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ARKANSAS SECURITIES DEPARTMENT

VIA REGULAR U.S. MAIL

December 28, 2017

Christopher Chen
Facebook Payments Inc.
1601 Willow Road
Menlo Park, CA 94025

Karyn H. Tierney
Arkansas Bar No. 2003120
ktierney@securities.arkansas.gov

RE: Facebook Payments Inc.
No Action No. 17-NA-0006

Dear Mr. Chen:

The Arkansas Securities Department ("Department") is in receipt of your letter dated November 1, 2017, and subsequent information provided thereafter, requesting that the Department issue an no-action letter concerning the applicability of the Arkansas Uniform Money Services Act ("UMSA") as codified at Ark. Code Ann. § 23-55-101 through 1006, to the need for a payment processing service supported by Facebook Payments Inc. to be reported as money transmission activity.

Based upon the specific facts contained in your request the Staff will not recommend that the Arkansas Securities Commissioner take an enforcement against Facebook Payments Inc. if it does not report the payment processing activities detailed in your letter as money transmission activity to the Arkansas Securities Department.

Please note that the position of the Staff of the Department is based solely upon the representations made in your request letter and information provided and applies only to the facts as set out therein. Different facts or circumstances might and often would require a different response or opinion from the Staff of the Department. The position of the Staff of the Department expressed in this letter only deals with anticipated enforcement action by the Department. Further, the position of the Staff of the Department does not purport to be and should not be interpreted to be a legal opinion.

Sincerely,


Karyn H. Tierney
Arkansas Securities Department



1601 willow road, menlo park, california 94025

November 1, 2017

**CONFIDENTIAL
VIA EMAIL**

Karyn Tierney
Arkansas Securities Department
Heritage Building West, Suite 300
201 East Markham Street
Little Rock, AR 72201

Re: Facebook Payments Inc. ("Facebook Payments")
Money Transmission License #43347- Request for Regulatory Guidance

Dear Karyn:

Facebook Payments requests a determination from the Arkansas Securities Department, as to whether certain business activities of Facebook Payments fall outside the scope of money transmitter definitions as outlined in the Arkansas Uniform Money Services Act, Ark. Code Ann. §§ 23-55-101 through 23-55-1005.

Facebook Payments currently facilitates purchases of digital goods by its Users through the www.facebook.com site via an online games marketplace which enables developers to sell digital goods via "in-game" purchases to their customers. Developers have an arrangement with Facebook governed by the Developer Payment Terms while Users agree to the Community Payments Terms (Exhibit A & B respectively).

We believe that the current payment model for digital goods purchases falls outside the scope of money transmitter definitions as outlined in §§ 23-55-102 of the Arkansas Uniform Money Services Act.

The user experience for each payment type are displayed in Exhibits C and the Funds Flow diagram for the different payment types are attached in separate file in the email.

Thank you for your consideration of our request. Please let us know if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'C Chen', with a long horizontal flourish extending to the right.

Christopher Chen, Head of Regulatory Oversight
Facebook Payments Inc.

Exhibit A

Developer Payment Terms

Payments Terms

The Facebook Payments service (“Facebook Payments”) helps developers who wish to offer premium in-game content generate revenue, so they can focus on creating apps, games, and features (generically, “apps”) rather than on building payment systems

Date of Last Revision: December 29, 2016

To enhance the quality, convenience, and security of the user experience on Facebook, these Facebook Developer Payments Terms (the “Terms”) apply to all developers of apps using Facebook Payments. We have provided section headers for your convenience, but you should carefully read through these Terms in order to understand your rights and responsibilities, as well as ours.

This agreement was written in English (US). To the extent any translated version of this agreement conflicts with the English version, the English version controls.

1. Transactions

1. Eligibility . We may approve or deny your request to integrate Facebook Payments at our sole discretion. You must be eighteen (18) years of age or older to integrate Facebook Payments in your app; in addition, you may not be listed as an administrator for a Payments-enabled app if you are under the age of sixteen (16). We may also revoke your eligibility to continue utilizing Facebook Payments at any time at our sole discretion.
2. Roles of parties . You accept responsibility for fulfilling each transaction pursuant to the terms you offer. Facebook is not involved in any underlying transaction between or among developers and users except as noted in Section 3.9 of these Terms.

3. Pricing . Price-setting in apps is governed by the following rules:
 1. You may price items for sale in your own local currency where such pricing is supported.
 2. You may not price an item differently based on a user's electronic value Balance.
 3. You may allow users to import your in-game virtual currency or items from your website or other platform that the user is connected to, but you must adhere to the following:
 1. You must offer the same price on Facebook that you offer to logged-in Facebook users on your own website or other platform app; and
 2. You may not incentivize logged-in Facebook users to make a purchase on your website or in an app on another platform by, for example, providing free or discounted goods or services that are not available to purchasers on Facebook.
4. Prohibitions . Facebook Payments does not allow the following types of transactions:
 1. You may not conduct a transaction for which the promotion or execution is prohibited on Facebook.
 2. You may not utilize Facebook Payments to sell virtual currency or other stored-value items that can be used outside of the app where the transaction was completed, and must not allow users to cash out, redeem, or otherwise receive anything of value in exchange for anything purchased using Facebook Payments. In addition, you may not accept electronic value from a user in one app and then deliver or transfer the purchased item to the user in another app without our prior authorization. For example, an app solely designed to facilitate transactions is not permitted.
 3. Except as a method of purchasing within your app in accordance with these Terms or with our prior written authorization, you may not sell,

trade, or exchange electronic value, including without limitation Gift Card balances, with any third party, nor may you enable or allow others to do so.

4. Except with our prior authorization, you may not accept payments for tangible goods, including as payment for anything that may subsequently be used to acquire tangible goods, defined as any good that is physically delivered to a user.
 5. Except with our prior authorization, you may not use Facebook Payments to solicit, collect, or transfer funds for charitable causes.
 6. Any items, virtual currency, or services you offer on or through Facebook are considered to be content or apps posted by you to Facebook under the [Statement of Rights and Responsibilities](#). You may not offer any items, virtual currency, or services on or through Facebook that require consent or other rights from any third party unless you have obtained all such rights. You may not offer any item, virtual currency, or service that would require us to pay any fee or royalty to any third party. You agree to indemnify and hold us harmless from and against any claim arising out of or related to your failure to comply with this paragraph.
 7. Except with our prior authorization, you may not administer a promotion on Facebook in which a user's purchase of in-game items or virtual currency contributes to or results in eligibility to win any prize of value. To request permission, please [contact us](#) and include an opinion letter from your legal counsel that explains why your game does not constitute gambling and instead is a lawful activity in all jurisdictions where the promotion is available to users.
-
5. [Non-disclosure](#). You will not use or disclose any user's payment information obtained from us for any purpose other than to complete the transaction for which the information was obtained.
 6. [Other terms apply](#). You may offer supplemental terms and conditions in conjunction with your sales; however they may not conflict with Facebook terms or policies. You must comply with Facebook's [Brand Asset Guidelines](#).

