

CashFlows™

Merchant Acceptance Guide

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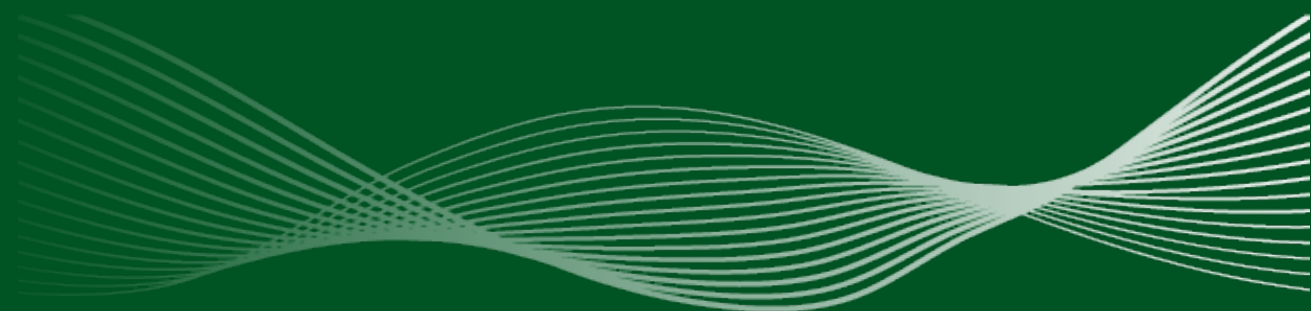


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About this Guide

This document is designed to guide Partners through CashFlows acceptance policy, underwriting criteria and the regulatory requirements which CashFlows adheres to when providing services to businesses referred by partners.

The purpose of the document is to ensure consistent practices and clarify what partners can expect from CashFlows and vice versa.

This document is strictly confidential and is subject to the confidentiality provisions of our Terms and Conditions. Every attempt has been made to provide information that is as specific and consistent as possible. However, in such a dynamic industry it is impossible to anticipate every possible scenario. For that reason, this document may be subject to ongoing review and change.

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Submitting Applications to CashFlows

This section is designed to provide guidance on the application process by which you can refer businesses to CashFlows. We have designed a process that we hope will be smooth and quick for both the applicant and for our Partners.

Online Application Form

All businesses requiring CashFlows' services need to complete an online application form. Upon being accepted as a Partner you will have been provided with your own online application form (which you can include on your website if you wish). This form should be completed for every business you are referring so we can accurately communicate with you during the application process and ensure you are paid your ongoing commission for all trading businesses you have referred to us!

Pre-Vet Checks

We are happy to advise whether a business model is acceptable or not by email and encourage partners to contact us in advance of submitting an application for a 'pre-vet' check.

In order to provide a 'pre-vet' check, we ask for the following information from a Partner:

1. Company legal name and address
2. Last 6 months processing statements
3. URL(s)
4. Forecast monthly trade

Please note that a 'pre-vet' check is not a substitute for full underwriting so any guidance given at this stage does not constitute approval. It is more guidance on whether it a full application is worthwhile.

Processing Statement Requirements

Please note that CashFlows can accept the following for processing statements:

- Scanned copies of the original posted statements from the company's current processor
- Screen shots from the processors system clearly showing the merchant name, address and descriptor.

Please note that we are not able to accept Excel spread sheets.

If a business is unable to provide processing statements at the point of application, please contact your Partner Relationship Manager who will advise if there are any terms upon which CashFlows could offer services to the business in question.

Authorised Parties

Due to the authority for credit checks required therein, applications must be submitted by an 'authorised person' within the merchants business, the table below outlines authorised persons within different legal entities.

