

Omni Merchant Network Updates

Fall 2017

We are committed to working closely with you on achieving your business goals. As a part of this commitment, we carefully monitor Network changes and summarize them for your convenience. Following is the summary of information from American Express®, Discover® Network, MasterCard® Worldwide and Visa® U.S.A. regarding changes or updates to interchange rates, operating rules and regulations, and other changes that may impact your company.

Each article in your Network Updates has been tagged or categorized by 'CP' (Card Present), 'CNP' (Card not Present) 'eComm' (eCommerce), or 'Can' (Canada). This notation has been added to better identify the environment the specific article impacts. In order to take advantage of the new category tags and quickly navigate to specific articles, we recommend that you '*show bookmarks*' in your preferred PDF viewer.

Except where otherwise noted, all changes are **effective October 13, 2017**. We encourage you to contact your Relationship Manager with any questions you may have regarding this information.

EMV

[REMINDER] EMV Automated Fuel Dispenser (AFD) Liability Shift Update

CP

The Program: In 2011 and 2012, the Brands (Visa, MasterCard, American Express and Discover) announced an October 2017 EMV liability shift for U.S. acquired AFD transactions under Merchant Category Code 5542 – Automated Fuel Dispensers.

The Change: As a result of the complexities and challenges of implementing EMV at AFDs, a delay in the U.S. Automated Fuel Dispenser (AFD) EMV Liability Shift was announced (in early December) by Visa, MasterCard, American Express and Discover.

The Impact: The new EMV Automated Fuel Dispenser Liability Shift date for Visa, MasterCard, American Express and Discover is **October 2020**.

At this time Vantiv is aware of the following PIN Debit networks that have also announced an October 2020 EMV AFD liability shift date:

- Accel
- AFFN
- Interlink
- Jeanie
- Maestro
- MoneyPass
- NYCE
- PULSE
- Shazam
- STAR

Notes: Visa's EMV ATM liability shift for counterfeit fraud remains the same and **is effective October 2017**. Both Visa and MasterCard's liability shift for international transactions acquired at U.S. AFDs **will remain the same and is effective October 2017**.

[REMINDER] Expiring Certificate Authority Public (CAP) Keys Reminder

CP

The Program: The EMV standard uses Public Key technology to perform certain functions related to offline authentication, some aspects of online transactions and offline PIN encryption. Each of the card brands publish sets of these keys for use with their EMV applications.

Public keys are distributed to acquirers, merchants and solution providers to load into their terminals. Each of the brands' key sets is comprised of keys of varying lengths. On an annual basis, EMVCo reviews the keys and makes recommendations on the expected life span (on a rolling 10-year projection window) of the different key lengths. Once EMVCo determines a key length is beginning to approach the point where it may become vulnerable to attacks, they will set that key's expiration date. While the individual brands are free to set their own expiration dates, they traditionally follow EMVCo's advice.

The Change: The following are the active CAP key lengths and their expiration or projected lifespan dates:

- **1152-bit keys have expiry date of 12/31/2017**
- 1408-bit keys have expiry date of 12/31/2024
- 1984-bit keys have anticipated lifetime to 12/31/2026

The Impact: Once a key expires, it must be removed from the terminal within **six months**.

The 1152-bit key set will expire on December 31st, 2017; therefore it will need to be **removed by June 30, 2018**.

- Merchants and their solutions providers are advised to begin planning for the removal of these keys.
- Merchants are also reminded that because expiration dates can change they **should not be stored on terminals**.

[REMINDER] MasterCard Reminder of M/Chip Requirements for Contactless Terminals

CP

The Change: **Effective January 1, 2019**, MasterCard will require all contactless terminals to support the Consumer Device Cardholder Verification Method (CDCVM) for transactions greater than the cardholder verification method (CVM) limit. In addition, terminals that operate as contactless CAT (Cardholder Activated Terminal) Level 1 must also support CDCVM. *(Note that effective January 1st 2016, new contactless terminals submitted for M-TIP testing must support CDCVM for transactions greater than the CVM limit.)*

The Impact: Merchant contactless terminals must be able to support the Consumer Device Cardholder Verification Method (CDCVM) for transactions greater than the CVM limit. A **CDCVM is a Consumer Device Cardholder Verification Method** – A cardholder device that supports both a key pad or other customer input option and customer display, such as a mobile phone, that support CDCVM such as PIN, pattern, biometric solution, or another form of verification. Examples are the 'Pay' touch fingerprint IDs, which is used as the passcode to unlock the phone or payment application.

Note that EMV mode terminals that support CDCVM must also support CDA.

The Program/Overview: The introduction of tokenization provided increased security of digital payments against fraud and data compromise; however, it created challenges for merchants, acquirers, issuers, and other stakeholders' value-added services and related processes that today, rely upon the Primary Account Number (PAN) to identify the underlying account.

The Change: EMVCo has introduced a new non-financial transaction element, the Payment Account Reference (PAR). A PAR is a value that is intended to allow acquirers and merchants to link tokenized transactions to transactions that are based on the underlying PAN. The PAR is generated and linked to a PAN (and successor PANs associated with the underlying issuer customer account) and will also be associated with all affiliated Payment Tokens when a PAN is tokenized. The payment card networks will support the PAR within both authorization request and response messages.

The Impact: Implementation of the PAR provides several industry benefits; including enhanced security, as the value is non-financial, and creates a link to existing value-added services. Merchant loyalty programs, which rely on the cardholder transaction data, can now be linked without the need to store sensitive data. The PAR may provide additional security and accuracy of merchant loyalty data and offers participants within the ecosystem the ability to track cardholder spending across various payment methods; such as mobile devices, credit cards, and web-based purchases, linking the various tokens to one value.

Transit merchants will be able to use the PAR to aggregate transactions, or allow riders to link multiple form factors to a transit account and decide which device to use (watch, phone, card). The PAR can also be leveraged by a transit system to provide a complete overview of ride history and billing activities. Through the new ability of linking multiple bank-issued form factors, there are opportunities for enhancing the rider experience, offering payment flexibility, and even new transit products.

Optional Implementation

Key stakeholders within the payment ecosystem such as Merchants, Acquirers, Issuers, and Service Providers will need to make updates to their existing payment infrastructure in order to support the PAR.

- Merchants who currently use consumer PAN data for loyalty programs will need to make enhancements to their back office processes to allow for the PAR to replace the PAN
- Merchants will also need to update POS system to support new the new field and tag within the authorization request and response messages

Merchants interested in receiving the PAR in authorization responses should contact their Relationship Manager to initiate a project.

Recent Updates

During the initial implementation, Discover, MasterCard, and Visa created a new field for the PAR in authorization response messages, which allows Acquirers to receive the PAR associated with tokenized transactions.

- Beginning April 2017, Visa began including the PAR in transactions
- MasterCard is expected to begin roll-out of the PAR in transactions beginning in August 2017
- Discover has yet to confirm a date for support
- American Express has not released PAR specifications to date
- Effective October 2017
 - Visa will be adding the PAR value to clearing file formats
 - MasterCard will be adding the PAR to advice and reversal request message

MasterCard®

[REMINDER] MasterCard New 2-Series MasterCard BIN Range

CP/CNP/eComm

The Program: MasterCard is adding new primary account **BIN ranges 222100-272099** to be processed in the same manner as existing range 510000-559999. Merchants are encouraged to visit www.mastercard.us/2-series for additional information.

