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.

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- 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 your Merchant Services Provider 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.

8.6 Recognizing Suspicious Activity

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 Behavior

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 your Merchant Services Provider with a Code 10. **Never put yourself or your employees in unsafe situations, nor physically detain or harm the holder of the Card.**

8.7 Prepaid Card Security Features

You are responsible for following all our Prepaid Card acceptance procedures in Section 4.5.7, "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

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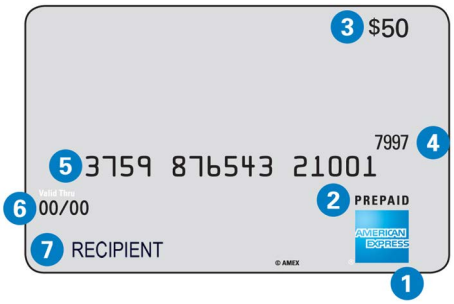
- The following features may appear on the front or back of the Card (or a combination of both):



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 Account number or above the logo.
5. The Card Account 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.

8.8 Recognizing Suspicious Activity for Prepaid Cards

American Express recommends that you follow the procedures in the preceding Section 8.6, "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, you should 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.

8.9 Fraud Mitigation Tools

Fraud mitigation tools are available 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 2.4, "Compliance with the Technical Specifications"), and
- you provide high quality data in the Authorization request.

American Express offers strategies and tools for preventing fraud. For more information about what you and your business can do, review the tools listed below and contact your Merchant Services Provider to determine what tools are supported.

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8.9.1 Card Not Present Fraud Tools

Table 8-1: Card Not Present Fraud Tools

	Card Identification (CID) Verification Tool	Automated Name and Address Verification	Email Verification	Billing Phone Number Verification	Enhanced Authorization
Description	You request the four-digit CID number printed on the Card from the Cardmember and send it with the Authorization request to the Issuer. Issuer compares the CID number provided with that on file for the Card and, based on the comparison, returns a match code to you.	You request name and address information from the Cardmember at the point of sale, and provide this information electronically during Authorization, through your POS terminal. Issuer compares the name and address information you provided with Cardmember's billing records and provides a response code indicating full, partial, or no match.	You request email address from the Customer at the point of sale, and provide this information electronically during an Authorization. Issuer compares the email address you provided with email addresses on file at American Express and returns a match result.	You request billing phone number from the Customer at the point of sale, and provide this information electronically during an Authorization. Issuer compares the phone number you provided with Cardmember billing phone number and returns a match result.	Provides additional data elements in Authorization requests describing the transaction and enabling a more informed Authorization decision.
Purpose	Helps to ensure that the person placing the order actually has the Card in their possession and is not using a stolen Card Account.	Helps Issuer evaluate Cardmember identity by comparing information provided by the Cardmember at the point of sale with Cardmember billing information not available on the Card.	Email Address Verification helps evaluate Cardmember identity by comparing information provided by the customer during the check-out process with Cardmember information not available on the Card.	Billing Phone Number Verification helps evaluate Cardmember identity by comparing information provided by the customer during the check-out process with Cardmember information not available on the Card.	Helps mitigate fraud before a Transaction is authorized by analyzing key data elements submitted with Authorization requests. Data elements include shipping address, transaction origin, and airline ticket details.
How To Implement	Contact your Merchant Services Provider	Contact your Merchant Services Provider	Contact your Merchant Services Provider	Contact your Merchant Services Provider	Contact your Merchant Services Provider

8.9.2 Card Present Fraud Tools

Table 8-2: Card Present Fraud Tools

	Card Identification (CID) Verification Tool	Track 1	Chip	Terminal ID	Code 10
Description	You request the four-digit CID number printed on the Card from the Cardmember and send it with the Authorization request to the Issuer. Issuer compares the CID number provided with that on file for the Card and, based on the comparison, returns a match code to you.	POS terminal captures data encoded in the Track 1 of the Magnetic Stripe and sends it to the Issuer with the Authorization request. Issuer compares information in track to information on file and sends approval decision.	Chip technology uses an embedded microchip to encrypt card information, making it more difficult for unauthorized users to copy or access the data. Data can only be accessed when the Card is inserted into a chip-enabled terminal.	Captures a numeric identifier uniquely assigned to each POS device and sends it to the Issuer with each Authorization request.	A special phrase you use to indicate to your Merchant Services Provider that you have suspicions concerning the Cardmember, the Card, the CID, and/or the circumstances of the sale.
Purpose	Helps to ensure that the person making the purchase is not using an altered or duplicated Card.	Can signal tampering and alteration of the Card's Magnetic Stripe.	Provides enhanced protection against fraud from lost, stolen, and counterfeit Cards.	Helps detect high risk patterns of a particular POS device.	Enables your Merchant Services Provider to speak with an American Express Authorizer on a card present transaction they assess as high risk.
How To Implement	Contact your Merchant Services Provider	Contact your Merchant Services Provider	Contact your Merchant Services Provider	Contact your Merchant Services Provider	If you suspect Card misuse, follow your internal store policies, and, if directed to do so, call your Merchant Services Provider with a Code 10 Authorization Request. Only pick up a Card if directed to do so by your Merchant Services Provider or the Issuer. Never put yourself or your employees in unsafe situations.

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AMERICAN EXPRESS

Risk Evaluation

9.1 Prohibited and Restricted Merchants
9.2 Monitoring

9

9.1 Prohibited and Restricted Merchants

9.1.1 Prohibited Industries

Some Merchants, are not eligible (or may become ineligible) to accept the Card. American Express may suspend acceptance of Cards by you or any of your Establishments or disentitle a Merchant from Card acceptance immediately without prior notice if American Express determines or has reason to believe, in their sole discretion, that you meet any of the following conditions:

- 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 (AML) principles or procedures.
- You are listed on the List of Names made subject to the Regulations Establishing a List of Entities pursuant to subsection 83.05(1) of the Criminal Code of Canada or the United Nations Suppression of Terrorism Regulations or any other such list or regulation that may exist now or in the future.
- You are listed on the U.S. Department of Treasury, Office of Foreign Assets Control, Specially Designated Nationals and Blocked Persons List.
- You are listed on the U.S. Department of State's Terrorist Exclusion List.
- 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 AML 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 an authorized jurisdiction.
- You or any of your Establishments fall into an industry category that is prohibited by your Merchant Services Provider or American Express.

9.1.2 Restricted Industries

Certain industry categories are restricted and require that you meet additional requirements prior to accepting the Card. In order to accept the Card in an industry classified as restricted, you must obtain written permission from your Merchant Services Provider to accept Transactions in these industries. American Express may, in their sole discretion, approve or deny such requests. American Express may suspend acceptance of Cards by you or any of your Establishments or disentitle you of Card acceptance immediately, without prior notice, if American Express determines or has reason to believe that you or any of your Establishments are performing a restricted activity or operating in a Restricted Industry without meeting the requirements or obtaining appropriate written permission.

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9.1.3 Mixed Business

If you are considering entering a line of business or changing your operating model, you must contact your Merchant Services Provider to ensure the new line of business or operating model does not fall into a prohibited or restricted industry category. If any segment of your or any of your Establishments business falls into a Prohibited Industry, you and your Establishments must not accept the Card for those Transactions. If you or any of your Establishments accept the Card for these Transactions, American Express will exercise Chargeback rights. American Express may also place you or any of your Establishments in one of American Express' Chargeback programs, cancel or disentitle you or your Establishments of Card Acceptance, or take any combination of these actions.

9.2 Monitoring

After you become a Merchant on the Network, American Express monitors to identify potential risks. American Express uses internal and third-party information when monitoring and looks for, among other things:

- disproportionate Disputed Charges and Chargebacks,
- Merchants that meet the High Risk Merchant criteria set forth in Subsection 9.2.1, "High Risk Merchants",
- schemes to defraud American Express,
- legal, compliance, or other credit and fraud risks, and
- data submitted in compliance with the *Technical Specifications*.

American Express will monitor you for actions or behaviors (or both) which may put American Express, Issuers, or Cardmembers at risk. Based on the results of American Express' monitoring, American Express reserves the right to take action to mitigate its risk, including working with your Merchant Services Provider to do one or more of the following (in American Express' sole judgment):

- requesting information about your finances and operations,
- instituting Card acceptance restrictions,
- exercising Chargeback, rejecting Charges, charging fees, or assessments,
- requiring corrective action by the Merchant, or
- terminating any Card acceptance privileges or suspending those privileges until the risk has subsided.

9.2.1 High Risk Merchants

High Risk Merchants are those types of businesses that are known to put American Express at risk and/or whose business has excessive occurrences of fraud.

If American Express determines, in its sole discretion, that you meet the criteria for one or more of the High Risk Merchant categories listed in Table 9-1: "High Risk Merchants"*, you may be placed in a Chargeback program and/or Card acceptance may be terminated:

Table 9-1: High Risk Merchants

Category	Description
High risk industry	Your 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.

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Table 9-1: High Risk Merchants

Category	Description
Performance	You have recent high occurrences of fraud that present an excessive risk to us. You have had high occurrences of fraud and/or high fraud amounts for a number of consecutive months.
Canceled derogatory	You are disentitled of Card acceptance due to unsatisfactory activity.
Fraudulent or Fictitious	You accept Cards fraudulently.
Prohibited	You are not eligible to accept the Card on the American Express Network. For prohibited criteria see Section 9.1, "Prohibited and Restricted Merchants".

* This list is not exhaustive and American Express may, in its sole discretion, consider other criteria as high risk and modify this list accordingly.

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

If American Express determines or has reason to believe, in its 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 Cardmembers; or in business practices that are deemed fraudulent, deceptive, and/or unfair, American Express may take corrective action on you, which may include but is not limited to:

- placement in a Chargeback program,
- exercising Chargeback or rejecting Charges, or
- disentitlement of Card acceptance (including immediate termination without prior notice to you).

Table 9-2: Risk Management Definitions

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.

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Table 9-2: Risk Management Definitions (Continued)

Illegal activities, fraudulent (other than marketing), unfair or deceptive business practices, or prohibited uses of the Card	If American Express determines, or has reason to believe, in American Express' 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 American Express' other rights and remedies, American Express has the right to terminate Card acceptance. If American Express finds that the Transaction involved a prohibited use of the Card (see Section 3.3, "Prohibited Uses of the Card"), American Express may apply the corrective actions listed above.

9.2.2.1 Consumer Protection Monitoring Program (U.S.)

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 American Express determines or has reason to believe, in American Express' sole discretion, that you or a qualifying End Beneficiary engage or have engaged (or knowingly participate or knowingly have participated) in such fraudulent, deceptive, or unfair practices, you or a qualifying End Beneficiary may be placed in American Express' Consumer Protection Monitoring Program. Examples of instances that might trigger American Express' 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 or a qualifying End Beneficiary are placed in the Consumer Protection Monitoring Program, American Express will require that a questionnaire be completed regarding your business practices, and conduct an investigation.

American Express may suspend or refuse to allow Card acceptance at an Establishment, or cancel (or disentitle) Card acceptance, if:

- you do not respond to American Express' questionnaire, by the date American Express designates, with sufficient information about your business practices, and/or
- American Express concludes, in American Express' 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 American Express' 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, American Express still may conduct an annual investigation of your business practices.

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AMERICAN EXPRESS

Chargebacks and Inquiries

10.1 Introduction
10.2 Transaction Process
10.3 Disputed Transaction Process
10.4 How Chargebacks Work
10.5 Tips for Avoiding Chargebacks
10.6 Compelling Evidence

10

10.1 Introduction

This chapter describes how American Express processes Chargebacks and Inquiries.

Highlights of this chapter include:

- a discussion of the American Express Disputed Transaction process,
- a review of Chargeback and Inquiry reasons,
- an overview of the American Express Chargeback policies, and
- tips for avoiding Chargebacks and Inquiries, and preventing fraud.

Your Merchant Services Provider will contact you if a dispute is raised. Contact your Merchant Services Provider for questions or further information related to Chapter 10, "Chargebacks and Inquiries".

10.2 Transaction Process

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

- Cardmember dissatisfaction with some aspect of the purchase, (e.g., a failure to receive the merchandise, duplicate billing of a Transaction, incorrect billing amount),
- an unrecognized Transaction where the Cardmember requests additional information, or
- actual or alleged fraudulent Transactions.

If a Cardmember disputes a Transaction, American Express opens a case. American Express may also open cases when Issuers or the Network initiates disputes. If a case is opened, they may initiate a Chargeback to you immediately or send you an Inquiry. through your Merchant Services Provider. All interactions with American Express related to disputes will be conducted by your Merchant Services Provider.

You must not suggest or require Cardmembers to waive their right to dispute any Transaction.

10.3 Disputed Transaction Process

10.3.1 Mapping out the Disputes Process

Most disputes begin when a Cardmember contacts American Express with a question or problem with a specific Transaction. Disputes can be complicated. This step-by-step flowchart can help make the process clearer, so you know what to expect if a Transaction is disputed.

