



**OmniPay**  
A First Data Company



# PayPal: Redefining the global economy

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OmniPay staff are clearly experts in global transactions processing. They have done an outstanding job developing flexible solutions that meet our evolving requirements and provide us with the operational support we expect. ”

Senior Director, European Markets,  
PayPal Global Core Payments

PayPal offers worldwide payment solutions to thousands of merchants, millions of cardholders processing billions of transactions which are fast, efficient and secure. PayPal uses OmniPay as its global transaction processing engine.

How is it that a merchant has come to dominate these arenas and experience such success? How has PayPal met the many electronic payment challenges that aggressive global growth presents? The combination of PayPal's world class online merchant solution and the proven OmniPay multi-currency processing platform has led to PayPal becoming the global standard in the e-Commerce world.

## Global Penetration

In 2003, PayPal recognised that in order to successfully expand globally and further cement its role as a market leader, it needed a partner that could process its international traffic in collaboration with strong banking partners and deliver a solution tailored to its needs. Initially PayPal's requirement for acquiring licences in new markets was met via sponsorship agreements. PayPal's US-based acquiring partner sought the use of licences owned by principle card-scheme members in regions such as Canada, Europe, Australia, Hong Kong and Singapore.

As the business evolved, PayPal recognised the need to also build relationships with global Acquiring banks who could obtain Acquiring licences of their own in multiple regions. Throughout this process PayPal has steered its Acquiring partners to a single processor, OmniPay.

With growth into new markets and pricing driven by interchange, PayPal needed the ability to request appropriate card scheme interchange levels globally while meeting data submission requirements for each regional interchange program. OmniPay supports nearly 3,000 different interchange programs in over 200 different countries and can easily develop support for additional programs as its clients expand in terms of either business type or geographic location. OmniPay's use of a single global platform positions it perfectly to support transaction processing for PayPal anywhere and for all its merchant segments. With OmniPay's extensive global reach and expert knowledge of in-country, sub-regional, regional and inter-regional interchange requirements, PayPal benefits from significant interchange cost optimisation. For PayPal's Acquiring partners this means reduced costs, which in turn reduce PayPal's processing costs.

## Extensive Currency Support

With global expansion comes the need to increase currency support. PayPal began processing on the OmniPay Platform in 2003 in six key currencies. OmniPay's standing as a recognised world leader in multi-currency payment processing meant it was perfectly positioned to meet and exceed PayPal's currency demands, offering all possible combinations and permutations of transaction, merchant funding, card scheme settlement and reporting currencies. Today PayPal processes in excess of 50 currencies on the OmniPay platform, a number which is expected to increase even further in the future. Thanks to a highly flexible and innovative platform, any future expansion in terms of transaction currency support can occur without any configuration or development effort at OmniPay. Once a currency is recognised and supported by the card schemes it can be processed enabling PayPal to offer a unique and comprehensive service to their international e-Commerce customers.

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## Innovation through Merchant Identification

One of the keys to PayPal's success is its ability to enable anyone to be a merchant. A PayPal merchant may be a traditional Commercial Entity or an adhoc seller. With 98 million active registered accounts, conventional merchant account management practices are simply not suitable. Overheads associated with the set-up and maintenance of these accounts would lead to unsustainable costs if utilising methods undertaken traditionally by Acquiring banks. To overcome this problem, PayPal and its Acquiring partners make use of OmniPay's dynamic geo-location interchange assessment with varying flex descriptors on a single processing merchant per region. This model eliminates the need to set-up merchants on the processing platform for each individual seller and merchant location. Product and address information is instead submitted with each transaction.

## Expert Clearing and Settlement Services

OmniPay's innovative processing solutions have provided a perfect springboard for PayPal and its growing needs, quickly enabling it to compete in emerging markets and bring new opportunities to existing regions. OmniPay's clearing and settlement service consisting of a 4-currency model, extensive interchange support and comprehensive suite of payment methods and interfaces allow PayPal to concentrate on its core business and further consolidate its position at the forefront of the global e-Commerce space.

## Award-winning Dispute Management

PayPal is an e-Commerce based business requiring fast and cost-effective dispute management. This is provided to them by OmniPay's online RAM Chargeback System. This smart and completely paperless dispute processing engine eliminates the possibility of inappropriate user actions thus reducing requirements for agent training and liability from user error. The user actions available for each dispute case are controlled via configuration and may vary from case to case depending on the card scheme, card brand, dispute stage and reason code relevant to it.

OmniPay's global platform serves PayPal's chargeback processing needs by enabling 83% of all disputes to be automated, thus reducing the average time taken to work a case by one third. Dispute processes are streamlined further with direct interfaces to card scheme imaging systems.

## What does the future hold?

As PayPal continues to strengthen its position in existing regions, expand into emerging markets and evolve its product offering, it can do so confident that it has a processing partner fully capable of supporting it wherever those growth plans may take it.