

## Omni Merchant Network Updates

Summer 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.

## 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**.

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**[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 31<sup>st</sup>, 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**.

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**[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.

## MasterCard®

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### [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](http://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.

- Merchants should be finalizing testing to ensure that all locations are able to accept the new ranges.
- **June 30, 2017** – MasterCard will implement a compliance process for merchants identified as not being able to support the new 2-Series BIN.
  - MasterCard will notify acquirers of any non-compliant merchants
  - Merchants will be granted a 'cure period' 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
  - Merchants that have not resolved their acceptance issue by the end of the 'cure period' and are still deemed as not being able to support the new 2-Series BIN will be subject to non-compliance fines.

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### [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**

**[UPDATE] MasterCard Introduces New Annual Merchant Location Fee**

eComm

**Update for eCommerce Merchants Only**

**The Program:** As previously communicated, MasterCard is establishing a new per merchant location fee. The fee will be based on the merchant’s fourth quarter total number of merchant locations with at least one MasterCard transaction. Location counts will be determined based on physical locations and/or website (for eComm).

**2017 eComm (Lowell) Monthly Merchant and Payment Facilitator Location Fee**

Effective for 2017, the MasterCard merchant location fee rate will be \$1.25 per merchant location per month. The MasterCard payment facilitator merchant location rate will be billed at \$0.25 for Jan, Feb and Mar 2017. The MasterCard payment facilitator merchant location fee will increase to \$1.25 per payment facilitator merchant location effective in April. The first billing, for January through June 2017, will occur in July 2017. Beginning with the July billing in early August 2017, the merchant and payment facilitator merchant location fee will be billed monthly.

**Exclusions:**

- Merchant locations properly identified with MCC 8398 (Charitable Organizations) or MCC 8661 (Religious Organizations)
- Merchant locations/websites processing less than \$200 in MasterCard sales for a given month

**JUNE 2017 UPDATE**

On July 6, 2017 **eCommerce merchants and payment facilitator merchants** will be assessed for 6 months of the MC Location Fee. Billing will occur on two separate billing lines as follows.

Location Count	Billing Line	iQ Section
January through May 2017	MC Monthly Location Fee 01/2017-05/2017	Vantiv Fees/Other Fees
June 2017	MC Monthly Location Fee	Passthrough Fees/Assessments

Beginning on July 6, 2017 and monthly going forward (on the 6th of each month) the location fee will be billed on the “MC Monthly Location Fee” billing line. This fee is based on the prior calendar month’s activity (i.e. August Billing is for July’s data).

Please contact your Vantiv eCommerce Relationship or Partner Manager if you have any questions.

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## MasterCard Introduces New Waiver Request Fee

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CP/CNP/eComm

**The Program:** Periodically circumstances arise that result in a merchant needing a waiver or variance to a network rule or deadline. These requests are submitted to the appropriate network for review.

**The Change:** Effective immediately, merchants that wish to have a waiver request submitted to MasterCard will be billed the MasterCard waiver request fee of \$1,200.

This fee will be assessed to merchants regardless of whether the waiver is granted or denied by MasterCard.

## Visa®

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

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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)

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

**The Change:** Effective **October 14, 2017**, Visa is also 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 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"> <li>• <b>Estimated</b></li> <li>• <b>Incremental</b></li> </ul>	<u>31 days</u> 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"> <li>• Initial</li> <li>• Incremental (up to \$15 in the U.S. and \$25 non-U.S.)</li> </ul>	<u>3 days – U.S.</u> <u>7 days non-U.S.</u> after initial authorization response and includes any subsequent incremental authorizations.  <i>Incremental authorization does not extend this timeframe</i>

**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.

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## [UPDATE] Visa Delays Required Support of New Purchase Return Authorization Messages

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CP/CNP/eComm

**The Program:** As more consumers utilize mobile and online banking, they are able to obtain near real-time information about their purchases. Today, consumers view the current process of returns/credit vouchers as deficient, as there is no communication about the refund transaction until the credit is actually posted several days later by the issuer. As a result, cardholders have voiced concern over the amount of time it takes for a merchandise return to be credited to their account. Consequently, merchants have reported an increase in the number of customer service calls, inquiring into the status of a merchandise credit/return.

**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 delay for required support of the purchase return authorization message until **October 2018**.

The credit/refund/purchase return 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.

