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Payment Card Acceptance Manual

Effective:

The amendment marked in turquoise will enter into force 2 (two) months after its publication (16 August 2023), i.e. on 16 October 2023.



Changes:

Based on point 3.2 of the GTC, the Company supplements these GTC with provisions regarding the cross-border services in relation to the following countries: Germany, Austria, Slovakia, Croatia.

The regulations for the vPOS service will also be amended with the possibility of manual closing.

The amendments are highlighted in turquoise.

The amendment in yellow will enter into force on the date of publication, i.e. 28.09.2023.





Contents

1. Introduction	3
2. Definitions	3
3. Verifying the validity and authenticity of the card.....	4
4. Carrying out a bankcard transaction	5
5. Authorization.....	9
6. Settlement and statements.....	10
7. Abuses.....	10
8. Complaints	12
9. Maintenance of card acceptance equipment.....	15
10. Special merchants	17
10.1. Casinos, currency exchange businesses	17
10.2. Handling problems arising during the sale and delivery of high-value goods.....	17
10.3. Mail order and telephone order (MoTo)	21
10.4. Online merchant (virtual acceptance)	22
10.5. Gratuity.....	24
10.6. Hotels	24
10.7. Car rental	33
10.8. SoftPOS.....	39



1. Introduction

We welcome you as one of the payment card acceptance partners of K&H Payment Services Ltd. (hereinafter: "Company"). Our core objective is to provide card acceptance services of a high standard. This manual contains all the useful and important information necessary for the smooth running of your card acceptance activities. The payment card acceptance agreement (hereinafter: "Agreement") concluded with the Company enables both Hungarian and foreign Cardholders to pay conveniently and securely with their cards in your store. Card acceptance has been proven to attract new, higher-spending customers, thereby increasing the turnover of your business. One of the biggest benefits of payment card acceptance is the possibility of secure payment, which all merchants can enjoy if they follow the rules. However, alongside these benefits, the following basic rules should be borne in mind:

Your business must accept all types of cards specified in the Agreement, regardless of which domestic or foreign bank issued them.

You must display the possibility of card acceptance in a prominent manner in your store, aided by the stickers and other marketing materials provided by the Company.

Cards may only be used to pay for the value of actual purchases of goods and services. It is prohibited to accept a card for the financial settlement of any other debt owed by the Cardholder or any transaction related to any other card of the Cardholder.

Cards may be used only and exclusively to pay for the purchase of goods or services at the merchant location specified in the Agreement. It is prohibited to accept a card on behalf of, or instead of, another merchant.

Our authorized staff or persons authorized by the International Card Companies may make test purchases at the merchant locations specified in the Agreement and to assess the conditions of card acceptance during their visit.

This manual forms an integral part of the Agreement and you must therefore follow all the instructions in this manual. The Company reserves the right to change the rules and procedures described in this manual. The Company will notify you of any such changes in accordance with the provisions set out in the General Contracting Terms and Conditions of the Payment Card Acceptance Agreement (hereinafter: "GCTC") by publishing the amended documents on the Company's website. Please note that in order to successfully complete transactions on a POS, you must also be familiar with the relevant version of the POS user guides which are also available on the Internet and form part of the Agreement.

If you have any questions or complaints, please contact our Company at (06 1) 328-9400 or send a written inquiry to khpos@kh.hu. If you wish to send a fax, you can do so at (06 1) 328-9401

If you have any questions of a business nature regarding the conclusion or amendment of an agreement or the opening of a new business, please contact your sales representative or relationship manager.

2. Definitions

For general definitions see Section 4 of the document "General Contracting Terms and Conditions of Payment Card Acceptance Services".

Other definitions:

- **For vPOS-related definitions see also Section 2 of the document "GCTC SPECIAL CONTRACT TERMS OF VIRTUAL PAYMENT CARD ACCEPTANCE".**

Mobile wallet means a service that allows the Cardholder user to digitalize his traditional means of payment – e.g. bankcard – and use them via his telephone.

Tokenized card means a payment card that is stored in an electronic form encrypted on a storage medium (e.g. a mobile phone) and whose card number is not the same as the card number on the physical card.

mPIN (MasterCard) and Passcode (VISA) mean the secret personal code provided by the issuing bank to the cardholder, which verifies the identity of the person using the contactless card and authenticates the transaction during transactions initiated and authenticated from the phone. It is not the same as a PIN, but its use replaces both PIN and signature.

Pre-authorization, further pre-authorization mean the authorization requests that may be initiated by some Merchants – typically hotels and car rental companies – in order to reserve (hold) the desired amount on the cardholder's account. A pre-authorization or further pre-authorization is not a financial transaction in itself.



Completion means all transactions initiated by the Merchant to settle the amount previously reserved with a pre-authorization or further pre-authorization, i.e., the financial transaction missing from the pre-authorization is carried out during the completion process.

Fall back transaction means a transaction where a hybrid card (that has both a chip and a magnetic stripe) is accepted by a hybrid POS terminal (that can accept both chip cards and magnetic stripe cards) on a magnetic stripe basis instead of a chip basis.

POS accepting magnetic stripe cards means a POS terminal that can only accept cards with a traditional magnetic stripe.

POS accepting hybrid cards means a POS terminal that can accept both a traditional magnetic stripe card and a chip card.

POS accepting contactless cards means a POS terminal that can read the data stored on the magnetic stripe or chip using NFC without contact, and complete the transaction.

Virtual POS terminal means the card acceptance software that handles the transaction over the Internet in accordance with the security standards of the international card companies and/or the Company.

Verified by VISA (VbV), MasterCard SecureCode (MCSC), MasterCard ID Check mean the 3D Secure security procedures developed by the card companies and used by the Company for the identification of transactions initiated via the Internet at a virtual POS terminal.

Chip-based card acceptance means a special case of electronic card acceptance where the Merchant accepts the transaction solely on a chip basis, by inserting the chip on the card into the chip card reader of the POS terminal.

Contactless card acceptance means a special case of electronic card acceptance where the Merchant accepts the transaction solely by means of an NFC-based contactless reading of the data on the card.

POS card receipt means, in the case of electronic card acceptance, the form, usually in duplicate, produced by the POS terminal, plus the third copy, which is the Company's, of the electronic data sent by the POS terminal to the Company.

API means the interface between the POS application and the vPOS; the existence of this link is essential for the execution of virtual card payments and is a precondition for the go-live of the POS application in the Company's systems.

The terms **eAPI or new API** refer to the interface available to Merchants since 30 November 2022, which provides access to all virtual acceptance services. Clients concluding a contract on or after 1 January 2023 must use the eAPI to link to the Company's vPOS. As of 30 November 2022, eAPI v. 1.0 has been in use.

Old API means an interface used by clients who signed their contracts prior to 30 November 2022; it provides access to a limited subset of services only. The Company has stopped updating the old API and will phase it out by **31 March 2024** at the latest.

Cross-border Card Acceptance Service: The financial service and any supplementary financial services are provided in a country other than the one where the financial institution providing the service is registered or has its site, headquarters or branch office. Cross-border services are subject to a separate Agreement.

The cross-border service provisions exclusive to specific countries are always published in the relevant contractual documentation. From October 16, 2023, the Company's virtual acceptance (vPOS) service and physical POS acceptance service will cover the territory of Austria, Germany, Slovakia and Croatia, in case of acceptance in EUR currency.

3. Verifying the validity and authenticity of the card

3.1. Card acceptability

The Agreement contains the types of cards settled, the full range of which is as follows:

- MasterCard, including all brands owned by MasterCard, such as
 - o Maestro
 - o Debit MasterCard
- VISA, including all brands owned by VISA, such as
 - o VISA Electron
 - o vPay
- JCB
- UPI



For cross-border acceptance only the next brands could be used:

- VISA
- Mastercard

Inform customers in a prominent place about the range of cards covered by the card acceptance agreement.

If you do not wish to accept certain card products or brands pursuant to Regulation (EC) No 2015/751 of the European Parliament and of the Council, you must amend your Agreement with the Company accordingly. **The amendment to the Agreement and the possibility to refuse certain card products will only apply to cards issued in the EEA; you must continue to accept cards issued in other countries!**

Once the agreement has been amended, you must comply with the following:

- you must display the stickers indicating restricted acceptance at merchant location or, in the case of online acceptance, on the website;
- apart from the place of issue, no distinction must be made between the brands and products accepted or refused (e.g. on the basis of the cardholder's identity or the issuing bank);
- if you nevertheless accept a card that you refuse under the Agreement, the transaction will be settled and the Company will charge you the fee set out in the agreement.

For bankcards issued in the EEA after 9 June 2016, it will be possible to identify both visually and electronically whether the card is a business (e.g. Business, Commercial) or a retail prepaid, debit or credit card. In the case of tokenized cards the issuer must also display these features on the card image.

Other cards technically acceptable **only in Hungary** by the Company:

- American Express card
- Prémium EP [health fund] card
- Patika cards (Patika, Multi-Pay, Új Pillér)
- Generali/Medismart EP [health fund] card
- OTP-Cafeteria-Kártya (no longer issued)
- Vitamin
- Optisoft
- K&H SZÉP Card
- OTP SZÉP Card
- MBH SZÉP Card
- Cards issued by Card Consulting (Cardconsulting EP [health fund], MBH EP [health fund], Vasutas EP [health fund])
- OTP EP [health fund] card

4. Carrying out a bankcard transaction

Please note that this chapter covers the general process of carrying out a transaction. The rules applicable to each specific type of merchant (casino, restaurant, hotel, car rental company, merchant supplying goods/services, merchant accepting orders by mail, telephone and Internet, SoftPOS application) are set out in Chapter 10.

4.1. Carrying out a purchase transaction

4.1.1. Providing the transaction code and the purchase amount

To proceed with the transaction, enter the code of the transaction you want to carry out as described in the POS manual or POS user guide. The most commonly used transaction button (e.g. purchase) is set as a default function in some terminals, so entering the transaction code is required rarely, only where the transaction is different.

Next enter the amount of the transaction. The authorization request must be for the total amount of the purchase (including VAT). For HUF terminals, the rules for rounding to HUF 5 should not be taken into account, i.e., the actual amount of the purchase should be entered (e.g. HUF 19 829, not HUF 19 830). Transactions made by the same Cardholder with the same card at the same time



must be authorized in one amount even if you issue several invoices for the purchase. It is prohibited to accept the amount of a purchase in several instalments without authorization!

If the POS software allows, it is also possible to enter information of up to 30 characters in length on the POS terminal keypad. The information entered may help to identify the transaction during settlement, but its content must not be in breach of data protection regulations, i.e. it must not contain any personal data of the cardholder (e.g. name, telephone number, account number, address, etc.). The information entered is displayed in the transaction statement in txt format in the File to be processed further.

4.1.2 If the Merchant has an addendum to the agreement for DCC service, HUF-based terminals will – depending on the card – automatically offer cardholders the option to carry out the transaction in their own currency instead of HUF. The transaction process in this case is as follows:

- The transaction starts by entering the HUF amount and touching/inserting/swiping the card.
- The first exchange of information takes place between the POS terminal and the Company's central system, during which the Company's central system decides whether the card is DCC capable or not.
 - o If the DCC service cannot be offered, the transaction is completed in HUF without any changes.
 - o If the DCC service can be offered for the card, the currency denomination of the card is determined and the DCC amount is calculated.
- The POS/PIN pad display will show both the HUF and DCC amount and the exchange rate applied, as well as the margin applied to the exchange rate in % in relation to the ECB's prevailing exchange rate.
- **The customer then has to choose between the HUF amount and the DCC currency/amount. It is strictly forbidden to choose for the customer or to influence his decision; the decision must always be taken by the cardholder of his own free will.**
 - o If the customer chooses the HUF amount, the transaction will be completed in HUF.
 - o If the customer chooses the DCC currency/amount, the transaction will continue in the DCC currency.
- Authentication (e.g. PIN request) is then carried out in accordance with Section 4.1.4 or Section 4.1.5; the screen will display
 - o the HUF amount (if DCC is rejected) or the DCC amount (if DCC is accepted).
- The transaction can still be declined at the customer's request and repeated in HUF if required.

If the transaction has been successfully completed and the cardholder still changes his mind, the transaction must be cancelled and repeated in HUF upon request.

Regardless of whether the cardholder accepts the DCC currency/amount or chooses the HUF amount, the HUF amount will always be settled for the Merchant in the settlement currency specified in the agreement.

4.1.2. Reading the card

When the POS terminal displays the "Enter card" message, touch the card to the contactless reader, insert the it into the chip reader or swipe the card to authorize the transaction as described in the device-specific and/or software-specific POS user manual or POS user guide that forms part of the agreement.

For Tokenized and Contactless cards, you must use the card in a contactless manner, while for chip card transactions, the transaction must be authorized by inserting the card into the chip reader (reading the data on the chip). The transaction may be authorized by swiping the card through the terminal pursuant to the POS terminal's instructions, and the transaction may be authorized by manually entering the card data into the terminal only on the basis of the authorization and instructions of the Company's authorization center. **V PAY** cards can only be accepted on a contactless or chip basis. Manual data entry is prohibited for Maestro cards.

