

MERCHANT AGREEMENT

An Agreement made the day of , BETWEEN The Belize Bank Limited (“the Bank”) a company duly incorporated under the Laws of Belize with its registered office at 60 Market Square, Belize City, Belize and (“the Merchant”) with his/its registered office/place of business at

WHEREAS, the Bank is a licensee of various credit and debit cards for the acquiring of credit card transactions from merchants and is authorized to perform various functions and services with respect to the credit and debit cards;

AND WHEREAS, the Merchant is desirous of accepting credit and debit cards licensed by the Bank as payment for goods and or services;

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for other good and valuable consideration, the Bank and the Merchant agree as follows:

1. Definitions.

- (a) **“Association”** means an issuer of any Card for which the Bank is licensed to process Card Transactions.
- (b) **“Authorization”** means a process which examines individual Transactions to determine whether the Card or account of a Cardholder initiating such purchase or service is in conformity with the usage criteria established by the issuer.
- (c) **“Authorization Center”** means a data service providing confirmation as to whether or not a Transaction is approved.
- (d) **“Business Day”** means any day on which the Bank is opened to the public to conduct banking transactions.
- (e) **“Card”** means a valid credit or debit card for which the Bank shall in writing authorize the Merchant to accept.
- (f) **“Cardholder”** means the person or persons in whose name a Card is maintained and who is presenting the Card for payment, or an authorized user or users whose signature appears thereon.
- (g) **“Chargeback”** a refund to a Cardholder resulting from the Cardholder’s dispute with respect to a Transaction.
- (h) **“Credit Voucher”** means a document or an electronic record submitted to the Bank by a Merchant evidencing a refund or price adjustment to be credited to a Cardholder’s account.
- (i) **“Data Capture”** means a computerized process by which the Bank or the Merchant electronically retrieves and records the necessary Card information as required by the Association in order to accept, process and pay the Merchant for Card Transactions accepted by him.
- (j) **“Floor Release Limit”** means the dollar amount set by the Bank from time to time above which the total amount of any Transaction requires Authorization.
- (k) **“Merchant”** means a business entity which accepts Cards as payment for products and services and with which the Bank has contracted to provide the collection of such payments from the Card issuer.
- (l) **“Point of Sale Terminal”** means a communications device used to enter Transaction data into an electronic Card system and/or to authorize Card Transactions.
- (m) **“Sales Draft”** means an instrument or electronic record arising from the use of a Card which evidences an obligation on the part of the Cardholder to pay money to the Card issuer.
- (n) **“Transaction”** means a purchase of goods and/or services by the use of a Card.
- (o) **“Valid Card”** means any card not included in the warning bulletin which has not expired, and where the first four digits of the account number embossed on the card coincide with the four digits printed above or below the said account number.

2. Bank’s responsibilities.

The Bank shall:-

- (a) make available to the Merchant, all equipment, stationery and services necessary for the processing of Card Transactions and other services as may be agreed from time to time by the Bank.
- (b) provide advertising brochures, signs, decals and other promotional materials.
- (c) provide Merchants with warning bulletins which contain the account number of Cards which have been lost, stolen, fraudulently used, of which for any other reason the Card Association does not want honored.
- (d) provide Point of Sale Terminals and printers to the Merchants whose sales volume, in the opinion of the Bank, warrants the use of such equipment; unless purchased outright by the Merchant such equipment shall remain the property of the Bank, and the Bank reserves the right to charge the Merchant a fee for the use of the equipment.
- (e) pay Merchants for Card Transactions which meet the requirements of this Agreement, less the discount agreed on between the parties hereto; such payments shall be made by the Bank to the Merchant no later than three Business Days following presentation of a Sales Draft to the Bank by the Merchant, or after the information has been captured electronically through a Point of Sale Terminal.

3. Merchant’s responsibilities.

The Merchant shall:-

- (a) honor any Valid Card properly tendered for use.
- (b) not engage in acceptance practices or procedures that discriminate against or discourage the use of any Card in favor of other competing cards as varied from time to time by the Bank.
- (c) prominently display all Card marks and logos on promotional material.
- (d) not require a Cardholder to pay any part of the discount levied on the Merchant by the Bank with respect to each Transaction.
- (e) not require or post signs requiring a minimum or maximum Transaction amount.
- (f) not, for the purpose of avoiding the Floor Release Limit, prepare more than one Sales Draft to effect a Transaction.
- (g) not process for payment any Transaction(s) representing the refinancing of an existing debt of a Cardholder including, but not limited to, obligations:
 - (i) previously owed to the Merchant (except where the refinancing results from a conversion of the Merchant’s existing credit program to a Card program)
 - (ii) arising from the dishonor of a Cardholder’s personal check, and/or
 - (iii) representing the collection of any pre-existing debt.
- (h) not present for processing, directly or indirectly:
 - (i) any Transaction which was not originated as a result of a sale or service provided by the Merchant to the Cardholder, or application form.
 - (ii) any Transaction representing payment for a product or service other than a product or service originally identified in the Merchant’s application form.
- (i) obtain Authorization and note on the Sales Draft, where the total amount of the Sales Draft, or the total amount of consecutive Sales Drafts charged to the same Card, arising out of a Transaction, at the same location, are in excess of the Floor Release Limit.
- (j) have the Card in his/its possession while making an Authorization request; and if the Card is listed in the warning bulletin or a pick up response is received from the Authorization Center, the merchant must:
 - (i) not consummate the transaction
 - (ii) retain the card by reasonable and peaceful means, and
 - (iii) notify the Bank that the Card has been retained and ask for further instructions.
- (k) with respect to mail orders, telephone orders and hotel reservations, complete the Sales Draft without the Cardholder’s signature or without an imprint of the Card; the Merchant shall type or print legibly the Cardholder’s name, the Cardholder’s account number, the expiration date of the Card and an indication that the Sales Draft relates to a mail order, telephone order or hotel reservation and that the authority from the Cardholder for the transaction is held on file. The Merchant must retain, and if requested make available to the Bank the Cardholder’s written authority for the Transaction.
- (l) except for (l) above, complete all Sales Drafts with either a physical imprint or an electronic printing from the magnetic stripe reader and the Cardholder’s name, account number, the expiration date of the Card and any embossed initial date of validity, the signature of the authorized user as it appears on the signature space on the Card; the name, address and unit number of the Merchant; the Transaction date; the description of the product sold or service rendered; the total selling price; and the Authorization number, if required. The Merchant shall compare the signature on the Sales Draft or Credit Voucher with the signature of the authorized user as it appears on the signature space on the Card.
- (m) deliver to the Cardholder a true and complete copy of each Sales Draft, Transaction record, or suitable receipt evidencing the Transaction, at the time of its execution by the Cardholder, or promptly after the delivery of the goods or performance of the services covered thereby, whichever is earlier.

