

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

**FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

PAYPAL HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State of incorporation)

47-2989869
(IRS Employer
Identification Number)

2211 North First Street
San Jose, California 95131
(408) 967-1000

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

A. Louise Pentland
Executive Vice President, Chief Business Affairs
and Legal Officer
PayPal Holdings, Inc.
2211 North First Street
San Jose, California 95131
Telephone: (408) 967-1000

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copy to:

Michael Mies, Esq.
Skadden, Arps, Slates, Meagher & Flom LLP
525 University Avenue, Suite 1400
Palo Alto, CA 94301
Telephone: (650) 470-4500

Approximate date of commencement of proposed sale to the public:
From time to time after the effective date of this registration statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the SEC pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of Securities Act.

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered(1)	Amount to be Registered(2)	Proposed Maximum Offering Price Per Security(3)	Proposed Aggregate Maximum Offering Price(3)	Amount of Registration fee
Common Stock, par value \$0.0001 per share	2,433,499	\$147.47	\$358,868,097.53	\$46,581.08

- (1) All the shares of common stock being registered hereby are offered for the account of certain selling stockholders who acquired such shares in a private transaction.
- (2) Pursuant to Rule 416 under the Securities Act, this registration statement also covers an indeterminate number of additional shares of common stock as may be issuable with respect to the shares being issued hereunder as a result of a stock split, stock dividend, capitalization or similar event.
- (3) Estimated pursuant to Rule 457(c) under the Securities Act solely for purposes of calculating the amount of the registration fee, based on the average of the high and low prices of the registrant's common stock reported as of May 19, 2020 on the NASDAQ Stock Market.

PROSPECTUS



PAYPAL HOLDINGS, INC.

Common Stock

The selling stockholders of PayPal Holdings, Inc. listed beginning on page 7, together with any additional selling stockholders listed in any applicable prospectus supplement, may offer and resell up to 2,433,499 shares of our common stock, par value \$0.0001 per share. The selling stockholders will acquire these shares from us in connection with our acquisition of Honey Science Corporation. Such shares of common stock were sold and issued by us to the selling stockholders pursuant to the terms and subject to the conditions of the Agreement and Plan of Merger, dated as of November 20, 2019, by and among PayPal, Inc., Hive Acquisition Corp., Honey Science Corporation and Fortis Advisors LLC and the related agreements.

We are not selling any shares of our common stock under this prospectus and we will not receive any of the proceeds from the sale of shares by the selling stockholders. The selling stockholders may sell the shares of common stock described in this prospectus through public or private transactions at market prices prevailing at the time of sale or at negotiated prices. We provide more information about how the selling stockholders may sell their shares of common stock in the section of this prospectus entitled “Plan of Distribution.”

Our common stock is listed on the NASDAQ Stock Market under the symbol “PYPL.” On May 21, 2020, the last reported sale price for our common stock on the NASDAQ Stock Market was \$148.22 per share.

Investing in our common stock involves a high degree of risk. Before investing, you should carefully consider the matters described under the caption “[Risk Factors](#)” beginning on page 3.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is May 22, 2020.

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ABOUT THIS PROSPECTUS

This prospectus is part of an automatic shelf registration statement that we filed with the Securities and Exchange Commission (the “SEC”) as a “well-known seasoned issuer” as defined in Rule 405 under the Securities Act of 1933, as amended (the “Securities Act”), utilizing a “shelf” registration process. Under this process, selling stockholders named in this prospectus or in one or more supplements to this prospectus may sell shares of common stock from time to time. Each time any selling stockholder not named herein sells shares of common stock under the registration statement of which this prospectus is a part, such selling stockholder will provide a copy of this prospectus and any applicable prospectus supplement, as required by law. Any applicable prospectus supplement may add, update, or change information contained in this prospectus.

The selling stockholders may offer and sell shares of common stock directly to purchasers, through agents selected by the selling stockholders, or to or through underwriters or dealers. A prospectus supplement, if required, may describe the terms of the plan of distribution and set forth the names of any agents, underwriters, or dealers involved in the sale of shares of common stock. See “Plan of Distribution.”

You should read this prospectus together with any applicable prospectus supplement, as well as additional information described under the heading “Where You Can Find More Information.” You should rely only on the information contained or incorporated by reference in this prospectus, any accompanying prospectus supplement and any applicable “free writing prospectus.” We have not authorized, and no selling stockholder has authorized, anyone else to provide you with different or additional information. No offer of shares of common stock is being made in any jurisdiction where the offer or sale is not permitted.

