

# Client Acceptance and Use Policy

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## INTRODUCTORY REMARKS

The NEC PAY Payment System gives to the client the ability to accept NEC PAY e-currency and other supported payment methods for online businesses. Supported payment methods may additionally impose specific requirements and restrictions on the business type as well as client acceptance. The following requirements are mentioned on the relevant pages of the payment method activation.

At NEC PAY we are guided by a value system that is steadfastly focused on building, creating and furthering relationships with client who do business with trust, transparency and integrity. Only clients who comply with this policy and the guidelines reflected below (or elsewhere in NEC PAY website, as amended from time to time), will be approved.

These guidelines will be updated and varied periodically. In addition, where a client is already approved, NEC PAY retains its right to suspend or withhold their service from clients if they no longer meet the criteria required, as may be determined from time to time.

As a Client you agree to act in a manner compliant to the terms and conditions of the Agreement you enter with NEC PAY, and you also acknowledge and agree that it is your sole responsibility to comply with all applicable laws in using the NEC PAY services irrespective of the reasons behind the use of these services. You further agree that you must adhere to this policy of Client Acceptance & Use Policy.

## LIMITATION OF LIABILITY

By signing up with NEC PAY Service and becoming a Registered Client with NEC PAY (provided that you have signed all required documents such as Merchant/Client Application Form and Merchant/Client Agreement and have accepted automatically all other terms and conditions and NEC PAY Legal Agreements and Policies as posted online on NEC PAY website), you also agree to abide by this Policy and acknowledge that NEC PAY is solely providing a payment service and that some limitation of liability on NEC PAY's part is reasonable and customary in an Agreement such as this. Accordingly, you, further to any other relevant clause in any other NEC PAY Legal Agreement you have agreed to be bound to by signing up, agree that NEC PAY shall not be liable for:

Any validation provided by NEC PAY not being acted upon by a Participating Client for any reason;

Any delay or failure to carry out NEC PAY's obligations under this Agreement arising from maintenance or upgrade of the system, or failure of the system or other event beyond our reasonable control;

- Any loss or damage (including direct, indirect, or consequential loss or damage or loss of profits, business, revenue, or opportunity) arising from any delay or failure to carry out NEC PAY's obligations under this Policy.

## **TERMINATION AND INDEMNITY**

We may block or terminate the account and the contract with any client if we suspect any fraud or misuse of NEC PAY e-payments occurring, if we have other security concerns, or if we need to do so to comply with the law, subject and with reference to clause 8 or any other relevant clause of the Terms & Conditions of Services of NEC PAY (General Client Agreement of NEC PAY Service) and/ or clause 1 of the Merchant Terms & Conditions or any other applicable provision onto the Legal Agreements, as posted online on NEC PAY website.

Further and subject to any other provision in any other Legal Agreement posted online on NEC PAY website, you hereby indemnify and agree at all times to hold NEC PAY harmless from and against all losses, demands, claims, damages, expenses (including reasonable legal costs), and liabilities arising from any third-party claim resulting from your use or misuse of the NEC PAY payment system, or for harm suffered directly or indirectly by NEC PAY as a result of your breach or non-observance of your obligations under this Policy.

## **REQUIREMENTS FOR MERCHANT APPROVAL**

The NEC PAY Service will not approve a Merchant if:

1. The website or activity undertaken will be deemed oriented to any sensitive and negative subjects listed in the "Restricted Business Categories" below or is related to any of the restricted or prohibited activities, as per clause 10 of the Terms & Conditions of Services of NEC PAY (General Client Agreement of NEC PAY Service) and/or as provided elsewhere in NEC PAY Legal Agreements or Policies (as posted on NEC PAY website).
2. The Merchant has not provided all the information required for KYC (Know Your Customer) purposes to the complete satisfaction of NEC PAY (see also Privacy Policy)
3. All rights, licenses, permits, and authorizations necessary to enable the Merchant to operate the business and comply with all relevant laws and regulations are not obtained. For gaming Merchants, this will include a valid gambling license issued by a recognized authority. All companies will need to submit a copy of the Company registration documents (Certificate of Incorporation), Company Statutes

(Memorandum & Article of Association), and Corporate Certificates regarding their Directorship and shareholding structure as a minimum.