The Impact: Merchants must be able to accept the new MasterCard BIN range in ALL payment acceptance channels.

All merchant locations should now be able to accept the new MasterCard 2-Series BIN ranges.

June 30, 2017 – MasterCard implemented a compliance process for merchants identified as not being able to support the new 2-Series BIN.

- MasterCard has begun identifying Vantiv merchants that are unable to support the new 2-Series BIN based upon their field testing
- Vantiv is working directly with merchants to address non-compliance
- A 'cure period' is being provided to merchants to resolve the acceptance issue
- Merchants must demonstrate the acceptance issue is resolved by successfully processing a 2-Series BIN transaction from the identified acceptance location to avoid non-compliance assessments

[REMINDER] MasterCard Eliminates CVC2 at Chip POS or MPOS Terminals for Chip Transactions

CP

The Change: MasterCard previously communicated the discontinuance of the CVC2 validation program in lieu of a card imprint for chargeback purposes for U.S. domestic transactions, effective April 21, 2017. **MasterCard has announced a delay in the effective date until April 21, 2018.**

The Impact: Effective **April 21, 2018** merchants may not prompt or otherwise require a cardholder to enter CVC2 information when a chip card or contactless payment device is used to complete a chip transaction. This includes any contactless transaction at a POS terminal or MPOS terminal.

The CVC2 validation program in lieu of a card imprint for chargeback purposes for U.S. domestic transactions (merchants and issuers are both within the U.S. region) **will remain in effect until April 21, 2018**

[NEW] MasterCard SecureCode Edit Updates for Tokenized Transactions**eComm**

The Program: Currently, MasterCard rules allow merchants to benefit from the chargeback liability shift for in-app tokenized transactions with the UCAF indicator values. Often times, the appropriate Security Level Indicators (SLI) are not being passed to the issuer during authorization. Unfortunately, when these transactions are approved, the issuer is still being held liable for chargebacks even when the proper values weren't sent.

The Change: MasterCard will begin to edit SecureCode transactions and will change the UCAF Indicator if necessary. MasterCard will provide new fields to contain the UCAF indicators sent in the original authorization request and the reason why (missing or invalid UCAF) MasterCard changed the UCAF value.

The Impact: MasterCard will edit SecureCode transactions to ensure that the data provided is reliable and leads to the proper assignment of interchange qualification and chargeback liability shift for tokenized transactions.

Merchants that participate in SecureCode must provide the proper UCAF indicator in the authorization request and settlement message. MasterCard will reject settlement transactions when the UCAF indicator does not match in authorization request and settlement message.

[NEW] MasterCard Revises Standards for Contactless Cardholder Verification Method (CVM) Limits**CP**

The Change: MasterCard is increasing the No CVM Required Limit for contactless transactions occurring at merchant locations in the United States from \$50 to \$100.

The Impact: MasterCard will update its chargeback rules to protect contactless transactions of \$100 or less that do not contain a CVM from fraud chargebacks.

The Quick Payment Service (QPS) program, which eliminates the need to obtain a cardholder signature for magnetic stripe and contact EMV transactions, No CVM Required limit will remain at \$50.

[REMINDER] MasterCard Revised Standards for Authorizations Processing and New Data Integrity Fees

CP/CNP/eComm

The Program: As communicated in past merchant network updates, MasterCard introduced a number of authorization processing changes that include: new methods to identify the type of authorization, changes to authorization reversal time frames, changes to the amount tolerance for T&E and gratuities, changes to chargeback time frames and the extension of incremental authorizations for all merchant types.

MasterCard also implemented Data Integrity edits and a Processing Integrity Program to ensure the authorization changes are being adhered to. Data Integrity fees should begin appearing on the September invoices, sent in early October.

Please refer to the charts below for details.

MasterCard Authorization Changes		
Description	Current	Effective October 2016 (Unless Otherwise Stated)
<p>Full or Partial Authorization Reversals</p> <p>Used to cancel a previously authorized transaction (full reversal) or when the transaction amount is less than the amount approved (partial reversal)</p> <p>Does not apply to:</p> <ul style="list-style-type: none"> • MCC 5542 AFD • Contactless • Transit aggregated or debt recovery transactions • Preauth or auth with an expired chargeback protection period 	<ul style="list-style-type: none"> • 24 hours- Card present (non-T&E) • 72 hours- Card-not-present (non-T&E) • 20 days- T&E 	<ul style="list-style-type: none"> • 24 hours- Card present and card-not-present: <p>Submit a full auth reversal within 24 hours of known cancellation date of the sale</p> <p>Submit a partial auth reversal within 24 hours of transaction date when sale amount is less than the authorized amount</p>
<p>15% Transaction Amount Tolerances</p>	<p>Authorization to settlement amount 15%</p> <ul style="list-style-type: none"> • Hotel/Motel • Vehicle Rental • Cruise Lines • Related Repair <p>If the final transaction amount doesn't exceed the approved amount by the associated %, the merchant is not required to obtain an additional authorization.</p>	<p>Authorization to settlement amount must match. Incremental authorizations or authorization reversals must be submitted to match the authorization amount to the settlement amount.</p>

<p>20% Transaction Amount Tolerances</p>	<p>Authorization to clearing amount 20% for gratuities</p> <ul style="list-style-type: none"> • Contact Chip (Signature, PIN, no CVM) • Magnetic Stripe (Signature, PIN, No CVM) • Contactless • Card-not-present 	<p>Authorization to clearing amount 20% Permitted for Gratuities</p> <p>U.S. Region:</p> <ul style="list-style-type: none"> • Contact Chip (Signature, no CVM) • Magnetic Stripe (Signature, PIN, No CVM) • Card-present key-entered • Card-not present - Effective March 27, 2017 Restaurant (5812), Fast Food (5814), are eligible for the 20% tolerance for gratuities. Chargeback protection will not be available until October 13, 2017. <p>Non-U.S. Region:</p> <ul style="list-style-type: none"> • Contact Chip (Signature) • Magnetic Stripe (Signature or No CVM) <p>Gratuity must be added directly to the authorization amount when:</p> <ul style="list-style-type: none"> • Contactless • Contact Chip and PIN • Contact Chip Magnetic Stripe (non U.S. Regions only) <p>All gratuity transactions must identified as preauthorizations</p>
<p>Incremental (Multiple) Authorizations and Chargeback Protection Extension</p>	<ul style="list-style-type: none"> • 3351-3441(Car Rental Agencies) • 4411 (Cruise Lines) • 3501-3999 (Hotels/Motels/Resorts) • 7011 (Hotels/Motels/Resorts- not elsewhere classified) • 7512 (Automobile Renal Agency-not elsewhere classified) 	<p>Available to all merchant types</p> <p>An incremental authorization may be submitted at a later time to extend the chargeback protection period for the same transaction when summited with a zero dollar amount or it can be used to request an additional amount about the original authorization amount.</p> <p>The 30 day chargeback protection timeframe is calculated from the date of the last approved authorization.</p> <p>Excluded:</p> <ul style="list-style-type: none"> • MasterCard Contactless transit aggregated or debt recovery transaction • Installment billing payment transactions identified as preauthorization <p>For Chargeback Protection Extension: Dual Message (authorization) issuers and Single Message System Debit MC issuers must be able to support these requests as 0100 or 0200 messages.</p>