Business Type	Definition	Required Signee
Sole Trader (Proprietorship)	One person owns all the assets, owes all liabilities, and conducts affairs in his or her own capacity, often under an assumed trade name.	Owner
General Partnership	A partnership in which all partners participate fully in running the business and share equally in profits and losses (though the partners' monetary contributions may vary)	A partner.
Limited Partnership	A partnership composed of one or more persons who control the business and are personally liable for the partnership's debts (called General Partners) and one or more persons who contribute capital and share profits but who cannot manage the business and are liable only for the amount of their contribution (called Limited Partners)	A partner.
Limited Liability Corporation	A company that is characterised by limited liability, management by members or managers, and limitations on ownership transfer	Board Director
Public Limited Company	A corporation whose income is taxed at the corporate level rather than at the shareholder level. Closely held usually indicates a small, closed group of shareholders, such as family members. Publicly held usually indicates shares offered for sale to the general public.	Board Director
Not for Profit, Charity	A corporation organised under special statutes for some purpose other than making a profit (such as charitable or educational purposes, e.g., churches, charities, non-taxable hospitals, etc.)	An authorised representative.
Associations and Clubs	Small groups of people who band together because of a shared interest or activity	An authorised representative.
Sole Trader (Proprietorship)	One person owns all the assets, owes all liabilities, and conducts affairs in his or her own capacity, often under an assumed trade name.	Owner
General Partnership	A partnership in which all partners participate fully in running the business and share equally in profits and losses (though the partners' monetary contributions may vary)	A partner.
Limited Partnership	A partnership composed of one or more persons who control the business and are personally liable for the partnership's debts (called General Partners) and one or more persons who contribute capital and share profits but who cannot manage the business and are liable only for the amount of their contribution (called Limited Partners)	A partner.

Application Underwriting

The following section explains the key assessment areas CashFlows considers when each application is underwritten.

Wherever possible, we will try to automate the process so it is as smooth and rapid as possible. However, there are occasions where we require additional information or documentation. Please note that unless otherwise stated, scanned documents are acceptable provided they are of a sufficiently high quality.

CashFlows will advise you of what documentation is required for each applicant from the below lists. Unless otherwise agreed, it is your responsibility to obtain this information from the business and forward it on to our Acceptance Team (acceptance@cashflows.com).

Know Your Customer (KYC)

It is a requirement of our regulator(s) that appropriate KYC checks (Identification and Verification of the Principal) are completed on every business that we provide services to.

CashFlows™ makes the best use of electronic databases and resources to make this process as streamlined as possible.

Where the existence of a business or principal cannot be verified electronically, CashFlows™ will request the below documentation in order to satisfy KYC requirements. Please note that we require information pertaining to both the principal's ID and their address, normally one example of each.

Proof of Principal/Director/Owner(s) ID

- Copy of the individual's current passport or national identity card
- Copy of the individual's current full driving license (provisional is not acceptable)

Proof of Principal/Director/Owner(s) address

- Copy of the individual's current full driving license
- Copy of Customer's recent (less than 60 days old) bank/building society/credit union passbook(s) or statement(s)
- Copy of the individual's rent card or tenancy agreement
- Copy of a recent (less than 60 days old) utility bill or certificate from a utilities provider. This bill must be for a service provided directly to their home – acceptable examples are gas, electricity, or land line telephone bills; unacceptable examples are mobile telephone bills, vehicle registrations, or Sale statements.
- Copy of most recent mortgage statement from a recognised lender
- Copy current state identity card
- Copy of solicitor's letter confirming recent house Sale (previous address must also be verified)
- Copy of recent tax documentation, e.g. code notification for the individual
- Copy of a known housing association tenancy agreement or rent card in the name of the individual
- Copy of the individual's current TV/vehicle license reminder

Note that the above are required for all non UK Merchant applications and for any UK Merchants where the applicant principal signatory is not UK based.

Know Your Business (KYB)

It is a requirement of CashFlows' regulator(s) that appropriate KYB checks (Identification and verification of a Business) are completed on every business that we provide services to.

Wherever possible and permissible, KYB should take the following form (in this priority):

1. Electronic verification
2. Copies of Business documents as below.

When electronic verification has not been possible, we may request one or more of the following documents from the customer:

- Copy of Certificate of Incorporation
- Copy of Memorandum and articles of Associations
- Copy letter from the bank where the Customer's Account is open, on bank letterhead, containing bank name, address, and phone number, confirming Customer name and address, sort code/ABA/routing number, and account number and listing the authorised signatories to the account by name (this can also be used for AML compliance).

Ultimate Beneficial Ownership (UBO)

A beneficial owner is an individual or entity who ultimately owns or controls the customer or on whose behalf a transaction or activity is being conducted. It is a requirement that we identify the ultimate controllers of the businesses with whom we contract.

In many cases we will be able to confirm the UBO(s) without asking the customer for assistance. Where this is not possible, we may need request the following documents from the customer so we can understand the corporate structure the whole way up the chain:

- Corporate tree with shareholder lists for the ultimate parent company and applicant business

Website Checklist

As part of CashFlows' underwriting process, the following checks are performed on the Merchant's website prior to activation of their account. The below guidance represents best practice and adherence to these rules will make the review process considerably quicker.

