

# User Agreement for PayPal Payment Services

Last updated on 22 September 2025

This Agreement is a contract between you and PayPal Payments (Beijing) Co., Ltd. (a subsidiary of PayPal Pte. Ltd., hereinafter referred to as “PPCN”, “we” or “us” or “our”) governing your use of a PayPal PRC account (hereinafter referred to as “PayPal Account”) and associated PayPal services (hereinafter referred to as “PayPal Services”). “PayPal” is a trademark registered and owned by PayPal, Inc. in the People’s Republic of China (excluding, for the purposes of this Agreement, Hong Kong SAR, Macau SAR and Taiwan, the “PRC”) and other countries/regions. PPCN is licensed to use the “PayPal” trademark in its payment services.

PPCN is a payment services provider and acts as such by creating, hosting, maintaining and providing the PayPal Services to you via the internet. The PayPal Services allow you to receive payments. The PayPal Services are offered by PPCN. PPCN is a holder of an internet and mobile payments licence in the PRC and is regulated by the People’s Bank of China.

If you are an individual, you must be a resident of the PRC and at least 18 years old. If you represent a business, the business must be organized in, operating in, or a legal entity of, the PRC and you must obtain the proper authorization from the business to register a PayPal Account and agree to and accept the terms and conditions of this Agreement.

You acknowledge and agree that the account owner, either individual or business (including the Controlling Person thereof), is a PRC tax resident only. The account owner must not be a tax resident of the United States and subject to the tax laws of the United States. If you have any questions defining tax residency status, please approach your tax authority or consult your tax advisor, we are not allowed to provide tax advice. You undertake to advise that if any changes in circumstances which affects such declaration and to assume any adverse consequence for failing to do so.

By opening and using a PayPal Account, you agree to comply with all of the terms and conditions of this Agreement. You also agree to comply with the policies and each of the other agreements on the [Legal Agreements](#) page of our website that apply to you, including:

- [Privacy Statement](#)
- [Acceptable Use Policy](#)

Please read carefully all of the terms and conditions of this Agreement, the policies and each of the other agreements on the [Legal Agreements](#) page of our website that apply

to you. By clicking “I Agree” on the page, you acknowledge and agree that you have read in its entirety and fully understood this Agreement and agree to accept all of the terms and conditions set out in this Agreement (including, without limitation, the following sections: “Holding the Fund to be Settled in Your PayPal Account”, “Settle the unsettled Fund in Your PayPal Account into Your Linked Bank Account”, “Receiving Payments”, “Payment Review”, “Service Fees for Receiving Payments”, “Refunds, Reversals and Chargebacks”, “Restricted Activities and Holds”, “Holds, Limitations and Reserves”, “Security Deposit”, “Error Resolution”, “Indemnification and Limitation of Liability”, “Disclaimer of Warranty and Release”, “Anti-Money Laundering, Counter Terrorism Financing and Sanctions” and “Collection, Processing and Sharing of Your Personal Information”). If you do not agree to and accept all of the terms and conditions set out in this Agreement, you will not be able to continue with the registration process or use the PayPal Services.

We may amend this Agreement and any of the other agreements and policies that apply to you from time to time. The revised version will be effective from the time we post it on the [Legal Agreements](#) page of our website, unless otherwise noted. If our changes reduce your rights or increase your responsibilities, we will post a notice on the Policy Updates page of our website providing you with at least 30 days advance notice. All future changes set out in the Policy Updates page which, at the time you register for the PayPal Services, have been published on the [Legal Agreements](#) page of our website are incorporated by reference into this Agreement and will take effect as specified in the relevant Policy Update(s).

If you do not agree to the revised terms and conditions, you must stop using the PayPal Services, close your PayPal Account and terminate your relationship with us without cost or penalty. This Agreement will continue to apply to your previous use of the PayPal Services.

In this Agreement, “PayPal Affiliates” refers to PayPal, Inc. and any entity owned or controlled by, owning or controlling, or under common ownership or control with, PayPal, Inc.

## About Your Account

Presently, we only offer the PayPal Account known as a business account. A PayPal Account referred to hereinafter in this Agreement shall mean a business account.

Business accounts enable people and organizations to use PayPal Services to receive payments for goods and services even if their business is not incorporated.

With a business account, you can do things like:

- Use a company or business name as the name on your PayPal Account.

- Allow employees access to some of the features of your PayPal Account.
- Sign up for PayPal products that meet your business needs.

## Opening an Account

In order to open and maintain a PayPal Account, you must provide us with correct and updated account information, including but not limited to: personal information, financial information and other information related to you or your business. You must not be a financial institution or other institution engaged in or providing credit or loans, financing, wealth management services, guarantees, trust services, currency exchange or any other financial business.

For the purpose of opening a PayPal Account, you must comply with our Know Your Client (“KYC”), Know Your Business (“KYB”), Client Due Diligence (“CDD”) and other verification requirements such as real-name certification. You agree that you will deliver to us the relevant information and documents for our verification. You hereby authorize us to share your information with PayPal Service Providers (defined in the “PayPal Services” section of this Agreement) when necessary for the purpose of verification, provision or use of PayPal Services, or conducting relevant transactions in connection with your PayPal Account pursuant to this Agreement. You also acknowledge and agree that PPCN, in its sole discretion, is entitled to determine, including through evaluations carried out by PayPal Service Providers, whether your information and documents are sufficient for our KYC, KYB, CDD and/or any other verification purposes. Should PPCN decide to engage a PayPal Service Provider to carry out such verification, you hereby authorize PPCN to disclose the information and documents related to your identity to that PayPal Service Provider for identity verification purposes under this Agreement.

You must keep your mailing address, email address and other contact information current in your PayPal Account profile. You must notify us immediately if there are any changes to any information that you have provided in the PayPal Account profile.

By opening a PayPal Account, you certify to us that: (i) you are using it primarily for business or commercial purposes; (ii) each payment service you use under this Agreement is backed up by a true, authentic and legitimate transaction; you are not allowed to use our services for fraudulent or illegitimate transactions; and (iii) you guarantee the legitimacy of your operational activities within your business scope.

To the extent PPCN deems it necessary, you also consent to us obtaining your personal and/or business credit report from a qualified credit reporting agency (including signing or providing any necessary documents to that effect) when applying to open an account, when you request certain new products and whenever we reasonably believe there may be an increased level of risk, to us or anyone else, associated with your PayPal Account.

## **Third Party Permissions**

You must be the beneficial owner of your PayPal Account, and conduct business only on behalf of yourself. You are not allowed to entrust or transfer your payment receiving business to any third party without our prior written consent.

You acknowledge and understand the legal consequences and disciplinary measures of leasing, lending, selling and purchasing a PayPal Account. You represent and warrant that you will open and use your PayPal Account on behalf of yourself only and in accordance with all applicable Laws.

You may permit a third party service provider licensed under applicable Law, and which has been designated by PPCN or a PayPal Affiliate, to provide account information services to access information about your PayPal Account on your behalf.

Granting permission to any third party to access your PayPal Account in any way does not relieve you of any of your responsibilities under this Agreement. You are liable to us for the actions that you authorize any third party to carry out. You will not hold us responsible for, and you will indemnify and hold us harmless from, any liability relating to, arising from, or in any way connected with, the actions or inactions of any such third party in connection with the permissions you grant, subject to your mandatory legal rights.

You are prohibited to use the gateway interface and the identifications for any purpose beyond the scope of this Agreement. You are also not allowed to permit any third party to use your gateway interface or identifications. We reserve the right to claim damages and to impose fines against you if you breach the above stipulations.

## **Linking Your Bank Account to Your PayPal Account**

In order to settle and withdraw payments received into your PayPal Account you are required to link a valid and legitimate bank account opened with a qualified bank in the PRC ("Linked Bank Account") to your PayPal Account. You must be the holder and beneficial owner of the Linked Bank Account.

You agree and voluntarily authorize us to share and transfer your personal information where it is required by the bank with whom your Linked Bank Account is held in order for us to provide our services to you.

## **Closing Your PayPal Account**

You may close your PayPal Account and terminate your relationship with us at any time without cost or penalty, but you will remain liable for all obligations related to your

PayPal Account even after it is closed. When you close your PayPal Account, we will cancel any scheduled or incomplete transactions. You must withdraw or transfer any fund that is pending on settlement from your PayPal Account before closing it; You authorize us to transfer any unrestricted fund to be settled that is held in your PayPal Account to your Linked Bank Account before closing your PayPal Account.

In certain cases, you may not close your PayPal Account, including:

- To evade an investigation.
- If you have a pending transaction or an open dispute or claim.
- If the fund to be settled that is held in your PayPal Account is insufficient to cover any fees, chargebacks, claims, disputes, refunds or any liability owed to PPCN, a PayPal Affiliate, or a PayPal Service Provider;
- If your PayPal Account is subject to a hold, limitation or reserve; or
- If it is not in accordance with, or permitted by, applicable Laws.

## PayPal Services

After you pass the KYC, KYB and/or CDD process in accordance with PPCN's requirements, you will be eligible for the following payment services provided by PPCN:

- Receiving payments in RMB;
- Holding the fund to be settled in RMB in the PayPal Account;
- Settling the unsettled fund into your Linked Bank Account in RMB; and
- When available, repatriating the balance in your PayPal account held with PayPal Pte. Ltd. to your PayPal Account and then to your Linked Bank Account subject to the terms and conditions of the RMB Repatriation Service Agreement between you and PPCN.

You acknowledge and agree that:

1. when you sell goods or services to buyers residing outside of the PRC, it will be regarded as a cross-border Ecommerce transaction. You acknowledge and agree that a designated PayPal Affiliate will provide the Ecommerce service to you in order to process the cross-border Ecommerce transaction and you accept the terms and conditions of the **Ecommerce Service Agreement** governing such Ecommerce service between you and the designated PayPal Affiliate; and
2. in order to provide payment services to you, PPCN will work together with third party service providers (designated by PPCN in its sole discretion or engaged by you through PPCN, as applicable) in the processing of payments from buyers residing outside of the PRC. The processing of such payments will include performing relevant currency conversions outside of the PRC. The third party

service providers may include PayPal Affiliates, licensed financial institutions (which may be resident in or out of the PRC) and other companies. The third party service providers may further transmit any information relating to you or to your PayPal Account to other parties to the extent permitted by applicable Laws.

In this Agreement, PayPal Affiliates, third party licensed financial institutions and other companies which PPCN engages or works with to provide PayPal Services to you shall be referred to as “PayPal Service Providers”.

## **Holding the Fund to be Settled in Your PayPal Account**

When a payment has been made to you by a buyer, the corresponding amount will appear in your PayPal Account as a fund to be settled within a certain period. The corresponding amount will be deducted from the unsettled fund in your PayPal Account after the payment is settled to your Linked Bank Account.

In the event that a buyer pays in a currency other than RMB, the payment amount in such foreign currency will be converted into the corresponding amount in RMB before it is deposited into your PayPal Account as the fund to be settled.