2. Balance Tracking

1. Developer Balance . Developers using Facebook Payments will have a Developer Balance with Facebook. Whenever you complete a sale on our platform, Facebook will credit the proceeds from that sale, less our service fee, to your Developer Balance. Facebook will earn a 30% service fee, plus any applicable sales tax or VAT, in connection with each Facebook Payments transaction on our platform.
2. Nature of Service . Facebook is not a bank and does not offer banking services. You will not earn interest on your Developer Balance. Developer Balances are not deposit obligations and are not insured by the Federal Deposit Insurance Corporation, the Financial Services Compensation Scheme, or any other entity or insurance scheme, whether governmental or private. All Developer Balances are held and expressed in United States Dollars; if your transaction was in a different currency, proceeds from the sale will be converted at the time of the transaction according to the day's published exchange rate before being credited to your Developer Balance.
3. Payout . We will redeem your Developer Balance according to the following rules:
 1. We can redeem your Developer Balance only if we have your current banking information and any other information we need to make the payment on record, including, if required, identification and tax and business formation documentation. A list of our current payout methods is posted [on our site](#) .
 2. We will make Developer Balance redemption payments only to the account entered by the developer in the Payout Information field of the Developer's [Company Settings](/settings?tab=payments)
 3. Facebook will redeem your Developer Balance approximately 21 days following the end of the bimonthly period (either the 1st through

15th of the month or the 16th through the end of the month) in which the transaction occurred, except as otherwise set forth herein.

4. Developer Balances will be redeemed only in United States Dollars.
5. If a Developer Balance redemption payment for any given pay period would be less than One Hundred United States Dollars (\$100.00), we will roll payment over to the next month, unless your account is being deactivated or deleted, or if it has been one year since either your last redemption payment or your first use of Facebook Payments or Credits.
6. We may delay payout related to any investigation we are conducting, but in no case longer than 180 days after the transaction.
7. We may withhold from redemption any Developer Balance or portion thereof that was earned due to any breach of any Facebook terms or policies by you, or that was transferred based on fraudulent or illegal transactions, or that was alleged by a user to have been transferred without his or her consent, or that resulted in returned, undelivered, rejected, or defective goods or services or transactions.
8. We may deduct from payout any amounts for which you are past due to Facebook on any payment in connection with any Facebook program.
9. If you owe Facebook an amount exceeding your Developer Balance, we may charge or debit a payment instrument registered with your account to cover the amount owed. Your failure to pay fully any amounts owed to Facebook on demand will be a violation of these Terms, and you will be liable not only for the amount collected but also for Facebook's costs associated with collection, including without limitation attorney fees, court costs, collection agency fees, and any applicable interest.

10. As further described in Section 3.9 of these Terms, it is your responsibility to remit all duties, taxes (including without limitation sales tax and VAT) and other fees that apply to your transactions, including the redemption of any Developer Balance. Facebook complies with tax and legal informational reporting requirements in various jurisdictions.

4. Discrepancies . If Facebook makes a redemption payment to you in error, you are liable for the full amount of that payout. You agree to reverse the payment associated with that redemption or to permit Facebook to reverse the payment. You must provide written notification of any disputed payout within 30 days of receipt of the associated payment. Failure to do so constitutes a waiver by you of any claim relating to the payout.

5. Abandoned Property . If we are unable to pay you because you have not provided valid payment information or, where required, valid identification information, we may terminate your ability to maintain your Developer Balance to the extent permissible by law, and process any remaining Developer Balance in accordance with applicable law.

3. Your Responsibilities and Risks

1. Voidability . You acknowledge that transactions with minors may be voidable by law and agree that you may be required to refund amounts paid.

2. Dispute resolution . You are solely responsible for the resolution of disputes between yourself and users, including without limitation disputes that we refer to you or notify you of via tools or systems we may provide. We have the right, but not the obligation, to assist in the resolution of such disputes.

3. Cooperation . You agree to provide us with any records that we request related to a dispute between you and a user. You agree to notify us in a timely manner if you receive an inquiry from any government agency about Facebook Payments.

4. Fraud . You agree to cooperate with us to prevent fraudulent or illegal transactions. As part of our efforts to deter fraud and suspicious transactions, we may limit the number of transactions or volume of payments you are able to accept during a given period of time. We may also may suspend, remove, or disable access to any product or service you offer at any time without notice, and we will have no liability for removing or disabling access to any such product or service.

5. No Liability . We will not be liable to you for compensation, reimbursement, or damages on account of the loss of prospective profits, anticipated sales, or goodwill, or on account of expenditures, investments, or commitments in connection with your use of Facebook Payments, or for any termination or suspension of Facebook Payments services.

6. Subscriptions . If you offer subscriptions to your app or to a feature within your app, you must continue to make the app or feature available to subscribed users through the end of any active subscription period, or refund any remaining subscriptions on a pro-rated basis.

7. Chargebacks . You will be liable for all Chargebacks relating to transactions discovered within 90 days of the transaction. By “Chargebacks” we mean any reversals of payment initiated by a third-party payment provider. We will assume responsibility for Chargebacks discovered after the 90th day unless: (a) we determine you conducted the transaction in connection with a breach of Facebook rules or policies, or (b) your Chargeback rate for any one of the prior three months exceeds five percent of your total transaction volume for that month.

8. Offset . If we provide refunds or other compensation to a user as a result of either the user’s transaction with you using Facebook Payments or any claims made by third parties arising from your products or services, then you agree that we may recover from you any monetary loss related to such provision.

9. Taxes . The following rules regarding taxes apply:
 1. If you are a U.S.-based developer, you acknowledge that Facebook in tax year 2011 began reporting to the Internal Revenue Service on

IRS Form 1099K the gross amount of the payments you receive each calendar year if, in that calendar year, you (i) receive more than \$20,000 and (ii) receive more than 200 payments. If duties, taxes, or fees apply to the redemption of a Developer Balance, we may adjust the service fee so that the net amount we receive remains at 30%. You agree to indemnify and hold us harmless from and against any claim arising out of or related to your failure to comply with this paragraph.

2. On your sales to users based in the European Union (EU) member countries, we will withhold from your payout and remit applicable EU VAT based on user locations to relevant competent tax authorities. You also acknowledge and accept Facebook's self-billing arrangement where it is accepted under local VAT regulation. Effective January 1, 2017, we will begin to withhold from your payout and remit applicable VAT or GST based on user locations to relevant tax authorities in the following countries: New Zealand, Russia, and South Korea. Effective July 1, 2017, we will do the same for Australia. You further acknowledge that Facebook's compliance with this change in laws in these countries does not change the relationship, rights and obligations between you and user, or between you and Facebook. You agree to indemnify and hold us harmless from and against any claim arising out of or related to your failure to comply with this paragraph.

