Please be advised that the UCG has been significantly revised and should be fully reviewed. Red font has been utilized to indicate new or significant call outs only. Lastly, while the branded look of the document has been updated, the flow and type of content has remained consistent with previous versions. Questions may be directed to: MedHighRiskUnderwriting@e-hps.com

- Instant Approval has nearly doubled the number of eligible IA MCCs so pay particular attention to the details for that below.
- Added the following note Transactions cannot be commingled; i.e., no mixing eCommerce and Face-to-Face processing, except in the restaurant industry (i.e., 5812 or 5814).

  **Note:** If a new merchant wants to process both retail and eCommerce, it's required that a boarding packet be submitted for each processing method as they will be split out onto two separate accounts / MIDs. If an existing merchant is adding a processing method such as a retail location who wants to add eCommerce, a new boarding packet will be required only for the new processing method being added for review / approval of the account. However, approved teams may be eligible to add an TID to an existing MID, whereby that account may process both retail and Ecommerce under a single MID (IE: Payment Manager+ or other integration exceptions) .

- The underwriting requirement sections for each Risk Level has been slightly modified to unify language consistency and descriptors throughout. While each section should be individually reviewed, the following are a few items highlighted for your awareness:
  - **For All Risk Levels Requirements:**
    - In order to assist in reducing the number of pended accounts, we wanted to define a common error we find present within the Application within the Owner Section. KYC/Beneficial Owners: List individuals w/significant control and/or all owners w/25% or more equity on the App including Legal Name, DOB, Address and SSN. Refer to the KYC Guidelines for exceptions. Note: Do not provide nicknames or abbreviate the owners name as it will result in a pend (i.e., Bob should be spelled out as Robert if that is his full legal government name.).
    - Business Financials are recommended but not required unless the Risk Exposure is >$750K and/or if Average Ticket is >$10K. At minimum, the last 2 years Accountant Prepared Business Financials and current Year-To-Date Interim Financials. It is preferred CPA Cover Letter, Notes, Balance Sheet, Income Statement and Statement of Cash Flow are included. (Personal Financials can be accepted when the business entity is a sole proprietorship only.)
    - **(Reminder Only)** - Previous Processing Statements are defined as recent, consecutive and satisfactory (i.e. < 10% Returns, < .75% Chargebacks and Interchange Summary) and may be required at Underwriter discretion.
  - **Specific to Instant Approval Requirements:**
    - $10,000,000 or less Annual Volume ($50,000 or less volume for MCC's 8211 Elementary & Secondary Schools & 8641 Civic, Social & Fraternal Association)
    - Average Ticket must be $2500 or less. (Average Ticket of $75 or less for MCCs 8211 & 8641)
    - 65% or greater Card Swiped - MOTO for Brick and Mortar locations
    - 100% eCommerce Location(s); with 30 days or less Future Delivery
    - 25% or less retail Future Delivery with a maximum future delivery timeframe of 30 days or less. (IE: Lodging can have up to 40% Future Delivery)
- Each of the risk level headers outlined within the UCG have been slightly modified to unify language and descriptor consistency and align with the Credit Policy, Card Brands, and/or MCC manual. All changes within the UCG should be closely review throughout these sections; however, the following are some key additions / revisions we would like to highlight:
  - **Instant Approval (IA): We are pleased to announce that we are nearly doubling the number of eligible IA MCCs. Those additional MCCS can be found below.**
    - <u>MCC placed in IA:</u>
      - 3501 Holiday Inn
      - 3502 best Western
      - 3510 Days INN & Suites
      - 3709 Super 8 by Wyndham
      - 3834 Baymont Inn & Suites
      - 8099 Medical Services and Health Practitioners (Not Elsewhere Classified) are Low Risk (Physician Based Hair Restoration or Weight Loss is High Risk and Non-Physician Based is Prohibited)
      - * 8211/Elementary & Secondary Schools
      - * 8641/Civic, Social & Fraternal Association
      - 5921/Liquor Store- Must be 100% card swiped/card present (No CNP transactions)

- 5999/Misc. Specialty Retail Store: Must be 100% card swiped/card present (No CNP transactions)
- 7832/Movie Theatres
- 8931/Accounting
- 7211/Laundry
- 7399/Business Services Elsewhere classified (Ie: Locksmith, Translation Services, Mail & Packing store)
- 8398/Charitable & Social Services - Required 501C3 status will be confirmed during the shadow underwriting review process.
- 7994/Video Games/Arcades
- 5198 (B2B) Paints, Varnishes & Supplies
- 5451/Dairy Product Store
- 7993/Video Amusement Game Supply
- 4111/Local Commuter Passenger Transpiration (IE: buses, trains)
- 5310/Discount Store
- 5399/Misc. General Merchant
- 5733/Music Store
- 8049/Podiatrists & Chiropodists
- 5641/Children & Infants Wear
- 7217/Carpet & Upholstery
- 4119/Ambulance Services
- 7210/Laundry, Cleaning & Garment Services
- 5169 (B2B): Chemicals and Allied Products (IE: whole distributors of chemicals, fuel, and oil additives)
- 7276/Tax Preparation Service
- 5111 (B2B)/Stationary, office & printing supplies
- 5072 (B2B)/Hardware, plumbing & heating equipment
- 5131 (B2B)/ Piece, notions, and other dry goods (IE: distributors of drapery, fabrics, fiberglass, zippers, and fibers)
- 7338/Quick Copy/reproduction services
- 5211/Lumber & building materials
- 4225 Public Warehouse (IA Volume Threshold: $5MM)
- 8351/Childcare Services (IA Volume Threshold: $5MM)
- 4468/Marinas & Marine Services (IA Volume Threshold: $5MM)
- 7311/Advertising Services (IA Volume Threshold: $5MM)
- 5051 (B2B)/Metal Service Centers
- 5013 (B2B)/Motor Vehicle Supplies & new parts (distributors of batteries, engines, parts, and accessories)
- 5932/Antique Shops
- 8661/Religious Organizations
- 7333/Commercial Photography (IE: commercial art or graphic design for advertising agencies or publishers)

- **Adding some clarification around existing IA Eligible MCCs:**
  - 0742 Veterinarian (Excluding pet medication sales with 50% or greater CNP)
  - 5499 Miscellaneous Food Stores, Convenience Stores and Specialty Markets are Low Risk (Herbal / Vitamin Supplements are High Risk)
  - 5942 Book Stores are Low Risk (Self Help Books with unrealistic claims are High Risk, Adult Books Stores are Prohibited)