You acknowledge and agree that the said conversion from a foreign currency into RMB will be performed by PayPal Service Providers (acting on your behalf) outside of the PRC. When a PayPal Service Provider performs a currency conversion on your behalf, it will be completed at the transaction exchange rate they set for the relevant currency conversion. The transaction exchange rate is adjusted regularly and includes a currency conversion fee applied and retained by the PayPal Service Provider on a base exchange rate to form the rate applicable to your conversion. The base exchange rate is based on rates within the wholesale currency markets on the conversion day or the prior Business Day or, if required by law or regulation, it is set at the relevant government reference rate(s). The fees charged by PayPal Service Provider outside of the PRC for currency conversion can be found in our Fees and Fees Table.

The transaction exchange rate applicable to the required currency conversion may be applied immediately and without notice to you. The transaction exchange rate applied to the required currency conversion may not be a real-time exchange rate and may not be most favorable to you. Neither PPCN nor any PayPal Service Provider shall in any event be liable to you or to any other person for any exchange losses incurred as a result of any difference between the transaction exchange rate and the real-time exchange rate. You acknowledge and agree that the fund to be settled that is held in your PayPal Account is not a bank deposit and is therefore not protected by PRC deposit insurance regulations. The unsettled fund is essentially the prepaid value that you have entrusted PPCN to hold and is attributable to you. The funds corresponding

to this prepaid value are not deposited with a bank under your name; rather, such funds are deposited with a bank under the name of PPCN, and the fund transfer instructions to the linked bank shall be initiated by PPCN on your behalf.

You acknowledge and accept that you will not receive any interest or other earnings on the amounts of the unsettled fund held in your PayPal Account, and you acknowledge and agree that PPCN may receive interest (if any) on any funds held by it in performing services. You are not allowed to re-use the unsettled fund held in your PayPal Account for purchasing or to pay a third party.

You acknowledge and accept that PPCN is entitled to deduct any fees, chargebacks and liability you owe to us, any PayPal Affiliates, or any PayPal Service Providers directly from the unsettled fund held in your PayPal Account to the extent that, in the event of any fee, such fee has been published on our website and has been deemed to be accepted by you by continuing to access and use the PayPal Services. You further acknowledge and accept that PPCN may place a hold on any part of such unsettled fund or delay or cease settlement of all or part of the fund to be settled for risk management purposes, for any chargeback claims or for any other purposes specified herein.

You acknowledge and accept that, for the purpose of protecting the interests of consumers, PPCN is entitled to decide whether to use its own funds to recharge the unsettled fund held on your PayPal Account so as to make up for any deficiency of your account, and to settle the dispute and chargebacks to any buyer on your behalf. You agree and confirm that no additional consent is required from you in respect of such recharge and/or the settlement of disputes and chargebacks. You further agree and accept that you shall compensate PPCN for the amount corresponding to the recharge amount within 3 Business Days (or any period otherwise notified to you by PPCN).

## **Settle the unsettled Fund into Your Linked Bank Account**

Except where the settlement will be delayed or ceased as described in this Agreement, the unsettled fund held in your PayPal Account will be settled into your Linked Bank Account no later than 30 days following the date that the payment is made by the buyer. The settlement will occur automatically. You do not need to initiate a withdrawal manually. We may charge a fee to settle the unsettled fund to the Linked Bank Account. The fees applicable to such settlement can be found in the Fees and Fees Table section ("Fees Table") herein. Such fees may be adjusted, in which case we will provide you with at least 30 days advance notice of the changes becoming effective.

To protect us and other PayPal users from loss, we may delay a settlement in certain situations, including but not limited to where: (i) the settlement between PPCN and a

PayPal Service Provider is delayed due to reasons beyond PPCN's control; or (ii) other payments to your PayPal Account have been subject to a reversal (for example, as a result of a chargeback, bank reversal or dispute initiated by a buyer). If we place a limitation on your PayPal Account, a payment is subject to a hold, or the unsettled fund in your PayPal Account or an associated account is insufficient to cover any liabilities that you owe, then the settlement will occur after the limitation or hold has been lifted, or the insufficient unsettled fund in your PayPal Account has been fully paid off.

We may in our sole discretion set limits on the settlements into your Linked Bank Account, and you can view any settlement limit by logging into your PayPal Account. Verifying your bank account can help us verify your PayPal Account, which may allow us to remove any settlement limit.

## **Account Statements**

You have the right to receive an account statement showing your PayPal Account activity. You may view your account statement by logging into your PayPal Account.

## **Accepting Payments from Buyers of Goods and Services**

### **Receiving Payments**

After opening a PayPal Account and completing the KYC, KYB and/or CDD process upon PPCN's request, you will be eligible to use your PayPal Account to receive payments from the buyers of goods or services sold by you.

To the fullest extent permitted by applicable Laws, PPCN will, after deducting the service fee charged by, or the cost incurred by, PPCN, PayPal Service Providers or any other eligible entities designated by the parties hereto, credit the remaining amount of the unsettled fund in your PayPal Account before it is available for settlement into your Linked Bank Account.

When you use your PayPal Account to receive payments for the sale of goods or services:

- In accordance with applicable PRC Laws, if the buyer is located outside of the PRC, the transaction between you and the buyer needs to have a trade substance. PPCN shall collect information about the transaction and report it to the People's Bank of China and the State Administration of Foreign Exchange.
- You must provide the following information to PPCN: a complete description of the goods or services you sold; intact policies relating to returns and refunds; and delivery and, if applicable, cancellation details.



- You must have in place a well-established customer service system.
- You must publish a refund and return policy, as well as a privacy policy, where required by law.
- You must deal with any errors or disputes relating to, arising from, or in any way connected with, the transaction and protect your customers' legitimate rights and interests.
- You should strengthen the daily maintenance and management of your website, equipment and software to ensure the stability of your systems.
- You must guarantee the safety and accuracy respectively of the transaction and the account information in accordance with the laws and regulations relating to internet payment security; otherwise, we reserve the right to limit your transaction amount or suspend or terminate this Agreement and to require you to bear the corresponding liabilities for breach of this Agreement.
- You shall bear the corresponding responsibilities if you commit any irregularities such as tampering with the transaction data, failing to submit the transaction verification information or facilitating any illegal cashing-out or money laundering.
- You must cooperate with any investigation of risk events when a fraudulent transaction occurs or is suspected. Your obligations include, but are not limited to, providing basic information on yourself (and your business) or the secondary merchant, and all details of the transaction.
- If you operate a platform, you must be properly equipped with manpower and well-established systems to effectively identify, trace and manage the business of your secondary merchants when necessary. You shall assume any and all loss relating to, arising from, or in any way connected with, the poor management and development of your secondary merchants. Please note, your secondary merchants are forbidden to further develop any merchant under its level.
- All transaction orders must be kept for at least five (5) years and you shall be solely responsible for any and all loss relating to, arising from, or in any way connected with, missing orders or improper management of the orders.
- You must pay any applicable fees for receiving the funds.
- You must not ask a buyer of your goods or services to send you a personal payment for a purchase.

By integrating into your online checkout/platform any functionality intended to enable a payer without a PayPal account (or an account with a PayPal Affiliate) to send a payment to your PayPal Account, you agree to all further terms and conditions of use of that functionality which PPCN or a PayPal Affiliate will make available to you on a page of our or their website (including any page for developers and our [Legal Agreements](#) page) or online platform. Such further terms and conditions include the PayPal [Alternative Payment Methods Terms](#).

## **No Surcharges**

You agree that you will not impose a surcharge or any other fee for accepting PayPal as a payment method. You may charge a handling fee in connection with the sale of goods or services as long as the handling fee does not operate as a surcharge and is not higher than the handling fee you charge for non-PayPal transactions.

## **Taxes, Information Reporting**

Some of our fees may be subject to applicable taxes, levies, duties or similar governmental assessments, including, for example, value-added tax, sales tax, income tax, use or withholding taxes, assessable by any jurisdiction (collectively, "taxes") and, unless expressly noted, our fees are exclusive of applicable taxes. Any applicable taxes shall be paid by you in addition to our fees. The amount of any applicable taxes shall be calculated and notified to you when the underlying fee is incurred by you. It is your responsibility to determine what, if any, taxes apply to the payments you make or receive, and it is solely your responsibility to assess, collect, report and remit the correct taxes to the appropriate authority. PPCN is not responsible for determining whether any taxes apply to your transaction, or for calculating, collecting, reporting or remitting taxes arising from any transaction.

## **Your Refund Policy and Privacy Policy**

You must publish a refund and return policy, as well as a privacy policy, where required by law.

## **Payment Review**

When PPCN identifies a potentially high-risk transaction, we review the transaction more closely before allowing it to proceed. When this happens, PPCN will place a hold on the transaction and notify you to delay shipping the item or providing the service. If we clear the transaction, we will notify you and direct you to ship the item or provide the service. If we do not clear the transaction, we will cancel it and return the funds to the buyer, unless we are legally required to take other action.

## **Marketplace Sellers**

If you're a seller on a marketplace or through a third party application where PayPal is offered, you must comply with any rules that apply to the marketplace's or the third party application's buyer protection program for sales you make through that forum. Any such protections may require you to take certain actions and may impact how claims are processed.

## **Card Not Present Transactions**

Whenever a buyer uses a debit or credit card as the payment method for a transaction using their account to buy something from you as a seller, the transaction will be processed as a "card not present" transaction.

## Accepting Pre-authorized Payments

To the extent it is available as a PayPal Service, as a seller you can accept payments from a buyer through preauthorized payments either on a one-time, regular or sporadic basis. This type of transaction is sometimes called a "billing agreement", "subscription", "recurring payment", "reference transaction", "preauthorized debit or 'PAD'", "preauthorized transfer", "pre-approved payment" or "automatic payment".

If you receive preauthorized payments from buyers:	
You <b>must</b> :	You <b>must not</b> :
Obtain each buyer's prior authorization for the amount, frequency, and duration of any such payment.	Restart future payments without the buyer's written authorization, if a buyer has stopped or cancelled a preauthorized payment.
Provide a simple and easily accessible online cancellation procedure, if buyers sign up for preauthorized payments online.	
Provide buyers the ability to stop any such payment up to 3 Business Days before the date scheduled for payment.	
Notify the buyer at least 10 days in advance of the amount and date of each preauthorized payment if the preauthorized payment will vary from the preauthorized amount or (at the buyer's option) any payment that is in an amount that falls outside of the pre-determined range.	

## Service Fees for Receiving Payments

### Standard Service Fees

The fees you pay ("Service Fees") when selling goods or services and the fees the buyer pays when using their PayPal account (or using another authorized wallet) can be found in the **Commercial Payment Fees table**. Please note that:

- We may adjust the fees applicable to future transactions that you process using PayPal Services. We will provide you at least 30 days advance notice of any fee increase or the introduction of a new type of fee.
- If you refund (partially or fully) a transaction to a buyer, there are no fees to make the refund, but the fees you originally paid as the seller will not be returned to you.
- If you accept payments using a PayPal product, the fees applicable to those products will apply to your transactions.

