

Chapter 1 The License and Participation

This chapter contains Rules relating to the License and participation in Activity.

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1.1 Eligibility to be a Customer

An entity eligible to be a Customer may apply to become a Customer. No entity may participate in Activity until that entity is approved to be a Customer, has executed the applicable Licenses for the proposed Activity in a form acceptable to the Corporation, and has paid all associated fees and other costs.

NOTE: A modification to this Rule appears in the “Digital Activity” chapter.

The following types of entities are eligible to be a Customer.

1.1.1 Principal or Affiliate

A financial institution or other legal entity authorized to engage in financial transactions in accordance with the laws and government regulations of the country (or any subdivision thereof) in which it is organized or principally engaged in business may apply to be a Principal or an Affiliate.

Any such financial institution or other legal entity must also have the requisite right, power, and authority, corporate and otherwise, to be a Customer of this Corporation and to engage in the proposed Activity, and must have submitted business plans acceptable to the Corporation in accordance with the Standards, including without limitation, Rule 2.2.1.

For purposes of this Rule 1.1.1, “financial transactions” means the making of commercial or consumer loans, the extension of credit, the taking of consumer or commercial deposits, the establishment of prepaid accounts and issuance of electronic money or stored value, or the execution of related payment transactions, including effecting such transactions with payment cards or other access devices or methods.

A financial institution applicant must be regulated and supervised by one or more governmental authorities or agencies authorized and empowered to establish or enforce rules regarding financial transactions and the financial condition, activities, and practices of entities engaging in financial transactions. Any other applicant must satisfy such eligibility criteria as the Corporation may adopt from time to time, consistent with the promotion of safe and sound practices, on a regional, country-by-country or other basis. The decision to admit an applicant as a Principal or Affiliate of the Corporation is made at the sole discretion of the Corporation.

1.1.2 Association

Any legal entity that is Controlled by one or more financial institutions eligible and approved to be a Customer as described in Rule 1.1.1 and that proposes to engage in Mastercard Activity on behalf of one or more of those Customers may apply to be an Association.

Any such entity must have the requisite right, power, and authority, corporate and otherwise, to be a Customer of this Corporation, must have submitted business plans acceptable to the Corporation in accordance with the Standards, including without limitation, Rule 2.2.1. The decision to admit an entity as an Association of the Corporation is made at the sole discretion of the Corporation.

1.1.3 Digital Activity Customer

NOTE: A Rule on this subject appears in the "Digital Activity" chapter.

1.1.4 Payment Transfer Activity Customer

An entity that is or is eligible to be a Principal, Affiliate, Association, or other entity that has been approved by the Corporation for Participation in a Payment Transfer Activity (PTA) Program and that satisfies such eligibility criteria as the Corporation may adopt from time to time, consistent with the promotion of safe and sound business practices, may apply to be a PTA Customer. No entity may Participate in a PTA Program as a PTA Customer until that entity is approved to be a PTA Customer, has executed the applicable PTA Agreement for the proposed PTA Program in a form acceptable to the Corporation, and has paid all associated fees and other costs. Prior to commencing each PTA Program, a PTA Customer must enter into a PTA Agreement with the Corporation for each PTA Program.

An entity may be a Principal for Payment Transfer Activity and an Affiliate for another Activity, or vice versa. An entity applying to Participate as a Principal in Payment Transfer Activity(ies) and that is Participating in another Activity as an Affiliate, must have obtained the express written consent of its Sponsor.

The decision to approve an applicant as a PTA Customer (including, admission of such PTA Customer as an Originating Institution and/or Receiving Customer) is at the discretion of the Corporation.

The eligibility criteria for a PTA Customer includes:

1. As applicable, compliance with the *Payment Card Industry Data Security Standard* (PCI DSS) or other standards related to securing and protecting data as specified in the Standards applicable to a particular PTA Program or as mutually agreed in writing by the PTA Customer and the Corporation for such PTA Program;
2. Compliance with all applicable laws and regulations for each jurisdiction in which the PTA Program is proposed to be conducted;
3. Compliance with all applicable PTA Rules and Standards; and
4. Such other criteria as the Corporation deems necessary or appropriate to safeguard the safety and security of the Corporation and Payment Transfer Activity.

1.2 Mastercard Anti-Money Laundering and Sanctions Requirements

As a condition of being granted a License and/or as a condition of an execution of a PTA Agreement by the Corporation, and on an ongoing basis thereafter, each License applicant and each Customer (together, for purposes of this Rule 1.2, "Customers") must demonstrate to the satisfaction of the Corporation ongoing maintenance of comprehensive anti-money laundering ("AML") and sanctions compliance programs (together, for purposes of this Rule 1.2, "Programs") that safeguard the Corporation and the Interchange System from risk associated

with money laundering, terrorist financing, and violation of sanctions. Each Customer must provide and update the Corporation with the Customer's current Anti Money Laundering Compliance contact and a current Sanctions Compliance contact in the My Company Manager application on Mastercard Connect®.

The Programs are subject to periodic examination at the discretion of the Corporation. Such an examination may be by the Corporation or a designee of the Corporation or other person deemed satisfactory by the Corporation. Any such examination is at the Customer's expense. The Corporation must be provided with a complete copy of the examination report and the Customer shall not engage in any conduct or permit any person within the Customer's control to engage in any conduct, agreement, or understanding that would impair the completeness, accuracy, or objectivity of any aspect of the examination or examination report.

A failure to comply with any of the obligations set forth in this Rule may result in:

- The denial of a License and/or denial of execution of a PTA Agreement;
- License and/or PTA Agreement suspension;
- Noncompliance assessments; and/or
- Such other action as the Corporation may deem necessary or appropriate.

