

## **Mandatory Provisions of Standard Form Contract for the Business of Electronic Payment Institutions**

### **1. Electronic payment institution's information**

Permit No. issued by the competent authority, name, representative, complaint (customer service) hotline and service hours, email address, website and business address of the electronic payment institution.

### **2. Consents and acknowledgments**

The electronic payment institution and the user agree to and acknowledge the following matters:

- (1) The business services of the electronic payment institution include: collecting and making payments for real transactions as an agent, accepting deposits of funds as stored value funds, transferring funds between e-payment accounts or other businesses approved by the competent authority. The electronic payment institution provides all or part of its business services as applied for by the user or in accordance with the scope of business permitted by law. (May be specified based on the actual scope of business of the electronic payment institution).
- (2) The electronic payment institution shall be responsible for disputes arising from the provision of services under this contract, whereas disputes arising out of other transactions between users that are unrelated to its business services will be dealt with according to the legal relationship between the users.
- (3) The electronic payment institution and the user may use electronic documents as a declaration of intent. The validity of such electronic document shall be the same as a written document, provided the content of the electronic document can be presented in its integrity, is sufficient for identification purpose, and can remain accessible for future reference.
- (4) When the user makes withdrawal from his/her electronic payment account ("e-payment account"), the electronic payment institution will not pay in cash, but shall transfer the withdrawn funds into a same-currency bank deposit account of the user.
- (5) When the user deposits foreign currency funds into his/her e-payment account, the electronic payment institution will not accept such deposit unless the funds are transferred from the user's foreign currency deposit account in the same currency at a bank. (May be specified based on the actual scope of business of the electronic payment institution).

- (6) The ownership and utilization of interest or other income earned from funds of the user that are deposited in a dedicated deposit account shall be determined in accordance with applicable rules and regulations.
- (7) Where the business service used by the user requires foreign exchange declaration, the user agrees to authorize the electronic payment institution to make declaration on his/her behalf and provide information necessary for the declaration. (May be specified based on the actual scope of business of the electronic payment institution).
- (8) The user shall not use the business services provided by the electronic payment institution in an illegal manner. Nor shall the user provide his/her e-payment account for illegal use, and in case of violation, the user shall assume legal consequences thereof.
- (9) When the user has opened more than one e-payment account at the electronic payment institution, the amounts of payment received and made by respective account shall not exceed the limit set out for that type of account, whereas the total limits on those accounts combined shall not exceed the highest limit set for e-payment accounts registered and opened by the user.

### 3. Retention and reconfirmation of identity information

The electronic payment institution will retain the information obtained in the user identification process and relevant records on carrying out the user identification procedures for at least five (5) years after the termination or closing of the user's e-payment account or longer if it is so required by other regulations. The preceding provision applies when the user changes his/her identity information.

The user should confirm that the information he/she provides at the time of registration and retained by the electronic payment institution is accurate, truthful, and consistent with then circumstances, and will promptly notify the electronic payment institution if such information is changed later on.

In case of any of the following situations, the electronic payment institution may ask the user to undergo identity verification process again:

- (1) The user applies to change basic identity information.
- (2) The transactions of the user's e-payment account show irregularity
- (3) The identification document, registration paper or license or relevant documents provided by the user at the time of registration is suspected of being forged or altered.
- (4) When the user makes a transaction, it has been more than one year since the user's last transaction.

- (5) The same mobile phone number, email address or social media account has been used by different users for identity verification.
- (6) A transaction is suspected of money laundering or terrorism financing or the money remitted in is from a high risk money laundering or terrorism financing country or region.
- (7) The institution has doubt about the veracity or appropriateness of the user identity information obtained.
- (8) Other situations where the institution believes that it is necessary to re-verify the user identity information based on obvious evidence.

The user is obligated to assist and cooperate with respect to the electronic payment institution's request mentioned in the preceding paragraph and the user identity verification process carried out by the institution according to law. Where the user fails to cooperate in re-identification or fails to have his/her identity re-verified in accordance with the preceding paragraph, the electronic payment institution should suspend user's transactions service.