## Micropayments Fees

You may qualify to receive micropayments pricing for the sale of goods and services through your PayPal Account, if your transactions typically average less than RMB 70. In order to qualify, you must have a PayPal Account that is in good standing (for example, no limitations or negative fund to be settled) and your application to us must be approved.

If your PayPal Account is approved to accept micropayments, the fees found in the Micropayments Fees table will apply to all transactions for the sale of goods or services processed through your PayPal Account, instead of the Commercial Payments Fees. If you have multiple PayPal Accounts, you must route your micropayments transactions through the appropriate account. Once a transaction is processed, we will not re-route the transaction through a different account.

By applying for Micropayments for Digital Goods, you agree that for digital goods transactions in respect of which you receive amounts up to those listed in the Micropayments Fees table, if a buyer opens a Dispute, PayPal may reverse the transaction and remove the funds from your PayPal Account without requiring the buyer to escalate the dispute to a claim.

## Invoice

If you require PPCN to issue an invoice for the corresponding Service Fees, you must provide accurate and complete invoice information when you first submit such application. PPCN will issue the invoice normally before the end of each month for the Service Fees you paid in the previous month.

## Refunds, Reversals and Chargebacks

### General Information

If you receive a payment for selling goods or services that is later refunded or invalidated for any reason, you are responsible for the full amount of the payment sent to you plus any fees (including any applicable chargeback fee described below).

Whenever a transaction is refunded or otherwise reversed, we will refund or reverse the transaction from your PayPal Account in the same currency as the original transaction. In order to effect such refund or reversal you acknowledge and agree that a currency conversion has to be performed by PayPal Service Providers. The relevant PayPal Service Provider's transaction exchange rate (including currency conversion fee) at the time the refund or reversal is processed will be used.

The buyer's account will be credited with the full payment amount, or a portion of the payment amount in the event of a partial refund, we'll retain the fees you have paid, and the amount of the refunded payment will be deducted from your PayPal Account.

## Payments that are Invalidated and Reversed

Payments to you may be invalidated and reversed by us if:

- You lose a **PayPal Buyer Protection** claim submitted to us or a PayPal Affiliate by a buyer, including as a result of your failure to respond in a timely manner. Please see below for details on PayPal Buyer Protection.
- Your buyer pursues a chargeback related to a card-funded transaction and the transaction is not eligible for **PayPal Seller Protection**. The card issuer, not PPCN, determines whether a buyer is successful when they pursue a chargeback related to a card-funded transaction. Please see below for details on PayPal Seller Protection.
- You do not fulfill the transaction as promised or you cannot provide proof of shipment or proof of delivery when required.
- Our investigation of a bank reversal made by a buyer or the buyer's bank finds that the transaction was fraudulent.
- PPCN sent the payment to you in error.
- The payment was unauthorized.
- PPCN is obligated by applicable Law to reject a transaction.
- You received the payment for activities that breached this Agreement, the [Acceptable Use Policy](#) or any other agreement between you and PPCN or between you and any PayPal Affiliate.
- Other incidents pursuant to applicable Laws.

When you receive a payment, you are liable to PPCN for the full amount of the payment sent to you plus any fees if the payment is later invalidated for any reason.

If the unsettled fund in your PayPal Account is insufficient to cover your liability for the payment amount plus the fees, PPCN may:

- deduct from your Security Deposit an amount equal to your outstanding liability; and/or
- place a limitation or take other action on your PayPal Account as outlined under the "Restricted Activities and Holds" section of this Agreement.

## Chargeback Fees

If you receive a debit or credit card-funded payment through your PayPal Account and the buyer pursues a chargeback for the transaction with their card issuer, PPCN will

not assess you with a chargeback fee if the transaction is eligible for PayPal Seller Protection.

However, if the transaction is ineligible for PayPal Seller Protection, PPCN and/or other PayPal Service Providers will assess you with a chargeback fee (for facilitating the chargeback process) regardless of whether the buyer is successful in pursuing the chargeback with the card issuer.

The applicable chargeback fee will be deducted from your PayPal Account. The chargeback fee is the amount specified on the **Chargeback Fees table** in the currency of the original transaction. To process the chargeback fee in the currency of the original transaction, PayPal Service Providers will perform a currency conversion and a **currency conversion fee** will apply.

If a buyer files a chargeback, the card issuer, not PPCN, will determine who wins the chargeback.

## Impact of Various Buyer Protection Processes on Sellers

You should read in its entirety and understand **PayPal's Buyer Protection** program, and if you sell goods and services to, and receive payments from, buyers with PayPal accounts in countries/regions other than your own, you should also be familiar with the PayPal Buyer Protection available to buyers in each of those countries/regions. Buyers' rights under these programs may impact you as a seller. You can find this information on PayPal's programs on the **Legal Agreements** page of the website of the applicable PayPal Affiliate by selecting your buyer's location at the top of the page and referring to the applicable user agreement for that country/region.

If you lose a claim under PayPal's Buyer Protection program in any country/region:

- You will be required to reimburse PPCN for your liability.
- Your liability will include the full purchase price of the item plus the original shipping cost (and in some cases you may not receive the item back), and the PPCN fees that you were charged for the transaction.
- You will not receive a refund of the PPCN fees that you paid in connection with the sale.
- If the claim was that the item received was not what was ordered (referred to as a "Significantly Not as Described" claim), you will generally be required to accept the item back.
- If the claim was that the item received was Significantly Not as Described and related to an item you sold that is counterfeit, you will be required to provide a full refund to the buyer and you may not receive the item back.

# PayPal's Seller Protection Program

We offer Seller Protection subject to the terms and conditions set out herein.

## What's Eligible

If you sell something to a buyer and the transaction is later disputed or reversed under **Refunds, Reversals and Chargebacks**, you may be eligible for reimbursement under PayPal's Seller Protection program. When it applies, PayPal's Seller Protection program entitles you to retain the full purchase amount. There is no limit on the number of payments for which you can receive coverage. By accessing the transaction details page in your PayPal Account, you can determine whether or not your transaction is eligible for protection under this program.

PayPal's Seller Protection program may apply when a buyer claims that:

- They did not authorize or benefit from funds sent from their PayPal account (referred to as an "**Unauthorized Transaction**" claim) and the Unauthorized Transaction occurs in an environment hosted by PPCN; or
- They did not receive the item from you (referred to as an "**Item Not Received**" claim).

PayPal's Seller Protection program may also apply when a transaction is reversed because of a successful chargeback by a buyer or when a bank funded payment is reversed by the buyer's bank.

This section describes PayPal's Seller Protection program as it applies to you, but you should also be familiar with the **Impact of various Buyer Protection processes on sellers**.

## Basic Requirements

To be eligible for PayPal's Seller Protection program, you must meet all of the following basic requirements:

- You must provide us with valid **proof of shipment** or **proof of delivery** as described below.
- The item must be a tangible item except for items subject to the Intangible Goods Additional Requirements.
- You must ship the item to the shipping address on the transaction details page in your PayPal Account for the transaction. If you originally ship the item to the recipient's shipping address on the transaction details page but the item is later redirected to a different address, you will not be eligible for PayPal Seller

Protection. We therefore recommend not using a shipping service that is arranged by the buyer, so that you will be able to provide valid proof of shipping or proof of delivery.

- You must respond to PPCN's requests for documentation and other information in a timely manner as requested in our email correspondence with you or in our correspondence with you through the **Resolution Centre** (where available). If you do not respond to PPCN's requests for documentation and other information in the time specified, you may not be eligible for PayPal Seller Protection.
- If the sale involves pre-ordered or made-to-order goods, you must ship or deliver within the timeframe you specified in the listing. Otherwise, it is recommended that you ship or deliver all items within 7 days after receipt of payment.
- You must accept payment from a PayPal account for the purchase (partial payment and/or payment in installments are excluded).
- The payment must be marked "eligible" or "partially eligible" in the case of Unauthorized Transaction claims, or "eligible" in case of Item Not Received claims, for PayPal's Seller Protection on the Transaction Details page.

## Item Not Received – Additional Requirements

To be eligible for PayPal's Seller Protection program for a buyer's Item Not Received claim, you must meet both the basic requirements listed above and the additional requirements listed below:

- Where a buyer files a chargeback with the issuer for a card-funded transaction, the payment must be marked "eligible" or "partially eligible" for PayPal Seller Protection on the transaction details page.
- You must provide proof of delivery as described below.

## Intangible Items

- For the sale of intangible goods and services to be eligible for Seller Protection, the sale must meet the basic requirements and the following requirements:  
Integration requirements:
  - Where you have integrated a PayPal checkout product, you must be using the current version of that product if you are accepting payments directly via a website or a mobile optimized website; or
  - Ensure you are passing session information to PayPal at checkout if you are integrated with PayPal via a third-party or if you have a native app integration.
  - Other integration requirements may apply depending on your business model. We will let you know those requirements ahead of time, if needed.



- Delivered the item and provide Proof of shipment or delivery for Intangible Goods.
- Provide signature confirmation when the full amount of the payment (including shipping and taxes) exceed the amount (based on the currency of the payment in the signature confirmation threshold table. If the full amount of the payment (including shipping and taxes) is in a currency not listed in the table, then signature confirmation is required when the payment exceeds the equivalent of \$750 USD at the transaction exchange rate that applies at the time the transaction is proceed.