Payment Transfer Activity Variation

In addition to Rule 1.2 (including Rule 1.2.1 and Rule 1.2.2), each PTA Customer must comply with any additional AML and sanction requirements set forth in the Standards applicable to each PTA Program in which it is engaged.

1.2.1 Anti-Money Laundering Requirements

Each Customer conducting or proposing to conduct Activity must have a written AML compliance Program with a policy, procedures, and controls in place to safeguard the Corporation and the Interchange System from and against the use of the Interchange System for money laundering and/or terrorist financing. Each Customer's AML compliance Program must be commensurate with its respective AML risk profile and fully implemented in accordance with this Rule and local regulatory requirements.

A Customer's AML compliance Program must address, in a manner satisfactory to the Corporation, all Activity and include, at a minimum, the following:

1. A process to ensure thorough client identification and due diligence;
2. Sufficient controls, resources, and monitoring systems for the prompt detection and reporting of suspicious activity, including the requirements set forth in Rule 1.2.1.1;
3. Compliance with all regulatory record-keeping and reporting requirements;
4. Risk assessment processes designed to identify and apply appropriate risk management controls;
5. A training program for all personnel whose duties require knowledge of the AML compliance Program and requirements; and
6. An audit process to periodically test controls.

1.2.1.1 Monitoring of Suspicious Activity

To comply with item 2, of Rule 1.2.1, suspicious activity monitoring must be commensurate with the level of risk presented by the Customer's Cardholder and/or Merchant portfolios, Service Providers, and other agents and third parties acting on behalf of the Customer. The Customer is responsible for ensuring that the Customer's suspicious activity monitoring is capable of identifying suspicious activity as it occurs and/or trends over time.

Detection of Suspicious Activity

The Customer must implement, as applicable, the following AML typologies at a minimum as a part of its suspicious activity monitoring, based on the Customer's assessment of the money laundering risk of its Activity and the Customer's risk tolerance:

- Monitoring Cross-Border Transaction Activity and adjusting applicable controls for geographies that the Customer considers higher risk;
- Cardholder or Merchant Transaction monitoring based on the Customer's risk rating of such Cardholder or Merchant;
- Identifying and monitoring MCCs and Transaction types that the Customer considers at a higher risk for money laundering, including identifying and monitoring any Transactions that can facilitate movement of funds, such as fiat from cryptocurrency exchanges, funds transfers, funding of financial instruments or accounts, and cash back, cash out activity;
- Identifying and monitoring the Customer's use of products related to Activity that such Customer considers at a higher risk for money laundering and/or terrorist financing;
- Changes in Activity over time, including out of pattern Activity, increases in Transaction volumes and/or counts, or increasing frequency of Transactions; and
- And any other AML typologies applicable to the Customers business model and risk profile.

Detection of Suspicious ATM Activity

The Customer must monitor ATM Activity as a part of its suspicious activity monitoring, and must implement, as applicable, the following AML typologies at a minimum as a part of its suspicious activity monitoring, based on the Customer's assessment of the money laundering risk of its ATM Activity and tolerance:

- Out-of-pattern ATM withdrawal Transaction volume and/or velocity at an individual ATM or groups of ATMs;
- Sequential or consecutive high Transaction volumes of ATM withdrawals at the same ATM(s) by multiple Cards from the same Issuer;
- Significantly high Transaction volumes of repetitive ATM withdrawals over time;
- Excessive ATM Transaction withdrawals at maximum ATM Transaction limits in a short period of time; and
- Out-of-pattern, excessive or high volumes of ATM deposits.

In addition, the Acquirer of any ATM Owners or Service Providers who process ATM Transactions are obligated to monitor ATM Activity regardless of the monitoring obligation of the Issuer.

Reporting of Suspicious Activity

The Customer must comply with the Customer's local law and regulation requirements to report suspicious Transaction activity involving Cardholders, Merchants, and ATMs and take all such other action as required by Applicable Law related to such activity.

1.2.2 Sanctions Requirements

Each Customer, regardless of where situated, must ensure that Activity is in compliance with the sanctions laws and regulations enacted by United States sanctions authorities (including the United States Office of Foreign Assets Control ["OFAC"] and the United States Department of State), as well as all applicable local sanctions regulations where the Activity is taking place.

A Customer is prohibited from engaging in Activity with any person, including any legal entity or government, or in any geography in contravention of any regulation or other requirement promulgated by the United States sanctions authorities, as well as any applicable local sanctions authority.

Each Customer engaging in or proposing to engage in Activity must have a written sanctions compliance Program that includes a policy, procedures, and controls. The sanctions compliance Program must address, to the satisfaction of the Corporation, all Activity and include, at a minimum, the following:

Sanctions List Screening

1. (i) An Issuer must screen its Cardholders, Service Providers, and other representatives and agents (including, but not limited to, a program manager); (ii) an Originating Institution must screen the Originating Account Holders, the Receiving Account Holders, and entities transferring PTA Transaction funds directly to the Receiving Account Holders, Service Providers, and other representatives and agents (including, but not limited to, a program manager); and (iii) a Receiving Customer must screen the Receiving Account Holders, Service Providers, and other representatives and agents (including, but not limited to, a program manager), in each case at the time of onboarding and on an ongoing basis, against applicable sanctions lists, including, but not limited to, OFAC sanctions lists (such as, the Specially Designated Nationals and Blocked Persons List [the "SDN List"]).
2. An Acquirer must screen its Merchants and Service Providers and other representatives and agents (including, but not limited to, a Third Party Processor [TPP]) at the time of onboarding, and on an ongoing basis, against applicable sanctions lists, including, but not limited to, OFAC sanctions lists (such as, the SDN List).

