ALLIANCE DEFENDING FREEDOM
FOR FAITH. FOR JUSTICE.

Paul Worthing
Regional Director
San Francisco FDIC
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San Francisco, CA, 94105-2780

Via FDIC CRA Comments Portal

Re: Alliance Defending Freedom Comment Conditionally Opposing PayPal Bank's Application for Deposit Insurance

Director Worthing,

Alliance Defending Freedom (ADF) respectfully submits the following comment conditionally opposing PayPal Holdings'[1] application for deposit insurance in conjunction with it seeking an ILC charter from the state of Utah for PayPal Bank.[2]

ADF is an alliance-building legal organization that advocates for the right of all people to freely live and speak the truth. ADF is dedicated to protecting the unalienable rights endowed by our Creator.

ADF writes to make the FDIC aware of PayPal Holdings' (PayPal) current policies and previous actions that, as described in greater detail below, provide evidence indicating that PayPal has terminated or frozen customer accounts based on those customers' lawful political beliefs and statements. This would constitute "politicized or unlawful debanking," as defined by Executive Order 14331.[3] PayPal also continues to use vague, subjective, and easily weaponized terms in its terms of service and other documents that could permit PayPal to unfairly debank its customers.

In light of this, there is reason to doubt that PayPal Bank, which would be entirely owned by PayPal, would be willing to serve the "convenience and needs" of its community, one of the criteria by which applications for deposit insurance are evaluated.[4]

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[1] References to PayPal Holdings include any subsidiaries, parents, or other related corporations as appropriate.

[2] FDIC application number 202512216.

[3] Exec. Order No. 14331, Guaranteeing Fair Banking for All Americans, White House (Aug. 7, 2025) https://www.whitehouse.gov/presidential-actions/2025/08/guaranteeing-fair-banking-for-all-americans/ .

[4] 12 U.S.C. § 1816(6).

Given this information, ADF conditionally opposes PayPal Bank's application for deposit insurance. ADF believes that the FDIC should only provide PayPal Bank with deposit insurance if PayPal Bank, and its parent company PayPal, (to the extent PayPal's policies would affect the bank), adopt binding commitments to serve the needs of the entire community, change objectionable policies and practices, remove easily weaponized and abused language from their terms of service, and establish adequate monitoring and enforcement mechanisms to ensure this commitment is honored.

PayPal's Potentially Unlawful or Politicized Debanking

PayPal is one of the world's largest payment service providers. It also has an unfortunate history of denying services or canceling accounts based on what appears to be PayPal's political animus and a desire to interfere with its customers' rights to free speech and lawful political activity. Such motives would run counter to the purpose for which the banking system, generally, and deposit insurance, specifically, were created.[5] Such motives would also be inconsistent with the policy of the United States of America that Americans should not "be denied access to financial services because of their constitutionally or statutorily protected beliefs, affiliations, or political views[.]"[6]

At the outset, it is important to recognize that PayPal has a history of mixing business with politics. PayPal is infamous for halting its plan to open an operations center in Charlotte, North Carolina, after the state passed a law requiring people to use the bathroom consistent with their birth sex. In announcing the move, the CEO at the time, Dan Schulman said that the law "perpetuates discrimination and it violates the values and principles that are at the core of PayPal's mission and culture."[7] Schulman later said that "[b]usinesses needed to be a force for good in those values and issues they believe in" and that PayPal sought to draw a line around "hate," which Schulman acknowledged to be difficult because, in his words, "the line between free speech and hate, nobody teaches it to you in college. Nobody has defined it in the law." [8]

Perhaps because there is no legally recognized line in the United States between so-called "hate speech" and free speech, PayPal has been broadly criticized for closing the accounts of customers engaged in constitutionally protected speech and other protected activity, as well as the opacity of PayPal's decisions. This criticism has come from free speech advocates

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[5] *See* Brian Knight & Trace Mitchell, *Private Policies and Public Power: When Banks Act as Regulators Within a Regime of Privilege*, 13 N.Y.U. J. L. & LIBERTY 66 (2020).

[6] Exec. Order No. 14331, *supra* n. 3.

[7] Nandita Bose *PayPal pulls North Carolina plan after transgender bathroom bill*, REUTERS NEWS (April 5, 2016) https://www.reuters.com/article/world/us/paypal-pulls-north-carolina-plan-after-transgender-bathroom-law-idUSL2N178193/.