## Medium Risk:

- **The products/services below are moving from high risk to medium risk:**
  - Card Present Fortune,& Horoscope Tellers opportunities are moving from high risk to medium risk. **Note:** Fortune & Horoscope Tellers CNP/Card not present remain prohibited)
  - Equipment, Tool and Appliance Rental and Leasing (Furniture Rental See High Risk)
  - Taxi's (While the same MCC is used for both Taxis and Limousines; we will classify a "taxi only" business as medium risk, Limousine services remains as high risk. )

## High Risk:

- **The products/services below are moving from medium risk to high risk:**
  - Art Dealers & Galleries
  - Bridal Shops
  - Drop Shipping (3rd party/middleman responsible for order fulfillment and/or returns - taking orders but doesn't have inventory or own product at time of transaction. ** This account moved from prohibited to High Risk**
  - Freight Forwarders / Shipping Brokers (Domestic freight only). **Note**: International Freight Forwarders / Shipping Brokers remains prohibited. But could be Sponsor Bank waiver eligible-consult with Credit Leadership prior to submission.
  - Herbal / Vitamin Supplements (Card Present). Note: Herbal/Vitamin Supplements are high risk today
  - Internet Service Provider (ISP)
  - Furniture Repair Reupholstery and Refinishing -Moved to High Risk to align with Global US Credit Policy
  - Tech Support (B2B only – Remote access (Allows remote access to Merchant Computer potentially exposing stored data.) **This is moving from prohibited to high risk**

## Prohibited:

- **The products/services below are either moving from high risk to prohibited OR have been classified as prohibited .**
  - **CBD Oil, Hemp Oil and Hemp Seed (Excluding sterilized hemp seeds or hemp textiles)
  - Hemp Growers/Manufacturers - Potential Sponsor Bank waiver path-must consult with UW Leadership prior to submission.
  - Fireworks (CNP- firecrackers, aerial bombs, bottle rockets)
  - Intravenous therapy (e.g., IV drip bar, vitamin infusions, hangover cures)
  - **Prescription drug sales **including veterinary drug sales,** Internet, CNP or Cross Border
  - Registered Agent Facility (Non U.S domiciled) IE: set up of a non-consumer facing facility to give the illusion of trading in the US.
  - Subscriptions in excess of one year with upfront payment.
  - Telemedicine Providers (Consultation is permitted; However a telemedicine provider engaged in dispensing prescription drugs OR accepting payment for this dispensing of prescription drugs including those dispensed by 3rd parties or affiliated pharmacies are prohibited.

# Heartland Underwriting Criteria Guidelines

*(Latest revisions to this document will be identified in red font for review.)*

**Important Notes:**

- Underwriting and Commission eligibility criteria may differ; refer to Commission Eligibility Guidelines for Signing Bonus requirements.
- A funding delay is at the discretion of the Underwriter on a case-by-case basis.
- Transactions cannot be commingled; i.e., no mixing eCommerce and Face-to-Face processing, except in the restaurant industry (i.e., 5812 or 5814). However, approved teams may be eligible to add an TID to an existing MID, whereby that account may process both retail and Ecommerce under a single MID (IE: Payment Manager+ or other integration exceptions

**Definitions:**

- Satisfactory Processing Statement is defined as: < 10% Returns, < .75% Chargebacks and Interchange Summary
- Established Business defined as: Length of time in business 1 year or greater
- Established HPS relationship defined as: Minimum of 6 months of processing with HPS

## INSTANT APPROVAL

A post review will be conducted to ensure proper documents are applied and criteria is met; additional information and/or Credit Underwriting may be required.

## REQUIREMENTS FOR INSTANT APPROVAL

1. KYC/Beneficial Owners: List individuals w/significant control and/or all owners w/25% or more equity on the App including Legal Name, DOB, Address and SSN. Refer to the KYC Guidelines for exceptions. Note: Do not provide nicknames or abbreviate the owners name as it will result in a pend (i.e., Bob should be spelled out as Robert if that is his full legal government name.).
2. Previous Processing Statements: Minimum 1 recent and satisfactory statement recommended, additional may be required at Underwriter discretion (i.e. < 10% Returns, < .75% Chargebacks and Interchange Summary).
3. $10,000,000 or less Annual Volume (Exception: $5MM > 4225, 8351, 4468, 7311) ($50,000 or less volume for MCC's 8211 & 8641) *
4. Average Ticket must be $2500 or less. (Average Ticket of $75 or less for MCCs 8211 & 8641) *
5. 65% or greater Card Swiped - MOTO for Brick and Mortar locations
6. 100% eCommerce Location(s); of 30 days or less Future Delivery
7. 25% or less retail Future Delivery with maximum future delivery timeframe of 30 days or less. (Exception: Lodging can have up to 40% Future Delivery)
8. Derogatory Credit may result in Daily Settlement