In the absence of a website (MOTO merchants), marketing material containing this information should be provided by the business to accompany their application. We recommend that the below list is shared by our partners with prospective applicants.

General Guidance

- The shop's name must match either the legal or DBA name of the business
- The products/services displayed should match the description of those captured on the application form
- Complete description of the goods and services offered must be visible as well as clear pictures and/or descriptions of each approved product/service together with clear pricing for each product/service.
- The website should not make any unsubstantiated claims about the products/services.
- Checking if the site re-route to another URL? If so, why?
- If there is a paywall (e.g. for subscription-based services), CashFlows™ requires access to these areas in order to conduct an accurate and rapid assessment

Fulfilment

- Delivery and Shipping methods and days of delivery must be clearly described, appear prominently on the website and match those terms on the application
- If subscriptions/memberships are offered, it must state the number and frequency of payments that will be taken

Contact Details

- Contact details must be displayed prominently to the consumer. Please note that PO Boxes addresses are permissible on the website but not on the application

Businesses Using Remote API

- If the merchant is hosting the Payment Page, this page must be secure
- The customer must have the opportunity to review all information before submitting order (i.e., last chance to cancel)
- Any sign-up pages must be clear and indicative of what the consumer is buying
- Currency or currencies of sale is clear and match the currency or currencies stated on the application.
- PCI Compliance must be validated in advance of activation through QSA certification

Service Levels

CashFlows is committed to providing the fastest review and, where an application is accepted, set-up possible for your customers and endeavours to endear to the following Service Levels.

- 90% of applications to have a decision reached within three working days upon receipt of application and supporting additional documentation
- CashFlows™ to advise partner of any additional supporting documentation required within three working days of submission of full application
- Registration of merchants, where required, to be completed within two working days of acceptance (see 'Requirements for Specific Business Segments' below)

Please note that these service levels are conditional on receiving all the required information at the point of application. Our Partners can help ensure the application moves rapidly through our underwriting process by supporting the liaison between CashFlows and the customer:

- Ensure any additional documentation (e.g. prior processing history, copy of licenses where required – see below for further details) is provided **at the point of application**. Late submission slows the underwriting process.
- Ensuring the individual applying is eligible to do so (see 'Authorised Parties')
- Make the customer aware of the website review process and what CashFlows™ will be looking for (see 'Website Checklist')
- Providing timely responses to requests for further information.
- Provide requested documentation within three working days of the request from CashFlows.

Accepted Countries

CashFlows is happy to consider applications which include card acceptance from businesses incorporated in any of the following countries:

Andorra	Faeroe Islands	Ireland	Monaco	Spain
Austria	Finland	Isle of Man	Netherlands	Sweden
Belgium	France	Israel	Norway	Switzerland
Bulgaria	Germany	Italy	Poland	Turkey
Channel Islands	Gibraltar	Latvia	Portugal	United Kingdom
Cyprus	Greece	Liechtenstein	Romania	Vatican City
Czech Republic	Greenland	Lithuania	San Marino	
Denmark	Hungary	Luxembourg	Slovakia	
Estonia	Iceland	Malta	Slovenia	

Requirements for Specific Business Segments

In addition to our standard underwriting criteria, we also request 6 months' processing statements from the business' current acquirer for all applicants in the listed segments.

Submitting these at the point of application will help accelerate CashFlows' underwriting and decision making process.

Segments
"Collectables" i.e. Stamps and coins
"Made to order" and/or bespoke products and services
<i>Adult*</i>
Transportation, Travel and Accommodation
Alcohol (cross-border sales)
"Live" content i.e. Webcams/chatrooms/chatlines and similar
Auctions
Bridal / Wedding goods/services
Business Opportunities Services
Buying and Discount Clubs / Products / Services of Any Kind
Vehicles
Childcare
<i>Computers and Computer Hardware related products and/or services</i>
<i>Dating*</i>
Door to Door Sales
<i>E-Cigarettes</i>
File Storage / Sharing
<i>Fortune tellers (and similar)</i>
Advertising
Furniture and Fittings of any kind
<i>Gaming/Gambling/Betting*</i>
Infomercials and similar selling of any product or service
Insurance & warranties and similar
<i>Internet or Telephone Connectivity services i.e. Broadband</i>
Jewellery and/ or Precious metals / jewels
Financial or Legal Advice and/or Services
Medical Services, treatments, medications or remedies of any kind

Mobile Phones & Accessories
Party Plan / Multi-Level Marketing / Network Marketing / Involves commissioned referrals for sales
Pawnbrokers
Political Parties / Products / Services
Protection and Security Services – physical or virtual
Pubs & Clubs and similar
Rental of products or services
Schools and Education
Search engine optimisation services (and similar)
Second-hand or re-furbished products

* Specific policies apply, please contact your CashFlows Partner Relationship Manager for further information

The segments in italics require CashFlows to register the businesses with MasterCard. Dating, Adult and Gaming/Gambling/Betting customers also incur a MasterCard annual registration fee of \$500. This is to be paid by the business prior to their account being activated.

