

## 2.0 Prohibited Merchants

AFS recognizes that certain types of merchants carry more risk than others or require specialized expertise to monitor merchant activity and control risk. In addition, AFS's Acquiring Bank or Processor maintains a list of prohibited merchant types. For these reasons, the following merchant types will not be considered as clients. This list is not meant to be all-inclusive. Other merchants may be declined on a case-by-case basis due to the type of products or business.

### 2.1.1 Prohibited Merchant List

- Merchants or owner(s)/principal(s) on MATCH
- Prohibited Card Brand merchant and merchant types (all)
- Prohibited Acquiring Bank or processor merchant and merchant types (all)
- Adoption Agencies - For Profit
- Adult, Sexual oriented or pornographic products and services (**all** media types: internet, telephone, printed material, etc.) - including but not limited to:
  - Adult Books/Video stores
  - Adult Entertainment
  - Any products on internet containing graphic or nude content
  - Apparatus such as personal massagers/vibrators, sex toys and enhancements
  - Audio (phone sex and adult phone conversation/text)
  - Companion/Escort (sexually oriented) or prostitution services, Online Dating services
  - Fetish products
  - Gentleman's clubs, Topless Bars, and Strip clubs
  - Illegal activities (e.g., child pornography, bestiality, rape, violence)
  - Images of non-consensual sexual behavior
  - Massage parlors (sexually oriented)
  - Memberships, clubs, subscriptions
  - Modeling agencies
  - Non-consensual sexual behavior
  - Videotext
  - MCC's 5967,7273 and 7841
  - Advanced payments greater than 1 year (any product or service)
- Affiliate marketing businesses
- Age verification services
- Age or legally restricted products or services (e-commerce/CNP)
- Aggregators/Consolidation businesses
- Animal Breeding
- Any merchant operating outside the U.S.
- Authenticity disclaimers
- Auto Title Lenders

- Bandwidth or Data Transfer/allied services
- Bearer Shares
- Bidding fee auctions including Penny auctions
- Brand or reputational damaging, potential or otherwise, activities including but not limited to Occult materials, non-consensual mutilation of a person or body part
- Bulk marketing tools which include email lists, software, or other products enabling unsolicited email messages (spam)
- Buyers' clubs/Membership clubs
- Cash Gifting
- Cannabinol (CBD products, services) including Delta 8, Delta 9 and Kratom
- Centralized reservation services
- Chain Letters
- Payment Facilitating Service
- Child Support/Alimony
- Collection agencies engaged in the collection of:
  - Mortgage reduction services.
  - Mortgage/Loan modification.
  - Recovering/Collecting agencies of any type.
  - Debit consolidation, interest consolidation services or reduction services.
  - Funds/Loss recovery.
  - Payment of last resort where prior method of payment has been difficult to collect or has been uncollectible as defined by the Card Brands or deemed uncollectible by another merchant
  - Payment for a dishonored Check
- Commodity trading or Security trading (which includes stocks, bonds, mutual funds or related financial products or investments)
- Computer software "maintenance" (e.g., Name brand anti-virus sold via inaccurate advertisements or without a product agreement)
- Computer hardware and repair (where services are performed by a third parties, restricted when repair is performed directly by merchant)
- Copyrighted media, which includes unauthorized copies of books, music, movies, and other licensed or protected materials
- Copyrighted software which includes unauthorized copies of software, video games and other licensed or protected materials, including OEM or bundled software