## INSTANT APPROVAL MCC'S

- 0742 Veterinarian (Excluding pet medication sales with 50% or greater CNP)
- 3501 Holiday Inn
- 3502 Best Western
- 3510 Days INN & Suites
- 3709 Super 8 by Wyndham
- 3834 Baymont Inn & Suites
- 4111 Local Commuter Passenger Transpiration (i.e., buses, trains)
- 4119 Ambulance Services
- 4225 Public Warehouse (IA Volume: $5MM)
- 4468 Marinas & Marine Services (IA Volume: $5MM)
- 4812 Telecommunication, Phone Equipment and Telephone Sales
- 5013 (B2B)/Motor Vehicle Supplies & new parts (i.e., Distributors of batteries, engines, parts, and accessories)
- 5051 (B2B)/Metal Service Centers
- 5072 (B2B)/Hardware, plumbing & heating equipment
- 5111 (B2B)/Stationary, office & printing supplies
- 5131 (B2B)/ Piece, notions, and other dry goods (i.e., distributors of drapery, fabrics, fiberglass, zippers, and fibers)
- 5169 (B2B): Chemicals and Allied Products (i.e., whole distributors of chemicals, fuel, and oil additives)
- 5198 (B2B) Paints, Varnishes & Supplies
- 5231 Glass, Paint and Wallpaper Stores
- 5251 Hardware Stores
- 5261 Nursery / Lawn and Garden Supply Stores
- 5310 Discount Store
- 5331 Variety Stores
- 5399 Misc. General Merchant
- 5411 Grocery Stores, Supermarkets
- 5422 Freezer and Locker Meat Provisioners
- 5441 Candy, Nut and Confectionery Stores
- 5451 Dairy Product Store
- 5462 Bakery / with catering ≤ 15%
- 5499 Miscellaneous Food Stores, Convenience Stores and Specialty Markets are Low Risk (Herbal / Vitamin Supplements are High Risk)
- 5511 Auto / Truck Dealers Sales / Service
- 5532 Automotive Tire Stores (Part Worn or Retread Tires is Medium)
- 5533 Auto Parts & Accessories Stores
- 5641 Children & Infants Wear
- 5661 Shoe Stores
- 5697 Tailors, Seamstresses, Mending, and Alterations
- 5698 Wig and Toupee Stores
- 5733 Music Store
- 5735 Record Stores
- 5812 Eating Establishment / Restaurant w/catering ≤15%
- 5813 Drinking Places/Bars (no Gentleman Clubs)
- 5814 Fast Food Restaurant (Same Day Delivery)
- 5921/Liquor Store - Must be 100% card swiped/card present (No CNP transactions - See addendum for CNP Liquor)
- 5931 Used Merchandise and Secondhand Stores
- 5932 Antique Shops
- 5940 Bicycle Shops
- 5942 Book Stores are Low Risk (Self Help Books with unrealistic claims are High Risk, Adult Books Stores are Prohibited)
- 5943 Stationary Stores, Office, and School Supply Stores
- 5945 Hobby, Toy and Game Shops
- 5947 Gift/Novelty Shops (Excluding Adult)
- 5949 Sewing, Needlework, Fabric, and Piece Goods Stores
- 5970 Artists Supply and Craft Shops
- 5973 Religious Goods Stores
- 5977 Cosmetic stores
- 5992 Florists
- 5995 Pet Stores
- 5999 Misc. Specialty Retail Store: Must be 100% card swiped/card present (No CNP transactions)
- 7011 Lodging
- 7216 Dry Cleaners
- 7210 Laundry, Cleaning & Garment Services
- 7211 Laundry
- 7217 Carpet & Upholstery
- 7230 Barber/Beauty
- 7276 Tax Preparation Service
- 7311 Advertising Services (IA Volume: $5MM)
- 7333 Commercial Photography (i.e., commercial art or graphic design for advertising agencies or publishers)
- 7338 Quick Copy/reproduction services
- 7399 Business Services Elsewhere classified (i.e., Locksmith, Translation Services, Mail & Packing store)
- 7523 Parking lots, Garages
- 7531 Automotive Body Repair
- 7538 Auto Service Shop
- 7542 Car Wash
- 7699 Miscellaneous Repair shops
- 7832 Movie Theatres
- 7933 Bowling Alleys
- 7993 Video Amusement Game Supply
- 7994 Video Games/Arcades
- 8011 Doctors
- 8021 Dentist/Ortho
- 8041 Chiropractor (excludes weight loss)
- 8042 Optometrists, Ophthalmologists
- 8049 Podiatrists & Chiropodists
- 8099 Medical Services and Health Practitioners (Not Elsewhere Classified) are Low Risk (Physician Based Hair Restoration or Weight Loss is High Risk and Non-Physician Based is Prohibited)
- *** 8211/Elementary & Secondary Schools**
- 8351 Childcare Services (IA Volume: $5MM)
- 8398 Charitable & Social Services (501-C3 Required)
- *** 8641/Civic, Social & Fraternal Association**
- 8661 Religious Organizations
- 8931 Accounting

## QUALIFIED LOW RISK

Merchant types deemed as Low Risk but which do not meet Instant Boarding criteria will be underwritten by Credit Underwriting.
Additional information may be requested depending on the individual account.

## MEDIUM RISK

Additional information may be requested depending on the individual account.

### REQUIREMENTS FOR MEDIUM RISK MERCHANT TYPES

1. KYC/Beneficial Owners: List individuals w/significant control and/or all owners w/25% or more equity on the App including Legal Name, DOB, Address and SSN. Refer to the KYC Guidelines for exceptions. Note: Do not provide nicknames or abbreviate the owners name as it will result in a pend (i.e., Bob should be spelled out as Robert if that is his full legal government name.).
2. Previous Processing Statements are recommended but not required. (IE: Minimum 2 months of recent, consecutive and satisfactory statements and additional may be required at Underwriter discretion (i.e. < 10% Returns, < .75% Chargebacks and Interchange Summary).
3. Personal Guaranty is recommended.
4. Business Financials are recommended but not required unless the Risk Exposure is >$750K and/or if Average Ticket is >$10K. At minimum, the last 2 years Accountant Prepared Business Financials and current Year-To-Date Interim Financials and/o It is preferred CPA Cover Letter, Notes, Balance Sheet, Income Statement and Statement of Cash Flow are included. (Personal Financials can be accepted when the business entity is a sole proprietorship only.)