Prohibited Activity

1. No Activity may be conducted in a geography (country or region) that is the subject of applicable sanctions, including those identified by OFAC.
2. No Activity may be conducted with a person, entity, or government on the OFAC sanctions lists (such as, the SDN List) and other locally applicable sanctions lists.

A Customer must immediately cease any Activity with a person, entity, or government identified as listed on any of the OFAC sanctions lists or locally applicable sanctions lists.

NOTE: Activity with an entity listed on OFAC's Sectoral Sanctions Identifications List ("SSI List") may only be conducted in compliance with the limitations or conditions established by OFAC for that program.

1.3 Satisfaction of Minimum Financial Requirements

Each Customer at all times must satisfy the minimum financial requirements established by the Corporation from time to time.

The Corporation, in its discretion, may establish different or additional financial requirements for (i) a category of financial institutions, organizations, or corporations or other entities that are eligible to become a Customer, or (ii) an individual Customer or prospective Customer in the manner set forth in the Standards should the Corporation determine that different or additional requirements are reasonably appropriate to evidence the financial integrity of a type of Customer or an individual Customer or prospective Customer.

Such requirements may include both objective standards, such as the measurement of capital adequacy, and subjective standards, such as evaluating key management experience and ability, the area in which the Customer engages in business, and the manner in which such business is conducted.

1.4 Special Conditions of Participation, License or Activity

The Corporation may condition Participation, the grant of any License, or the conduct of Activity on compliance by the Customer with special conditions, such as the establishment of escrow arrangements, the delivery of letters of credit, or other arrangements that the Corporation deems necessary or appropriate to maintain the integrity of Mastercard and/or the Interchange System, including but not limited to conditions imposed pursuant to Mastercard Anti-Money Laundering and Sanctions Requirements.

The Corporation has the right at any time to require that a Customer enter into a security arrangement with the Corporation. If a Customer does not enter into a security arrangement with the Corporation that is satisfactory to the Corporation, the Corporation has the right at any time to collect from the Customer, in addition to any amount otherwise due and payable by the Customer to the Corporation or to other Customers, such additional amount from the Customer as collateral as the Corporation deems appropriate. The Corporation has the right to collect any such additional amount by any means available to the Corporation including by way of example and not limitation:

1. By taking any funds deposited by any persons from any account that the Corporation is authorized to draw upon for any purpose.
2. By taking any funds due to such Customer from other Customers.
3. By taking any funds being paid by such Customer to other Customers.

In each case in which the Corporation takes any such collateral, the Corporation has the right to take ownership of all or any part of such collateral (such as by placing funds taken in an account

in the Corporation's name as a secured party) and to apply such collateral as payment toward any obligation of the Customer in accordance with the Standards.

Each Customer hereby appoints and authorizes the Corporation to act as the Customer's attorney and agent for any and all purposes in connection with the filing, recording, or other perfecting of the Corporation's rights under the Standards. This Rule constitutes a security agreement between each Customer and the Corporation, and vests in the Corporation a security interest in any collateral collected as provided in these Standards, granted contemporaneously in exchange and as a condition for the continuation of the Customer's Participation and Licenses.

1.5 Interim Participation

Pending approval of an application to be a Customer, the Corporation may authorize the applicant to participate in Activity on an interim basis as if the applicant were a Customer.

As a condition of such interim authorization, the applicant must agree, and by commencement of any Activity the applicant is deemed to have agreed, to comply during this interim period (and thereafter as applicable) with the Standards and to discontinue immediately any use of the Marks and Activity if the application to be a Customer is declined.

All damages, losses, costs, and liabilities arising directly or indirectly, or consequentially, from or related to any interim participation in Activity by the applicant and from the disapproval of the application to be a Customer is solely at the applicant's risk and expense, and this Corporation has no responsibility for any such damages, losses, costs, or liabilities.

1.6 The License

Each Customer agrees, and by use of any one or more of the Marks agrees, to comply with all provisions of the License pertaining to use of the Marks and with the Standards of this Corporation as may be in effect from time to time.

In the event of an inconsistency between a Standard and a provision in a License, the Standard prevails and the License is deemed to be amended so as to be consistent with the Standard. Each Customer must assist the Corporation in recording any License granted to the Customer if required in the country in which the Customer is Licensed or otherwise upon request of the Corporation.

NOTE: Rules on this subject appear in the "Europe Region" chapter.

1.6.1 SEPA Licensing Program—Europe Region Only

NOTE: Rules on this subject appear in the "Europe Region" chapter.

1.7 Area of Use of the License

Except as otherwise provided in the Standards, each Customer may use a Mark and conduct Activity solely in the Area of Use in which the Customer has been granted a License.

If the License does not specify an Area of Use, the License is deemed to authorize the Customer to use the Mark and conduct Activity only in the country or countries the Corporation determines to be the Customer's Area of Use.

A License that the Corporation deems to be inconsistent with this Rule is deemed amended effective as of the date of the grant of the License so as to be consistent with this Rule.

Except as otherwise provided in the Standards, the ICA number and BIN/IIN or BIN range, as applicable, used to conduct issuing and/or acquiring Activity must reflect the country, from among those in the Customer's Area of Use, (i) where Cards are issued and/or Merchants, ATM Terminals, or Bank Branch Terminals effecting acquired Transactions are located, or (ii) in the case of Payment Transfer Activity, where PTA Accounts are held and/or where, if applicable, Merchants effecting PTA Transactions are located.

NOTE: Modifications to this Rule appear in the "Europe Region" and "Middle East/Africa Region" chapters.