If a contactless transaction is initiated but for some reason it fails and the transaction is not completed on a contactless basis, the terminal will give an instruction for the transaction to be carried out via another interface. In such a case, the transaction must always be attempted on a chip basis first, and by swiping the magnetic stripe only if the chip-based transaction fails.

In the case of non-chip card transactions, the transaction must be authorized by swiping the card through the terminal (reading the data on the magnetic stripe). The transaction may be authorized by manually entering the card data into the terminal only on the basis of the authorization and instructions of the Company's authorization center.

4.1.4. Verifying the PIN code (the Cardholder's secret identification code)



If your terminal is equipped with a PIN pad and the terminal requests it, the Cardholder will be required to enter his secret identification code. The transaction cannot proceed without the PIN code. The PIN code must be provided by the Cardholder during the execution of the transaction only and exclusively on the PIN pad of the terminal and may not be requested or obtained from the Cardholder or stored in any other form.

4.1.5. mPIN and Passcode

If your terminal is capable of contactless transactions and the Cardholder has a tokenized debit card integrated in a smartphone or other smart device (mobile wallet), the Cardholder may carry out the verification by entering the mPIN or Passcode into his own phone/device. The mPIN and Passcode can be entered in advance (one-touch transaction) or after the POS terminal has prompted the Cardholder (two-touch transaction). The mPIN and Passcode must be entered by the Cardholder only and exclusively into his own phone during the transaction and may not be requested, obtained from the Cardholder or stored in any other form.

4.1.6. Verifying the success of the transaction

The transaction is deemed successful when the “accepted” message appears on the terminal. In the case of a chip transaction, leave the card in the chip reader until the message “remove card” is displayed, whereupon the card must be removed from the chip reader of the terminal. In the case of “accepted”, the terminal will print a transaction receipt marked “sale”, which must be signed by the Cardholder only if no other identification has been made and it shows the word “signature”. The amount on the receipt must be the same as the amount of the transaction. For contactless transactions below the contactless CVM limit, the cardholder’s copy of the receipt should only be printed and given to the cardholder if explicitly requested. In the case of a declined transaction, the POS screen or receipt will include the term “decline” and usually also the reason for the decline.

If the cardholder has selected the DCC currency/amount and the transaction has been successfully completed, the receipts will show not only the HUF amount of the transaction, but also the DCC currency (ISO numeric and character code), the amount and the exchange rate applied and the date thereof, and the margin applied to the rate as a % of the current ECB rate. In addition, the cardholder’s copy will include the cardholder’s declaration of acceptance of the DCC transaction.

Please note that if you issue an invoice to the Cardholder, the invoice must contain the actual description of the goods purchased. If the Cardholder pays with a credit card issued by a non-Hungarian bank, it is recommended that the invoice issued to the Cardholder should also include a description of the goods purchased in English. The invoice must show the HUF amount of the goods/services even in the case of DCC transactions.

If the transaction is not considered successful, the procedure described in Chapter 6 of this manual and in the user manual of the terminal should be followed.

4.1.7. Signing the receipt, verifying the signature

If the Cardholder’s signature needs to be verified, only the merchant’s copy will be printed first, with the place of signature and the text “signature” underneath. Then have the Cardholder sign the copy of the receipt and observe the Cardholder’s signature. The signature must be continuous and dynamic. Compare the signature on the receipt and the signature on the back of the card; they should have the same name (without spelling mistakes) and should have a significant similarity in appearance. A receipt signed in block letters is not acceptable. In the case of a company bankcard, the name of the Cardholder and the name of the company will appear together on the bankcard. If the signature is acceptable, the transaction can be closed by pressing the green button and the cardholder’s copy of the receipt will be printed. If the signature is not acceptable, the transaction can be reversed by pressing the red button. If the signature was accepted in error, a reversal must be initiated for the transaction. In this case, the value of the goods/services must be settled by other means (e.g. another card with PIN verification, perhaps cash payment).

If the transaction was initiated by electronic acceptance with other identification (PIN number request, etc.), the Cardholder does not need to sign the receipt. In this case, the text “signature” will not appear on the printed receipt and there will be no place for the signature; instead the words “PIN accepted” will be printed on the receipt. When accepting a **V PAY** card, it is prohibited to have the Cardholder sign the receipt.

If the transaction is contactless, neither a PIN request nor the signing of the receipt will be required under the contactless CVM limit, unless the issuer explicitly instructs the POS terminal to do so.

4.2. Cancelling and crediting a transaction



The order of the steps described in this section may vary depending on the POS terminal and software version, please follow the instructions in the POS manual and the POS user guide.

4.2.1. Reversal

The last successful transaction completed through the POS terminal can always be reversed without the card being present, as long as no new transaction has been initiated.

4.2.2. Crediting a transaction (refund)

If the transaction can no longer be reversed from the terminal (e.g. another transaction has taken place since the original transaction), the transaction can be credited, with the card being present, using the "refund" function on the terminal as described in the device-specific and/or software-specific POS user guide or POS manual. The credit may be for the full amount of the transaction or for a partial amount. If the transaction is accepted, the terminal will print a receipt for the credit, marked "refund", a copy of which must be given to the Cardholder.

If the refund transaction is for a DCC transaction, after entering the HUF amount (which may be the total or partial amount of the transaction), the numeric or character ISO code of the currency on the terminal's receipt (e.g. 978 for EUR) and the exchange rate on the receipt must be entered. The POS terminal uses these to determine the amount of the transaction in the currency of the DCC transaction. When the "Enter card" message is displayed, the card must be touched to the terminal / inserted into the chip reader / swiped through the magnetic stripe reader. If the transaction has been accepted, "Approved" will appear on the display.

If the Cardholder has a foreign card or a foreign currency card, and the transaction currency differs from the currency of the account linked to the card, this may result in an exchange rate difference. In all cases, the Cardholder must settle any exchange rate loss through his own bank. If the exchange rate loss is charged by the issuing bank to the acquiring bank, the Company may pass it on to the merchant location.

Please note that in any case, the credit may only be applied to a previously executed transaction and may not exceed the amount of the debit transaction to be settled.

The Company may check the credit entries made. If the Company is unable to identify the debit transaction to which the credit has been applied, it may suspend the processing of the credit. The Company will contact the Merchant in writing in each case to clarify the legitimacy and regularity of the credit entry. If the Merchant fails to provide documentary proof of the legitimacy or regularity of the credit within 30 (thirty) days of the date of the credit, the Company will refuse to process the credit and will notify the Merchant in writing.

Please note that the cancellation, crediting and settlement of the transaction with the Cardholder may only be carried out using the same bankcard. It is forbidden to settle the cancellation of a bankcard transaction by other means (e.g. transfer to a given account number, cash payment), and any resulting loss will be borne by the Merchant.

Please also note that once a Cardholder's complaint has been accepted in any form (verbally, in writing, with a corrected invoice), it can no longer be changed. It is forbidden to subsequently charge the Cardholder's credit card for an item where a complaint has been made and accepted.

4.2.3. Reversing or crediting a transaction through the Company

If the reversal or the refund transaction can no longer be executed, the Merchant may request it from the Company in writing. The Company will verify the credit requests received. If the debit transaction for the credit cannot be identified by the Company, the credit will not be recorded. In all cases, the Company will contact the Merchant in writing to clarify the legitimacy of the credit. If the Merchant fails to provide documentary proof of the legitimacy of the credit within thirty (30) days of the date of the credit, the Company will refuse to record the credit and will notify the Merchant in writing.

Please note that the cancellation, crediting and settlement of the transaction with the Cardholder may only be carried out using the same bankcard. It is forbidden to settle the cancellation of a bankcard transaction by other means (e.g. transfer to a given account number, cash payment), any resulting loss will be borne by the Merchant.

Please also note that once a Cardholder's complaint has been accepted in any form (verbally, in writing, with a corrected invoice), it can no longer be changed. It is forbidden to subsequently charge the Cardholder's credit card for an item where a complaint has been made and accepted.



5. Authorization

The purpose of authorization is primarily to check that the card, or the account associated with the card, has sufficient funds to carry out the transaction, that the card is valid and not cancelled, and that the Cardholder has not exceeded his daily limit. The authorization number received in response to the authorization request does not mean that the card is used by the real Cardholder; this cannot be verified by the terminal.

Please note that this chapter deals with the general process of requesting authorization. Additional rules for each specific type of merchant (casino, conference organizer, travel agency, airline, restaurant, hotel, car rental company, merchant supplying goods/services, merchant accepting orders by mail, telephone and internet) are set out in Chapter 10.

5.1. Authorization request

5.1.1. Floor limit explained

The Company sets a so-called floor limit for the merchant location. The floor limit is the limit above which the terminal automatically requests authorization from the Company. For purchases below the floor limit, the terminal will check the status and validity of the card against the data of the prohibition list stored in its memory.

- 5.1.1.1 The floor limit applies to a single business unit, a single card and a single purchase. This means that a transaction carried out by the Cardholder with the same card must be electronically authorized by the Merchant in one sum, even the Merchant issues several invoices for the transaction. It is prohibited to accept the amount of a purchase in several instalments without electronic authorization. If you accept the card in several instalments without authorization, the transaction is considered as split, which is strictly prohibited by the agreement.

The floor limit is 0 HUF, EUR or USD.

5.1.2. Authorization request

If the amount of a purchase exceeds the floor limit, the terminal will automatically request authorization from the Company. If the floor limit is 0, the terminal will always ask the Company for authorization.

The authorization request must always be made at the same time as the purchase. The purchase amount and the amount requested for the issued authorization number must be the same. If the purchase amount changes after the authorization request or if the purchase fails for any reason, you must proceed as described in Section 6.3.

5.1.3. Pre-authorization request

For certain Merchants (typically hotels and car rental companies), there is often a need to verify the solvency of the customer before the transaction is carried out. This is possible within the framework of a so-called pre-authorization request. The rules on pre-authorization are set out in Chapter 10.

5.2. Successful transaction

A transaction is only considered successful when an unambiguous message indicating successful acceptance is displayed on the terminal. If the transaction is not successful, this will be clearly indicated on the screen or the printed receipt will contain a text indicating the decline and the reason for the decline.

5.3. Unsuccessful transaction

5.3.1. Declined transaction

If the terminal declines the transaction, an unambiguous decline message will appear on the terminal display. This message will also often appear on the receipt printed by the terminal, with the specific reason for the decline.

In the event of a decline (e.g. daily limit exceeded, insufficient funds), the Cardholder has the right to use another payment method for the purchase or may suggest that you contact his bank to clarify the reason for the decline.



A Merchant who receives a negative response should not attempt to accept the bankcard offline.

5.4. In the case of any other message, proceed as described in the user manual of the terminal.

6. Settlement and statements

6.1.1. Settlement process

The POS and vPOS terminals automatically submit all electronic transactions made by the merchant to the Company for settlement. The process is as follows:

- the transaction is submitted (online transactions)
- offline transactions are collected and then submitted with the next online transaction
- transactions are collected and submitted with the end-of-day
- central processing
- settlement with the card company
- financial settlement with the Merchant (transfer)
- discrepancy check (if necessary)

If the end-of-day is not completed, the settlement of some transactions may fail, so please perform this operation at the end of each business day.

6.1.2. Settlement frequency

The Company agrees to effect financial settlement with the frequency specified in Section 17.3 of the GCTC.

The Company centrally totals the transactions received and the fees and commissions charged on a daily basis. If the total of the items to be credited to the Merchant exceeds the total of the items to be debited, the balance will be paid.

If the value of debit transactions (e.g. chargebacks, fee invoices) exceeds the net amount payable for the purchase transactions, the amount owed will be deducted from the next payment. If this is not possible, the Company will have the right to settle it in accordance with Section 20.9 of the GCTC.

6.2. Statement

In accordance with Section 18 of the GCTC, the Company will send a daily/weekly/monthly itemized or consolidated Statement or a daily Further Processable File (txt) of the card transactions carried out by the Merchant, which shows the content of the settlement referred to in Section 6.1.2. A statement or txt file will be generated even if it is not accompanied by financial settlement (the balance of the amounts to be debited and credited is negative for the Merchant). If the due date for the generation of the statement or txt falls on a weekend or holiday, the Company will generate the statement due on the first business day following the due date.

The Statement and txt file will include all transactions indicated in Section 6.1.2 that have occurred since the transactions included in the previous Statement or txt file. The Statement and the Further Processable File will only be generated if there have been such transactions during this period.

In all cases, please compare the data on the Statement with the list of successfully sent transactions printed by the POS terminal or with the closing list of the terminal.

If you notice any discrepancy between your records and the data on the Statement sent to you or if you disagree with the data contained therein, please submit your comments to the Company by telephone or in writing to the e-mail address khpos@kh.hu or the fax number (06 1) 328 9401.

7. Abuses

Accepting a counterfeit, stolen or lost card can cause significant damage not only to Cardholders and banks, but also to Merchants. It is, therefore, of the utmost importance that you comply strictly with the card acceptance rules set out in the Agreement and in this Manual.

7.1. Preventing abuse during the execution of a transaction



When accepting a card and executing a card transaction, please pay particular attention to any unusual or suspicious circumstances that may indicate abuse, and to verifying the authenticity of the card and the identity of the Cardholder.