<p>Chargeback Protection Timeframes</p> <p>Reason Code 4808 (Authorization-Related Chargeback)</p> <p>When chargeback protection period expires, issuers must release any block they have placed on the cardholder account as it relates to authorization.</p>	<p>Currently, the duration of the chargeback timeframe is not calculated from the authorization date to the transaction date. Transaction must be cleared within 120 days of the authorization date</p>	<p>Effective April 2017</p> <p>Authorization date to clearing date</p> <p>30 days- Pre-authorization and incremental</p> <p>7 days- All other MasterCard authorization types</p>
<p>Authorization to Clearing Timeframe</p>	<p>Authorization to Transaction Date timeframe currently not in existence</p> <p>Only transaction date to settlement date specified:</p> <ul style="list-style-type: none"> • Within 7 calendar days of purchase date 	<p>Transaction must be cleared within:</p> <p>Dual message</p> <ul style="list-style-type: none"> • Final: 7 calendar days from auth date • Preauthorization: 30 calendar days from auth date • Incremental: 30 calendar days from the last auth date

<p>Processing Integrity Fee Program</p> <p>MasterCard is adding new processing integrity fees that will be applicable to authorizations that are not reversed or clearing within specified timeframes. Data Integrity fees should begin appearing on the September invoices, sent in early October.</p>
<p>Pre-Authorization or Undefined Authorization</p> <p>Criteria - A new fee of \$0.045 will be assessed for each approved pre-authorization or undefined authorization that is NOT reversed or cleared within the following timeframes:</p> <p>Pre-authorizations - 30 calendar days of authorization date</p> <ul style="list-style-type: none"> • Undefined authorizations - 7 calendar days of the authorization date
<p>Final Authorization</p> <p>Criteria - A new fee of 0.25% (min \$0.04) will be assessed for each approved final authorization when:</p> <p>Final Authorization - transaction not cleared within 7 calendar days of authorization date</p> <ul style="list-style-type: none"> • Final Authorization- transaction cleared in 7 calendar days from the authorization date, but the transaction amount is different than the authorization amount and an authorization reversal was not performed within 7 days. • Final Authorization- transaction did not clear and full authorization reversal was not submitted (e.g. transaction cancelled or timed-out authorization request)

Note: These fees will eventually replace the current Processing Integrity Fees for Late Reversals and No Clearing within 120 days of authorization. There will be a period of time where the existing non-compliance fees for not clearing a transaction 120 days from the authorization date and the new fees will be billed.

[NEW] MasterCard Introduces New Consumer PrePaid World Travel Card in the Middle East and Asia (MEA) Region and Interchange Fee Programs CP/CNP/eComm

The Program: MasterCard is introducing the Consumer Prepaid MasterCard World Travel card in the Middle East and Asia region.

The Change: The new prepaid card will be available to issuers in the MEA region, able to be accepted globally and will be eligible for the following existing interregional interchange programs.

Interchange Fee Programs
Interregional Consumer Payment Transaction
Interregional Consumer Super Premium Acquirer Chip
Interregional Consumer Super Premium Electronic
Interregional Consumer Super Premium Merchant UCAF
Interregional Consumer Super Premium Standard
Interregional Consumer Super Premium Full UCAF
Interregional Consumer Super Premium Issuer Chip

[NEW] MasterCard Revises Consumer Credit Interchange Rates in the Canada Region CAN

The Change: Effective **November 1, 2017**, MasterCard will change the existing interchange fee program rates that apply to Canada domestic consumer credit card transactions.

Interchange Fee Programs to Decrease
Volume Tier 3 World
Independent Business World
MasterPass Core
MasterPass World
MasterPass World Elite
SecureCode-Enabled Core
SecureCode-Enabled World
SecureCode-Enabled World Elite
Electronic World
Interchange Fee Programs to Increase
Standard Core
Standard World
Standard World Elite

Visa[®]

[REMINDER] Visa Modifies Timing for Prohibiting Card Verification Value 2 (CVV2) in Authorization of Card-Present Key-Entered Transactions

CP

The Program: Visa previously announced that merchants would no longer be permitted to request a cardholder to provide their Card Verification Value 2 (CVV2) for a card-present key-entered transaction effective April 22, 2017.

The Change: On December 8, 2016, Visa announced an extension to their previous announcement prohibiting a merchant from collecting the CVV2 data from the cardholder and entering CVV2 data in the authorization request for a card-present key-entered transaction as of April 22, 2017.

The Impact: Merchants are permitted to collect and include the Card Verification Value 2 (CVV2) information in the authorization request for U.S. domestic **card-present, key entered transactions until April 14, 2018.**

** The original date of April 22, 2017 will still apply to the AP, Canada, CEMEA, Europe and LAC regions*

Effective April 14, 2018

- Merchants cannot collect the CVV2 value from the cardholder for card-present key-entered transactions
- Merchants cannot submit the CVV2 value in card-present key-entered authorization requests
- CVV2 in lieu of imprint will no longer be supported for chargeback reason code 81. Merchants will be required to obtain a manual imprint of the card when the transaction is key-entered
- Visa will prohibit the use of CVV2 for all electronically read card-present transactions unless the merchant complies with all of the criteria below:
 - U.S. merchant has an EMV chip enabled POS device
 - U.S merchant has an agreement with the issuer
 - The transaction payment product was electronically read (magnetic stripe, contactless or contact)

[NEW] Visa Updates Chargeback Rules for Card-Not-Present Transactions Approved with CVV2 Mismatch

CNP

The Program: CVV2 is a fraud prevention tool used with card-not-present transactions to help ensure the physical card being used is in the cardholder's possession. Merchants are encouraged to use CVV2 as part of their fraud prevention efforts for processing card-not-present transactions.

The Change: Effective **April 2018**, Issuers will no longer be able to chargeback U.S. card-not-present transactions (fraud) that have been approved with a card verification value (CVV2) mismatch response.

The Impact: Visa will block U.S. chargebacks (Reason Code 83) when the original card-not-present transaction was approved with a CVV2 mismatch response. Merchants are protected from Reason Code 83 when:

- Merchant and Issuer in the U.S.
- Card-not-present transaction
- CVV2 result is a match
- Issuer approves the authorization

Chargeback rights will remain the same for transactions submitted for authorization without CVV2.

Merchants may receive declines with auth response code of N7 when the CVV2 is a mismatch. Merchants will have the opportunity to collect the correct CVV2 and try the authorization again.

[NEW] Visa Canada Introduces New CVV2 Requirement for Card-Not-Present Merchants

CAN

The Program: Visa Canada is making changes to CNP/eCommerce transactions to address fraud. Visa will require Canadian card-not-present merchants to pass the Card Verification Value 2 (CVV2) for every transaction.

The Change: Canadian merchants will be required to begin capturing and passing the CVV2 (card verification value 2) in all e-commerce and mail order/telephone order authorization requests.