#### 4. Services of the electronic payment institution

The electronic payment institution will set limits on the cumulative payments made by user per month, cumulative payments received by user per month, and account balance for users with different level of identity assurance.

The user may deposit stored value funds into his/her e-payment account under the consent of the electronic payment institution. The electronic payment institution will not accept fund deposit or fund transfer between e-payment accounts by the user via a credit card.

The user's balance of NTD and foreign currency stored value funds in the e-payment account shall not exceed an equivalent of NT\$50,000. The fund deposit process will not be completed when the account balance exceeds the aforementioned amount.

The fund transfer between the user's NTD and foreign currency accounts shall not exceed an equivalent of NT\$50,000 for each transaction.

#### 5. Checking mechanism

Upon receiving the user's payment instruction made in a manner designated by it, the electronic payment institution should reconfirm with the payor before completing the payment transaction.

The electronic payment institution shall notify the user in a mutually agreed manner each time after processing the user's payment instruction and the user should check whether the processing result has errors. If there is any discrepancy,

the user shall, within 〇〇 days (not less than 45 days) from the date of notice, notify the electronic payment institution in a mutually agreed manner to look into the matter.

The electronic payment institution should conduct investigation immediately after receiving user's notice in the preceding paragraph, and inform the user of the investigation status or result in a mutually agreed manner within 〇〇 days (not more than 30 days) from the date the notice is received.

The electronic payment institution should provide free services, allowing the user to inquire his/her transaction records and fund deposit records within the past year at any time, and at user's request, providing transaction records or fund deposit records that are more than one year old but less than five years after the transaction or deposit in a mutually agreed manner.

#### 6. Handling of errors

Where an error occurs to an electronic document for reasons not attributable to the fault of the user, the electronic payment institution shall assist the user in making correction and provide other necessary assistance.

Where an error occurs to an electronic document for reasons attributable to the fault of the electronic payment institution, the electronic payment institution shall make correction immediately upon learning the error and notify the user in a mutually agreed manner.

Where an error occurs to an electronic document for reasons attributable to the fault of the user, and the error pertains to the user making a mistake in the account number or amount transferred into an e-payment account applied or operated by the user such that money is transferred into a wrong account or a wrong amount is transferred, the electronic payment institution shall take the following actions immediately upon receiving a notice from the user:

- (1) Provide details and relevant information on the transaction in accordance with applicable regulations;
- (2) Notify all users involved to render assistance; and
- (3) Reply to the user the handling of situation.

#### 7. Account security and handling of unauthorized use of account

The user has the obligation to safekeep his/her account number, password, certificate or other viable instruments for identity verification provided by the electronic payment institution and shall not assign or lend it for use by others by any means.

Where the electronic payment institution or the user discovers that a third party

uses without authorization or steals the user's e-payment account number, password, or certificate or engages in any other unauthorized use, they shall promptly notify the other party in a mutually agreed manner to suspend or stop the use of business service of the electronic payment institution and take preventive actions.

The electronic payment institution shall bear the loss resulting from use of its service by an unauthorized third party before it receives a notice from the user as mentioned in the preceding paragraph, except in any of the following circumstances:

- (1) The electronic payment institution could show that the loss results from an intentional or negligent act of the user; or
- (2) The user fails to notify the electronic payment institution to look into any discrepancy in 00 days (not less than 45 days) after receiving a notice from the electronic payment institution to check the transaction data or the billing statement sent in a mutually agreed manner; however if the user could not receive the notice due to a special circumstance (e.g. the user has been away on a long trip or hospitalized) and the user could provide supporting documentation, in 00 days (not less than 45 days) since the end of the special situation. The preceding provisions do not apply if the user's failure to receive the notice results from an intentional or negligent act of the electronic payment institution.

Fees incurred in investigating the facts of unauthorized use or theft as mentioned in Paragraph 2 hereof shall be borne by the electronic payment institution.

The electronic payment institution shall post at a conspicuous place on its service website the ways by which the user can report that his/her account or password has been used without authorization, stolen, or when any other illegal use occurs, including by phone or by email. Unless in case of a force majeure event or other material events, the electronic payment institution shall provide the service of accepting such notices 24 hours a day all year round.