You should not assume that the information in this prospectus, any accompanying prospectus supplement, or any document incorporated by reference herein or therein is accurate as of any date other than their respective dates. Our business, financial condition, results of operations, and prospects may have changed since those dates. You should carefully read the entire prospectus, as well as the documents incorporated by reference in the prospectus, any applicable prospectus supplement and any applicable “free writing prospectus” before making an investment decision.

References in this prospectus to the terms “the Company,” “PayPal,” “we,” “our” and “us” or other similar terms mean PayPal Holdings, Inc. and our wholly owned subsidiaries, unless we state otherwise or the context indicates otherwise.

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus. This summary does not contain all information that you should consider before investing in our common stock. You should read the following summary together with the more detailed information regarding PayPal, the common stock being registered hereby, our financial statements and notes thereto and our risk factors, before deciding whether to purchase shares of our common stock from the selling stockholders.

Our Company

We are a leading technology platform and digital payments company that enables digital and mobile payments on behalf of consumers and merchants worldwide. We are committed to democratizing financial services and empowering people and businesses to join and thrive in the global economy. Our goal is to enable our merchants and consumers to manage and move their money anywhere in the world, anytime, on any platform, and using any device. We also facilitate person-to-person payments through our PayPal, Venmo, and Xoom products and services and simplify and personalize shopping experiences for our customers through our Honey platform. Our combined payment solutions, including our PayPal, PayPal Credit, Braintree, Venmo, Xoom and iZettle products and services, comprise our proprietary Payments Platform.

We were incorporated under the laws of the State of Delaware in January 2015. Our principal executive offices are located at 2211 North First Street, San Jose, California 95131 and our telephone number is (408) 967-1000. Our website address is www.paypal.com. We make available free of charge on our website our annual, quarterly and current reports, including amendments to such reports, as soon as reasonably practicable after we electronically file such material with, or furnish such material to, the SEC. Information contained on, or accessible through, our website is not incorporated by reference into this prospectus, and you should not consider information contained on, or accessible through, our website as part of this prospectus. Reference to our website is made as an inactive textual reference.

The Offering

Common stock offered by the selling stockholders	2,433,499 shares
Our common stock is listed on the NASDAQ Stock Market under the symbol	PYPL
Use of proceeds	All of the shares of common stock being offered under this prospectus are being sold by the selling stockholders. Accordingly, we will not receive any proceeds from the sale of these shares.

Background

On November 20, 2019, we entered into an Agreement and Plan of Merger (the “Merger Agreement”), by and among PayPal, Inc., Hive Acquisition Corp. (“Merger Sub”), Honey Science Corporation, a Delaware corporation (“Honey”) and Fortis Advisors LLC, as securityholders’ representative. Pursuant to the Merger Agreement, on January 3, 2020 (the “Effective Time”), Merger Sub merged with and into Honey with Honey surviving as a wholly-owned subsidiary of PayPal, Inc.

Concurrently with the execution of the Merger Agreement, each of the selling stockholders entered into Vesting Agreements (each, a “Vesting Agreement”). Under the Vesting Agreements, a portion of the merger consideration in respect of such selling stockholder’s equity interests in Honey will be paid (A) in restricted

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shares of common stock vesting over a period of three years following entry into the Vesting Agreements and/or (B) in the form of deferred shares of common stock payable over the same three-year period (collectively, the “Deferred Merger Consideration”). Twenty-five percent of the Deferred Merger Consideration will vest/become payable on each of the first and second anniversaries of entry into the Vesting Agreements, and the remaining 50% of the Deferred Merger Consideration will vest/become payable on the third anniversary of entry into the Vesting Agreements, in each case, subject to the selling stockholder’s continued employment with us or an affiliate through the applicable vesting/payment date. Payments under the Vesting Agreements may be accelerated in the case of certain involuntary terminations of employment (including due to a selling stockholder’s termination without “cause” or for “good reason” or due to death or disability). In addition to the vesting set forth above, each selling stockholder may be required to satisfy indemnification obligations in accordance with the Merger Agreement.

Our stockholders are not third-party beneficiaries under the Merger Agreement and the related agreements and should not rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or condition of PayPal, Honey or any of their respective subsidiaries.

Throughout this prospectus, when we refer to the shares of our common stock, the offer and sale of which are being registered on behalf of the selling stockholders, we are referring to the shares of common stock held by former holders of capital stock of Honey that were sold and issued pursuant to the Merger Agreement and the related agreements. When we refer to the “selling stockholders” in this prospectus, we are referring to former holders of capital stock of Honey.