The Impact: Merchants must comply with the new requirement as outlined below:

Effective October 14, 2017 - New Canadian merchants will need to include the CVV2 value in authorization requests for e-commerce and mail order/telephone order transactions. (Visa defines a new merchant as one that is accepting Visa payment products for the very first time)

Effective October 13, 2018 - Existing Canadian merchants will need to include the CVV2 value in authorization requests for e-commerce and mail order/telephone order transactions.

- Issuers who approve a domestic transaction with a CVV2 result code of “N” (no match) will retain liability
- Issuers retain chargeback rights when the merchant doesn't pass any CVV2 with the authorization where the issuer cannot verify the CVV2
- The following are excluded from the CVV2 mandate:
 - Subsequent credential on file transactions (e.g., recurring, installment, unscheduled credential on file)
 - Visa Commercial Card Virtual Accounts
 - Digital wallets such as Visa Checkout

[REMINDER] Visa Changes for Truck and Trailer Rentals and Estimated and Incremental Authorization Type Indicator Requirements CP/CNP/eComm

The Change: Effective October 14, 2017, Visa is introducing the following changes to Truck and Trailer Rentals:

- Visa Car Rental category will change to **Vehicle Rental** to accommodate Truck and Utility Trailer Rentals (MCC 7513).
- Current car rental rules will apply to the Vehicle Rental category and will be classified as Travel and Entertainment (T&E)
- MCC 7513 will be added to U.S. CPS/Hotel and Car Rental card-present and card-not-present interchange programs.

Merchants types listed in the below table must ensure the new estimated and incremental authorization processing requirements are met.

MCC	Merchant Type	Eligible Authorization Request Type	Approval Response Expiration Timeframe
3351-3441, 7512	Car Rental Agencies	<ul style="list-style-type: none"> • Estimated • Incremental 	31 days after the estimated authorization response and includes any subsequent incremental authorizations. <i>Incremental authorization does not extend this timeframe</i>
7513	Truck and Utility Trailer Rentals		
3501-3833, 7011	Lodging – Hotels, Motels, Resorts		
4411	Cruise Lines		
4111 4112 4131	Transit and Transportation (local and suburban commuter passenger transportation, and ferries, passenger railways, bus lines.	<ul style="list-style-type: none"> • Initial • Incremental (up to \$15 in the U.S. and \$25 non-U.S.) 	3 days – U.S. 7 days non-U.S. after initial authorization response and includes any subsequent incremental authorizations. <i>Incremental authorization does not extend this timeframe</i>
4121	Taxicab and Limousines (Card-absent only) Typically these merchants offer app-based booking and payment (e.g., Uber) Estimated authorizations must reflect the expected fare (including applicable taxes) and cannot included an estimated tip 20% Transaction Amount Tolerance (less than or greater than the original authorization amount) When final amount is more than 20% of the last authorization, an incremental authorization must be performed to avoid chargebacks for no authorization Merchant must disclose the estimated authorization amount to the cardholder at the time of booking.	<ul style="list-style-type: none"> • Estimated • Incremental 	Same day the estimated or incremental authorization is performed <i>Incremental authorization does not extend this timeframe</i>

[REMINDER] Visa Changes for Truck and Trailer Rentals and Estimated and Incremental Authorization Type Indicator Requirements (Cont.)**CP/CNP/eComm**

Effective October 14, 2017

Estimated and Incremental Authorization Type Indicator Requirements

- **U.S. and Non-U.S.:** Visa will begin to require Cruise Line, Lodging, Transit and Vehicle Rental merchants to submit the estimated authorization indicator or incremental authorization indicator in authorization requests. The transaction identifier value from the initial or estimated authorization must be retained to be provided in an incremental authorization request.
- **Non-U.S.:** Visa will begin to require the use of the incremental authorization indicator and the same transaction identifier for all estimated and incremental authorizations in non-U.S. Region authorizations. The U.S. Region already supports the use of incremental authorization indicators and same transaction identifier.

[NEW] Visa Enforces Verified by Visa (VbV) Transaction Data Integrity**eComm**

The Program: In an effort to improve transaction data integrity and effectively manage chargeback liability, Visa will begin to change the Cardholder Authentication Verification Value (CAVV) Result Code and Electronic Commerce Indicator (ECI) value when the CAVV is missing or cannot be verified in the authorization request for Verified by Visa (VbV) transactions.

The Change: Visa will change the CAVV Result Code Value to a value of '0' (CAVV could not be verified or CAVV data was not provided when expected) and will also change the eCommerce indicator (ECI) to a value of '07' (non-authenticated security transaction) based on the following authorization request criteria:

- A transaction is Verified by Visa (VbV) identified with an eCommerce indicator of 05 (fully authenticated) or 06 (attempted cardholder authentication)
- Cardholder Authentication Verification Value (CAVV) is not present in the authorization request
- Transaction initiated with a primary account number or token

Vantiv will accept the CAVV Result Code and the changed ECI value in the authorization response.

The Impact: Merchants participating in VbV must ensure that they are passing the proper ECI value and valid CAVV data for fully authenticated and attempt to authentication transactions as outlined below:

Effective October 2017: AP and Canada Region

Effective April 2018: U.S. Region

TBA: LAC

Merchants must be aware that transactions that contain an eCommerce indicator of '07' are not eligible for VbV chargeback protection.

[NEW] Visa Updates Processing Integrity Timeframes for Authorization and Settlement

CP/CNP/eComm

The Change: Visa has revised the Processing Integrity timeframes, primarily focusing on estimated authorizations.

The Impact: Merchants should be prepared to comply with the revised processing integrity timeframes detailed in the chart below. Merchants that participate in estimated authorizations must submit the estimated authorization indicator in order to be eligible for the estimated authorization timeframes outlined by Visa below. Merchants that do not meet the processing integrity timelines will be subject to Processing Integrity fees.

Visa Processing Integrity Timeframes					
MCC	Merchant Type	Current Auth Reversal Timeframe	Current Auth-Clearing Timeframe	Effective October 13, 2017 Auth Reversal Timeframe	Effective October 13, 2017 Auth-Clearing Timeframe
Travel and Entertainment (T&E)					
3351-3500, 7512	Car Rental Agencies	24 hours- auth submitted in error and/or cardholder-canceled card present transactions	20 calendar days	Estimated Auth: <ul style="list-style-type: none"> • 30 calendar days NOT Estimated Auth <ul style="list-style-type: none"> • 1 calendar day Card Present • 3 calendar days Card-not-present 	30 calendar days
7513	Truck and Utility Trailer Rentals		MCC 7513: 10 Calendar days		
3501-3999, 7011	Lodging-Hotels, Motels, Resorts				
4411	Cruise Lines	72 hours- Card-not-present			
MCC	Merchant Type	Current Auth Reversal Timeframe	Current Auth-Clearing Timeframe	Effective October 13, 2017 Auth Reversal Timeframe	Effective October 13, 2017 Auth-Clearing Timeframe
Transit and Rental Merchants					
4111	Local and Suburban Commuter Passenger Transportation, including Ferries	24 hours- auth submitted in error and/or cardholder-canceled card present transactions	10 calendar days	Estimated Auth: <ul style="list-style-type: none"> • 7 calendar days NOT Estimated Auth <ul style="list-style-type: none"> • 1 calendar day Card Present • 3 calendar days Card-not-present 	10 calendar days
4112	Passenger Railways				
4131	Bus Lines				
4457, 7033, 7394, 7519, 7999	Rentals (Excludes Vehicle Rentals) such as aircraft, bicycle, boat, equipment, motor home and motorcycle rental, Campgrounds, Trailer Parks	72 hours- Card-not-present			