#### 8. Security and management of information system and related responsibility

To ensure the security of user's transmission or transaction data, the electronic payment institution shall adopt standards and security control criteria for the information system of its business services in compliance with the Regulations Governing the Standards and Security Management Criteria of Information System for Electronic Payment Institutions.

When the user inputs wrong e-payment account number, password, certificate or other identification information five times consecutively, the electronic payment

institution's system will automatically stop user's access to its business services. If the user intends to restore access, he/she shall go through related formalities as agreed.

Both the electronic payment institution and the user have the obligation to ensure the security of the information system they use to prevent illegal entry, acquisition, theft or destruction of business records or the user's personal data.

With regard to dispute arising out of the loophole in the safeguard measures or the information system of the electronic payment institution, the electronic payment institution bears the burden of proof to show that such fact does not exist. If the cause of the dispute is not attributable to the fault of the user, the electronic payment institution shall bear the resulting loss of the transaction involved.

#### 9. Fees

When the user uses the business services of the electronic payment institution, the electronic payment institution will charge the user fees according to the agreed fee schedule, and the user authorizes the electronic payment institution to deduct such fees directly from the user's e-payment account.

The fee items, calculation methods and amounts shall be based on those posted by the electronic payment institution at a conspicuous place on its website. If the fee schedule is subsequently adjusted, the electronic payment institution shall announce the news at a conspicuous place on its website and inform the user of fee adjustment by email or in a mutually agreed manner ○○ days (not less than 60 days) prior to the adjustment effective date for the adjustment to take effect, unless the adjustment is favorable to the user.

#### 10. Calculation of currency exchange rate

For onshore businesses conducted by the electronic payment institution, funds received from or paid to onshore users shall be settled and cleared in NTD.

For cross-border businesses conducted by the electronic payment institution, funds received from or paid to onshore users may be settled and cleared in NTD or foreign currency, whereas funds received from or paid to offshore users shall be settled in foreign currency.

The electronic payment institution shall post on its website its exchange rates or the exchange rates offered by the bank which it uses as reference and the names of banks it works with.

#### 11. Performance guarantee mechanism

The stored funds received by the electronic payment institution shall have

reserves set aside in accordance with the Banking Act or other relevant regulations and are insured subjects under the Deposit Insurance Act. 【Applicable to banks and Chunghwa Post】

For the stored funds less the reserve required under Article 19 of the Act Governing Electronic Payment Institutions and for the amount of funds collected/paid as an agent, the electronic payment institution shall take the following actions: 【Not applicable to banks and Chunghwa Post; to be specified based on actual situation】

- ☐ Has obtained full guarantee from a bank; or
- ☐ Has declared trust in full. When the electronic payment institution declares trust for the aforementioned funds, both the trustor and the beneficiary of the trust shall be the electronic payment institution, not the user. Thus the trust enterprises manages and disposes the trust property for the electronic payment institution, not the user. The claims of the user over his/her funds received by the electronic payment institution shall have precedence over the claims of other creditors of the electronic payment institution.

## 12. User's obligations

The user should first confirm the accuracy of the website address of the electronic payment institution before using its services.

The user understands that the electronic payment institution will notify him/her the use of its services by the user in a mutually agreed manner. Thus the user should ensure that he/she is able to read the notices of the electronic payment institution in a timely manner.

The user shall use the business services of the electronic payment institution in accordance with the pre-established purposes of the services, and shall not violate this Contract, regulations of the Republic of China, public order and good customs, or the legal interests of the electronic payment institution or third parties.

## 13. Special agreements with recipient user

The business of a recipient user shall not be involved in financial products or services to which the competent authority has not approved receipts and payments processed by an agent and in other transactions prohibited by law or according to the notices of central government authorities in charge of certain industry.

If a recipient user sells or provides deferred products or services, the user shall obtain performance guarantee or declare trust and disclose such performance

guarantee or trust information to the buyer users.

