

CyberSource China Payment Service

The Way to Simplify Management of Chinese Payments



Transact All Popular Payments

A single connection to CyberSource enables you to process payments in China and 190+ countries around the world, safely and easily.

Transact, settle and process refunds for these popular payment types:

- Chinese Debit Cards
- Chinese Credit Cards
- International Bankcards
- PayEase Wallet

China requires payments to be transacted as a "push payment" (see lower right).

Automatically Calculate Taxes

Our tax calculation service enables you to calculate Chinese VAT in real-time, and is automatically updated with the latest tax tables for China.

Simplify Fraud Management

China payments are fully supported by the CyberSource fraud management portal. Create China-specific rules to automatically screen and manage order acceptance just as you do for U.S. and European orders.

Easily Search & Reconcile Transactions in English

CyberSource documents the status of every transaction throughout its lifecycle – origination, settlement, funding and refund – in English. You get the convenience of order-level reconciliation and the ability to research transaction status at any time. Consolidated reporting within the business center, alongside your U.S. and other global payments, helps you operate more efficiently.

Streamline Banking Set-up

Via our China partnership with PayEase®, you easily establish a merchant account and local processing relationship that connect you to the 20+ member banks servicing the vast majority of China's consumer payment volume. One connection gives you access to:

- Agricultural Bank of China
- Bank of Beijing
- Bank of China (Great Wall credit/debit cards)
- Bank of Communications
- Bank of Shanghai
- China CITIC Bank
- China Construction Bank
- China Merchants Bank
- China Post
- Guangdong Development Bank
- Guangzhou Commercial Bank
- Huaxia Bank
- Industrial & Commercial Bank of China (ICBC)
- Industrial Bank Co. Ltd.
- Minsheng Bank
- Shanghai Pudong Development Bank
- Shanghai Rural Commercial Bank
- Shenzhen Development Bank
- Shenzhen Ping An Bank
- The Credit Cooperatives of Shunde
- The Rural Credit Cooperatives of Guangzhou

Local presence is required and funds are received in Yuan (CNY). If you do not have local presence, our alternative service allows you to transact in CNY and fund in major settlement currencies.

Issue Refunds Effortlessly

Never worry about refund rule differences between banks. CyberSource manages it all. Just submit the refund request online, and you're done.

How Chinese Payments are Transacted (Push Payment)

1. Customer selects bank from a list of banks displayed on your checkout page
2. Your systems send payment information to CyberSource, including the bank ID
3. CyberSource properly formats the request for Chinese processing, returns information to your system, and updates transaction records
4. Your systems redirect the customer's browser and provide payment information to PayEase, who redirects the browser to the customer's bank
5. Customer logs onto their bank's payment page to approve payment (*amount cannot be changed by customer; this step simply designates approval*)
6. Your customer's browser is directed back to your site; you receive transaction status: settled, declined or pending (most settled/declined in real time)
7. Transaction histories are automatically updated with payment status information

Important Facts About ePayments in China

Payment Methods

COD

30-50% of eCommerce is transacted COD. However, Chinese consumers routinely unwrap and inspect the package upon receipt, prior to COD payment. ~30% of COD orders are rejected, and are sometimes damaged during the return process. Savvy international merchants are opting to offer liberal return policies instead of supporting COD payments.

Chinese Debit and Credit Cards

Debit and credit cards account for the bulk of non-COD payments. While often called debit cards, Chinese bankcard payments transact online as a push payment (see reverse).

International Bankcards

American Express, JCB, MasterCard, or Visa account for less than 5% of payments, and are principally used by non-Chinese citizens. If Chinese citizens use these payment types, they must be processed like Chinese bankcards, and not as card payments as transacted in the U.S. or Europe.

PayEase Wallet

Transacts like a Chinese debit card payment. This wallet accepts deposits from:

- Online banking (offered by most banks)
- Postal currency transfers where the customer visits a postal branch and presents cash to be transferred
- Bank transfers and ATM transfers performed at the bank
- Telephone top-up cards purchased at a convenience store and cashed into the PayEase wallet
- Person-to-person money transfers

Mobile Payments

Mobile payments in China are primarily used for ringtones and game downloads. They are generally not feasible for physical goods due to processing fees, typically ~45% of ticket.

Automated Recurring Billing (Subscription Payments)

Automated billing is not widespread. Merchants typically email the customer notifying them that payment is due, and the customer clicks through to the payment page, notifying their bank to remit payment using the push payment methodology.

Merchant Accounts & Funding

Merchant Accounts

The Chinese banking system consists of multiple, autonomous (non-interconnected) bank and processor relationships. For necessary payment coverage in China, you must establish multiple merchant accounts and processing relationships, unless you use a multi-bank processing partner like CyberSource.

Fund in Yuan (with China presence)

If your business has presence in China and can officially conduct eCommerce in China, you must transact, settle and receive funds in Yuan (CNY). Payments are settled immediately, usually with twice per week funding (or more, if there is an agreement).

Fund in Other Currencies (no China presence)

If you do not have a presence in China, you can only accept and receive payment in a currency other than CNY.

Chargebacks & Repudiation

Chinese Debit/Credit Cards & International Bankcards Used by Chinese Citizens

If payment has been made to the merchant, customers cannot repudiate the payment unless there is provable fraud. Chinese banks do not assist customers with payment disputes; debit and credit cards have no provision for recourse or chargeback.

International Bankcards Used by Non-Chinese Citizens

Chargeback rights remain in effect for payments transacted by non-Chinese citizens.

PayEase Wallet

Payments made via the PayEase wallet cannot be disputed; they follow the same rules as Chinese debit card payments.

Refunds

Each bank has its own online refund rules. Some banks refuse to accept refunds if the transaction is too old. Others will accept a maximum of one refund per order. Merchants utilize manual "bank wires" to issue payment refunds when they cannot use an online refund. Savvy merchants either build bank wire refunds into their financial reconciliation and logistics processes, or seek fully-integrated payment processing.

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