## Establishing proof of delivery or proof of shipment

### Physical Goods

#### The following is required as proof of shipment or delivery for physical goods:

Proof of shipment	Proof of delivery
<p>Online or physical documentation from a shipping company that includes:</p> <ul style="list-style-type: none"> <li>• Date of shipment</li> <li>• An address for the recipient that matches the shipping address on the transaction details page</li> <li>• An address for the recipient showing at least the city, country, or postal zip code (or international equivalent).</li> </ul>	<p>Online or physical documentation from a shipping company that includes:</p> <ul style="list-style-type: none"> <li>• Date of delivery and "delivered" status of the item or service.</li> <li>• An address for the recipient that matches the shipping address on the Transaction Details page</li> <li>• An address for the recipient showing at least the city, country, or postal zip code (or international equivalent).</li> </ul> <p>Signature confirmation when the full amount of the payment (including shipping and taxes exceeds) the fixed amount (based on the currency of the payment) listed in the <b>signature confirmation threshold table</b>. Signature confirmation is online documentation, viewable at the shipping company's website, indicating that the item was signed for.</p> <p><b>IMPORTANT:</b> Your choice of carrier and shipment options with that carrier can have a big impact on your ability to meet the proof of delivery requirements. Please ensure, especially when shipping goods internationally, that your carrier can provide 'delivered' status at the correct address, or your Seller Protection claim may be denied.</p>

### Intangible Goods

#### The following is required as proof of shipment or delivery for intangible goods:

For intangible or digital goods, proof of shipment or delivery means compelling evidence to show the item was delivered or the purchase order was fulfilled. Compelling evidence could include a system of record showing the date the item was sent and that it was either:

- Electronically sent to the recipient, including the recipient's address (email, IP, etc.), where applicable; or
- Received or accessed by the recipient

## Signature Confirmation Thresholds

Currency	Transaction value	Currency	Transaction value
Australian Dollar:	850 AUD	New Zealand Dollar:	950 NZD
Brazilian Real:	1,750 BRL	Norwegian Krone:	4,600 NOK
Canadian Dollar:	850 CAD	Philippine Peso:	34,000 PHP
Czech Koruna:	15,000 CZK	Polish Zlotych:	2,300 PLN
Danish Krone:	4,100 DKK	Russian Ruble:	27,000 RUB
Euro:	550 EUR	Singapore Dollar:	950 SGD
Hong Kong Dollar:	6,000 HKD	Swedish Krona:	4,950 SEK
Hungarian Forint:	170,000 HUF	Swiss Franc:	700 CHF
Israeli Shekel:	2,700 ILS	Taiwan New Dollar:	23,000 TWD
Japanese Yen:	77,000 JPY	Thai Baht:	24,500 THB
Malaysian Ringgit:	2,500 MYR	U.K. Pounds Sterling:	450 GBP
Mexican Peso:	10,000 MXN	U.S. Dollar:	750 USD

## Ineligible items and transactions

The following items or transactions **are not** eligible for coverage under PayPal's Seller Protection program:

- Real estate, including residential property.
- Vehicles, including, but not limited to, motor vehicles, motorcycles, recreational vehicles, aircraft and boats, except for personally portable light vehicles used for recreational purposes like bicycles and wheeled hoverboards.
- Businesses (buying or investing in a business).
- Industrial machinery used in manufacturing.
- Payments equivalent to cash, including stored value items such as gift cards and pre-paid cards.
- Payments made in respect of gold (whether in physical form or in exchange-traded form).
- Financial products or investments of any kind.
- Gambling, gaming, and/or any other activities with an entry fee and a prize.
- Donations, including payments received as crowdfunding or crowdlending.

- Payments to a state-run body (except state-owned enterprises), a government agency, or to a third-party collecting payment on behalf of a state-run body or government agency.
- Payments to any bill payment service.
- Items where the buyer claims (either with us or their card issuer) that the item you sent isn't what was ordered (referred to as a **Significantly Not as Described** claim).
- Physical, tangible items delivered in person.
- Anything prohibited by PayPal's **Acceptable Use Policy**.
- Payments made using PayPal's Payouts and Mass Pay.
- Payments not processed through a Buyer's PayPal account including payments processed through PayPal guest checkout.
- Items where PPCN determines, in its sole discretion, that the item sold is counterfeit.
- Items sent after PPCN advised you not to release the item.

## Our Online Dispute Resolution Process

If the buyer is unable to resolve a transaction-related issue directly with you, he or she may follow our online dispute resolution process through the Resolution Centre (where available) to pursue a claim under our Buyer Protection program. For the steps that the buyer should follow in the online dispute resolution process, you can visit the Resolution Centre (where available).

If you lose a claim under PayPal's Buyer Protection program in any country/region:

- You will be required to fully reimburse PPCN for your liability.
- Your liability will include the full purchase price of the item plus the original shipping cost (and in some cases you may not receive the item back), and the fees that you were charged for the transaction.
- You will not receive a refund of the fees that you paid in connection with the sale.
- If the claim was that the item received was Significantly Not as Described, you will generally be required to accept the item back.
- If the claim was that the item received was Significantly Not as Described and related to an item you sold that is counterfeit, you will be required to provide a full refund to the buyer, and you may not receive the item back.

## Restricted Activities and Holds

### Restricted Activities

In connection with your use of our websites, your PayPal Account, the PayPal Services, or in the course of your interactions with PPCN, other PayPal customers, or third parties, you will not:

- Breach this Agreement, the Acceptable Use Policy, or any other agreement between you and PPCN or between you and any PayPal Affiliate.
- Violate any law, statute, ordinance, or regulation (for example, those governing financial services, consumer protections, unfair competition, anti-discrimination or false advertising).
- Cause PPCN or any PayPal Affiliate to violate sanctions imposed by any government or legal authority.
- Threaten the national security or the state power.
- Incorporate any content involving political propaganda, feudal superstition, obscenity, pornography, gambling, violence, terror, drug trafficking, national secret, abetting of a crime or any trade of contraband.
- Infringe PPCN, PayPal or any other third party copyright, patent, trademark, trade secret or other intellectual property rights, or rights of publicity or privacy.
- Sell counterfeit goods.
- Attempt to double dip during the course of a dispute by receiving or attempting to receive funds from both PPCN and the buyer, bank or card issuer for the same transaction.
- Act in a manner that is defamatory, trade libelous, threatening or harassing.
- Provide false, inaccurate or misleading information (including, but not limited to: (i) (in the case of an individual) falsely, inaccurately or misleadingly claiming to be a resident of the PRC and at least 18 years old; and (ii) (in the case of a person representing a business) falsely, inaccurately or misleadingly claiming that the business is organized in, operating in, or a legal entity of, the PRC and that the proper authorization from the business to register a PayPal Account has been obtained).
- Receive what we reasonably believe to be potentially fraudulent funds.
- Engage in potentially fraudulent or suspicious activity and/or transactions.
- Refuse to cooperate in an investigation or provide confirmation of your identity or any information you provide to us.
- Control an account that is linked to another account that has engaged in any of these restricted activities.
- Conduct your business or use the PayPal Services in a manner that results in or may result in:
  - complaints;
  - requests by buyers (either filed with us or card issuers) to invalidate payments made to you; or
  - fees, fines, penalties or other liability or losses to PPCN, other PPCN customers, third parties or you.
- Use your PayPal Account or the PayPal Services in a manner that PPCN, UnionPay, Visa, MasterCard, American Express, Discover or any other electronic

funds transfer network reasonably believes to be an abuse of the card system or a violation of card association or network rules.

- Allow your PayPal Account to have a negative unsettled fund.
- Provide yourself a cash advance from your credit card (or help others to do so).
- Access the PayPal Services from a country that is not included on PayPal's permitted countries list.
- Take any action that imposes an unreasonable or disproportionately large load on our websites, software, systems (including any networks and servers used to provide any of the PayPal Services) operated by us or on our behalf or the PayPal Services; facilitate any viruses, trojan horses, malware, worms or other computer programming routines that attempt to or may damage, disrupt, corrupt, misuse, detrimentally interfere with, surreptitiously intercept or expropriate, or gain unauthorized access to any system, data, information or PayPal Services; use an anonymizing proxy; use any robot, spider, other automatic device, or manual process to monitor or copy our websites without our prior written permission; use any device, software or routine to bypass our robot exclusion headers; or interfere or disrupt or attempt to interfere with or disrupt our websites, software, systems (including any networks and servers used to provide any of the PayPal Services) operated by us or on our behalf, any of the PayPal Services or other users' use of any of the PayPal Services.
- Take any action that may cause us to lose any of the services from our Internet service providers, payment processors, or other suppliers or service providers.
- Use the PayPal Services to test credit card behaviors.
- Circumvent any PayPal policy or determinations about your PayPal Account such as temporary or indefinite suspensions or other account holds, limitations or restrictions, including, but not limited to, engaging in the following actions: attempting to open new or additional PayPal Account(s) when an account has a negative unsettled fund or has been restricted, suspended or otherwise limited; opening new or additional PayPal Accounts using information that is not your own (e.g. name, address, email address, etc.); or using someone else's PayPal Account;
- Harass and/or threaten our employees, agents, or other users.
- Abuse, as a seller, our online dispute resolution process and/or PayPal Buyer Protection.
- Cause us to receive a disproportionate number of claims that have been closed in favour of the claimant regarding your PayPal Account or business.
- Have a credit score from a credit reporting agency that indicates a high level of risk associated with your use of the PayPal Services.
- Disclose or distribute another user's information to a third party, or use such information for marketing purposes unless you receive the user's express consent to do so.
- Send unsolicited emails to users or use the PayPal Services to collect payments for sending, or assisting in sending, unsolicited emails to third parties.

- Copy, reproduce, communicate to any third party, alter, modify, create derivative works, publicly display or frame any content from the PayPal websites without our or any applicable third party's written consent.
- Reveal your account password(s) to anyone else, nor use anyone else's password. We are not responsible for any losses you incur relating to, arising from, or in any way connected with, the misuse of passwords including, without limitation, the use of your PayPal Account by any person other than you.
- Manipulate the credit evaluation system to improve or worsen anyone's credit.
- Participate in any activity that is against public interest or public morality.

## **Actions We May Take if You Engage in Any Restricted Activities**

If we believe that you've engaged in any of these activities, we may take a number of actions to protect PPCN, PayPal Affiliates, PayPal Service Providers and our customers and others at any time in our sole discretion. The actions we may take include, but are not limited to, the following:

- Terminate this Agreement, limit your PayPal Account, and/or close or suspend your PayPal Account, immediately and without penalty to us;
- Refuse to provide the PayPal Services to you now and in the future;
- Limit your access to our websites, software, systems (including any networks and servers used to provide any of the PayPal Services) operated by us or on our behalf, your PayPal Account or any of the PayPal Services, including limiting your ability to receive payments and restricting your ability to make withdrawals (where available) from your PayPal Account or fund settlements to your Linked Bank Account;
- Hold the unsettled fund in your PayPal Account if reasonably needed to protect against the risk of liability to PPCN, PayPal Affiliates, PayPal Service Providers or a third party, or if you have breached our [Acceptable Use Policy](#);
- Suspend your eligibility for PayPal's Seller Protection program;
- Contact buyers who have purchased goods or services from you using PayPal, your bank or credit card issuer, other impacted third parties or law enforcement agencies about your actions;
- Update inaccurate information you provided us;
- Take legal action against you;
- Hold, apply or transfer the funds in your PayPal Account as required by judgements, orders and arbitration awards which affect you or your PayPal Account, including judicial decision by courts or arbitration awards in the PRC or elsewhere and directed to PPCN or PayPal Affiliates; and
- If you've breached our [Acceptable Use Policy](#), then, in addition to being subject to the above actions, PPCN has the right to (i) contact you via your registered phone number or primary email address you have notified to us; (ii) inform you of the specific breach and require you to take immediate remedial action; (iii) limit

your use of PayPal Services and apply a hold to the relevant unsettled fund in your PayPal Account; (iv) stop, suspend or terminate the provision of PayPal Services to you; (v) require you to compensate PPCN, PayPal Affiliates and/or PayPal Service Providers for any and all loss and damage caused by your breach of this Agreement and the Acceptable Use Policy. In the case of PPCN, you acknowledge and agree that RMB 17,500 (or equivalent) per breach of the Acceptable Use Policy is presently a reasonable minimum estimate of PPCN's actual damages considering all currently existing circumstances, including the relationship of the sum to the range of harm to PPCN that reasonably could be anticipated because, due to the nature of the breaches of the Acceptable Use Policy, actual damages would be impractical or extremely difficult to calculate. PPCN may deduct such damages directly from any existing unsettled fund in any PayPal Account you control and from your Security Deposit (refer to the "Security Deposits" section of this Agreement for information on Security Deposits).