[8] Peter Rudegair, *PayPal CEO Grapples With Fringe Groups*, WALL STREET JOURNAL (Feb. 23, 2019) https://www.wsj.com/articles/paypal-ceo-grapples-with-fringe-groups-11551016800?gaa_at=eafs&gaa_n=AWEtsqeKIK6uxCERngXvZ4x1oHAy_BMmLDqXoEipGjoPg9plk1bNy3ar4QBuzuGK-OA%3D&gaa_ts=6967fa0b&gaa_sig=FVJjzWQXzl01Wu6yZaWHoPQJx3uo9FgIyVKWlEaKMg9ncQ9mUzOH4gXa-ka0AGU72kEs6exFQi7MvlGZbO7iKw%3D%3D)_ .

across the political spectrum, ranging from the Electronic Frontier Foundation and American Civil Liberties Union, to the Foundation for Individual Rights and Expression, to the National Center for Public Policy Research and ADF.[9]

ADF draws the above to the FDIC's attention because it shows that PayPal has historically not been shy about using its market power for political ends. It also shows that PayPal's conduct has given rise to widespread concern. As such, PayPal's actions, including closing and freezing accounts, should not be presumed to be non-political.

PayPal's Terms of Service

PayPal's terms of service,[10] including its acceptable use policy[11] restrict how a PayPal account can be used. Unfortunately, these policies have historically, and, as of this writing, still rely on vague and easily weaponized terms that can be used to target lawful speech and political activity with which PayPal or one of its constituencies disagrees.

Currently, PayPal prohibits its services from being used for transactions that relate to, *inter alia*, "the promotion of hate, violence, racial or other forms of intolerance that is discriminatory or the financial exploitation of a crime[.]"[12] It also prohibits the use of PayPal services to "[a]ct in a manner that is defamatory, trade libelous, threatening or harassing" or "[p]rovide false, inaccurate or misleading information[.]"[13]

Many of these terms, such as "hate," "intolerance," "threatening or harassing," or "misleading information" are vague and subjective. While they all include conduct that could give rise to justified concern, they have also been cynically interpreted to shut down legitimate speech. For example, the Southern Poverty Law Center (SPLC) has falsely labeled numerous mainstream groups and individuals, including Turning Point USA (founded by the late Charlie Kirk), traditional Catholics, Ben Carson, Franklin Grahm, and

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[9] *Letter from the Electronic Frontier Foundation and other organizations to Dan Schulman and other recipients* (June 15, 2021) https://www.eff.org/document/letter-paypal-and-venmo-eff-and-others; *FIRE Statement on Free Speech and Online Payment Processors*, https://www.thefire.org/research-learn/fire-statement-free-speech-and-online-payment-processors (Last Accessed January 14, 2026); Jeremy Tedesco, *PayPal loses SEC challenge, must allow shareholders to consider viewpoint diversity proposal*, ALLIANCE DEFENDING FREEDOM (April 20, 2023) https://adflegal.org/press-release/paypal-loses-sec-challenge-must-allow-shareholders-consider-viewpoint-diversity/.

[10] PayPal Holdings, Inc., *PayPal User Agreement*, PAYPAL, https://www.paypal.com/us/legalhub/paypal/useragreement-full?country.x=US&locale.x=en_US#unauthorized-transactions (last Accessed Jan. 14, 2026).

[11] PayPal Holdings, Inc., *PayPal Acceptable Use Policy,* PAYPAL, https://www.paypal.com/us/legalhub/paypal/acceptableuse-full?locale.x=en_US (last Accessed Jan. 14, 2026).

[12] *Id*.

[13] PayPal Holdings, Inc., *PayPal User Agreement*, PAYPAL, https://www.paypal.com/us/legalhub/paypal/useragreement-full?country.x=US&locale.x=en_US#restricted-activities (last Accessed Jan. 14, 2026).

Alliance Defending Freedom as hateful extremists because these groups and individuals fail to align with extreme progressive positions.[14]

While PayPal's current terms of service are troubling, they could have been worse. In 2022, PayPal had considered even more restrictive terms that would have prohibited using PayPal Holdings' services to "promote misinformation."[15] These terms were rescinded and labeled as an "error," but only after PayPal received significant public backlash.[16]

PayPal has historically not only prohibited certain activities on the basis of vague and easily weaponized terms; it also backed up those terms with what amounted to a fine of at least $2,500. As Professor Eugene Volokh explained, PayPal's terms of service allowed it to assert a claim to liquidated damages of $2,500 per violation of PayPal's terms, which could be directly debited from the user's account.[17] Although the liquidated damage provision was removed in October 2022, following public pressure, the fact that it existed at all raises questions about PayPal's commitment to treating customers fairly.