4. There is significant derogatory background information about the Merchant and/or any person, body, or organization associated directly or indirectly with the Merchant. This will include directors, employees, partners, principals, and shareholders. NEC PAY has the right to request any information in this regard from the appropriate sources including using credit reports, trade and bank references, criminal records, PEP, OFAC, and other sanction databases, personal and business financial statements, and tax returns.
5. A valid URL address is not linked to a working website or will not exist prior to the merchant being activated. The URL must link directly to web pages that contain information about the merchant's service or products. Links that redirect through or to domains other than the one specified in the NEC PAY merchant account settings will not be accepted.
6. NEC PAY is not given full and unfettered access to the merchant's website at any time as reasonably determined by NEC PAY.
7. In the sole opinion of NEC PAY, false, confusing, or misleading statements are made directly or indirectly by the merchant or if there is a failure to disclose a material fact about their programs, products, or services, or any aspect thereof.
8. The procedures and controls required by NEC PAY, including Anti Money Laundering and Anti-Terrorist Funding controls, are not implemented.

## **COMPLIANCE**

The NEC PAY Compliance Department will, on an ad hoc basis, review live clients to monitor compliance with the above guidelines. NEC PAY will suspend or terminate a non-complying merchant, subject to the terms of this Agreement (including but not limited to all other incorporated to this Agreement Legal Agreements of NEC PAY as posted online on NEC PAY website).

A client must not be involved or associated with any activities or materials which may infringe, dilute, denigrate, or impair the goodwill and/or reputation of the NEC PAY brand.

## **RESTRICTED BUSINESS CATEGORIES**

NEC PAY does not allow and you agree not to use the NEC PAY services for activities that are in violation of any law, regulation, directive, act, and decree. NEC PAY will not under any circumstances knowingly approve Merchants associated directly or indirectly with the following products or services:

a) “shell banks”: means a bank that has no physical presence in the country in which it is incorporated and licensed and which is unaffiliated with a regulated financial group that is subjective effective consolidated supervision. Physical presence means meaningful mind and management located within a country. The existence simplifies of a local agent or low-level staff does not constitute physical presence;

b) Services to Shell companies and entities with respective characteristics:

- it has no physical presence or operations in its country of incorporation/ registration (other than a mailing address);
- it has no establishment economic activity in its country of incorporation/ registration, little to no independent economic value and no documentary proof to the contrary;
- it is registered in a jurisdiction where companies/entities are not required to submit to the authorities independently audited financial statements and does not voluntarily prepare audited financial statements by independent qualified professional accountants who are licensed or regulated;
- it has a tax residence in a jurisdiction included in the EU list of non-cooperative jurisdictions for tax purposes or the OECD's list of non-cooperative jurisdictions for tax purposes or has no tax residence whatsoever.

c) Any person or organization found in the list of the Designated nationals and Blacklisted Persons maintained by the U.S. Office of Foreign Assets Control (OFAC), EU or UN financial sanctions. It is illegal to operate accounts for individuals or entities listed in a sanctions order. But business can be conducted with nationals from a sanction country if they are not named specifically as a sanctions target;

d) Financial institutions registered outside the EU

e) Crypto-assets, virtual currencies and virtual assets;

f) Stolen goods;

g) Narcotics and drug paraphernalia

h) Steroids, Controlled Substances and other products that pose a threat to consumer safety

i) Gas & Oil traders with no physical presence or which its business presence is unclear;

j) Any item that infringes on a patent or violates any trademark, copyright, right of publicity or privacy and any other proprietary right under the law of any jurisdiction;

k) Sexually oriented material or services that are of offensive nature;

l) Weapons or knives that are regulated under jurisdictional laws, embargos and other international export/import controls. Also, any firearms, ammunition and other firearm accessories that may be prohibited by law;

m) Any items that endorse, enable, or tutor persons to engage in illegal activities;

n) Anything that promotes racial intolerance, hate and discrimination of any kind;

o) Anything that allows for financial gains from of a crime;

p) Support Ponzi schemes and other such schemes that promise quick profits and substantial wealth;

q) Certain multi-level marketing programs;

r) Money orders and sale of traveler's cheques;