If we close your PayPal Account or terminate your use of the PayPal Services for any reason, we'll provide you with notice of our actions and settle any unrestricted fund that is pending on settlement in your PayPal Account to your Linked Bank account.

You are responsible for all reversals, chargebacks, claims, fees, fines, penalties and other liability incurred by PPCN, any PPCN customer, any PayPal Affiliate, any PayPal Service Provider, customer or a third party relating to, arising from or in any way connected with, your breach of this Agreement, the Acceptable Use Policy, any other agreement between you and PPCN or between you and any PayPal Affiliate and/or your use of the PayPal Services.

## **Other Obligations**

Within your registered business scope, you hereby authorize us to use your risk information which includes, but is not limited to, your basic information, your operation information and your risk status.

You agree to cooperate with the routing inspection conducted by us and/or PayPal Service Providers at least one a year.

You agree that we are entitled to, even after the termination of this Agreement, inquire about and have claim against any transaction prior to the termination.

When you declare bankruptcy, you must guarantee our status as one of your creditors.

## **Holds, Limitations and Reserves**

# What are Holds, Limitations and Reserves

Under certain circumstances, in order to protect PPCN and the security and integrity of the network of buyers and sellers that use the PayPal Services, we may take account-level or transaction-level actions. Unless otherwise noted, if we take any of the actions described here, we'll provide you with notice of our actions, but we retain the sole discretion to take these actions. To request information in connection with an account limitation, hold or reserve, you should visit the Resolution Centre (where available) or follow the instructions in our email notice with respect to the limitation, hold or reserve.

You acknowledge and agree that our decisions about holds, limitations and reserves may be based on confidential criteria that are essential to our management of risk and the protection of PPCN, PayPal Affiliates, our customers and/or service providers. We may use proprietary fraud and risk modeling when assessing the risk associated with your PayPal Account. In addition, we may be restricted by regulation or a governmental authority from disclosing certain information to you about such decisions. We have no obligation to disclose the details of our risk management or security procedures to you.

In order to facilitate our actions described above and allow us to assess the level of risk associated with your PayPal Account, you agree to cooperate with our reasonable requests for financial statements and other documentation or information in a timely fashion.

## Holds

A hold is an action that PPCN may take under certain circumstances either at the transaction level or the account level. When PPCN places a temporary hold on a payment, the funds will not be available to either the sender or you. PPCN reviews many factors before placing a hold on a payment, including: account tenure, transaction activity, business type, past customer disputes, and overall customer satisfaction. Some common situations where PPCN will hold payments include:

- New sellers or sellers who have limited selling activity.
- Payments for higher-risk categories like electronics or tickets.
- Sellers who have performance issues, or a high rate of buyer dissatisfaction or disputes.

## Holds Based on PPCN's Risk Decisions

We may place a hold on payments sent to your PayPal Account if, in our sole discretion, we believe that there may be a high level of risk associated with you, your PayPal Account, or your transactions or that placing such a hold is necessary to comply with regulatory requirements. We make decisions about whether to place a



payment hold based on a number of factors, including information available to us from both internal sources and third parties. When we place a hold on a payment, the funds will appear in your PayPal Account with an indication that they are unavailable or pending. We'll notify you, either through your PayPal Account or directly by phone or email, whenever we place a hold.

Risk-based holds generally remain in place for up to 30 days from the date the payment was received into your PayPal Account, unless PPCN has a reason to continue to hold the payment. We may release the hold earlier under certain circumstances (for example, if you've uploaded shipment tracking information related to the transaction), but any earlier release is at our sole discretion. The hold may last longer than 30 days if the payment is challenged as a payment that should be invalidated and reversed based on a disputed transaction, as discussed below in the section "Holds Based on Disputed Transactions". In this case, we'll hold the payment in your PayPal Account until the matter is resolved.

## **Holds Related to Marketplace Transactions**

If you're a seller on a marketplace or through a third party application where PPCN is offered, a hold may be placed on a payment sent to you at the instruction of the applicable marketplace or third party. This is done once you have granted us permission to have your funds held and will be in accordance with your agreement with the third party. These holds will appear in your PayPal Account. If you have questions about why the applicable marketplace or third party instructed PPCN to put these holds in place, you will need to contact the marketplace or third party directly.

## **Holds Based on Disputed Transactions**

If a payment sent to you as a seller is challenged as a payment that should be invalidated and reversed, we may place a temporary hold on the funds in your PayPal Account to cover the amount that could be reversed. Any of the situations described under Refunds, Reversals and Chargebacks are situations that could result in us placing a hold on a payment. If we determine the transaction should not be reversed, we'll lift the temporary hold. If we determine the transaction should be reversed, we'll remove the funds from your PayPal Account.

## **Account Limitations**

Limitations prevent you from completing certain actions with your PayPal Account, such as receiving payments, settlement to your Linked Bank Account or withdrawing the unsettled fund. These limitations are implemented to help protect PPCN, PayPal Affiliates and buyers when we notice restricted activities, an increased financial risk, or

activity that appears to us as unusual or suspicious. Limitations also help us collect information necessary for keeping your PayPal Account open.

There are several reasons why we may limit your access to your PayPal Account or the PayPal Services, and/or limit access to your funds, including:

- If we suspect someone could be using your PayPal Account without your knowledge, we'll limit it for your protection and look into the fraudulent activity.
- If the buyer's debit or credit card issuer alerts us that someone has used the buyer's card without the buyer's permission.
- If your bank lets us know that there have been unauthorized transfers between your PayPal Account and your bank account.
- In order to comply with applicable Laws.
- If we reasonably believe you have breached this Agreement, the Acceptable Use Policy or any other agreement between you and PPCN or between you and any PayPal Affiliate.
- Seller performance indicating your PayPal Account is high risk. Examples include: indications of poor selling performance because you've received an unusually high number of claims and chargebacks, selling an entirely new or high cost product, or if your typical sales volume increases rapidly.

If we limit access to your PayPal Account, we'll provide you with notice of our actions and the opportunity to request restoration of access if, in our sole discretion, we deem it appropriate.

You will need to resolve any issues with your PayPal Account before a limitation can be removed. Normally, this is done after you provide us with the information we request. However, if we reasonably believe that a risk still exists after you have provided us that information, we may take action to protect PPCN, PayPal Affiliates, our and PayPal Affiliates' users, a third party, or you from reversals, fees, fines, penalties, legal and/or regulatory risks and any other liability.

## **Reserves**

We may place a reserve on your PayPal Account if we believe there may be a high level of risk associated with you, your PayPal Account, your business model, or your transactions. When we place a reserve on your PayPal Account, it means that all or some of the transactions will be shown as "pending" in your PayPal Account. You will not be able to withdraw funds in a "pending status" and funds in a "pending status" will not be settled in your Linked Bank Account within the settlement period, in order to protect against the risk of transactions made by you being reversed or invalidated or any other risk related to your PayPal Account or use of the PayPal Services. We make decisions about whether to place a reserve based on a number of factors, including information available to us from both internal sources and from third parties.

PPCN considers a list of non-exclusive factors, and whether and how these factors have changed over time, including:

- How long you have been in business.
- Whether your industry has a higher likelihood of chargebacks.
- Your payment processing history with PPCN, PayPal Affiliates and other providers.
- Your business and/or personal credit history.
- Your delivery time frames.
- Whether you have higher than average number of returns, chargebacks, claims or disputes.

If we place a reserve on funds in your PayPal Account, we'll notify you of our actions and the terms of the reserve.

There are two types of reserve that may be placed on your PayPal Account, and one or both may be applied at the same time:

- A **rolling reserve** is a reserve where a percentage of each transaction you receive each day is held and then released later, on a scheduled basis. For example, your reserve could be set at 10% and held for a 28-day rolling period – meaning 10% of the funds you receive on day 1 are held and then released on day 29, 10% of the funds you receive on day 2 are held until day 30, etc. Rolling reserves are the most common type of reserve.
- A **minimum reserve** is a specific minimum amount that you're required to keep available in your PayPal Account at all times. The minimum reserve is either retained all at once from sales or is established on a rolling basis from percentages of sales until the minimum reserve is achieved, much like a rolling reserve.

If we change the terms of the reserve due to a change in our risk assessment, we'll notify you of the new terms.

## Security Deposit

If PPCN, in its sole discretion, considers it necessary or desirable, you will need to deposit with PPCN an amount of funds (such amount to be determined by PPCN in its sole discretion) which shall be held by PPCN as security against all liabilities that you owe, or may owe, to buyers, PPCN, PayPal Affiliates or PayPal Service Providers. These funds are referred to in this Agreement as the "Security Deposit" and will be held by PPCN in accordance with the terms and conditions herein. If we notify you that you are required to provide a Security Deposit, we will provide you with further details on how the Security Deposit and related arrangements are to be implemented including, but not limited to, timing and payment details.

PPCN, in its sole discretion is entitled to vary the amount of your Security Deposit at any time based on an assessment of the level of risk associated with your PayPal Account. We will notify you of any such variation via the primary email address you have notified to us. You will be required to make up the difference by contributing further funds to your Security Deposit within 30 days after you receive our notification. If you fail to do so, PPCN has the right to suspend or terminate your access to PayPal Services.

Your Security Deposit will be released and returned to you on the first to occur of: (i) PPCN determining, in its sole discretion, that it no longer needs to hold a Security Deposit in respect of your PayPal Account; and (ii) the date falling one year after the date on which you deregistered your PayPal Account; provided, in each case, you have not breached this Agreement, the Acceptable Use Policy, or any other agreement between you and PPCN or between you and any PayPal Affiliate, and there are no outstanding complaints or disputes relating to your PayPal Account. Your Security Deposit will be released and returned to you with no interest or other earnings.

If you violate any laws, regulations or relevant policies, if you dishonor any commitment to a buyer, or if you breach this Agreement, the Acceptable Use Policy, or any other agreement between you and PPCN or between you and any PayPal Affiliate, we shall have the right to access and draw on your Security Deposit to compensate a buyer, PPCN, a PayPal Affiliate or a PayPal Service Provider for any loss they suffer arising out of, or in connection with, your act or omission. If the amount of your Security Deposit is not sufficient to compensate them fully for their loss, PPCN may directly debit the difference from the unsettled fund in your PayPal Account. If the unsettled fund is still not sufficient to compensate them fully for their loss, PPCN is entitled to claim the deficiency from you.