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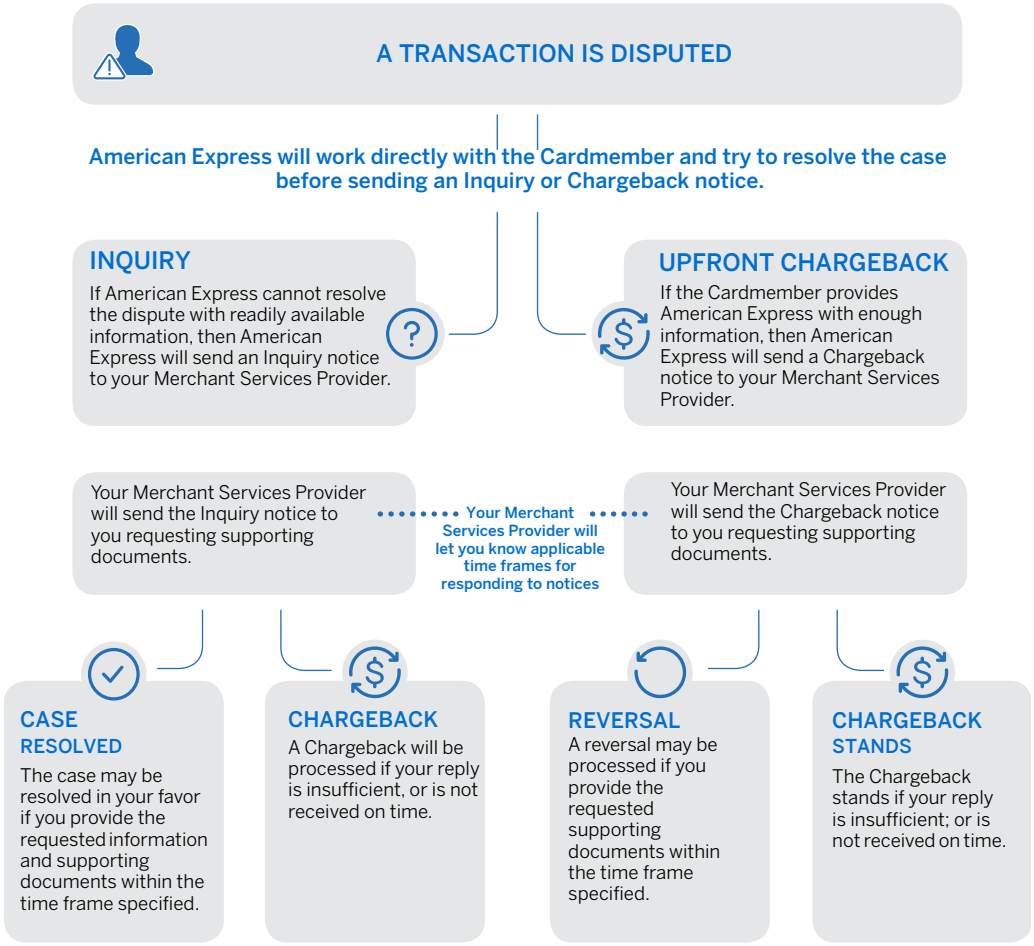

10.3.2 With respect to a Disputed Transaction:

- You may receive an Inquiry from your Merchant Services Provider prior to a Chargeback being exercised, or
- Prior to receiving an Inquiry, you may receive a Chargeback if it is determined that sufficient information is available to resolve the Disputed Transaction in favor of the Cardmember.

10.3.3 American Express has Chargeback rights:

- whenever Cardmembers bring Disputed Transactions, as described in this chapter, or have rights under Applicable Law or contract to withhold payments,
- in cases of actual or alleged fraud relating to Charges,
- if you do not comply with the Agreement (including sending incomplete or incorrect Transaction Data in Transaction Submissions), even if your Merchant Services Provider and/or American Express had notice when you were paid by your Merchant Services Provider for a Transaction that you did not so comply and even if you obtained Authorization for the Transaction in question, or
- as provided elsewhere in the Agreement.

Contact your Merchant Services Provider for additional information and guidance regarding Disputed Charges and Chargebacks.

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10.4 How Chargebacks Work

American Express may Chargeback by (i) deducting, withholding, recouping from, or otherwise offsetting against their payment to your Merchant Services Provider for a Transaction you submitted; or (ii) reversing a Transaction for which they have not paid you. Their failure to demand payment does not waive their Chargeback rights.

Your Merchant Services Provider may have additional rights and remedies with respect to Disputed Charges. Please contact your Merchant Services Provide for more information on their Chargeback procedures.

10.5 Tips for Avoiding Chargebacks

Inquiries can be expensive and time consuming for all parties involved. Follow these general steps and you may avoid unnecessary Inquiries and Chargebacks:

- Keep track of all Clearing Records.
- Issue Credits immediately after determining that a Credit is due.
- Disclose all terms and conditions of your sale/return/exchange/cancellation policies at the point of sale, on all Clearing Records and customer receipts, and on your website.
- Contact your Merchant Services Provider to make sure the name that you provide in your Submission matches your business name.
- Submit Charges only after goods have been shipped or services have been provided.
- Advise Cardmembers when Goods or Services will be delivered or completed, and always advise the Cardmember of any delays.
- Obtain a Cardmember's agreement in writing whenever completing a service or work order.
- Encourage Cardmembers at the point of sale to contact your business directly should there be any problems with their purchase. Include your telephone number or web address and an appropriate description of Goods or Services purchased in your Submission.
- Inform Cardmembers of your business name that will appear on their billing statement.
- Provide a cancellation number when applicable.
- Remind the Cardmember to retain any documents you have provided, along with shipping information when applicable.

10.6 Compelling Evidence

Compelling Evidence may be provided as support to demonstrate the Cardmember participated in the Transaction, received Goods or Services, or benefited from the Transaction. If American Express determines that the evidence satisfies the relevant section(s) of the Compelling Evidence policy, the Issuer will review the Compelling Evidence with the Cardmember prior making a decision on the Chargeback Reversal request. All available information is expected to be provided, and to only submit Compelling Evidence when it is strongly believed 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.

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AMERICAN EXPRESS

Regulations for Specific Industries

11.1 Introduction
11.2 Auto Dealers
11.3 Business-to-Business (B2B)/ Wholesale Distribution
11.4 Cannabis (Canada only – Prohibited in all other Regions)
11.5 Charitable Donations
11.6 E-Commerce Businesses
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11.13 Oil, Petroleum, and Electric Vehicles
11.14 Online/Mail Order Tobacco Retail (U.S., EMEA)
11.15 Rental Establishments (U.S., Canada, EMEA, LAC)
11.16 Transit Contactless Transactions

11.1 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 11, "Regulations for Specific Industries" and the other provisions of the Merchant Operating Guide 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 11, "Regulations for Specific Industries" shall govern.

11.2 Auto Dealers

This section applies to Merchants classified 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 other Chargeback rights, American Express also has 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 their 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 your Merchant Services Provider promptly.
- If you are classified 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, American Express will have Chargeback rights for such Charge in addition to its other Chargeback rights.

You may also accept the Card for the entire purchase price of a new or used motor vehicle, subject to the following provisions:

- You are classified 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 other Chargeback rights, American Express also has 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 their 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 your Merchant Services Provider 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, American Express will have Chargeback rights for such Charge in addition to its other Chargeback rights.

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11.3 Business-to-Business (B2B)/ Wholesale Distribution

If you are classified in the business-to-business (B2B) or wholesale distribution industries, and it is determined 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 been difficult to collect or uncollectable. 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 Chapter 6, "Submissions", 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 uncollectable.

Notwithstanding the restriction in Chapter 6, "Submissions", 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 your Merchant Services Provider 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.

11.4 Cannabis (Canada only – Prohibited in all other Regions)

The Government of Canada has introduced a law, known as the *Cannabis Act*, which permits some Cannabis-related activities that had previously been prohibited and provides a framework in relation to the cultivation, production, handling, distribution, and sale of Cannabis, including how licenses for permitted Cannabis-related activities will be issued and overseen.

This section applies to Merchants that we classify as operating in the Cannabis industry, either as a Cannabis merchant (selling Cannabis only or primarily Cannabis) or as a merchant that sells Cannabis, amongst other products and services, have all licenses and permits required under Applicable Law and that wish to accept the Card in Canada, in all cases in accordance with Applicable Law and the Agreement.

11.4.1 Defined Terms

Cannabis means a Cannabis plant and anything referred to in Schedule 1 of the *Cannabis Act*, including the phytocannabinoids produced by, or found in, such a plant, regardless of whether that part has been processed or not, any substance or mixture of substances that contains or has on it any part of such a plant and any substance that is identical to any phytocannabinoid produced by, or found in, such a plant, regardless of how the substance was obtained or created but does not include anything referred to in Schedule 2 of the *Cannabis Act*, as may be amended.

Cannabis Products means Cannabis and any item made with Cannabis including derivative products and related accessories.

Marijuana/cannabis Related Businesses means 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 government licensing regime.

Cannabis Transaction means a charge or a credit completed by the means of the Card in relation to Cannabis Products.

Illicit Cannabis means Cannabis that is or was sold, produced or distributed by a person prohibited from doing so under the *Cannabis Act* or other Applicable Law or that was imported into Canada by a person prohibited from doing so under the *Cannabis Act* or other Applicable Law.

11.4.2 General Terms

You may accept the Card for lawful Cannabis Products, subject to the following preconditions and requirements:

- Satisfactory completion of all due diligence and compliance requirements including the review and validation of all licenses and permits required under Applicable Law as required by American Express; and
- Providing a copy of the license(s) or, if you are not required by Applicable Law to have a license, a copy of your permit(s), authorization(s), and/or statutory authority(ies) that authorize you to sell and/or distribute Cannabis in Canada, as re-issued or updated over time; and
- The enablement of SafeKey on any of your websites that sell Cannabis Products.

Because of the potential brand risks currently associated with Cannabis Products, Card acceptance for Cannabis Products is also conditioned upon the simultaneous enablement and active acceptance by you of all other network branded credit cards available in Canada.

11.4.3 Representations and Warranties

You represent and warrant that you will:

- ensure that your business including any Marijuana/cannabis-related Business does not and will not target or relate to the United States or any other jurisdiction outside Canada; or otherwise involve or enable in any way any provincial or national cross-border activities that might violate Applicable Law; and
- provide us notice of any (i) intention to engage with the Cannabis industry outside of the province(s) in which you are licensed to sell Cannabis Products except as permitted by Applicable Law; and (ii) of any material change to your business activities including any material expansion in the Cannabis industry or to another provincial or foreign jurisdiction; licensing; and/or (iii) if you are subject to a regulatory or enforcement violation or decision relating to your Marijuana/cannabis-related Business; and
- comply with all Applicable Law including related to Health Canada and other applicable federal, provincial, and municipal requirements related to Cannabis Products; and
- not handle, distribute, sell, or otherwise deal with Illicit Cannabis; and
- not cultivate, produce, handle, distribute, or sell any other controlled drug or substance within the meaning the *Controlled Drugs and Substances Act* or otherwise; and
- maintain all physical and technological security measures required to comply with Applicable Law; and
- maintain identification method(s) and internal controls that comply with Applicable Law including with respect to confirming the age and residence of the Cardmembers seeking to purchase Cannabis Products; and
- complete and sign the due diligence checklist and certification form, as updated from time to time which, once signed and approved by American Express, is incorporated by

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reference into the Agreement and comply with any other compliance requirements as required by American Express; and

- ensure that all Cannabis Transactions will only be run on the new Service Establishment number, to be issued by American Express.

11.4.4 Audit and Inspection Rights

American Express and its agents, auditors (internal and external), Regulators, and other representatives as American Express may designate will have the right to request, at all times acting reasonably, to inspect, examine and audit your systems, records, data, information, and practices that are used in connection with Cannabis Transactions to verify compliance with Applicable Law and this Amendment (Audits). As an alternative, you agree that, in the event that you do not or cannot agree to such a request, you agree to conduct such Audit(s) as reasonably requested by American Express.

11.4.5 Requirement to Make Changes as a Result of Audit

You agree that you will remediate or implement new or revised processes as a result of any Audit report on a timely basis as required by us, acting reasonably, to enable compliance with Applicable Law.

11.4.6 Agreements Already in Force

Except as specifically amended or supplemented by these terms, all terms and conditions of the Agreement shall remain unchanged and in full force and effect.

11.4.7 Suspension and Termination

We may suspend or terminate acceptance of the Card for Cannabis Products at any time without notice if we have reasonable grounds to believe that you are not in compliance with any provision in Section 11.4, "Cannabis (Canada only – Prohibited in all other Regions)".