7.1.1. Unusual or suspicious circumstances

The following unusual or suspicious circumstances occurring during a card purchase may indicate abuse. Please note that the above circumstances do not always constitute abuse; they may only give rise to suspicion.

- if the Cardholder walks in immediately after opening or before closing, hoping that you will not complete the entire verification procedure,
- the Cardholder is in a hurry, appears nervous, rushes the merchant,
- the Cardholder pulls his card(s) out from his pocket, not his wallet,
- the Cardholder demands the best quality and does not care about price,
- the Cardholder buys a high-value product and does not care about quality,
- the Cardholder buys clothes, shoes without trying them on, possibly different sizes,
- the Cardholder buys an unusual quantity of products,
- the Cardholder has already bought something, then returns the same or next day and buys products of an unusual quantity or value,
- the Cardholder buys products "for someone else",
- the Cardholder refuses the home delivery of a large product,
- the Cardholder purchases goods of a significant value, returns them within a short time and requests cash payment,
- the Cardholder proposes or requests splitting the transaction,
- the Cardholder, with the help of a partner, attempts to distract the merchant,
- the Cardholder inquires about or is aware of the floor limit and the authorization process, makes a purchase just below the floor limit.

7.1.2. Suspicion in the case of Card-Not-Present transactions

In the case of hotels, event planners, travel agencies and companies transporting high-value goods, a very common form of abuse is to use illegally obtained card details to make a booking (in the hope of obtaining a visa) or to order high-value goods. Of course we cannot always speak of abuse, but some circumstances may be suspicious:

- the booking is made by e-mail sent from a free, unverifiable address (e.g. Yahoo, Freemail, Gmail);
- the letter is rudimentary in form and content, its English is very simple, is addressed informally and is often full of grammatical errors;
- the order is for more than one person, but the Cardholder is not one of them by any chance;
- they expect a quick reply, feedback, or even send a reminder shortly after the booking.

If you have any suspicions or doubts in connection with any order or need further information, please contact us by e-mail at khpos@kh.hu or by fax at (06 1) 328 9401.

7.2. Preventing abuse in connection with the processing of card data

In order to prevent abuse, it is important that any information that comes to your knowledge about the Cardholder, the card and the transactions carried out with the card is treated confidentially, in accordance with the provisions of the laws on payment secrecy, and that you prevent any unauthorized persons from accessing this information. You may not use the data for any other purpose without the Cardholder's consent or disclose them to third parties (except upon written request of the Company and official bodies authorized by law).

Please note that our Company, like others, only and exclusively requests information in writing regarding card numbers, Cardholders and card transactions.

7.3. Things you should know about abuses

The Company may investigate the circumstances of the execution of transactions it receives, and may have authenticity of such transactions verified by the Cardholder or the issuing bank.



Act C of 2012 on the Criminal Code criminalizes the violation of the provisions of the legislation on banking secrecy. Articles 392-394 of the same Act criminalize the counterfeiting of bankcards or the production of fake bankcards, preparations for the counterfeiting of bankcards, the use of a fake or counterfeited bank card for illicit gain, the acceptance of payment by a fake, counterfeited or illegally used bank card or aiding and abetting in the above-mentioned acts. The law provides for more severe penalties depending on the extent of the damage caused if the offence is committed in conspiracy and on a commercial basis.

Please note that the Company will immediately take the necessary steps to initiate criminal proceedings upon becoming aware of the above act(s) and will report them to the International Card Companies in accordance with the rules of International Card Companies and the provisions of the Agreement.

8. Complaints

The "Complaints Handling Guide" (Annex 6 to the General Contracting Terms and Conditions of the Payment Card Acceptance Agreement) available on the website www.khpos.hu will apply for the handling of complaints.

8.1. Complaints made by the Merchant

8.1.1. How to file a complaint

If you have a complaint about a card transaction, please send it in writing, using the form "Annexes to the Payment Card Acceptance Manual – Merchant Complaint Report" available on the Internet, by e-mail to khpos@kh.hu or by fax to (06 1) 328-9401.

To speed up the investigation of the complaint, please enclose the documents indicated on the form with the complaint.

Please note that if the card has not been accepted in the manner specified in the Agreement and the documents forming an integral part thereof, the Company will only be able to act in the matter if the amount involved is equal to or exceeds HUF 10,000 (or USD 100 and EUR 100), and even then, to a limited extent only.

8.1.2. Deadline for filing a complaint

A claim initiated by the Merchant may be submitted within a maximum of 3 (three) months from the transaction date or from the receipt of the Settlement document. If you dispute the legitimacy of the deduction of an item deducted on the basis of a complaint received in accordance with Section 8.3 of this Manual, you may submit a complaint in writing, by e-mail khpos@kh.hu or by fax to (06 1) 328 9401, within 5 (five) business days from the receipt of the notification letter sent by the Company about the deduction.

8.1.3. Complaint investigation period

See the "Complaints Handling Guide" (Annex 6 to the General Contracting Terms and Conditions of the Payment Card Acceptance Agreement) available on the website www.khpos.hu.

8.2. Complaints made to the Merchant by the Cardholder

Complaints filed by the Cardholder with the Merchant may relate to the exchange or return (refund) of the goods or services purchased or to the incorrect debiting of all or part of the amount of the card transaction.

8.2.1. Complaints

In order to prevent complaints, please display your business policy on the exchange and return of goods or services purchased with cards, the right of withdrawal, and the handling of complaints related to such purchases, doing so in a place clearly visible to customers. If the merchant location is frequented by foreign Cardholders, please also display this at least in English or in several foreign languages.

The policy should include at least the following:

- the time within which the Merchant will accept complaints about the goods or services purchased,
- the time within which the Cardholder has the right to withdraw from the purchase,



- in what circumstances the Merchant will accept complaints about the goods or services purchased (for example: quality problem, damage, goods not liked, wrong size, etc.),
- how and under what conditions the Cardholder will be compensated if the Merchant finds the complaint legitimate (e.g.: the value of the goods purchased will be refunded upon return of the goods, store credit equal to the value of the goods purchased will be granted upon return of the goods, the merchant location will replace the goods purchased, the merchant location will repair the goods purchased, the value of the goods purchased cannot be refunded or the goods cannot be exchanged).

8.2.2. Handling of complaints

8.2.2.1. Exchange and return (refund) of goods and services

If the Cardholder exchanges the goods or services purchased for goods or services of the same value, you have no further action to take.

If the Cardholder exchanges the goods or services purchased for goods or services of different value, you must proceed as follows:

- cancel or credit the original debit transaction (partial credit is also possible),
- carry out a new transaction as described in Chapter 4 of this manual.

If the Cardholder returns the goods or services purchased for a refund, you must cancel the transaction or credit the value of the goods to the Cardholder's bankcard as described in Chapter 4 of this Manual.

8.2.2.2. Correcting a transaction or part of a transaction

If all or part of a debit transaction is incorrect, you must cancel or credit the incorrect amount as described in Chapter 4 of this Manual.

It is strictly forbidden to refund cash for goods or services paid for by card and returned. The possibility of cash refunds would tempt a large number of card abusers to make purchases with stolen, lost or counterfeit cards and then return the goods to obtain cash.

8.2.3. Preventing complaints

In order to prevent any future complaints from the Cardholder, please file a report by sending the form "Annexes to the Payment Card Acceptance Manual – Merchant Complaint Report" available on the Internet – and the documents specified therein – by e-mail to khpos@kh.hu or by fax to (06 1) 328-9401 immediately upon detection if

- the Cardholder has made a single purchase or used the service with a single commitment, but the amount of the card transaction, less commission, has been credited to his account more than once;
- the card transaction was unsuccessful, but the amount of the card transaction, less commission, was credited to his account,
- the declared amount of the card transaction is not the actual/correct amount of the transaction or service,
- a POS terminal is used, and the summary receipt printed by the terminal indicates an error and/or discrepancy.

8.3. Complaints made through the Company by the Cardholder, the issuing bank or the International Card Company

If the Cardholder has a complaint regarding one or more transactions, his bank will contact our Company in the form of a receipt request or a chargeback to investigate the complaint.

Purchases made by card offer the Cardholder greater security than cash payments. The rules of International Card Companies on the handling of complaints strictly stipulate that the Cardholder must be properly informed and the way of providing such information, the possibility and conditions of filing a complaint, the way in which the complaint is investigated and the conditions of accepting or rejecting it.

As a result, the issuing bank has the right to request any information and documents relating to the goods and services purchased with a card and settled through the Company (e.g.: offer, contract, delivery documents, quality certificate, etc.), which the Merchant is obliged to provide to the Company. In this way, but only to the extent required by the International Card Companies, the Company becomes a party to the dispute between the Merchant and the Cardholder in relation to the goods or services.

8.3.1. Receipt request



The issuing bank may request copies of the receipts at any time for a period of 60 (sixty) months after the transaction date, therefore it is of utmost importance that you keep the receipts of the card transactions in a safe place for the 60 (sixty) months specified in the Agreement and submit them within the deadline (in 3 business days).

When requesting the receipts, the issuing bank will ask our Company for a copy of the receipts or other documents (invoice, order, contract, etc.) on which the disputed debit is based. Our Company has an internationally set deadline for submitting the receipts or other documents, i.e., for proving the legitimacy of the debit.

If a receipt request is received for any transaction carried out at your Merchant Location, our Company will contact you in writing and ask you to send us a copy of the receipt and related documents by fax or post. The receipt request letter will contain a detailed list of the documents to be sent. In all cases, please send a legible, complete copy (i.e., with no part of the card number missing, etc.) of the receipt specifically to the requesting employee by name.

Please note that in the absence of such receipts, our Company will be unable to prove the legitimacy of the debit to the issuing bank and the Cardholder, and therefore the amount of receipts (transaction amount less commission) not submitted or submitted after the internationally set deadline may be charged back to the Merchant under the Agreement.

8.3.2. Chargeback

In the event of a chargeback, the issuing bank will, upon the Cardholder's complaint, charge back to our Company the amount of the transaction already settled. The legal basis for the chargeback is a complaint initiated by the cardholder (e.g. the cardholder did not receive the service, the transaction was charged twice or the card was abused, etc.), in which case the issuing bank must credit the cardholder in advance for the amount previously paid in accordance with the laws applicable to payments. Our Company has an internationally set deadline for investigating and accepting or rejecting the disputed item. During the investigation, our Company will contact you to request the necessary receipts, documents and other information on the circumstances of the transaction.

If a chargeback is received in respect of any transaction carried out at your Merchant Location, our Company will contact you in writing and ask you to send us a copy of the receipt and related documents by fax or post. The receipt request letter will contain a detailed list of the documents to be sent and of the other information to be provided. In all cases, please send a legible, complete copy (i.e., with no part of the card number missing, etc.) of the receipt specifically to the requesting employee by name.

The issuing bank may charge back the transaction value at any time for an extended period after the transaction date, therefore it is of utmost importance that you keep the card transaction receipts in a safe place for 60 (sixty) months and send them to us within the deadline.

Please note that in the absence of such receipts, our Company will be unable to prove the legitimacy of the debit to the issuing bank and the Cardholder, and therefore the full amount of the receipts not submitted or submitted after the internationally set deadline may be charged back to the Merchant under the Agreement.

The most common reasons for chargebacks may be card abuse, a violation of card acceptance rules or other technical, processing problems or errors. If the complaint is legitimate due to a violation of card acceptance rules, the Company will charge back the full amount of the complaint, while if the chargeback is due to a technical problem that occurred at the Company (e.g. duplicate transaction handling), the Company will charge back the transaction value, less commission, to the Merchant under the Agreement and deduct it (set it off against) the amounts payable to the Merchant in the future. The Company will send the Merchant an itemized list, by transaction, of the deduction within fifteen (15) days of the deduction, attaching the documents on which the deduction is based and specifying the exact date and identifier of the transfer(s) from which the deduction was made.

When investigating the legitimacy of the complaint, the Company will check whether you acted in accordance with the agreement in card acceptance and complied with the card acceptance rules set out in this Manual and/or the terminal user manual, and whether there was any technical or processing error during the execution and processing of the transaction. Complaints regarding transactions executed in deviation from the agreement, in violation of the card acceptance rules set out in this Manual and/or the terminal user manual, and transactions incorrectly executed and processed will be considered legitimate by the Company.



Please note that if the Company has notified the Merchant in writing of the receipt of a complaint and the Merchant settles with and/or indemnifies the Cardholder during the investigation of the complaint, the Merchant must promptly notify the Company in writing and with supporting documentation.

The most frequent cases of chargebacks:

- the receipts are not submitted, or are submitted after the internationally set deadline,
- the additional documentation is not submitted, or is submitted after the internationally set deadline,
- illegible or incomplete receipts or additional documentation,
- the data on the receipt submitted differs from the data on the Cardholder's copy (e.g. transaction amount),
- the purchase receipt is not signed,
- the signature on the receipt does not match the one on the back of the card,
- the transaction failed, but the amount is debited to the Cardholder's account,
- the Cardholder paid in cash, but the transaction amount has still been debited to his card account,
- the Cardholder has been charged several times for the amount of a single transaction,
- the transaction amount was settled after the internationally set deadline,
- violation of the rules and regulations of the Payment Card Acceptance Agreement and its annexes, including:
 - unauthorized transaction with magnetic stripe data reading (Chapter 4),
 - unauthorized transaction with manual entry (Chapter 4),
 - failure to carry out the checks required when carrying out a transaction (Chapters 3 to 5),
 - splitting of a transaction during its execution (the value of goods or services purchased in one transaction is paid for in several transactions).