4. Additional Terms

1. Conflict of terms . In the event of any conflict between the Statement of Rights and Responsibilities and these Terms, these Terms control.
2. Conflict of laws . Some countries may restrict or prohibit your ability to make payments through Facebook. Nothing in these Terms should be read to override or circumvent any such foreign laws.
3. Courtesy translations . These Terms were written in English (US). To the extent any translated version of these terms conflicts with the English version, the English version controls.

4. Assignment . Facebook may assign or delegate any of its obligations and/or rights arising under these Terms without restriction.

5. Amendments . We may revise these Terms at any time without prior notice as we deem necessary to the full extent permitted by law. The Terms in place at the time you confirm a transaction will govern that transaction.

6. Notice to you . We may provide notices to you by posting them on the [Facebook Developer Blog](#) , or by sending them to an email address or street address that you previously provided to us. Website and email notices will be considered received by you within 24 hours of the time posted or sent; notices by postal mail will be considered received within three business days of the time sent. We will give you 30 days' notice of changes to our service fee.

7. Notice to us . Except as otherwise stated, you must send notices to us relating to Facebook Payments and these Terms by postal mail to: Facebook, Attn: Legal Department, 1601 Willow Avenue, Menlo Park, California, 94025.

8. "Us" . The following are the entities to which "us," "we," "our," or "Facebook" refer:
 1. If you are a resident of or have your principal place of business in the U.S. or Canada, these Terms are between you and Facebook Payments Inc., a Florida corporation.

 2. If you are a resident of or have your principal place of business in a country other than the U.S. or Canada, these Terms are between you and Facebook Payments International Ltd., a private limited company in the Republic of Ireland. However, all transactions funded with a user's electronic value Balance are processed by Facebook Payments Inc., a Florida corporation.

Exhibit B

Community Payments Terms

Community Payments Terms

Last updated: November 14, 2016

If you are under the age of eighteen (18), you may use Facebook Payments only with the involvement of your parent or guardian. Make sure you review these Terms with your parent or guardian so that you both understand all of your rights and responsibilities.

We have provided some section headers for your convenience, but you should carefully read through these Community Payments Terms (the "Terms") in order to understand your rights and responsibilities, as well as ours.



When you use the Facebook Payments service to pay for things on Facebook, you agree that we may **communicate with you electronically** any important information regarding your purchases or your account.



Protecting the privacy of your financial information is important to us. Please review our **Privacy Policy** including our Annual Privacy Notice to learn more about what information we share, what we do not share, and how we keep your information safe.

1. Making Purchases

1. **Funding and spending.** When you make a purchase using Facebook Payments, you agree to provide a valid funding instrument to load money into your electronic value balance. When you have successfully completed this funding transaction, we will then transfer that value to the developer offering the content you wish to purchase.
2. **Pricing.** Pay attention to the details of the transaction, because your total price may include taxes, fees, and shipping costs, all of which you are responsible for funding.
3. **Extra terms.** You may be presented with additional terms related to a specific purchase before you confirm the transaction (such as shipping terms for tangible goods). Those additional terms will also govern that transaction.

4. Subscriptions. If you purchase a subscription to an app or to a feature within an app, we will bill your funding instrument immediately, and then again at the beginning of each subscription period. The following terms apply for subscriptions purchased through Facebook Payments:
 1. If a free trial period is offered and you do not cancel during the free trial period, you will be billed at the end of the free trial period and at the beginning of each subsequent subscription period.
 2. You can cancel subscriptions at any time on your Account Settings page.
 3. If you cancel a subscription you will still have access to the app or feature you subscribed to through the end of the subscription period. If an app or feature you subscribed to becomes unavailable during your subscription you will not be billed at the beginning of the next subscription period.
5. Sponsored posts. Posts you have Sponsored are subject to our [Advertising Guidelines](#).
6. Actual sale. With the sole exception of Section 1.7, below, you may only use Facebook Payments to process a funding transaction for a legitimate, bona fide purchase of a product or service. Except as set forth below, you may not use Facebook Payments to fund a transaction or otherwise transfer electronic value not in conjunction with a purchase.
7. Person-to-Person Transfer. Person-to-Person transfer of electronic value ("P2P") may be made available to you in the Messenger service at our sole discretion. If you use P2P, you consent to the following applicable risks and other terms:
 1. We may require that you provide more information in order to complete a transaction.
 2. P2P is not intended to be used for business, commercial, or merchant transactions and such use may be discontinued without notice by us at any time. We may reverse or place a hold on your transactions or place a reserve on your funds if evidence of business, commercial, or merchant use is discovered.
 3. If you receive and accept a P2P transfer you are liable to us for not only the payment but also any fees that may result from a later invalidation of that payment for any reason, including without limitation if you lose a claim or a chargeback, or if the payment is reversed. You agree to allow us to recover any amounts due to us by debiting from your electronic value balance. If your electronic value balance is insufficient to cover this amount, we reserve the right to charge your funding instrument or take any other legal action to collect the funds to the full extent allowed by applicable law.
 4. P2P use is at your sole risk and we assume no responsibility for the underlying transaction of funds, or the actions or identity of any transfer recipient or sender. Disputes regarding funds are between you and the sender of a payment. If a sender files a claim for a chargeback after a P2P transaction, we are not responsible for determining the veracity of claims or the disposition of the payment.
 5. Use of P2P may subject you to fees including without limitation those from third parties, such as reversal charges or other fees for insufficient funds if your attempted payment is rejected.
 6. P2P must be used in compliance with applicable law and may not be used in connection with any illegal or illicit transaction. If illegal or illicit transactions are reported or discovered, we reserve the right to take action including without limitation the following, without notice to you: place a hold on your transactions; place a reserve on your funds; limit your ability to use Facebook Payments; report the activity to authorities; or deactivate your account entirely.
 7. Minnesota residents: To opt out of P2P, please send written notice of your choice to: Facebook Payments Inc., 1601 Willow Rd, Menlo Park, CA, 94025. Note that opting out of P2P may affect your ability to make other transactions using Facebook Payments.

8. EU Right to Cancel. If you are in the EU, you consent to the performance of this contract for your purchase, and waive any Right to Cancel provided by the Consumer Rights Directive (2011/83/EU) or similar implementing regulations.

9. No Warranties. You acknowledge that the products or services you may purchase are sold by merchants, not by Facebook. WE MAKE NO WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO ANY PRODUCTS OR SERVICES SOLD ON OR THROUGH FACEBOOK.