MCC	Merchant Type	Current Auth Reversal Timeframe	Current Auth-Clearing Timeframe	Effective October 13, 2017 Auth Reversal Timeframe	Effective October 13, 2017 Auth-Clearing Timeframe
Entertainment and Taxi					
4121	<p>Taxicab and Limousines Card-absent only Typically these merchants offer app-based booking and payment</p> <p>Estimated authorizations must reflect the expected fare (including applicable taxes) and cannot include an estimated tip</p> <p>20% Transaction Amount Tolerance (less than or greater than the original authorization amount)</p> <p>When final amount is more than 20% of the last authorization, an incremental authorization must be performed to avoid chargebacks for no authorization</p> <p>Merchant must disclose the estimated authorization amount to the cardholder at the time of booking</p>	<p>24 hours- auth submitted in error and/or cardholder-canceled card present transactions</p> <p>72 hours- Card-not-present</p>	10 calendar days	<p>Estimated Auth</p> <ul style="list-style-type: none"> 1 calendar day Card Present 3 calendar days <p>NOT Estimated Auth</p> <ul style="list-style-type: none"> 1 calendar day Card Present 3 calendar days Card-not-present 	10 calendar days
7996	Amusement Parks, Circuses, Carnivals, Fortune Tellers				
5812, 5813	Restaurants and Bars				
MCC	Merchant Type	Current Auth Reversal Timeframe	Current Auth-Clearing Timeframe	Effective October 13, 2017 Auth Reversal Timeframe	Effective October 13, 2017 Auth-Clearing Timeframe
Any Merchant- Authorization NOT Identified as Estimated Authorization					
Any	Any, including airlines	<p>24 hours- auth submitted in error and/or cardholder-canceled card present transactions</p> <p>72 hours- Card-not-present</p>	10 calendar days	<ul style="list-style-type: none"> 1 calendar day Card Present 3 calendar days Card-not-present 	10 calendar days

[UPDATE] Visa Outlines Phased Approach for Required Support of New Purchase Return Authorization Messages

CP/CNP/eComm

The Program: Visa will require merchants to support authorization for credit/refunds transactions. This will enable the credit/refunds to be visible real-time on cardholder communications as a pending transaction, providing better visibility into the refund status.

The Change: Visa previously communicated an effective date of April 2018 for merchants and acquirers to begin submitting authorizations for purchase returns and credits. Visa has recently announced **a new phased approach** for merchant required support of the purchase return authorization message as outlined below:

Phase I – Effective October 2018

Merchants that meet the annualized minimum refund volume as outlined by region below are required to support the purchase return authorization message in Phase I, effective October 2018.

Region	Annualized Visa Credit/Refund Volume Minimum
U.S.	USD \$10 million
Canada	USD \$5 million
AP	USD \$1 million
LAC	
CEMEA	

Phase II – Effective April 2019

All remaining merchants in all regions will be required to send an authorization for all credit/refunds in Phase II, effective April 2019. Merchants are permitted to adopt the earlier Phase I effective date. Airline merchants have the option to delay implementation until April 2019.

The credit/refund authorization request will be displayed to the cardholder as a pending credit/refund when approved by the issuer. The credit/refund settlement transaction will continue to be used by merchants, acquirers, and issuers to return the funds back to the cardholder.

- **Effective April 2019** Credits/refunds/purchase returns that do not receive a valid authorization may be charged back by the issuer using chargeback reason code 71 (declined Authorization) and 72 (No Authorization, as applicable)
- **Effective April 2019** Credit vouchers will be included in the Zero Floor Limit “non-authorized settlement” and Authorization Misuse Processing Integrity Fee Assessment
- Merchants should submit existing Processing Code ‘20’ in authorization requests to identify credit/refund transactions. Merchants may continue to generate the fields they send today for sale transactions with the Processing Code of ‘20’ in the authorization request.
- Merchants should prepare to add the approval code on their receipts as a best practice for credit/refund transactions. Visa is planning to update their rules to require the approval code on receipts.

Vantiv continues to work directly with Visa to further define the requirements associated with this change. Updates will continue to be shared through your Relationship Manager.

[NEW] Visa Clarifies Network Name Receipt Requirements in U.S. Region

CP

The Program: With the use of the Common Debit AID in the U.S., the routing decision may be made downstream, and as a result, the terminal may not know which network processed the transaction at the time the receipt was generated. For these transactions Visa may not be the network selected to route or process the transaction, which means 'Visa' cannot be printed on the physical receipt.

The Change: Visa has clarified its card network name on receipts requirement in the U.S. region and U.S. territories when the Common AID is selected, and when the network is not known at the time the receipt is generated.

The Impact: Merchants may need to adjust their terminals and receipt-generation logic in order to comply with the revised network name requirements as outlined below:

Effective Dates:

October 14, 2017- new terminals

October 14, 2018- existing terminals

Criteria:

- The merchant is in the U.S. region or U.S. territories
- The transaction is initiated using the Visa U.S. Common Debit AID from a U.S.-covered debit card
- The processing network is not known at the time the transaction receipt is generated

When the above are true, the transaction receipt must contain:

The application label of Common Debit ("US DEBIT") -OR- an enhanced descriptor



[NEW] Visa Updates Zip Code Requirements for U.S. Fuel Merchants in High-Fraud Geographies

CP

The Change: To ensure maximum use of existing fraud tools that combat automated fuel dispenser (AFD) fraud, U.S. fuel merchants (MCC 5542) located in high-fraud geographies must begin to include the cardholder billing zip code information in all AFD authorization requests.

The Impact: Effective January 20, 2018 AFD merchants located in the high-fraud geographies below are required to include the cardholder billing zip code information in all AFD authorizations.

- Atlanta, GA
- Brooklyn, NY
- Detroit, MI
- Fresno, CA
- Greater Los Angeles, CA (as defined by the U.S. Census Bureau)
- Houston, TX
- Kingman, AZ
- Las Vegas, NV
- Louisville, KY
- Florida (all cities and counties)

Fuel merchant customers should be directed to pay for fuel inside the service station when a “no-match” response is received on an AVS zip Code authorization response at the AFD.

*These changes do not apply to acquirers of U.S. fuel merchants that sell AFD fuel on basis of a membership.

[REMINDER] Visa Expands Fraud Monitoring Program to include U.S. Automated Fuel Dispensers (AFD)

CP

The Change: As part of Visa’s announcement of the postponement of the EMV liability shift date for AFD until October 2020, Visa is also expanding their Visa Fraud Monitoring Program (VFMP) to include U.S. AFD. The inclusion of AFD is intended to help mitigate counterfeit fraud at U.S. AFD locations that exceed the Visa defined thresholds. Issuers will receive chargeback recovery rights for reported counterfeit fraud.