Additional Requirements for Specific Business Models

The same criteria for requiring 6 months of processing statements also apply to applications that display one or more of the below characteristics:

Characteristics
Any and all Promises of personal physical/psychological/appearance/wealth benefits
Average transaction of £500 and over
Bad Credit Businesses (negative networth, negative working capital, poor credit scores)
Business has a history of chargebacks > 0.5% or refunds >5%
Businesses targeting consumers in financial or other difficulty or susceptibility of any kind
Potential legal or reputational issues or potential to cause offence
Telemarketing / Hard sell / Pressure Selling
Forecasting / Consulting / Advise
Exaggerated claims about product or questionable product value
Heavily reduced/discounted price items
Loading an account
Pre-Payment & Deposit Taking Businesses / Prepaid services
Recurring Billing, Subscriptions &
Any service requiring a license
Somebody else ships or fulfils the product / Drop-

The above lists are not exhaustive and CashFlows reserves the right to request further information from any application. If you have any questions or wish to discuss a prospective customer ahead of submitting an application, please do not hesitate to contact your CashFlows™ Partner Relationship Manager for further guidance.

Please see 'Processing Statement Requirements' in above section for further information on what can be accepted by CashFlows.

Additional Requirements for Future Delivery Businesses

Any applicant whose business model involves fulfilling orders more than 30 days* after the goods or services are purchased must also provide the following information to support their application:

- 6 months' processing statements from current acquirer (as described above)
- The audited company financials from the previous 2 years

CashFlows is happy to consider the financials and processing statements of a guarantor where appropriate.

** 14 days if business is selling tangible goods and has card turnover over £10k per month.*

General Prohibitions

Unfortunately, CashFlows™ is not able to accept applications that would be covered by the below prohibitions. If you are unsure if a prospective applicant falls into this category, please contact your CashFlows™ Partner Relationship Manager for further information.

General Prohibitions	Sector Prohibitions	Sector Prohibitions
Any business exerting excessive pressure to buy their products/services	“Adult” massage	Lotteries
Any business making excessive/false claims of success regarding their products/services	3 rd Party Ticket Sales for Sports events and Concerts (and similar) i.e. where the merchant does not own the event (simply running it is not enough).	Manga
Any Business that has been (or has had a principal that has been) the subject of a criminal investigation	Adoption Agencies	Mod-chips
Any Business that is currently in business bankruptcy or has been (or has had a principal that has been) the subject of a bankruptcy or receivership proceeding in the last 3 years	“Adult” Saunas	P2P Betting
Any Customer that refuses to obtain the relevant Product(s) or services until after the Customer pays for them	Animal Research	P2P Files haring
Any business with significant levels of scam reports/ negative feedback/complaints	Buying clubs	Pharmaceuticals
Any company or individual listed on MATCH/TMF/VMAS	Debt Consolidation Services	Precious metals (standalone sales thereof)
Any company or individual that has a reputation for circumventing the law and/or card scheme rules.	Debt Consultancy	Pre-Paid Phone Cards/Calls (3rd Party i.e. Merchant IS NOT the Telco)
Businesses offering memberships or other subscription or re-billing services that require a negative response from the Customer to avoid automatic renewal	Debt management Services	Protected species (or products derived from them)
Businesses offering services that extend beyond 1 year in length	Discount Clubs	Spread Betting
*Businesses that would put Voice Commerce Group in breach of card scheme rules	Dogging	Strip / sex clubs are prohibited
Celebrity Endorsements: Images of celebrities are prohibited from use without express written consent of the entity being published;	Drugs: Includes the sale of any chemical substances designed to cause a desired effect. This includes both illegal drugs and products marketed as legal highs.	Timeshare payments