1.7.1 Extending the Area of Use

A Customer must apply to the Corporation for permission to extend the Area of Use of a License.

Such application must be made in the form and include all information then required by the Corporation. If the application is approved, the Corporation will amend the License to reflect the change in the Area of Use.

NOTE: Modifications to this Rule appear in the "Europe Region" and "Middle East/Africa Region" chapters.

1.7.2 Extension of Area of Use Programs

Notwithstanding Rule 1.7, a Customer is not required to apply to extend the Area of Use of a License to conduct any of the following Activities, subject to (a) the Corporation's right to prohibit or restrict or condition any such Activity and (b) compliance by the Customer with Standards, laws and regulations applicable to any such Activity:

1. Issue or distribute Mastercard, Maestro, or Cirrus Cards outside of the Customer's Area of Use, other than in the Russian Federation, provided that:
 - a. The Cards are issued or distributed only for one of the following purposes pursuant to a prepaid Card Program that is limited in time and/or related to distress issuance or distribution (excluding payroll and incentive Cards):
 - Secondary Cardholder when the primary Cardholder is located in the Customer's Area of Use;

- Distressed passengers;
 - Emergency assistance;
 - Humanitarian aid; or
 - Non-recurring limited-use disbursements; or
- b. As otherwise approved by the Corporation.
- 2. Issue or distribute Mastercard, Maestro, or Cirrus Cards to citizens of any country within the Customer's Area of Use, wherever such citizens reside.
- 3. Issue or distribute Mastercard commercial Cards, including but not limited to Mastercard Corporate Card® Cards, to employees of an entity on whose behalf the Cards are issued, wherever such employees reside, provided that the entity is multinational, having a presence and conducting regular business in more than one country, including at least one country in the Customer's Area of Use.
- 4. Issue or distribute Mastercard payroll or incentive Cards, including but not limited to debit and prepaid Cards, to employees and Independent Contractors of an entity on whose behalf the Cards are issued, other than the Russian Federation, provided that:
 - a. The entity is multinational, having a presence and conducting regular business in more than one country, including at least one country in the Customer's Area of Use;
 - b. The gross dollar volume (GDV) within a country in a calendar year from the Customer's and its Sponsored Affiliates' total cross-border issuance for all payroll and incentive Card Programs for all entities served in that country does not exceed one percent of that country's Mastercard GDV in the prior calendar year;
 - c. If the Customer has a License to issue Cards in a particular country (Country A) but wishes to issue Cards into Country A from another country in which the Customer is also licensed (Country B), the Customer's and its Sponsored Affiliates' total cross-border issuance from Country B into Country A in a calendar year may not exceed:
 - 10 percent of that Customer's and its Sponsored Affiliates' total domestic Mastercard GDV in Country A in the prior calendar year, or
 - If greater than the 10 percent described herein, the amount allowed under the one percent threshold described above; and
 - d. The Customer performed full know your customer (KYC) due diligence, identification verification and sanctions screening (against U.S. OFAC and other relevant lists) on each Independent Contractor prior to any such Card issuance or distribution, including as required by Rule 1.2.
- 5. Issue or distribute single-use Virtual Accounts outside of the Customer's Area of Use to travel intermediaries (purchasers of wholesale travel services, including but not limited to travel agents and travel management companies), other than travel intermediaries located

For purposes of this Rule, "Independent Contractor" means a natural person that directly performs work or provides services either for (i) an entity through an agreement as a non-employee; or (ii) third parties introduced to such natural person as part of services provided by such multinational entity to such natural person through an agreement as a non-employee (and for the avoidance of doubt, services include the remittance of payments from such third parties to such natural person), and in each case, where such relationship does not constitute an employment relationship under applicable law or regulation.

- 5. Issue or distribute single-use Virtual Accounts outside of the Customer's Area of Use to travel intermediaries (purchasers of wholesale travel services, including but not limited to travel agents and travel management companies), other than travel intermediaries located

in the Russian Federation, provided that such Virtual Accounts are used to purchase services pursuant to the Mastercard Enterprise Solution Wholesale Travel Program;

6. Acquire Mastercard or Maestro airline Transactions from a Merchant located in a country, other than the Russian Federation, that is outside of the Customer's Area of Use, subject to satisfying all of the following requirements:
 - a. The airline has a meaningful presence in at least one country, within the Area of Use; and
 - b. The Customer identifies the airline Transactions with an ICA and BIN/IIN that reflects either the country, or a country within the same Region as the country, in which the airline ticket office is located; and
 - c. The Customer authorizes, clears, and settles each Domestic Transaction in a manner that does not significantly disadvantage an Issuer in the same country in the judgment of the Corporation.
7. Originate MoneySend Payment Transactions as set forth in "Special procedure for conducting Activity outside the Area of Use" in the *Mastercard MoneySend and Funding Transaction Program Standards*.

The following Standards apply to all of the extension of Area of Use programs described in this Rule, except paragraph 7 as set forth above:

- At least 14 calendar days before a Customer proposes to conduct Activity under any of the extension of Area of Use programs described in this Rule, the Customer must submit a completed certification of extension of Area of Use program form (Form 1336) (the "Certification") to the Corporation by sending an email message to certification@mastercard.com. By submitting the completed form, the Customer certifies that (a) the Activity is in compliance with one or more of the extension of Area of Use programs described in this Rule; and (b) the Customer has conducted extensive due diligence to ensure that the Activity will not violate Mastercard Standards or any local laws or regulations of the country(ies) in which the Activity will be conducted. This Certification is required for Activity conducted pursuant to this Rule. Each Certification is subject to the Corporation's right to prohibit or restrict or condition any such Activity.
- A Customer conducting Activity in accordance with an Area of Use program described under any of paragraph 1 through 5 must use a dedicated BIN or BIN range for such Area of Use program.
- For the avoidance of doubt, the Standards in Rule 1.7.4 take precedence for a Card issued directly or indirectly to residents of India.