In addition to these typical cases, there are many other possible reasons for chargebacks.

9. Maintenance of card acceptance equipment

9.1. Electronic terminal

9.1.1. Storage and proper use of the terminal

If you use a terminal provided by the Company, the Company will make it available to the Merchant Location in working condition. If you use a POS terminal not owned by the Company, only a type of terminal and software application approved by the Company may be used for card acceptance.

Please note that it is the responsibility of the Merchant to provide the necessary electricity and online wired communication for operation. In order to ensure the uninterrupted operation of the terminal, please pay attention to the location and proper use of the terminal: store it at room temperature if possible, do not expose it to extreme environmental conditions, and pay attention to cleaning the POS terminal, particularly the card reader. For further information on the proper use of the terminal, please refer to the POS manual. In any case, the terminal must be stored in a place clearly visible to the Cardholder, thus enabling the Cardholder to monitor the transaction.

If the Merchant Location uses a terminal provided by the Company, the costs of any malfunction or maintenance resulting from the proper use of the POS terminal will be borne by the Company. Otherwise, the financial responsibility will be borne by the Merchant. In the case of using a POS terminal not owned by the Company, all costs of malfunction or maintenance must be borne by the Merchant.

Please note the importance of the legibility of the printed transaction receipts, given that in the event of a dispute, the card issuing bank will have the right to charge back the amount of any item linked to a transaction receipt that has been sent illegibly. In any case, it is the responsibility of the Merchant to ensure adequate ink supply for printing a legible transaction receipt.

9.1.2. Software that can be used on the terminal

Please also note that only software authorized and approved by the Company may be used on the POS terminal. Any tampering with the memory of the POS terminal will result in the termination of the Agreement with immediate effect and, if necessary, a report to the authorities.



In order to ensure that the terminal always runs the latest software version, please do not disconnect the POS terminal from the power supply, thus facilitating the successful execution of software updates. In addition to the POS manual, abridged terminal-specific and/or software-specific POS user guides are available on the Company's website. Please always use the most current one.

9.1.3. Terminal malfunction and breakdown

In the event of the malfunction or breakdown of a terminal owned by the Company or a contactless, chip or magnetic stripe reader failure, please notify the Company immediately by telephone. Please note that:

- in the case of chip card transactions, the transaction may be authorized by swiping the card through the terminal (magnetic stripe data reading) or by manually entering the card data into the terminal only and exclusively in the event of a chip reader failure, subject to the Company's approval and instructions.
- in the case of a non-chip card transaction, the transaction may be authorized by manually entering the card data into the terminal only and exclusively in the event of a magnetic stripe reader failure, subject to the Company's approval and instructions.

Any deviation from the above will be considered as a violation of the acceptance rules and the Company will not guarantee the transfer of the transaction amount less commission.

9.2. Installation and maintenance of the terminal

The Company will take care of the installation of the POS terminal(s) after the Agreement is signed.

9.2.1. Electronic terminal

Please take the following factors into account when determining the location of the POS terminal:

- the area required for the terminal's location, as well as the electricity and telephone line/Internet connection required for its operation, are always the responsibility of the Merchant.
- if the power connection point (socket) is more than 3 meters from the terminal and/or the telecommunications connection point (telephone socket) is more than 1.5 meters from the terminal, any additional cabling costs will be borne by the Merchant.

If you use a terminal provided by the Company, the Company will make it available to the Merchant Location in working condition. If you use a POS terminal not owned by the Company, only a type of terminal approved by the Company may be used for card acceptance.

In order to ensure the uninterrupted operation of the terminal, please pay attention to the location and proper use of the terminal: store it at room temperature if possible, do not expose it to extreme environmental conditions, and pay attention to cleaning the POS terminal, particularly the card reader. For further information on the proper use of the terminal, please refer to the terminal user manual. In any case, the terminal must be stored in a place clearly visible to the Cardholder, thus enabling the Cardholder to monitor the transaction and not be disturbed when providing the PIN on the PIN pad.

9.3. Terminal malfunction

In the event of the malfunction or breakdown of the POS terminal or a failure of the contactless, chip or magnetic stripe reader, please notify the Company's authorization center immediately either by telephone or in writing by e-mail to khpos@kh.hu or by fax to (06 1) 468 8065.

9.4. Storage of supplies

If you need the necessary supplies for the POS terminal, the Merchant must arrange for their purchase.

Please support any parameter or software updates initiated from the control center with the following:

- if possible, do not power off the equipment even when the premises are closed,
- do not interrupt downloads, wait until they are completed.

In many cases, the parameter or software updates are in the interest of the Merchants, may be linked to the technical performance of (an amendment to) an agreement initiated by the Merchants or may include patches.



10. Special merchants

10.1. Casinos, currency exchange businesses

Only the cards specified in the Agreement may be used for payment by bankcard.

10.1.2. Electronic card acceptance

Carry out the transaction as described in Chapter 4. If the transaction is carried out without PIN verification, verify the identity of the Cardholder during signature verification. For data verification, ask for a valid photo ID, driver's license or passport. Write the number and type of the document on which the verification is based, the Cardholder's name and the first 4 digits of the card number on the transaction receipt.

The transaction must be authorized in all cases. Manual entry of the transaction into the POS terminal is prohibited.

10.1.3. General information

Please note that you must display information on the rules of the game and the payment of prizes in a clearly visible place in the store. If the store is frequented by foreign Cardholders, the merchant location must also display the information in English or in several foreign languages. In the case of a transaction made with a bankcard, the amount of the prize may only be settled by crediting the same bankcard of the Cardholder.

In addition to the above, the Company may also impose other applicable procedures (e.g. retention of video recordings, related disclosures) on each merchant location in all cases.

If you accept a bankcard as a means of payment in deviation from the provisions of the Agreement, the documents forming an integral part thereof and the above provisions, the Company may refuse to reimburse you for the amount shown on the card receipts submitted or, in the event of a complaint, charge the transaction amount already reimbursed back to the Merchant and set it off by deducting it from amounts payable to the Merchant in the future.

10.2. Handling problems arising during the sale and delivery of high-value goods

10.2.1. Business policy for complaints handling, refunds/exchanges and compensating the Cardholder

The official business policy of the merchant location for complaints handling, refunds/exchanges and compensating the Cardholder must be displayed in the store in a place clearly visible to the Cardholder.

If the store is frequented by foreign Cardholders, the business policy of the merchant location for complaints handling, refunds/exchanges and compensating the Cardholder must also be displayed in English or in several foreign languages.

Contents of the business policy:

- how long the point of acceptance will accept complaints about the goods purchased,
- in what cases the point of sale will accept complaints (e.g. quality problem, damage, goods not liked, wrong size, etc.),
- if the merchant location accepts the complaint, how and under what conditions the Cardholder will be compensated (e.g.
 - the value of the goods purchased will be refunded upon return of the goods if...,
 - store credit equal to the value of the goods purchased will be granted upon return of the goods if...,
 - the merchant location will replace the goods purchased if...,
 - the merchant location will repair the goods purchased if...,
 - the value of the goods purchased cannot be refunded and the goods cannot be exchanged.)

The invoice or transaction receipt issued to the Cardholder must state that the merchant location has formally informed the Cardholder about its business policy for complaints handling, refunds/exchanges and compensating the Cardholder, and the Cardholder has accepted it.

10.2.2. Description of goods



The invoice issued to the Cardholder must include a description of the goods purchased. The description of the goods purchased on the invoice must not contain more than the actual characteristics of the goods in question.

(e.g.

- purchased goods: machine-woven Turkish carpet 1 m x 3 m,
- the description of the goods may include, inter alia: carpet - Turkish carpet – machine-woven carpet – machine-woven Turkish carpet – carpet 1m x 3m, etc.,
- the description of the goods may not include: hand-woven carpet, Iranian carpet, carpet 2m x 3m, etc.)

If the store is frequented by foreign Cardholders, the invoice issued to the Cardholder should include a description of the goods purchased in English or in several foreign languages. In the case of an order for goods, the offer and order form prepared for the Cardholder must contain the actual description of the goods in question.

10.2.3. Value of goods

The total amount shown on the invoice issued to the Cardholder must be the actual amount payable for the goods, i.e., the amount (and currency if the total amount of the invoice is not in HUF) stated on the bankcard transaction receipt and debited to the Cardholder's account.

In the case of an order for goods, the offer and order form prepared for the Cardholder must also show the actual amount payable for the goods, i.e., the amount (and currency if the total amount of the invoice is not in HUF) stated on the bankcard transaction receipt and debited to the Cardholder's account.

10.2.4. Delivery of goods

The merchant location agrees to deliver the goods purchased:

- The Merchant is responsible for the payment of delivery charges to the transportation company.
- If the goods purchased do not reach the Cardholder by the delivery deadline, the Cardholder will have the right to file a complaint about the transaction. It is the Merchant's responsibility to prove dispatch, contact the transportation company and prove the receipt of the goods by the Cardholder. Otherwise, the Cardholder's complaint will be deemed legitimate, the transaction amount will be deducted from the turnover of the merchant location and the transportation company will be responsible for compensating the merchant location.
- If the goods purchased arrive damaged to the Cardholder, the Cardholder will have the right to file a complaint about the transaction. It is the Merchant's responsibility to agree with the Cardholder on compensating the Cardholder in accordance with its business policy. If the Merchant is unable to compensate the Cardholder or cannot reach an agreement with the Cardholder, the Cardholder's complaint will be deemed legitimate, the transaction amount will be deducted from the turnover of the merchant location, and the transportation company will be responsible for compensating the merchant location.

Disadvantage: it is the Merchant's responsibility to arrange the delivery and to deal with any problems related to the delivery (in particular in the case of delivery abroad).

Solution:

- an agreement with the transportation company that covers all types of liabilities,
- the Merchant agrees to deliver the goods purchased to the Cardholder's hotel in Hungary, leaving the Cardholder to deal with the arrangements and problems related to delivery abroad.

The merchant location agrees to deliver the goods purchased on the Cardholder's behalf:

- The Merchant is responsible for writing the delivery order, arranging the delivery and informing the Cardholder about the delivery (sending the documentation to the Cardholder, keeping a copy of the documentation).
- The Merchant is responsible for paying the delivery charges to the transportation company on the Cardholder's behalf.
- If the goods purchased do not arrive by the delivery deadline or arrive damaged, the Cardholder will have no right to file a complaint about the transaction.

Disadvantage: some Cardholders reject this option due to the arrangements and problems related to delivery. Some transportation companies do not provide customs clearance services for goods purchased by private individuals.

10.2.4.1. Selecting the transportation company

- Recommended criteria for selecting the transportation company if the merchant location agrees to arrange delivery:



- price of delivery,
- reliability (keeping delivery deadlines, handling shipments),
- traceability (traceability of the shipment's route and stops),
- information request, problem solving, complaint handling times and flexibility. Complaint investigation time for international card companies: 45 days (investigation of complaints about goods that fail to arrive or arrive damaged, provision of documents, compensation of the merchant location)
- foreign partners of the transportation company: traceability, reliability, information request, problem solving, complaint handling times and flexibility.

Recommendation: for deliveries abroad, the Hungarian Post is not recommended due to the time needed to investigate a complaint.

- Recommended criteria for selecting the transportation company if the merchant location agrees to arrange delivery on the Cardholder's behalf:
 - price of delivery,
 - some transportation companies do not provide customs clearance services for goods purchased by private individuals.

10.2.4.2. Delivery deadline

If you have agreed with the Cardholder on the exact delivery deadline for the goods purchased, this deadline must be observed during the delivery of the goods.

If you have agreed with the Cardholder on the exact delivery deadline for the goods purchased and, according to the information available, the goods will arrive at the Cardholder's premises after the agreed delivery time, you must notify the Cardholder in writing of the delay and the modified delivery time.

If there is no agreement between the Cardholder and the Merchant Location as to the exact delivery deadline of the goods purchased, according to the international rules the delivery deadline will be the 30th day after the purchase date.

10.2.4.3. Insurance coverage of goods delivered

If Merchant (Location) agrees to deliver the goods purchased, the goods must be insured for an amount equal to the value of the goods. If the goods purchased are not delivered to the Cardholder or they arrive damaged and the Cardholder's complaint is deemed legitimate, the transaction amount will be deducted from the turnover of the Merchant Location and the transportation company will be responsible for compensating the merchant location based on the insurance amount.

10.2.4.4. Settling delivery charges with the Cardholder

If the Cardholder wishes to settle the delivery charges with his credit card, you must issue a separate invoice for the delivery charges and treat the delivery charges as a separate transaction.

10.2.5. Documents to be sent to the Company in order to speed up the investigation of a complaint

The Company sends written notification to the Merchant Location about each complaint, requests the documents necessary for investigating the issue, and notifies the location about the actions to be taken.