Furthermore, the fact that PayPal continues to use vague, disputed, and easily weaponized terms raises questions about PayPal's commitment to serving the convenience and needs of its entire community.

The vagueness, subjectivity, lack of transparency, and complete discretion that PayPal enjoys prevents its customers from knowing how they will be judged or if they were treated fairly. Not only is this undesirable, but it also prevents accountability. As the Supreme Court has noted in the speech context, unfettered discretion makes it hard to determine whether a stated reason for denying the ability to speak is legitimate or merely a pretext.[18]

While the First Amendment would not generally be expected to apply to PayPal or PayPal Bank, the broader concern is relevant, especially because, as described below, PayPal has debanked customers based on what appears to be disapproval of the customer's lawful speech and political activity. The FDIC must consider the risk that PayPal Bank would act similarly before it decides whether or not to grant PayPal Bank deposit insurance.

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[14] *Hatewatch*, SOUTHERN POVERTY LAW CENTER, https://www.splcenter.org/resources/hatewatch/ (last Accessed January 5, 2026); https://www.grassley.senate.gov/imo/media/doc/grassley_to_fbi_-_richmond_memo_productions.pdf

[15] PayPal Holdings, Inc., PayPal Acceptable Use Policy (Nov. 3, 2022), archived at Internet Archive, https://web.archive.org/web/20221006171553/https:/www.paypalobjects.com/marketing/ua/pdf/US/en/acceptableuse-full-110322.pdfm (archived Oct. 6, 2022). *See* Exhibit A.

[16] Reuters, *PayPal Says Policy to Fine Customers for 'Misinformation' Was an 'Error'* (Oct. 10, 2022), https://www.reuters.com/business/finance/paypal-says-it-never-intended-fine-users-misinformation-bloomberg-news-2022-10-10/.

[17] Eugene Volokh, *PayPal Still Threatens $2500 Fines for Promoting "Discriminatory" "Intolerance" (Even if Not "Misinformation"),* Reason (Oct. 9, 2022), https://reason.com/volokh/2022/10/09/paypal-still-threatens-2500-fines-for-promoting-discriminatory-intolerance-even-if-not-misinformation/.

[18] *City of Lakewood v. Plain Dealer Publ'g Co.*, 486 U.S. 750, 757-758 (1988)

Examples of PayPal apparently denying service on the basis of lawful speech

As described above, PayPal's terms of service employ vague and subjective criteria, allowing PayPal to harm customers whose speech it disagrees with. Unfortunately, there is evidence that PayPal may have done just that in the past. The following examples are not exhaustive, but rather illustrative of cases where it appears that PayPal targeted its customers based on their customers' legal speech on matters of public concern. This impeded the customers' ability to engage in the type of speech that is at the core of our First Amendment and on which the legitimacy of our political system rests. Not only is this inconsistent with the purpose of the banking system, it is also antithetical to serving the convenience and needs of PayPal's community of users.

Dr. Colin Wright

Dr. Wright is an evolutionary biologist and critic of gender ideology. Dr. Wright used PayPal as a means of receiving funds for his publication "Reality's Last Stand" until his account was terminated in April of 2021. PayPal announced that it had decided to "permanently limit [Wright's] account as there was a change to your business model or your business was considered risky." When Wright inquired about the reason his account was limited, PayPal informed him that he would need a subpoena to obtain the information.[19]

Free Speech Union

In 2022, PayPal froze the accounts of the Free Speech Union, its founder, Toby Young, and The Daily Skeptic, a website owned by Young.[20] This closure caused significant disruption to the account holders and was only reversed after intense and sustained pushback from politicians in the United Kingdom.[21]

Prior to the account freeze, the Free Speech Union, an organization committed, unsurprisingly, to protecting free speech, had advocated against the teaching of "radical gender theory" in British schools, helped defend Britons who had lost their jobs for expressing unpopular opinions, such as skepticism of gender ideology, and opposed the deplatforming of academics who were skeptical of gender ideology.[22]