2. Payment Methods

1. Funding instruments. We want to make Facebook Payments convenient, so we allow you to fund your transactions using a number of different sources, like credit cards and debit cards, Facebook Gift Cards, and other payment methods.

2. Authority. When you provide a funding instrument to us, you confirm that you are permitted to use that funding instrument. When you fund a transaction, you authorize us (and our designated payment processor) to charge the full amount to the funding instrument you designate for the transaction. You also authorize us to collect and store that funding instrument, along with other related transaction information.

3. Authorization. If you pay by credit or debit card, we may obtain a pre-approval from the issuer of the card for an amount, which may be as high as the full price of your purchase. We will bill your card at the time you load funds for your Facebook Payments transaction, or shortly thereafter. If you cancel a transaction before completion, this pre-approval may result in those funds not otherwise being immediately available to you.

4. Failed funding. If you fund a payment by debit card and your load transaction results in an overdraft or other fee from your bank, you alone are responsible for that fee.

5. Facebook Gift Cards. Facebook Gift Cards may be used to increase your electronic value balance ("Balance") on Facebook. You can then use this Balance on our platform as a payment method. The following terms apply to Balances:
 1. If you enter the Gift Card's PIN and click "Redeem" at www.facebook.com/giftcards/redeem, we will credit the Gift Card's value to your Balance. Once you have entered the PIN on your Gift Card, the value you received can't be restored to the original Gift Card.
 2. All Gift Cards converted at www.facebook.com/giftcards/redeem as described above will result in Balances that can be used across the platform; your Balance will be applied toward funding transactions you wish to execute, and if your Balance is insufficient to complete a transaction, we will ask you to elect an additional payment method to cover the difference. Gift Cards converted in certain games, however, may result in value that can only be used within that game, or in other games from the same developer.

3. Facebook is not a bank, so Gift Card balances are not deposits and they do not earn interest. Gift Card balances are not insured by the Federal Deposit Insurance Corporation, the Financial Services Compensation Scheme, or any other entity or insurance scheme, whether governmental or private.
 4. We may change the process to convert Gift Cards into electronic value, or the ways that you can use your resulting Balance, at any time as we deem necessary without prior notice to the full extent permitted by law.
 5. Some Facebook Gift Cards have bonus offers. Bonus offers are open to customers who redeem a participating Facebook Gift Card during the offer period stated on the Gift Card packaging. To obtain the bonus item, visit www.facebook.com/giftcards/redeem, enter the Gift Card PIN when prompted, and follow the instructions to receive your item. We will not give notice of the expiration of these bonus offers. Free gift items may vary; average retail value of items will range from approximately one to fifteen USD (\$1-15). Bonus offers may not be combined with other offers and discounts, nor exchanged, nor redeemed for cash. Other terms and conditions may apply to the use of Facebook Gift Cards and of www.facebook.com; see site for details.
 6. You may not sell your Balance or any portion thereof, nor transfer any portion thereof to anyone outside of Facebook.
 7. Balances are not redeemable for any sum of money or monetary value from us unless required by law.
 8. Facebook Gift Cards and Balances don't expire. However, Balances are subject to our Abandoned Property provision (Section 3.6, below).
6. **Incompatibility.** You may at some point encounter an app or feature that does not support the payment method you would prefer to use – for example, if an item or feature that you wish to purchase is priced in local currency, you won't be able to use Credits as a payment method; however, you can select a different type of payment instrument (such as credit or debit card, or mobile operator billing).
 7. **Mobile billing.** Mobile operator billing is another payment method we have made available for your convenience. If you use mobile billing as a funding instrument, you consent to the following applicable risks and other terms:
 1. By choosing the mobile billing payment method, you agree that we and your mobile operator may exchange information about you in order to facilitate completion or reversal of payments, resolution of disputes, provision of customer support, or other billing-related activity.
 2. You are responsible for any charges, fees, changes to your mobile plan service or billing, alterations to your mobile device, or any other consequence that may arise out of your use of mobile billing.
 3. If you use mobile billing, you are bound not only by these Terms, but also by the terms and conditions of your mobile operator.
 4. If you have questions about any charges or fees that appear on your mobile phone bill, you may contact your mobile provider's customer service division.
 5. Sometimes, use of mobile billing in a funding transaction may lead to charges that, for various technical reasons beyond our control, cannot be refunded to you. In these cases, we have the right, but not the obligation, to issue you a courtesy credit to your electronic value Balance.

8. Boleto (Pre-paid). If you use boleto as a payment method, you consent to the following applicable risks and other terms:
 1. Refunds. Due to technical limitations, we are able to provide refunds ONLY by making cash deposit into a bank account. If you make a purchase with boleto and later request a refund for any reason, you MUST have a bank account in order to receive the refund. Additionally, the name on the bank account receiving the refund deposit MUST match the name on the boleto used to make the payment.
 2. Safety. We may delay or limit the availability of your purchase, for either safety reasons, or to make sure we possess all relevant information necessary to process the payment and deliver to you what you have paid for.
 3. Information. You agree and consent that we will store your tax id (CNPJ/CPF). We may use your tax id to obtain additional information about you, necessary to process the payment, from the federal tax id registration database provided by the Brazilian government, via a third-party processor. We will also submit final tax documents to the Brazilian government as required.

3. Actions We May Take

1. At-will use. We may revoke your eligibility to use Facebook Payments at any time at our sole discretion.
2. Inquiries. By using Facebook Payments, you acknowledge and agree that we may make any inquiries that we consider necessary, either directly or through third parties, concerning your identity and creditworthiness.
3. Our right to cancel. We may cancel any transaction if we believe the transaction violates these Terms or the [Statement of Rights and Responsibilities](#), or if we believe doing so may prevent financial loss. We may also cancel any electronic value accumulated, transferred, assigned, or sold as a result of fraudulent or illegal behavior.
4. Payment limitations. In order to prevent financial loss to you or to us, we may place a delay on a payment for a period of time, or limit funding instruments for a transaction, or limit your ability to make a purchase, or deactivate your account.
5. Sharing of information. In order to prevent financial loss to you or to us, we may contact your funding instrument issuer, law enforcement, or affected third parties (including other users) and share details of any payments you are associated with, if we believe doing so may prevent financial loss or a violation of law.

6. Abandoned Property. If you leave a Balance unused for the period of time set forth by your state, country, or other governing body in its unclaimed property laws, or if you delete your account and leave a Balance, or if we deactivate your account and you do not meet any conditions necessary to reinstate it within six (6) months, we may process your balance in accordance with our legal obligations, including by submitting funds associated with your Balance to the appropriate governing body as required by law.