**The Impact:** Effective **OCTOBER 2018**, merchants must begin to submit credit/refund for authorization requests.

Vantiv continues to work directly with Visa to address outstanding questions pertaining to message format and receipt requirements. As additional information is obtained updates will be shared through your Relationship Manager.

Please note the additional impacts outlined below for chargeback and fee modifications.

- 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).
- Credit voucher authorizations will no longer be assessed the Network Acquirer Processing Fee (NAPF) – *(Effective Date for this item is still under review, updates will be provided when available)*
- Credit vouchers will be included in the Zero Floor Limit and Authorization Misuse Processing Integrity Fee Assessment – *(Effective Date for this item is still under review, updates will be provided when available)*

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

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**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.

**The Impact:****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



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

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**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 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)

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

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### 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         | - Unscheduled Credential on File – Top Up only - 3905 |

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:** In order to ensure the readiness of stakeholders around the world, Visa has announced an update to the originally communicated October 2017 implementation date for the Visa Claims Resolution initiative.

**Visa has communicated a new date of April 2018 for implementation of Visa Claims Resolution.**

**The Impact:** 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. To accomplish this, Visa will reduce the number of chargeback reason codes from 22 down to 4 main categories, shorten the dispute lifecycle from 105 days down to 60-65, and introduce system edits to block invalid chargebacks.

Visa will simplify processes by consolidating the current 22 chargeback reason codes into 4 dispute categories:

New Category	Existing Reason Codes
<p align="center"><b>Fraud</b> (Allocation, 60 day lifecycle)</p>	<ul style="list-style-type: none"> <li>• RC 62 Counterfeit Transaction</li> <li>• RC 81 Fraud Card-Present</li> <li>• RC 83 Fraud Card-Absent</li> <li>• RC 93 Merchant Fraud Performance Program</li> </ul>
<p align="center"><b>Authorization</b> (Allocation, 60 day lifecycle)</p>	<ul style="list-style-type: none"> <li>• RC 70 Card Recovery Bulletin or Exception File</li> <li>• RC 71 Decline Authorization</li> <li>• RC 72 No Authorization</li> <li>• RC 73 Expired Card</li> <li>• RC 78 Service Code Violation</li> </ul>
<p align="center"><b>Processing Error</b> (Collaboration, 65 day lifecycle)</p>	<ul style="list-style-type: none"> <li>• RC 74 Late Presentment</li> <li>• RC 76 Incorrect Currency or Transaction code or Domestic Processing Violation</li> <li>• RC 77 Non-Matching Account Number</li> <li>• RC 80 Incorrect Transaction Amount or Account Number</li> <li>• RC 82 Duplicate Processing</li> <li>• RC 86 Paid for by other means</li> </ul>
<p align="center"><b>Consumer Disputes</b> (Collaboration, 65 day lifecycle)</p>	<ul style="list-style-type: none"> <li>• RC 41 Cancelled recurring payments</li> <li>• RC 53 Not as Described/Defective</li> <li>• RC 85 Credit not processed</li> <li>• RC 30 Services not provided/Merchandise not received</li> <li>• RC 90 Non receipt of Cash or Load Transaction Value at ATM</li> </ul>

An informational video on the new Visa Claims Resolution Initiative is now available on our [vantiv.com](http://vantiv.com) website.

Merchants can access it quickly here: <https://www.vantiv.com/merchant-resources/integrated-pos-resources/ip-get-started/ip-education/processing-disputes-with-visa>

Please contact your Relationship Manager with any questions.

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## Visa Modifies Commercial Card Interchange Programs

CP/CNP/eComm

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**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	Visa Corporate and Visa Purchasing	
	Current	Effective October 2017
Card Not Present	2.65% + \$0.10	2.70% + \$0.10
Travel Service	2.55% + \$0.10	2.65% + \$0.10
Non-Travel Service, Level 2	2.05% + \$0.10	2.50% + \$0.10
Non-Travel Service, Level 3	1.85% + \$0.10	1.90% + \$0.10

**The Timing:** October 14, 2017

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## Visa Introduces New Rate for Corporate and Purchasing Fuel Transactions that Contain Level II Data

CP

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**The Change:** Visa is introducing a new rate of 2.05% + \$0.10 for Corporate and Purchasing fuel transactions that include Level II data.