- s) Anything that relates to corruption and bribery;
- t) Lottery contracts and annuities;
- u) Antiques and Lombard.

The Company has the right as per the Terms and Conditions of the Agreement to prohibit any transaction that it deems potentially fraudulent, illegal or illicit.

The Merchant hereby acknowledges that he has read, understood and been fully informed about all the requirements, terms and conditions and Legal Agreements of using NEC PAY electronic payment services (as posted online and amended from time to time), fully accepts them, and agrees to follow and incorporate them into the business.

The Merchant agrees to promptly notify NEC PAY of any changes in the status, type, category, or other information related to the business.

#### **APPROVAL REQUIRING ACTIVITIES**

Certain services may not be prohibited but due to their higher risk nature will require NEC PAY's approval prior to NEC PAY accepting any payment transactions that relate to such services, as below:

- A.** Trusts and Foundations;
- B.** Licensed or supervised gambling and betting companies, including companies with similar activities offered through the internet;
- C.** Client accounts in the name of third persons;
- D.** Clients registered in High-Risk third countries according to international standards.
- E.** Collection of donations from charities or other not-for-profit organizations;
- F.** Sale of alcohol;
- G.** Tobacco products, cigarettes and e-cigarettes;
- H.** Pharmaceutical products, prescription drugs and personal medical devices;
- I.** Sale of jewelry or dealing in precious stones and precious metals;
- J.** Selling stored value cards and vouchers;
- K.** Provision of escrow and companion services;
- L.** Selling of transferable securities (including forex contracts) and other investment type instruments including interests in private entities or properties;
- M.** Crowdfunding investments;
- N.** File sharing and Peer to Peer transfers;

**O.** Newsgroups access;

**P.** Airline and chartered flight / corporate jet (scheduled or unscheduled) or any other type of non- cargo air flight activities.

## **PROHIBITED JURISDICTIONS**

One of the pillars of the European Union's legislation to combat money laundering and terrorist financing is Directive (EU) 2015/849. According to this Directive, banks and other gatekeepers are required to apply enhanced vigilance in business relationships and transactions involving high-risk third countries. The types of enhanced vigilance requirements are basically extra checks and control measures which are defined in article 18a of the Directive.

European and local regulations define the jurisdictions possessing strategic deficiencies in their AML/CTF regulatory framework, critical levels of public sector corruption, as well as the non-cooperative jurisdictions for tax purposes; all of which pose a risk to the international financial system.

In order to prevent any risks associated with ML/TF, NEC PAY will not be able to establish business relationships with clients residing or registered in High-Risk third countries, nor accepting any payments to and from such countries.

### **List of High-Risk countries in accordance with EU**

[https://ec.europa.eu/info/business-economy-euro/banking-and-finance/financial-supervision-and-risk-management/anti-money-laundering-and-counter-terrorist-financing/eu-policy-high-risk-third-countries\\_en](https://ec.europa.eu/info/business-economy-euro/banking-and-finance/financial-supervision-and-risk-management/anti-money-laundering-and-counter-terrorist-financing/eu-policy-high-risk-third-countries_en)

## **REPORTING OF VIOLATIONS / ENQUIRIES**

NEC PAY encourages its clients to report any potential violations of this Policy immediately. For such reporting and to submit any other compliance specific query to NEC PAY, kindly send an email to [compliance@necpay.eu](mailto:compliance@necpay.eu)