## **Court Orders, Regulatory Requirements and Other Legal Processes**

If we are notified of a court order or other legal process (including garnishment or any equivalent process) affecting you, or if we otherwise believe we are required to do so in order to comply with applicable Laws or regulatory requirements, we may be required to take certain actions, including holding payments to your PayPal Account, placing a reserve or limitation on your PayPal Account, or requiring an increase in the amount of your Security Deposit. We will decide, in our sole discretion, which action is required of us. Unless the court order, applicable Law, regulatory requirement or other legal process requires otherwise, we will notify you of these actions. We do not have an obligation to contest or appeal any court order or legal process involving you or your PayPal Account. When we implement a hold, reserve or limitation as a result of a court order, applicable Law, regulatory requirement or other legal process, the hold, reserve

or limitation will remain in place for as long as reasonably necessary, as determined by PPCN in its sole discretion.

## **Anti-Money Laundering, Counter Terrorism Financing and Sanctions**

In order to comply with applicable Laws, the policies of PayPal Affiliates (including, without limitation, PayPal's Anti-Money Laundering Program and PayPal's Enterprise Compliance Sanctions Policy), and PPCN policies in relation to the provision or use of the PayPal Services, including, without limitation, the policies of PPCN and PayPal Affiliates relating to anti-money laundering, countering the financing of terrorism, compliance with government sanctions or embargoes, satisfying reporting requirements, requests for information or requirements to produce information to applicable authorities, PPCN and PayPal Affiliates may, to the extent not expressly prohibited by PRC law, and in addition to any other actions that PPCN and/or PayPal Affiliates may take under this Agreement:

- prohibit you from entering or concluding transactions involving certain persons or entities (including any person or entity that is itself sanctioned, is owned more than 50 percent by a person or entity that is itself sanctioned, or is connected, directly or indirectly, to any person or entity that is sanctioned) under economic and trade sanctions imposed by any regulator in any jurisdiction where any PayPal Affiliate is located or conducts businesses, or by any international organization, including sanctions, resolutions or orders of the United Nations, the United States of America, the European Union or any foreign country as applicable;
- investigate any payment or other information sent to or by you or on behalf of you, and conduct screening on transactions that may result in PPCN or any PayPal Affiliate delaying, blocking or refusing to make any payment to or by you;
- report suspicious transactions or potential breaches of sanctions to any applicable regulator in any jurisdiction where PPCN or any PayPal Affiliate may have a legal obligation to make such reports to meet its reporting obligations or may choose to do so in its sole discretion; and
- take any action it believes to be necessary to comply with applicable Laws, the policies of PPCN and/or any PayPal Affiliate, including, without limitation, freezing funds in your PayPal Account, blocking or rejecting a transaction in connection with your PayPal Account, refusing a request for funds from you, not allowing you to use PayPal Services, delaying or cancelling a transaction, suspending, ceasing or refusing to provide all or part of the PayPal Services to you, closing your PayPal Account, or terminating this Agreement.

PPCN shall not have any obligation to notify you if it or any PayPal Affiliate takes any of the above actions in advance, nor shall PPCN have any obligation to inform you if it, or any PayPal Affiliate takes any of the above actions until a reasonable time after it is

permitted to do so under applicable Laws. Neither PPCN nor any PayPal Affiliate, including their respective directors, officers, employees, agents, advisers, consultants, joint ventures, service providers and suppliers, shall be liable for any loss arising out of any action taken or any delay or failure by them in providing PayPal Services pursuant to the above provisions.

## **Prevention of Unauthorized Transactions**

To protect yourself from unauthorized activity in your PayPal Account, you should regularly log into your PayPal Account and review your PayPal Account statement. PayPal will notify you of each transaction by sending an email to your primary email address on file. You should review these transaction notifications to ensure that each transaction was authorized and accurately completed.

## **Reporting Unauthorized Access**

You should contact customer service immediately if you believe:

- there has been unauthorized access to your PayPal Account;
- your login information has been lost or stolen; or
- any device you have used to access your PayPal Account has been lost, stolen or deactivated.

You must give us all available information relating to the circumstances of any unauthorized access, and/or unauthorized use of your PayPal Account, and take all reasonable steps requested by us to assist PPCN in our investigation.

You shall be fully liable for any and all loss incurred by any unauthorized access and/or unauthorized use of your PayPal Account, except to the extent that any such loss has been directly caused by PPCN' gross negligence.

## **Error Resolution**

### **What is an Error**

An "Error" means the following:

- a processing error made by PPCN, its supplier(s) or a PayPal Service Provider in which your PayPal Account is mistakenly debited or credited, or when a transaction is incorrectly recorded in your PayPal Account.
- A transaction is missing from or not properly identified in your PayPal Account statement.

- We make a computational or mathematical error related to your PayPal Account.

## **What is Not Considered an Error**

The following are NOT considered errors:

- If you give someone access to your PayPal Account (by giving them your login information) and they use your PayPal Account without your knowledge or permission. You are responsible for transactions made in this situation.
- Invalidation and reversal of a payment as a result of the actions described under Refunds, Reversals and Chargebacks.

## **In Case of Errors or Questions About Your Electronic Transfers**

Notify us as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

- Tell us your name, email address and account number (if any).
- Describe the error or the transfer you are unsure about and explain as clearly as you can why you believe it is an error or why you need more information.
- Tell us the amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing within 10 Business Days. We will endeavor to complete our investigation within 10 Business Days after we receive your notification of the suspected error. If we need more time, however, we may take up to 45 days to investigate your complaint or question (and up to 90 days in the limited circumstances described below). If we decide we need more time, we will credit your PayPal Account within 10 Business Days for the amount you think is in error, so that you will have the provisional credit during the time it takes us to complete our investigation. We will notify you of the provisional credit within 2 Business Days of the crediting. If we ask you to put your complaint or question in writing and we do not receive it within 10 Business Days, we may not provisionally credit your PayPal Account.

For errors involving new PayPal Accounts (i.e. where the first transaction in respect of your PayPal Account occurred less than 30 Business Days before the date you notify us), point of sale transactions or cross border-initiated transactions, we may take up to 90 days to investigate your complaint or question.

We will tell you the results of our investigation within 3 Business Days after completing it. If we decide that there was no error, we will send you a written explanation of our decision. If you received a provisional credit, we will remove it from your PayPal Account and notify you of the date and amount of debit, or if the credited amount has been settled into your linked bank account, we will deduct the corresponding amount from your PayPal Account generated by the payment received by you subsequently. You may ask for copies of the documents that we used in our investigation.

If we determine that there was an error, we will promptly credit the full amount into your PayPal Account within 1 Business Day of our determination. Or, if you have already received a provisional credit, you will be allowed to retain that amount.

## Processing Errors

We will rectify any processing errors that we discover. If an error results in:

- You receiving less than the correct amount to which you were entitled, then we will credit your PayPal Account for the difference between what you should have received and what you actually received.
- You receiving more than the correct amount to which you were entitled, then we will debit your PayPal Account for the difference between what you actually received and what you should have received.
- Us not completing a transaction on time or in the correct amount, then we will be responsible to you for your losses or damages directly caused by this failure, unless:
  - through no fault of ours, you did not have sufficient available funds to complete the transaction;
  - our system was not working properly and you knew about the breakdown when you started the transaction; or
  - the error was due to extraordinary circumstances outside our control (such as fire, flood or loss of Internet connection), despite us taking reasonable precautions.

Processing errors are not:

- Delays that result from PayPal applying **holds, limitations or reserves**.
- Delays based on a **payment review**.
- If applicable, delays described under **How to buy something** related to the time it may take for a purchase transaction to be completed in some situations.
- Your errors in making a transaction (for example, mistyping an amount that you are sending).

## Other Legal Terms



# **PPCN's Rights**

## **Suspension and Termination Rights**

PPCN, in its sole discretion, reserves the right to suspend or terminate this Agreement, access to or use of its websites, software, systems (including any networks and servers used to provide any of the PayPal Services) operated by us or on our behalf or some or all of the PayPal Services for any reason and at any time upon notice to you and, upon termination of this Agreement, the payment to you of any unrestricted funds held in your PayPal Account.

## **Security Interest**

As security for the performance of your obligations under this Agreement, you grant to PPCN a lien on, and security interest in and to, the unsettled fund held in your PayPal Account.

## **Amounts owed to PPCN, PayPal Affiliates, or PayPal Service Providers**

If the unsettled fund in your PayPal Account becomes negative for any reason, that negative amount represents an amount that you owe to PPCN. PPCN may set off these amounts from funds that are subsequently added to your PayPal Account, either by you or from payments you receive. If you have more than one PayPal Account, we may set off a negative amount in one PayPal Account against an unsettled fund in your other PayPal Account(s). If you continue using your PayPal Account when it has a negative amount of unsettled fund, you authorize PPCN to combine the negative amount with any debit or transaction sent from your PayPal Account when that combination is disclosed to you in advance of initiating the debit or transaction.

In addition to the above, if you have a past due amount owed to PPCN, any PayPal Affiliates, or any PayPal Service Providers, PPCN may debit your PayPal Account to pay any amounts that are past due. This includes amounts owed by using our various products such as Xoom or Braintree if applicable.

## **Assumption of Rights**

If applicable and if PPCN invalidates and reverses a payment that you made to a recipient (either at your initiative or otherwise), you agree that PPCN may assume some or all of your rights against the recipient and third parties related to the payment, and may pursue those rights directly or on your behalf, in PPCN's sole discretion.

## **Insolvency Proceedings**

If any proceeding by or against you is commenced under any provision of any bankruptcy or insolvency law, we'll be entitled to recover all reasonable costs and expenses (including reasonable legal fees and expenses) incurred in connection with the enforcement of this Agreement.

## **No Waiver**

Our failure to act, or delay in acting, with respect to a breach of any of your obligations under this Agreement by you or others does not waive our right to act with respect to such breach or any subsequent or similar breaches.

## **Your Obligations on Confidentiality**

### **Confidentiality**

It is forbidden for you to store any data (including but not limited to sensitive information such as magnetic track or chip information, verification code, validity period and password) other than the basic transaction data. You are not allowed to disclose any account information or transaction data to any third party except as otherwise required by the transaction or by any applicable Law.

You must ensure that the information carrier containing accounts and transaction data is kept safe and only authorized personnel can access the carrier. Such carrier must be immediately destroyed once it loses efficacy.

You shall ensure information security at all times while conducting your business.

### **Indemnification and Limitation of Liability**

In this section, we use the term "PPCN" to refer to PayPal Payments (Beijing) Co., Ltd., PayPal Affiliates and each of their respective directors, officers, employees, agents, advisers, consultants, joint ventures, service providers and suppliers.

#### **Indemnification**

You must indemnify PPCN for actions related to your PayPal Account and your use of the PayPal Services. You agree to defend, indemnify and hold PPCN harmless from any claim or demand (including reasonable legal fees) made or incurred by any third party due to or arising out of your breach of this Agreement, your improper use of the PayPal Services, your violation of any law or the rights of a third party and/or the actions or inactions of any third party to whom you grant permissions to use your PayPal Account or access our websites, software, systems (including any networks and servers used to provide any of the PayPal Services) operated by us or on our behalf, or any of the PayPal Services on your behalf.

