

CODE

050.0300 N.04.11.14

November 04, 2014 No 300-N

**ON APPROVAL OF “PROCEDURE OF ISSUING, ACQUIRING AND DISTRIBUTION OF PAYMENT CARDS AS WELL AS PERFORMING OPERATION WITH PAYMENT CARDS WITHIN THE TERRITORY OF THE REPUBLIC OF ARMENIA” AND REPEALING THE RESOLUTION NUMBER 39-N DATED JANUARY 31, 2006 OF THE BOARD OF THE CENTRAL BANK OF THE REPUBLIC OF ARMENIA<sup>1</sup>**

**Taking into consideration**, that within the territory of the Republic of Armenia, payment cards can be issued, acquires and distributed by commercial banks, operating within the territory of the Republic of Armenia (hereinafter<sup>1</sup> banks),

**Intending** to clarify the questions, risen by banks, on issuance, acquiring and distribution of payment cards, related to the types of payment cards,

as far as possible, to simplify the procedure of provision of payment cards, issued by banks, at the same time ensuring the requirement of identification of customers,

to manage more efficiently all the risks, which can be caused by absence of internal processes of banks and the documents, regulating the relations with their customers; or by shortages and omissions in those documents, which can negatively impact on social trust towards provision of payment-settlement services within the territory of the Republic of Armenia,

**Pursuant to** Articles 2(3), 5(1)(b), 5(2)(e) of the Law of the Republic of Armenia “On the Central Bank of the Republic of Armenia”, Article 17(2) of the Law of the Republic of Armenia “On Payment-settlement Systems and Payment-settlement Organizations”,

**In conformity with** the provisions of points “e” and “kd” of Article 20 the Law of the Republic of Armenia “On the Central Bank of the Republic of Armenia”, the Board of the Central Bank of the Republic of Armenia

**d e c i d e s:**

1. to approve the “Procedure of issuing, acquiring and distribution of payment cards, as well as performing operations with payment cards within the territory of the Republic of Armenia”, in conformity with the Appendix (attached).

2. to repeal the “Procedure of issuing, acquiring and distribution of payment cards, as well as performing operations with payment cards within the territory of the Republic of Armenia”,

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<sup>1</sup> This Procedure includes the amendments and supplements and all other changes endorsed under the following Resolutions of the Board of the Central Bank:  
No. 255-N dated 08.12.15, No. 168-N dated 14.10.16

approved by Resolution of the Board of the Central Bank of the Republic of Armenia Number 39-N, dated January 31, 2006.

3. The procedure, approved by this Resolution, does not apply to those pre-payment cards, issued and provided by banks, which have been issued before entering of this Resolution into force, till the expiration date of the given pre-payment cards.

4. This Resolution shall come into force on the tenth day after its official publication.

**Chairman of the Central Bank  
of the Republic of Armenia**

**A.Javadyan**

**November 06, 2014  
Yerevan**

Approved by  
Resolution No 300-N of the  
Board of the Central Bank of the Republic of Armenia  
dated November 04, 2014

**PROCEDURE**  
**ON DEFINITION OF SECURITY RULES AIMED AT PROTECTION OF RIGHTS OF THE**  
**CARDHOLDERS, RELATED TO ISSUANCE, ACQUIRING AND DISTRIBUTION OF PAYMENT**  
**CARDS AS WELL AS EXECUTION OF OPERATIONS WITH PAYMENT CARDS WITHIN THE**  
**TERRITORY OF THE REPUBLIC OF ARMENIA**  
(Title was edited by Resolution No. 255-N dated 08.12.15)

**CHAPTER 1. GENERAL PROVISIONS**

1. This procedure defines the rules of issuance, acquiring and distribution of payment cards, as well as execution of operations with payment cards within the territory of the Republic of Armenia and the security rules related to them.

2. This procedure applies to the organizations, licensed by the Central Bank of the Republic of Armenia (hereinafter, Central Bank) and having permission to issue and acquire payment cards (hereinafter, banks).