RISK FACTORS

Investing in our securities involves risk. Prior to making a decision about investing in our securities, you should carefully consider the specific factors discussed below and under the heading “Risk Factors” in any prospectus supplement, together with all of the other information contained or incorporated by reference in this prospectus or any prospectus supplement. You should also consider the risk factors related to our business and operations described in Part I, Item 1A of our most recent Annual Report on Form 10-K under the heading “Risk Factors” and updated in Part II, Item 1A of our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2020 under the heading “Risk Factors,” which are incorporated by reference in this prospectus. See “Where You Can Find More Information” in this prospectus. The risks and uncertainties we have described therein and below are not the only risks that we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our operations.

We may not realize all of the anticipated benefits of the acquisition of Honey.

The success of our acquisition of Honey will depend, in part, on our ability to realize the anticipated growth opportunities and synergies from combining the businesses of our company and Honey. Our ability to realize these anticipated benefits, and the timing of this realization, depend upon a number of factors and future events, many of which we and Honey, individually or collectively, cannot control. These factors and events include:

- our ability to successfully and timely integrate Honey’s business and operations with ours;
- obtaining and maintaining intellectual property rights relating to the Honey technology;
- retaining and attracting key employees;
- the reaction of Honey’s customers, business partners and competitors to the acquisition;
- consolidating corporate and administrative functions; and
- minimizing the diversion of management’s attention from ongoing business concerns.

We cannot assure you that any of the foregoing factors will not have an adverse effect on our business, financial condition and prospects.

Acquisitions involve risks, including inaccurate assessment of undisclosed, contingent or other liabilities or problems. Following the completion of the acquisition, the surviving corporation possesses not only all of the assets, but also all of the liabilities of Honey. It is possible that undisclosed, contingent or other liabilities or problems may arise in the future of which we were previously unaware. These undisclosed liabilities could have an adverse effect on our business, financial condition and prospects.

If the selling stockholders immediately sell their shares of our common stock received in the acquisition after such shares have vested, they could cause our common stock price to decline.

The sale and issuance of our common stock in connection with the Honey acquisition could have the effect of depressing the market price for our common stock, through dilution of earnings per share or otherwise. Once the registration statement, of which this prospectus is a part, is declared effective, all of the shares of common stock sold and issued to the former security holders of Honey in connection with the closing of the acquisition will be available for resale in the public market, subject to potential forfeiture or a right of repurchase under certain conditions.

In addition, many of the former security holders of Honey may decide not to hold the shares of our common stock they will receive in the acquisition. Other former security holders of Honey, such as funds with limitations on their permitted holdings of stock in individual issuers, may be required to sell the shares of our common stock that they receive in the acquisition. Such sales of our common stock could have the effect of depressing the

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market price for our common stock and may take place promptly following the vesting of the common stock sold and issued to the former security holders of Honey. In addition, future events and conditions could increase the dilution that is currently projected, including adverse changes in market conditions, additional transaction and integration related costs and other factors such as the failure to realize some or all of the benefits anticipated in the acquisition. Any dilution of, or delay of any accretion to, our earnings per share could cause the price of shares of our common stock to decline or grow at a reduced rate. These sales may also make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate to raise funds through future offerings of our common stock.

FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference herein contain, and any prospectus supplement and the documents incorporated therein may contain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), including statements that involve expectations, plans or intentions (such as those relating to future business, future results of operations or financial condition, new or planned features or services, or management strategies). These forward-looking statements can be identified by words such as “may,” “will,” “would,” “should,” “could,” “expect,” “anticipate,” “believe,” “estimate,” “intend,” “strategy,” “future,” “opportunity,” “plan,” “project,” “forecast,” and other similar expressions. These forward-looking statements involve risks and uncertainties that could cause our actual results and financial condition to differ materially from those expressed or implied in our forward-looking statements.

Such risks and uncertainties include, among others, those discussed under “Risk Factors” in this prospectus, in our Annual Report on Form 10-K for the year ended December 31, 2019, in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, as well as in our unaudited condensed consolidated financial statements, related notes, and the other information appearing elsewhere in our filings with the SEC. We do not intend, and undertake no obligation, to update any of our forward-looking statements after the date of this prospectus to reflect actual results or future events or circumstances, except as required by law. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. We claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 for all forward-looking statements.