## **Limitation of Liability**

**PPCN's liability is limited with respect to your PayPal Account and your use of the PayPal Services.** In no event shall PPCN be liable for lost profits or any special, incidental or consequential damages (including without limitation damages for loss of data or loss of business) arising out of or in connection with our websites, software, systems (including any networks and servers used to provide any of the PayPal Services) operated by us or on our behalf, any of the PayPal Services, or this user agreement (however arising, including negligence), unless and to the extent prohibited by law.

Our liability to you or any third parties in any circumstance is limited to the actual amount of direct damages. In addition, to the extent permitted by applicable Law, PPCN is not liable, and you agree not to hold PPCN responsible, for any damages or losses (including, but not limited to, loss of money, goodwill, or reputation, profits, or other intangible losses or any special, indirect, or consequential damages) resulting directly or indirectly from: (1) your use of, or your inability to use, our websites, software, systems operated by us or on our behalf (including any networks and servers used to provide any of the PayPal Services) or any of the PayPal Services; (2) delays or disruptions in our websites, software, systems operated by us or on our behalf (including any networks and servers used to provide any of the PayPal Services), and any of the PayPal Services; (3) viruses or other malicious software obtained by accessing our websites, software, systems operated by us or on our behalf (including any networks and servers used to provide any of the PayPal Services), any of the PayPal Services, or any website or service linked to our websites; (4) glitches, bugs, errors, or inaccuracies of any kind in our websites, software, systems operated by us or on our behalf (including any networks and servers used to provide any of the PayPal Services), any of the PayPal Services, or in the information and graphics obtained from them; (5) the content, actions, or inactions of third parties; (6) a suspension or other action taken with respect to your PayPal Account; or (7) your need to modify your practices, content, or behavior, or your loss of or inability to do business, as a result of changes to this user agreement or PPCN's policies.

## **Disclaimer of Warranty and Release**

### **No Warranties**

THE PAYPAL SERVICES ARE PROVIDED "AS-IS" AND WITHOUT ANY REPRESENTATION OR WARRANTY, WHETHER EXPRESS, IMPLIED OR STATUTORY. PPCN SPECIFICALLY DISCLAIMS ANY IMPLIED WARRANTIES OF TITLE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT.

PPCN DOES NOT HAVE ANY CONTROL OVER THE PRODUCTS OF SERVICES PROVIDED BY SELLERS WHO ACCEPT PAYPAL OR PPCN AS A PAYMENT METHOD AND PPCN CANNOT ENSURE THAT A BUYER OR A SELLER (IF APPLICABLE) YOU ARE DEALING WITH WILL ACTUALLY COMPLETE THE TRANSACTION OR IS AUTHORIZED TO DO SO. PPCN DOES NOT GUARANTEE CONTINUOUS, UNINTERRUPTED OR SECURE ACCESS TO ANY PART OF THE PAYPAL SERVICES, AND OPERATION OF OUR WEBSITES, SOFTWARE, OR SYSTEMS OPERATED BY US OR OUR BEHALF (INCLUDING ANY NETWORKS AND SERVERS USED TO PROVIDE ANY OF THE PAYPAL SERVICES) MAY BE INTERFERED WITH BY NUMEROUS FACTORS OUTSIDE OF OUR CONTROL. PPCN WILL MAKE REASONABLE EFFORTS TO ENSURE THAT REQUESTS FOR ELECTRONIC DEBITS AND CREDITS INVOLVING BANK ACCOUNTS, DEBIT CARDS AND CREDIT CARDS AND CHECK ISSUANCES ARE PROCESSED IN A TIMELY MANNER BUT PPCN MAKES NO REPRESENTATIONS AND GIVES NO WARRANTIES REGARDING THE AMOUNT OF TIME NEEDED TO COMPLETE PROCESSING BECAUSE THE PAYPAL SERVICES ARE DEPENDENT UPON MANY FACTORS OUTSIDE OF OUR CONTROL, SUCH AS DELAYS IN THE BANKING SYSTEM OR MAIL SERVICE.

## **Release of PPCN**

If you have a dispute with any other PayPal Account holder, you release PPCN and PayPal Affiliates from any and all claims, demands and damages (actual and consequential) of every kind and nature, known and unknown, relating to, arising from, or in any way connected with, such disputes. In entering into this release you expressly waive any protections that would otherwise limit the coverage of this release to include only those claims which you may know or suspect to exist in your favour at the time of agreeing to this release.

## **Disputes with PPCN**

### **Contact us First**

If a dispute arises between you and PPCN, our goal is to learn about and address your concerns. If we are unable to do so to your satisfaction, we aim to provide you with a neutral and cost effective means of resolving the dispute quickly. Disputes between you and PPCN regarding the services may be reported to Customer Service.

### **Intellectual Property**

"PayPal.com", "PayPal.cn", "PayPal", and all logos related to the PayPal Services are either trademarks or registered trademarks of PayPal Affiliates, which have been licensed to PPCN for use in its service. You may not copy, imitate, modify or use them without our prior written consent. In addition, all page headers, custom graphics, button icons, and scripts are service marks, trademarks, and/or trade dress of PPCN

or PayPal Affiliates. You may not copy, imitate, modify or use them without our prior written consent. You may use HTML logos provided by us for the purpose of directing web traffic to the PayPal Services. You may not alter, modify or change these HTML logos in any way, use them in a manner that mischaracterizes PPCN, PayPal Affiliates or the PayPal Services or display them in any manner that implies PayPal's sponsorship or endorsement. All right, title and interest in and to the PayPal websites, any content thereon, the PayPal Services, the technology related to the PayPal Services, and any and all technology and any content created or derived from any of the foregoing is the exclusive property of PPCN and its licensors.

## **License Grants, Generally**

If you are using PayPal software such as an API, developer's toolkit or other software application, which may include software provided by or integrated with software, systems or services of our service providers, that you have downloaded or otherwise accessed through a web or mobile platform, then PayPal grants you a revocable, non-exclusive, non-sublicensable, non-transferable, royalty-free limited license to access and/or use PayPal's software in accordance with the documentation accompanying such software. This license grant applies to the software and all updates, upgrades, new versions and replacement software. You may not rent, lease or otherwise transfer your rights in the software to a third party. You must comply with the implementation, access and use requirements contained in all documentation accompanying the PayPal Services. If you do not comply with implementation, access and use requirements you will be liable for all resulting damages suffered by you, PayPal and third parties. PayPal may update or discontinue any software upon notice to you. While PayPal may have (1) integrated certain third party materials and technology into any web or other application, including its software, and/or (2) accessed and used certain third party materials and technology to facilitate providing you with the PayPal Services, you have not been granted and do not otherwise retain any rights in or to any such third party materials. You agree not to modify, alter, tamper with, repair, copy, reproduce, adapt, distribute, display, publish, reverse engineer, translate, disassemble, decompile or otherwise attempt to create any source code that is derived from the software or any third party materials or technology, or otherwise create any derivative works from any of the software or third party materials or technology. You acknowledge that all rights, title and interest to PayPal's software are owned by PayPal and any third party materials integrated therein are owned by PayPal's third party service providers. Any other third party software application you use on the PayPal websites is subject to the license you agreed to with the third party that provides you with this software. You acknowledge that PayPal does not own, control nor have any responsibility or liability for any such third party software application you elect to use on any of our websites, software and/or in connection with the PayPal Services. If you are using the PayPal Services on the PayPal website, or other website or platform hosted by PayPal, or a third party, and are not downloading PayPal's software or using third party software applications on the PayPal website, then this section does not apply to your use of the hosted PayPal Services.

## **License Grant From You to PPCN and PayPal Affiliates; Intellectual Property Warranties**

PPCN does not claim ownership of the content that you provide, upload, submit or send to us. Nor does PPCN claim ownership of the content you host on third party websites or applications that use PayPal Services to provide payments services related to your content. Subject to the next paragraph (“License Grant From Sellers to PPCN and PayPal Affiliates”), when you provide content to PPCN or post content using PayPal Services, you grant PPCN (and PayPal Affiliates and parties that we work with) a non-exclusive, irrevocable, royalty-free, transferable, and worldwide license to use your content and associated intellectual property and publicity rights in any media known now or in the future to help us improve, operate and promote our current services and develop new ones. PPCN will not compensate you for any of your content. You acknowledge that our use of your content will not infringe any intellectual property or publicity rights. Further, you acknowledge and warrant that you own or otherwise control all of the rights of the content you provide, and you agree to waive your moral rights and promise not to assert such rights against us. You represent and warrant that none of the following infringe any intellectual property or publicity right: your provision of content to PPCN, your posting of content using the PayPal Services, and our use of such content (including of works derived from it) in connection with the PayPal Services.

## **License Grant from Sellers to PPCN and PayPal Affiliates**

Notwithstanding the provisions of the prior paragraph (“License Grant From You to PPCN and PayPal Affiliates; Intellectual Property Warranties”), you, as a seller using the PayPal Services to accept payments for goods and services, hereby grant PPCN and PayPal Affiliates a worldwide, non-exclusive, transferable, sublicensable (through multiple tiers), and royalty-free, fully paid-up, right to use and display publicly, during the term of this Agreement, your trademark(s) (including but not limited to registered and unregistered trademarks, trade names, service marks, logos, domain names and other designations owned, licensed to or used by you for the purpose of (i) identifying you as a merchant that accepts a PayPal Service as a payment form and facilitating consumer transactions with you; and (ii) any other use to which you specifically consent.

## **Your Use (As A Seller) of Personal Data; Data Protection Laws**

To the extent that you, in your capacity as a seller and/or using a business profile, process any personal data about a PayPal customer pursuant to this Agreement, you and PayPal will each be an independent data controller (and not joint controllers), meaning we will each separately determine the purposes and means of processing such personal data. We each agree to comply with the requirements of any applicable privacy and data protection laws, including any applicable regulations, directives,

codes of practice, and regulatory requirements applicable to data controllers in connection with this Agreement. We each also have and will follow our own, independently-determined privacy statements, notices, policies and procedures for any such personal data that we process in connection with this Agreement.

In complying with the applicable data protection laws, we will each:

- implement and maintain all appropriate security measures in relation to the processing of personal data;
- maintain a record of all processing activities carried out under this Agreement; and
- not knowingly or intentionally do anything, or knowingly or intentionally permit anything to be done, which might lead to a breach by the other party of the applicable data protection laws.

Any personal data provided to you by PayPal in connection with the PayPal Worldwide Services, excluding personal data collected or obtained by you directly from the customer, will be used by you only to the limited extent that is necessary and relevant to the PayPal Worldwide Services and for no other purpose, including marketing purposes, unless you have obtained the prior consent of the customer. Merchant represents, warrants, and covenants that it will provide and/or obtain its all necessary disclosures and consents, as applicable, in connection with Merchant's data collection and sharing practices with PayPal. You may not disclose or distribute any customer personal data provided to you by PayPal to a third party, unless such third party is your service provider and acting on your behalf (as defined by applicable law).