- Credit Card Protection or Identity Theft Service
- Credit Counseling, Credit Repair or Restoration Services
- Crowd Sourced Fundraising for the purchase of stock or equity, a promise is made to deliver a good or service in the future, or there is little or no consideration in return for the payment or donation
- Commodity Exchange or Dealers
- Publicly accessible cyberlocker merchants (also known as file-hosting services, cloud-based storage services and online file-storage), including
  - Archival file storage (for remote access)
  - File transfer (facilitation of transfer or storage of large files)
  - File-sharing (distribution of files via download or "streaming")
  - Dating sites
- Debt elimination, Debt reduction or Debt consulting services (where the offer is based on a concept of debt forgiveness), including mortgages
- Decryption, descrambler, and circumvention products including:
  - Copyright unlocking devices which include modification chips or other devices designed to circumvent copyright protection
  - Cable TV descramblers and black boxes which includes devices intended to obtain cable and satellite signals for free
  - HD DVD and Blu-ray disc decryption devices
  - Game console circumvention devices
  - Jammers or devices that are designed to block, jam, or interfere with cellular and personal communication devices/signals (e.g., GPS)
- Digital wallet or Prepaid companies
- Direct Marketing
  - Continuity or Subscription merchants including Lifetime subscriptions (any products or services) and MCC 5968 & 5969
  - Travel related arrangement services including MCC 5962
  - Inbound telemarketing including videotext services and MCC 5967
- Discount coupon merchants or online sites
- Discount medical or dental plans including discount insurance
- Distressed property sales and/or marketing
- Door-to-Door sales
- Drop-shipped merchandise
- Drug test circumvention aids which include drug cleansing shakes, urine test additives, and related items
- Endangered species (or any part or derivative thereof), which includes plants, animals, or other organisms in danger of extinction
- Essay mills/paper mills (e.g., ghostwriting services that sell essays, term papers, etc. with intent that purchaser will submit documents as their own)

- Fake references and other services/products that foster deception (including fake IDs and government documents)
- Financial transactions, including but not limited to:
  - Cash advances (by non-financial institutions)
  - Check cashing
  - Currency exchange or dealer
  - Foreign currency sales or exchange
    - Money transfer businesses, Wire transfers, Money orders, and Transmitters, including merchants required to be registered as Money Service Businesses
  - Provider or seller of prepaid access/stored value, including both open-loop and closed-loop exceeding \$2,000 US\$
  - Quasi cash or stored value
  - Traveler's Checks
  - Freight Forwarders/Shipping or Forwarding Brokers
  - Foreclosure protection/guarantees (including "how to" guides)
  - Fulfillment Centers/Houses
  - Gadget Merchants All
  - Gambling activities in physical establishments and online including but not limited to:
    - Betting
    - Casino gaming
    - Contests
    - Illegal gambling
    - Internet gambling
    - Internet gaming
    - Legal gambling where the Cardholder is not present when the bet is made as well as for direct purchase of wagers/chips via payment card
    - Lotteries
    - Memberships/enrollment in online gambling sites
    - Off Track Betting
    - Online purchase of wagers/Poker Chips or gambling credits via payment card
    - Poker (Intra-state) from a Legal and Regulated Casino
    - Raffles
    - Skill Games
    - Sports Forecasting/Odds Making
    - "Startup" online poker enterprises not affiliated or backed by an existing card present licensed gaming operator
    - Wagers at races
  - Gambling services in jurisdictions where this is illegal or (where

applicable) offering gambling services without a valid license to the relevant jurisdiction

- Goods or services that represent a violation of all applicable laws, statutes, or regulations (federal, state, both local and international), or any merchant engaged in any illegal activity
- Government Grants
- Hacking and cracking materials which includes manuals, how-to guides, information, or equipment enabling illegal access to software, servers, websites, or other protected property
- High interest rate non-bank consumer lending including payday lending, unsecured and title loans
- How to books, newsletters, subscriptions, or online access for any industry shown on the prohibited list
- Human/Animal body parts, organs, remains, cells, tissues, etc. - live, cultured/preserved or from cadaver
- Illegal products and services which includes materials, products, or information promoting illegal goods or enabling illegal acts
  - Amyl Nitrite inhalants
  - Any service providing peripheral support of illegal activities (e.g., drugs)
  - Bath Salts (containing mephedrone, methylene or MDPV)
  - Bootleg Recordings
  - Counterfeit, Imitation/Replicas or Knock-off items (of designer goods, items without a celebrity endorsement that would normally require such an association, fake autographs, counterfeit stamps, and other potentially unauthorized goods)
  - Drugs and Paraphernalia
  - Drugs on Schedule 1 of the Controlled Substances Act
  - Embargoed goods, Prohibited Countries
  - Ephedrine, Ephedra, and any extract of Ephedra
  - Financial crimes
  - Psilocybin Mushrooms and Spices
  - Psychoactive Herbal products
  - Sale of Prescription Drugs
  - Stolen Property
  - Substances designed to mimic illegal drugs and/or other psychoactive products (e.g., K2, salvia divinorum, magic mushrooms, nitrite inhalers, bath salts, synthetic cannabis, kratom, herbal smoking blends & herbal incense) - non-pharmaceutical synthetic