### MEDIUM RISK MERCHANT TYPES

- Air Conditioning and Refrigeration Repair Shops
- Airports, Flying Fields, and Airport Terminals
- Amusement Parks/Circus, Card Present Fortune & Horoscope Tellers (Fortune & Horoscope Tellers CNP are prohibited)
- Antique Reproductions
- Architectural, Engineering, and Surveying Services
- Attorney & Law Firms (General Practice)
- Automobile Associations
- Automobile Rental Agency
- Automotive Tire Stores (Part Worn or Retread Tires)
- Bands, Orchestras, and Miscellaneous Entertainers (Not Elsewhere Classified)
- Boat Dealers
- Boat Rentals & Leasing
- Books, Periodicals and Newspapers
- Bus Lines
- Business & Secretarial Schools
- Cable, Satellite and Other Pay Television/Radio is Medium (Streaming Services are High)
- Camera and Photographic Supply Stores
- Camper, Recreational and Utility Trailer Dealers
- Car & Truck Dealers (Used) Sales, Service, Repairs, Parts and Leasing
- Car Rental Agencies
- Carpentry Contractors
- Caterers
- Child Care Services
- Civic, Social, and Fraternal Associations
- Cleaning, Maintenance, & Janitorial Services
- Clothing Rental – Costumes, Uniforms, Formal Wear
- Colleges/Prof School
- Commercial Equipment (Not Elsewhere Classified)
- Commercial Sports, Professional Sports Clubs, Athletic Fields
- Computer Programming, Data Processing, and Integrated Systems Design Services
- Computer Software Stores
- Computers and Computer Peripheral Equipment and Software
- Computer Maintenance / Repair (Remote Access is Prohibited)
- Concrete Work Contractors
- Construction Materials (Not Elsewhere Classified)
- Consumer Credit Reporting Agencies
- Correspondence Schools
- Counseling Services – with Licensed Practitioner (Excluding Credit, Financial and Debt)
- Courier Services – Air and Ground
- Dance Halls, Studios & Schools
- Detective Agencies, Protective Services, Security Services, including Armored Cars, and Guard Dogs
- Drapery, Window Covering & Upholstery Stores
- Durable Goods (Not Elsewhere Classified)
- Electrical Contractors
- Electrical Parts and Equipment
- Electronic Cigarettes, Vape Stores - Face to Face, Cigar Stores and Stands (Card Present) See addendum for CNP Tobacco
- Electronics and Small Appliance Repair Shops
- Elementary/Secondary school
- Employment Agencies and Temporary Help Services
- Equipment, Tool and Appliance Rental and Leasing (Furniture Rental See High Risk)
- Exterminating & Disinfecting Services
- Fireplace, Fireplace Screens and Accessories Stores
- Fireworks (Card present only)
- Floor Covering Stores
- Florists Supplies, Nursery Stock and Flowers
- Fuel Dealers-Fuel Oil, Wood Coal, & Liquefied Petroleum
- Funeral Services and Crematories
- Furriers & Fur Shops
- Golf product- Moto/Internet- selling shoes, apparel brand name clubs/accessories
- Hearing Aids – Sales, Service, and Supply
- Heating, Plumbing, and Air Conditioning Contractors
- Home Supply Warehouse Stores
- Household Appliance Stores
- Industrial Supplies (Not Elsewhere Classified)
- Information Retrieval Services
- Insurance Agencies
- Jewelry Stores, Watches, Clocks, and Silverware Stores
- Landscaping and Horticultural Services
- Management, Consulting, & Public Relation Services
- Masonry, Stonework, Tile Setting, Plastering and Insulation Contractors
- Massage Parlors - (Therapeutic Licensed Medical Professional or Physical Therapist Referred) (Sexually Oriented Massage is Prohibited)
- Medical and Dental Laboratories
- Medical, Dental, Ophthalmic and Hospital Equipment and Supplies
- Membership Clubs (Sports, Recreation, Athletic), Country Clubs, and Private Golf Courses with ≤ 12 Months FDX with upfront payment
- Men's, Women's, and Children's Uniforms and Commercial Clothing
- Misc. Personal Services (Animal Borders, Maids, Body Piercing, etc.)
- Miscellaneous Automotive, Aircraft, and Farm Equipment Dealers (Not Elsewhere Classified)
- Miscellaneous Publishing and Printing
- Mobile Home Dealers
- Motion Picture and Video Tape Production and Distribution
- Motor Freight Carriers & Trucking (Local and Long Distance)
- Motor Home & Recreational Vehicle Rentals
- Motorhome Dealers
- Motorcycle Shops and Dealers
- Nondurable Goods (Not Elsewhere Classified)
- Nursing and Personal Care Facilities
- Photofinishing Laboratories and Photo Developing
- Photographic, Photocopy, Microfilm Equipment and Supplies
- Photographic Studios
- Plumbing and Heating Equipment and Supplies
- Professional Services (Appraisals, Court Stenographers, Graphic Designers, & etc.)
- Political Organizations
- Professional Services (Appraisals, Court Stenographers, Graphic Designers, & etc.)
- Public Warehousing and Storage Rentals / Leases
- Real Estate Agents and Managers – HOA, Agency Fees and Property Payments for Purchase or Earnest Deposits
- Recreation Services - Not Elsewhere Classified (Skydiving, Roller Rinks, Public Pools, etc. are Medium) (Event Promoters/Event Producers are High) Regulated (FDIC or equivalent) Financial Institutions – (Debt Repayment (Loan Payment) (i.e. Mortgage/Car, Cash Advances, etc. and Cash Disbursement)
- Roofing, Siding, and Sheet Metal Work Contractors
- Schools/Education services
- Snowmobile Dealers
- Special Trade Contractors (Not Elsewhere Classified)
- Specialty Cleaning, Polishing and Sanitation Preparations
- Sporting & Recreational Camps
- Sporting Goods
- Swimming Pools Supplies & Service only
- Tobacco – Face to Face/ Card Swiped*
- Tax payments
- Taxi Services only
- Tent and Awning Shop
- Testing Laboratories (Non-Medical Testing)
- Toll and Bridge Fees
- Towing Services
- Trailer Parks and Campgrounds
- Truck & Utility Trailer Rentals
- Transportation Services - Not Elsewhere Classified Potentially Medium (Ferry Companies/Leisure Boat Hire is High)
- Watch, Clock and Jewelry Repair Welding Services
- Wholesale Clubs (Sam's Club Type Merchants)

## HIGH RISK

All High Risk Accounts are subject to 30BP /**35 Basis Points for Furniture** Minimum Margin requirements for approval.
Any decisions on accounts determined to be High Risk are at the sole discretion of Credit Management.
Additional information may be requested depending on the individual account.

### REQUIREMENTS FOR HIGH RISK MERCHANT TYPES

1. KYC/Beneficial Owners: List individuals w/significant control and/or all owners w/25% or more equity on the App including Legal Name, DOB, Address and SSN. Refer to the KYC Guidelines for exceptions. Note: Do not provide nicknames or abbreviate the owners name as it will result in a pend (i.e., Bob should be spelled out as Robert if that is his full legal government name.).
2. Previous Processing Statements: Minimum 6 months of recent, consecutive and satisfactory statements, additional may be required at Underwriter discretion (i.e. < 10% Returns, < .75% Chargebacks and Interchange Summary).
3. Personal Guaranty is recommended.
4. Business Financials: At minimum, the last 2 years Accountant Prepared Business Financials and current Year-To-Date Interim Financials are required, additional may be required at Underwriter discretion; and/or, if Risk Exposure is >$750K and/or if Average Ticket is >$10K. It is preferred CPA Cover Letter, Notes, Balance Sheet, Income Statement and Statement of Cash Flow are included. (Personal Financials can be accepted when the business entity is a sole proprietorship only.)

