

# Terms and Conditions for Verification Code Authentication for Online Transaction

## PLEASE READ AND UNDERSTAND THESE TERMS AND CONDITIONS BEFORE YOU USE VERIFICATION CODE AUTHENTICATION FOR ONLINE TRANSACTION

The terms used in these Terms and Conditions are defined at the end.

### 1. The Service

1.1 Designated Merchants require Cardholders to verify their identity when using their Cards to effect online transactions on websites through the Internet or other means of telecommunication. We provide the Service and Verification Codes to Cardholders for such purpose as an enhanced security feature.

1.2 We draw your particular attention to the following characteristics and matters about the Service:

- (a) The Service will be initiated automatically by an online transaction flow involving a Card as determined by us from time to time, having regard to the transaction amount and other factors prescribed by us from time to time.
- (b) Each time when your Card is used for an online transaction initiating the Service, we will transmit a Verification Code through SMS to your mobile phone.
- (c) We will transmit Verification Codes to the mobile phone number last notified by you or your company (in the case of Commercial Cards) according to our record.
- (d) You are solely responsible for checking with us to ensure that your mobile phone number on our record is current and valid for sending Verification Codes and for notifying us of any change of your mobile phone number from time to time. If your Card is a Commercial Card, you or your company is responsible for notifying us of any change of your mobile phone number from time to time. If you or your company notify us of a change of your mobile phone number, we will require three working days to update our record.

### 2. Use of the Service subject to these Terms and Conditions

2.1 Our provision and your use of the Service are subject to these Terms and Conditions. Once you submit the Verification Code in order to use the Service, you will be regarded as having accepted and will be bound by these Terms and Conditions. In addition, all agreements, terms and conditions and conditions of use governing the respective Cards covered by the Service from time to time continue to apply unless we agree otherwise. For the purpose of the Service, the provisions of these Terms and Conditions prevail over such other agreements, terms and conditions and conditions of use to the extent of any inconsistency between them.

2.2 We provide the Service on an "as is" and "as available" basis.

2.3 We have the right to specify or vary from time to time the features of the Service without prior notice including the following:

- (a) the Designated Merchants;
- (b) each amount in the applicable currency for triggering the Verification Code authentication requirement for an online transaction using a Card; and
- (c) the Card type supported by the Service.

2.4 We provide the Service subject to the following:

- (a) You or your company (in the case of Commercial Cards) must have at least one mobile phone number on our record. You or your company (in the case of Commercial Cards) are also required to provide us with such other information as we may reasonably require to enable you to use the Service. You or your company (in the case of Commercial Cards) are solely responsible for ensuring that all information provided to us is current, complete and accurate and for notifying us of any change in such information from time to time. If you or your company (in the case of Commercial Cards) fail to provide us with correct and up-to-date information, you may be unable to use the Service or we may have sent Verification Codes to another mobile phone number. If you subscribe to an 'SMS Forwarding' service provided by a mobile service provider in Hong Kong, SMS messages will not be forwarded. In any of these cases, you will be unable to effect the online transaction with your Card.
- (b) You must have immediate access to SMS messages delivered to the mobile phone number last notified by you according to our record. You acknowledge that your mobile service provider may impose restrictions on receiving Verification Codes via SMS if you are outside of Hong Kong or if you use an overseas mobile service network, in which case you may be unable to receive Verification Codes to effect online transactions with your Card. Your mobile service provider may also impose service fees and charges for receiving Verification Codes via SMS. You are solely responsible for paying any fees and charges levied by your mobile service provider or any other person in connection with receiving Verification Codes via SMS on your mobile phone.

### 3. Your confirmation and responsibility

- 3.1 You confirm and authorise us to verify your identity to the Designated Merchants through the Service each time your Card is used for online transaction with the respective Designated Merchants requiring Verification Code authentication.
- 3.2 You must act in good faith and exercise reasonable care when using the Service, including taking the following security measures in addition to the ones stated in the relevant Cardholder Agreement:
- (a) you should not disclose any Verification Code relating to your Card to any other person or permit or enable any other person to obtain such Verification Codes;
  - (b) you should take reasonable precautions to prevent the Verification Code from unauthorised or fraudulent use, including protecting your mobile phone from unauthorised access;
  - (c) if you are aware of or suspect any disclosure or unauthorised use of the Verification Code or misuse of the Service relating to your Card, you should promptly notify us by calling our Customer Service Hotline.;
  - (d) you should immediately notify your mobile service provider and us if you have lost your mobile phone used to receive Verification Codes;
  - (e) you or your company (in the case of Commercial Cards) should notify us as soon as reasonably practicable and update the bank record if there is change of your mobile phone number; and
  - (f) you should observe all guidelines, security recommendations and other communications provided by us from time to time about the use of the Service and Verification Codes.
- 3.3 All transactions effected with your Card where your identity is verified through the Service constitute “transaction” or Card Transactions as defined under or otherwise referred to in the Cardholder Agreement. You and/or your company (in the case of Commercial Cards) are liable for those transactions in accordance with the provisions of the Cardholder Agreement, including the provisions relating to your and/or your company’s liability for unauthorised transactions or Card Transactions if you acted fraudulently or with gross negligence. **Your failure to follow any of the security measures recommended by us from time to time regarding the use or safekeeping of your Card or PIN (including Verification Codes) may be treated as your and/or your company’s gross negligence.**