For the avoidance of doubt, you are prohibited from accepting the Card for Cannabis Products unless and until you have satisfied all of the provisions in Section 11.4, "Cannabis (Canada only – Prohibited in all other Regions)" including the submission of a signed due diligence checklist and certification form, a copy of the license(s) or, if you are not required by Applicable Law to have a license, a copy of your permit(s), authorization(s), and/or statutory authority(ies) that authorize you to sell and/or distribute Cannabis in Canada, and approval by American Express of same and have been issued with a new Service Establishment number by American Express through which all Cannabis Transactions must be facilitated.

Please contact your Merchant Services Provider for more information regarding Cannabis requirements.

11.5 Charitable Donations

11.5.1 Requirements for Charitable Organizations:

Tax Exempt Status:

- Organizations must be non-profit, incorporated, or registered under Applicable Law.
- Must provide documentation of tax-exempt status to the Merchant Services Provider upon request.

Acceptable Charitable Donations:

- Donations that are tax-deductible or creditable to the payor.
- Donations where the receipt of an item or service of value (e.g., a meal, event admission) is included, provided at least a portion of the amount is tax-deductible or creditable to the payor.

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U.S.: Organizations must be recognized under Section 501(c)(3) of the U.S. Internal Revenue Service Code.

APAC: Organizations must be recognized as tax-exempt entities under Applicable Law in Australia.

Argentina: Organizations must have their tax-exempt status published on the Federal Administration of Public Revenues (AFIP) website.

Canada: Organizations must be registered charities as defined under Subsection 248(1) of the Income Tax Act (ITA) and recognized by the Canada Revenue Agency. Charitable donations must be deductible or creditable under the ITA.

Mexico: Organizations must have their tax-exempt status published in the "Authorized Charities Directory" on the Servicio de Administración Tributaria (SAT) website.

EMEA: You must have express written approval from your Merchant Services Provider to operate in this category. Contact your Merchant Services Provider for information on eligibility criteria and requirements.

11.6 E-Commerce Businesses

If you are operating a website or e-commerce business, you must include the following website information display requirements on your website:

- An accurate description of the goods/services offered, including the currency type for the Transaction. Transaction currency must be in local currency or any other currency approved by your Merchant Services Provider.
- Your physical address in your specified region.
- An email address and a telephone number for customer service disputes.
- Return/refund policy.
- A description of your delivery policy (e.g., No COD, No overnight).
- A description of your security practices (e.g., information highlighting security practices you use to secure Transactions on your 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, you 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.

11.7 Government/Utilities/Education (U.S., Canada, EMEA, LAC)

This section applies to Merchants classified 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 you accept without being penalized for choosing a particular form of payment. To promote consumer choice, you are generally

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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. American Express views discrimination against Cardmembers as a breach of this *Merchant Operating Guide* and it may also be a breach of your Agreement.

If you are classified in the government, utilities, or education sectors, you may assess convenience fees on Charges, provided that they comply with the other requirements of this section.

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 Merchant Services Provider can only assess a convenience fee when it accepts the Card for the foregoing Charges in compliance with the requirements of this section.

11.8 Installment Payment Transactions (U.S., Canada, LAC)

If you are facilitating Installment Payment Transactions (also known as Buy Now Pay Later) you must comply with the following:

- Do not charge the Cardmember interest or finance charges, other than late payment fees if applicable.
- Disclose all material terms of the installment agreement to the Cardmember including, but not limited to, the amount, and frequency of the installment, and any late payment fees.
- Provide Transaction details to Cardmembers via mobile application or website about each installment Transaction, including:
  - Description of each individual purchase, including the name of the End Beneficiary
  - Date and amount of each individual purchase
  - Date and amount of each installment charge for that individual purchase
  - Number of installments paid by the Cardmember and number of installments remaining in the series (e.g., "1 of 4")
- In addition to the prohibited and restricted industries set forth in Section 9.1, "Prohibited and Restricted Merchants", do not accept the Card to facilitate payments for End Beneficiaries in industries listed in Table 11-1: Excluded Industries for Installment Payment Transactions. We may modify these excluded industries at any time at our sole discretion and (without waiving or limiting our other rights and remedies) we may exercise Chargebacks, suspend acceptance of Cards and/or terminate the Agreement if you breach this requirement.
- You must have a direct contract with the End Beneficiary except in the limited circumstance where a third-party acts as your agent to facilitate payments to your End Beneficiaries in which circumstance the following requirements apply:
  - You must have a direct contract with your third-party agent.
  - You or the third-party agent acting on your behalf must provide End Beneficiary data elements in accordance with the *Technical Specifications*. You remain responsible and otherwise liable for your third-party agent's compliance with this requirement and any

omission or failure to perform does not relieve you of your obligations to comply with the requirements in this section.

- Notwithstanding the foregoing we reserve the right to revoke this exception at any time at our sole discretion.

- Submit an Authorization request for each individual Installment Transaction at the time the installment is due, for the amount of the installment, not the full purchase amount.
- If there is a Chargeback or Disputed Charge in connection to an installment Transaction you must not submit an Authorization request nor submit any further related installment Transactions for payment until the Chargeback or Disputed Charge is resolved in your favor.
- Facilitate payments only to End Beneficiaries that:
  - Are located in the same country as you
  - Transact exclusively in the local currency
  - Receive payments solely through bank accounts within the applicable country.

Note: Installment Payment Transactions are not Recurring Billing Transactions.

Table 11-1: Excluded Industries for Installment Payment Transactions

MCC	Description
8099	Medical Services and Health Practitioners – Not Elsewhere Classified
7280, 8062	Hospitals and Private Hospitals
5976	Orthopedic Goods and Prosthetic Devices
8050	Nursing and Personal Care Facilities
4119	Ambulance Services
0742	Veterinary Services
8071	Medical Dental Laboratories
5122	Drugs, Drug Proprietaries, and Druggists' Sundries
4722	Travel Agencies and Tour Operators
7997	Lifetime Memberships
5968	Long-term Subscriptions
4814	Telecommunications Services
4900	Utilities
6513	Real Estate Agents and Managers - Rentals
5813	Nightclubs
6300, 6381, 6399	Insurance
6010, 6011	Cash-like transactions
6538	P2P Payments
9222	Fines

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Table 11-1: Excluded Industries for Installment Payment Transactions

MCC	Description
9311	Tax Payments

11.9 Insurance

This section contains provisions specific to Merchants classified in the insurance industry.

American Express undertakes no responsibility on your behalf for the collection or timely remittance of premiums. American Express will not be subject to any liability, under any circumstances, for any claim arising from, or related to, any insurance policy you issued. You must indemnify, defend, and hold harmless American Express and its 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 termination or other action regarding their insurance coverage.

U.S.: In addition to the above, you must also indemnify, defend, and hold harmless American Express and its 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 termination or other action regarding 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 American Express, you must further indemnify, defend, and hold harmless American Express and American Express' 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 you or your Agencies breach of this representation and warranty.

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 American Express, you must further indemnify, defend, and hold harmless American Express and American Express' 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 you or your Agencies breach of this representation and warranty.

11.10 Internet/Online Pharmacies

U.S.: If you are classified or it is otherwise determined that you are an internet/online pharmacy Merchant that accepts the Card for sales of prescription medications (as defined by Applicable Law) 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) federal, state, and/or provincial laws and the jurisdiction in which you are located and (ii) each jurisdiction to which you dispense pharmaceuticals.

Upon request, you or your Merchant Services Provider must promptly provide documentation that you fulfill the foregoing requirements. Failure to provide this documentation promptly may result in the cancellation or disentitlement of Card acceptance privileges. Specific procedures exist for Transaction processing by internet/online Merchants. These procedures appear in Section 4.4, "Card Not Present Charges".

EMEA: You must have express written approval from your Merchant Services Provider to operate in this category. Contact your Merchant Services Provider for information on eligibility criteria and requirements.

11.11 Lodging

This section applies to Merchants classified in the lodging industry.

The Guaranteed Reservations and Advanced Payments programs allow certain Charges to be submitted that would otherwise not be allowed by American Express.

EMEA: You must have express written approval from your Merchant Services Provider to operate in the Travel Industries. If you have been approved to operate in Lodging, additional requirements, policies and procedures are applicable to Merchants classified in the Lodging industry.

11.11.1 Advance Payments – Lodging

Advance Payments will hold a lodging reservation for the intended length of stay. Merchants may not present an Advance Payment Transaction for an amount that exceeds the cost of a fourteen (14) night stay plus applicable taxes.

When taking an Advance Payment from a Cardmember, the Merchant must inform the Cardmember of the Advance Payment requirements and the cancellation policy for such reservations. Refer to Subsection 4.5.1, "Advance Payment" for more information. The Merchant is required to provide the Cardmember with written confirmation of the following:

- Arrival and departure dates
- Amount of the Advance Payment
- Confirmation number
- Merchant's cancellation policy

The Merchant must complete a Clearing Record with the following information for each Advance Payment:

- The words "Advance Payment (or Advance Deposit)" written on the signature line of the Transaction Receipt or transmit the appropriate Advance Payment description with the Charge data
- The scheduled arrival date

Upon cancellation of the reservation, the Merchant must send written cancellation notice indicating the cancellation number to the Cardmember within three (3) Business Days. If a refund is due, the Merchant must submit a Credit Clearing Record with the words "Advance Deposit Cancellation" on the signature line or transmit the appropriate Advance Deposit indicator on the Credit Transaction.

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If the arrival date of an Advance Deposit is changed, the Merchant is required to send the Cardmember a written confirmation of the change within three (3) Business Days.

If the Merchant is unable to honor the reserved accommodations and the reservation was not cancelled by the Cardmember, the Merchant must:

- Submit a Credit Clearing Record for the Advance Payment made by the Cardmember.
- Pay for accommodations at a comparable location nearby until the duration of the original reservation expires (up to fourteen (14) nights), or until accommodation become available at the original location, whichever occurs first.
- Pay for transportation to the alternate Establishment and for a return to the original location once per day until the original accommodations are available.
- Provide up to two (2) three (3)-minute telephone calls for the Cardmember's alternate accommodations.

11.11.2 Guaranteed Reservations – Lodging (U.S., Canada, LAC)

Guaranteed Reservations allow Cardmembers to guarantee their reservation for one (1) night's stay at a lodging, trailer park, or campground Merchant. Merchants should adhere to the requirements in Subsection 4.5.4, "Merchant-Initiated Transactions" when processing Guaranteed Reservations Transactions.

A Cardmember may contact a lodging Merchant and provide their Card Account number and Expiration Date to hold a reservation for one (1) night's stay. The Merchant must inform the Cardmember of the rate for the room accommodation for one (1) night. At the time of the reservation, the Merchant must provide the Cardmember with a confirmation code and cancellation policy. The Merchant must reserve accommodations until the published check-out time the following day.

Upon a Cardmember cancellation, the Merchant must provide the Cardmember with a cancellation number and maintain a record of such cancellation number.

If the Guaranteed Reservation is not claimed or canceled in accordance with the Merchant's cancellation policy, the Merchant may charge the Cardmember's Account for a "no show" Charge equal to one (1) night's lodging. To charge a Cardmember's Account, either the words "No Show" must appear on the signature line of the Clearing Record, or the Merchant must transmit the appropriate indicator in the Transaction data. Merchants must contact their Merchant Services Provider for additional information.

If American Express receives disproportionate numbers of Disputed "no show" Charges, the Merchant must work with their Merchant Services Provider to reduce the number of disputes. If such efforts fail to reduce the number of disputes, American Express may place the Merchant in any of American Express' Chargeback programs.

The Merchant must arrange and pay for alternate accommodations if the reserved accommodations are not available on the specified date and time and the reservation was not canceled by the Cardmember. The Merchant will provide the Cardmember with the following services at no additional charge:

- Comparable accommodations for one (1) night at another establishment.
- If requested, a three (3) minute phone call.
- Transportation to the alternate establishment's location.
- Use good faith efforts to forward all communications to the Cardmember at the alternate Establishment's location.

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11.11.3 Emergency Check-in

If a Cardmember whose Card is lost or stolen requests check-in, you must call the Authorization telephone number, ask for an American Express representative, request Authorization for an "Emergency Check-In", and follow the representative's instructions.

11.12 Motor Vehicles (U.S., Canada, EMEA, LAC)

This section applies to Merchants classified in the vehicle, car, and truck rental industries.

EMEA: You must have express written approval from your Merchant Services Provider to operate in the Travel Industries. If you have been approved to operate in this category, additional requirements, policies and procedures are applicable to Merchants classified in the vehicle/ car rental industry.

11.12.1 Vehicle Rental (U.S., Canada, LAC)

Merchants must ensure that the Cardmember has executed a standard rental agreement.

On the first day of the rental, the vehicle rental Merchant shall obtain Authorization for the full estimated amount of the Charge. The estimated Charge shall be determined by multiplying the applicable rental rate, tax and/or mileage rates, and any ancillary charges by the rental period reserved by the Cardmember. The Merchant shall not overestimate this amount and under no circumstances shall the estimated Transaction amount include ancillary Charges that represent either an amount for any possible damage to or theft of the vehicle or the insurance deductible amount when the Cardmember waives the insurance coverage at the time of rental.