**CHAPTER 2. THE MAIN CONCEPTS**

3. The concepts, used in this Procedure, have the following meanings:

- 1) **issuer** - the banks, issuing payment cards within the territory of the Republic of Armenia,
- 2) **cardholder** – a natural and (or) legal person, sole entrepreneur, which has signed a written contract of banking account with the issuer for issuance and acquiring of a payment card,
- 3) **a written contract of banking account for issuance and acquiring of a payment card (hereinafter referred to as Contract)**, which is signed:
  - a. by forming a single document with the parties' signatures, or
  - b. by confirming by the bank's employee of the written application of the client on joining the public offer of signing a contract of issuance and acquiring of a payment card, published by the bank, and passing the original version of the confirmed application to the client, or

c. by other ways, specified by legislation of the RA.

The passing of the contract or the written application, specified by sub-points “a”, “b” and “c” of this point, to the client is confirmed by making a hand-written note about it by the client on the copy, kept at the bank.

- 4) **Automatic teller machine (hereinafter referred to as ATM)** – with the meaning, specified by “Procedure on installation, exploitation of automatic self-service devices and execution of financial operations via them”, approved by Resolution of the Board of the Central Bank of the Republic of Armenia No. 209-N dated August 16, 2011.
- 5) **POS terminal** – an electronic device, which is provided for performing non-cash operations with payment cards at sale and (or) services points, or for providing cash withdrawal operation with payment cards at the territory of the bank and (or) its territorial units,
- 6) **merchant** – a sales and/or services point, which has signed a contract with the bank, acquiring the payment card, on accepting the payment card as a payment method for the products sold and/or services provided by it,
- 7) **acquiring of the payment card** – a service, provided by the bank, which ensures the execution of operations with payment cards at the merchants’ place and settlements against them, as well as cash-in operations, transfer of funds and (or) provision of cash funds by the cardholders and (or) non-cardholder customers of the given bank within the territory allowed for provision of services by the bank,
- 8) **embossing** – a procedure of printing (embossing, engineering) of the payment card - recording of information on the magnetic tape and (or) in the microprocessor memory of the payment card, in accordance with the rules of the card payment-settlement system,
- 9) **payments registry** – a document or a set of documents, which includes information on operations, performed with payment cards for the period, defined by the rule of card payment-settlement system and (or) other documents; prepared by the legal person, performing the processing, or by the issuer, as a result of which the collection, processing and transfer/provision (processing) of the information about the operations with payment cards is being performed to the banks; and which is being presented in electronic form and (or) a hard copy,
- 10) **electronic registry** – a document or a set of documents, prepared in electronic form by the ATM, POS terminal or other technical device, acquiring the payment card, during the operations performed with a payment card, for the period, defined by the rule of payment-settlement system of the card and (or) other documents,

- 11) **personal identification number (PIN code)** - a code provided by the issuer, identifying the cardholder, which is being used by the cardholder in cases, defined by the rules of the payment-settlement system of the card,
- 12) **authorization** - a process of getting the permission on performing operations with a payment card from the issuer or the person, designated by the issuer,
- 13) **identification** - a procedure, according to which a checking by the issuer is being executed during execution of operations with payment cards on the PIN-code, provided to the cardholder, signature or other password, identifying the person, specified by the rule of the payment card system, pursuant to a procedure, specified beforehand,
- 14) **reporting period** - the period of operations, performed with the cardholder's payment card, about which the bank submits an excerpt to the cardholder,
- 15) **transactions, not validated by the cardholder** - transactions, reflected in the excerpt, provided to the cardholder by the issuer, or transaction otherwise become aware to the cardholder, which have been executed without the cardholder's consent/permission,
- 16) **off-line transactions** – transactions with a payment card, the execution of which does not require the issuer's authorization,
- 17) **on-line transactions** – transactions with a payment card, which are being authorized in real time by the issuer,
- 18) **transactions, executed contactless and not requiring the cardholder's identification** – on-line or off-line transactions with payment cards, not exceeding the volume limit, defined by the issuer, during execution of which the cardholder is not being identified.

4. The other concepts, used in this Procedure, are used with the meaning, specified by the Law of the Republic of Armenia “On payment-settlement systems and payment-settlement organizations”.

### CHAPTER 3. CLASSIFICATION OF PAYMENT CARDS AND THEIR REQUISITES

5. The issuers issue a personalized/identified payment instrument, which allows the cardholder to perform a withdrawal of funds, available in the payment card, and non-cash operations. based on the respective Contract, signed with the issuer.

6. The payment cards are classified.

- 1) by cardholders:
  - a. natural person,
  - b. legal person or sole entrepreneur.
- 2) by maintenance (recording) of information:

- a. magnetic,
- b. microprocessor-based (chip-based),
- c. hybrid (combined),
- d. virtual.

