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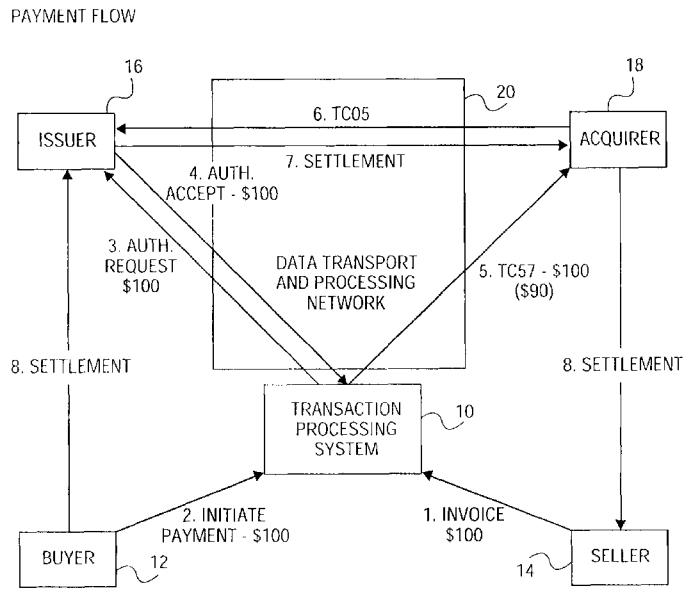
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[Continued on next page]

(54) Title: METHOD AND SYSTEM FOR CONDUCTING A COMMERCIAL TRANSACTION BETWEEN A BUYER AND A SELLER



(57) Abstract: A system for conducting a commercial transaction between a buyer and a seller is disclosed. The system includes a transaction processing system for facilitating payment for a transaction between the buyer and the seller. In addition to the buyer and the seller, the transaction processing system also interacts with an issuer and an acquirer. The issuer issues and manages an account for the buyer. The acquirer manages an account for the seller. The transaction processing system operates as follows. An electronic invoice relating to the transaction is first posted to the system by the seller or another system. Upon accepting the electronic invoice, the system creates a payment instruction. Each time a payment instruction is created, the system applies certain pre-negotiated payment terms and conditions between the buyer and the seller to the payment instruction. After the payment instruction is created, the system seeks approval from the buyer. Upon approval of the payment instruction by the buyer, the system schedules the payment for the specified date in the payment instruction. On the scheduled day of payment, the system calculates one or more fees, such as a transaction fee, for the transaction according to a pre-defined variable pricing matrix, which is determined based on a set of pre-negotiated conditions agreed to by the issuer, the acquirer, the seller and the buyer. For example, the transaction fee is an amount used by the issuer and the acquirer to compensate each other for processing the payment on behalf of the buyer and the seller. After the transaction fee is calculated, information relating to the transaction fee and the payment instruction is formatted into a proper message format(s) and submitted for authorization, clearing and settlement. The issuer and the acquirer then communicate with one another directly or indirectly to settle the funds. Additionally, the system provides transaction and activity reports to all relevant parties as well as access to status information for invoices and payments.

WO 03/038553 A2

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