Effective July 1, 2017 – October 31, 2020

Visa Fraud Monitoring for Automated Fuel Dispenser merchants, MCC 5542, will occur for U.S. domestic counterfeit AFD transactions for merchant outlets that meet or exceed both the following monthly thresholds:

- USD 10,000 in U.S. issuer-reported counterfeit fraud in the previous calendar month
- 0.20% counterfeit fraud-dollar-to-sales-dollar ratio in the previous calendar month

Effective November 1, 2017 – October 31, 2020

Monitoring of U.S. domestic counterfeit AFD transactions may be classified as high risk for merchant outlets that meet or exceed both of the following monthly thresholds:

- USD 10,000 in issuer reported domestic counterfeit fraud in the previous calendar month
- 2% counterfeit fraud-dollar-to-sales ratio in the previous calendar month

[UPDATE] Visa Introduces New Authorization Procedures for Credential (Card) On File Merchant-Initiated and Cardholder Initiated Transactions **CP/CNP/eComm**

The Program: Payment systems were originally designed around the principle that all transactions are initiated based on the instruction of the consumer. However, with the evolution of commerce, business models have evolved, making it possible for a merchant to store the payment credential and initiate a transaction based on prior instruction from the consumer.

As a result, Visa is defining two classes of credential (card) on file transactions:

- Cardholder-initiated (e.g., shopping using merchant in-app, website)
- Merchant-initiated

A merchant initiated transaction (MIT) is any transaction that is related to a previous consumer-initiated transaction, but is conducted without the consumer being present or validated (mag-stripe data, chip cryptogram data, CVV2 or VbV authentication).

Merchant-initiated transaction types:

- | | | | |
|-----------------------|----------------------------------|-------------------|-------------------|
| - Recurring Payment | - Unscheduled Credential on File | - Resubmission | - Delayed Charges |
| - Installment Payment | - Incremental Authorization | - Reauthorization | - No Show |

The Change: Visa is introducing new authorization procedures for credential on file cardholder and merchant-initiated transactions that will align rules for transaction types across cardholder primary account number (PAN) and payment token transactions.

Visa is announcing authorization and clearing field/value changes to help link the original cardholder-initiated transaction to subsequent merchant-initiated transactions and to also ensure that merchant-initiated token transactions can be processed without the cryptograms and domain restrictions. Transactions that do not contain the required fields may be declined.

First/Original Transaction Credential On File Transaction

Visa will begin to require merchants who intend to store a credential on file for future transactions to submit an indicator in the authorization request (e.g., E-commerce, MoTo, Account Number Verification Requests) to identify to the issuer if the credential will be used for a recurring, installment or other type of credential on file. When an approval response is received, the merchant may begin to store the credential on file. The merchant must also retain and store the Transaction ID received in the authorization response to send in the next recurring, installment and other types of credential on file transactions. Merchants cannot store the payment credential if the authorization is declined.

Merchants submitting credential on file processing PAN and token recurring and/or payment authorizations must send the POS Environment field with the following values:

- I = Installment payment
- R = Recurring payment
- C = Credential On File (e.g., unscheduled credential on file, cardholder initiated)

[UPDATE] Visa Introduces New Authorization Procedures for Credential (Card) On File Merchant-Initiated and Cardholder Initiated Transactions (Cont.) CP/CNP/eComm

Subsequent Credential On File and Industry Practice Transactions

Visa will require all subsequent stored credential on file (merchant or cardholder initiated) and Industry Practice (IP) transactions to contain a **new POS Entry Mode of 10 (Credential on File)**.

- Recurring Payment
- No Show (IP)
- Reauthorization (IP)
- Installment Payment
- Incremental Authorization (IP)
- Resubmission (IP)
- Unscheduled Credential on File
- Cardholder initiated-stored credential
- Delayed Charges (IP)

Merchants must also retain and store the Transaction ID received in the authorization response to send in the subsequent authorization requests for all merchant initiated transactions.

- Recurring, installment and unscheduled credential on file authorization requests must contain the **Transaction ID** from the very last transaction in the series
- Incremental, resubmission, reauthorization, no show and delayed charges authorization requests must contain the **Transaction ID** from the very first authorization in the series

Merchants must submit an indicator in the authorization request to identify when the payment credential will be used for a recurring, installment or unscheduled credential on file authorizations.

U.S. merchants must continue to also send the existing bill payment indicators to meet CPS interchange qualification requirements.

Merchants (e.g., lodging, vehicle rentals, cruise lines, transit, transportation, restaurants, bars, eligible rental merchants, amusement parks) participating in initial and estimated authorizations will be required to send the Additional Authorization Indicator (previously named the partial auth indicator) to identify the authorization as initial/estimated authorization in the authorization request.

- 2 = Estimated amount
- 3 = Estimated amount and terminal accepts partial authorization responses

Merchants that submit incremental, resubmission, reauthorization, no show and delayed charges authorization requests must send a new Reason Code field and value to identify the authorization type:

- Incremental - 3900
- Resubmission – 3901
- Delayed Charges – 3902
- Reauthorization - 3903
- No Show – 3904

Authorization reversals must contain the valid value for the reversal and not the message reason code.

Transaction Settlement/Clearing Requirements

Merchants must ensure that the following fields/values are submitted in settlement/clearing:

- POS entry mode submitted in the authorization request is the same value submitted in the settlement message
- Transaction ID value received from the authorization response must be submitted in the settlement message
- POS Environment field and value must be sent in the settlement message
- Reason Code must be sent in the settlement message

[UPDATE] Visa Extends Visa Claims Resolution (VCR) Implementation Date to April 2018

CP/CNP/eComm

The Program: As previously communicated, Visa has extended the implementation date for the new Claims Resolution initiative until April 2018.

The Change: The Visa Claims Resolution (VCR) initiative seeks to simplify the way exceptions are processed and automate decisions by leveraging existing transaction data available in Visa's Resolve Online application. Visa will simplify processes by:

- Consolidating the current 22 chargeback reason codes into 2 workflows and 4 dispute categories
 - Under the Allocation workflow: Fraud and Authorization
 - As part of the Collaboration workflow: Processing Error and Consumer Disputes
- Reducing the dispute timeframe to 30 days

Vantiv is enhancing the dispute management functionality to accommodate Visa's VCR changes. Some of the changes will:

- Include an automated workflow that will guide users through the dispute questionnaire and document requirements
- Incorporate an updated dispute response process that incorporates Visa's new dispute rules and requirements
- Provide a real time connection to the Visa dispute system resulting in faster case time completion
- Maintain a consistent user experience for all dispute types across networks
- Update dispute reports to include VCR data
- Improve activity files to include new adjustment types and action codes

What's Next?

- Vantiv will provide training, so you know what to expect when the changes go into effect, and how VCR will affect your business. Additional updates and future training dates will be communicated as soon as the information becomes available.

To learn more about VCR, you can watch our [overview video](#). If you have any questions, please contact your Relationship Manager.

[NEW] Visa Updates Rules for Supported Card Acceptance Interfaces Changes

CP

The Change: Visa is updating their rules to require new and upgraded acceptance devices to make all merchant-supported card acceptance interfaces (contact chip, contactless, and/or magnetic-stripe) available without requiring additional, unnecessary actions by the merchant or cardholder to use a specific interface.

The Impact: Merchants must ensure that card acceptance interfaces are available without requiring any unnecessary actions by the clerk or cardholder.

