

Card Association Updates

Interchange and Processing Fees

October 2016

MasterCard® Worldwide OPERATIONAL and RATE CHANGES

Introduction of New 2 Series MasterCard BIN Range	MasterCard is preparing to release new 2 series BIN cards, are you ready? Downloads are now available to update terminals to accept the new 2 series cards. These cards will hold the same functionality that the 5 series cards have today. Call in using the number on your statement to receive the latest update and have your business prepared for the new cards; testing by MasterCard for these card types will begin in October 2016.																
MasterCard SecureCode Transactions Without an Accountholder Authentication Value	Effective November 8, 2016, MasterCard SecureCode transactions that do not show a valid code for Accountholder Authentication Values will be rejected at settlement. These transactions will appear to be approved but will not be funded. Please ensure SecureCode AAV functionality is up to date, if re-certification is needed please contact Merchant Services at the number on your statement.																
Issuer Authentication of Digital Secure Remote Payment Transactions	Effective October 14, 2016, MasterCard is requiring merchants supporting UCAF information for e-commerce transactions have the ability to identify the Application Interchange Profile (AIP) within the UCAF data. 1- Issuer-Authenticated DSRP transactions and 0 – Not capable of Issuer-Authenticated DSRP transactions are the two values which need to be supported. Please contact your software or gateway provider if you questions regarding the ability to recognize this data.																
Support of Revised Standards for Processing Authorizations and Preauthorization's	Effective October 14, 2016, MasterCard will enforce revised standards for processing authorizations and pre-authorizations. This will include the reversal of cancelled or finalized sales with lower amounts within 24 hours that informs the cardholder of the authorization amount when estimated. The authorization amount types include preauthorization, final authorization, and undefined authorization. Final authorization will take up to seven calendar days for clearing. Incremental authorization will be extended to all merchant types, and 15%/20% extra payment guarantee will be eliminated, except for signature-based gratuities, where the 20% tolerance remains applicable.																
MasterCard Private Label Interchange Program	MasterCard introduced the Private Label Program in previous releases, merchants may see new rates on their statement in support of these card types: <table border="1" style="margin-left: 20px;"> <tr> <td>PVC –Private Label</td> <td>0.00% + \$0.00</td> <td>PVD–Private Label</td> <td>0.50% + \$0.00</td> </tr> <tr> <td>PVE–Private Label</td> <td>1.00% + \$0.00</td> <td>PVF–Private Label</td> <td>2.00% + \$0.00</td> </tr> <tr> <td>PVG–Private Label</td> <td>2.50% + \$0.00</td> <td>PVI–Private Label</td> <td>4.00% + \$0.00</td> </tr> <tr> <td>PVJ–Private Label</td> <td>6.00% + \$0.00</td> <td>PVL–Private Label</td> <td>1.68% + \$0.00</td> </tr> </table>	PVC –Private Label	0.00% + \$0.00	PVD–Private Label	0.50% + \$0.00	PVE–Private Label	1.00% + \$0.00	PVF–Private Label	2.00% + \$0.00	PVG–Private Label	2.50% + \$0.00	PVI–Private Label	4.00% + \$0.00	PVJ–Private Label	6.00% + \$0.00	PVL–Private Label	1.68% + \$0.00
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Unmasking Titanium Debit Product Code	Effective October 14, 2016, MasterCard will add product code MET for Middle East/Africa (MEA) Region debit titanium cards. Merchants may see an increase in the Interregional Consumer Premium Electronic interchange programs if these card types are accept.																
Dispute Resolution Rule Revisions	Effective October 15, 2016, MasterCard will allow Issuers to use reason code 4849 – Questionable Merchant Activity for transactions confirmed as coercion transactions. Coercive practices include forcing the card holder or cardholders' immediate family to complete the transaction in order to avoid threat, physical harm, or unlawful taking of property if the transaction is not completed. Effective April 2017, MasterCard will extend the EMV liability shift for lost, stolen, and not received reason code for contactless transactions. Cards and access devices such as smartphones and wristbands, must support EMV mode and be PIN-preferring, online PIN before signature in the Cardholder Verification Method list, in order to qualify for the chargeback reason codes for transactions completed at a chip enabled terminal that is not online PIN capable.																