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[19] Colin Wright, *I Got Thrown Off Etsy and PayPal for Expressing My Belief in Biological Reality*, QUILLETTE (June 23, 2022), https://quillette.com/2022/06/23/i-got-thrown-off-etsy-and-paypal-for-expressing-my-belief-in-biological-reality/.
[20] Aaron Terr, *PayPal is no pal to free expression*, FIRE (Sept. 30, 2022) https://www.thefire.org/news/paypal-no-pal-free-expression.
[21] Tony Diver and Henry Bodkin, *PayPal Reinstates Free Speech Union Accounts After Accusations of Being "Politically" Biased*, The Telegraph (Sept. 27, 2022), archived at Internet Archive, https://web.archive.org/web/20240205043258/https://www.telegraph.co.uk/politics/2022/09/27/paypal-reinstates-free-speech-union-accounts-accused-politically/ (archived Feb. 5, 2024).
[22] Louisa Clarence Smith, *PayPal Shuts Accounts of Free Speech Union*, THE TELEGRAPH (Sept. 20, 2022), archived at Internet Archive, https://web.archive.org/web/20251209035914/https://www.telegraph.co.uk/news/2022/09/20/paypal-shuts-accounts-free-speech-union/ (archived Dec. 9, 2025).

PayPal refused to explain to Young why it had suspended the accounts, except that they had allegedly violated PayPal's acceptable use policy, but stated to the press that "[a]chieving the balance between protecting the ideals of tolerance, diversity and respect for people of all backgrounds and upholding the values of free expression and open dialogue can be difficult, but we do our best to achieve it."[23] It has also been reported that Young may have been targeted by PayPal over alleged "Covid vaccine misinformation."[24]

This indicates that PayPal froze the Free Speech Union, Young, and The Daily Skeptic accounts because of their legal speech and political activity. Such political debanking is antithetical to American values and the purpose of the banking system. While PayPal eventually unfroze the accounts, it was only after a public outcry. As such, it should not be presumed that PayPal would have changed course of its own volition.

Moms For Liberty

PayPal also froze the account of "Moms for Liberty," a non-profit focused on protecting parental rights in education. The account freeze was implemented in July of 2022 on the same day Florida Governor Ron DeSantis spoke at the organization's conference. Moms for Liberty was informed that the organization could not operate on the platform until the IRS approved its 501(c)(3) status, despite PayPal being aware that the organization's application was pending with the IRS when it allowed the organization to create an account.[25]

PayPal unfroze Moms for Liberty's account after DeSantis announced that he would seek legislation in Florida to guarantee fair access to financial services, even though there had been no change in Moms for Liberty's tax status.[26]

As with the Free Speech Union, PayPal eventually reversed course, but only after significant political pressure. Notably, this reversal suggests that PayPal's initial justifications were pretextual. After all, if there is a legal obligation not to provide a service to a customer, mere pressure, which has no legal force in itself, should not override that obligation.

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[23] *Id.*
[24] Charlie Moloney, *PayPal forced to backtrack in clash over free speech*, THE TIMES, (Sept. 23, 2022) https://www.thetimes.com/uk/healthcare/article/paypal-closes-more-accounts-of-anti-lockdown-campaigners-9b0dnmn8s?gaa_at=eafs&gaa_n=AWEtsqe8WRtlMN0EnBCGv8hXM9Atn8lZx7l8YgfJWn-RkMPr4i7b6JGv6NSQipJ__b4%3D&gaa_ts=69680858&gaa_sig=5qFUaE3VL-ZZmfLWLnk9vm8MxOw5sN7cPh8IPgeCyyRZHHJtCz-FjXGSGzYyTYQ-MkPp8nRWgXaUhC-_1NfTbw%3D%3D.
[25] Lydia Nusbaum, *PayPal Unfreezes Moms for Liberty Funds After DeSantis Announces Crackdown on 'Woke' Banking,* FLORIDA'S VOICE NEWS (Aug. 1, 2022) https://flvoicenews.com/paypal-unfreezes-moms-for-liberty-funds-after-desantis-announces-crackdown-on-woke-banking/.
[26] *Id.*

Harm to PayPal's Customers and Legal Liability Related To PayPal's Potentially Politicized Debanking

While there is insufficient information publicly available to confirm, the examples above suggest that PayPal has terminated or frozen customers' accounts due to a distaste for their lawful political speech, or even an outright effort to suppress such speech. If so, this would be a clear example of politicized debanking, as well as failure to serve the convenience and needs of their customer base. If PayPal Bank is likely to follow the lead of its parent company, there is a strong reason to doubt that it would meet the needs of its community as required by law.