3) by type (scheme) of payment:

- a. debit,
- b. settlement,
- c. credit.

4) by environment of use:

- a. used in real environment,
- b. used in virtual (internet) environment.

7. The bank may issue the following types of payment cards for the cardholder:

- 1) **debit card**, which is provided for execution of operations within the funds, belonging to the cardholder, at the expense of the funds, available on the cardholder's banking account,
- 2) **settlement card**, which is provided for execution of operations within the funds, belonging to the cardholder, at the expense of the funds, available on the cardholder's banking account, and the credit (overdraft), provided by the issuer, based on the Contract, defined by sub-point 3 of point 3 of this Procedure,
- 3) **credit card**, which is provided for execution of operations by the cardholder at the expense of credit funds, provided to the cardholder by the issuer, in accordance with the terms of the credit contract.

***(Point 7 was amended by Resolution No. 168-N dated 14.10.16)***

8. ***The requisites of the payment card are:***

- a. name, surname of the holder of the payment card (for legal persons, sole entrepreneurs – name, surname of the authorized person),
- b. name (trademark) of the issuer of the payment card,
- c. name (trademark) of the payment-settlement system of the card, to which the given payment card belongs (if defined),
- d. number of the payment card,
- e. expiration date of the payment card (if defined),
- f. signature of the cardholder and (or) other data, specified by the rules of the payment-settlement system of the card (for example, CVV2 or CVC2).

9. In case of absence of any of the requisites of the payment card, the payment card is considered as void, except for the cases, specified by point 10 of this Procedure.

10. The requisite, specified by sub-point 1 of point 8 of this Procedure, can be absent, if all the following conditions are met:

- 1) the payment card:

- a. has been issued for a period not exceeding two years, only in Armenian Drams,
- b. can be used only with PIN code,
- c. is not subject to re-issuance for the same person,
- d. is not subject to use in virtual (internet) environment, except for the case of satisfaction of the requirement, specified by point 18 of this Procedure.

11. The payment card, meeting the conditions, specified by point 10 of this Procedure, can be purchased:

- 1) by the purchaser, for personal use,
- 2) by the purchaser, for use by a third party.

12. In case the payment card is being purchased for purpose, specified by sub-point 1 of point 11 of this Procedure, the person, purchasing the payment card, should act as a party of the Contract.

13. In case the payment card is being purchased for purpose, specified by sub-point 2 of point 11 of this Procedure, the person, using the payment card, should act as a party of the Contract.

#### **CHAPTER 4. THE MAIN CONDITIONS OF ISSUANCE, ACQUIRING AND DISTRIBUTION OF THE PAYMENT CARD, RETURN OF THE PAYMENT CARS AND SECURE EXECUTION OF OPERATION WITH THE PAYMENT CARD**

14. The issuer may simultaneously perform issuance, acquiring and distribution of payment cards. Issuance, acquiring and distribution of the payment card is being performed in accordance with the legislation of the Republic of Armenia, this Procedure, other normative acts of the Central Bank, as well as the rules, defined by the payment-settlement systems of the card.

15. Before signing the contract with the cardholder, the issuer must notify the cardholder about the main rules of issuance, acquiring and distribution of the payment card, as well as the main rules of termination of acquiring and secure execution of operations with the payment card (hereinafter referred to as the main rules of execution of operations with the payment card), which necessarily include:

- 1) the rules of provision, use and keeping of the payment card and the PIN code and (or) other authorization code (codes), specified by the rules of the payment-settlement system of the card,
- 2) the types of operation, performed with the payment card (if by the rules of the payment-settlement system of the card, there are limitations on periodicity, types and volumes of operation, then they should also be mentioned),
- 3) responsibilities of the issuer of the payment card and the cardholder, volume and terms of their responsibilities (the cardholder's responsibility for non-validated transactions, the issuer's responsibility towards the cardholder for the operations,

not validated by the latter, procedure and terms of notification of the issuer about the transactions, not validated by the cardholder, volume of responsibilities and the procedure of distribution of losses, other procedures), taking into consideration the requirements, specified by this Procedure and other legal acts. Moreover, the main rules of execution of operations with payment cards may not specify a provision, according to which the issuer does not bear a responsibility for those transactions, not validated by the cardholder, during execution of which the PIN-code has been applied, except for the cases, when the transactions has been executed with a microprocessor-based (chip-based) card.