USE OF PROCEEDS

The selling stockholders will make offers and sales pursuant to this prospectus and any applicable prospectus supplement. We will not receive any proceeds from the sale or other disposition by the selling stockholders of the shares of our common stock covered hereby, or interests therein. The selling stockholders will pay any expenses incurred by the selling stockholders for brokerage, accounting, tax or legal services or any other expenses incurred by the selling stockholders in disposing of these shares. We will bear all other costs, fees and expenses incurred in effecting the registration of the shares covered by this prospectus, including, without limitation, all registration fees, listing fees of the NASDAQ Stock Market and fees and expenses of our counsel and our independent registered public accounting firm.

SELLING STOCKHOLDERS

We are registering for resale an aggregate of 2,433,499 shares of our common stock that may be sold by the selling stockholders set forth herein. Such shares were sold and issued by us to the former stockholders of Honey in connection with the closing of the acquisition pursuant to the terms of the Merger Agreement and the related agreements.

Beneficial ownership is determined in accordance with the rules of the SEC, and includes voting or investment power with respect to our common stock. To our knowledge, the selling stockholders have sole voting and investment power with respect to their respective shares of common stock, unless otherwise noted below. The selling stockholders may sell some, all or none of their respective shares of common stock offered by this prospectus from time to time. We do not know how long the selling stockholders will hold their respective shares of common stock covered hereby before selling them. Each selling stockholder that has entered into Vesting Agreements has agreed that its shares of common stock are subject to forfeiture if such selling shareholder's employment at PayPal or an affiliate is terminated prior to vesting, other than a termination without cause or good reason or due to death or disability and such shares of common stock are released from potential forfeiture over a three-year period. Payments under the Vesting Agreements may be accelerated in the case of certain involuntary terminations of employment (including due to a selling stockholder's termination without "cause" or for "good reason" or due to death or disability). Other than the Merger Agreement, the Vesting Agreements and the agreements contemplated thereby, we currently have no agreements, arrangements or understandings with the selling stockholders regarding the sale of any of the shares of common stock being offered hereunder. As of the date of this prospectus, each selling stockholder (or its controlling person) is an employee of Honey, a wholly owned subsidiary of PayPal.

<u>Name of Selling Stockholder</u>	<u>Prior to the Offering</u>		<u>Number of Shares of Common Stock Being Registered for Resale(2)</u>	<u>After the Offering</u>	
	<u>Number of Shares of Common Stock Beneficially Owned</u>	<u>Percent of Shares of Common Stock Outstanding(1)</u>		<u>Number of Shares of Common Stock Beneficially Owned(3)</u>	<u>Percent of Shares of Common Stock Outstanding</u>
Adam Walsh	17,224	*	17,224	—	*
Anthony Le	32,156	*	32,156	—	*
Conquistador, LLC(4)	68,343	*	68,343	—	*
Ruan Revocable Trust(5)	1,606,711	*	1,606,711	—	*
Glen Allison	20,444	*	20,444	—	*
Joao de Oliveiros Vieira Nogueira	92,762	*	92,762	—	*
Ryan Hudson Revocable Trust(6)	595,859	*	595,859	—	*

* Less than 1%.

- (1) Based on 1,174,160,878 shares outstanding as of May 20, 2020 plus 2,433,499 shares sold and issued pursuant to the acquisition of Honey. Assumes all the shares of common stock of the selling stockholders have vested.
- (2) Represents the number of shares being registered on behalf of the selling stockholder pursuant to this registration statement, which may be less than the total number of shares beneficially owned by such selling stockholder. Assumes all the shares of common stock of the selling stockholders have vested.
- (3) Assumes that the selling stockholders dispose of all of the shares of common stock covered by this prospectus and do not acquire beneficial ownership of any additional shares. The registration of these shares does not necessarily mean that the selling stockholders will sell all or any portion of the shares covered by this prospectus.
- (4) Chris Arreguin owns 50% of the equity of Conquistador, LLC.
- (5) George Ruan is a trustee of the Ruan Revocable Trust.
- (6) Ryan Hudson is a trustee of the Ryan Hudson Revocable Trust.

PLAN OF DISTRIBUTION

The selling stockholders and any of their pledgees, assignees and successors-in-interest may, from time to time in one or more transactions on the NASDAQ Stock Market or any other organized market where our shares of common stock may be traded, sell any or all of their shares of our common stock offered hereby through underwriters, dealers or agents, directly to one or more purchasers or through a combination of any such methods of sale. The selling stockholders may distribute the shares of our common stock offered hereby from time to time in one or more transactions:

- at a fixed price or prices, which may be changed;
- at market prices prevailing at the time of sale;
- at prices related to such prevailing market prices; or
- at negotiated prices.