4. Disputes and Reversals

1. Customer assistance. Subject to Sections 4.2, 4.3, 4.4, and 4.5 below, we provide various tools in our Facebook Payments [Support Center](#) to assist you in communicating with a third party to resolve a dispute arising from a payment transaction.
2. No liability for spend transaction. If you enter into a transaction with a third party and have a dispute over the goods or services you purchased, we have no liability for the goods or services underlying the transaction. Our only responsibility is to handle your funding transaction. All funding transactions are final unless otherwise required by law. If you order something that becomes unavailable before it can be provided to you, you may request a refund of your funded amount.
3. Duty to notify us. If you believe that an unauthorized or otherwise problematic transaction has taken place under your account, you agree to notify us immediately, so that we may take action to prevent financial loss. Unless you submit the claim to us within 30 days after the charge, you will have waived, to the fullest extent permitted by law, all claims against us arising out of or otherwise related to the transaction.
4. Intervention. We may intervene in disputes concerning payments that may arise between you and a developer, but we have no obligation to do so.
5. Technical difficulties. If you experience a technical failure or interruption of service that causes your funding transaction to fail, you may request that your transaction be completed at a later time.

5. Special Provisions Applicable to Advertisers

1. Agreement to pay. When you purchase advertising or promoted posts on or through Facebook, you agree to pay all amounts specified in the order, along with any applicable taxes.
2. Consent to credit check. Without limiting Section 3.2 above, your order constitutes your written authorization for us to obtain your personal and/or business credit report from a credit bureau. We may obtain your credit report when you place an order, or at any time thereafter.

3. Security. You are responsible for maintaining the security of your advertising account, and you understand that you will be charged for any orders placed on or through your advertising account.
4. Direct debit. If you are making direct debit payments, you agree that we can charge you any amount that falls within the range you agreed to upon signup. We will notify you in advance if any charge will exceed the agreed-upon range. If you want to change your preferred payment method from direct debit, you can do so from within your Facebook Payment Settings.
5. Cancellation. You can cancel an advertising order at any time through our online portal, but your ads may run for several days after you notify us, and you are still responsible for paying for those ads.
6. Tax liability. The amounts charged to you by us, whether through your credit card or otherwise, may be subject to and include applicable taxes, including without limitation withholding taxes. It is your responsibility to remit any taxes that apply to your transactions. You agree to indemnify and hold us harmless from and against any claim arising out of your failure to do so.
7. Delinquent accounts. If you purchase advertising, and your payment method fails or your account is past due, we may take steps to collect past due amounts using other collection mechanisms. You agree to pay all expenses associated with such collection, including reasonable attorneys' fees. Interest will accrue on any past due amounts at the rate of the lesser of 1% per month or the lawful maximum.
8. Prepaid account. You may have the option to purchase ads with a prepaid account. Amounts prepaid are non-refundable except where required by law. Facebook is not a bank and does not offer banking services; accordingly, prepaid amounts do not earn interest, are not deposit obligations, and are not insured by the Federal Deposit Insurance Corporation, the Financial Services Compensation Scheme, or any other entity or insurance scheme, whether governmental or private.
9. Invoiced and non-invoiced clients. When you purchase advertising or paid content on or through Facebook's self-serve advertising interfaces or APIs, you will fall under one of two categories depending on your payment method: invoiced or non-invoiced client. Invoiced clients are those to whom Facebook extends a credit line and issues invoices on a periodic basis for payment. Non-invoiced clients are those who make payments at the time of purchase itself. Clients are eligible to become invoiced clients based on factors such as ad spend and creditworthiness. Facebook retains the final right to classify a client as an invoiced client.

6. Notices and Amendments to These Terms

1. Notice to you. By using the Facebook Payments service, you agree that we may communicate with you electronically any important information regarding your purchases or your account. We may also provide notices to you by posting them on our website, or by sending them to an email address or street address that you previously provided to us. Website and email notices shall be considered received by you within 24 hours of the time posted or sent; notices by postal mail shall be considered received within three (3) business days of the time sent.
2. Notice to us. Except as otherwise stated, you must send notices to us relating to Facebook Payments and these Terms by postal mail to: Facebook, Attn: Legal Department, 1601 Willow Avenue, Menlo Park, California, 94025.
3. Amendment guidelines. We may update these Payments Terms at any time without notice as we deem necessary to the full extent permitted by law. The Payments Terms in place at the time you confirm a transaction will govern that transaction.

7. Customer Complaints

1. Alaska users: If you have concerns with respect to the money transmission activities conducted via this website, you may contact the Alaska Division of Banking and Securities at 907-269-8140, or by mailing this form to 550 West 7th Avenue, Suite 1850, Anchorage, AK 99501.
2. California users: If you have complaints with respect to any aspect of the money transmission activities conducted via this website, you may contact the California Department of Business Oversight at its toll-free telephone number, 1-866-275-2677, by e-mail at consumer.services@dbo.ca.gov, or by mail at Department of Business Oversight, Consumer Services, 1515K Street, Suite 200, Sacramento, CA 95814.
3. Colorado users: Entities other than FDIC-insured financial institutions that conduct money transmission activities in Colorado, including the sale of money orders, transfer of funds, and other instruments for the payment of money or credit are required to be licensed by the Colorado Division of Banking pursuant to the Money Transmitters Act, Title 12, Article 52, Colorado Revised Statutes. If there are questions or concerns regarding a transaction with a licensee, please contact the Colorado Division of Banking at 303-894-7575 or by mail at: Colorado Division of Banking, 1560 Broadway, Suite 975, Denver, Colorado 80202. Consumer complaints should be in writing, providing as much detail as possible. Please include the following information. (1) The name of the institution and the name of any person(s) at the institution with whom the complainant has had contact. Include telephone number(s) and addresses. (2) A complete description of the complaint and any efforts that have been made to resolve the complaint directly with the institution. (3) Copies of any available documentation supporting the complaint and efforts toward resolution. (4) Any suggestions regarding a preferred resolution of the complaint.
4. Florida users: If you are a user in the State of Florida and you still have an unresolved complaint regarding Facebook Payments Inc.'s money transmission activity after first contacting Facebook

Payments Inc., please direct your inquiry to: Florida Office of Financial Regulation, 200 E. Gaines Street, Tallahassee, FL 32399-0376, or at 1-800-848-3792.

5. Illinois users: If you are a user in the State of Illinois and you still have an unresolved complaint regarding Facebook Payments Inc.'s money transmission activity after first contacting Facebook Payments Inc., please direct your inquiry to: Illinois Department of Financial and Professional Regulation at 1-888-298-8089.

6. Maryland users: The Commissioner of Financial Regulation for the State of Maryland will accept all questions or complaints from Maryland residents regarding Facebook Payments Inc., license number 9180, at Commissioner of Financial Regulation, Attention: Consumer Services Unit, 500 North Calvert Street, Suite 402, Baltimore, Maryland 21202. The Commissioner's toll-free telephone number is: 1-888-784-0136.