The parties agree that PayPal may transfer customer personal data processed under this Agreement outside the country where it was collected as necessary to provide the PayPal Worldwide Services. If PayPal transfers customer personal data protected under this Agreement to a jurisdiction for which the applicable regulatory authority for the country in which the data was collected has not issued an adequacy decision, PayPal will ensure that appropriate safeguards have been implemented for the transfer of customer personal data in accordance with applicable data protection laws. For example, and for purposes of compliance with the Regulation (EU) 2016/679, we rely on Binding Corporate Rules approved by competent supervisory authorities and other data transfer mechanisms for transfers of customer personal data to other members of the PayPal group.

## **Collection, Processing and Sharing of Your Personal Information**

In order to offer PayPal Services and other services or products as agreed to customers, PPCN will from time to time collect, keep, use and process personal information related to you or your employees or other personnel to the extent necessary for us to provide PayPal Services to you and to end-customers for user of

PayPal Services. This personal information, and these activities, are subject to our **Privacy Statement** available at <https://www.paypal.cn/portal/privacy?locale.x=en>.

In order to address PPCN's business needs, including conducting cross-border businesses, and compliance with applicable Laws, including laws relating to anti-money laundering, countering the financing of terrorism, compliance with government sanctions or embargoes, satisfying reporting requirements, requests for information or requirements to produce information to applicable authorities, you expressly acknowledge that PPCN may share and disclose personal information related to you or your employees or other personnel with PayPal Affiliates and PayPal Service Providers and other parties inside and outside the PRC, including PayPal Affiliates and PayPal Service Providers outside the PRC.

You expressly consent to the collection, retention, use and processing of all personal information related to you or your employees or other personnel for the provision of PayPal Services to you, and you authorize PPCN to transmit any such information to PayPal Affiliates and PayPal Service Providers and other parties inside and outside the PRC, including PayPal Affiliates and PayPal Service Providers outside the PRC, in connection with your receipt of PayPal Services. You expressly acknowledge and understand that certain PayPal Affiliates, PayPal Service Providers and other parties which receive such information from PPCN may be located outside of the PRC.

## **Communications Between You and Us**

You agree that PPCN and PayPal Affiliates may contact you by email for marketing purposes. You may opt-out of receiving marketing communications when you open a PayPal Account by changing your account preferences or by clicking on the "unsubscribe" link in any PPCN email or receipt you receive from us. Please allow up to 5 Business Days for the opt-out to take effect. We will be able to provide factual information about your PayPal Account or the PayPal Services, even if you have opted-out of receiving marketing communications.

If you provide us your mobile phone number, you agree that PPCN and PayPal Affiliates may contact you at that number using autodialed or prerecorded message calls or text messages to: (i) inform you about your use of the PayPal Services and/or service your PayPal Account; (ii) investigate or prevent fraud; or (iii) collect a debt.

PPCN may communicate with you electronically about any PayPal Account or transaction information and the PayPal Services. It is your responsibility to keep your primary email address up to date so that PPCN can communicate with you electronically.

You understand and agree that if PPCN sends you an electronic communication but you do not receive it because your primary email address on file is incorrect, out of date, blocked by your service provider, or you are otherwise unable to receive



electronic communications, PPCN will be deemed to have provided the communication to you effectively.

You will be considered to have received a communication from us, if it's delivered electronically, 24 hours after the time we post it to our website or email it to you. You will be considered to have received a communication from us, if it's delivered by mail, 3 Business Days after we send it.

If your email address becomes invalid such that electronic communications sent to you by PPCN are returned, PPCN may deem your account to be inactive, and you will not be able to transact any activity using your PayPal Account until we receive a valid, working primary email address from you.

PPCN also reserves the right to close your PayPal Account if you withdraw your consent to receive electronic communications.

Unless you're communicating with us about a matter where we've specified another notice address (for example, our Liability for Unauthorized Access and Other Errors process), written notices to PPCN must be sent by postal mail to the address published on our website.

You understand and agree that, to the extent permitted by law, PPCN may, without further notice or warning, monitor or record telephone conversations you or anyone acting on your behalf has with PPCN or its agents for quality control and training purposes or for our own protection. You acknowledge and understand that while your communications with PPCN may be overheard, monitored, or recorded not all telephone lines or calls may be recorded by PPCN, and PPCN does not guarantee that recordings of any particular telephone calls will be retained or retrievable.

## **Miscellaneous**

### **Assignment**

You may not transfer or assign any rights or obligations you have under this Agreement without PPCN's prior written consent. PPCN may, with a prior written notice on our website, transfer or assign this Agreement or any right or obligation under this Agreement at any time.

### **Business Days**

"Business Day(s)" means Monday through Friday, excluding national holidays recognized in the PRC.

### **Laws**

“Law(s)” means any statute, law, rule, regulation, guideline, ordinance, code or policy issued, administered or enforced by any governmental entity, or any judicial or administrative interpretation thereof.

## **Dormant Accounts**

If you do not log in to your PayPal Account for two or more years, we may close your PayPal Account and any unrestricted funds in your account will be subject to applicable Laws regarding unclaimed monies.

## **Complete Agreement and Survival**

This Agreement, along with any applicable agreements and Policies on the [Legal Agreements](#) page of our website, sets forth the entire understanding between you and PPCN with respect to the PayPal Services. All such terms which by their nature should survive, will survive the termination of this Agreement. If any provision of this Agreement is held to be invalid or unenforceable, such provision shall be struck out and the remaining provisions shall survive and be enforced.

## **Governing Law and Jurisdiction**

This Agreement will be governed by and interpreted in accordance with the laws of the PRC, as such laws are applied to agreements entered into and to be performed entirely within the PRC, without regard to conflict of law provisions. Except as otherwise agreed by the parties, you agree that any claim or dispute you may have against PPCN must be submitted to and resolved by the People’s Court where PPCN is located.

## **Identity Authentication**

You authorize PPCN, directly or through third parties, to make any inquiries we consider necessary to verify your identity. This may include:

- asking you for further information, such as your date of birth, your taxpayer or national identification number, your physical address and any other information that will allow us to reasonably identify you;
- requiring you to take steps to confirm ownership of your email address or financial instruments;
- ordering a credit report from a credit reporting agency;
- verifying your information against third party databases or through other sources; or
- requiring you to provide further documentation, such as your driver's license or other identifying documents at any time.

Anti-money laundering and counter-terrorism financing laws may require PPCN to verify certain identifying information if you use certain PayPal Services. PPCN reserves the right to close, suspend, or limit access to your PayPal Account and/or the PayPal Services in the event that, after reasonable enquiries, we are unable to obtain information about you required to verify your identity.

## **PPCN is Only a Payment Service Provider**

We act as a payment service provider only. We do not:

- Act as a bank or provide banking services;
- Act as an escrow agent with respect to any funds kept in your PayPal account;
- Act as your agent or trustee;
- Enter into a partnership, joint venture, agency or employment relationship with you;
- Have control of, nor any liability for, the products or services that are paid for with the PayPal Services;
- Guarantee the identity of any buyer or seller;
- Ensure that a buyer or a seller will complete a transaction;
- Determine if you are liable for any taxes; or
- Unless otherwise expressly set out in this Agreement, collect or pay any taxes that may arise from your use of our services.

## **Privacy**

Protecting your privacy is very important to us. Please review carefully and in its entirety our [Privacy Statement](#) in order to better understand our commitment to maintaining your privacy, as well as our use and disclosure of your information.

## **Terms in Chinese; Translation of this Agreement**

It is the express wish of the parties that these terms and any directly or indirectly related documents be drawn up in Chinese. Any translation of this Agreement is provided solely for your convenience and does not, and is not intended to, modify the terms of this Agreement. In the event of a conflict between the Chinese version of this Agreement and a version in a language other than Chinese, the Chinese version shall prevail.

# **Fees and Fees Table**

## **1. Overview.**

PPCN charges the following Fees (the Fees listed below do not include applicable VAT, the rate of which is 6% currently and shall be subject to changes in line with PRC tax laws and regulations, which shall be paid by you in addition to, and at the time we collect from you, our Fees):

**a. Commercial Payments Fees.**

**b. Additional Fees:**

- RMB Settlement Fee
- Chargeback Fee

**c. Fees for other pricing categories:**

- Micropayments Fee
- Refund Fee

**d. Fees charged by PayPal Service Providers for currency conversion outside PRC**

## 2. Commercial Payments Fee.

A Commercial Payment includes the following:

- A payment for the sale of goods or services;
- A payment received after the seller has used the “Request Payment” tab on the PayPal website; or
- A payment that is sent to, or received by, a business or other commercial or non-profit entity.

Activity	Country/Region	Commercial Payments Fees			
Receiving Commercial Payments	PRC	International payments:	Standard	4.4% + Fixed Fee	
			Rate#:		
Fixed Fee	PRC	Chinese Yuan Renminbi	¥2.2 CNY		

## 3. Additional Fees.

Activity	Additional Fees				
RMB Settlement Fee					
	Fee for settling in RMB		Cross-Border	1.0%	

Chargebacks	PRC	<b>Currency:</b>	<b>Fee:</b>
		Chinese Yuan Renminbi	¥70 CNY
	The Chargeback Fee is charged at the time a chargeback is applied to your PayPal Account for a payment you receive. If you are eligible for PayPal Seller Protection for that payment, the Fee is waived.		

## 4. Fees for Other Pricing Categories

### Micropayments Pricing.

**(i) Micropayments Fees.** If you have signed up for Micropayments Fees, then the following Fees apply to all the Commercial Payments you receive. If you have both a Micropayments Fees enabled account and a standard pricing account, it is your responsibility to correctly route your payments to the appropriate account, and once a transaction is processed through the account you selected, you may not request that the transaction be processed through a different account.

Activity	Country/Region	Micropayments Fee	
Receiving Commercial Payments	PRC	<b>International payments:</b>	
		6%+ Micropayments Fixed Fee	
Micropayments Fixed Fee		<b>Currency:</b>	<b>Fee:</b>
		Chinese Yuan Renminbi	¥0.35 CNY

### Refund Fee

Activity	Country/Region	Fee
Refunding a Commercial Payment	PRC	If you refund (partially or fully) a transaction to a buyer or a donation to a donor, there are no fees to make the refund, but the fees you originally paid will not be returned to you.

**Bank/Credit Card Fees.** Your bank, credit or debit card company may charge you fees for sending or receiving funds using PayPal Services. Neither PPCN nor any PayPal Affiliate is liable for any fees charged to you by your bank, credit or debit card company or other financial institution based on your usage of PayPal Services.

## 5. Fees Charged by PayPal Service Providers for Currency Conversion Outside PRC

Activity	Additional Fees			
Currency Conversion Fee charged by PayPal Service Providers outside PRC	Fee for converting other currencies to CNY	USD, HKD	0.2%	
		Other Currencies	2.5%	