drugs

- Substances made to closely resemble or look like illegal substances
- Substances marketed as producing effects similar to the effects of illegal substances
- Infomercial merchants
- In-house financing (such as "buy here pay here")
- Investment or "Get Rich Quick" Merchants, Businesses, Programs or Opportunities (e.g., real estate purchase with No Money Down, government grants)
- Key-Entry Telecom Merchants
- Live animals or hides/skins/teeth, nails, and other parts
- Loan Payments and Loan Underwriting
- Lottery Clubs
- Mail-Order Spouse and international match-making services
- Marketing Activities involving "pay only for shipping" and/or "free trial" periods
- Marketplaces
- Marijuana, marijuana products, marijuana services, and marijuana related businesses (medical or otherwise; including hemp)
- Massage Parlors, non-licensed
- Medical Devices (sold directly to consumers that require a license to obtain)
- Merchants engaged in Data Pass (e.g., merchants up-sell or cross-selling products or other merchants and then sharing the cardholder data with the third-party or receiving cardholder data from third parties)
- Merchants engaged in deceptive marketing practices (e.g., hidden disclosures, bogus claims and endorsements, refund/cancellation avoidance, poorly disclosed negative option, pre-checked opt-in boxes for payment or upsell without cardholder's active consent)
- Merchants engaged in unlicensed aggregation and factoring (defined as charging your own personal credit or debit card)
- Merchants offering "rebates or refunds" (especially those where the rebate or refund equals or exceeds the product/service purchase price or value). prizes, free gifts, sweepstakes, winning of contests, special incentives, or enticement as an inducement to purchase a product and/or service (any type of merchant)
- Merchants primarily engaged in the card-not-present sale of coupons, certificates, gift cards and stored value cards (card-not-present sales)

represent 50% or more of merchant's sales)

- Merchants that have ransom-like or extortion-like basis for their business model (e.g., mugshot removal)
- Merchants that use tactics to evade Card Brand excessive chargeback or fraud monitoring programs
- Money laundering or the Financing of Terrorist Activities
- Negative option, renewal, or continuity subscription practices or any negative response marketing techniques by any type of merchant (e.g., customer is automatically charged if merchandise is not returned at the end of a free trial period)
- Nutraceuticals of any kind.
- Offensive goods, crime which includes crime scene photos or items, such as personal belongings, associated with criminals
- Payment Processors with Transactional Processing
- Personal Enhancement products, supplements and/or nutraceuticals
- Pharmacies (Internet/MOTO) - where fulfillment of medication is performed with an Internet or telephone consultation, absent of a physical visit with a physician. Re-importation of pharmaceuticals from foreign countries
- Pharmacy referral sites (Internet/MOTO)
- Phone unlocking services and unlocked cell phones
- Ponzi/Pyramid Schemes/Matrix sites or websites using a matrix scheme approach
- Products, services, or activities that are deceptive, unfair, predatory, or prohibited by one or more Card Brands
- Products/services that defame or slander any person or groups of people based on race, ethnicity, national origin, religion, sex, or other factors
- Products/services that promote intolerance, hate, violence, harassment, or abuse
- Products that infringe on the intellectual property rights of others, including counterfeit goods or any product or service that infringes on the copyright, trademark, or trade secrets of any third-party (any merchant)
- Products or services with unreasonable claims or guarantees
- Programs on how to apply for low interest credit cards
- Pseudo-Pharmaceuticals (Nutraceuticals and Supplements), food

products or other digestible marketed via unsubstantiated and/or unlawful health or medical claims - including but not limited to:

- miracle cures
- anti-aging pills
- sex nutrients/stimulants
- weight loss/diet pills
- increased energy pills
- Psychic services (e.g., Astrology/Tarot card/Fortune telling/Spells/Sorcery)
- Psychoactive substances
- Pyrotechnic devices and hazardous materials and related goods; toxic, flammable, and radioactive materials and substances
- Radical Groups of Ideology
- Real Estate Flipping
- Religious associations not registered as a non-profit organization with the applicable government/regulatory entity
- Regulated goods which includes air bags; batteries containing mercury; Freon or similar substances/refrigerants; chemical/industrial solvents; government uniforms; car titles; license plates; police badges and law enforcement equipment; lock-picking devices; pesticides; postage meters; recalled items; slot machines; surveillance equipment; goods regulated by government or other agency specifications
- Sales for payment that resulted from another commercial entity providing goods or services to the cardholder, including those businesses that may otherwise qualify themselves as a Payment Service or Payment Facilitator (any merchant)
- Sales leads/lead generation
- Scrip-dispensing terminals accepting credit cards (any merchant)
- Search Engine Optimization
- Selling or Resales of Social Media "click farms" (e.g... the sale of clicks/likes/reviews/endorsements) and other activity
- Shell Banks (defined as a bank that does not maintain a physical presence in any country)
- Software/ Downloadable Software or other items such as ringtones/Spyware/Malware
- Splitting transactions to circumvent account limitations/ Structuring (defined as processing the same credit or debit card multiple times within a 24-hour period)
- Staged Digital Wallets



- Streaming
- Teeth Whitening (Internet/MOTO)
- Telemarketing companies involved with the following methods of operations:
  - Inbound Telemarketing companies that receive calls as the result of post cards or similar mailings (as opposed to catalog or media advertising)
  - Inbound Telemarketing with an Up-Sell
  - Inbound offering a free gift, prize or sweepstakes, contest entry as an inducement to purchase their product or service
  - Inbound Catalog Merchants
  - Inbound Direct Marketing (MCCs 5968 and 5969) - continuity or subscription services
  - Inbound merchants (MCC 5967) - Audiotext or videotext that customers access via phone, fax, or internet
  - Inbound Travel Merchants (MCC 5962) - including discount travel clubs, membership, or subscriptions to travel services or newsletters when subscribers may select prepackaged trips
  - Outbound Telemarketing including MCCs 4814, 4816, 5966 (all merchants)
  - Selling products/services as an agent for a third-party
- Terpene - Retail, MOTO, and Internet.
- Tobacco Sales including cigars, cigarettes, chewing tobacco, e-cigarettes and "Vape" supplies and accessories (Internet/MOTO)
- Traffic Devices, which includes radar detectors/jammers, license plate covers, traffic signal changers, and related products
- Travel related merchants to include:
  - Airlines (including airlines "nested" under another entity and chartered airlines)
  - Bus Lines/Charters/Tour Buses
  - Cruise lines
  - Passenger Railways
  - Timeshares and Timeshare programs including maintenance, resales, and related marketing
  - Travel agencies and clubs
  - Vacation rentals/Lodging
- Unlicensed passenger transport - unlicensed taxis, buses, and coach transports
- Unqualified Multi-level marketing companies
- Unregistered Charities and Non-Profits

- “Up-Sell” Merchants
- UsenNet
- Vehicle Consulting – rental or leasing
- Virtual Currency/Cryptocurrency or credits that can be monetized, re-sold or converted to physical or digital goods or services or otherwise exit the virtual world
- Voice Process/Knowledge Process Services
- Warranty companies and Extended Warranty companies
- Web-based Telephony/SMS/Text/Facsimile services or Calling Cards.
- Website Redirecting or Forwarding of any type.
- Wholesale Currency, which includes discounted currencies or currency exchanges
- Work-at-Home information
- Any other activity deemed by the Acquiring Bank or processor to be similar to those activities listed on the prohibited list