All available documents must be sent to the Company so that it can advocate the interests of the Merchant Location as much as possible. If the location concludes a settlement agreement with the Cardholder and/or pays indemnification to it, this must be immediately indicated to the Company in writing, and the underlying documentation must be sent to the Company.

Common complaint types and the documents to be submitted for their investigation:

- **The Cardholder has returned / sent back the goods to the Merchant Location, which accepted it; or the Cardholder has not taken over the goods but received no compensation:**
 - copy of the transaction receipt;
 - copy of the invoice (if available);



- copy of the official complaint handling policy of the Merchant Location regarding taking back / exchanging goods and providing compensation to the Cardholder;
 - documentary evidence that the Merchant Location has officially informed the Cardholder about its complaint handling policy regarding taking back / exchanging goods and providing compensation, and that the Cardholder has accepted that policy (copy of the transaction receipt or invoice);
 - documentary evidence of the time when the goods were taken back;
 - copies of all correspondence, negotiation and agreement between the Cardholder and the Merchant Location (if available);
 - opinion of the Merchant Location about whether or not the complaint is justified in view of the above.
- **The Cardholder has returned the goods to the Merchant Location but the location has rejected it; or the Cardholder has not returned the goods and has received no compensation:**
- copy of the transaction receipt;
 - copy of the invoice (if available);
 - copy of the official complaint handling policy of the Merchant Location regarding taking back / exchanging goods and providing compensation to the Cardholder;
 - documentary evidence that the Merchant Location has officially informed the Cardholder about its complaint handling policy regarding taking back / exchanging goods and providing compensation, and that the Cardholder has accepted that policy (copy of the transaction receipt or invoice);
 - copies of all correspondence, negotiation and agreement between the Cardholder and the Merchant Location (if available);
 - opinion of the Merchant Location about whether or not the complaint is justified in view of the above.
- **The Cardholder has received goods other than the one ordered or invoiced:**
- copy of the transaction receipt;
 - copy of the invoice, with the description of the goods;
 - copies of all correspondence, negotiation and agreement between the Cardholder and the Merchant Location (if available);
 - opinion of the Merchant Location about whether or not the complaint is justified in view of the above.
- **The Cardholder's card was debited with an amount other than the sum of the invoice:**
- copy of the transaction receipt;
 - copy of the invoice, with the description of the goods;
 - copies of all correspondence, negotiation and agreement between the Cardholder and the Merchant Location (if available);
 - opinion of the Merchant Location about whether or not the complaint is justified in view of the above.
- **The Cardholder has not received the goods purchased:**
- copy of the transaction receipt (goods and delivery);
 - copy of the invoice, with the description of the product (goods and delivery);
 - copy of the documentation of any agreement concluded between the Cardholder and the Merchant Location;
 - if the Merchant Location has undertaken to deliver the goods on behalf of the Cardholder: the mandate given by the Cardholder;
 - if the Merchant Location has undertaken to deliver the goods: documentary evidence of dispatching the goods and its receipt by the Cardholder; (if the goods are in transit: tracking document; documentary evidence that the Merchant Location has notified the Cardholder about any delay in delivery);
 - copies of all correspondence, negotiation and agreement between the Cardholder and the Merchant Location (if available);
 - opinion of the Merchant Location about whether or not the complaint is justified in view of the above.
- **The Cardholder has received damaged goods:**
- copy of the transaction receipt (goods and delivery);
 - copy of the invoice, with the description of the product (goods and delivery);
 - documentary evidence of taking back the damaged goods;
 - copies of all documents about any agreement between the Cardholder and the Merchant Location;



- if the Merchant Location has undertaken to deliver the goods on behalf of the Cardholder: the mandate given by the Cardholder;
- if the Merchant Location has undertaken to deliver the goods: copies of all correspondence, negotiation and agreement between the Cardholder and the Merchant Location about providing compensation to the Cardholder;
- opinion of the Merchant Location about whether or not the complaint is justified in view of the above.

10.3. Mail order and telephone order (MoTo)

10.3.1. Accepting an order

When the goods are ordered by phone or in writing, or a service is paid for with a bank card, the Merchant must fill out a form containing the following data:

- the Cardholder's name,
- the Cardholder's address,
- phone number (in case of an order by phone)
- card type,
- card number,
- card validity date,
- in case of a MasterCard, CVC2 code on the back of the card,
- the Cardholder' signature (only in case of a written order, and only the Cardholder may sign),
- transaction date,
- exact name of the goods or service,
- itemised (unit) price of the goods or service,
- total purchase price (transaction value),
- currency (as defined in the underlying contract; it must be the same as the currency indicated in the receipt submitted),
- address where the goods are delivered or the service is used.

Maestro and UPI cards cannot be used to initiate an order by mail or phone.

Please note that, pursuant to the current security regulations of card companies, the storage of bank card data after a transaction is subject to stringent rules. Consequently, the three-digit identifier (CVV2 or CVC2) that comes after the card number or a part of it on the signature panel on the back of the card must not be stored in any form. That code must be made unreadable after the execution of the transaction.

10.3.2. Card acceptance process

A transaction is launched by pressing the "0" button on the terminal (mail / phone order). Then the card number and expiry, as well as the CVC2/CVV2 code and the transaction amount, must be entered via the terminal (based on the order), as described in the terminal user's manual. Then the terminal automatically requests authorisation. The following text is displayed regarding the Cardholder's signature:

- in case of a written order: „mail order – signature on file”,
- in case of an order by phone: „telephone order – signature on file”.

Please note that, in case of an order placed by phone or in writing, the Company assumes no liability for the identification of the Cardholder or the bank card, or for the authenticity of the order or the data provided by phone or in writing. In case of a complaint arising from these items or connected to the bank card transaction by a third party, and especially the Cardholder or an international card company, the Company charges back the transaction value and deducts it from the amount that will later be payable to the Merchant.

10.3.4. Delivery of the goods

If the Merchant Location has undertaken to deliver the goods, it must be able to prove the delivery with documents evidencing the



dispatch of the goods and their receipt by the Cardholder (or an authorised person).

10.4. Online merchant (virtual acceptance)

10.4.1. Required website contents

The contract on ordering goods / services, as well as the merchant's business policy regarding orders, must be made available to Cardholders on the website, so that they are easily to read and understand. The business policy must contain at least the following information:

- the merchant's name,
- the merchant's address, phone number and other contact information,
- the merchant's company registration number and tax number,
- the name and exact definition of the goods and/or service offered by the merchant,
- the price of the goods and/or service offered by the merchant, including the currency,
- any limitation of the usage of the goods and/or service offered by the merchant,
- description of the usage of the goods and/or service offered by the merchant and of the handover procedure,
- data required for payment with a bank card; payment process and conditions,
- procedure and conditions of cancelling an order,
- in case of a complaint by the Cardholder, method and conditions of filing a complaint; legal titles (reasons) for taking back or exchanging the goods, or providing compensation to the Cardholder,
- delivery conditions,
- specific information on data protection and confidential data handling.

If the virtual Merchant Location is frequently visited by foreign Cardholders, then the above information must also be displayed in English or several foreign languages in addition to the official local language(s).

10.4.2. Transaction process

10.4.2.1. Old API

Compulsory actions:

- identification (3DS) check between the Issuer and the Cardholder, and
- authorisation request (balance check at the Issuer)

The Company may only continue the authorisation request after successful identification, and may only approve the transaction in the Merchant's online applications after successful authorisation.

10.4.2.2. New API or eAPI

DETAILED DOCUMENTATION IS AVAILABLE HERE: <https://github.com/khpos>

Merchants who have successfully connected to the new eAPI have the following options:

GooglePay: In this scenario, the Cardholder wishes to pay with a tokenized bank card added to his/her GooglePay mobile wallet. When a payment is made using GooglePay, authentication is carried out with the GooglePay wallet, making 3DS authentication unnecessary. (Nevertheless, the issuer may deviate from that default scenario and demand 3DS authentication as well, in which case the completion of that process will be an essential precondition to the successful execution of the transaction.) Merchants must register with Google for this service.

ApplePay: In this scenario, the Cardholder wishes to pay with a tokenized bank card added to his/her ApplePay mobile wallet. When a payment is made using ApplePay, authentication is carried out with the help of the ApplePay wallet, making 3DS authentication unnecessary (Nevertheless, the issuer may deviate from that default scenario and demand 3DS authentication as well, in which case the completion of that process will be an essential precondition to the successful execution of the transaction.) Merchants must register with Apple for this service; they also have the option to request ApplePay acceptance on the Company's vPOS platform.

OneClick payment: Cardholders are offered the opportunity to save their bank card details in the relevant POS application (with the Merchant) in a secure database meeting the vPOS PCI requirements of KHPS (cardholder consent is always required for doing this in the POS application). In subsequent transactions initiated by the Merchant, it will be sufficient to refer to the saved card in order to execute the



transaction. In such cases, 3DS authentication is not essential, although the issuer may decide to request it. Cardholders may use more than one cards at any one Merchant, choosing a name for each card during their first transactions and selecting the one they wish to use in any subsequent transactions.

Low Value Payment (LVP): This is available only to those Merchants who have expressly requested this service in the contract addendum document and whose request has been granted by the Company. If supported by the issuer in general, Low Value Payments do not require 3DS authentication; nevertheless, the issuer has the right to instruct the Company to carry out 3DS authentication even in such a case. The Company will be entitled to determine and/or change the amount to be considered as Low Value at any time during the provision of these services. If an LVP transaction is carried out without authentication and is then subject to a complaint by the cardholder or the issuer, the Merchant will be liable for any related damage.

Manual closing of transactions for a lower amount: means, in special cases, the subsequent closing of a payment transaction initiated via eAPI for a lower amount than the approved amount. This service can be used e.g. in the event that the value of the ordered goods and the authorized amount ultimately exceeds the value of the goods finally delivered.

The process of the transaction is described in detail on github, but please note that in this case

- when initiate the transaction, you must indicate that you want to use manual closing later (the Company should not send the transaction to settlement automatically at the end of the day)

- the manual closing must be done within the deadline specified in the document (3 days since 16-10-2022), up to the authorized amount.

- in the event of failure of manually close the transaction, it will not be settled for neither the card company nor the Merchant, so Merchant will not receive the consideration for the purchase.

Cross-border services require interfacing to the eAPI.

Documents about eAPI (service descriptions, specification, interfacing/testing process etc.) are available here:

https://github.com/khpos/Payment-gateway_HU/wiki

https://github.com/khpos/Payment-gateway_EN/wiki

Matters not regulated in the GCTC or the Manual are governed by the prevailing document versions available at the links above.

10.4.2.3 In all cases

The Merchant Location must issue a transaction statement of each successful transaction, which must be sent to the Cardholder online.

Compulsory contents of the statement:

- transaction ID,
- transaction amount,
- transaction currency,
- authorisation code,
- the Merchant's name,
- the Merchant's online address,
- identification of the goods / service.

10.4.3. Delivery of the goods

If the Merchant Location has undertaken to deliver the goods, it must be able to prove the delivery with documents evidencing the dispatch of the goods and their receipt by the Cardholder (or an authorised person).

If the price of the goods / services is paid online, through a virtual POS terminal, the Company will use VbV (Verified by VISA) or the Identity Check required by MasterCard, or either the ApplePay or the GooglePay service in order to guarantee the Cardholder's identification by the issuer bank. Consequently, the Cardholder cannot validly file a complaint about a transaction initiated by somebody else.

If, for any reason, the goods / service cannot be provided to the Cardholder by the deadline specified in the order, the Merchant Location must notify the Cardholder and the Company's Regulations and Problem Management Unit about the new (changed) performance date, and must credit the amount on the Cardholder's account.



10.5. Gratuity

If a Cardholder wishes to pay gratuity to the Merchant Location's service staff (e.g. restaurant, taxi etc.), please proceed as follows.

In case of card acceptance with a terminal, gratuity can only be added to the price if the Merchant is authorised to do that (i.e. the gratuity service is stipulated in the Agreement) and the Company has set the required parameter on the POS terminal.

Please note that, according to international regulations, gratuity cannot be booked retroactively, manually, on the POS terminal (as a pre-authorisation transaction). Consequently, the gratuity amount must be specified by the Cardholder when the invoice is presented, and the amount must be entered on the "gratuity" line when the total amount of the invoice is entered on the POS terminal. If prompted by the terminal, the transaction receipt must be signed by the Cardholder. If the Cardholder chooses the DCC service, then the entire transaction amount (invoice total + gratuity) is converted.

If the Cardholder insists on paying gratuity retroactively, a new "sale with gratuity" transaction must be executed, but only with the card present. If prompted by the terminal, the transaction receipt must be signed by the Cardholder.

10.6. Hotels

10.6.1. Provision of hotel services

Hotel services involve accommodation for the Cardholder, and other services during his/her stay.