When a recipient user collects transaction payments through the service of collecting and making payments for real transactions as an agent, the recipient user shall properly retain relevant transaction data, documents and forms for at least 5 years, and provide the terms of transaction, method of performance, transaction results, other transaction related information, as well as business items operated by the recipient user and its qualifications as requested by the electronic payment institution. With regard to information requested by the electronic payment institution, the recipient user should provide detailed descriptions and necessary documentation.

A recipient user shall keep confidential information collected in the use of service of collecting and making payments for real transactions as an agent and comply with the Personal Information Protection Act, unless it is otherwise provided by law or the competent authority.

#### 14. Retention of records

The electronic payment institutions shall retain the e-payment account numbers of users, transaction items, dates, amounts, currencies and other necessary transaction records required for retention by the competent authority for at least 5 years or longer if so required according to other regulations as well as records on any uncompleted transactions.

#### 15. Handling of customer complaint and dispute settlement mechanism

The electronic payment institution shall post information on its customer complaint and dispute handling mechanisms and procedures on its website. When the user has dispute over the business service of the electronic payment institution, the user may contact the electronic payment institution through the complaint (customer service) hotline or email address stated in Point 1.

When a dispute arises between users in connection with a real transaction, the electronic payment institution should, if so requested by one of the users, send all users concerned a notice regarding the matter in dispute.

If a dispute arises between users in connection with a real transaction before the electronic payment institution disburses the funds for payments collected for real transactions as an agent, and one of the users requests the electronic payment institution to put the disbursement of payment on hold according to the dispute handling procedure mentioned in the first paragraph hereof, the electronic payment institution may hold the payment until confirming that the parties have reached an agreement on the payment before disbursing the funds with no interest



accrued into the e-payment account of the recipient or returning the funds back to the e-payment account of the payor.

If the recipient or the payor has submitted the dispute to mediation, litigation or arbitration in addition to asking the electronic payment institution to put the disbursement of payment on hold in accordance with its dispute handling procedure, the electronic payment institution should keep the funds in dispute until the mediation, litigation or arbitration process has concluded. When the recipient or payor has presented appropriate proof, the electronic payment institution will disburse the funds with no interest accrued into the e-payment account of the recipient or return the funds back to the e-payment account of the payor.

16. Gathering, processing and use of user data

The electronic payment institution shall safeguard the personal information of the user in compliance with the Personal Information Protection Act and relevant regulations. Unless it is otherwise required by law or the competent authority, the electronic payment institution shall keep confidential transaction data and other relevant information associated with its dealings with the user.

The user agrees that the electronic payment institution may, within the extent of specific purposes permitted by law, gather, process and use his/her personal information by itself or through a third party, and agrees that the electronic payment institution may, within the extent permitted by law, make inquiry of user's information with the Joint Credit Information Center (JCIC) and other relevant institutions, and deliver or register the aforementioned information and transaction records to or with JCIC or other institutions as required by law.

17. Causes and handling of service suspension

The electronic payment institution may suspend all or part of its business services due to any of the following reasons:

- (1) When the electronic payment institution plans to undergo scheduled maintenance, relocation, upgrade or upkeep of its service systems, it shall announce the information on its website ○ days (not less than 7 days) in advance and notify the user in a mutually agreed manner. The preceding provision does not apply in case of an emergency.
- (2) The occurrence of a natural disaster, power outage, equipment breakdown, the act of a third person or other causes not attributable to the fault of the electronic payment processing institution.

When the electronic payment institution becomes unable to process payment

instructions normally due to the breakdown of its information system for its business services or other reasons, the electronic payment institution should take prompt actions and notify the user in a mutually agreed manner.

18. Service suspension on account of the user

In case of any of the following circumstances, the electronic payment institution may, in view of the severity of the circumstance, suspend all or part of its business services available to the user by serving the user a notice by email or in a mutually manner:

- (1) The user refuses to cooperate in verifying or re-verifying his/her identity.
- (2) There is concern that the user may have provided false identity information.
- (3) Substantial evidence shows that the user uses his/her e-payment account to engage in fraud, money laundering or other illegal activities, or the user is suspected of engaging in such illegal activities.
- (4) The user transfers his/her rights or obligations under this Contract to a third party without the consent of the electronic payment institution.
- (5) The user petitions for declaration of bankruptcy in accordance with the Bankruptcy Act or requests debt workout, debt mediation, petitions for restructuring or liquidation proceedings in accordance with the Consumer Debt Clearance Act, or undergoes same or similar proceedings according to other regulations.
- (6) The user has been reported by relevant agencies or other electronic payment institutions as an illegal user.
- (7) The user breaches the provisions in Paragraph 3 of Point 12 or Point 13 of this Contract.
- (8) Other situations that constitute material breach of this Contract.