7. New York users: Facebook Payments Inc. is licensed and regulated as a money transmitter by the New York State Department of Financial Services. New York customers can direct unresolved complaints to Consumer Assistance Unit, NYS Department of Financial Services, One Commerce Plaza, Albany, NY 12257, 1-877-BANK-NYS (1-877-226-5697), www.dfs.ny.gov/consumer/fileacomplaint.htm.

8. Texas users: If you have a complaint, first contact the consumer assistance division of Facebook Payments Inc. online at the [Facebook Payments Support Center](#) or through our automated toll-free Facebook Payments customer support line at 1-866-238-8605. If you still have an unresolved complaint regarding Facebook Payments Inc.'s money transmission or currency exchange activity, please direct your complaint to: [Texas Department of Banking](#), 2601 North Lamar Boulevard, Austin, Texas 78705, 1-877-276-5554 (toll-free), www.dob.texas.gov.

8. Additional Terms

1. Conflict of terms. All of the commitments you make in the Facebook [Statement of Rights and Responsibilities](#) apply to your use of Facebook Payments. In the event of any conflict between these Terms and the Facebook Statement of Rights and Responsibilities, the Community Payments Terms shall prevail.

2. Conflict of laws. Some countries may restrict or prohibit your ability to make payments through Facebook. Nothing in these Terms should be read to override or circumvent any such foreign laws.

3. Courtesy translations. These Terms were written in English (US). To the extent any translated version of these terms conflicts with the English version, the English version controls.

4. **“Us”**. Without limiting Section 8.1, above, the following are the entities to which “us,” “we,” “our,” or “Facebook” refer:

1. If you are a resident of or have your principal place of business in the U.S. or Canada, these Payments Terms are between you and Facebook Payments Inc., a Florida corporation.

1. To view Facebook Payments Inc.'s [Privacy Policy](https://www.facebook.com/payments_terms/privacy), please visit https://www.facebook.com/payments_terms/privacy.

2. Facebook Payments Inc. is licensed as a transmitter of money in various jurisdictions in the United States. To view Facebook Payments Inc.'s [Money Transmitter Licenses](https://www.facebook.com/payments_terms/licenses), please visit https://www.facebook.com/payments_terms/licenses.

2. If you are a resident of or have your principal place of business in a country other than the U.S. or Canada, these Payments Terms are between you and Facebook Payments International Ltd., a private limited company in the Republic of Ireland.

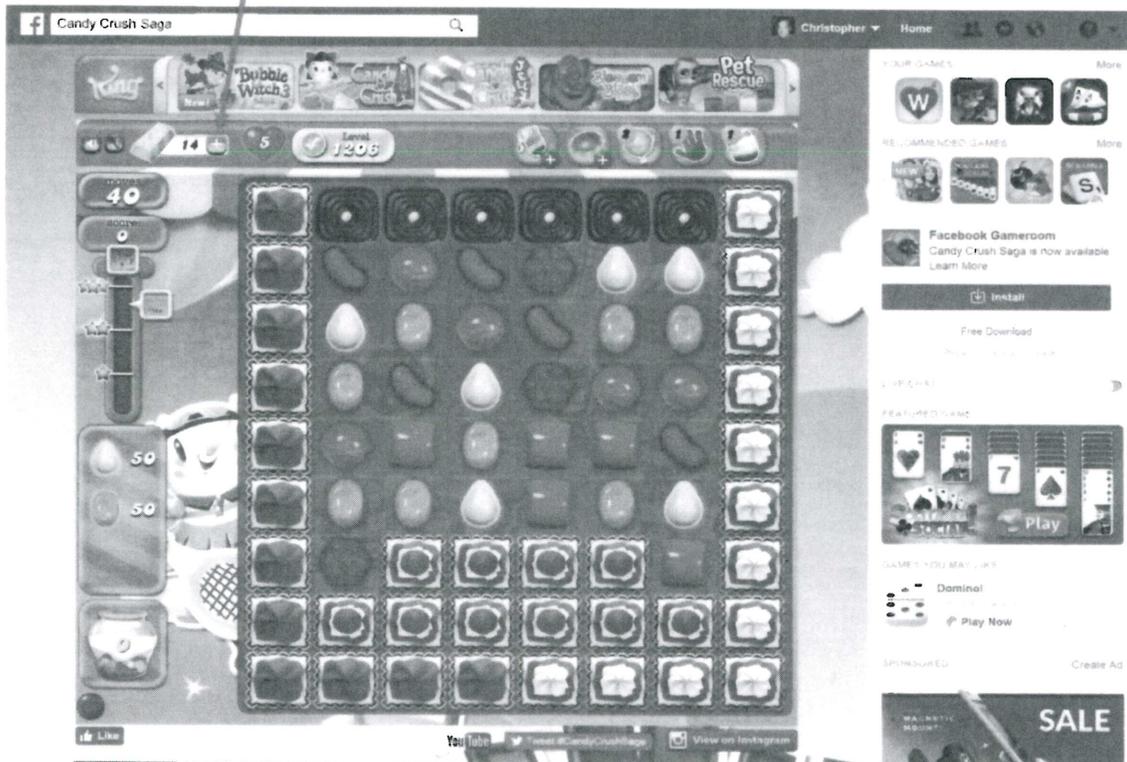
3. However, if you are a resident of or have your principal place of business in Brazil, your payment may be taken directly by Facebook Online Serviços do Brasil Ltda in accordance with these Terms.

4. In all cases, transactions using an electronic value Balance as a payment method as contemplated in Section 2.5, above, are processed by Facebook Payments Inc., a Florida corporation.