NOTE: Modifications to this Rule appear in the "Asia/Pacific Region," and "Europe Region," and "Middle East/Africa Region" chapters.

1.7.3 Central Acquiring—Europe Region Only

NOTE: Rules on this subject appear in the "Europe Region" chapter.

1.7.4 Transfer of Cards to India Residents is Prohibited without a License

An Issuer that reasonably believes that its Cardholders will distribute, transfer, or in any way provide Cards issued by the Issuer to residents of India must become Licensed in India and receive written authorization from the Reserve Bank of India.

Unless the Issuer is Licensed in India and has written authorization from the Reserve Bank of India, an Issuer that issues Cards to Cardholders that reside outside of India must communicate to those Cardholders in the terms and conditions of the cardholder agreement that such Cards must not be distributed, transferred, or in any way provided to residents of India.

1.8 The Digital Activity Agreement

NOTE: A Rule on this subject appears in the "Digital Activity" chapter.

1.9 Participation in Activity(ies) and Digital Activity

Each Customer may participate only in Activity as set forth in its License or Licenses.

NOTE: Modifications to this Rule appear in the "Digital Activity" and "United States Region" chapters.

Payment Transfer Activity Variation

The Rule on this subject, as it applies to Payment Transfer Activity, is revised and restated as follows.

Each PTA Customer may Participate only in such PTA Program as is set forth in its License(s) and/or PTA Agreement(s) with the Corporation or as otherwise documented in writing by the Corporation.

1.9.1 Changing Customer Status

In the event that an Affiliate wishes to become a Principal or a Principal wishes to become an Affiliate, the Customer must notify the Corporation and submit such information as the Corporation deems necessary.

It is within the Corporation's discretion whether to grant the requested change in Customer status.

1.9.2 Participation and License, Digital Activity Agreement or PTA Agreement Not Transferable

A Customer must not transfer or assign its Participation or any License or Digital Activity Agreement, whether by sale, consolidation, merger, operation of law, or otherwise, without the written consent of the Corporation.

However, in the event that the Cards issued by, the Ownership of, or any Activity or Digital Activity of a Customer are acquired by any person, whether by sale, consolidation, merger,

operation of law or otherwise, the obligations, but not the rights, of such Customer shall transfer to the person acquiring such Customer.

1.9.3 Right to Sponsor Affiliates

Each Principal and Association has the right to Sponsor as an Affiliate any eligible entity which conducts or proposes to conduct Activity within the Principal's or Association's Area of Use.

1.9.4 Change in Sponsorship of an Affiliate

Each Principal or Association must advise the Corporation promptly if an Affiliate ceases to be Sponsored by the Principal or Association or has a transfer of Ownership or Control.

Refer to Rule 1.13.4, paragraph 9, regarding the obligation of each Principal and Association to accept Transactions arising from Cards issued by formerly Sponsored Affiliates.

1.9.5 Customer Name Change

The Corporation must receive written notice at least 30 days before the effective date of any proposed Customer name change.

A Customer that proposes to change its name must promptly undertake necessary or appropriate action to ensure that its Licenses and Activities disclose the Customer's updated name.

1.9.6 The Sponsored Digital Activity Entity

NOTE: A Rule on this subject appears in the "Digital Activity" chapter.

1.10 Participation in Competing Networks

A Customer may take part, as either an issuer or an acquirer or both, in any ATM network in addition to the Mastercard® ATM Network that is not a Competing ATM Network.

Notwithstanding the foregoing, Customers in the countries listed in Rule 1.10.3 may participate in a Competing ATM Network, but only in the manner and to the extent expressly set forth in the Standards.

A Customer may offer its Cardholders any electronic funds transfer (EFT) services (whether provided by the Mastercard® ATM Network or not), charge its Cardholders such fees, if any, as it chooses, arrange with any Customer or non-Customer for mutual access to ATMs by the Cardholders or cardholders of each, respectively, process and settle any ATM transactions without using the Interchange System, locate its ATMs wherever it chooses, and otherwise conduct its EFT business in the manner it chooses.

NOTE: Modifications to this Rule appear in the "Asia/Pacific Region" chapter.

1.10.1 Protection of the Corporation

If a Customer permits cardholders of an entity that is not a Customer to have access to its or its Customer's ATM Terminals, such entity has no participation rights in the Mastercard® ATM Network, and has no right of access to the ATM Terminals of other Customers.

If a Customer takes part in an ATM network other than the Mastercard® ATM Network, it must do so in a manner that is consistent with all applicable provisions of the Standards. It must not, because of such participation, discriminate against the Mastercard® ATM Network, any Customer or its Cardholders, or otherwise fail to comply with the Standards.

1.10.2 Participation Restrictions

A Customer that participates in the Mastercard® ATM Network as an Issuer or Acquirer may not simultaneously participate in a Competing ATM Network except as provided in Rule 1.10.3, specifically:

1. A Card or Portfolio of Cards may not participate in a Competing ATM Network; and
2. A card that provides access to a Competing ATM Network may not be a Card.

For purposes of this Rule, to participate in a Competing ATM Network as a card issuer means to issue cards, pursuant to the rules and regulations of that system, for the purpose of providing access to accounts of the issuer in accordance with such rules and regulations.