As an example, a merchant that supports contact chip, contactless, and mag-stripe Visa transactions should present all three interfaces to the cardholder when a new transaction is initiated. The merchant must not enable mag-stripe and contact chip interfaces only, requiring the clerk or cardholder to push a button in order to make the contactless interface available.

Notes

- Visa reports that the majority of merchant acceptance devices currently deployed already meet this requirement
- Visa is not requiring merchants to support any card acceptance interfaces that they don't already support
- This does not apply to transactions in which the merchant completes the transaction for the cardholder such as at a U.S. restaurant

Existing Devices

- Visa is not requiring any change to **currently deployed** acceptance devices.
- Acceptance devices deployed before October 14, 2017 are not subject to the requirement and may continue to operate as is
- Merchants that deployed such acceptance devices before October 14, 2017 may continue to deploy devices with the same configuration at new locations.
 - Note that the original acceptance devices must have successfully completed the standard Visa testing required for acceptance device deployment.

[NEW] Visa Updates the CPS/Government Interchange Program for Small Ticket Transactions

CP/CNP/eComm

The Change: Visa will allow transactions submitted with a government MCC and processed on certain consumer credit cards to qualify for CPS/Small Ticket.

The Impact: Transactions ≤\$15 processed on consumer Traditional, Rewards, and Signature credit and submitted under one of the following MCCs, will now qualify for the existing CPS/Small Ticket interchange program when CPS qualification is met.

- 7800 – Government-owned lotteries
- 9211 – Court costs, including alimony and child support
- 9222 – Fines
- 9311 – Tax payments
- 9399 – Government services (not elsewhere classified)

Transactions processed on consumer Traditional, Rewards & Signature credit qualifying for the CPS/Government program will shift as follows:

Current Interchange Program	Effective October 13, 2017
CPS Government Credit	CPS Small Ticket Credit

Consumer Signature Preferred and Infinite credit will continue to be eligible for the CPS Government program.

[NEW] Visa Updates CPS/Card Not Present Qualification Criteria for Recurring Transactions U.S.

CNP/eComm

The Program: Currently, the only MCCs that can submit a URL or email on recurring transactions are 4812, 4814, 4899, 4900, 5960, 5968, 6300, 7298, 7997, 8675, and 8699.

The Change: Visa will allow all MCCs eligible for CPS/Card Not Present to submit either a customer service phone number, merchant URL, or email address in the City field on recurring transactions.

[NEW] Visa Introduces New Level II Interchange Program for Corporate and Purchasing Cards for Fuel MCCs CP/CNP

The Change: Visa is introducing a new commercial Level 2 interchange program for Corporate and Purchasing cards specific to fuel MCCs.

The Impact: The following fuel MCCs will no longer be eligible for the existing Corporate and Purchasing Card Level 2 interchange program and will now shift to the new Fuel Level 2 program. The same qualification criteria that apply to the current Level 2 program will also apply to the new Fuel Level 2 program.

Interchange Program
Corporate Card – Fuel Level 2
Purchasing Card – Fuel Level 2

- MCC 4468 - Marinas, Marine Services and Supplies
- MCC 5499—Miscellaneous Food Stores—Convenience Stores and Specialty Markets
- MCC 5541—Service Stations (With or Without Ancillary Services)
- MCC 5542—Automated Fuel Dispensers
- MCC 5983—Fuel Dealers—Fuel Oil, Wood, Coal and Liquefied Petroleum

Visa will also increase the following Corporate and Purchasing Card interchange programs.

Interchange Program
Corporate Card - Non Travel Service L2
Corporate Card - Non Travel Service L3
Corporate Card - Travel Service
Corporate Card - Card Not Present
Purchasing Card - Non Travel Service L2
Purchasing Card - Non Travel Service L3
Purchasing Card - Travel Service
Purchasing Card - Card Not Present

[NEW] Visa Expands List of Travel Service MCCs to Include Truck and Utility Trailers – U.S.

CP/CNP

The Change: Visa is expanding the list of Travel Service MCCs to include 7513, Truck and Utility Trailer Rentals.

The Impact: Merchants under MCC 7513 (Truck and Utility Trailer Rentals) will be eligible to qualify for the same interchange programs as auto rental agencies and will no longer be eligible for non-T&E specific interchange programs. The following table provides a high level overview of the shift in interchange programs for MCC 7513, depending on the card type and qualification criteria.

Current Interchange Program	Effective October 13, 2017*
Signature CPS/Rewards 1	Consumer EIRF
Signature CPS/Rewards 2	Consumer EIRF
Signature Preferred Retail	Signature Preferred Electronic
Signature Preferred Card Not Present	Signature Preferred Electronic
Infinite Retail	Infinite Electronic
Infinite Card Not Present	Infinite Electronic
Business Tier 1 Retail	Business Tier 1 Electronic
Business Tier 2 Retail	Business Tier 2 Electronic
Business Tier 3 Retail	Business Tier 3 Electronic
Business Tier 4 Retail	Business Tier 4 Electronic
Business Tier 1 Card Not Present	Business Tier 1 Electronic
Business Tier 2 Card Not Present	Business Tier 2 Electronic
Business Tier 3 Card Not Present	Business Tier 3 Electronic
Business Tier 4 Card Not Present	Business Tier 4 Electronic
Business Tier 1-3 Level 2	Business Tier 1 Electronic
	Business Tier 2 Electronic
	Business Tier 3 Electronic
Business Tier 4 Level 2	Business Tier 4 Electronic
Corporate Card Present	Corporate Travel Service
Corporate Card Not Present	
Corporate Card Level 2	
Corporate Card Level 3	
Corporate Card Large Ticket	
Purchasing Card Present	Purchasing Travel Service
Purchasing Card Not Present	
Purchasing Card Level 2	
Purchasing Card Level 3	
Purchasing Card Large Ticket	
GSA Purchasing Large Ticket	
Large Purchasing Advantage 1	
Large Purchasing Advantage 2	
Large Purchasing Advantage 3	
Large Purchasing Advantage 4	
Purchasing Prepaid Large Ticket	Commercial Prepaid Retail
	Commercial Prepaid Card Not Present

*Transactions are still required to meet CPS qualification or they will downgrade to Standard. Retail transactions will require auto rental extended line item detail or the transaction will downgrade to Standard.

[NEW] Visa Expands List of Travel Service MCCs to Include Truck and Utility Trailers – U.S. (cont.)