10.6.1.1. Actions to be taken upon check-in

If, upon checking into a hotel, the client indicates that he/she wishes to pay for the services with a bank card, at least the following data must be written or indicated on the sign-in form:

- payment with a bank card (or card type);
- the Cardholder's name as written on the card;
- the Cardholder's address;
- number of the Cardholder's identification document;
- bank card number (or card print);
- bank card validity (or card print);
- arrival and departure date;
- room number;
- the Cardholder's signature;
- if the hotel wishes to charge retroactively identified cost items to the Cardholder's card after the guest has checked out, the hotel must have a declaration signed by the Cardholder stating that he/she acknowledges and agrees to the retroactive charging of such items;
- if the Cardholder uses the DCC service, then he/she must additionally fill out and sign the „Addendum to check in form“, including
 - the fact that the Cardholder accepts the DCC service and request its usage in further pre-authorisation and closure transactions as well;
 - the DCC currency; and
 - the exchange rate applied, which must be copied from the pre-authorisation receipt.

The card-related data provided in the above procedures must be stored in a secure place and manner (preventing unauthorised access), and only until the data storage is definitely necessary for the reservation. Then, all card-related data must be safely destroyed.

Pre-authorisation may be initiated with the card for the service price calculated in advance. This ensures that the pre-authorised amount is handled separately at the Cardholder's issuer; the charging may later be initiated up to that amount. (See 10.6.1.6.)

10.6.1.2. Physical presence of the card

When the price of the hotel services is paid with a bankcard, the Merchant Location must prove that the card is physically present.



For that purpose, once you have selected the preauthorisation function (button 2) and the first pre-authorization (button 1) on the terminal, hold the card close to the contactless reader, or insert it into the chip reader, or swipe it through the terminal, so that the card data can be read from the chip or magnetic stripe and can be verified. If the card data are entered manually, it cannot be proven later, in case of a complaint, that the Merchant was right.

10.6.1.3. Transaction amount

The expected price payable for the hotel services can be defined as follows:

- accommodation price based on the room rate and the planned stay;
- ancillary costs;
- tax;
- lowered by any discount;
- the amount must not be increased on the ground of potential damage or theft.

10.6.1.4. Pre-authorization

A pre-authorization transaction may only be executed with both the card and the Cardholder present. Otherwise, the Merchant will bear the financial risk of the transaction. No pre-authorization transaction may be initiated with a Maestro card. Pre-authorization must be requested in the relevant menu item of the POS terminal. If the transaction is completed, the text "pre-authorization" (or a shorter version of the phrase) will be written on the receipt.

If the Merchant's contract includes the DCC service, HUF-based terminals automatically offer to Cardholders (depending on the card type) that the transaction can be executed in the native currency instead of HUF.

In this case, the transaction process is the following:

- the transaction is launched by entering the HUF amount and placing / inserting / swiping the card;
- the first information exchange between the POS terminal and the Company's central system takes place, when that system decides if the card is DCC-compliant or not;
 - o if the DCC service is not available, the transaction is completed in HUF, without any change;
 - o if the DCC service is contracted, the card's currency is determined and the DCC amount is calculated.
- the HUF and DCC amounts are displayed on the POS/PIN pad, together with the exchange rate and the percentage-based margin relative to the current exchange rate of the European Central Bank (ECB);
- **then the client must choose between the HUF and foreign currency (DCC) amount. This choice must never be made by the merchant but always solely by the client, based on his/her free will;**
 - o if the client chooses the HUF amount, the transaction will be completed in HUF;
 - o if the client chooses the DCC currency/amount, the transaction will be completed in that;
- then the PIN code is entered and the transaction is sent for approval; if the Cardholder decides at this point that he/she rejects the DCC offer and opts for a HUF transaction, the transaction process is interrupted and must be restarted in HUF.

Whether the Cardholder accepts the DCC or HUF currency / amount, it is always the HUF amount that will be booked for the Merchant, in the contracted settlement currency.

If the Cardholder chooses the DCC currency/amount and the transaction is executed successfully, the following information is printed on the receipt: HUF amount, DCC currency (ISO numeric and character-based code) and amount, exchange rate, and the percentage-based margin. In addition, the Cardholder's counterpart of the receipt will show the Cardholder's declaration on accepting a DCC transaction. The exchange rate received during the pre-authorization will be applied upon further pre-authorization and the completion of the pre-authorization transaction.

If the request for pre-authorization is rejected, the bank card must not be debited without an authorisation number or offline. In case of rejection, the Cardholder is entitled to pay in a different way (e.g. with another bank card that is physically present, or in cash).

If the authorised amount is exceeded by the Cardholder's consumption or service usage, further pre-authorization must be requested during the validity period of the original pre-authorization. A further pre-authorization transaction can only be executed at the same Merchant Location, with the card used in the first pre-authorization, and in the same currency.

If the Cardholder has chosen the DCC service upon the first pre-authorization, further pre-authorization(s) will also be made in



DCC, with the same parameters and exchange rate. However, the Cardholder may, at any time until the completion of the transaction, request the cancellation of DCC-based reservations and their repetition in HUF. The Merchant Location must comply with that request.

Pre-authorisation validity period (within which the transaction can be completed):

- for MC cards: 30 calendar days from the date of the last (further) pre-authorisation;
- for VISA cards: 30 calendar days from the date of the original pre-authorisation;
- for JCB cards: 30 calendar days from the date of the original pre-authorisation.
- for UPI cards: 30 calendar days from the date of the original pre-authorisation.

If the transaction is completed beyond the validity period of the pre-authorisation, the issuer is entitled to refund the transaction value to the merchant.

If there is a threat of exceeding the pre-authorisation period, the Merchant Location should act as follows:

- if the transaction was executed with an MC card, a further pre-authorisation transaction should be launched in a low amount, in order to extend the validity period,
- in case of a VISA card, the pre-authorisation should be completed, and the difference should be settled with a new pre-authorisation or purchase transaction.

If the DCC contract with the Company is terminated for any reason, no further pre-authorisation transaction can be executed in the DCC currency, but only in the Merchant Location's currency. In this case, the Cardholder must be informed that he/she must not accept the DCC offer indicated by the POS terminal.

If the contractual clause regarding DCC was terminated within 30 (thirty) days, the transaction or any further pre-authorisation can still be completed in the DCC currency within that period. If the Company terminates the DCC contract amendment with immediate effect, the Company will notify the Merchant about the settlement of the transactions.

If the Cardholder wishes to pay part or all of the accommodation price with a voucher, then you must, in your own interest, check the authenticity and validity of the voucher. The Company shall not be involved in any related legal dispute between the hotel and the client paying with a voucher.

10.6.1.6. Checkout

The completion transaction can be carried out if the price of the goods / service is paid with the same bank card as the one used for (further) pre-authorisation. In this way, the pre-authorisation is validated as a financial transaction.

When the Cardholder checks out of the hotel after an extended stay or having incurred ancillary costs (minibar, phone etc.), these invoiced items should be agreed with him/her in order to avoid subsequent complaints. If, due to those additional items, the final invoiced sum exceeds the amount projected and authorised upon checking in, the original authorisation request must be reviewed. The Merchant Location must always request further pre-authorisation for the difference between the price projected upon check-in and the actually invoiced sum.

For that purpose, choose the sale pre-authorisation function (button 2) and then the further preauthorisation function (button 2) on the terminal. Then read the chip contactlessly or by inserting the card into the reader, or swipe it on the terminal, for the data to be exchanged, and request authorisation for the limit excess amount electronically, using the POS terminal. The same card must be used for further pre-authorisation as the one used in the first, successful pre-authorisation transaction. The POS receipt will show the total balance of the previous pre-authorisations for the same transaction.

Then choose the Completion function (button 3) on the terminal. The transaction is completed after the requested data (the actual price charged by the hotel, the pre-authorisation number received upon checking in, and the sequence number) are entered on the terminal.

If, during further pre-authorisation or the completion of the transaction, the Company's central system finds to pre-authorisation transaction to which the further pre-authorisation or completion could be connected, the transaction is rejected. In this case, check if the card used for the rejected transaction is the same as the one used for the pre-authorisation. If it is not the same, the transaction must be repeated with the right card.



If the Merchant Location has contracted for the DCC service and the Cardholder accepted the DCC transaction upon the first pre-authorization, the terminal will automatically execute the transaction in the DCC currency, at the DCC exchange rate. If the Cardholder rejected the DCC transaction upon the first pre-authorization (or it was not offered at all), then the further pre-authorization will be automatically executed in HUF.

If the card and the Cardholder are both present at the further pre-authorization transaction, and the Cardholder does not accept the DCC amount, then the previous pre-authorization and further pre-authorization must be reversed in the DCC currency (button 5), and a new initial pre-authorization must be launched for the total HUF amount. The pre-authorization must always be completed in the currency of the pre-authorization and further pre-authorizations.

If a retroactive request for authorization is rejected, the Company guarantees the payment of the transaction amount up to the amount calculated upon check-in, or authorized with the subsequent further pre-authorization. When the Cardholder checks out of the hotel, he/she must sign the receipt showing the actual total accommodation price. The receipt or invoice may only be signed by the Cardholder, i.e. not a person who arrived with him/her.

If the Cardholder wants to pay cash or with a card other than the one used upon pre-authorization, then the amount reserved during the pre-authorization(s) must be cancelled. In the case of a MasterCard or VISA card, this is done in the terminal menu (button 5 – “cancel pre-authorization” function, and then button 1 – “full cancellation”).

If the amount of the pre-authorization(s) exceeds the completion amount, the difference must be paid. In the case of a MasterCard or VISA card, a transaction for the partial cancellation of the pre-authorization must be initiated (button 5 – “cancel pre-authorization” function, and then button 2 – “partial cancellation”). For the partial or full cancellation of the pre-authorization, the same card must be used as the one with which the first pre-authorization transaction was successfully executed. The POS receipt will show the total balance of the previous pre-authorizations and pre-authorization cancellations connected to the same transaction.

No independent pre-authorization cancellation can be successfully launched for a JCB and UPI transaction. In this case, the difference between the pre-authorization(s) and the completion of the pre-authorization can be settled by returning the goods, or close the transaction entering the lower amount for the completion.

In case, during the cancellation of pre-authorization with a MasterCard or VISA card, the Company's head office finds no pre-authorization transaction to which the cancellation could be connected, the transaction is rejected. In this case, check if the card used for the transaction is the same as the one used for the pre-authorization. If it is not the same, the transaction must be repeated with the right card.

The pre-authorization completion can only be executed in the currency of the (further) pre-authorization(s). If this is not possible, for example due to a POS terminal error message, please fax the transaction data and the error message to the Company.

If the pre-authorization has been fully or partially cancelled on the terminal, it must not be initiated again through an other channel (fax). Any damage arising from a prohibited re-initiation shall be borne by the Merchant. If the pre-authorization is still not cancelled, please recommend to the Cardholder that he/she should file a complaint with his/her own issuer bank based on the data in the receipt printed by the POS terminal.

10.6.2. Late charging

The Merchant Location may charge the damage caused by the Cardholder's vandalism, theft, etc. – identified upon or after checkout – to the card specified by the Cardholder. This retroactive transaction is called late charging. It can be executed

- within 90 (ninety) days from checkout in case of a Visa card;
- within 30 (thirty) days from checkout in case of a MasterCard card.

Such late charging requires that the Cardholder accepts the cost caused by vandalism, theft etc., and signs a declaration to that effect.

- If the damage is identified before or upon check-out by the Cardholder, the declaration in the annex titled Notification must be filled out and signed by the Cardholder.
- If the damage is identified after the Cardholder has checked out, the hotel must fill out the annex titled Notification, and must



send those data to the Cardholder to inform him/her about the damage. Costs arising from theft, vandalism etc. may only be charged to the card if the Cardholder notifies the hotel in a signed declaration that he/she accepts that.

Please note that these costs must be charged in a separate transaction, to the card number specified by the Cardholder. In case of late charging, the transaction can only be executed in the Merchant's currency, i.e. the DCC service cannot be used.

10.6.2.2. Card acceptance process

The following data must be entered on the terminal manually, under the Sale menu item:

- card number,
- card expiry,
- the three-digit identification code (CVV2/CVC2) if disclosed by the Cardholder, and
- the late-charged amount.

The remark „late charge – signature on file” must be written on the transaction receipt, in the place of the signature.

Please note that you must, within three work days from the transaction date, send the receipt and invoice about the retroactive charging, including a detailed list of the items charged, to the Cardholder's address specified on the hotel check-in form. In case of costs arising from theft, vandalism or other acts, the Cardholder's declaration must also be sent, together with the invoices proving the costs incurred.

10.6.3. Guaranteed room reservation – no show

If the Cardholder does not show up, the Merchant may charge one day's accommodation price (plus tax) to the card number specified by the Cardholder upon prior, guaranteed room reservation.

10.6.3.1. Receiving an order

At least the following data must be included in an order involving guaranteed room reservation. If any of the data are missing, the Merchant Location must reject the order.

- the Cardholder's name as written on the card,
- the Cardholder's address,
- card number,
- card validity,
- in case of a MasterCard, the three-digit identification code (CVC2) on the back of the card,
- duration and date of the accommodation ordered.