### 4. Limitation of our liability

- 4.1 We do not give warranty, whether express or implied, of any kind relating to the Service including any warranty of merchantability, fitness for a particular purpose, title or non-infringement of right.
- 4.2 You understand that the use of the Service does not guarantee that Designated Merchants will accept your Card for online transaction, and that our provision of the Service does not mean we recommend or endorse any of the Designated Merchants or are responsible for the quality of any Designated Merchant’s goods or services.
- 4.3 We are not liable for any loss, damages or expenses of any kind incurred or suffered by you arising from or in connection with your use of or inability to use the Service, or any failure or error in transmitting Verification Codes unless it is caused solely and directly by the negligence or wilful default on our part or on the part of our employees or agents.
- 4.4 Transmission of Verification Codes via SMS may fail or may be delayed or interrupted due to the traffic over the mobile service network of your mobile service provider. We are not liable for any loss, damages or expenses of any kind incurred or suffered by you arising from or in connection with any failure, delay or interruption in transmitting Verification Codes or any suspension or unavailability of the Service due to any failure of the mobile service network or any other circumstance beyond our reasonable control.
- 4.5 Under no circumstances are we liable for any indirect, special, incidental, consequential, punitive or exemplary loss or damages, including loss of profits, loss due to business interruption or loss of any programme or data in your computer system, mobile phone or any other telecommunication devices.

### 5. Modification, suspension and termination of the Service

We have the right to modify, suspend or terminate the Service or its use (or any part thereof) by you or as a whole at any time without giving prior notice or reason where we reasonably consider necessary or advisable to do so. These cases may include actual or suspected breach of security, or where we reasonably believe that the information you provided to us is untrue, inaccurate, out-dated or incomplete.

### 6. Variation of these Terms and Conditions

We have the right to vary these Terms and Conditions from time to time. We may give you prior notice in a manner we consider appropriate. You will be bound by any variation if you use the Service on or after the effective date of the variation.

### 7. Third party rights

No person other than you and us will have any right under the Contracts (Rights of Third Parties) Ordinance to enforce or enjoy the benefit of any of the provisions of these Terms and Conditions.

## 8. Governing law

These Terms and Conditions are governed by and construed according to Hong Kong laws. You submit to the non-exclusive jurisdiction of the Hong Kong courts but these Terms and Conditions may be enforced in the courts of any competent jurisdiction.

## 9. Miscellaneous

9.1 Each provision of these Terms and Conditions is severable from the others. If at any time any provision is or becomes illegal, invalid or unenforceable in any respect under Hong Kong law or the laws of any other jurisdiction, the legality, validity or enforceability of the remaining provisions shall not be affected in any way.

9.2 The English version of these Terms and Conditions prevail to the extent of any inconsistency between the English and the Chinese versions. Any Chinese version of these Terms and Conditions is for reference only.

### Definitions

**Card** means any Visa, Mastercard, or UnionPay credit or debit card from time to time issued by us either as a primary card or as an additional card, and includes any Business Card, Corporate Card and Purchasing Card (together, "**Commercial Cards**").

**Cardholder Agreement** means the agreement between (i) you and/or your company (in the case of Commercial Cards) and (ii) us from time to time (whether in the form of an agreement, terms and conditions, conditions of use or any other form) governing the supply and use of your Card.

**Designated Merchant** means any merchant who offers online transaction service that requires identity authentication for payment by credit or debit card using "Visa Secure", "Mastercard ID Check" or "UnionPay Online Payment" or such other authentication service or means from time to time prescribed or accepted by us.

**Hong Kong** means the Hong Kong Special Administrative Region of the People's Republic of China.

**PIN** means personal identification number or any code or number that is used by us to identify you when you access information, give instructions or make a transaction using a Card, internet banking, phone banking or any other service.

**Service** means online transaction authentication using a Verification Code.

**SMS** means short message service.

**Verification Code** means each one-time password or such other authentication information or tool as we may provide from time to time under the Service.

**we, us, our** means The Hongkong and Shanghai Banking Corporation Limited and its successors and assigns.

**you or your or Cardholder** means the person to whom we issue a Card.

(NOTE: In case of discrepancies between the English and Chinese versions, the English version shall apply and prevail.)

Issued by The Hongkong and Shanghai Banking Corporation Limited