### High Risk Merchant Types

- Affiliate Programs
- Art Dealers & Galleries
- Bail Bonds (See additional requirement section)
- Bridal Shops
- Car Dismantlers/Scrap Metal Sales - Including Reconditioned Engines and Second Hand Car Spares
- Car & Truck Financing (Non-FDIC)
- Card Not Present Cigars Sales (See additional requirement section)
- Chain Letters
- Claims Management - 3rd Party Renegotiation of Business Rates/PPI/Personal Injury Claims – (Typically Insurance Sector)
- Contractors – General / Residential & Commercial (Including New Construction/Remodeling/ Repair)
- Dating Services (Non Sexually Oriented)
- Defense Equipment or other Military Hardware
- Direct Marketing - Catalog and Combinations Catalog & Retail
- Drop Shipping (3rd party/middleman responsible for order fulfillment and/or returns - taking orders but doesn't have inventory or own product at time of transaction.
- Event Planning, Event Promoters and Producers
- Ferry Companies/Leisure Boat Hire
- Freight Forwarders / Shipping Brokers (Domestic freight only)
- Fulfillment Houses
- Furniture Rental/Leasing
- Golf products- MOTO/Internet - providing custom orders w/ future delivery
- Herbal / Vitamin Supplements- (Card Present and CNP activity)
- Internet Service Provider (ISP)
- Limousine Services
- Miscellaneous Home Furnishing Specialty Store
- Package Stores/Beer/Wine/Liquor (CNP) (See additional requirement section)
- Pawn Shops
- Pharmacy - CNP equal to/greater than 50% (See additional requirement section)
- Real Estate Agents and Managers that specialize in the purchase or deposits of overseas sales and speculative land sales
- Residential Furniture & Home Furnishing
- Furniture Reupholstery, Repair, and Refinishing
- Self Help Books with unrealistic claims
- Spas: Health/ Beauty & Med- Spas which typically provide non-physician referred services (Botox and Filler injections, chemical peels, microdermabrasion, fat freezing, permanent make-up, etc.)
- Stamp & Coin Stores/Dealers
- Swimming pools/Spa Sales (see supply purchases only)
- Telecommunication Services (Including local and long distance calls)
- Theatrical Producers (Except Motion Pictures) and Ticket Agencies
- Tour Operators (Tourist Attractions- must be U.S based only)
- Travel Agencies (Travel Domestically Only)
- Veterinarian (Prescription Pet Medication Sales and/or CNP equal to/greater than 50%) **
- Wholesale Drugs, Drug Proprietaries, and Druggist Sundries - CNP equal to/greater than 50% (See additional requirement section)
- Wholesale Office and Commercial Furniture
- Wholesale, Watches and Jewelry (Precious Metals)
- Tech Support (B2B only) – Remote access (Allows remote access to Merchant Computer potentially exposing stored data.)

## PROHIBITED / UNQUALIFIED

Sponsor Bank Prohibited/Unqualified Merchant accounts must be approved by the Sponsor Bank and may take up to 30 days for review.
Additional documentation may be required.

### DEUTSCHE BANK PROHIBITED MERCHANT TYPES

- Adult (where adult toys comprise the primary part of the merchant's business)/Pornography
- Animals (excluding pet stores)
- Audio text (800 and 900)
- Bail Bonds
- Business Opportunities (including but not limited to Work-At-Home)/Money-Making or Investing Clubs (excluding those that provide training or other educational materials whether tangible or digital, provide coaching services, or hold seminars)
- Casino/Gambling/ Chips/Betting Activities (with monetary prizes)
- Chain Letters
- Check Cashing Services (excluding pin debit and Electronic Benefit Transfer)
- Collection Agencies
- Counterfeit/Replica Goods
- Credit Card Protection Services
- Credit Repair Services
- Debt/Mortgage Reduction and/or Counseling
- Decryption and Descrambler Products (includes modification chips)
- Escort Services
- Firearms, Firearm components and Ammunition (where firearms and ammunition comprise the primary part of the merchant's business)
- Gaming/Fantasy Leagues (with monetary prizes)
- Get Rich Quick Schemes
- Horoscopes/Fortune Telling/Psychics (e-commerce and mail/telephone order)
- Immigration Services-Nongovernmental (Passport/Visa/Citizenship /Naturalization)
- Illegal Products or those being Marketed Illegally
- Import/Export Services
- Infomercials (except tangible products with no call centers billing on behalf of the underling merchant/products)
- Lottery/Raffles (other than raffles conducted for legitimate 509(c)(3) charities or other legitimate organizations raising funds)
- Male/Female Enhancements (non -FDA approved)
- Massage Parlor (unlicensed)
- Marijuana
- Nutritional Supplements/Vitamins/Herbal/Pseudo-Pharmaceuticals/Nutraceuticals sold through mail/telephone order or e-commerce and that utilize negative option/response marketing sales methods (i.e. free or low cost trial)
- Online Auctions/Online Malls/Penny Auctions Online/Virtual: File/Data Storage, Transfer, sharing including cyber-lockers, cloud/remote storage, or any means of storing and sharing data (excluding web hosting/design services where data backup/remote storage represents a minority of the overall sales volume)
- Payday Loan Services
- Prize Giveaways (other than prizes given away by legitimate 509(c)(3) charities or other legitimate organizations raising funds)
- Pay Per Click Web Merchants and "Parked Websites" (i.e. those that disguise or mask a merchant's actual website)
- Prescription Drugs (e-commerce or mail/telephone order)
- Products with Unreasonable Guarantees/Gimmicky Products
- Pyramid/Ponzi Schemes
- Sports Forecasting (only if it includes gambling for a monetary prize)
- Telemarketing Services (inbound/outbound conducted directly by the merchant and not through a third party)
- Tobacco and E-Cig Sales (e-commerce or mail/telephone order)
- Warranties (excluding those where payment is required every 30 days or less)
- Weapons (where knives/swords comprise the primary part of the merchant's business and are sold through e-commerce or by mail/telephone order)
- Wire Transfers/Currency Services/Cash Advances by Non-Banking Institutions