Additionally, the type of actions taken by PayPal described above could also potentially violate the prohibition on unfair or deceptive acts and practices found in the Dodd-Frank Act[27] and the Federal Trade Commission Act.[28] Determining whether an act is unfair or deceptive under the law depends on the facts and circumstances of the particular case.[29] However, what is known about the events described above raises suspicions about the legality of PayPal's actions.

Turning first to whether PayPal's actions described above were unfair: Both laws define an unfair act as one that causes or is likely to cause substantial harm to customers that the customer cannot reasonably avoid and does not cause a benefit to consumers or competition that outweighs the harm.[30]

A practice of cutting customers off from their accounts for politicized purposes based on vague terms that can be enforced arbitrarily could potentially meet this standard.

First, losing an account and having the money in that account frozen for a significant amount of time creates obvious and significant harm.

Second, given the vagueness of the terms PayPal uses, a customer is unlikely to be able to predict that they would violate the terms *ex ante*. This prevents the customer from recognizing the risk they would take on in relying on PayPal and potentially prevents them from choosing a different payment provider. Instead, the customer comes to rely on PayPal until it is too late, preventing the consumer from reasonably avoiding the harm.

Finally, there is no plausible benefit to consumers or competition from such debanking that outweighs the harm. Debanking customers does not provide more competition, lower prices, or yield other market benefits the law contemplates.

Federal law also prohibits deceptive acts and practices.[31] For an act to be deceptive, there must be a material representation, omission, or practice that will likely affect a consumer's

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[27] *See* 12 U.S.C. § 5531.
[28] 15 U.S.C. § 45.
[29] This includes issues like whether federal law protects the transaction in question, which is especially relevant if the customer is a foreign person or entity.
[30] 12 U.S.C. § 5531(c) and 15 U.S.C. 45(n)
[31] 12 U.S.C. § 5531(a);15 U.S.C. § 45(a).

conduct or decision-making and is likely to mislead reasonable consumers under the relevant circumstances.[32] Intent to deceive is not required, so long as it is likely to mislead reasonable consumers.[33]

If PayPal provided pretextual reasons for freezing or canceling customer accounts, it could have committed a deceptive trade practice. Likewise, if PayPal withheld information that would have helped its customers understand how PayPal's terms would be applied in practice, this could constitute a deceptive omission.

Such deceptive pretexts or omissions would prevent the customer who lost their account from fully understanding why and either fixing the issue or seeking alternative services or legal intervention. It could also mislead other customers or potential customers by inducing them to misunderstand the actual rules PayPal operates under and invest in a PayPal account, to their later detriment.

We raise these issues to draw the FDIC's attention to the risk that, based on prior conduct, PayPal's terms of service and their enforcement might violate federal law, which, if PayPal Bank adopted similar policies and practices or was influenced by PayPal's policies and practices, could result in harm to PayPal Bank's financial condition due to the cost of enforcement actions, fines, and penalties. And of course, engaging in unfair and deceptive acts cannot be said to serve the needs and convenience of any community.

Suggested FDIC Action

Given PayPal's actions and policies, Alliance Defending Freedom is concerned that PayPal Bank receiving deposit insurance could run counter to the law and policy justifications undergirding deposit insurance. As such, ADF regrettably opposes PayPal Bank's application.

However, we believe there is a path forward by which the risk that PayPal Bank would abuse the privilege of deposit insurance could be addressed. ADF recommends that the FDIC condition the grant of insurance on a requirement that PayPal Bank, and to the extent it implicates the bank's conduct, PayPal Holdings, adopt policies to prohibit discrimination on the basis of lawful speech, political activity, and religious exercise, as other banks have recently adopted.[34]

The terms of service should also not use vague or easily weaponized criteria, such as "hate" or "misinformation," and instead focus on clear illegality. The terms should provide clear and objective criteria so that a reasonable consumer can predict what is or is not permitted.

