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<https://verifone.cloud/docs/online-payments/apm/paypal-initiate-billing-agreement>

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## PayPal Initiate billing agreement

### Overview

The PayPal Reference Transactions API enables a customer and a merchant to enter a contract, or a *billing agreement*, based on *reference transactions*. A reference transaction is a financial transaction that you initiate through a billing agreement and from which you can derive subsequent payments.

The combination of billing agreements and reference transactions benefits customers and merchants.

Customers can make seamless on-demand or recurring payments for services or goods without needing to log in to the merchant site after agreement approval.

For example, customers can enter into agreements to:

- Make future payments for actual usage of utilities, such as gas or electricity
- Make future purchases on the merchant site without being on the merchant site
- Make recurring payments for a subscription service
- Pay a merchant in a marketplace on a regular basis

A customer can have multiple billing agreements. For example, the customer might establish separate agreements for different kinds of service.

Merchants can initiate recurring payments for varying amounts on varying schedules.

- Get consent to take funds from a customer's account at varying amounts and schedules
- Create a billing agreement that charges the customer's PayPal account for subsequent purchases
- Initiate a payment based on the billing agreement
- Leverage PayPal to protect the risks inherent in processing payments

For example, merchants can enter into agreements to:

**Note:** Token is for single use only, you can create only one billing agreement from one token.

### Required fields

- ppcUid - PayPal Payment Provider Contract UUID

### Optional fields

- description - Agreement description
- shippingAddress - Shipping Address details
  - country - The two-character ISO 3166-1 code that identifies the country or region
  - postalCode - The postal code, which is the zip code or equivalent
  - countrySubdivision - The highest-level sub-division in a country, which is usually a province, state, or ISO-3166-2 subdivision
  - city - A city, town, or village
  - addressLine1 - The first line of the address
  - addressLine2 - The second line of the address
- enableAddressChange -  
Indicates whether to show the shipping address but prevent the customer from editing it
- collectShippingAddress -  
Indicates whether to skip the collection of the shipping address from the customer during the agreement sign-up phase
- allowedCountries - An array of legally accepted customer country codes
- experienceId - The ID of the experience profile to apply during the agreement approval UI flow
- externalSelectedFundingInstrumentType -  
The type of financial instrument (FI) that the merchant wants to promote. CREDIT or PAY\_UPON\_INVOICE
- returnUrl - The URL where the customer is redirected after the customer approves the payment
- cancelUrl - The URL where the customer is redirected after the customer cancels the payment

## Request

Here is an example of request that can be used for creating a billing agreement token.

```
curl -v -X POST '<SERVER URL>/billingAgreement/initiate' \
-H 'Authorization: Bearer <Access-Token>' \
-H 'Content-Type: application/json' \
-d '{
  "paymentProviderContract": "<PPC ID>",
  "description": "Stored PayPal account with The Partner merchant",
  "returnUrl": "https://www.example.com/success",
  "cancelUrl": "https://www.example.com/failure"
}'
```

## Response

The response for create billing agreement token will look like this:

```
{
  "approvalUrl":
  "https://www.sandbox.paypal.com/agreements/approve?ba_token=BA-29L89918T33852108",
  "billingToken": "BA-29L89998T33851208"
}
```

Response fields:

- approvalUrl - The URL to which the customer needs to be redirected for approving the billing agreement token
- billingToken - The billing agreement token that would be used to create the billing agreement

### **Customer Approval**

You redirect the customer to the approval URL, where the customer can consent to the billing agreement and select a funding instrument. Then, the customer is redirected to the return URL that the merchant specified during billing agreement token creation.