CP/CNP

Effective October 13, 2017, merchants under MCC 7513 may start sending in Auto Rental extended line item detail (i.e. rental agreement # & length of rental) and qualify for the same interchange programs as Auto Rental merchants. Merchants that choose to submit this data will see the following shift in interchange programs:

Current Interchange Program*	Effective October 13, 2017	
	With Extended Data	Without Extended Data
CPS Retail Credit	CPS Car Rental Card Present Credit	EIRF Credit
CPS Retail Debit	CPS Car Rental Card Present Debit	EIRF Debit
CPS Retail Prepaid	CPS Car Rental Card Present Prepaid	EIRF Prepaid
CPS Card Not Present Credit	CPS Car Rental Card Not Present Credit	CPS Card Not Present Credit
CPS Card Not Present Debit	CPS Car Rental Card Not Present Debit	CPS Card Not Present Debit
CPS Card Not Present Prepaid	CPS Car Rental Card Not Present Prepaid	CPS Card Not Present Prepaid
CPS E-Commerce Preferred Credit	CPS E-Commerce Preferred Car Rental Credit	CPS E-Commerce Preferred Credit
CPS E-Commerce Preferred Debit	CPS E-Commerce Preferred Car Rental Debit	CPS E-Commerce Preferred Debit
CPS E-Commerce Preferred Prepaid	CPS E-Commerce Preferred Car Rental Prepaid	CPS E-Commerce Preferred Prepaid

*Auto rental extended data is required to qualify for CPS/Retail Credit. Merchants that do not send this extended data will downgrade to EIRF. T&E merchants (including MCC 7513) are not eligible for CPS Retail Debit & Prepaid. Merchants that do not send the extended data for card not present transactions can still qualify for CPS Card Not Present and CPS E-Commerce programs.

[NEW] Visa Modifies Commercial Card Interchange Programs

CP/CNP/eComm

The Change: Visa will be modifying the rates on select commercial interchange programs.

The Impact: Merchants will realize an increase in interchange for the programs listed below.

Rate Program
Card Not Present
Travel Service
Non-Travel Service, Level 2
Non-Travel Service, Level 3

[NEW] Account Updater Fee Changes (Visa, MasterCard, and Discover)

CNP/eComm

The Program: Value added services such as account updater have become increasingly more important in ensuring optimal authorization rates and seamless customer experiences. As the networks continue to invest in this service for the mutual benefit of merchants and issuers, they are also forced to evaluate the associated fees.

The Change: Effective **October 2017**, the 'matched' transaction fee will increase by \$0.07 per transaction.

The Impact: Account Updater merchants will realize an increase in fees for 'matched' transactions on their Vantiv invoice.



Discover[®]

[NEW] Discover Updates Dispute Rules

CP/CNP/eComm

The Change: Discover has updated their dispute rules as outlined below.

The Impact:

- Merchants can no longer submit an imprint as defense in a **Card Present (UA01)** dispute.
 - As a reminder, merchants do have the choice to accept a key-entered transaction or request a different form of payment.
 - Merchants should be aware of the increased liability for key-entered transactions and make business decisions accordingly
- Issuers can no longer use **UA02 – Card Not Present Fraud** - on In-App tokenized card sales when an “authentication successful” CAVV result is received
 - CAVV results, when present in authorization, must be submitted in settlement to avoid loss of dispute protection
 - Merchants will benefit from added protection during In-App card sales when fully authenticated.

[NEW] Discover Updates Consumer Credit Interchange Program for Restaurant MCCs 5812 and 5814

CP/CNP/eComm

The Program: Currently, the best interchange program Premium and Premium Plus consumer credit cards transactions can qualify for is Mid Submission Level.

The Change: Premium and Premium Plus consumer credit cards processed under restaurant **MCCs 5812 & 5814** will be eligible for the PSL Card Not Present, PSL E-Commerce, and Key Entry interchange programs.

Current Interchange Program	Effective October 13, 2017
Mid Submission Level Premium	PSL Card Not Present Premium
	PSL E-Commerce Premium
	Key Entry Premium
Mid Submission Level Premium Plus	PSL Card Not Present Premium Plus
	PSL E-Commerce Premium Plus
	Key Entry Premium Plus

American Express®

[REMINDER] American Express Offline and Online PIN Requirement and Legacy Expresspay Decommission

CP

The Program: Merchants with Chip and PIN POS Systems are required to support both Offline and Online American Express PIN transactions. Merchants are also required to decommission contactless readers utilizing Expresspay 1.0 and 2.x, and should be using American Express' ExpressPay Terminal Specifications 3.0.

The Change:

- All **existing** Chip and PIN POS Systems must be certified to support both Offline and Online PIN **December 31, 2018**.
- Contactless readers supporting **Expresspay Terminal Specification 2.x must be decommissioned by December 31, 2018**.

The Impact: Failure to support new Expresspay Terminal Specifications may result in declines or impact the cardholder experience.

[NEW] American Express Introduces New Government and Education Fee Programs for Opt Blue

CP/CNP/eComm

The Program: American Express is introducing two new programs into the OptBlue program for Government and Education.

The Change: Certain government and education MCCs will move out of existing programs and into one of the new programs. The new Government program will be available to the following MCCs:

- 9211 – Court costs, including alimony and child support
- 9222 – Fines
- 9223 – Bail and bond payments (fee only)
- 9311 – Tax payments
- 9399 – Government services (not elsewhere classified)

Current Program	Effective October 13, 2017
MCCs 9211, 9222, 9311 & 9399	
Other Tier 1	Government Tier 1
Other Tier 1 Card Not Present	Government Tier 1 Card Not Present
Other Tier 2	Government Tier 2
Other Tier 2 Card Not Present	Government Tier 2 Card Not Present
Other Tier 3	Government Tier 3
Other Tier 3 Card Not Present	Government Tier 3 Card Not Present
MCC 9223	
Services Tier 1	Government Tier 1
Services Tier 1 Card Not Present	Government Tier 1 Card Not Present
Services Tier 2	Government Tier 2
Services Tier 2 Card Not Present	Government Tier 2 Card Not Present
Services Tier 3	Government Tier 3
Services Tier 3 Card Not Present	Government Tier 3 Card Not Present

[NEW] American Express Introduces New Government and Education Fee Programs for Opt Blue (cont.)

CP/CNP/eComm

The new Education program will be available to the following MCCs:

- 7032 – Sporting and recreational camps
- 7911 – Dance halls, studios and schools
- 8211 – Elementary and secondary schools
- 8220 – Colleges, universities, professional schools and junior colleges
- 8241 – Correspondence schools
- 8244 – Business and secretarial schools
- 8249 – Vocational and trade schools
- 8299 – Schools and educational services (not elsewhere classified)
- 8351 – Child care services

Current Program	Effective October 13, 2017
MCCs 7032, 8211, 8220, 8241, 8244, 8249, 8299 & 8351	
Other Tier 1	Education Tier 1
Other Tier 1 Card Not Present	Education Tier 1 Card Not Present
Other Tier 2	Education Tier 2
Other Tier 2 Card Not Present	Education Tier 2 Card Not Present
Other Tier 3	Education Tier 3
Other Tier 3 Card Not Present	Education Tier 3 Card Not Present
MCC 7911	
Services Tier 1	Education Tier 1
Services Tier 1 Card Not Present	Education Tier 1 Card Not Present
Services Tier 2	Education Tier 2
Services Tier 2 Card Not Present	Education Tier 2 Card Not Present
Services Tier 3	Education Tier 3
Services Tier 3 Card Not Present	Education Tier 3 Card Not Present

American Express is also adding in **MCC 5960 (Direct marketing – Insurance services)** as an eligible MCC for the OptBlue program.

Eligible transactions under MCC 5960 will be eligible for the B2B Wholesale program.

B2B Wholesale Program
B2B Wholesale Tier 1
B2B Wholesale Tier 1 Card Not Present
B2B Wholesale Tier 2
B2B Wholesale Tier 2 Card Not Present
B2B Wholesale Tier 3
B2B Wholesale Tier 3 Card Not Present