10.6.3.2. Confirmation

The Merchant Location must always confirm the room reservation in a written message sent to the address specified by the Cardholder, regardless of the method of accepting the order. The confirmation must contain at least the following data:

- the Cardholder's name as written on the card,
- card number,
- card validity,
- reservation code specified by the hotel,
- accommodation price,
- exact address of the accommodation,
- rules of room reservation and cancellation,
- other obligations of the Cardholder,



- a warning that the Cardholder must keep the reservation code received from the hotel,
- a note stating that the hotel may charge one day's room price if the Cardholder
 - fails to check in by checkout time on the day following the agreed arrival date;
 - fails to cancel the room reservation according to the relevant procedure.

10.6.3.3. Cancelling the room reservation

The Cardholder is entitled to cancel the reserved accommodation, and the Merchant Location must accept that before the cancellation deadline, which is at least 72 hours before the agreed arrival time.

- If the room is reserved within 72 hours before the arrival time, the hotel must accept cancellation by 6 p.m. (local time) on the agreed arrival date.
- If the Merchant cannot meet the condition defined above, it must notify the Cardholder in writing about the hotel's cancellation rules, specifying the deadline by which a room reservation can be cancelled.

10.6.3.4. Confirming the cancellation of room reservation

The Merchant Location must always confirm the cancellation in a written message sent to the address specified by the Cardholder, regardless of the method of accepting the order. The confirmation must contain at least the following data:

- the Cardholder's name as written on the card,
- the Cardholder's address,
- card number,
- card validity,
- cancellation code specified by the hotel,
- a warning that the Cardholder must keep the cancellation code received from the hotel.

10.6.3.5. Charging one day's accommodation price ("no show")

Unless the Cardholder has cancelled the reservation, the Merchant must keep the reserved accommodation available to the Cardholder until checkout time on the day following the specified arrival date.

If the Cardholder has not cancelled the reservation made with his/her card but has not used the accommodation, the Merchant Location may charge one day's price (plus tax) to the Cardholder's bank card. The procedure is the following:

- the number and validity of the card, the CVC2 code and the accommodation price (including tax) must be manually entered on the terminal, under the Sale menu item;
- The remark „no show – signature on file” must be written on the transaction receipt, in the place of the signature
- The data are uploaded together with the data of standard transactions.

10.6.3.6. The accommodation cannot be provided despite guaranteed reservation

If the reserved accommodation cannot be provided when the Cardholder arrives, at least one of the following services must be provided by the Merchant Location free of charge:

- one day's stay in an other hotel of the same quality;
- transporting the guest to the other hotel;
- 3-minute phone conversation;
- forwarding of messages to the other hotel.

Over and above the above, the Company assumes no liability for the identification of the Cardholder and the bank card or the authenticity of the data when special hotel services are provided. In case of a complaint arising from this, or in case of a third party's (and especially the Cardholder's or an international card company's) complaint in connection with a bank card transaction, the



Company charges back the transaction amount, and deducts it from the amounts that will be payable to the Merchant later.

10.6.3.7. Reservation through a third party (agent), and its cancellation

If a hotel room is reserved through a third party (agent),

- the hotel is responsible for all such reservations;
- the reservation may be cancelled directly with the hotel, or through the third party. It is the hotel's responsibility to ensure that it receives all cancellations indicated to the third party.

10.6.4. Priority check-out

10.6.4.1. Preconditions

Priority checkout means that the Merchant may, without the Cardholder's presence and signature, issue a receipt for the amount of the final invoice(s) payable with a bank card, and may submit that receipt for charging. As a precondition, a written agreement for priority checkout must be concluded with the Cardholder in advance. The Merchant must have the agreement signed by the Cardholder before his/her checkout, and must verify that the card number in the agreement is the same as the number of the bank card handed over for payment upon checking in. If the Merchant does not possess a counterpart of the agreement signed by the Cardholder, or the card numbers in the agreement and in the submitted statement differ, the Company does not guarantee the payment of the transaction amount. The Merchant must inform the Cardholder of any procedure related to retroactive charging after check-out.

If the (further) pre-authorisation transactions were executed in a DCC currency, the printout to be signed must contain the information in the „Addendum to priority check-out form”.

10.6.4.2 Transaction process

A receipt of the actual, final price of hotel services must be issued as follows:

- the number and validity of the card, the CVV2/CVC2, and the transaction amount must be recorded on the terminal – menu item 3, Conclusion;
- authorisation procedure as detailed above;
- the remark „priority checkout” must be written on the transaction receipt in the place of the signature;
- the data are sent to the Company together with the data of standard transactions.

Please note that you must send the following documents by mail to the address specified in the agreement by the Cardholder, within three work days from his/her departure:

- the Cardholder's counterpart of the filled-out card receipt,
- a detailed invoice issued by the hotel,
- a copy of the agreement.

10.6.5. Prepayment (“advance lodging deposit”)

This means that the price of accommodation reserved in advance with a card may be submitted by the Merchant for charging based on the reservation data, before the Cardholder arrives in the hotel.

10.6.5.1. Required order information

For the purpose of prepayment, the Merchant may only accept an order that contains the following data:

- the Cardholder's name as written on the card;



- the Cardholder's address, phone number and email address;
- card number;
- validity of the card;
- in case of a MasterCard, the three-digit identifier (CVC2) on the back of the card;
- planned arrival date;
- planned duration of the hotel stay.

10.6.5.2. Order confirmation

The Merchant Location must always confirm the reservation, regardless of the way of accepting the order from the Cardholder. The confirmation must contain at least the following data:

- the Cardholder's name as written on the card,
- card number,
- validity of the card,
- reservation code received from the hotel,
- accommodation price per night and for the entire reservation period,
- exact name and phone number of the accommodation,
- the hotel's rules for making, changing and cancelling reservations, including the deadline for changes and cancellation;
- other rules for the Cardholders' obligations,
- a warning that the Cardholder must keep the reservation code received from the hotel,
- a statement that the room will be reserved for the prepaid period.

10.6.5.3. Defining the accommodation price

The expected accommodation price must be defined in view of the following:

- room price and the planned duration of stay,
- ancillary costs,
- tax,
- lowered by any discount.
- No additional amount may be charged for potential damage, vandalism or theft.
- The estimated accommodation price may not exceed the total price of 14 nights (plus tax).

10.6.5.4. Changing the reservation

A prepaid room reservation can only be changed by providing the data defined upon ordering the accommodation. A reservation change must always be confirmed in writing, regardless of how the Merchant Location accepted the reservation change. See the compulsory contents of the confirmation above.

If necessary, a credit receipt must be issued with the following data:

- the Cardholder's name as written on the card,
- card number,
- validity of the card,
- transaction date,
- the part of the transaction amount that must be credited according to the hotel's cancellation rules,
- the cancellation code issued,
- the remark „advance deposit – signature on file” must be written in the place of the signature.

Note that you must inform the Cardholder that part or all of the transaction amount will not be reimbursed if the Cardholder



- failed to check in by checkout time on the day following the last night of the pre-determined stay,
- failed to cancel the reservation by the deadline defined by the Merchant.

A “no-show” transaction must not be executed during the prepayment service, regardless of not reimbursing part or all of the transaction amount.

10.6.5.5. Transaction process

The procedure is the following:

- the number and validity of the card, the CVC2 code, and the accommodation price must be recorded on the terminal under the MoTo (10 or 0) menu item,
- the remark „advance deposit – signature on file” must be written in the place of the signature on the transaction receipt,
- the reservation code from the accommodation provider must be written on the receipt, together with the planned arrival date.

The data are uploaded together with the data of standard transactions.

10.6.5.6. Cancellation

Cancellations submitted by the Cardholder in compliance with the relevant rules must be accepted, and a cancellation code must be sent to the Cardholder.

A cancellation receipt containing the following data must be issued:

- the Cardholder’s name as written on the card,
- the Cardholder’s address,
- card number,
- card validity ,
- transaction date,
- the partial transaction amount to be credited according to the hotel’s cancellation rules,
- cancellation code,
- the remark „advance deposit – signature on file” or „advance deposit cancellation – signature on file” in the place of the signature.

The credit receipt must be submitted for settlement within three work days, and must be sent to the mailing address specified by the Cardholder.

10.6.5.7. The reserved room cannot be provided

If the reserved accommodation cannot be provided when the Cardholder arrives, the following services must be provided by the Merchant Location free of charge:

- the entire transaction amount must be credited, and a counterpart of the transaction receipt must be given to the Cardholder,
- accommodation of the same quality must be provided in an other hotel for the reserved duration (up to 14 days), or until the originally reserved room becomes available,
- daily transportation to and from the other hotel if the guests requires that,
- two phone calls for three minutes each,
- messages forwarded to the other hotel.

10.6.6. Other conditions



Please note that you must not pay out cash to the Cardholder from his/her card.

The card companies may reject payment if you use a bank card in violation of the above rules. They may also reject payment based on a limit excess authorisation if the debit transaction arising from the order is erroneous or was not initiated by the Cardholder, or if the Cardholder rejected paying the price of the product or service. In addition, in case of special hotel services, the Company assumes no liability for the identification of the Cardholder or the bank card, or for the authenticity of the data provided. In case of a complaint arising from this, or in case of a third party's (and especially the Cardholder's or an international card company's) complaint in connection with a bank card transaction, the Company charges back the transaction amount, and deducts it from the amounts that will be payable to the Merchant later.

10.7. Car rental

10.7.1. Actions upon receiving the car

10.7.1.1. Filling out a rental agreement form

At least the following data must be included in the rental agreement if the customer indicates his/her intention to pay the rental costs with a bank card:

- indication of the payment method – bank card or card type,
- the Cardholder's name as written on the card,
- the Cardholder's address,
- the Cardholder's identification card / passport number,
- card number (or print),
- card validity (or print),
- car rental information.
- The rental company must have the Cardholder's signed declaration of consent as a precondition to retroactively charging additional costs (damage, traffic violation fine etc.) to the card for the rental period.
- The rental agreement may only be signed by the Cardholder, who must sign each page.
- If the Cardholder uses the DCC service, he/she must also sign the „Addendum to check-in form“ specifying the following:
 - the Cardholder's statement that he/she accepts the DCC service and intends to use it in further pre-authorisation / completion transactions as well;
 - the DCC currency, and
 - the exchange rate applied, which must be the same as the exchange rate of any further pre-authorisation and completion transactions.

If the Cardholder wishes to pay part or all of the rental fee with a voucher, please, in your own interest, check the authenticity and validity of the voucher. The Company shall not be involved in any related legal dispute between the car rental firm and the client paying with a voucher.

10.7.1.2. Estimating the rental fee

The estimated amount of the rental fee must be defined based on the following:

- daily / periodic rate and the rental period,
- ancillary costs (insurance, airport duty etc.),
- tax.

The estimated rental fee must not be increased by any potential damage, vandalism or theft.

10.7.1.3. Authorisation



Whenever the Cardholder wishes to pay for the car rental with a bank card, the physical presence of the card must be proven already upon pre-authorisation. Choose the pre-authorisation function on the terminal (button 2, then button 1 – first pre-authorisation), then insert the card into the chip reader, swipe it, or use the contactless function to read the data from the chip or the magnetic stripe, and verify them. No pre-authorisation transaction can be initiated with a Maestro card.

If the pre-authorisation request is rejected, the bank card must not be charged without an authorisation number or offline. In case of rejection, the Cardholder can choose a different payment method (e.g. with another physically present card, or in cash).

If the Cardholder's consumption or service usage exceeds the authorised amount, further pre-authorisation must be requested during the validity of the original pre-authorisation. In this case, the same card must be used, in the currency of the first pre-authorisation, at the same Merchant Location.

If the Merchant has a contract for the DCC service, HUF-based terminals will automatically offer to execute the transaction in the native currency instead of HUF (depending on the card type). In this case, the procedure is the following:

- The transaction is initiated by entering the HUF amount and inserting or swiping the card, or using the contactless function.
- The first data exchange between the POS terminal and the Company's central system takes place, when the system decides if the card is DCC compliant or not.
 - o If the DCC service cannot be offered, the transaction is completed in HUF without any change.
 - o If the DCC service can be offered for the card, the currency is determined and the DCC amount is calculated.
- Both the HUF and the DCC amounts are displayed on the POS / PIN pad, together with the exchange rate and the percentage-based margin compared to the exchange rate of the European Central Bank.
- **Then the client must choose between the HUF and the DCC currency / amount. You must not choose instead of the client or influence him/her; it is always the Cardholder who must decide, based on his/her free will.**
 - o If the client chooses the HUF amount, the transaction is completed in HUF.
 - o If the client chooses the DCC currency / amount, the transaction is completed in that.
- Then the PIN code is entered, and the transaction is forwarded for approval.
(If the Cardholder decides at this point that he/she rejects the DCC offer and opts for a HUF transaction, the transaction process is interrupted and must be restarted in HUF.)

Whether the Cardholder accepts the DCC or HUF currency / amount, it is always the HUF amount that will be booked for the Merchant, in the contracted settlement currency

If the Cardholder chooses the DCC currency/amount and the transaction is executed successfully, the following information is printed on the receipt: HUF amount, DCC currency (ISO numeric and character-based code) and amount, exchange rate, date, and percentage-based margin. In addition, the Cardholder's counterpart of the receipt will show the Cardholder's declaration on accepting a DCC transaction. The exchange rate received during the pre-authorisation will be applied upon further pre-authorisation and the completion of the pre-authorisation transaction.