Merchants may include costs for additional Goods and Services provided to the Cardmember (e.g., child seats) and the exact amount of any other cost that the Cardmember may be liable for and that is within the Cardmember's control to avoid (e.g., a "no show" fee or a charge for failing to return the vehicle with a full fuel tank). The rental agreement must include the Cardmember's consent to include these costs in the Charge submitted for the vehicle rental.

The Authorization will be valid for the life of the rental agreement, provided the final submitted Transaction amount does not exceed more than 15% of the Authorized amount.

Refer to Subsection 5.3.2, "Estimated Charge Amount" for more information about processing estimated Charges.

Cardmembers may reserve, and Merchants must honor vehicle rentals via Guaranteed Reservations. Upon providing the appropriate Card credentials, Cardmembers may have the rental Merchant hold a rental reservation for one (1) day's rental or the relevant incremental equivalent (such as hourly) of the rate agreed.

In addition to cars and trucks, vehicle rentals include:

- Aircraft
- Bicycles
- Boats
- Equipment
- Motor homes
- Motorcycles

To process Guaranteed Reservations, The Merchant must:

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- Inform the Cardmember of the rental rate,
- Provide the Cardmember with a reservation confirmation code, and
- Provide the Cardmember the Merchant's cancellation policy including the cancellation deadline to avoid a "no show" charge as well as the "no show" charge amount.

If a Cardmember decides to cancel a Guaranteed Reservation Transaction in accordance with the Merchant's agreed-upon cancellation policy, the Merchant must provide the Cardmember a cancellation number and maintain a record of such cancellation.

If the rental services are not canceled in compliance with the Merchant's cancellation policy, the Merchant may submit a Guaranteed Reservation Transaction equivalent to one (1) day's rental charge, or the relevant incremental equivalent (such as hourly) of the rate agreed.

To charge a Cardmember's account, the Merchant must either:

- Print the words "No Show" on the signature line of the Clearing Record, or
- Transmit to American Express the appropriate Additional Amount Type Code "No Show Charge."

Failure to do so may result in a Chargeback.

Refer to the *Technical Specifications* for more information.

If a Merchant cannot fulfill a rental reservation on the specified date and time, the Merchant must provide comparable accommodations, and/or services, when reasonably available, at no additional cost to the Cardmember in accordance with the Merchant's rental agreement and/or Applicable Law and regulations.

Upon rental of the vehicle:

- Ensure that the Cardmember has provided a valid driving license.
- Ensure that the vehicle rental is commenced on or subsequent to the beginning date and on or prior to the expiration date shown on the face of the Card.
- Ensure that the Cardmember has met such other qualifications as the Establishment normally requires in the case of vehicle rentals.
- Ensure that a Charge Clearing Record is completed.

If upon return of a rental vehicle, the car rental Merchant discovers that the vehicle has been damaged and the Cardmember has not purchased the car rental Merchant's collision or loss insurance, the car rental Merchant may submit a Charge for a specific amount representing an estimate of the Capital Damages incurred.

The Charge for the estimate of Capital Damages, which shall be submitted separately from any Charge submitted for the cost of the car rental, must:

1. Prior to billing, the car rental Merchant has obtained the Cardmember's agreement in writing to:
   - A specific estimate of the Capital Damages, including an itemized list and description of the specific damage occurred,
   - Accept responsibility for the capital damages, and
   - Select American Express as the payment method for the Capital Damages.
2. The car rental Merchant has obtained a separate and additional Authorization for the specific estimate of the capital damages to which the Cardmember has agreed in condition 1 above.
3. The original Charge for the car rental was made on an American Express Card of the Cardmember who agreed to the details referred to in condition 1 above. A car rental Merchant must never include the following in an Authorization Request or in a Charge Submission:
   - Losses due to theft of the vehicle, or

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- Loss of revenue incurred by the car rental Merchant due to loss of use of the rental vehicle in question.

4. The Charge submitted for Capital Damages may not exceed the following:
   - 15% above the amount established in the specific estimate of the capital damages, or
   - The replacement cost of the vehicle, in the case of a total loss, due to damages caused by the Cardmember.

Merchants must not include an amount in any Charge for any damages, penalties, fines, charges, costs, or fees in addition to the Estimated Authorization whether or not such amounts are set out in the rental agreement unless such itemized amounts are expressly permitted to be charged under the Agreement and expressly requested by the Cardmember to be charged to the Card. If The Merchant includes such amounts in any Charge without the Cardmember's express request, American Express will have Chargeback rights for the amount of the Charge in excess of the Estimated Authorization.

In addition to the other Chargeback rights contained in the Agreement, American Express will exercise Chargeback rights if any Charge for Capital Damages is not submitted in accordance with all the procedures contained within this *Merchant Operating Guide*.

The Merchant must comply with requests from the Cardmember or the Cardmember's insurance adjustor to supply documentation related to the capital loss incident, if applicable.

Merchants should adhere to the requirements in Subsection 4.5.4, "Merchant-Initiated Transactions" when processing Charges for damages.

American Express may monitor the Merchant's compliance with the preceding special Authorization procedures. If American Express notifies the Merchant that an Establishment is not complying with these Authorization procedures, the Merchant must cure such non-compliance within thirty (30) days. If, after thirty (30) days from the date of such notice, the Merchant continues not complying with these procedures, then American Express will have Chargeback rights for the full amount of any Charges made at that Establishment during such continued non-compliance. For purposes of this provision, "non-compliance" occurs when more than five percent (5%) of either the Merchant's total or any Establishment's Authorizations do not comply with the preceding procedures.

Notwithstanding the Authorization procedures set out above, the Merchant must still obtain the Cardmember's consent to the full exact amount of the Charge. Any additional amount may only be submitted if the Merchant treats it as a separate Charge and obtain the Cardmember's consent to the full exact amount of the Charge.

11.12.2 Vehicle Sales (U.S., Canada, LAC)

American Express will accept Charges for the deposit payment or the entire purchase price of new and used motor vehicles only if:

- the amount of the Charge does not exceed the total price of the motor vehicle after deduction of applicable discounts, rebates, cash down payments, and trade-in values; and
- the Merchant obtains Authorization for the entire amount of the Charge.

If the Cardmember denies making or authorizing the Charge and the Merchant has not transferred title or physical possession of the motor vehicle to the Cardmember, American Express will have Chargeback rights for such Charge.

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11.13 Oil, Petroleum, and Electric Vehicles

In some countries, additional policies and procedures are applicable to Merchants classified in the oil/petroleum industry. Contact your Merchant Services Provider if you have any questions regarding the oil/petroleum industry.

Please refer to Subsection 4.3.4, "Customer Activated Terminals" for information on accepting the Card at unattended POS Systems (e.g., Customer Activated Terminals (CATs) or payment kiosks).

11.13.1 Requirements

You must:

- Obtain unique Merchant Numbers from your Merchant Services Provider for your CAT gas pump or electric vehicle charging 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

11.13.2 Automated Fuel Pump

American Express has implemented several policies and fraud prevention tools to assist in combating fraud at the gasoline pump. Work with your Merchant Services Provider for additional information on these policies and to determine which fraud prevention tools are supported.

American Express recommends that you:

- Set a pre-Authorization request at your CAT based on a good faith estimate of the final charge amount.
- 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.
- Upon completion of the sale, submit an Authorization Adjustment Advice for the final sale amount, which must not be greater than the pre-Authorization amount.

11.13.3 Electric Vehicle Charging

- Option 1: Pre-Authorization
  - Set Pre-Authorization request at your electric vehicle charging stations based on a good faith estimate of the maximum charge amount.
  - Upon completion of the sale, submit an Authorization Adjustment Advice for the final sale amount, which must not be greater than the pre-Authorization amount.
  - Set your charging stations to shut off when they reach the Pre-Authorization amount.
- Option 2: Estimated with Incremental Authorization (where applicable)
  - Using Variable Authorization capabilities, obtain an Estimated Authorization based on a good faith estimate of the final Charge amount.
  - If the final sale amount is greater than the Estimated Authorization, obtain an Incremental Authorization for the additional amount.

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- If the final sale amount is less than the Estimated Authorization plus any incremental amounts, submit a Partial Authorization Reversal for the excess Authorization amount.
- Refer to Section 5.3, "Variable Authorization" for additional information and requirements.

Variable Authorizations, including Estimated Authorizations and Incremental Authorizations, may not be available in all areas, Refer to the *Technical Specifications* for details.

11.14 Online/Mail Order Tobacco Retail (U.S., EMEA)

U.S.: If you are classified or it is otherwise determined that you are an online or mail order (or both) tobacco or e-cigarette Merchant, then you must provide the website address of the online store from which you sell your tobacco products. If your website facilitates tobacco sales, you may be required on request to provide an executed and notarized Affidavit of Compliance with Laws - Online/Mail Order Tobacco. Failure to provide this documentation promptly may result in the cancellation or disentitlement of Card acceptance privileges. American Express may monitor your website. Contact your Merchant Services Provider for additional information.

EMEA: You must have express written approval from your Merchant Services Provider to operate in this category. Contact your Merchant Services Provider for information on eligibility criteria and requirements.

11.15 Rental Establishments (U.S., Canada, EMEA, LAC)

This section applies to Merchants classified in the Rental Establishments industries.

Customers should feel free to use all forms of payment that you 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.

If you are classified as a Rental Establishment, you may assess convenience fees on Charges, provided that you comply with the other requirements of Chapter 4, "Transaction Processing" and 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 Merchant Services Provider can only assess a convenience fee when it accepts the Card for Charges in compliance with the requirements of this section.

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11.16 Transit Contactless Transactions

11.16.1 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 the following Cards:
  - expired Cards
  - Cards within the specified BIN ranges provided by us
  - Cards that are on the Deny List at the time the Cardmember attempts to access the transit system
- Flag all requests for Authorization and Submission with a transit indicator and meet additional transit technical requirements (see Section 2.4, "Compliance with the Technical Specifications"). Contact your Merchant Services Provider for further information about complying with these specifications.

11.16.2 Authorization and Submission Requirements

When accepting a Transit Contactless Transaction, you must obtain an Account Status Check for a nominal amount or any amount up to the Chargeback Protection Threshold (as set forth in Subsection 11.16.3, "Transit Thresholds") or an Authorization. The following sets out how to proceed based on the response you receive to the Account Status Check or Authorization.

Table 11-2: Contactless Transit Authorization and Submission Requirements

If	Then
the Account Status Check Authorization is approved	Continue to accept taps and submit the Aggregated Transit Charge, up to the Chargeback Protection Threshold, within the Authorization Time Period (as set forth in Subsection 11.16.3, "Transit Thresholds"). Authorizations for partial fares cannot be submitted. If the Card is on the Deny List and an Account Status Check or an Authorization is approved, remove the Card from the Deny List.
the Account Status Check or Authorization is declined	You must place the Card on the Deny List. If the final fare amount is less than or equal to the Declined Authorization Protection Threshold (as defined in Subsection 11.16.3, "Transit Thresholds"), submit the Transaction. If the final fare amount is greater than the Declined Authorization Protection Threshold, you must not submit the Transaction. You may request a new Authorization as outlined in Section 11.16.5, "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 final fare amount.
the combined taps are within the Chargeback Protection Threshold and Authorization Time Period	You may submit the Transaction. A new Account Status Check is required for future taps. **Note**: You must submit the Transaction according to the Submission Frequency (as set forth in Subsection 11.16.3, "Transit Thresholds").

Table 11-2: Contactless Transit Authorization and Submission Requirements (Continued)

If	Then
the combined taps exceed the Chargeback Protection Threshold or the Authorization Time Period is exceeded	You may be subject to the No Valid Authorization (A02) (ISO 4755) Chargeback should you submit a Transaction for a value above the Chargeback Protection Threshold.

11.16.3 Transit Thresholds

The following thresholds will apply and be provided to you in writing by your Merchant Services Provider:

- Chargeback Protection Threshold
- Authorization Time Period
- Submission Frequency
- Declined Authorization Protection

11.16.4 Transit Charge Information

You must ensure the Cardmember has access to the following information for a minimum of 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

11.16.5 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.
- You should adhere to the requirements in Section 4.5.4, "Merchant-Initiated Transactions", when processing Merchant-Initiated Transactions for Debt Recovery.

11.16.6 Management of the Deny List

You must maintain a Deny List by adding or removing Card Accounts based on any new Authorization approval or decline. You must not add a Card Account to the Deny List for any reason other than in the exceptional circumstance where you reasonably suspect travel irregularities associated with the use of the relevant Card. The Deny List must be updated at least once daily. American Express recommends 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 Account of the Card used appears on the Deny List.

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You must not submit Transit Contactless Transactions when the Card Account appears on the Deny List at the time of submission attempt. A Card Account must be removed from the Deny List if an Account Status Check or Authorization request is subsequently approved.