Notwithstanding this Rule, a Customer that maintains deposit accounts for individuals on behalf of one or more non-Customers may:

1. Issue to such individuals Cards bearing the name or trade name of such non-Customers that provide access to such individuals' accounts through such Competing ATM Networks; and
2. Authorize Transactions from such systems on behalf of such individuals; provided that:
 - a. Any non-Customer whose name appears on such Cards is ineligible to obtain a License from the Corporation for a reason other than its current in another Competing ATM Network,
 - b. The name of the Customer does not appear anywhere on such Cards; and
 - c. The aggregate of all such Cards issued by the Customer does not exceed ten percent (10 percent) of the total Cards issued by such Customer.

1.10.3 Exceptions to the Participation Restrictions

In the following countries or territories, a Customer that acquires transactions of a Competing ATM Network at its ATMs is not rendered ineligible to be a Customer.

Albania	Andorra	Armenia
Australia	Austria	Azerbaijan
Bahrain	Belarus	Belgium
Bolivia	Bosnia and Herzegovina	Bulgaria

Canada	Caribbean Territory (all countries)	Chile
Cyprus	Croatia	Czech Republic
Denmark	Ecuador	Egypt
Estonia	Fiji	Finland
France	Georgia	Germany
Gibraltar	Greece	Guam
Guernsey	Hong Kong SAR	Hungary
Iceland	India	Indonesia
Ireland	Israel	Italy
Japan	Jersey	Kazakhstan
Korea, Republic of	Kuwait	Kyrgyzstan
Latvia	Liechtenstein	Lithuania
Luxembourg	Mexico	Malaysia
Malta	Moldova	Monaco
Morocco	New Zealand	Montenegro
Netherlands	North Macedonia	Norway
Oman	Paraguay	Peru
Philippines	Poland	Portugal
Russian Federation	Romania	San Marino
Saudi Arabia	Serbia	Singapore
Slovak Republic	Slovenia	South Africa
Spain	Sri Lanka	Sweden
Switzerland	Taiwan	Tajikistan
Thailand	Tunisia	Turkey
Turkmenistan	Ukraine	United Arab Emirates
United Kingdom	United States	United States territories
Uzbekistan	Vatican City State	Venezuela

Vietnam

Zimbabwe

In the following countries or territories, a Customer that participates in a Competing ATM Network as a credit card issuer is not rendered ineligible to be a Customer.

1. Hong Kong SAR
2. Mexico
3. The Philippines
4. Singapore
5. Thailand
6. Venezuela
7. Any country in the Europe Region if authorized by the Corporation

1.11 Portfolio Sale, Transfer, or Withdrawal

The Corporation must receive written notice at least 30 days before the effective date of any proposed transfer or assignment of a Mastercard Portfolio.

A Customer must promptly provide the Corporation any information requested by the Corporation relating to such an event or proposed event. If such transfer or assignment will result in a change of Control of the Customer or the Customer's issuing Program, acquiring Program, or both, then Rule 1.12 shall apply.

A Principal must not withdraw a Maestro or Cirrus Portfolio from participation in the Interchange System except upon fulfillment of the following conditions:

1. The Principal must provide the Corporation with at least six months prior written notice of its intent to withdraw a Portfolio. If confidential negotiations surrounding a Portfolio sale would render six months' notice unduly disruptive, the Corporation may accept a shorter time at its discretion.
2. The Principal must certify in writing to the Corporation that as of the date of withdrawal, no Cards will be in circulation, unless the Corporation has approved a plan for the phased withdrawal of the Portfolio. Any phased withdrawal must not exceed the lesser of one full re-issuance cycle or two years. Any withdrawal plan must guarantee that Cards still in circulation will continue to provide access to Accounts through the Corporation.
3. If there is a new owner of the Portfolio, such owner must be a Customer of the Corporation. Alternatively, if the new owner is not eligible to be Licensed, then it must enter into an agreement with the Corporation to be bound by all Rules applicable to the Portfolio during its withdrawal period.

Payment Transfer Activity Variation

The Rule on this subject, as it applies to Payment Transfer Activity, is revised and restated as follows.

The Corporation must receive written notice at least 30 days before the effective date of any PTA Customer's proposed transfer or assignment of its obligations under the Standards applicable to its Participation in Payment Transfer Activity. A Customer must promptly provide the Corporation any information requested by the Corporation relating to such an event or proposed event. If such transfer or assignment will result in a change of Control of the Customer, then Rule 1.12 shall apply.

1.12 Change of Control of Customer or Portfolio

The Corporation must receive written notice at least 30 days before the effective date of any proposed change of Control of a Customer.

A Customer must promptly provide the Corporation any information requested by the Corporation relating to such an event or proposed event and the Corporation may:

1. Suspend or impose conditions on any Licenses granted to the Customer, any Digital Activity Agreements or any PTA Agreements with the Customer.
2. Amend rights, obligations, or both of a Customer.
3. Terminate the Licenses, Digital Activity Agreements, or PTA Agreements or all of any Customer that:
 - a. Transfers or attempts to transfer Control of the Customer to an entity that is not a Customer; or
 - b. Merges into or is consolidated with an entity that is not a Customer; or
 - c. Sells all or substantially all of its assets; or
 - d. Sells all or substantially all of its Issuer or Acquirer Portfolios or PTA Account Portfolios; or
 - e. Experiences a change in Control or Ownership.

NOTE: Modifications to this Rule appear in the "United States Region" chapter.

1.13 Termination

The Participation or Licenses or Digital Activity Agreements or PTA Agreements of a Customer may terminate in either of two ways: voluntary termination, or termination by the Corporation.

1.13.1 Voluntary Termination

A Customer may voluntarily terminate its Participation and/or Licenses and/or Digital Activity Agreements and/or PTA Agreements by providing written notice and submitting documentation as then required by the Corporation. The notice must fix a date on which the termination will be effective as follows.