The selling stockholders may use any one or more of the following methods when selling the shares offered hereby:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- one or more block trades in which the broker-dealer will attempt to sell such shares as agent or principal of all of such shares held by the selling stockholder;
- purchases by a broker-dealer as principal and resale by such broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- short sales;
- agreements between broker-dealers and the selling stockholder to sell a specified number of such shares at a stipulated price per share; and
- any other method permitted pursuant to applicable law.

If the selling stockholders effect such transactions by selling shares of common stock offered hereby to or through underwriters, broker-dealers or agents, such underwriters, broker-dealers or agents may receive commissions in the form of discounts, concessions or commissions from the selling stockholders or commissions from purchasers of the shares of common stock offered hereby for whom they may act as agent or to whom they may sell as principal (which discounts, concessions or commissions as to particular underwriters, broker-dealers or agents may be in excess of those customary in the types of transactions involved). In connection with sales of the shares of common stock offered hereby or otherwise, the selling stockholders may enter into hedging transactions with broker-dealers, which may in turn engage in short sales of the shares of common stock offered hereby in the course of hedging in positions they assume. The selling stockholders may also sell shares of common stock offered hereby short and deliver shares of common stock covered by this prospectus to close out short positions and to return borrowed shares in connection with such short sales. The selling stockholders may also loan or pledge shares of common stock offered hereby to broker-dealers that in turn may sell such shares.

The selling stockholders may pledge or grant a security interest in some or all of the shares of common stock offered hereby and owned by them and, if they default in the performance of their secured obligations, the pledgees or secured parties may offer and sell such shares of common stock from time to time pursuant to this prospectus or any amendment to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act, amending, if necessary, the list of selling stockholders to include the pledgee, transferee or other successors in interest as selling stockholders under this prospectus. The selling stockholders also may transfer and donate the shares of common stock offered hereby in other circumstances, in which case the transferees,

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donees, pledgees or other successors in interest will be the selling beneficial owners for purposes of this prospectus.

The selling stockholders and any broker-dealer participating in the distribution of the shares of common stock offered hereby may be deemed to be “underwriters” within the meaning of the Securities Act, and any commission paid, or any discounts or concessions allowed to, any such broker-dealer may be deemed to be underwriting commissions or discounts under the Securities Act. At the time a particular offering of the shares of common stock offered hereby is made, a prospectus supplement, if required, will be distributed which will set forth the aggregate amount of shares of common stock being offered and the terms of the offering, including the name or names of any broker-dealers or agents, any discounts, commissions and other terms constituting compensation from the selling stockholders and any discounts, commissions or concessions allowed or reallocated or paid to broker-dealers.

Under the securities laws of some states, the shares of common stock offered hereby may be sold in such states only through registered or licensed brokers or dealers. In addition, in some states the shares of common stock offered hereby may not be sold unless such shares have been registered or qualified for sale in such state or an exemption from registration or qualification is available and is complied with.

There can be no assurance that the selling stockholders will sell any or all of the shares of common stock registered pursuant to the registration statement of which this prospectus forms a part.

The selling stockholders and any other person participating in such distribution will be subject to applicable provisions of the Exchange Act, and the rules and regulations thereunder, including, without limitation, Regulation M of the Exchange Act, which may limit the timing of purchases and sales of any of the shares of common stock offered hereby by the selling stockholders and any other participating person. Regulation M may also restrict the ability of any person engaged in the distribution of the shares of common stock offered hereby to engage in market-making activities with respect to the shares of common stock offered hereby. All of the foregoing may affect the marketability of the shares of common stock offered hereby and the ability of any person or entity to engage in market-making activities with respect to the shares of common stock offered hereby.

Once sold under the registration statement, of which this prospectus forms a part, the shares of common stock offered hereby will be freely tradable in the hands of persons other than our affiliates.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy information filed by us with the SEC at the SEC's public reference section, 100 F Street, N.E., Washington, D.C. 20549. Information regarding the operation of the public reference section can be obtained by calling 1-800-SEC-0330. The SEC also maintains an internet site at <http://www.sec.gov> that contains reports, proxy and information statements and other information about issuers, such as us, who file electronically with the SEC. We maintain an internet site at <https://investor.paypal-corp.com> where information about us, including SEC filings, is also available free of charge. However, the information on, or accessible through, our internet site is not incorporated by reference in this prospectus and any prospectus supplement and you should not consider it a part of this prospectus or any accompanying prospectus supplement. Reference to our internet site is made as an inactive textual reference.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC allows us to "incorporate by reference" into this prospectus the information in other documents that we file with it. This means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus, and information in documents that we file later with the SEC will automatically update and supersede information contained in documents filed earlier with the SEC or contained in this prospectus. We incorporate by reference in this prospectus (i) the documents listed below, (ii) all documents that we file with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of the initial filing of the registration statement of which this prospectus is included and prior to the effectiveness of such registration statement, and (iii) any future filings that we may make with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Exchange Act prior to the termination of the offering under this prospectus; provided, however, that we are not incorporating, in each case, any documents or information deemed to have been furnished and not filed in accordance with SEC rules (including Items 2.02 and 7.01 of Form 8-K):

