



Storage and Usage of a Visa Payment Credential Merchant Initiated Standing Instructions Cardholder Initiated eCommerce Platform

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Version 2

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NOTE: This document does not outline an all-inclusive list of applicable Business As Usual (BAU) fields. Merchants must continue to send the necessary required fields to identify card present, card not present, e-commerce and Account Verification transactions properly.

Recurring Payment

Visa Definition for Recurring- A transaction in a series of transactions that:

- Uses a stored credential
- Processed at fixed, regular intervals (not to exceed one year between transactions) representing cardholder agreement for the merchant to initiate future transactions for the purchase of goods or services provided

Use Case- Subscription payments, bill payments (electric bill, gym membership, monthly car insurance payment, mobile phone bill)

Disclosure to Cardholder and Cardholder Consent- Recurring

When entering into a cardholder agreement, all the requirements below must be clearly displayed at the time the cardholder gives their consent and must be displayed separately from the general purchase terms and conditions

Where required by applicable laws or regulations, the merchant or its agent must also provide to the cardholder a record of the cardholder's consent.

When capturing a stored credential for the first time, establish an agreement with the cardholder containing all of the following:

- A truncated version of the stored credential (e.g., last 4 digit of the account number)
- Method in which the cardholder will be notified of any changes in the agreement
- How the stored credential will be used
- Expiration date of the agreement when applicable

Before processing the transaction the merchant or its agent must Obtain the cardholder's express informed consent to an agreement that contains the following:

- Transaction amount (includes all taxes and charges) or how the transaction amount will be determined. It cannot contain finance charges
- Transaction currency
- If surcharging is permitted and assesses, cardholder acknowledgement of any surcharges and associated disclosures
- Cancellation and refund policies
- Location of the merchant outlet
- The fixed dates or intervals on which the transaction will be processed
- The cardholder agreement must be retained for the duration of the agreement and provide it to the issuer upon request

Recurring First Time a Credential is Stored

First Time a Credential is Stored

- The transaction must be authorized
 - Submit an authorization request for the amount due
 - If payment is not required, submit an Account Verification Request (\$0.00)
- Submit the appropriate authorization and settlement fields [CLICK HERE](#) for recurring technical requirements
- When the authorization is approved, retain the Transaction ID to submit in subsequent authorization request
- Do not store the credential if the authorization request or Account Verification Request (\$0.00) is declined

Recurring Subsequent Transactions

Subsequent Transactions

- The transaction must be authorized
- Submit the appropriate authorization and settlement fields [CLICK HERE](#) for recurring technical requirements
- When an authorization is declined the merchant may perform the following:
 - Resubmit the authorization up to 4 times within 14 calendar days from the date of the original decline response, in an attempt to receive an approved authorization. The resubmission of authorization can only be performed when the original decline response code was one of the following:
 - 05 (Authorization declined)
 - 51 (Insufficient funds)
 - 61 (Exceeds approval amount limit)
 - 65 (Exceeds withdrawal frequency limit)
 - Identify the transaction as Resubmission authorization type [CLICK HERE](#) for resubmission technical requirements

Cancellation Procedures- Recurring

- The merchant must provide a simple cancellation procedure to the cardholder. If the cardholder's order was initially accepted online, the merchant may provide an online cancellation procedure.
- The merchant cannot complete a transaction when:
 - The transaction is beyond the agreed upon duration by the cardholder
 - The cardholder request that the merchant change the payment method
 - Cardholder cancels according to the agreed cancellation policy
 - The merchant receives a decline response

Technical Requirements Recurring Payment

INITIAL/FIRST

Note: This is not an all-inclusive list of all applicable Business As Usual (BAU) fields.

| Option 1 | Option 2 |
|--|--|
| During the Transaction (Card Present, Card Not Present, E commerce) Authorization/Settlement | Account Verification Message (\$0.00) Authorization Request Only |
| <p>Merchant must send:</p> <ul style="list-style-type: none"> • POS Environment Field <ul style="list-style-type: none"> ○ XML 9.13 has the details to support these new fields. If merchant is on anything < 9.10 they will need to upgrade, ○ XML 9.13- Merchant must set the <processing Type> to InitialRecurring <p>Merchant must retain:</p> <ul style="list-style-type: none"> • Tran ID will be returned in the response message included in the <networkTransactionId> element COF auth request must be retained for future use. This is a new action step within the updated XML ○ Settlement- this value must be sent in settlement and match the value from the auth <u>response</u> <p>Effective April 2018: Merchants must retain the Tran ID from the auth response to send in subsequent auth requests.</p> | <ul style="list-style-type: none"> ○ We instruct the merchant to pass the auth with \$0.00 for verification |
| <p>Note: Merchants must continue to send the necessary BAU fields to identify card present, card not present, e-commerce and Account Verification transactions properly.</p> | |