- 4) procedure and conditions, terms of blocking and unblocking of the payment card both by initiative of the cardholder and the bank,
- 5) procedure and conditions, terms of debiting or crediting the card/banking account,
- 6) information on any types of fees, which are being charged from the cardholder against the services, provided to him/her, except for the fees, which may be charged by the acquirers at the moment of servicing the cardholder. The fees include the sums of provision and (or) annual service of the payment card, the fees, charged and applied for performing operations with payment cards, or other payments,
- 7) the period of appealing the card operations by the cardholder, as well as the procedures applied during appealing and corrections; procedure, conditions and terms of using those procedures by the cardholder, taking into consideration the requirements, specified by this Procedure and other legal acts,
- 8) the mechanism of defining the FX rate, used for operations with currencies other than the currency of the card/banking account (foreign currency),
- 9) the procedures, used by the cardholder in case of loss/steal of the payment card, and the procedure, conditions and terms of applying those procedures,
- 10) the procedure and conditions, terms of re-issuance of the payment card,
- 11) the procedure and terms of return of the payment card in case of closing the payment card account,
- 12) the procedures of settlements against the operations with payment cards, in particular:
  - a. the procedure, conditions and terms of providing funds to the cardholder or cash-in operations with Armenian Drams and foreign currency,
  - b. the procedure and conditions, terms of return (repayment) of respective money liabilities,
  - c. the annual nominal and actual interest rate calculated for provided funds, procedure and conditions, terms of calculation of interest rates and repayment of the cardholder's liabilities,



- 13) the effective mechanisms of management and mitigation of risks, emerging during execution of operations with payment cards,
- 14) the minimum conditions of secure use of payment cards,
- 15) other procedures, related to the cardholder, which regulate the operations with payment cards.

***(Point 15 was supplemented by Resolution No. 168-N dated 14.10.16)***

16. The main rules of execution of operations with the issuer's payment card should be developed in written form, if possible – also in electronic form, should be written in simple, understandable manner, in Armenian, and if necessary – also in other languages.

17. The issuer is obliged to provide the payment card and PIN-code to the cardholder in separate closed envelopes. Moreover, after issuance of the card, the transfer of the card by the issuer or a third party from the issuer's one territorial unit to another territorial unit for provision to the cardholder, as well as before provision of the card and the PIN-code to the cardholder, they should be kept at the issuer's place in closed envelopes.

18. In case of providing the cardholder and the acquirer with a possibility to provide services with the payment card in a virtual (internet) environment (except for the virtual cards, formed in the ArCa system), the issuer and the acquirer-bank should ensure the service of the cardholder and the acquirer via a modern security system in line with international criteria (for example, the 3-D secure system of information exchange via encrypted close keys, the system of generation and provision of a one-time code) in order to exclude the possibility of occurrence of transactions, not validated by the latter.

19. The issuer must always ensure the existence of a system of monitoring the transactions executed with payment cards and its round-the-clock (7/24) service in real time regime, in order to identify the suspicious transactions by calling or otherwise connecting to the cardholder.

20. The issuer must always ensure the existence of a warning system of quick response to the incidents (card loss, blocking, non-service, confiscation of the card by the ATM, etc.), occurring with payment cards, and its round-the-clock (7/24) service in real time regime.

21. The issuer is obliged to immediately inform the cardholder via a SMS about execution of any transaction with the payment card (at least, about the debiting of the card account) in case of desire of the cardholder to use the given service. Moreover, in case a fraud/defalcation has taken place, the fraud/defalcation risk, specified by sub-point 3 of point 15 of this Procedure, may not be put:

- 1) solely on the cardholder, if the cardholder has agreed, but the issuer has not provided the service of immediate notification via a SMS,
- 2) solely on the issuer, if after the issuer's immediate notification to the cardholder via a SMS about the executed transaction, the cardholder has not taken the preventive measures, specified by this Procedure, the Contract or the main rules of execution of operations with payment cards (for example, the cardholder has not

immediately notify on execution or non-execution of the transaction by himself/herself).

Moreover, the provisions, specified by sub-points 1 and 2 of this point, do not apply in case the notification about the transaction has not been provided in time or has not been at all provided to the cardholder via a SMS or the cardholder has not taken preventive measures due to connection failure or technical or other problems emerged with the telecommunication operator.