- Our Annual Report on [Form 10-K](#) for the year ended December 31, 2019 filed with the SEC on February 6, 2020;
- Portions of the [Definitive Proxy Statement](#) on Schedule 14A, filed with the SEC on April 8, 2020, that are incorporated by reference into Part III of our Annual Report on [Form 10-K](#) for the fiscal year ended December 31, 2019, filed with the SEC on February 6, 2020;
- Quarterly Report on [Form 10-Q](#) for the quarter ended March 31, 2020, filed with the SEC on May 7, 2020;
- Current Reports on Form 8-K filed with the SEC on [March 31, 2020](#), [May 12, 2020](#) and [May 18, 2020](#); and
- The description of our common stock contained in our registration statement on Form 10 (File No. 001-33497) filed on [February 25, 2015](#), as amended by Amendment No. 1 filed on [April 9, 2015](#), Amendment No. 2 filed on [May 14, 2015](#), Amendment No. 3 filed on [June 2, 2015](#), Amendment No. 4 filed on [June 18, 2015](#) and Amendment No. 5 filed on [June 26, 2015](#) with the SEC, under the Exchange Act.
- You may obtain a copy of any or all of the documents referred to above which may have been or may be incorporated by reference into this prospectus, except for exhibits to those documents (unless the exhibits are specifically incorporated by reference into those documents) at no cost to you by writing or telephoning us at the following address: PayPal Holdings, Inc., Investor Relations, 2211 North First Street, San Jose, California 95131, telephone (408) 967-1000.

LEGAL MATTERS

The validity of the shares of common stock offered by this prospectus has been passed upon for us by Skadden, Arps, Slate, Meagher & Flom LLP, Palo Alto, California.

EXPERTS

The financial statements and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) incorporated in this prospectus by reference to the Annual Report on Form 10-K for the year ended December 31, 2019 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

PART II
INFORMATION NOT REQUIRED IN THE PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution.

Set forth below is an estimate (except in the case of the registration fee) of the amount of fees and expenses to be incurred in connection with the issuance and distribution of the offered securities registered hereby, other than underwriting discounts and commissions, if any, incurred in connection with the sale of the offered securities. All such amounts will be borne by PayPal.

SEC Registration Fee	\$ 46,581.08
Legal Fees and Expenses	\$ 28,000
Accounting Fees and Expenses	\$ 15,000
Miscellaneous Fees and Expenses	\$ 6,000
Total:	<u>\$ 95,581.08</u>

Item 15. Indemnification of Directors and Officers.

Section 102 of the Delaware General Corporation Law permits a corporation to eliminate the personal liability of directors of a corporation to the corporation or its stockholders for monetary damages for a breach of fiduciary duty as a director, except where the director breached his or her duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase in violation of Delaware corporate law or obtained an improper personal benefit. The registrant's restated certificate of incorporation provides that no director of the registrant shall be personally liable to it or its stockholders for monetary damages for any breach of fiduciary duty as director, notwithstanding any provision of law imposing such liability, except to the extent that the Delaware General Corporation Law prohibits the elimination or limitation of liability of directors for breaches of fiduciary duty.

Section 145 of the Delaware General Corporation Law provides that a corporation has the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlements actually and reasonably incurred by the person in connection with an action, suit or proceeding to which he or she is or is threatened to be made a party by reason of such position, if such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, in any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful, except that, in the case of actions brought by or in the right of the corporation, no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Delaware Court of Chancery or other adjudicating court determines that, despite the adjudication of liability but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Delaware Court of Chancery or such other court shall deem proper.