If the contractual clause for the DCC service has been terminated with 30 days of notice upon any party's initiative, new pre-authorisations may only be executed in HUF, even if the terminal offers the DCC service.

Pre-authorisation validity period (within which the transaction can be completed):

- in case of an MC card, 30 calendar days from the last (further) pre-authorisation,
- in case of a VISA card, 30 calendar days from the original pre-authorisation,
- in case of a JCB card, 30 calendar days from the original pre-authorisation.
- in case of a UPI card, 30 calendar days from the original pre-authorisation.

If the transaction is completed beyond the validity period of the pre-authorisation, the issuer may charge the transaction amount back to the merchant.

If there is a threat of exceeding the pre-authorisation period, the Merchant Location should act as follows:

- if the transaction was executed with an MC card, a further pre-authorisation transaction should be launched in a low amount, in order to extend the validity period,
- in case of a VISA, JCB or UPI card, the pre-authorisation should be completed, and the difference should be settled with a new pre-authorisation or purchase transaction.



If the DCC contract with the Company is terminated for any reason, no further pre-authorisation transaction can be executed in the DCC currency, but only in the Merchant Location's currency. In this case, the Cardholder must be informed that he/she must not accept the DCC offer indicated by the POS terminal.

If the contractual clause regarding DCC was terminated within 30 (thirty) days, the transaction or any further pre-authorisation can still be completed in the DCC currency within that period. If the Company terminates the DCC contract amendment with immediate effect, the Company will notify the Merchant about the settlement of the transactions.

10.7.1.4. Others

The car rental company must also notify the Cardholder verbally if it wants to retroactively charge additional costs (damage, traffic violation fine etc.) to the card for the rental period.

10.7.2. Actions upon returning the car

10.7.2.1. Reconciling the final rental fee

If the Cardholder has extended the rental period or additional costs (fuel, insurance, parking and traffic fees) have been incurred, these invoiced items should be reconciled (agreed) with the Cardholder if possible, in order to avoid a subsequent complaint.

10.7.2.2. Completing the transaction

The transaction may be completed if the total service/product price is paid with the same bank card as the one used for pre-authorisation. In this way, the pre-authorisation is validated as a financial transaction.

If the Cardholder has extended the rental period or additional costs (fuel, insurance, parking and traffic fees) have been incurred, these invoiced items should be reconciled with the Cardholder when the car is returned, in order to avoid a subsequent complaint. If, due to those additional items, the final invoiced sum exceeds the amount projected and pre-authorised, the original authorisation request must be reviewed. The Merchant Location must always request further pre-authorisation for the difference between the price projected upon check-in and the actually invoiced sum.

For that purpose, choose the sale pre-authorisation function (button 2) and then the further preauthorisation function (button 2) on the terminal. Then read the chip contactlessly or by inserting the card into the reader, or swipe it on the terminal, for the data to be exchanged, and request authorisation for the limit excess amount electronically, using the POS terminal. The same card must be used for further pre-authorisation as the one used in the first, successful pre-authorisation transaction. The POS receipt will show the total balance of the pre-authorisations.

Then choose the Completion function (button 3) on the terminal. The transaction is completed after the requested data (the actual price of the services and the pre-authorisation number received) are entered on the terminal.

If the Merchant Location has contracted for the DCC service and the Cardholder accepted the DCC transaction upon the first pre-authorisation, the terminal will automatically execute the transaction in the DCC currency, at the DCC exchange rate. If the Cardholder rejected the DCC transaction upon the first pre-authorisation (or it was not offered at all), then the further pre-authorisation will be automatically executed in HUF.

If the card and the Cardholder are both present at the further pre-authorisation transaction, and the Cardholder does not accept the DCC amount, then the previous pre-authorisation and further pre-authorisation must be reversed in the DCC currency (button 5), and a new initial pre-authorisation must be launched for the total HUF amount. The pre-authorisation must always be completed in the currency of the pre-authorisation and further pre-authorisations.

If the Cardholder is not present upon the completion of the transaction and chose the DCC amount upon the original pre-authorisation, the transaction may be completed in the Cardholder's and the card's absence, provided that the Cardholder has approved that (by signing) in the rental agreement or later. The signed document must contain the data in the "Addendum to priority



check-out".

In case, during the further pre-authorisation or the completion of pre-authorisation with a MasterCard or VISA card, the Company's head office finds no pre-authorisation transaction to which the further pre-authorisation or completion could be connected, the transaction is rejected. In this case, check if the card used for the transaction is the same as the one used for the pre-authorisation. If it is not the same, the transaction must be repeated with the right card.

If a retroactive request for authorisation is rejected, the Company guarantees the payment of the transaction amount up to the amount calculated upon check-in, or authorised with the subsequent further pre-authorisation. When the Cardholder checks out of the hotel, he/she must sign the receipt showing the actual total accommodation price. The receipt or invoice may only be signed by the Cardholder, i.e. not a person who arrived with him/her.

If the Cardholder wants to pay cash or with a card other than the one used upon pre-authorisation, then the amount reserved during the pre-authorisation(s) must be cancelled. In the case of a MasterCard or VISA card, this is done in the terminal menu (button 5 – "cancel pre-authorisation" function, and then button 1 – "full cancellation").

If the amount of the pre-authorisation(s) exceeds the completion amount, the difference must be paid. In the case of a MasterCard or VISA card, a transaction for the partial cancellation of the pre-authorisation must be initiated (button 5 – "cancel pre-authorisation" function, and then button 2 – "partial cancellation"). For the partial or full cancellation of the pre-authorisation, the same card must be used as the one with which the first pre-authorisation transaction was successfully executed. No independent pre-authorisation cancellation can be successfully launched for a JCB and UPI cards. In this case, the difference between the pre-authorisation(s) and the completion of the pre-authorisation can be settled by returning the goods, or close the transaction entering the lower amount for completion..

In case, during the cancellation of pre-authorisation with a MasterCard or VISA card, the Company's head office finds no pre-authorisation transaction to which the cancellation could be connected, the transaction is rejected. In this case, check if the card used for the transaction is the same as the one used for the pre-authorisation. If it is not the same, the transaction must be repeated with the right card.

The pre-authorisation completion can only be executed in the currency of the (further) pre-authorisation(s). If this is not possible, for example due to a POS terminal error message, please fax send transaction data and the error message to the Company.

10.7.2.4. Signing the receipt

If the Cardholder is present when the car is returned, the receipt must be signed by the Cardholder unless an other form of identification (e.g. PIN code check) has been performed. If the Cardholder is not present when the car is returned, „s.o.f." (signature on file) must be written in the place of the signature, and the final invoice must be mailed to the address specified by the Cardholder within two weeks.

10.7.2.5. Settling accidents, vandalism and other damage

If you find when the car is returned that it is damaged (due an accident, vandalism, theft etc.), you must request the Cardholder to acknowledge the damage and sign the relevant protocol. The costs arising from the damage can only be charged to Cardholder's bank card if he/she acknowledges having caused the damage. In this case, the physical presence of the card must be proven in order to support the acknowledgement.

For that purpose, select the Sale menu item during card acceptance, then choose the "manual data entry" function. Insert or swipe the card, or use the contactless card reading function, and enter the maximum deductible amount as the transaction amount.

The transaction receipt must be signed by the Card Holder. The exact damage cannot be identified on site; if the repair cost (based on an invoice or calculation) is lower than the amount charged, then a credit transaction must be initiated for the difference within 30 days from the transaction date. The Company assumes no liability for the violation of this procedure.

10.7.3. Retroactive charging



10.7.3.1. Costs that can be charged retroactively

- **Parking and traffic fees:** the following documents related to the charging of the fees must be stored and made available to the Company in case of a complaint: a copy of the rental agreement; the documentation of the infringement, including its time and place; the rented car's registration plate and registration certificate number; description of the violation; fine amount in the local currency.
- **Deductible:** if the Cardholder accepted CDW/LDW insurance, the deductible amount must be charged to the Cardholder. For that purpose, at least the following documents must be stored and sent to the Company in case of a complaint: a copy of the rental agreement; accident protocol issued by the police; detailed repair invoice.
- **Damage amount:** if the Cardholder did not have CDW/LDW insurance, he/she will be liable for the damage. At least the following documents must be stored and sent to the Company in case of a complaint: a copy of the rental agreement; accident protocol issued by the police; detailed repair invoice.

The following items can be charged retroactively during the period indicated below, provided that the Cardholder gave his/her consent when renting or returning the car.

- in case of a Visa card: 90 (ninety) days from checkout;
- in case of a MasterCard: 30 (thirty) days from checkout.

The car rental company may initiate retroactive charging due to damage to the car, provided that the Cardholder has consented to that.

- If, when the car is returned, you find that it is damaged, contact the Cardholder within 10 (ten) days in writing, to inform him/her of the damage. The documents underlying the cost charging (exact description of the damage, repair price, currency in which you will charge the cost to the card) must be sent to the Cardholder's mailing address stated in the rental agreement. Please keep the notification documents because you may need them in case of a complaint.
- The Cardholder has 10 (ten) calendar days to respond. If he/she does not respond, you may charge the cost to his/her card. However, according to card companies' rules, the Cardholder remains entitled to file a complaint about the retroactive cost charging.
- The retroactive charging arising from the damage may be recorded on the POS terminal 20 (twenty) calendar days after contacting the Cardholder.

Retroactive cost charging without the Cardholder's consent may result in a complaint to the Cardholder's bank, pursuant to the complaint management regulations of international card companies. The Company cannot guarantee the payment of the amount of such a transaction.

10.7.3.2. Authorisation request

Retroactive charging must always be considered as a separate transaction; this amount must not be booked together with the rental fee. In this case, limit excess authorisation must be requested electronically, using the POS terminal (Sale menu item, transaction recording with manual data entry). The retroactive charging transaction must be executed in the Merchant's currency; the DCC service must not be used.

10.7.3.3. Receipt

„S.o.f.“ (signature on file) must be written on the receipt, in the place of the signature.

10.7.3.4. Notifying the Cardholder

Within 2 (two) weeks, you must send the Cardholder's counterpart of the receipt, as well as the document underlying the retroactive charging, to the address specified by the Cardholder.

10.7.4. Continuous car rental



If the car is rented continuously (for a long term), please act as follows.

- Fill in the rental agreement as described in section 10.7.1, and certify the physical presence of the card by swiping it through the terminal.
- Set up a settlement scheme by breaking down the rental period into months, and ask the customer to visit you in your office at the agreed time. This is necessary because that way you can regularly verify the existence and condition of the car, and you can sign a new rental agreement with the Cardholder. Repeatedly ask for the customer's bank card to prove its physical presence, i.e. certify that the car rental has been initiated by the Cardholder. Also, that way you can check whether the card balance is sufficient for the cost of continued rental.
- Act according to section 10.7.2 at the end of the rental period.

10.7.5. Car reservation – no show

This requires that the Merchant has the MoTo function.

Unless the Cardholder has cancelled the reservation, you must keep the reserved car available until checkout time on the day following the arrival date.

If the Cardholder has not cancelled the reservation but has not taken over the car, the Merchant is entitled to charge one day's price plus tax to the Cardholder's bank card, as follows:

- transaction registration on the POS terminal (MoTo, menu item 10 or 0),
- if the rent plus tax exceeds the rental company's limit, the POS terminal will automatically and electronically request limit excess authorisation,
- the remark „no show – signature on file” must be written on the transaction receipt, in the place of the signature,
- the data are uploaded together with the data of the standard transaction.

10.7.6. Others

No cost may be charged to the Cardholder for a lost or stolen car, or for any damage to it. A car rental company must take out insurance for its cars.



10.8. SoftPOS

10.8.1. Installing the SoftPOS application

Requirements for the SoftPOS app:

- the Merchant must have an NFC-capable Android device,
- downloading the required applications from Google Play: K&H SoftPOS and K&H SoftPOS background
- activation of the SoftPOS application pursuant to the approval email received from the operator

Detailed description: <https://khpos.hu/softpos>

10.8.2. Using the SoftPOS app

- The app can only be used to accept transactions initiated with VISA and MC cards. JCB card settlement or other card acceptance is not possible.
- No DCC transaction can be initiated in SoftPOS.
- SoftPOS supports NFC communication only, i.e. a card must always be present.
- Supported transactions:
 - o purchasing goods
 - o withdrawing a purchase transaction (the card must be present!)
- A receipt for the Cardholder may be prepared electronically, in the following formats:
 - o QR code,
 - o email (based on an address)
 - o text message (based on a phone number)
 - o and on paper, provided that the merchant has a Bluetooth-capable printer.

10.8.3. Settlement and verification of SoftPOS transactions

- The financial settlement of SoftPOS transactions is the same as the settlement of transactions at virtual card acceptance points, i.e. the transactions will be shown in pdf and txt statements.
- However, SoftPOS transactions are not shown under the "Transaction" menu in POS24, but they can be viewed later in the transaction list of the SoftPOS application, unless the device has been replaced or a new application has been downloaded.

Detailed guide to the SoftPOS application: <https://khpos.hu/softpos>