Free-Trials: No marketing of the product as free or risk-free;	Escort Services	Timers / False Counters: Generating a false sense of urgency through timers, limited time offers and product counters are prohibited unless the customer's ability to order the product is genuinely taken away.
Get Rich Quick Schemes where an up-front payment is made but no tangible value is given in return – this only covers extreme examples at the discretion of Voice Commerce Group.	Fantasy art	Tobacco sales
Investments of any kind	Firearms	Up-sells
Lifetime Guarantees	Fireworks	Weapons
Lifetime Memberships	Hentai	Wheel Clampers
Payments for damages, losses, penalties, or fines of any kind;	Information on how to obtain / services relating to obtaining government grants	Wholesale Mobile Phone sales
Payments for costs or fees over the normal price of the goods or services (plus applicable taxes) or Charges that Cardholders have not specifically approved;	Information on how to obtain / services relating to obtaining Visas or Passports or Work Permits	Jewels (stand alone sales thereof)
Payments for sales made by third parties or entities conducting business in industries other than the Sponsored Merchant;	Loan Modification Services	Lap dancing / Pole dancing clubs (and similar) i.e Stringfellows
Payments for amounts that do not represent bona fide sales of goods or services at the Sponsored Customer, e.g. amounts which do not represent a bona fide sale of goods or services by you (e.g. the "funding" of an account without a corresponding provision of goods/services to another person is prohibited, as are purchases by the owners (or their family members) or employees of Sponsored Customers contrived for cash flow purposes);	Up-selling	Warranties (stand-alone)
Up-selling		
Warranties (stand-alone)		

Partner Terms and Commission Payments

The terms of your agreement with CashFlows, including pricing options available, have been set out at the outset of your relationship with CashFlows. Should you need to discuss these further, please do not hesitate to contact your Partner Relationship Manager.

We understand that for your relationship with CashFlows to be successful, there needs to be mutual benefits from referring business to us. We aim to make commission payments simple and transparent.

Commissions to partners are made one month in arrears and paid into your nominated account by the fifteenth day of the following month. You will also receive a monthly commission statement from your CashFlows™ Partner Relationship Manager.

From 1st June 2013, all new partners are required to open their own CashFlows Account for commissions to be paid into. This account has full interbank capabilities, together with its own account number and sort code. Our Partner Relationship Manager will be contacting existing partners to agree timelines for existing partners to open a CashFlows Account. In the meantime, we will continue to make payments into other nominated bank accounts, however the minimum amount we will transfer at any one time is £100. If a partner's commission is less than this in any given month, it will be deferred until the total reaches £100.

Use of CashFlows' Systems

Netsuite (CRM)

Netsuite is CashFlows™' CRM system and can be used to track the status of all applications from businesses you have referred to CashFlows™ giving you clarity and transparency across all applicants. Should the status be 'Underwriting – More Info Required' please monitor your e-mails for details on what is required by CashFlows™.

You will be provided with log-in credentials once you are set up as a partner.

Further information is available from your CashFlows™ Partner Relationship Manager.

Account Management System

CashFlows Account Management System allows you to view the transactional activity of all customers you have referred to CashFlows™ on an individual or aggregate basis.

You will be provided with log-in credentials once you are set up as a partner.

Further information is available from your CashFlows™ Partner Relationship Manager.

Relationship Management

On becoming a partner of CashFlows', you will be introduced to your Partner Relationship Manager, who will give you further information on CashFlows' services and assist you with applications. Specific areas of support include:

- Pricing and Commission Queries
- Guidance on prospective applications
- Escalations and urgent customer issues
- Further details on application, underwriting process
- Updates on applications
- Advising you on the outcome of applications

You will be provided with your Partner Relationship Manager's contact details and agree a schedule for regular reviews.

CashFlows™' expectation is that an estimated 'start trading' date will be provided by the customer during application process. We expect our Partners to liaise with their customers to provide timely updates on any changes to initial trading date where appropriate. Applications will be considered 'lapsed' by mutual agreement.

Customer Questions

CashFlows™ provides a range of customer material that will help them make best use of the services they take from CashFlows™. These include:

- User Guides
- Integration Guides
- FAQs
- Product Factsheets

For routine customer queries, it will be fastest for the customer to contact our UK-based Customer Support Team directly on +44 (0)1223 550920 (08.00 – 17.00, Monday – Friday). Specific query types CashFlows' Support Team can help with include:

- Individual transaction queries
- Password resets
- Integration queries
- Addition of extra products

Of course, your Partner Relationship Manager is available for any urgent queries that require immediate attention.