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[32] See e.g., *Federal Trade Comm'n. v. LeadClick Media, LLC,* 838 F.3d 158, 168 (2nd Circuit 2016); *In the Matter of Int'l Harvester Co.*, 104 F.T.C. 949, 1056 (1984)
[33] *LeadClick Media, LLC*, 838 F.3d at 168.
[34] *See e.g.* Alliance Defending Freedom, *Debanking to the dustbin: JPMorgan Chase enacts major policy change to prevent future discrimination,* (March 11, 2025) https://adflegal.org/press-release/debanking-to-the-dustbin-jpmorgan-chase-enacts-major-policy-change-to-prevent-future-discrimination/.

The bank and PayPal Holdings should also be required to take reasonable steps to prevent their terms and policies from being enforced in a biased or arbitrary manner.

Further, the FDIC should require that PayPal Bank base its decisions on whether or not to serve a customer on an individualized, objective, risk-based standard and not on the environmental, social impact, or reputation risk posed by a customer, the customer's beliefs and speech, or a desire to interfere with or impede a customer's lawful activity.

Finally, the FDIC should require PayPal Bank to take appropriate steps to ensure that these requirements are met. This would include retaining qualified personnel within the bank and on its board to ensure compliance, as well as providing appropriate training and discipline for employees. The FDIC should also utilize its supervisory authority to ensure that PayPal Bank meets these requirements and take appropriate corrective enforcement action if necessary.

Were these criteria to be achieved in a credible, durable, and enforceable manner, ADF would happily drop its objection to PayPal Bank's application for deposit insurance.

Conclusion

Given PayPal's conduct and reliance on problematic terms of service, PayPal Bank's application for deposit insurance should be scrutinized closely to ensure that PayPal Bank does not engage in unlawful or politicized debanking, which is antithetical to the purpose of the banking system. The FDIC should only grant deposit insurance if PayPal Bank, as well as PayPal Holdings, to the extent appropriate, commits to a binding and credible plan to create and maintain policies, procedures, and internal controls that would prevent PayPal Bank from engaging in politicized or unlawful debanking.

We are happy to answer any questions you may have.

Respectfully,

s/Brian Knight

Brian Knight
Senior Counsel

Exhibit A

PayPal

>> View all legal agreements

ACCEPTABLE USE POLICY

Download PDF

Last updated on November 3, 2022.

You are independently responsible for complying with all applicable laws in all of your actions related to your use of PayPal's services, regardless of the purpose of the use. In addition, you must adhere to the terms of this Acceptable Use Policy. Violation of this Acceptable Use Policy constitutes a violation of the PayPal User Agreement and may subject you to damages, including liquidated damages of $2,500.00 U.S. dollars per violation, which may be debited directly from your PayPal account(s) as outlined in the User Agreement (see "Restricted Activities and Holds" section of the PayPal User Agreement).

Prohibited Activities

You may not use the PayPal service for activities that:

1. violate any law, statute, ordinance or regulation.
2. relate to transactions involving (a) narcotics, steroids, certain controlled substances or other products that present a risk to consumer safety, (b) drug paraphernalia, (c) cigarettes, (d) items that encourage, promote, facilitate or instruct others to engage in illegal activity, (e) stolen goods including digital and virtual goods, (f) the promotion of hate, violence, racial or other forms of intolerance that is discriminatory or the financial exploitation of a crime, (g) items that are considered obscene, (h) items that infringe or violate any copyright, trademark, right of publicity or privacy or any other proprietary right under the laws of any jurisdiction, (i) certain sexually oriented materials or services, (j) ammunition, firearms, or certain firearm parts or accessories, or (k) certain weapons or knives regulated under applicable law.
3. relate to transactions that (a) show the personal information of third parties in violation of applicable law, (b) support pyramid or ponzi schemes, matrix programs, other "get rich quick" schemes or certain multi-level marketing programs, (c) are associated with purchases of annuities or lottery contracts, lay-away systems, off-shore banking or transactions to finance or refinance debts funded by a credit card, (d) are for the sale of certain items before the seller has

control or possession of the item, (e) are by payment processors to collect payments on behalf of merchants, (f) are associated with the sale of traveler's checks or money orders, (g) involve currency exchanges or check cashing businesses, (h) involve certain credit repair, debt settlement services, credit transactions or insurance activities, or (i) involve offering or receiving payments for the purpose of bribery or corruption.