American Express may issue Chargebacks if you fail to comply with these requirements or the provisions of this Section 11.16, "Transit Contactless Transactions".

11.16.7 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 are available for a defined value 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 on these passes are reduced as the Cardmember uses the transit system, either in terms of value or number of trips, depending on the type of pass purchased.

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.

AMERICAN EXPRESS

Dispute Resolution

12.1 Arbitration Agreement (as to Claims involving American Express) (U.S.)
12.2 Arbitration Agreement (as to Claims involving American Express) (Canada)

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12.1 Arbitration Agreement (as to Claims involving American Express) (U.S.)

We value our merchant relationships. In the event that you are not able to resolve any issue with us or a third party that concerns or relates to any American Express Card transaction or any issue regarding American Express Card acceptance or its network, including but not limited to disputes that concern or relate to a Merchant Services Provider, this section explains how Claims can be resolved through mediation, arbitration, or litigation. It includes an arbitration provision. Your agreement to this Dispute Resolution provision does not preclude you from bringing your concerns to the attention of any appropriate governmental agencies.

a. Notice of Claim. Before you or we file a lawsuit or initiate a mediation or arbitration regarding a Claim, you and we agree to send a written notice (*Claim notice*) to each party against whom the Claim is asserted. This provides the parties an opportunity to resolve the Claim informally or through mediation. The Claim notice by any party, including us, must describe the nature and basis of the Claim and state the specific monetary amount of the Claim, absent any interest, trebling, or similar additions, and/or any other relief demanded. Your Claim notice to us must also include your name, your Merchant name, Merchant address, Merchant d/b/a, Merchant mailing address (if different from your Merchant address), Merchant phone number, Merchant Tax ID, your Merchant Number (MID) or your Service Establishment 10-Digit Number (s) with American Express and be sent to our notice address as follows: By mail at: American Express Travel Related Services Company, Inc., P.O. Box 299051, Fort Lauderdale, FL 33329, Attn: Department 87; or by email at: American.Express.Contract.Keying@aexp.com.

b. Mediation. In mediation, a neutral mediator helps parties resolve a Claim. The mediator does not decide the Claim but helps parties reach a voluntary agreement to resolve the Claim.

(i) **Initiation of Mediation**. Before beginning a mediation, you or we must first provide the Claim notice described above and attempt to resolve the Claim in good faith through informal negotiations. If the parties are unable to resolve the Claim through informal negotiations within 60 days of receiving the Claim notice, you or we then have 90 days to submit the Claim to JAMS (1-800-352-5267, www.jamsadr.com) for mediation, or to an alternative mediator mutually agreed upon in writing by you and us.

(ii) **Conduct of Mediation**. **You and we will cooperate in selecting a mediator from a panel of neutrals and in scheduling the mediation proceedings. Both parties will share equally the costs of any mediation proceedings but otherwise will be responsible for their own legal costs and expenses. You and we shall both have a business representative (either an employee or principal, the choice of whom shall be at the producing party's discretion) attend any mediation, whether in-person or by remote videoconference.**

(iii) **Confidentiality/Tolling**. **All communications made for the purpose of, in the course of, or pursuant to the mediation are confidential, and no evidence of any such communication is admissible for any purpose or subject to discovery. From the date you or we receive the Claim notice, all applicable statutes of limitations and defenses based upon the passage of time are tolled for 180 days or until termination of the mediation, whichever is earlier.**

(iv) **Effect**. If neither party elects mediation within 90 days after the completion of the 60-day informal negotiation period, or the parties do not reach a resolution within a period of 90 days from the first meeting of the parties in mediation, then either party may elect to resolve the Claim by initiating a binding arbitration as set forth in Section c below.

c. Arbitration. You or we may elect to resolve any Claim involving you, us or any third party, including a Merchant Services Provider, by individual, binding arbitration. Claims will be decided by a single neutral arbitrator except as provided below. For the avoidance of doubt, any disputes arising out of or related to the enforceability, scope, or validity of this Section 12.1 shall be decided by an arbitrator and not by a court or judge.

If arbitration is chosen by either party, neither you nor we have the right to litigate that Claim in court or have a jury trial on that Claim. Further, neither you nor we have the right to participate in a representative capacity or as a member of any class pertaining to any Claim subject to arbitration. Arbitration procedures are generally more limited than the procedures that apply in court, and discovery is generally more limited. The arbitrator's authority is limited to Claims between you and us alone, except that the Merchant Services Provider may be added as a party at the election of either you or us. Claims may not be joined or consolidated unless you and we agree in writing. An arbitration award and any judgment confirming it only applies to the specific Claim(s) arbitrated and cannot be used in any other arbitration or case except to enforce the award for that Claim. Other rights you or we would have in court may also not be available in arbitration. 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 is final and binding.

(i) **Initiation of Arbitration**. **Before beginning an arbitration, you or we must first provide the Claim notice described above.** Claims will be referred to JAMS as the arbitration organization or to an alternative arbitrator or arbitration organization mutually agreed upon in writing by you and us. Claims will be resolved pursuant to this Arbitration provision and the arbitration organization's rules in effect when the Claim is filed, except where those rules conflict with the Agreement (in which case the Agreement shall govern). The parties agree that the *JAMS Mass Arbitration Procedures and Guidelines and Fee Schedule* shall apply to "Mass Arbitration" as defined under those Procedures. Contact JAMS to begin an arbitration and for other information. Claims may be referred to another arbitration organization if you and we agree in writing, or to an arbitrator appointed pursuant to section 5 of the Federal Arbitration Act, 9 U.S.C. §§ 1-16 (FAA). If JAMS ceases operations or otherwise declines or is unable to administer the arbitration, Claims will be referred to the American Arbitration Association (AAA) (1-800-778-7879, adr.org), or you and we will agree on another binding arbitration forum. If an arbitration is held in person, it shall take place in New York, New York, unless the parties agree in writing to an alternate venue.

(ii) **Limitations on Arbitration**. **If either party elects to resolve a Claim by arbitration, that Claim will be arbitrated on an individual basis. There is no right or authority for any Claim to be arbitrated on a class action basis or on bases involving any Claim brought in a purported representative capacity on behalf of the general public, other Merchants, or other persons similarly situated, including persons alleging Claims arising from transactions involving Merchant Services Providers. This prohibition is intended to, and does, preclude you from participating in any action by any trade association or other organization against us. Disputes brought by you or us against the other may not be joined or consolidated in arbitration with Claims brought by or against any third party, unless agreed to in writing by all parties, except that the Merchant Services Provider may be added as a party at the election of either you or us. 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) does not apply.**

(iii) **Previously Filed Claims/No Waiver**. You or we may elect to arbitrate any Claim, including one that concerns or relates to transactions involving a Merchant Services Provider, that has been filed in court at any time before the earlier of the presentation of evidence at trial has begun and final judgment being entered on the Claim. Either you or we 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 doubt, and without limiting its scope, this Section 12.1.c. iii applies to any class-action lawsuit relating to the "Honor All Cards," "non-discrimination," or "no steering" provisions of the *Merchant Operating Guide*, or any similar provisions of any prior Card acceptance agreement, that was filed against us prior to the date that the Agreement is effective.

(iv) **Arbitrator's Authority**. The arbitrator has 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. However, the arbitrator has no power or authority to alter the Agreement or any of its separate provisions, including this Section 12.1, nor to determine any matter or make any award except as provided in this Section 12.1.

(v) **Split Proceedings for Equitable Relief**. Either you or we may seek equitable relief in aid of arbitration prior to arbitration on the merits solely to preserve the status quo pending completion of such arbitration process. Equitable relief awarded pursuant to this Section 12.1.c. v shall be enforced by any court of competent jurisdiction, and the party seeking enforcement is entitled to an award of all costs, including legal fees, to be paid by the party against whom enforcement is ordered following a violation of such award.

(vi) **Small Claims Court**. We shall not elect to use arbitration under this Section 12.1.c for any Claim you properly file in a small claims court so long as the Claim seeks individual relief only and is pending only in that court. 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 Section 12.1.c is made pursuant to a transaction involving interstate commerce and is governed by the FAA. The arbitrator shall apply New York law, including the same substantive law, statutes of limitations and privileges as would apply in court. Arbitration will not be deemed initiated under Section 12.1.c, including for statute of limitations purposes until you or we submit a Claim notice as described in Section 12.1.a, a formal written arbitration demand is filed with the organization selected, and you either (A) pay your share of arbitration filing fees or (B) include in your written arbitration demand a request that we advance your share of arbitration filing fees. Subject to the tolling provisions of Section 12.1.b.iii, neither sending a Claim notice alone nor requesting mediation constitutes initiation of arbitration for statute of limitations purposes. A business representative (either an employee or principal, the choice of whom shall be at the producing party's discretion) for both of you and us shall attend any Arbitration hearing, whether in-person or by remote video conference. 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 15 days to make objections, and the arbitrator shall notify the parties of their decision within 20 days of any objecting party's submission. Notwithstanding the previous sentence, if a Claim is for: (1) $100,000 or less, you or we may elect to have the arbitration 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, with no discovery; (2) more than $100,000 and less than $1,000,000, you and we shall be entitled to limited discovery, which shall include reasonable discovery of hard-copy and electronically stored information, including not more than four custodians, the selection of which is to be 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, but shall not include depositions; or (3) $1,000,000 or more, or includes a request for injunctive relief, you and we shall be entitled to reasonable document and deposition discovery, including reasonable discovery of electronically stored information and no more than 10 depositions for each side, 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. With respect to awards of $500,000 or more and/or where injunctive relief is ordered by the arbitrator, either party can initiate an appeal by notifying the arbitration organization and all parties in writing within 60 days after the arbitrator's award is issued, after which the parties will select a three-arbitrator panel administered by the selected arbitration organization, which shall reconsider de novo any aspect requested of that award and whose decision (or

award (if no written decision is timely requested)) is final and binding; the appeal will otherwise proceed pursuant to the arbitration organization's appellate rules. At the timely request of a party, the arbitrator(s) shall provide a written and reasoned opinion explaining their award. The arbitrator's decision is final and binding, subject to each party's right to appeal as stated in this Section 12.1.c and/or to challenge or appeal an arbitration award pursuant to the FAA. If more than 60 days after the written arbitration decision is issued, a party fails to satisfy or comply with an award or file a notice of appeal, if applicable, the other party shall have the right to seek judicial confirmation of the award in any state or federal court where the party who failed to satisfy or comply has its headquarters or its assets located.

(viii) **Confidential Proceedings**. The Claim, Claim notice, any subsequent arbitration proceeding and all testimony, filings, documents, and any information relating to or presented during the proceedings are 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, negotiations, mediation, 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 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. However, nothing in the foregoing provision shall prevent you or us from asserting that a final and binding arbitration award or judgment has preclusive effect in a subsequent arbitration of the same Claim between you and us.

(ix) **Costs of Arbitration Proceedings**. Except where otherwise provided in the Agreement, you will be responsible for paying your legal fees, your witness fees (including expert witnesses), and your share of any arbitration fees (including filing, administrative, hearing and/or, all other fees). At your written request, we will consider in our sole discretion making, but will not be required to make, a temporary advance of your 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 your favor for a net award in an amount greater than any settlement offer we made to you before any final arbitration award is announced, that arbitrator's award will include any money to which you are entitled pursuant to the award, but in no case less than $5,000. If the arbitrator determines that the claims or defenses of a party to the arbitration lacked merit and were presented in bad faith or for purposes of harassment, the arbitrator shall award to the other party such fees and costs as reasonably incurred in responding to the improperly presented claims or defenses.

d. Interest. To the extent permitted by Applicable Law, the parties expressly disclaim any entitlement to prejudgment, post-verdict, or post-judgment interest imposed by New York law or any other Applicable Law. If Applicable Law does not permit disclaiming such interest, any interest awarded by a court, tribunal, or arbitrator related to a Claim shall be calculated using a rate equivalent of the weekly average 1-year constant maturity Treasury yield, as published by the Board of Governors of the Federal Reserve System, for the calendar week preceding the date of the judgment, but in no event shall the interest rate exceed 5%. Any award for prejudgment, post-verdict, or post-judgment interest, if not permitted to be disclaimed under Applicable Law pursuant to the first sentence of this paragraph, shall use this rate and this rate only.

e. Definitions. For purposes of this Section 12.1 only, (i) we, our, and us include any of our Affiliates, licensees, predecessors, successors, or assigns, any purchasers of any receivables, and all agents, directors, and representatives of any of the foregoing, (ii) you and your include any of your 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* includes any allegation of an entitlement to relief, whether damages, injunctive or any other form of relief, against American Express, Merchant or any

other entity that American Express has the right to join in or control its resolution, including any transaction using an American Express product or network or issue regarding an American Express policy or procedure.

f. Continuation. This Section 12.1 survives termination of the Agreement, any legal proceeding to collect a debt, any bankruptcy and any sale of you or your assets (in the case of a sale, its terms apply to the buyer). If any portion of this Chapter 12, except as otherwise provided in the Limitations on Arbitration subsection, is deemed invalid or unenforceable, it does not invalidate the remaining portions of this Section 12.1, the Agreement, or any predecessor agreement you may have had with us, each of which is enforceable regardless of such invalidity.

g. Amendments. A Claim shall proceed under the version of this Section 12.1 in place at the time that notice was provided of the Claim or, if you earlier opted out of accepting the Card pursuant to the Agreement, the version of this Section 12.1 in effect at the time of your opt-out is the version that applies.