22. Based on an application-request, submitted by the cardholder, the issuer is obliged to initiate a process of funds chargeback, including with the cards of international card systems, issued by itself (except for the cases when the possibility to initiate a funds chargeback is not provided by the payment system of the card).

## **CHAPTER 5. PROCEDURE AND TERMS OF EXECUTION OF OPERATIONS WITH PAYMENT CARDS**

23. The cardholders may execute the flows (inflows and (or) outflows) of their funds, including credit funds, in cash or non-cash forms, in accordance with the Contract and (or) the rules of the payment-settlement system of the card.

24. Operations with several payment cards, provided to the cardholder, may be executed from the same banking account.

25. Operations with one payment card, provided to the cardholder, may be executed from several banking account.

26. The following types of operations may be performed with payment cards by the natural person-cardholder:

- 1) to receive cash in Armenian Drams and foreign currency within the territory of the Republic of Armenia and outside it,
- 2) to pay for products (work, services, results of mental work) in the currency of the Republic of Armenia within the territory of the Republic of Armenia, and in foreign currency outside the territory of the Republic of Armenia,
- 3) other operations in the currency of the Republic of Armenia and foreign currency, if no limitations on their performance have been defined by law or other normative-legal acts.

27. The following types of operations are being performed with payment cards by the cardholder, who is a legal person, sole entrepreneur (hereinafter, legal persons):

- 1) to receive cash funds in the currency of the Republic of Armenia against the settlements, related to its economic activity within the territory of the Republic of Armenia, including the settlements on operational and administrative expenditure,

- 2) to pay in the currency of the Republic of Armenia against the non-cash settlements, related to its economic activity within the territory of the Republic of Armenia, including the settlements on operational and administrative expenditure,
- 3) other operations in the currency of the Republic of Armenia and foreign currency, if no limitations on their performance have been defined by law or other normative-legal acts of the Republic of Armenia.

28. The cardholders may perform operations with payment cards from banking accounts, opened in the currency of the Republic of Armenia and (or) foreign currency. The operations in the currency other than the currency of the banking account are being performed in accordance with the procedure and terms, defined by the law, the Contract.

29. The banks, operating within the territory of the Republic of Armenia, ensure:

- 1) the execution of the settlement for the operations, executed with payment cards at the acquirers' place,
- 2) execution of transfer operation with payment cards by the cardholders and (or) non-cardholder customers of the given bank within the territory allowed for provision of services by the bank
- 3) execution of cash-in operations by the cardholders and (or) non-cardholder customers of the given bank within the territory allowed for provision of services by the bank,
- 4) execution of cash funds provision from card accounts to the cardholders and (or) non-cardholder customers of the given bank within the territory allowed for provision of services by the bank,

30. In case of submission of an application to close the payment card account, when returning the payment card by the cardholder, the issuer is obliged to provide the cardholder with a written confirmation about the return of the payment card. In case the cardholder does not return the payment card, the cardholder is obliged to make a note (with his/her signature) about it in the application to close the payment card account. Moreover, in case a fraud/defalcation has taken place after the submission of the application to close the payment card account (except for the transactions, executed before the submission by the cardholder of the application to close the payment bank account, but processed after the submission of the application to close the payment card account), the fraud/defalcation risk, specified by sub-point 3 of point 15 of this Procedure is borne by the issuer, if the cardholder has returned the payment card; and in case the cardholder has not returned the payment card, the fraud/defalcation risk, specified by sub-point 3 of point 15 of this Procedure, may not be borne solely by the issuer.

## **CHAPTER 6. THE SETTLEMENT DOCUMENTS, DEVELOPED DURING THE USE OF THE PAYMENT CARD**

31. A payment-settlement document is being developed in a hard copy and (or) in electronic form during the use of the payment card or the requisites of the payment card, which is confirmed by the cardholder's signature or by use of the PIN code or other authorization code, specified by the rules of the payment-settlement system of the card; and which serves as a ground for performing settlements on operations with payments cards and certifies their performance.