**HPS & WELLS PROHIBITED / UNQUALIFIED MERCHANT TYPES**
**** SEE MERCHANT TYPES WITH ADDITIONAL REQUIREMENTS SECTION**

- Adoption Agencies
- Adult products or services (such as):
    - Adult book, novelties, video stores, toys
    - Adult websites and content
    - Adult entertainment (misc.)
    - Any products on the internet containing graphic or nude content
    - Artistic/theatrical entertainment (e.g., ticket sales)
    - Artistic imagery containing graphic/nude content such as: websites/apps
    - Audio (phone sex and adult phone conversations)
    - Companion/escort services/prostitution
    - Dating services
    - Fetish products
    - Gentleman's clubs, topless bars, and strip clubs (including for-hire live performers)
    - Illegal activity (e.g., child pornography, bestiality, human trafficking)
    - Massage parlors (sexually-oriented)
    - Membership, clubs, subscriptions (sexually-oriented)
    - Prostitution
    - Video web-based sexually oriented video (including but not limited to subscription, on-demand, live, etc.)
- Airlines and Air Carriers/Charter Flights (including airlines "nested" under another entity, travel or freight related entities that own or lease aircrafts to facilitate transportation of passengers and/or cargo)
- *Animals,* Animal Research *and wildlife products classified as endangered or protected*
- ****Bail bonds**
- Bankruptcy Lawyers
- Bearer share entities
- Bidding fee auctions (a.k.a. penny auctions)
- Bitcoin Sales, Virtual Currency Sales
- Blood Products – Cross Border Trade
- Business/Investment Opportunities (e.g. "Get Rich Quick Schemes", Merchants with "Profit", "Work from Home" in the DBA name, Legal name and Website). Also, includes Real Estate Business/Investment opportunities designed to yield a high rate of return (e.g., real estate investments, education program materials) Investment Seminars or how to " flip" properties for profit and real estate purchase with No Money Down, government grants
- Business physically located outside the U.S. (offshore acquiring)
- ****Businesses selling age or legally restricted products or services (e.g., sale of alcohol including powdered alcohol "palcohol" and tobacco including e-cigarettes and non-pharmacy nicotine products), Internet/MOTO**
- Buying and Shopping Services and Clubs
- **CBD Oil, Hemp Oil & Hemp Seed (excluding sterilized hemp seeds or hemp textiles)
- Debt consolidation, loan modification and mortgage reduction/consulting service
- Decryption and descrambler products including but not limited to:
    - Mod chips
    - Cable box descramblers
    - IP masking services (if marketed for circumvention of geolocation)
    - Jammers or devices that are designed to block, jam or interfere with cellular and personal communication devices/signals
- Degree / Diploma Mills
- Door-to-Door Sales
- Drug paraphernalia
- Embassy, Foreign Consulate, or Other Foreign Government
- Essay mills/paper mills (i.e., ghostwriting services that sell essays, term papers, etc. with intent that purchaser will submit documents as their own)
- Fake references and other services/products that foster deception (including fake IDs and government documents)
- File sharing services
- Fireworks (CNP- firecrackers, aerial bombs, bottle rockets)
- Fortune tellers, Psychics, Astrologers, spiritual readings – CNP
- Freight forwarders/Shipping Brokers (International)
- Gambling – including:
    - Raffles Tickets
    - Casino Gaming Chips,
    - Off-Track Betting, and Wagers at Race Tracks
    - Bingo Parlors
    - Fantasy Sport Leagues
    - Legal sports betting or odds making

*Note: Includes merchants without proper license(s) or operating from/servicing customers in prohibited states*

- Games of skill where participants receive cash or cash equivalents or prizes with/of material value (e.g., electronics, travel, gift card) including but not limited to the following:
    - Other games of skill such as online games, arcade-style video gaming, or other competitive video/mobile gaming
    - Lotteries
- Genetically Modified foods - Non Health Authority / Government Approved
- Gold bullion dealers/Precious metals- such as silver bars and diamonds
- Hazardous materials, CNP, including but not limited to:
    - Hydrofluoric acid
    - Products containing cyanide
    - Prohibited ozone-depleting substances (ODS) - prohibited by EPA
    - Nitric Acid
    - Peptides, research chemicals
    - Bacteria cultures or other products containing E-coli or Escherichia coli
    - Human body parts or bodily fluids (excluding hair, teeth)
- Loan Broker (Serves as middleman between lender and borrower (must be FDIC)
- Magazine Subscription (e-Com magazines unacceptable unless well-established business adding website)
- Marijuana/cannabis related products and services, (including, CBD Oil, . Commonly seen in VAP/eCig, Nutrition and Tobacco Stores):
    - Marijuana products: Substances or chemicals that contain marijuana/cannabis or derivatives of marijuana/cannabis for human or animal use (e.g., oil, creams, patches, edible marijuana products)
    - Marijuana services: Any service that supports the marijuana industry (e.g., products used for growing marijuana, tickets for marijuana related trade-shows/events)
    - Marijuana related business: Any merchant that engages or participates in the growing, manufacturing, producing, distributing or selling marijuana or marijuana products
- MATCH – Merchants listed on MATCH (excluding reason code 14 - ID Theft)
- Materials, Products or Services with content or images that promote or incite hate, violence, racism, or abuse/torture towards, individuals or groups.
- Merchants engaged in activity prohibited by the Card Brands
- Merchants engaged in deceptive marketing practices including but not limited to:
    - Bogus claims and endorsements
    - Hidden disclosures
    - poorly disclosed negative options
    - Pre-checked opt in boxes
    - refund/cancellation avoidance
- Merchants utilizing tactics to evade Card Brand excessive chargeback monitoring programs (load balancing)
- Payment Network Sanctions - Merchants entering or residing in a fineable stage of the following Payment Network programs:
    - Chargeback related; or,
    - Reputation/brand related (e.g., Mastercard Business Risk Assessment and Mitigation Program (BRAM) and Visa Global Brand Protection Program (GBPP)).
- Modification Chips (Small device used to modify/disable built-in restrictions of electronics)
- Money service businesses:
    - Cash Advances (by non-financial institutions) - Financial institutions (FDIC) require registration
    - Check Cashers
    - Currency exchange or dealer
    - Money Transmitters
    - Non-Financial Inst Stored Value Card Purchase/Load
    - Merchants offering substantial rebates or special incentives as an inducement to purchase products/services (e.g., free gift, prized, sweepstakes, or contest) Merchants that have ransom-like or extortion-like basis for their business model- (e.g., mugshot removal)
    - Refund/cancellation avoidance
- Virtual gift card sales – CNP
- Nutraceuticals (i.e., food products or other digestible products marketed via-unsubstantiated and/or unlawful health or medical claims, frequently associated with weight loss claims, anti-aging, sexual stimulants, increased energy, etc.)
- Payday loans and unsecured loan/lines originating from non FDIC insured banks (short term/title loans)
- Pay per click Web
- ****Prescription drug sales** including veterinary drug sales**, Internet, CNP** or **Cross Border**
- Prescription drug products sold without a prescription (e.g., contact lenses, steroids)
- Products or Services with unreasonable claims or guarantees
- Protected species (endangered) or products derived from them (i.e. rhino horns, ivory, etc.)
- Pseudo pharmaceuticals (e.g., anti-aging, muscle building, sexual stimulant supplements, weight loss, detox products, colon cleansers, etc.)
- Reputation management companies- (influences public perception about an Organization and its brand)
- Registered Agent Facility (Non U.S domiciled) IE: set up of a non-consumer facing facility to give the illusion of trading in the US.
- Shell Banks
- Social media "click farms" (i.e., the sale of clicks/likes/reviews/endorsements on social media sites)
- Subscriptions in excess of one year with upfront payment
- Tobacco CNP- see Merchant Types that Require Additional Information section.
- Telemarketing companies involved with the following methods of operations:
    - Inbound telemarketing companies that receive calls as the result of post cards or similar mailings (as opposed to catalog or media advertising)
    - Offering a free gift, prize, or sweepstakes/contest entry as an inducement to purchase their product or service.
    - Outbound Telemarketing
    - Selling products/services as an agent for a third party
    - Terrorist activities
- Third Party Payment Processors/Aggregators/Payment Service Companies falling outside of Card Brand approved requirements (Payment Facilitators). Can include the following:

- Hemp Growers- (IE: strictly grow the plant) ** See Page 6 for details**
- Hemp or CBD Manufacturers(IE: accept the harvested plant, dries, grinds and separates part of hemp plant or extracts cannabinoids (CBD) ** See Page 6 for details**
- Chain Letters
- Charities without 501(c)(3) or equivalent status
- Collection agencies or firms involved in recovering/collecting past due receivables
- Commercial Asset Management (AKA: Security Brokers; 3rd party that buys, sells or holds assets to maximize return on investments)
- Computer Maintenance/Repair- can include Off-Shore Tech Support Businesses
- Continuity Subscriptions (excluding newspapers and primarily refers to subscriptions with a trial or free period where the cardholder's information is taken at inception for billing on a recurring option)
- Counterfeit goods/replicas (e.g., knock-offs, imitations, bootlegs)
- Credit Repair/Restoration or Card Protection (including identity theft protection)
- Credit, Financial and Debt Counseling Services
- Cruise lines (including cruise lines "nested" under another entity or travel related entities that own or lease ships to facilitate transportation of passengers)
- Cyber lockers (file hosting/cloud service)
- Daily Deals (i.e. Groupon)
- Data pass (merchants up-selling or cross-selling products or other merchants and then sharing the cardholder data with the third party or receiving cardholder data from third parties)
- HD DVD and Blu-ray Disc Decryption Devices
- Head Shops – regardless of processing method (Drug paraphernalia, scales, detox kits, vaporizers, aerosol cans, stash cans)
- Herbal/Vitamin/Supplements (products you would find at GNC) MOTO/Internet
- Home Based Charities
- Illegal drugs, substances designed to mimic illegal drugs, and/or other psychoactive products (i.e. K2, salvia divinorum (Perennial Herb aka All-D, Magic Mint, Maria Pastora), nitrate inhalers (nitrate poppers), bath salts, synthetic cannabis- Spice/Kronic), herbal smoking blends, herbal incense, and HCG/HGH-like substances) Hallucinogenic mushrooms
- Illegal products/services or any service providing peripheral support of illegal activities
- Immigration Counseling (MOTO, e-Com, Telemarketing)
- Import/Export businesses (the moving of consumer or commercial products in/out of the U.S)
- Intravenous therapy (e.g., IV drip bar, vitamin infusions, hangover cures)
- Infomercials
- Intellectual property right violations (i.e., copy/reproduction of protect rights material)
- Jammers or devices that are designed to block, jam or interfere with cellular and personal communication devices/signals (e.g., GPS)
- Mail order spouse or international match-making services
- Kratom (Herbal Supplement/Opioid)
- Lifetime memberships
  - Non-Financial Institutions – Foreign Currency, Non-Fiat Currency (for example: Cryptocurrency/cryptocurrency exchange), Money Orders (Not Money Transfer), Account Funding (not Stored Value Load), Travelers Cheques, and Debt Repayment
  - Provider or seller or prepaid access/stored value, including both open-loop and closed-loop* exceeding $1000.00 (*Closed-loop prepaid access includes gift cards, phone cards, subway cards, college campus cards, game cards and other limited-use prepaid access device when the value can exceed 2k)
  - Quasi-cash
  - Rechargeable Phone Cards
  - Seller/issuer/redeemer of traveler's checks, money orders
  - Wire Transfer
  - Wire Transfer Money Orders (WTMOs)
  - NFT- Non-Fungible Token (IE record on a block chain which is associated with a particular digit or physical asset)
- Multi-level marketing or pyramid schemes.
- Negative response marketing techniques by any type of merchant including:
  - Customer is automatically charged if they don't return the merchandise or cancel service at the end of a free or low cost trial period
  - Crowdfunding/Peer to Peer Payments as a means to sell other products/services or raise funds for a predetermined cause
  - Digital Wallets/Commissary Accounts
  - Micro Finance (clients tend to be lower income, small amount, short duration loans)
  - Online Malls/Marketplaces
- Telemedicine Providers (Consultation is permitted; However a telemedicine provider engaged in dispensing prescription drugs OR accepting payment for this dispensing of prescription drugs including those dispensed by 3rd parties or affiliated pharmacies are prohibited.
- Ticket Scalpers
- Timeshare Sales, Resellers and Advertising Timeshares, timeshare advertising and services
- Travel excursions or general Travel outside of the U.S.
- Virtual currency that can be monetized, re-sold, or converted to physical/digital goods/services or otherwise exit the virtual world
- Warranties/Extended warranties
- Weapons, firearms and explosives, CNP, including but not limited to:
  - Firearms
  - Ammunition
  - Firearm parts
  - Other weapons such as crossbows, machetes, etc.
  - Explosives (e.g., black powder, explosive fuses, caps for toy guns) and information on how to make explosive devices

## MERCHANT TYPES WITH ADDITIONAL REQUIREMENTS

**NOTE: ALL CRITERIA MUST BE MET – NO EXCEPTIONS. THESE MERCHANT TYPES DO NOT REQUIRE EXCEPTION WAIVER PRIOR TO BOARDING**

**Bail Bonds (High Risk)**

- Except for new business – waiver would only apply to established business greater than 18 months. (Applies only to a bail)
- Each bail bonds prospect should be reviewed to ensure they are not doing any payday lending and could not be categorized as a Money Service Business (MSB) – meaning businesses that transmit or convert money, including non-bank financial institutions.

**CBD/Hemp Products (Medium to High Risk)**

- Must be an incidental amount of topical CBD and not their main line of business.
- Hemp textiles are acceptable (IE: Derives from stem of Hemp plant)
- Must be topical in nature such as creams, lotions, hair products, soaps and cosmetics and/or massage services using massage oil infused with CBD
- Ingestible items- such as gummies or food products **are not** permitted.
- Hemp Growers with a U.S Department of Agriculture (USDA) plan and license can be considered with a waiver to the bank. This would be classified as high risk and would require our high risk requirements.
- Hemp/CBD manufacturers that manufacture CBD.infused topical products only can be considered with a waiver to the bank. This would be classified as high risk and would require our high risk requirements.
- Signed CBD Attestation needs to be included.