**The Impact:** The following merchant category codes (MCC's) will be eligible for this rate.

- 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

The fee programs for Corporate Card—Non-Travel Service, Level 2 and Purchasing Card—Non-Travel Service, Level 2 will exclude the five MCCs listed above.

**The Timing:** October 14, 2017

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## Visa Level III TC50 Text Message Fee

CP/CNP

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**The Program:** Visa's Text Message Fee is billed at a rate of \$0.0075 per record; a record is defined as a single line of text that provides a description of the item(s) purchased or service provided (i.e. brand-X glue, 9-volt battery, or 24-pack of water).

**The Impact:** Merchants that process Level III transactions will notice a new line item, the Visa TC50 Text Message Fee, effective with your August invoice, billed in early September. Merchants may work directly with their Relationship Manager to review this fee in conjunction with existing Level III savings.

## Discover<sup>®</sup>

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### [REMINDER] Discover Eliminates Card Imprint Support

CP

**The Change:** Effective April 21, 2017 Discover Disputes Rules were updated to remove the ability for merchants to submit evidence of a card imprint as defense of a card-present sale dispute.

**The Impact:** It will remain the merchant's choice to key-enter card numbers for payment products that cannot be read (magnetic stripe, contactless, contact) by the terminal device at the point-of-sale. Merchants may continue to collect CVV/CID during card present (swipe or chip read) transactions and send with the authorization request.

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### [REMINDER] Discover Support of UnionPay Contact Chip Cards

CP

**The Change:** Discover Network announced in early 2017 their support of UnionPay Contact Chip Card acceptance in the territories shown in the table below.

**The Impact:** Merchants that choose to support UnionPay Contact Chip Cards, must support the new Application Identifiers (AIDs) specified below:

AID	Uses	Territory for POS Support	Territory for ATM Support
A000000333010102	UnionPay Credit Cards AID	U.S., Bahamas, Mexico, Puerto Rico	U.S.
A000000333010103	UnionPay Quasi Credit Cards AID	U.S., Bahamas, Mexico, Puerto Rico	
A000000333010101	UnionPay Debit Cards AID	U.S., Bahamas, Mexico, Puerto Rico	
A000000333010108	U.S. UnionPay Common Debit AID	U.S.	

- Per Discover, no host changes should be needed; however, Vantiv will be reviewing transactions as they flow through production.
- New CAPK test keys will also be needed for the new AIDs. Both the test and production keys can be provided to merchants through their assigned Implementations Consultant or Relationship Manager.
- Three additional test cases have been added to VIABLE to accommodate the new AIDs.
- Additional UP information can be obtained through your Relationship Manager.

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## [REMINDER] Discover ProtectBuy 3D-Secure Technology for eCommerce Merchants and Fraud Liability Shift

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eComm

**The Program:** Now more than ever, it is critical to secure online card transactions and prevent fraud in the e-commerce market. Discover ProtectBuy® uses 3D-Secure technology to safeguard Card Not Present transactions against fraud. By combining risk-based authentication technology with the security features of the 3DS protocol, ProtectBuy® delivers powerful fraud protection alongside a nearly frictionless customer experience.

3D-Secure technology offers enhanced security for participating cardholders\* and merchants. Acting as a second factor of authentication, cardholders are prompted to confirm their identity with an additional password; once authenticated Discover will generate a unique verification value to be seamlessly incorporated into the transaction message. *\*All Discover Cards are automatically enrolled in ProtectBuy.*

**The Change:** Following the launch of the ProtectBuy program in 2016, Discover announced a fraud liability shift for ecommerce transactions that did not utilize 3D Secure authentication.

**The Impact:** Merchants will be liable for fraudulent transactions if they do not attempt to authenticate the cardholder using 3D-Secure technology and include a valid CAVV value in both authorization and settlement, (CVV and AVS are not sufficient).

Merchants who conduct ecommerce transactions using ProtectBuy will not be liable for dispute reason code UA02–Fraud: CNP if one of the below responses are obtained:

- Authentication Successful
- Authentication Attempted
- Unable to Authenticate

Merchants who wish to participate in ProtectBuy can enroll through Cardinal Commerce or contact Discover at [protectbuy@discover.com](mailto:protectbuy@discover.com). Additional information can also be obtained through your Vantiv Relationship Manager.

## American Express®

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

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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.