The registrant's restated certificate of incorporation provides that the registrant will, to the fullest extent permitted by Section 145 of the Delaware General Corporation Law and the registrant's by-laws (each as amended from time to time), indemnify each person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was, or has agreed to become, a director or officer of the registrant, or is or was serving, or has agreed to serve, at the request of the registrant, as a director, officer, partner, or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other

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enterprise, including any employee benefit plan (all such persons being referred to hereafter as an “Indemnitee”), or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by, or on behalf of, the Indemnitee in connection with such action, suit or proceeding and any appeal therefrom. Such indemnification may include payment by the registrant of expenses in defending an action or proceeding in advance of the final disposition of such action or proceeding upon receipt of an undertaking by the Indemnitee (such undertaking acceptable by the registrant without reference to the financial ability of the Indemnitee) to repay such payment if it is ultimately determined that the Indemnitee is not entitled to indemnification under the registrant’s restated certificate of incorporation; however, the registrant will not indemnify any person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person, unless such initiation was approved by the registrant’s board of directors. Also, the indemnification rights provided in the registrant’s restated certificate of incorporation (i) are not exclusive of any other rights to which those indemnified may be entitled under any law, agreement or vote of stockholders or disinterested directors or otherwise, and (ii) will inure to the benefit of the heirs, executors and administrators of such persons. The registrant may, to the extent authorized from time to time by its board of directors, grant indemnification rights to other employees of the registrant or other persons serving the registrant and such rights may be equivalent to, or greater or less than, those set forth in the registrant’s restated certificate of incorporation.

The registrant has entered into indemnification agreements with each of its directors. These agreements require the registrant to, among other things, indemnify each director to the fullest extent permitted by Delaware law, including indemnification of expenses such as attorneys’ fees, judgments, fines and settlement amounts incurred by the director in any action or proceeding, including any action or proceeding by or in right of the registrant, arising out of the person’s services as a director.

The registrant maintains a general liability insurance policy that covers certain liabilities of the registrant’s directors and officers arising out of claims based on acts or omissions in their capacities as directors or officers. In any underwriting agreement that the registrant enters into in connection with the sale of common stock being registered hereby, the underwriters will agree to indemnify, under certain conditions, the registrant, its directors, its officers and persons who control the registrant within the meaning of the Securities Act, against certain liabilities.

Item 16. Exhibits

A list of exhibits filed herewith is contained in the exhibit index that immediately precedes such exhibits and is incorporated herein by reference.

Item 17. Undertakings.

(a) The undersigned registrant hereby undertakes:

(1) to file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement: (i) to include any prospectus required by Section 10(a)(3) of the Securities Act; (ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the SEC pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the “Calculation of Registration Fee” table in the effective registration statement; and (iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement; provided, however, that paragraphs (i), (ii) and (iii) do not apply if the

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registration statement is on Form S-3 and the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the SEC by the registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement;

(2) that, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof;

(3) to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering; and

(4) that, for the purpose of determining liability under the Securities Act to any purchaser: (i) each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and (ii) each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5) or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii) or (x) for the purpose of providing the information required by Section 10(a) of the Securities Act shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which the prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof; provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act that is incorporated by reference in this registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described under Item 15 above, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

EXHIBIT INDEX

<u>Exhibit</u>	<u>Description</u>
4.1	Restated Certificate of Incorporation of PayPal Holdings, Inc. (incorporated by reference to Exhibit 3.01 to PayPal Holdings, Inc.'s Quarterly Report on Form 10-Q, as filed with the SEC on July 27, 2017)
4.2	Amended and Restated Bylaws of PayPal Holdings, Inc. (incorporated by reference to Exhibit 3.1 to PayPal Holdings, Inc.'s Current Report on Form 8-K, as filed with the Commission on January 18, 2019).
5.1*	Opinion of Skadden, Arps, Slate, Meagher & Flom LLP
23.1	Consent of Skadden, Arps, Slate, Meagher & Flom LLP (included in Exhibit 5.1)
23.2*	Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm
24.1	Power of Attorney (included on the signature page hereto)

* Filed herewith

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<u>Signature</u>	<u>Title</u>	<u>Date</u>
<hr/> <i>/s/ DAVID W. DORMAN</i> David W. Dorman	Director	May 22, 2020
<hr/> <i>/s/ BELINDA JOHNSON</i> Belinda Johnson	Director	May 22, 2020
<hr/> <i>/s/ GAIL J. MCGOVERN</i> Gail J. McGovern	Director	May 22, 2020
<hr/> <i>/s/ DEBORAH M. MESSEMER</i> Deborah M. Messemer	Director	May 22, 2020
<hr/> <i>/s/ DAVID M. MOFFETT</i> David M. Moffett	Director	May 22, 2020
<hr/> <i>/s/ ANN M. SARNOFF</i> Ann M. Sarnoff	Director	May 22, 2020
<hr/> <i>/s/ FRANK D. YEARY</i> Frank D. Yeary	Director	May 22, 2020