12.2 Arbitration Agreement (as to Claims involving American Express) (Canada)

In the event that a Merchant or its Merchant Services Provider is not able to resolve a Claim against American Express, or a claim against Merchant Services Provider or any other entity that American Express has a right to join, this section explains how Claims may be resolved through arbitration. Merchant or American Express may elect to resolve any Claim by binding individual arbitration. Claims will be decided by a neutral arbitrator.

a. Definitions. For purposes of this section, the following definitions apply (i) American Express means Amex Bank of Canada and 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, (ii) Claim means any claim, dispute, or controversy between Merchant and American Express whether contractual, extra-contractual, tortious or statutory arising from or relating to the Merchant Agreement (including the validity or enforceability or scope of this arbitration provision) or the relationship resulting from the Merchant Agreement or otherwise related to the acceptance, processing or settlement of American Express Cards. Claim also includes any claim, dispute, or controversy that may arise from or relates to American Express' ordinary business practices, policies and procedures, or that American Express has the right to join, and (iii) Merchant Agreement means the Agreement between Merchant and Merchant Services Provider to which American Express is a third party beneficiary (conferring on us beneficiary rights, but not obligations), and (iv) Merchant includes its affiliates, licensees, predecessors, successors, or assigns, any purchasers of any receivables and all agents, directors, and representatives of any of the foregoing.

b. Asserting a Claim. All Claims will be resolved exclusively by arbitration pursuant to this section, except as otherwise provided for herein. Merchant agrees to use commercially reasonable efforts to settle any Claim within thirty (30) days following the time that a Claim is raised.

c. Arbitration. A Claim that is not resolved directly between the parties thereto within sixty (60) days will be resolved pursuant to this section and the National Arbitration Rules (Rules) of ADR Institute of Canada, Inc. (Administrator) or its successors or replacement Administrator. The parties agree that the *ADR Institute of Canada Arbitration Rules and Fee Schedule* shall apply, including any procedures governing multiple or consolidated claims. If the ADR Institute of Canada ceases operations, declines, or is unable to administer the arbitration, Claims shall be referred to another recognized arbitration organization in Canada mutually agreed upon in writing by the parties. For a copy of the Rules, to file a claim, or for other information about the Administrator contact: ADR Institute, 234 Eglinton Avenue East, Suite 500, Toronto, Ontario M4P 1K5; email admin@adric.ca. Prior to the initiation of any Claim, American Express has the right to change or replace the Administrator or the Rules in its sole discretion. For the avoidance of doubt, any disputes arising out of or related to the enforceability, scope, or validity of this Section 12.2 shall be decided by an arbitrator and not by a court or judge.

This document contains sensitive, confidential and trade secret information, and must not be disclosed to third parties without the express prior written consent of American Express.

d. **Small Claims Court Proceedings and Complaint Procedures.** Notwithstanding anything to the contrary in this section, Merchant may pursue any Claim without resort to arbitration in a small claims court of the province or territory of Merchant's main business office in Canada, so long as the Claim is individual, within the jurisdiction of, and pending only in that court.

e. **Consolidation.** Merchant acknowledges and agrees that individual arbitration provides a more efficient and cost effective method of resolving Claims than court litigation. All Claims will be arbitrated on an individual basis. Claims brought by Merchant against American Express or by American Express against Merchant may be joined, heard one after the other, or consolidated as the arbitrator may direct in arbitration with Claims brought by or against someone other than Merchant, if agreed to in writing by all relevant. Merchant further agrees that the arbitrator will have no jurisdiction or authority to consider any Claim brought on a class action or representative party basis.

f. **Arbitration Procedures and Appeal.** The arbitrator will take reasonable steps to preserve the privacy of individuals and of business matters. Where the Claim being arbitrated is for an amount less than $50,000, there will be no oral discoveries or oral hearing subject to the discretion of the arbitrator to direct otherwise. The arbitrator's decision will be final and binding. However, where an appeal is not prohibited by statute, any party can appeal the award to an appeal panel administered by the Administrator, which will consider anew any aspect of the initial award objected to by the appealing party. Where the award under appeal is for $50,000 or less, the appeal will be to a single appeal arbitrator and where the award under appeal is for more than $50,000, the appeal will be to a three-member appeal panel. The appealing party will have thirty (30) days from the date of entry of the written arbitration award to notify the Administrator that it is exercising the right of appeal. The Administrator will then notify the other party that the award has been appealed. The Administrator will appoint the appeal panel that will conduct arbitration pursuant to the Rules and issue its decision within one hundred and twenty (120) days of the date of the appealing party's written notice. The decision of the three-member appeal panel will be by majority vote. The appeal decision will be final and binding and there will be no further appeal. The appeal decision will be considered as a final award.

g. **Location of Arbitrations/Payment of Fees.** Any arbitration hearing that Merchant attends will take place in the city of Toronto, Ontario. The arbitrator and, where applicable, the appeal panel shall be entitled to fix the costs and expenses of the arbitration, including reasonable legal fees, the costs and expenses of the arbitration and appeal, and the fees of the arbitrator, appeal panel, and Administrator. Except where otherwise provided in the Agreement, you will be responsible for paying your legal fees, your witness fees (including expert witnesses), and your share of any arbitration fees (including filing, administrative, hearing and/or, all other fees).

h. **Limitation of Rights.** If arbitration is chosen by either Merchant or American Express to resolve a Claim, neither Merchant nor American Express will have the right to litigate the Claim in a court action.

i. **Survival.** This arbitration section shall survive termination or expiration of the Merchant Agreement.

j. **Amendments.** A Claim shall proceed under the version of this Section 12.2 in place at the time that notice was provided of the Claim or, if you earlier opted out of accepting the Card pursuant to the Agreement, the version of this Section 12.2 in effect at the time of your opt-out is the version that applies.

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AMERICAN EXPRESS

Data Security Requirements

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AMERICAN EXPRESS

DSR Summary of Changes

Icons Used

Important updates are listed in the Summary of Changes Table and also indicated in the *DSR* with a change bar. Change bars are vertical lines in the left margin that identify revised, added, or removed text. A change bar is a vertical line, usually in the left margin, that identifies added or revised text. Only substantial changes in the *DSR* with potential impacts to a Merchant's operational procedures are indicated with a change bar as shown in the left margin.



Removed text is referenced in this Summary of Changes using the section numbering from the previous publication to avoid confusion. Removed text is highlighted with a trash can icon placed in the margin next to any significant deletion of text, including sections, tables, paragraphs, notes, and bullet points.

Blue lines bordering paragraphs indicate region-specific information.

Summary of Changes Table

Other important updates are listed in the following table and are also indicated in the *DSR* with a change bar.

Section/Subsection	Description of Change
There are no changes for this release.	

Section 1 Introduction

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, Service Providers, and card 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 Merchants (you) share similar concern and therefore you should, as part of your responsibilities, comply with the data security provisions in your Agreement with your Merchant Services Provider and these Data Security Requirements (DSR), which American Express may amend from time to time. These requirements are relevant to all your equipment, systems, and networks (and their components) on which Encryption Keys, Cardholder Data, or Sensitive Authentication Data (or a combination of those) are stored, processed, or transmitted.

Capitalized terms used but not defined herein have the meanings ascribed to them in the glossary at the end of this section.

The Data Security Requirements (DSR) is a set of comprehensive policy requirements designed to protect Account Data whenever such data is stored, processed, or transmitted.

American Express requires all Merchants and their Merchant Services Provider to be Payment Card Industry Data Security Standard (PCI DSS) compliant. As part of that requirement, 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.
- Comply with the current PCI DSS and other PCI Security Standards Council (PCI-SSC) Requirements applicable to your processing, storing, or transmitting of Encryption Keys, Cardholder Data, or Sensitive Authentication Data, no later than the effective date for implementing that version of the applicable requirement.
- Ensure PCI-approved products are used when deploying or replacing technology to store, process, or transmit data.

You must protect all American Express 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 these data security provisions (other than for demonstrating your Covered Parties' compliance with this policy under Section 2, "PCI DSS Compliance Program (Important Periodic Validation of Merchant Systems)" except as otherwise provided in that section.)

Section 2 PCI DSS Compliance Program (Important Periodic Validation of Merchant Systems)

You must take the following actions to validate under PCI DSS annually and quarterly as described below, the status of your and your Franchisees' equipment, systems, and/or networks (and their components) on which Cardholder Data or Sensitive Authentication Data 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 Merchant Level and Validation Requirements.

Action 3: Complete the Validation Documentation that you must send to your Merchant Services Provider.

Action 4: Send the Validation Documentation to your Merchant Services Provider 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 data security contact. You must submit this information to your Merchant Services Provider. You must notify your Merchant Services Provider if this information changes, providing updated information where applicable. Your failure to provide such contact information may result in the assessment of non-compliance fees. Please contact your Merchant Services Provider for more information regarding its data security compliance requirements.

American Express may designate, at its sole discretion, certain Level 3 and Level 4 Merchants participation in American Express' compliance program under this policy by sending them written notice. The Merchant must enroll in the compliance program no later than 90 days following receipt of the notice.

Action 2: Merchant Level and Validation Requirements

Merchants have four (4) possible classifications regarding their level and validation requirements. After determining the Merchant level from the list below, see the Merchant Table to determine validation documentation requirements.

Table A-1: Merchant Provider Levels

Merchant Provider Level	Annual American Express Transactions
Level 1 Merchant	2.5 million American Express Card Transactions or more per year; or any Merchant that American Express otherwise, in its discretion, assigns a Level 1.
Level 2 Merchant	50,000 to fewer than 2.5 million American Express Card Transactions per year.
Level 3 Merchant	10,000 to fewer than 50,000 American Express Card Transactions per year.
Level 4 Merchant	Fewer than 10,000 American Express Card Transactions per year.

Table A-2: Merchant Validation Documentation

Merchant Level/ Annual American Express Transactions	Report on Compliance Attestation of Compliance (ROC AOC)	Self Assessment Questionnaire Attestation of Compliance (SAQ AOC) AND Quarterly External Network Vulnerability Scan (Scan)
Level 1/ 2.5 million or more	Mandatory	Not applicable
Level 2/ 50,000 to fewer than 2.5 million	Optional	SAQ AOC mandatory (unless submitting a ROC AOC); scan mandatory with certain SAQ types
Level 3/* 10,000 to fewer than 50,000	Optional	SAQ AOC optional (mandatory if required by American Express); scan mandatory with certain SAQ types
Level 4/* fewer than 10,000	Optional	SAQ AOC optional (mandatory if required by American Express); scan mandatory with certain SAQ types

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

American Express may have 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.

Action 3: Complete the Validation Documentation

The following documents are required for different levels of Merchants as indicated in the Merchant Table above that you must send, if required, to your Merchant Services Provider.

You must provide the Attestation of Compliance (AOC) for the applicable assessment type. The AOC is a declaration of your compliance status and, as such, must be signed and dated by the appropriate level of leadership within your organization.

In addition to the AOC, American Express may require you to provide a copy of the full assessment and, at our discretion, additional supporting documents demonstrating compliance with the PCI DSS requirements. This Validation Documentation is completed at your expense.

Report on Compliance Attestation of Compliance (ROC AOC) - (Annual Requirement) – The Report on Compliance documents the results of a detailed onsite examination of your equipment, systems, and networks (and their components) where Cardholder Data or Sensitive Authentication Data (or both) are stored, processed, or transmitted. The Report on Compliance must be performed by:

- a QSA or
- an Internal Security Assessor (ISA) and attested by your chief executive officer, chief financial officer, chief information security officer, or principal.

The AOC must be signed and dated by a QSA or ISA and the authorized level of leadership within your organization and provided to your Merchant Services Provider at least once per year.

This document contains sensitive, confidential and trade secret information, and must not be disclosed to third parties without the express prior written consent of American Express.

Self-Assessment Questionnaire Attestation of Compliance (SAQ AOC) - (Annual Requirement) – The Self- Assessment Questionnaires allow self-examination of your equipment, systems, and networks (and their components) where Cardholder Data or Sensitive Authentication Data (or both) are stored, processed, or transmitted. There are multiple versions of the SAQ. You will select one or more based on your Cardholder Data Environment.

The SAQ may be completed by personnel within your Company qualified to answer the questions accurately and thoroughly or you may engage a QSA to assist. The SAQ AOC must be signed and dated by the authorized level of leadership within your organization and provided to your Merchant Services Provider at least once per year.