Written notice to the Corporation provided by or with respect to a...	Regarding termination of its...	Must be received in advance of the termination effective date, by at least...
Principal	Mastercard License	30 days
Association	Mastercard License	30 days
Principal	Maestro License	One year
Principal	Cirrus License	One year
Affiliate	Mastercard License	30 days
Affiliate	Maestro License	Six months
Affiliate	Cirrus License	Six months
Digital Activity Customer	Digital Activity Agreement	60 days
PTA Customer	PTA Agreement and/or Payment Transfer Activity License	As set forth in the Standards

When all Licenses, Digital Activity Agreements, and PTA Agreements are terminated, the Participation of a Customer also terminates.

1.13.2 Termination by the Corporation

Notwithstanding anything to the contrary set forth in a License or Digital Activity Agreement, the Corporation, at its sole discretion, may terminate a Customer's Participation effective immediately and without prior notice, if:

1. The Customer suspends payments within the meaning of Article IV of the Uniform Commercial Code in effect at the time in the State of Delaware, regardless of whether, in fact, the Customer is subject to the provisions thereof; or
2. The Customer takes the required action by vote of its directors, stockholders, members, or other persons with the legal power to do so, or otherwise acts, to cease operations and to wind up the business of the Customer, such termination to be effective upon the date of the vote or other action; or
3. The Customer fails or refuses to make payments in the ordinary course of business or becomes insolvent, makes an assignment for the benefit of creditors, or seeks the protection, by the filing of a petition or otherwise, of any bankruptcy or similar statute governing creditors' rights generally; or
4. The government or the governmental regulatory authority having jurisdiction over the Customer serves a notice of intention to suspend or revoke, or suspends or revokes, the operations or the charter of the Customer; or
5. A liquidating agent, conservator, or receiver is appointed for the Customer, or the Customer is placed in liquidation by any appropriate governmental, regulatory, or judicial authority; or
6. The Customer's right to engage in Activity or Digital Activity, as the case may be, is suspended by the Corporation due to the Customer's failure to comply with the

Corporation's Anti-Money Laundering and Sanctions Requirements in connection with its Program or to comply with applicable law or regulation, and such suspension continues for 26 consecutive weeks; or

7. The Customer fails to engage in Activity for 26 consecutive weeks; or
8. The Customer is no longer Licensed to use any of the Marks; or
9. The Customer (i) directly or indirectly engages in or facilitates any action or activity that is illegal, or that, in the good faith opinion of the Corporation, and whether or not addressed elsewhere in the Standards, has damaged or threatens to damage the goodwill or reputation of the Corporation or of any of its Marks; or (ii) makes or continues an association with a person or entity which association, in the good faith opinion of the Corporation, has damaged or threatens to damage the goodwill or reputation of the Corporation or of any of its Marks; or
10. The Customer (i) provides to the Corporation inaccurate material information or fails to disclose responsive material information in or in connection with its application for a License; or (ii) at any other time, in connection with its Participation or Activity fails to timely provide to the Corporation information requested by the Corporation and that the Customer is required to provide pursuant to the terms of the License or the Standards; or
11. The Customer fails at any time to satisfy any of the Customer eligibility criteria set forth in the Standards, or with respect to a Digital Activity Customer, all certifications granted by the Corporation in connection with the Digital Activity Customer's conduct of Digital Activity have been suspended or revoked; or
12. The Customer materially fails to operate at a scale or volume of operations consistent with the business plan approved by the Corporation in connection with the Customer's application to be a Customer or application for a License, or both, as the case may be, as required by Rule 2.2.1; or
13. The Corporation has reason to believe that the Customer is, or is a front for, or is assisting in the concealment of, a person or entity that engages in, attempts or threatens to engage in, or facilitates terrorist activity, narcotics trafficking, trafficking in persons, activities related to the proliferation of weapons of mass destruction, activity that violates or threatens to violate human rights or principles of national sovereignty, or money laundering to conceal any such activity. In this regard, and although not dispositive, the Corporation may consider the appearance of the Customer, its owner or a related person or entity on a United Nations or domestic or foreign governmental sanction list that identifies persons or entities believed to engage in such illicit activity; or
14. The Corporation has reason to believe that not terminating such Participation would be harmful to the Corporation's goodwill or reputation.

The Corporation may terminate any PTA Program and the associated PTA Agreement (a) upon ninety (90) days' notice, if the Corporation discontinues such PTA Program in one or more of the countries in a PTA Customer's Area of Use; (b) upon notice, if the Corporation is required to obtain a new license in order to provide such PTA Program in a PTA Customer's Area of Use; (c) upon thirty (30) or fewer days' notice, if required by applicable law or the relevant governing authority, if the Corporation is required by such law or governing authority to cease providing such PTA Program in one or more countries in the PTA Customer's Area of Use; (d) upon notice, if the Corporation determines in its sole discretion that a PTA Program cannot be provided in

compliance with applicable law or governing authority, or if applicable, Non-Mastercard Systems and Network Standards; or (e) upon notice, if the Corporation has received a claim or notice alleging that such PTA Program infringes or violates a third party's intellectual property right.

NOTE: A modification to this Rule appears in the "Europe Region" chapter.

1.13.3 Termination for Provision of Inaccurate Information

The Corporation, at any time and by written notice, may require a Customer to confirm the accuracy of information provided by the Customer to the Corporation pursuant to the Standards or the terms of the Licenses.