May 22, 2020

PayPal Holdings, Inc.
2211 North First Street
San Jose, California 95131

Re: PayPal Holdings, Inc.
Registration Statement on Form S-3

Ladies and Gentlemen:

We have acted as special counsel to PayPal Holdings, Inc., a Delaware corporation (the "Company"), in connection with the resale by the selling stockholders identified on Schedule I hereto (collectively, the "Selling Stockholders") of up to 2,433,499 shares of common stock, par value \$0.0001 per share (the "Shares"). We have been advised that the Shares were issued pursuant to the Vesting Agreements, dated as of November 20, 2019, by and between the Company and each of the Selling Stockholders (or a Selling Stockholder's affiliate) (such Vesting Agreements, as amended, including the exhibits and schedules included therein, being hereinafter referred to as the "Vesting Agreements").

This opinion is being furnished in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Securities Act of 1933, as amended (the "Securities Act").

In rendering the opinion stated herein, we have examined and relied upon the following:

(a) the registration statement on Form S-3 of the Company relating to the Shares filed on May 22, 2020 with the Securities and Exchange Commission (the "Commission") under the Securities Act allowing for delayed offerings pursuant to Rule 415 of the General Rules and Regulations under the Securities Act (the "Rules and Regulations"), including the information deemed to be a part of the registration statement pursuant to Rule 430B of the Rules and Regulations (such registration statement being hereinafter referred to as the "Registration Statement");

(b) the prospectus, dated May 22, 2020, which forms a part of and is included in the Registration Statement;

(c) executed copies of the Vesting Agreements;

(d) an executed copy of a certificate of Brian Yamasaki, Vice President, Corporate Legal and Secretary of the Company, dated the date hereof (the "Secretary's Certificate");

(e) a copy of the Company's Restated Certificate of Incorporation certified by the Secretary of State of the State of Delaware as of April 14, 2020, and certified pursuant to the Secretary's Certificate;

(f) a copy of the Company's Amended and Restated Bylaws, as amended and in effect as of the date hereof and certified pursuant to the Secretary's Certificate; and

(g) a copy of certain resolutions of the Board of Directors of the Company, adopted on November 18, 2019, certified pursuant to the Secretary's Certificate.

We have also examined originals or copies, certified or otherwise identified to our satisfaction, of such records of the Company and the Selling Stockholders and such agreements, certificates and receipts of public officials, certificates of officers or other representatives of the Company and the Selling Stockholders and others, and such other documents as we have deemed necessary or appropriate as a basis for the opinion stated below, including the facts and conclusions set forth in the Secretary's Certificate and the factual representations and warranties contained in the Vesting Agreements.

In our examination, we have assumed the genuineness of all signatures, including endorsements, the legal capacity and competency of all natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as facsimile, electronic, certified or photostatic copies, and the authenticity of the originals of such copies. With respect to our opinion set forth below, we have assumed that (i) the Company received the consideration for the Shares set forth in the Vesting Agreements and the applicable board resolution and (ii) the issuance of the Shares has been registered in the Company's share registry. As to any facts relevant to the opinion stated herein that we did not independently establish or verify, we have relied upon statements and representations of officers and other representatives of the Company and the Selling Stockholders and others and of public officials, including the factual representations and warranties set forth in the Vesting Agreements and those in the Secretary's Certificate.

We do not express any opinion with respect to the laws of any jurisdiction other than the General Corporation Law of the State of Delaware (the "DGCL").

Based upon the foregoing and subject to the qualifications and assumptions stated herein, we are of the opinion that the Shares have been duly authorized by all requisite corporate action on the part of the Company under the DGCL and have been validly issued and are fully paid and nonassessable.

We hereby consent to the reference to our firm under the heading "Legal Matters" in the prospectus forming part of the Registration Statement. We also hereby consent to the filing of this opinion with the Commission as an exhibit to the Registration Statement. In giving this consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act or the Rules and Regulations.

Very truly yours,

/s/ Skadden, Arps, Slate, Meagher & Flom LLP

MJM

Schedule I

<u>Selling Stockholder</u>	<u>Total Number of Shares to be Sold</u>
Adam Walsh	17,224
Anthony Le	32,156
Conquistador, LLC	68,343
Ruan Revocable Trust	1,606,711
Glen Allison	20,444
Joao de Oliveiros Vieira Nogueira	92,762
Ryan Hudson Revocable Trust	595,859

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in this Registration Statement on Form S-3 of PayPal Holdings, Inc. of our report dated February 6, 2020 relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in PayPal Holdings, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2019. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

San Jose, California
May 22, 2020