Exhibit C

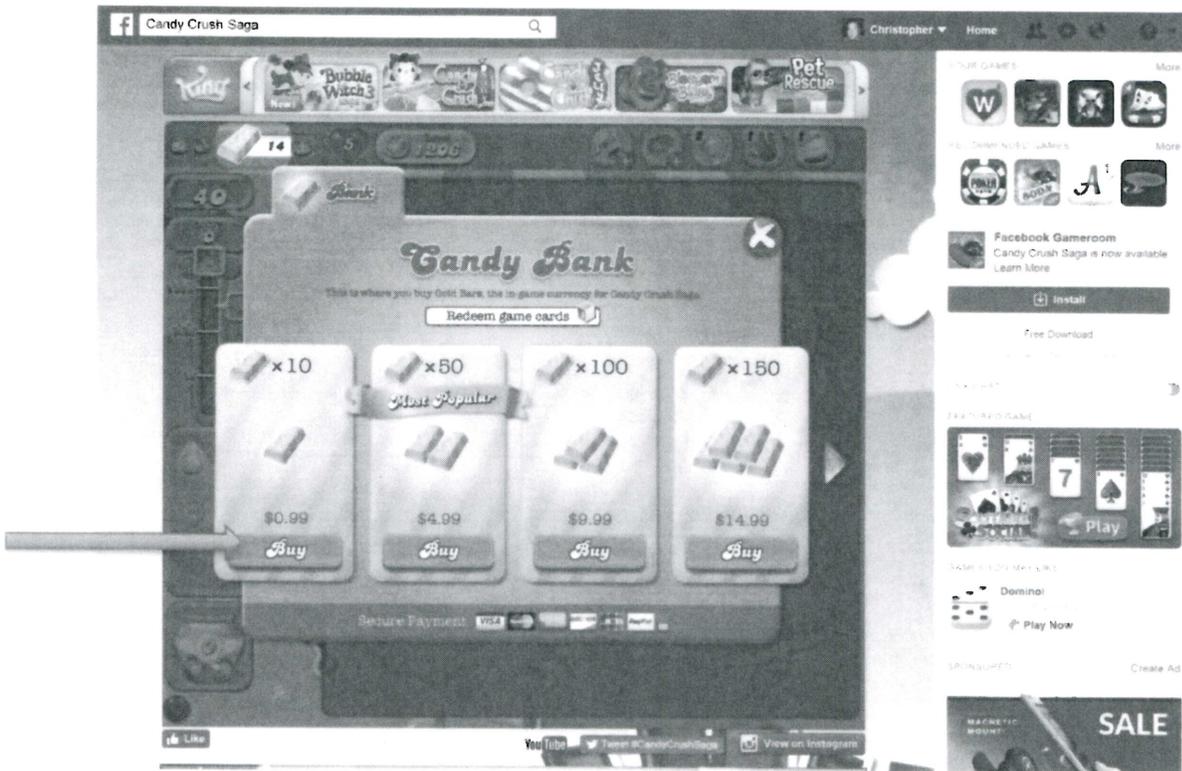
Digital Goods Payment Examples

Purchase of "Gold Bars" in game called "Candy Crush Saga"



User clicks on the "+" sign to initiate purchase of gold bars which can be used to help the user advance in the game.

After the "+" sign is clicked, a purchase window is shown which gives the user options of what to buy:



In this example, the user will click on the “Buy” button to add 10 gold bars to their game:

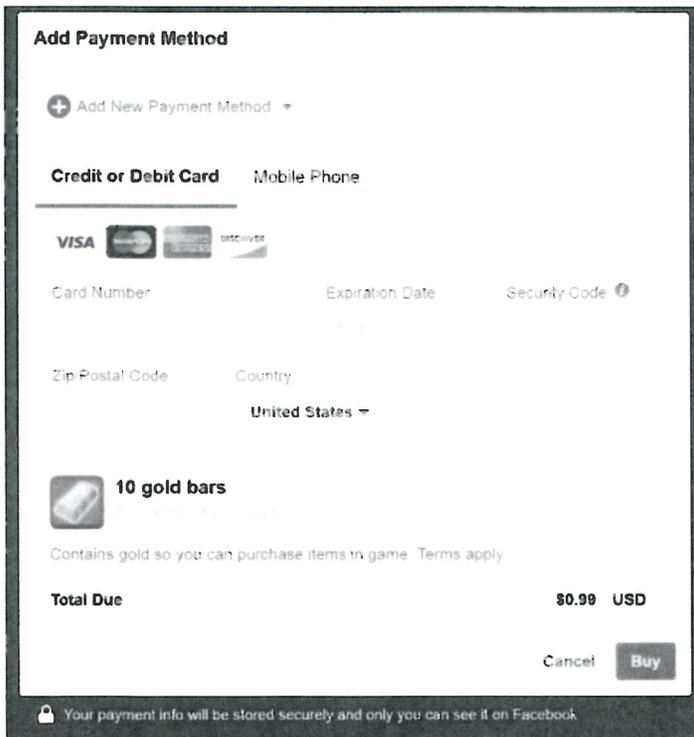
After the “buy” button is clicked, a payment window appears giving the user options to pay:



Clicking on the drop down menu for payment methods, the user will see what’s available and then also given option to “Add New Payment Method”



When the user clicks “Add New Payment Method”, they are given additional options such as “Credit or Debit Card”



....and also “Mobile Phone” (Carrier billing):

Add Payment Method

+ Add New Payment Method ▾

Credit or Debit Card **Mobile Phone**

Sprint 

Mobile Number Country
6507854699 **United States** ▾

Terms of Use: Charges must be authorized by the owner of this mobile account and will be applied to your phone bill. If you have a prepaid account, charges will be deducted from your balance. You must be 18 years or older or have permission from a parent or guardian to participate. Message and data rates may apply.



10 gold bars

Buy on a limited basis

Contains gold so you can purchase items in game. Terms apply.

10 gold bars	\$0.99
Transaction Fee	0.01
Total Due	\$1.00 USD

Cancel

Continue

 Your payment info will be stored securely and only you can see it on Facebook.

In this example, credit card is used and the user is provided with the following receipt:

The screenshot shows a Facebook Payments receipt for a purchase of 10 gold bars for \$0.99. The receipt is dated March 20, 2017, and was completed on the same date. The payment was made via a VISA card ending in 0817. The receipt includes a 'Download Receipt' link and a 'Dispute' option. The receipt is presented in a table format with columns for Description, Amount, and Dispute.

Description	Amount	Dispute
10 gold bars	\$0.99	Dispute
Total	\$0.99	

Below the receipt, there is a section for help and support, including contact information for Facebook Payments Inc. and a disclaimer regarding the refund process.

