



## **New International Acquiring Partner Opportunities**

The following is an introductory document which outlines the particular elements from new International Acquiring Banking Partnerships that we are seeking. The prospective partnership will be a mutually beneficial arrangement and the information below details the elements listed:

- Who is System Merchants
- Keys to Success
- Technology
- Underwriting Procedures (KYC)
- Risk Management
- Merchant Types
- What We Bring to the Relationship

### **Who is SYSTEM MERCHANTS**

System Merchants is a merchant services provider that allows businesses the ability to accept credit card payments. We work with merchants who are located and sell their products throughout the world. Our team has been operating in the space since the 90's and what sets us apart is that we are a full service provider. The cornerstone to our company is our innovative technological solutions that allows us to service our clients and partner banks with simple and seamless solutions. We represent merchants from a wide array of industries and sectors and specialize in e-commerce transactions.

### **Keys to Success**

System Merchants has an extensive internal operational infrastructure that manages every aspect of the merchant sales, underwriting and merchant boarding process. We have our own proprietary technology that works to streamline the entire process of boarding and managing a merchant account. Then once the merchant is our client we have extensive internal systems to manage risk, provide reporting and an extensive online portal which allows us to manage every aspect of the merchant processing system for our clients.

### **Technology**

System Merchants has developed a diverse array of technology that provides the capabilities of supporting merchant services in two key directions. First of all we have the ability to connect with a wide variety of banks; and secondly we have an extensive merchant management system that allows us to support our clients as well. The technological components include gateway integration on the banking side which allows us to send and receive transactions to/from multiple platforms. Furthermore, on the merchant side we have a complete management system which allows for all aspects of the merchant boarding process as well as underwriting, risk tools, reporting, billing and virtually any



additional element that is critical to supporting and maintaining the credit card processing environment. All of our technology is structured in a way to ensure that there are back systems throughout the world and that we would never experience down time. We have multiple datacenters that allow us to maintain redundancy and ensure access to our systems.

### **Underwriting Procedures (KYC)**

All applications will be underwritten according to System Merchant's credit policy. Our Underwriters must follow strict procedures in order to minimize financial fraud and reputation risk. The following procedures will be used on all applications received.

1. KYC – Color copy of valid and signed Passport, CV ,and recent utility bill for company owner/director
2. Business Entity – Articles of Incorporation, Legal name of owner and address, Incorporation Documents of the owning company if owned by another corporation until UBO is known, Copy of Certificate of Incorporation
3. Processing History – 6 Months most recent processing statements will be reviewed ( Excel spreadsheets are not accepted unless accompanied by screenshots from actual Gateway/Processor
4. Corporate Financials – 6 Months most recent bank statements will be reviewed to ensure that they can support volume requested. 2 years tax returns or P&L if applicable (high volume)
5. Lexis Nexis – a report is pulled and if there are any discrepancies, the Underwriter will address to clarify
6. Phone Number / Address Verification – Review all phone numbers and addresses provided to ensure accuracy
7. Website – We review to ensure that content, terms and conditions, refund policy are acceptable according to bank criteria. We will also determine (if we can) who the domain is registered to.
8. OFAC – We will make sure Countries, Entities, and Individuals are not on this list
9. Consumer Complaints – Review and pull reports to ensure no excessive complaints about the business services/products
10. Future Fulfillment of Product/Service – We will review product and fulfillment. We will determine if there are any extended future fulfillments and whether risk levels are acceptable. Reserves, PG's, and Corporate Guarantees will be used to mitigate risk.

### **Risk Management**

Our Underwriting Team works directly in conjunction with our Risk Department to assist in identifying risk exposures to prevent losses. Our Underwriting Guidelines are based on several factors, such as our past experiences in dealing with a particular business type, industry trends & forecasts, and information from law enforcement and other security organizations.



## **Merchant Types**

Some of the merchant types that we work with are listed below:

- Airlines/Cruise Lines
- Audio/Video Equipment
- Beauty Supplies
- Cameras Equipment and Photo Printing and Duplication Services
- Cellular Phones (Services or equipment)
- Clothing and Accessories
- Coin, Stamp, Collectables Dealers
- Collection Agencies or Firms involved in Recovering/Collecting Past Due Receivables
- Computer Hardware
- Credit repair/credit protection (including identity theft protection)
- Diet programs/vitamin sales/herbal remedies-Via MO/TO or Internet
- Discount Buying Clubs/Home Shopping Clubs
- Electronics
- Employment Directories
- Extended Warranty Companies
- Financial Aid/counseling for Schools/Student Loans/Scholarship Search Services
- Fitness and Weight Loss Products
- Forex
- Free Gifts, Prizes, Sweepstakes or Contest
- Health and Wellness Products
- Health and Medical Insurance
- Internet Tobacco/Cigarettes/E-Cigarettes
- Infomercial merchants or inbound telemarketers engaged in up sell
- Jewelry
- Legal Aid, Representation and Other Services
- Mobile Phones and Applications
- Multi-Level Marketing
- Music Downloads and Other Streaming Services
- Negative renewal option following a free or low cost purchase
- Nutraceuticals (Anti-Aging Pills, Sex Nutrients, etc.)
- Online Dating Services (Adult/ Non Adult)
- Outbound Telemarketing
- Shippers/Forwarding Brokers and Motor Freight Carriers
- Skin Care and Other Beautification Products
- Sports and Recreation Equipment
- Subscription Services (Magazine, Newspaper, Newsletter)
- Telephone Services/Prepaid Cards
- Ticket Brokers
- Theatre/Concerts
- Travel Agent/Tour Operator/Travel Club/Timeshares
- Watches
- Video Streaming Services



### **Ideal Partner Bank**

We are looking to partner with banks who are registered and **Licensed with Visa and MasterCard as an Acquiring Bank** and has the ability to transfer money to other regions via a **Cross Border License**. The ideal banking partner is licensed with the card associations and understands the dynamic world of credit card acceptance. Whether the bank is new to this space or has a vast array of experience, we can present them with new earning opportunities. The ideal financial institution also has a cross border license and the ability and flexibility to take advantage of the ever changing global financial landscape.

### **What We Bring to the Relationship**

The merchants within our portfolio operate throughout the globe and from a wide variety of different industries. The range of merchant we work with can process from \$100k upwards of \$25Million a month in volume. As an experienced partner in the payment processing arena, we will manage every aspect of the relationship from documentation and paperwork to ongoing risk and merchant management. We will take care of everything related to the new relationship and the impact on their operational workflow will be very minimal. We will bring them a lot of business and deposits without virtually any additional overhead as we will manage the merchants and their needs. So in turn for the bank, they will experience a huge increase in deposits as well as the benefit of additional revenue from the business we can bring to them. Also we prefer a relationship where we carry 100% of the risk that accompanies the merchant processing space.

Identifying potential banking partners and being introduced to the decision makers at the prospective banks. We are simply looking for introductions to key high level individuals at the banks and we can take the discussions forward to determine if they are good fit for us.

For additional information please contact us at [info@SystemMerchants.com](mailto:info@SystemMerchants.com).

Thank you for your consideration.