32. The following payment-settlement documents (hereinafter referred to as card invoice) are being developed in hard copy and (or) in electronic form during the use of the payment card:

- 1) card invoice, developed during cash withdrawal, cash-in or non-cash operations via the automatic teller machine (hereinafter referred to as ATM),
- 2) card invoice, developed during the non-cash operation via the POS terminal and (or) imprinter, located at sale and (or) services points,
- 3) card invoice, developed during the cash withdrawal operation via the POS terminal and (or) imprinter, located within the territory of the financial organization and (or) its territorial unit,
- 4) card invoice, developed during the non-cash operation via the virtual POS terminal, located at sale and (or) services points in virtual (internet) or other electronic environment. Moreover, a card invoice might not be developed when making payment in environment, specified in this point, if other document is being developed, confirming the payment with payment card and (or) justifying the expenditure, which allows to confirm, that the given operation is initiated by the payment card.

33. The minimum requisites of the payment-settlement document (card invoice), formed during the use of the payment card, are defined by the Central Bank.

***(Point 33 was amended by Resolution No. 168-N dated 14.10.16)***

34. The requirement, specified by point 31 of this Procedure, might be not met, if the rules of the payment-settlement system of the card provide a possibility to execute contactless operations with the given type of payment card, which do not require an identification of the cardholder.

***(Point 34 was amended by Resolution No. 168-N dated 14.10.16)***

35. The use of the PIN code and (or) other authorization code, specified by the rules of the payment-settlement system of the card, provided to the cardholder by the issuer, is being performed in accordance with legislation of the Republic of Armenia, the Contract and (or) the rule of the payment-settlement system of the card.

36. ***(Point 36 was repealed by Resolution No. 168-N dated 14.10.16)***

37. The payments registry or the electronic registry, which serve as a ground for preparing the payment-settlement and other documents, developed during the use of payment cards, is being kept at the bank and (or) the processing organization for at least 5 years.

**CHAPTER 7. THE SAMPLE OF THE EXCERPT, REGULARLY SUBMITTED/PROVIDED BY  
THE BANK ON THE OPERATIONS EXECUTED WITH A PAYMENT CARD AND THE  
PROCEDURE OF ITS COMPLETION**

38. The issuer informs the cardholder about the operations, performed with the payment card during the previous month, providing an excerpt to the cardholder. The terms, conditions and procedure of providing the excerpt are being defined by the Contract. In case of absence of terms of providing the excerpt in the Contract, the excerpt is being provided at least monthly.

39. The minimum requisites of the excerpt, provided to the cardholder, are defined by the Central Bank.

***(Point 39 was amended by Resolution No. 168-N dated 14.10.16)***

***40. (Point 40 was repealed by Resolution No. 168-N dated 14.10.16)***

41. Based on the cardholder's statement about the transactions, not validated by the cardholder, the issuer is obliged to notify the cardholder about the necessity to fill an application-request in a hard copy or in electronic way.

42. In case the cardholder submits an application-request about the transactions, not validated by the cardholder, the issuer should accept it by providing to the cardholder a written confirmation (in a hard copy or electronically) of acceptance of the application-request. If the application-request is being submitted to the issuer within at least 15 days after receiving the excerpt by the cardholder (in case no longer term is specified by the Contract), the issuer must satisfy the requirements, specified by points 44 and 45 of this Procedure.

43. If the cardholder appeals the non-validated transactions within 55 days after receiving the excerpt by the cardholder, and the cardholder attaches the documents to the application-request, confirming the impossibility to submit the application-request within the terms, specified by point 42 of this Procedure, then the issuer must satisfy the requirements, specified by points 44 and 45 of this Procedure.

44. After submission by the cardholder of an application-request about the transactions, executed contactless and not requiring the cardholder's identification, the issuer compensates the funds, debited from the cardholder's account, not later than the 5<sup>th</sup> day after submission of the application-request.

45. No later than within 90 days after submission of the application-request by the cardholder in cases and according to the procedure, specified by points 42 or 43 of this Procedure, the issuer:

- 1) compensates the funds, debited from the cardholder's account, or
- 2) rejects the requirement on compensation of the funds, mentioned in the application-request, submitted by the cardholder, if:
  - a. the terms of submission of the application-request, specified by points 42 or 43 of this Procedure, have been violated, or

- b. the cardholder has violated the provisions, specified by the main rules of execution of transaction with payment cards or the Contract, due to which the transactions, not validated by the cardholder, have occurred, or
- c. the issuer has justified facts, which serve as a ground to characterize the appealed transactions as a fraud/defalcation, executed by the cardholder.

**(The Appendix was edited by Resolution No. 255-N dated 08.12.15)**