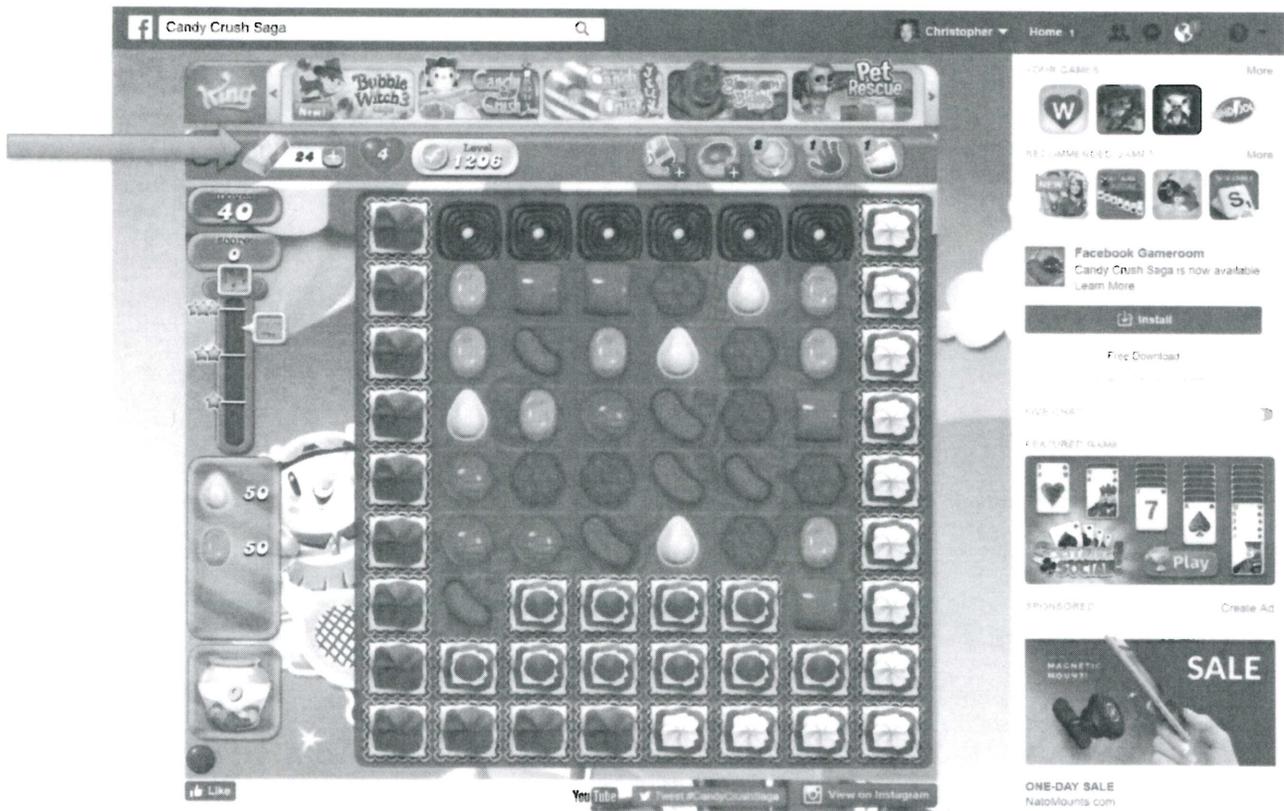
For help, please contact Customer Support. You can also reach Facebook Payments Inc. at 1601 Willow Road, Menlo Park, CA 94025.

You, the customer, are entitled to a refund of the money to be transmitted as the result of this agreement if Facebook Payments Inc. does not forward the money received from you within 10 days of the date of its receipt, or does not give instructions committing an equivalent amount of money to the person designated by you within 10 days of the date of the receipt of the funds from you unless otherwise instructed by you.

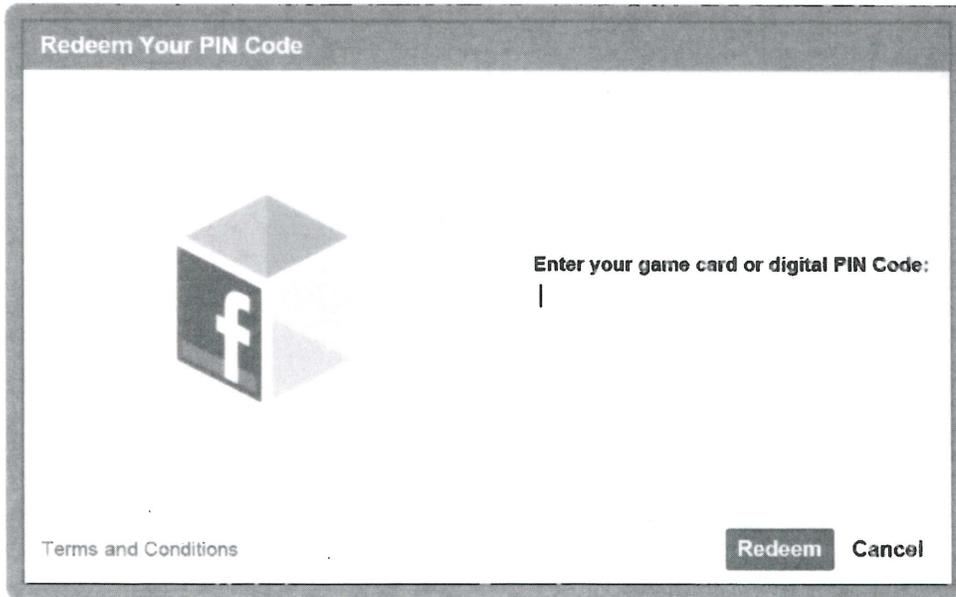
if your instructions as to when the money shall be forwarded or transmitted are not complied with and the money has not yet been forwarded or transmitted, you have a right to a refund of your money.

if you want a refund, you must mail or deliver your written request to Facebook Payments Inc. at 1601 Willow Road, Menlo Park, CA 94025. if you do not receive your refund, you may be entitled to your money back plus a penalty of up to \$1,000 and attorney's fees pursuant to Section 2012 of the California Financial Code.

The user immediately receives the digital good and the Gold Bar balance is reflected in the game. Gold Bar balance in this example went from 14 to 24 after the purchase.



Gift Card Flow:



Mobile Phone Payment Flow:

Add Payment Method

+ Add New Payment Method ▾

Credit or Debit Card **Mobile Phone**

Sprint 

Mobile Number Country

6507854699 United States ▾

Terms of Use: Charges must be authorized by the owner of this mobile account and will be applied to your phone bill. If you have a prepaid account, charges will be deducted from your balance. You must be 18 years or older or have permission from a parent or guardian to participate. Message and data rates may apply.

 **10 gold bars**
Buy with your mobile phone

Contains gold so you can purchase items in game. Terms apply.

10 gold bars	\$0.99
Transaction Fee	0.01
Total Due	\$1.00 USD

Cancel **Continue**

 Your payment info will be stored securely and only you can see it on Facebook.

After user clicks "Continue", the following page is displayed to complete payment:

New Payment Method



10 gold bars

By Candy Crush Saga

Contains gold so you can purchase items in game. Terms apply.

10 gold bars	\$0.99
Transaction Fee	0.01
Total Due	\$1.00 USD

Enter your mobile number

10 gold bars (\$1.00)

6507854699

X

Continue

Terms of Use: Charges must be authorized by the account owner and will be applied to your wireless bill or deducted from your prepaid account via PayPal Mobile Billing; you must be 18 years or older or have permission from a parent or guardian to participate. Send STOP to stop. Send HELP for help.
Msg&Data Rates May Apply

You are buying digital content on the Facebook platform via PayPal Mobile Billing. Charges will show as PayPal or Facebook-PayPal. You agree to pay these charges according to your customer agreement. For support, please call 877-207-7972 or email cp.support.usa@paypal.com. [Terms of Use](#) | [Privacy Policy](#)

Paying with mobile phone (United States) [Change](#)

[Cancel](#)



Your payment info will be stored securely and only you can see it on Facebook.