Approved Scanning Vendor External Network Vulnerability Scan Summary (ASV Scan) - (90 Day Requirement) – An external vulnerability scan is a remote test to help identify potential weaknesses, vulnerabilities, and misconfigurations of internet-facing components of your Cardholder Data Environment (e.g., websites, applications, web servers, mail servers, public-facing domains, or hosts).

The ASV Scan must be performed by an Approved Scanning Vendor (ASV).

If required by the SAQ, the ASV Scan Report Attestation of Scan Compliance (AOSC) or executive summary including a count of scanned targets, certification that the results satisfy PCI DSS scanning procedures, and compliance status completed by ASV, must be submitted to your Merchant Services Provider at least once every 90 days.

If submitting a ROC or AOC you are not required to provide an AOSC or ASV Scan executive summary unless specifically requested. For the avoidance of doubt, Scans are mandatory if required by the applicable SAQ.

Non Compliance with PCI DSS - (Annual, 90 Day and/or Ad Hoc Requirement) – If you are not compliant with the PCI DSS, then you must submit a PCI Prioritized Approach Tool (PAT) Summary (available for download via the PCI Security Standards Council website).

The PAT Summary 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 your Merchant Services Provider. You shall provide your Merchant Services Provider with periodic updates of your progress toward remediation of your Non-Compliant Status (Level 1, Level 2, Level 3, and Level 4 Merchants). Remediation actions necessary to achieve compliance with PCI DSS are to be completed at your expense.

American Express will not impose non-compliance fees prior to the remediation date. You should reach out to your Merchant Services Provider for more information on non-compliance fees, you remain liable to American Express for all indemnity obligations for a Data Incident and are subject to all other provisions of this policy.

American Express, at its sole discretion, retains the right to impose non-compliance fees if:

- a PCI Prioritized Approach Template has not been submitted in accordance with the requirements stated in this section,
- the remediation steps outlined in the PCI Prioritized Approach Template for Non-Compliant Status were not met,
- any of the requirements of the PCI Prioritized Approach Template for Non-Compliant Status were not fulfilled, or
- the mandatory compliance documentation was not provided to American Express by the applicable deadline or upon request.

Merchants that do not comply with the requirements detailed in Action 2: Merchant Level and Validation Requirements, may be subject to fees as stated in Action 4: Send the Validation Documentation to your Merchant Services Provider.

This document contains sensitive, confidential and trade secret information, and must not be disclosed to third parties without the express prior written consent of American Express.

Action 4: Send the Validation Documentation to your Merchant Services Provider

All Merchants required to participate in the American Express PCI Compliance Program must submit the Validation Documentation marked "mandatory" in the table in Merchant Level and Validation Requirements.

You must submit your Validation Documentation to your Merchant Services Provider.

By submitting Validation Documentation, you represent and warrant to American Express that the following is true (to the best of your ability):

- Your evaluation was complete and thorough;
- The PCI DSS status is accurately represented at the time of completion, whether submitting the Attestation of Compliance (AOC) or a PCI Prioritized Approach Tool (PAT) Summary for non-compliance;
- 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.

Non-Validation Fees and Termination of Agreement

American Express and your Merchant Services Provider may have the right to impose non-validation fees on you and terminate Card acceptance if you do not fulfill these requirements or fail to provide the mandatory Validation Documentation by the applicable deadline. Your Merchant Services Provider will notify you separately of the applicable deadline for each annual and quarterly reporting period.

If your Merchant Services Provider does not receive your mandatory Validation Documentation, then your Merchant Services Provider may have the right to terminate the Agreement in accordance with its terms as well as impose non-validation fees on you.

Section 3 Data Incident Management Obligations

You must notify your Merchant Services Provider immediately and in no case later than seventy-two (72) hours after discovery of a Data Incident. In addition:

You must conduct a thorough investigation of each Data Incident and promptly provide to American Express all Compromised Card Numbers. American Express reserves the right to conduct its own internal analysis to identify data involved in the Data Incident.

For Data Incidents involving fewer than 10,000 unique Card Numbers, an investigation summary must be provided to American Express within ten (10) business days of its completion.

- Investigation summaries should contain the following information: incident summary, description of the affected environment(s), timeline of events, key dates, impact and data exposure details, containment and remediation actions, and attestation there is no indication additional American Express data is at-risk.

For Data Incidents involving 10,000 or more unique Card Numbers, you must engage a PCI 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.
- 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 verify your ability to prevent future Data Incidents by (i) providing a plan for remediating all PCI DSS deficiencies, and (ii) participating in the American Express compliance program (as described below). Upon American Express' request, you

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shall provide validation by a Qualified Security Assessor (QSA) that the deficiencies have been remediated.

Notwithstanding the foregoing paragraphs of this Section 3, "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 fewer than 10,000 unique Card Numbers or where multiple incidents have occurred within a 12-month period. Any such investigation must comply with the requirements set forth above in this Section 3, "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 must assess the Data Incident under applicable data breach notification laws globally and, where deemed necessary, notify applicable regulators and impacted Cardmembers in accordance with such data breach notification laws. If you have determined that your Service Provider or another entity is responsible for reporting the Data Incident, you shall advise such Service Provider or entity of its duty to assess its reporting obligations under applicable data breach notification laws. You agree to obtain written approval from American Express prior to referencing or naming American Express in any communications to Cardmembers about the Data Incident.

You must work with your Merchant Services Provider and American Express to provide details and rectify any issues arising from the Data Incident, providing (and obtaining any waivers necessary to provide) to your Merchant Services Provider 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 may have the right to disclose information about any Data Incident to American Express 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.

Section 4 Targeted Analysis Program (TAP)

Cardholder Data compromises may be caused by data security gaps in your Cardholder Data Environment (CDE). 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.

TAP is designed to identify potential Cardholder Data compromises.

You must, and you must cause your Covered Parties to, comply with the following requirements upon notification from American Express or your Merchant Services Provider, of a potential Cardholder Data compromise.

- 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 or your Merchant Services Provider.
- You must provide updated PCI DSS validation documents in accordance with Section 2, "PCI DSS Compliance Program (Important Periodic Validation of Merchant Systems)".
- As applicable, you must engage a qualified PCI Forensic Investigator (PFI) to examine your CDE if you or your Covered Party:
  - Cannot resolve the Cardholder Data compromise within a reasonable period of time, as determined by American Express, or
  - Confirm that a Data Incident has occurred and comply with the requirements set forth in Section 3, "Data Incident Management Obligations".

If you cannot meet these obligations, your Merchant Services Provider may have the right to terminate the Agreement in accordance with its terms as well as impose non-compliance fees on you.

Section 5 Glossary

For purposes of this policy chapter, the following definitions apply:

American Express Card, or **Card** means any card, account access device, or payment device or service bearing American Express' or an affiliate's name, logo, trademark, service mark, trade name, or other proprietary design or designation and issued by an issuer or a card account number.

Approved Point-to-Point Encryption (P2PE) Solution any solution included on PCI SSC list of validated solutions or validated by a PCI SSC Qualified Security Assessor P2PE Company.

Approved Scanning Vendor (ASV) means 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.

Attestation of Compliance (AOC) means 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) means 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.

Cardholder Data the meaning given to it in the then-current Glossary of Terms for the PCI DSS.

Cardholder Data Environment (CDE) means the people, processes, and technology that store, process, or transmit cardholder data or sensitive authentication data.

Cardmember means 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.

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

Charge means a payment or purchase made on a Card.

Chip means an integrated microchip embedded on a Card containing Cardmember and account information.

Chip Card means 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).

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Chip-Enabled Device means a point-of-sale device having a valid and current EMVCo (www.emvco.com) approval/certification and be capable of processing AEIPS compliant Chip Card Transactions.

Compromised Card Number means an American Express Card account number related to a Data Incident.

Covered Parties means 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.

Data Incident means 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, or provide, or make available;
- 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 means the window of intrusion (or similarly determined period of time) set forth in the final forensic report (e.g., PFI report), or if unknown, up to 365 days prior to the last Notification Date of potentially Compromised Card Numbers involved in a Data Compromise reported to us.

EMV Specifications means the specifications issued by EMVCo, LLC, which are available at www.emvco.com.

EMV Transaction means an integrated circuit card (sometimes called an "IC Card," "chip card," "smart card," "EMV card," or "ICC") Transaction conducted on an IC card capable point of sale (POS) terminal with a valid and current EMV type approval. EMV type approvals are available at www.emvco.com.

Encryption Key (American Express encryption key) means 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 (CSCKs)
- PIN Keys: Base Derivation Keys (BDKs), PIN Encryption Key (PEKs), and ZPKs

Forensic Incident Final Report Template means the template available from the PCI Security Standards Council which is available at www.pcisecuritystandards.org.

Franchisee means 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.

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Franchisor means 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 means 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 means a Merchant with 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 means a Merchant with 50,000 to 2.5 million American Express Card Transactions per year.

Level 3 Merchant means a Merchant with 10,000 to 50,000 American Express Card Transactions per year.

Level 4 Merchant means a Merchant with less than 10,000 American Express Card Transactions per year.

Merchant means the merchant and all of its affiliates that have entered into a legally binding merchant agreement with a Merchant Services Provider based in the specified region to accept the American Express® Card.

Merchant Services Provider means the Merchant's payment card processor or any Entity with which Merchant receives merchant processing services. These services may include, but are not limited to, processing transactions, facilitating authorizations on purchases, and capturing data, merchant accounting, backroom operations (e.g., chargebacks and detecting fraud), provision of point of sale equipment, solutions, or systems, sales, or customer service.

Notification Date means 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 Secure Software Standard and Secure Software Life Cycle Standard, which is available at www.pcisecuritystandards.org

Payment Card Industry Security Standards Council (PCI SSC) Requirements means the set of standards and requirements related to securing and protecting payment card data, including the PCI DSS and PA DSS, available at www.pcisecuritystandards.org.

PCI-Approved means a PIN Entry Device or a Payment Application (or both) 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 www.pcisecuritystandards.org.

PCI DSS means the Payment Card Industry Data Security Standard, which is available at www.pcisecuritystandards.org.

PCI Forensic Investigator (PFI) means 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 means the Payment Card Industry PIN Security Requirements which is available at 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 (PTS) Point of Interaction (POI), Modular Security Requirements, which is available at www.pcisecuritystandards.org.

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Point of Sale (POS) System means 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.

Point-to-Point Encryption (P2PE) means a solution that cryptographically protects account data from the point where a merchant accepts the payment card to the secure point of decryption.

Processor means a service provider to Merchants who facilitate authorization and submission processing to the American Express network.

Qualified Security Assessor (QSA) means an entity that has been qualified by the Payment Card Industry Security Standards Council, LLC to validate adherence to the PCI DSS.

Risk-Mitigating Technology means Technology solutions that improve the security of American Express Cardholder Data and Sensitive Authentication Data, as determined by American Express. To qualify as 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.

Self-Assessment Questionnaire (SAQ) means 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 it in the then-current Glossary of Terms for the PCI DSS.

Service Providers means authorized processors, third party processors, gateway providers, integrators of POS Systems, and any other providers to Merchants of POS Systems, or other payment processing solutions or services.

Targeted Analysis Program means a program that provides early identification of a potential Cardholder Data compromise in your Cardholder Data Environment (CDE). See Section 4, "Targeted Analysis Program (TAP)".

Transaction means a Charge or a Credit completed by means of a Card.

Validation Documentation means 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 Security Technology Enhancement Program Attestation.

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Glossary of Terms

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 Account 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.

Advance Payment
A Charge for which full payment is made in advance of Merchant 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 Merchant's Marks or holds itself out to the public as a member of Merchant's group of companies.

Aggregated Transaction
The combining of two (2) or more individual purchases, refunds, or both, incurred on the same Card Account Number and Merchant Account Number into one (1), larger Transaction. American Express also uses the following term in the Agreement to refer to Aggregated Transaction: Aggregated Charge.

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 merchant processing agreement or sponsored merchant agreement and any accompanying schedules and exhibits, collectively, between Merchant and its Merchant Services Provider.

American Express
American Express Payment Services Limited; Amex Bank of Canada; American Express Travel Related Services Company, Inc.; American Express Company (Mexico) S.A. de C.V.; American Express Argentina S.A.; American Express Australia Limited; and American Express Payments Europe S.L.; also referred to as "we" or "us" in this *Merchant Operating Guide*.

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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 bearing an American Express or an American Express Affiliate's Marks and issued by an Issuer or (ii) a Card Account. Card also includes any card or other account access device or service issued by a Third Party Issuer and bearing such Third Party Issuer's name or Marks but not the Marks of American Express.

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 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 (U.S., APAC, EMEA, LAC)

(i) Any law, statute, regulation, ordinance, or subordinate legislation in force from time to time to which Merchant or its Merchant Services Provider 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.