Visa® U.S.A., Inc. OPERATIONAL and RATE CHANGES

New Visa Signature Business Product and Interchange Fee Processing in LAC	Effective October 14, 2016, Visa is introducing the Visa Signature Business products in the LAC region. Rates for this product are listed below: <table border="1" style="margin-left: 20px;"> <tr> <td>COMCL – BUS</td> <td>2.00% + \$0.00</td> <td>COML – BUS (US)</td> <td>2.45% + \$0.00</td> </tr> <tr> <td>LAC – BUS</td> <td>2.00% + \$0.00</td> <td></td> <td></td> </tr> </table>	COMCL – BUS	2.00% + \$0.00	COML – BUS (US)	2.45% + \$0.00	LAC – BUS	2.00% + \$0.00						
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Visa Merchant Initiated Transactions	Effective October 14, 2016, Visa will introduce new authorization processing requirements for merchant initiated transactions (MIT). MIT include transactions for Incremental Authorization, Reauthorization, Resubmission, Recurring Payment, Credential on File, Delayed Charges, No Show, Account Top Up, Installment Payments, and Customer Subscription. New indicators for this program include value 2 – Terminal Does Not Support Partial Authorization Responses and value 3 – Terminal Accepts Partial Authorization Responses. If you have questions or concerns regarding your terminal readiness for this addition, please contact your software/terminal provider. Effective October 15, 2016, Visa will permit Unattended Cardholder Activated Terminals (UCAT) to perform an authorization up to the following limits before the final transaction amount is known: <table border="1" style="margin-left: 20px;"> <tr> <td>UCAT Selling Food or Beverages</td> <td>\$5.00</td> <td>Car Washes</td> <td>\$15.00</td> </tr> <tr> <td>Laundries: Family and Commercial</td> <td>\$10.00</td> <td>DVD/Video Tape Rental Stores</td> <td>\$15.00</td> </tr> <tr> <td>Quick Copy, Reproduction and Blueprinting Services</td> <td>\$15.00</td> <td></td> <td></td> </tr> </table>	UCAT Selling Food or Beverages	\$5.00	Car Washes	\$15.00	Laundries: Family and Commercial	\$10.00	DVD/Video Tape Rental Stores	\$15.00	Quick Copy, Reproduction and Blueprinting Services	\$15.00		
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Dispute Resolution Rules Revision	Effective October 14, 2016, Visa will make changes to the Chargeback program Visa Claims Resolution (VCR). Change will include consolidation of reason codes into four categories (fraud, authorization, processing errors, and consumer disputes), eliminate pre-notifications for Chargeback debits, and timeframe for merchant responses for dispute reason codes will be reduced from 20 days to 15 days. Effective October 15, 2016, Visa will eliminate the requirement for merchants to verify the first four digits of the cardholders Primary Account Number (PAN) imprinted on the card with the four digits embossed under the PAN. Chargeback reason code 62 – Counterfeit (condition 3 Manual Cash Disbursements) will now be invalid when the merchant does not validate this information. In an effort to ensure Chargebacks for the EMV liability shift are properly submitted and resolved, Visa has implemented the following changes. Effective July 22, 2016 for Interlink and July 16, 2016 for Visa, Chargeback Reason Code 2462 for Interlink and 62 for Visa will be invalid for transactions under \$25 until April 13, 2018. Effective October 15, 2016 until April 13, 2018, Visa and Interlink will reduce the number of Chargebacks for reason code 62 and 2462 to 10 per account per 120 day timeframe.												

Discover® OPERATIONAL and RATE CHANGES

Authorization Response Code 83	Effective October 14, 2016, Discover will introduce a new authorization response code of 83-Domain Restriction Controls Failure, this code will show as “decline” to the merchant.
Discover Transaction Amount Tolerance Levels	Effective October 14, 2016, Discover will remove the tolerance level requirements for Digital Goods merchants; currently the tolerance level is to +-10% of the authorization amount.
ProtectBuy	Effective October 14, 2016 Discover will be shifting Card Not Present fraud related chargebacks to Discover Card issuers if the merchant obtains an authenticated or attempted ProtectBuy response from the issuer. Please contact Merchant Service at the number provided on your statement for more information on how to enroll in ProtectBuy.
Discover Tokenized Transactions	Effective October 14, 2016, Discover will add several new values to the existing authorization and clearing fields in support of transactions where a Payment Token is used for partial/split shipment, recurring payments or a reauthorized payment of the original transactions. If you have questions or concerns regarding whether your software is up to date with the new Sales Data Interface values, please contact your software provider.
Dispute Resolution Rule Revisions	Chargebacks processed under reason code UA02-Fraud Card Not Present for Discover are now considered invalid when the transaction was processed on a mobile device using In-App Authentication.