Within 30 days of receipt of such a notice, the Customer must demonstrate to the satisfaction of the Corporation that either: (i) the information provided was accurate; or (ii) with respect to any inaccurate information, such inaccurate information was provided to the Corporation through inadvertence or with a reasonable belief as to its truth and provide information sufficient to correct such inaccuracy. Without limiting any Corporation right of immediate termination set forth in Rule 1.13.2, the Corporation may terminate a Customer's Participation and/or Licenses without further notice should the Corporation determine that the Customer has failed to make a sufficient showing under (i) or (ii) above, that any Customer representation or demonstration under (i) or (ii) above was false, or should the Customer otherwise fail to comply with the obligations set forth in this Rule.

1.13.4 Rights, Liabilities, and Obligations of a Terminated Customer

All of the following apply with respect to a terminated Customer.

1. Except as otherwise set forth in the Standards, a terminated Customer has no right to use any Mark or to otherwise engage or participate in any Activity or Digital Activity. A terminated Customer must immediately cease its use of all Marks and must ensure that such Marks are no longer used by any of the following:
 - a. The Customer's Merchants;
 - b. Any Affiliate Sponsored by a terminated Principal or Association;
 - c. Any Service Providers that performs any service described in Rule 7.1, which service directly or indirectly supports a Program of a terminated Principal or Association and/or of any Affiliate Sponsored by a terminated Principal or Association;
 - d. Merchants of an Affiliate Sponsored by a terminated Principal or Association; or
 - e. Any other entity or person acting to provide, directly or indirectly, service related to Activity or Digital Activity undertaken pursuant to the authority or purported authority of the terminated Customer.
2. A terminated Customer is not entitled to any refund of dues, fees, assessments, or other payments and remains liable for, and must promptly pay to the Corporation (a) any and all applicable dues, fees, assessments, or other charges as provided in the Standards and (b) all other charges, debts, liabilities, and other amounts arising or owed in connection with the Customer's Activities or Digital Activities, whether arising, due, accrued, or owing before or after termination.
3. The terminated Customer must promptly cancel all Cards then outstanding that were issued by the terminated Customer and, if the terminated Customer is a Principal or

Association, by all of that Customer's Sponsored Affiliates. All Payment Applications resident on Chip Cards issued by a terminated Customer must be eradicated or disabled no more than six months after the effective date of termination. With respect to any such Card not used during the six-month period, the Issuer must block all Payment Applications the first time the Card goes online.

4. The terminated Customer must promptly cause all of its Cardholders and, if the terminated Customer is a Principal or Association, the Cardholders of its Sponsored Affiliates to be notified of the cancellation of Cards in writing. When the PTA Program includes PTA Transactions that are branded Mastercard or Maestro, the terminated PTA Customer must promptly cause all of its Account Holders and, if the terminated PTA Customer is a Principal or Association, must promptly cause the Account Holders of its Sponsored Affiliates to be notified of the termination of participation of PTA Accounts in the PTA Program in writing. Such notice must be in a form and substance satisfactory to the Corporation.
5. A terminated Customer must give prompt notice of its termination to any Merchants the Customer has authorized to honor Cards and/or PTA Transactions. If any such Merchant wishes to continue to accept Cards and/or PTA Transactions, the terminated Customer must cooperate with the Corporation and other Customers in facilitating the transfer of such Merchant to another Customer.
6. If a terminated Customer does not take an action that this Rule or any other Standard or that the Corporation otherwise requires, the Corporation may take any such required action without prior notice to the terminated Customer on behalf of and at the expense of the Customer.
7. If a Principal or Association that Sponsors one or more Affiliates terminates its Participation, such Principal or Association must cause each of its Sponsored Affiliates to take the actions required of a terminated Customer under this Rule, unless and to the extent that any such Affiliate becomes an Affiliate Sponsored by a different Principal or Association within a period of time acceptable to the Corporation.
8. If an Affiliate terminates its Licenses or its Sponsorship by a Principal or Association, the Sponsoring Principal or Association must cause the Affiliate to take the actions required of a terminated Customer under this Rule. If that Affiliate fails to so comply, the Corporation may take any action that this Rule requires without notice to the Affiliate or the Sponsoring Principal or Association on behalf of and at the expense of the Sponsoring Principal or Association.
9. If an Affiliate Sponsored by a Principal or Association ceases to be so Sponsored by that Principal or Association, such Principal or Association nonetheless is obligated, pursuant to and in accordance with the Standards, to accept from other Customers (a) the records of Transactions arising from the use of Cards issued by that formerly Sponsored Affiliate and whether such Transactions arise before or after the cessation of the Sponsorship and/or (b) the records of PTA Transactions arising from the use of PTA Accounts established by that formerly Sponsored Affiliate and whether such PTA Transactions arise before or after the cessation of the Sponsorship.
10. A terminated Customer has no right to present records of Transactions or PTA Transactions effected after the date of termination to any other Customer, except as permitted by the Standards.

11. A terminated Customer continues to have the rights and obligations set forth in the Standards and Licenses with respect to its use of the Marks and conduct of Activity until such time as the Corporation determines such rights or obligations or both cease.
12. A terminated Customer has a continuing obligation to provide promptly to the Corporation, on request, Customer Reports and any other information about Activity or Digital Activity.
13. A terminated Customer must, at the option of the Corporation, immediately either destroy, or take such steps as the Corporation may require regarding, all confidential and proprietary information of the Corporation in any form previously received as a Customer.
14. The Corporation may continue the Participation and Licenses or Digital Activity Agreements or PTA Agreements, as the case may be, of a terminated Customer for purposes of the orderly winding down or transfer of the terminated Customer's business. Such continuation of Participation and Licenses or Digital Activity Agreements or PTA Agreements is subject to such terms as may be required by the Corporation.