Applicable Law (Canada)

(i) Any law, statute, regulation, ordinance, or subordinate legislation in force from time to time to which Merchant or their Merchant Services Provider is subject, (ii) the common law as applicable from time to time to the Merchant, their Merchant Services Provider, American Express, or any Affiliates, (iii) any court order, judgment, or decree that is binding on the Merchant, their Merchant Services Provider, American Express, or any Affiliates, and (iv) any directive, policy, rule, guidance, or order that is binding on the Merchant, their Merchant Services Provider, American Express, or any Affiliates and that is made or given by a regulator or other government or government agency department or other administrative body, commission or bureau, or other body exercising adjudicative, regulatory, judicial or quasi-judicial powers of any national, federal, commonwealth, state, provincial, or local jurisdiction, and (v) the Code of Conduct and any other code or public commitment to which American Express subscribes or is otherwise binding on the Merchant, their Merchant Services Provider, American Express, or any Affiliates.

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.

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Assured Reservation Program
A program that allows Cardmembers to contact a participating property or rental agency to make an Assured Reservation and guarantee the hotel 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 Adjustment
The Authorization Adjustment message allows Acquirers and their Merchants to adjust the Transaction amount when the final Transaction amount is lower than the amount previously authorized. This allows the Issuer to release any hold on available funds on a Cardmember's Card Account for excess amounts authorized without waiting to receive the Presentment message containing the final Transaction amount.

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.

Bank Account
An account that Merchant holds at a bank or other financial institution.

Batch
A group of Transactions, submitted to your Merchant Services Provider, usually on a daily basis.

Cannabis (Canada)
A cannabis plant and anything referred to in Schedule 1 of the Cannabis Act, including the phytocannabinoids produced by, or found in, such a plant, regardless of whether that part has been processed or not, any substance or mixture of substances that contains or has in it any part of such a plant and any substance that is identical to any phytocannabinoid produced by, or found in, such a plant, regardless of how the substance was obtained or created but does not include anything referred to in Schedule 2 of the Cannabis Act, as may be amended.

Cannabis-related Business (Canada)
Any activity (for commercial purposes or otherwise) related to the cultivation, production, handling, distribution, and/or sale of Cannabis Products.

Cannabis Distributor (Canada)
An Entity (including a government Entity) operating a Cannabis-related Business that has a license from or is otherwise lawfully authorized by a Canadian federal, provincial, or territorial governmental authority to purchase Cannabis and Cannabis Products from licensed producers and to distribute such products to Cannabis Retailers.

Cannabis Products (Canada)
Cannabis and any item made with Cannabis including derivative products and related accessories.

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Cannabis Retailer (Canada)
An Entity (including a government Entity) operating a Cannabis-related Business that has a license from or is otherwise lawfully authorized by a Canadian federal, provincial, or territorial governmental authority to sell Cannabis and Cannabis Products to consumers.

Cannabis Transaction (Canada)
A Charge or a Credit completed by the means of the Card in relation to Cannabis Transactions.

Card—See American Express Card or Cards.

Card Account
An account established by an Issuer with a Person upon the issuance of one (1) or more Cards.

Card Data
Includes the following elements: Cardmember name, Card Account, Expiration Date, Charge date, the amount of the Charge, the Approval, description of goods and services, Merchant name, Merchant address, 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 your Merchant Services Provider, American Express, or Applicable Law.

Card Identification (CID) Number
A four-digit number printed on the Card. See Section 5.7, "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 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.

Cardmember (also referred to as Card Member)
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 Accounts, and CID Numbers.

Cardmember-Initiated Transaction (CIT)
A Transaction which involves the direct participation of the Cardmember.

Charge
A payment or purchase made on the Card, excluding any payment or purchase that you route to a network other than the American Express Network.

Charge Data
Data to be included in Submissions of Charge Records.

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Chargeback
When used as a verb, means (i) your Merchant Services Provider's reimbursement from you for the amount of a Charge charged back to you, or (ii) your Merchant Services Provider's reversal of a Charge for which it has not paid you; when used as a noun, means the amount of a Charge subject to reimbursement from you or reversal.

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.

Chip
An integrated microchip embedded on a Card containing Cardmember and Card 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 Card Account information contained in the Chip, or both, (sometimes called a "smart Card", an "EMV Card", or an "ICC" or "integrated circuit Card" in American Express' materials).

Chip Card Data
The information contained in the Chip on a Chip Card that is used to process Transactions.

Clearing Record
Previously referred as Charge Record. The record submitted for Clearing for a Cardmember's Charge or Credit Transaction containing the details of any Transaction carried out at an ATM or at the POS. American Express also uses the following terms to refer to a Clearing Record: Charge Records, Original Clearing Record, Substitute Clearing Record, Transaction Log, and Copy.

Code 10
A phrase that a Merchant communicates to its Merchant Services Provider to alert of a possible suspicious Card and/or Transaction. Code 10 situations usually occur during Authorization.

Code of Conduct (Canada)
The Code of Conduct for the Payment Card Industry in Canada, as previously known as the Code of Conduct for the Credit and Debit Card Industry in Canada and as amended, revised, replaced, supplemented, modified, or restated from time to time, and any directive, policy, rule, guidance or order related to the interpretation or enforcement of the Code of Conduct that is binding on American Express and that is made or given by a regulator, or other government agency department exercising adjudicative, regulatory, judicial, or quasi-judicial powers.

Collusion
Any Transaction, activity, or agreement conducted by a Merchant or its agent with another party, including another Merchant or a Cardmember, which the Merchant knew or should have known was not legitimate, or carried out in violation of Chapter 9, "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. Please contact your Merchant Services Provider for additional information regarding Compelling Evidence.

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Consumer Device Cardholder Verification Method (CDCVM)
An Issuer approved, American Express recognized Cardholder Verification Method 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.

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.

Credentials-on-File
Any Cardmember account data, including but not limited to PAN or Token, that is stored by Merchants. Merchants may store Credentials-on-File to initiate Merchant-Initiated Transactions and Cardmembers may use their Credentials-on-File to initiate Cardmember-Initiated Transactions.

Credit
The amount of the Charge that Merchant refunds to Cardmembers for purchases or payments made on the Card.

Credit Record
A record of Credit that complies with American Express' requirements.

Cryptocurrency
A digital asset recognized as a medium of exchange, unit and/or store of value that employs blockchain technology and cryptography to submit and verify Transactions.

Customer Activated Terminal (CAT)
An unattended POS System (e.g., gasoline pump, electric vehicle charging station, vending machine, check-out kiosk). Sometimes referred to as an unattended terminal in our materials.

Data Security Requirements (DSR)
The American Express data security policy for Merchants, as described in Chapter 8, "Protecting Cardmember Information" of the *Merchant Operating Guide* and is also made available to Merchants at www.americanexpress.com/dsr.

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.

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Delayed Delivery Charge
A single purchase for which Merchant must create and submit two separate Clearing Records. The first Charge Record is for the deposit or down payment and the second Clearing Record is for the balance of the purchase.

Deny List
A list of Card Accounts 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.

Disputed Charge
A Charge about which a claim, complaint, or question has been brought.

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.

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 Authorization
An Authorization for an estimated amount that differs from the final submission amount.

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.

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Estimated Vehicle Rental Charge
The rental rate multiplied by the rental period reserved by the Cardmember, plus taxes and 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.

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

Fraud Full Recourse Program
One of American Express' Chargeback programs.

Goods
Tangible commodities manufactured or produced for sale (e.g., wares, merchandise).

Guaranteed Reservations
Previously referred to as No Show Reservation Program or Assured Reservations. Allows Cardmembers to guarantee their reservation at participating properties or rental agencies through the use of their Card, and also guarantees payment to hotel Merchants of one (1) night's rate should the Cardmember either not utilize the reservation or cancel within the proper timeframe.

Imprint
Cardmember data transferred from a Card to a Transaction receipt to complete a Transaction. An Imprint may be an electronic Imprint or a manual Imprint. A manual Imprint is the imprint of the embossed data taken with a manual imprinter. A pencil rubbing or photocopy of the Card is not considered proof of a valid Imprint.

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 American Express' Fraud Full Recourse Program.

Immediate Chargeback Program
One of American Express' Chargeback programs.

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
A request for information about a Disputed Charge.

Installment Payment Transaction
A transaction that represents a single installment payment in a series of installments over a fixed period.

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Internet Electronic Delivery
The 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.

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.

Japanese Credit Bureau (JCB) Card or Cards (Canada)
(i) Any card, account access device, or payment device or service in each case bearing JCB's Marks and issued by JCB or (ii) a JCB Card Account.

Magnetic Stripe
A stripe on the back of a Card that contains Cardmember and Card Account information in machine readable form.

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 a Merchant Services Provider 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 through Merchant Services Provider. Sponsored Merchants shall be included within the meaning of Merchants.

Merchant Account
An account established by Merchant Services Provider upon entering into an Agreement with a Merchant.

Merchant Category Code
The four (4) digit code used to identify the industry in which the Merchant is doing business.

Merchant-Initiated Transaction (MIT)
A Transaction based on a prior agreement between Cardmember and Merchant that is initiated by the Merchant without direct participation from the Cardmember, through Merchant use of Account Data on File.

Merchant Number
The unique merchant identification number (or MID) provided by Merchant Services Provider to Merchant for submitting transactions.

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Merchant Services Provider
An Entity authorized under the American Express OptBlue® Program to accept Charges from a Merchant pursuant to an Agreement or a Payment Facilitator authorized to accept Charges from a Merchant. These services may include, but are not limited to, processing transactions, facilitating authorizations on purchases, and capturing data, merchant accounting, backroom operations (e.g., chargebacks and detecting fraud), provision of point of sale equipment, solutions, or systems, sales, or customer service.

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 Signature/No PIN Program
A program that allows an Establishment to not request a signature or PIN from Cardmembers. See Section 4.3.2, "No Signature/No PIN Program" for additional information.

Original Transaction Identifier (O-TID)
A Transaction Identifier (TID) generated by the AEGN during an Authorization Request for a Cardmember-Initiated Transaction which links all subsequent Merchant-Initiated Transactions back to the original Cardmember-Initiated Transaction.

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.

Partial Immediate Chargeback Program
One of American Express' Chargeback programs.

Payment Facilitator
A provider of Payment Services, formerly referred to as Payment Aggregator, Payment Service Provider or PSP in American Express materials.

Payment Account Reference
Non-financial reference generated by American Express that is associated with a Primary Account Number (PAN). PAR can be utilized by Acquirers and their Merchants to link the PAN and associated Tokens.

Payment Services
The provision of payment services in connection with Transactions between Cardmembers and Sponsored Merchants whereby the Entity providing such services (and not the Sponsored Merchant), is the Merchant of record, submits Transactions under its Merchant Number and receives 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.

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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.

Prohibited Merchant
A merchant offering goods, services, or operating in industries that are forbidden from participation in the Program.

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.

Record Retention Period
The amount of time you are required to retain the original or electronically stored Clearing Record or Credit Record, and all documents and data evidencing a Transaction, as notified from time to time.

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).

Rental Establishments
Long-term rentals used as primary residences.

Reloadable Prepaid
A Prepaid Card whereby once funds are depleted, it can be reloaded by adding funds to the Card.

Reserve
A fund established from amounts withheld from payments we, or any of our Affiliates, would otherwise make to you, or any of your Affiliates, under the Agreement, or any Other Agreement, and/or funds or other property paid or otherwise delivered 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.

Settlement
The process by which your Merchant Services Provider compiles your debits and credits to calculate a net amount that will be applied to your Bank Account.

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Services
Useful labor that does not provide a tangible commodity and which satisfies some customer demand (e.g., telephone service, airline tickets/travel, meals, professional services).

Split Shipment
A Split Shipment Transaction occurs when a Cardmember makes a single purchase of multiple Goods and the Goods are delivered to the Cardmember in multiple shipments.

Split Tender
The use of multiple forms of payment (e.g., prepaid products, cash, American Express Card) for a single purchase.

Submission
The collection of Transaction Data sent to American Express.

Submission Frequency
The maximum number of days that Transit Transactions can be aggregated before submission is required.

System Outage
The 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 American Express' materials), which American Express may update from time to time.

Telecommunications
Communication services, including personal communication services; cellular, paging, long distance, etc.

Token
A surrogate value that replaces the Card Account.

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.

Transaction Receipt
Previously referred to as Charge. An electronic or paper record of a Transaction generated by the Merchant and provided to a Cardmember.

Transit Access Terminal (TAT)
A Contactless-enabled POS Device that, when “tapped” by an authenticated Contactless Card, allows the Cardmember access to the transit system.

Transit Contactless Transaction
A Contactless (see also Expresspay) Transaction for entry into and/or use of a transit system.

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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.

You and your
The individual or Entity that agrees to be bound by the Agreement with a Merchant Services Provider (sometimes called the "Merchant" or "Establishment" in this *Merchant Operating Guide).*

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