4. involve the sales of products or services identified by government agencies to have a high likelihood of being fraudulent.
5. involve the sending, posting, or publication of any messages, content, or materials that, in PayPal's sole discretion, (a) are harmful, obscene, harassing, or objectionable, (b) depict or appear to depict nudity, sexual or other intimate activities, (c) depict or promote illegal drug use, (d) depict or promote violence, criminal activity, cruelty, or self-harm (e) depict, promote, or incite hatred or discrimination of protected groups or of individuals or groups based on protected characteristics (e.g. race, religion, gender or gender identity, sexual orientation, etc.) (f) present a risk to user safety or wellbeing, (g) are fraudulent, promote misinformation, or are unlawful, (h) infringe the privacy, intellectual property rights, or other proprietary rights of any party, or (i) are otherwise unfit for publication.
6. relate to transactions involving any activity that requires pre-approval without having obtained said approval.

Activities Requiring Approval

PayPal requires pre-approval to accept payments for certain services as detailed in the chart below.

PayPal requires pre-approval to accept payments for certain items and services as detailed below.			
Section	**Category**	**Item or Service Requiring Pre-Approval (not intended to be an exhaustive list)**	**Contact Information**
1	Transportation	Airlines and scheduled or non-scheduled charters/jets/air taxi operators.	For general questions, please refer to our Help Center.
2	Charities / Non-Profit	Collecting donations as a charity or non-profit organization.	

3	High Value Items	Operating as a dealer in jewels, precious metals and stones.	If you have questions about obtaining a pre-approval or opening a new PayPal Business account that offers services requiring pre-approval, please contact our Sales team.
4	Payment Facilitator	Providing payment services which would fall under the definition of a money service business or an electronic money institution. Services would also include the sale of stored value cards and escrow services.	
5	Investments	Buying, selling, or brokering stocks, bonds, securities, options, figures, commodities, contracts for difference/forex, mutual funds or an investment interest in any entity or property.	
6	Gambling, Gaming, Prize Draws and Contests	Activities involving gambling, gaming and/or any other activity with an entry fee and a prize, including, but not limited to property/real estate prizes, casino games, sports betting, horse or greyhound racing, fantasy sports, lottery tickets, other ventures that facilitate gambling, games of skill (whether or not legally defined as gambling) and sweepstakes, if the	

		operator and customers are located exclusively in jurisdictions where such activities are permitted by law.		
7	Cryptocurrency	Any digital representation of value that can be digitally traded, transferred, or used for payment, including, but not limited to, crypto currencies, virtual in-game currencies, or non-fungible tokens.		
8	Prescription Items	The sale of any product(s) requiring a prescription or prescription dispensing services.		
9	Telemedicine Services	Providing medical services and consultations in a remote fashion.		
10	Mature Audience Content	Any adult content delivered digitally including video on demand (VOD) and web-cam activities. PayPal may be restricted from processing payments in certain jurisdictions for adult DVD's, magazines and other adult themed products or services.		
11	Online Dating	Any dating services that enable		

		individuals to find and introduce themselves to new people with the goal of developing a personal or romantic relationship.		
12	Live Streaming/Broadcasting	Any activities in which people transmit video, voice or text content in a live environment with the potential of user interaction.		
13	File-Sharing	Providing file sharing services including cyberlockers and similar remote digital file sharing services where uploaded content is accessible to the public or the service pays uploaders for content.		
14	Alcohol	Selling alcoholic beverages.		
15	Tobacco	Non-cigarette tobacco products, e-cigarettes, cigars		
16	Medical Items or Services	All items classified as medical devices, and all services or treatment provided by a person or organization holding itself out as a provider of health-care services, including, but not limited to, all health-care services for which government licensure is required in the provider's		

		jurisdiction or in the jurisdiction where services are being provided. This category includes “Medical Tourism” involving medical services to be provided to a patient outside of that patient’s home country.		
17	Multilevel Marketing and Direct Selling Organizations	Direct Sales Organizations (“DSOs”) and the Multi-Level Marketing (“MLMs”) are distribution and marketing models in which products or services are sold via a network of independent distributors or representatives. DSO and MLM models rely on personal sales and frequently require the independent distributors to recruit new distributors in order to advance within the organization or gain incentive compensation.		
18	Marketplaces	A marketplace is an e-commerce solution where third-party sellers can sell their products or services to customers.		

More Information

To learn more about the Acceptable Use Policy, please refer to our **Help Center**.

Violations of the Acceptable Use Policy

We encourage you to report violations of this Acceptable Use Policy to PayPal immediately. If you have a question about whether a type of transaction may violate the Acceptable Use Policy, or wish to file a report, you can do so here.