19. Termination of Contract

The user may notify the electronic payment institution in an agreed manner at any time to terminate this Contract.

When the electronic payment institution intends to terminate this Contract, it must notify the user in writing, by email or in a mutually agreed manner 30 days before the date of termination.

Where the user has a circumstance that is a cause for suspension of service as provided in Point 18 and the circumstance is of serious nature, the electronic payment institution may notify the user of the termination of this Contract by email or in a mutually agreed manner.

After this Contract is terminated, except for funds in dispute, the electronic

payment institution should remit the balance of withdrawable funds of the user into user's deposit account within a reasonable period of time.

Unless with approval from the competent authority, the electronic payment institution shall not transfer its business services and associated rights and obligations to any third party.

## 20. Modification of Contract

When the provisions of this Contract are revised, added or deleted, the electronic payment institution shall make announcement at a conspicuous place on its service website, and notify the user by email or in a mutually agreed manner. The user shall be deemed to have accepted any revision, addition or deletion if he/she did not raise any objection in 7 days after receiving such a notice. However if the contract modification concerns any of the following matters, the electronic payment institution shall notify the user at least 60 days in advance by email or in a mutually agreed manner using conspicuous and explicit wording to state the changes and the provisions before and after the change, and inform the user that he/she may raise objection before the change takes effect and that the user is deemed to accept the revision, addition or deletion if he/she did not raise any objection during said period of time. The electronic payment institution shall in addition inform the user that if he/she has objection over the change, he/she has the option to notify the electronic payment institution of termination of this Contract during the aforesaid time period:

- (1) The manner by which the electronic payment institution or the user notifies the other party of any unauthorized use or theft of user ID, password, certificate, or any other situation that is not legally authorized; or
- (2) Other matters as provided by the competent authority.

## 21. Interpretation of the standard form contract

Where there is question over any provisions of this Contract, interpretations that are favorable to the user shall prevail.

## 22. Notification

The user agrees that unless it is otherwise agreed in this Contract, the electronic payment institution should deliver notices made under this Contract in a mutually agreed manner based on the correspondence information provided by the user at the time he/she applied for business services.

The user should promptly notify the electronic payment institution of address change in a manner as stated on the website of the electronic payment institution

or in another manner as agreed. If the user does not notify the electronic payment institution of address change in a manner as agreed, a notice is deemed delivered when the electronic payment institution sends it according to the correspondence information originally given by the user.

#### 23. Outsourcing of Business Operations

The user agrees that the electronic payment institution may, in accordance with applicable regulations or with approval from the competent authority, engage third parties (institutions) to process a part of its business operations.

Where the electronic payment institution has outsourced its business operations according to the preceding paragraph, the electronic payment institution shall urge and ensure that outsourced service providers will observe the confidentiality provisions set out in applicable regulations without disclosing relevant information to third parties.

When an outsourced service provider engaged by the electronic payment institution violates the Personal Information Protection Act that results in the personal information of the user being illegally gathered, processed, or used, or the rights of the user being otherwise infringed, the user may seek damages from both the electronic payment institution and the outsourced service provider.

#### 24. Governing law and court of jurisdiction

This Contract shall be governed by the laws of the Republic of China.

If dispute arises in connection with the business services of the electronic payment institution that leads to litigation, the electronic payment institution and the user agree that \_\_\_\_\_ District Court be the court of jurisdiction for the first instance. However, the application of Article 47 of Consumer Protection Act or Paragraph 2, Article 28 or Article 436-9 of the Code of Civil Procedure on small claim court may not be excluded.