**Guns/Ammo/Weapons - Card Present Only (Medium Risk)**

- Federal Firearms License (FFL) - at minimum must provide ATF validation

**Pharmacy - Card Present (Medium Risk)**

Active Pharmacy License required

**Pharmacy/Telemedicine Providers- Card Not Present (High Risk)**

- Pharmacy – (NAPB or Legit Script accreditation)
- Excludes pharmacies that specialize in pseudo pharmaceuticals (e.g., anti-aging pills, sexual stimulants, weight loss, diet, etc.) "Specialize" could be defined as any merchant whose website includes categories dedicated to pseudo pharmaceutical products
- Excludes pharmacies that specialize in sexual stimulants pharmaceuticals coupled with "prescription from afar" services
- Ensure the merchant is licensed in the jurisdictions that they do business in by obtaining a copy of the license.
- Each CNP pharmacy should be checked in the public domain against a list of properly registered and licensed pharmacies to ensure the registration/license is current and valid – regardless of CNP %
- If processing 50% or greater CNP activity must submit all high-risk registration requirements
- (2 years of accountant prepared financials, Business Financials **-** At a minimum provide the YTD (year to date) which can be internally prepared along with the most recent prior year. 2 years of financials are strongly recommended. Additionally, we prefer accountant prepared business financials which include the CPA cover letter and notes, Balance Sheet, Income Statement and Statement of

**Liquor Store - Card Present (Medium Risk)**

- Active Business Liquor License – (May be requested as needed)
- Proper age restrictions are in place

**Liquor Store - Card Not Present (Medium Risk)**

- Global / HPS - Wine Clubs and B2B CNP Liquor only are sponsored by Wells Fargo Bank
- CNP Liquor stores sponsored by Deutsche Bank.
- Active Business Liquor License
- Proper age restrictions are in place and stated on the website
- The merchant ships via the leading providers that have established relevant age verification controls (e.g. FedEx and UPS) and obtain an adult signature upon delivery. Please note, FedEx and UPS only ship wine.

**Tobacco - Card Not Present / e-Commerce (High Risk)**

- Cigars Only - Legal opinion required
- Proper age restrictions are in place and stated on the website
- Merchant ships via the leading providers that have established relevant age verification controls (e.g. FedEx and UPS) and obtain an adult signature upon delivery
- Website provides a list of States where shipping is prohibited

**Tobacco - Card Present Only (Medium Risk)**

- Cigarettes, E-Cigarettes and Vapor Stores (No drug paraphernalia)
- Tobacco Registration License - (May be requested as needed)

Cash Flow. **Important Note:** Personal financials can be accepted when the business entity is a sole proprietorship only. This information is required for all high risk submissions and/or if risk exposure is $750,000 or greater.

- 6 months of processing statements, and hold 30 basis points in the account)
- If processing 50% or greater CNP activity; $500 registration fee for both Visa and MC will apply

No CNP pharmacy should sell their products via subscriptions (e.g. auto-refills without express cardholder approval before each shipment)

**Veterinarians – Prescribing Pet Medications and 50% or Greater Card Not Present (High Risk)**

- Any Vet processing 50% or greater CNP, whereby CNP volume includes pet medications is subject to being classified as high-risk and requires accreditation
- (2 years of accountant prepared financials, Business Financials **-** At a minimum provide the YTD (year to date) which can be internally prepared along with the most recent prior year. 2 years of financials are strongly recommended. Additionally, we prefer accountant prepared business financials which include the CPA cover letter and notes, Balance Sheet, Income Statement and Statement of Cash Flow. **Important Note:** Personal financials can be accepted when the business entity is a sole proprietorship only. This information is required for all high risk submissions and/or if risk exposure is $750,000 or greater.
- 6 months of processing statements, and hold 30 basis points in the account
- If processing 50% or greater CNP activity; $500 registration fee for both Visa and MC will apply
- If ingestible CBD is found on the veterinary site, as this is a prohibited product, it would require a waiver petition to our Sponsor Bank for consideration; barring the percentage of ingestible CBD is minimal.

## MC-BUYER INITIATED PAYMENTS (BIP) / VS-STRAIGHT THRU PROCESSING (STP)

BIP or STP is a type of B2B Transaction that allows the Buyer to initiate a card payment to the Seller once the invoice has been generated. This differs from conventional processing whereby the Seller initiates the card payment from the Buyer. Involvement and coordination from the Card Issuer is a key component which allows these larger transactions to be viewed as lower risk.

### REQUIREMENTS BIP / STP MERCHANT TYPES

1. Merchant Application Package to include: Proper and mandated KYC details, Affiliate Code, Equipment Setup Form)
2. A Narrative that calls out this being a BIP and/or STP opportunity. Additionally, to include Affiliate Code and BIP/STP appropriate Software/Vendor.
3. Supply a1-2 invoices that support the Volume / Ticket noted on the Application.
4. If Annual Processing Volume of $10MM or greater; recent Accountant Prepared Financials are required (Include: Balance Sheet, Income and Cash Flow Statement along with Auditor's Opinion and/or notes).

**Exception:** A physical Site Inspection can be waived for this incoming channel as we should be able to reasonably confirm the existence of the Merchant by performing the following tasks. 1. Google Maps (Social Media Sites- Facebook, YELP, or Google Reviews) 2. Call DBA Phone Number and 3. Call one or two businesses that reside near said Merchant location to confirm existence. All tasks should be performed and noted by the Underwriter.

## BUSINESS TO BUSINESS (B2B)

35% or higher of the Merchants processing activity is B2B Transactions and they utilize Purchase Card Software or a Terminal that supports Level II Processing.

### REQUIREMENTS FOR B2B MERCHANT TYPES

1. Merchant Application Package to include: Proper and mandated KYC details, Affiliate Code, Equipment Setup Form)
2. Supply a minimum of 2 recent invoices; along with any contractual or marketing materials that disclose Pricing Terms and Terms and Conditions (T&Cs).
3. Website to visibility disclose proper policies (i.e., return, shipping, contact, privacy/security, etc.) that are acceptable by Card Scheme standards.
4. Three recent and consecutive Card Processing Statements.
5. If Annual Processing Volume of $5MM or greater and/or the Average Ticket $10K+, 2 years of recent Accountant Prepared Financials are required (Include: Balance Sheet, Income and Cash Flow Statement along with Auditor's Opinion and/or notes).

**Physical Site Exception** (not limited to just B2B sector): A physical Site Inspection can be waived for this incoming channel as we should be able to reasonably confirm the existence of the Merchant by performing the following tasks. 1. Google Maps (Social Media Sites- Facebook, YELP, or Google Reviews) 2. Call DBA Phone Number and 3. Call one or two businesses that reside near said Merchant location to confirm existence. All tasks should be performed and noted by the Underwriter.