Technical Requirements Recurring Payment

SUBSEQUENT

Note: This is not an all-inclusive list of all applicable Business As Usual (BAU) fields.

| Authorization/Settlement |
|--|
| <p>If the merchant provides <networkTranID>, Vantiv will populate the POS Entry Mode of 10 Vantiv settlement will ensure the value of 10 is sent in the settlement record to Visa.</p> <p>Settlement- this value must be sent in settlement and match from auth</p> |
| <p>Merchant must send:</p> <ul style="list-style-type: none"> • POS Environment Field <ul style="list-style-type: none"> ○ XML 9.13 Merchant must set the <orderSource>to Recurring (or appropriate enumeration listed in chapter 4 of XML and include the <networkTranID> value in the <originalNetworkTransactionId>element ○ Settlement- this value must be sent in settlement and match from auth |
| <p>Merchant must send:</p> <ul style="list-style-type: none"> • Tran ID (retained from the previous auth response) in <u>auth request</u>. This is a new action step. ○ XML 9.13 ○ Settlement- this value must be sent in settlement and match the value from the auth <u>response</u> |

Installment Payment

Visa Definition for Installment- A transaction in a series of transactions that:

- Uses a stored credential
- Represents a cardholder agreement with the merchant
- Future transaction(s) over a period of time
- Transaction is for a fixed amount

Use Case- Furniture purchase, home shopping network purchase

Disclosure to Cardholder and Cardholder Consent- Installment

When entering into a cardholder agreement, all the requirements below must be clearly displayed at the time the cardholder gives their consent and must be displayed separately from the general purchase terms and conditions

Where required by applicable laws or regulations, the merchant or its agent must also provide to the cardholder a record of the cardholder's consent.

When capturing a stored credential for the first time, establish an agreement with the cardholder containing all of the following:

- A truncated version of the stored credential (e.g., last 4 digit of the account number)
- Method in which the cardholder will be notified of any changes in the agreement
- How the stored credential will be used
- Expiration date of the agreement when applicable

Before processing the transaction the merchant or its agent must Obtain the cardholder's express informed consent to an agreement that contains the following:

- Transaction amount (includes all taxes and charges) or how the transaction amount will be determined
- Transaction currency
- If surcharging is permitted and assesses, cardholder acknowledgement of any surcharges and associated disclosures
- Cancellation and refund policies
- Location of the merchant outlet
- The total purchase price
- Terms of future payments, including the dates, amounts, and currency
- The cardholder agreement must be retained for the duration of the agreement and provide it to the issuer upon request
- The amount may include interest charges except for the U.S. Region

Transaction Processing Requirements- Installment First Time a Credential is Stored

First Time a Credential is Stored

- The transaction must authorized
 - Submit an authorization request for the amount due
 - If payment is not required, submit an Account Verification Request (\$0.00)
- Submit the appropriate authorization and settlement indicators. [CLICK HERE](#) for installment technical requirements
- When the authorization is approved, retain the Transaction ID to submit in subsequent authorization requests
- Do not store the credential if the authorization request or Account Verification Request (\$0.00) is declined
- A merchant must not process an initial installment transaction until the merchandise or services have been provided to the cardholder and must not process individual installment transaction at intervals less than either:
 - 7 calendar days
 - In the U.S. Region, the monthly anniversary of the shipment date

Transaction Processing Requirements- Installment Subsequent Transactions

Subsequent Transactions

- The transaction must authorized
- Submit the appropriate authorization and settlement indicators. [CLICK HERE](#) for installment technical requirements
- When the transaction is declined, the merchant must notify the cardholder in writing and allow the cardholder at least 7 days to pay by other means
- When an authorization is declined the merchant may perform the following:
 - Resubmit the authorization up to 4 times within 14 calendar days from the date of the original decline response, in an attempt to receive an approved authorization. The resubmission of authorization can only be performed when the original decline response code was one of the following:
 - 05 (Authorization declined)
 - 51 (Insufficient funds)
 - 61 (Exceeds approval amount limit)65 (Exceeds withdrawal frequency limit)
 - Identify the transaction as Resubmission authorization type

Cancellation Procedures- Installment

- The merchant must provide a simple cancellation procedure to the cardholder. If the cardholder's order was initially accepted online, the merchant may provide an online cancellation procedure.
- The merchant cannot complete a transaction when:
 - The transaction is beyond the agreed upon duration by the cardholder
 - The cardholder request that the merchant change the payment method
 - Cardholder cancels within the terms of the cancelation policy
 - Merchant must provide the cardholder a cancellation or refund confirmation in writing within 3 business days
 - Credit transaction receipt for the amount specified in the cancelation policy within 3 business days
 - The merchant receives a decline response

Technical Requirements Installment Payment

INITIAL/FIRST

Note: This is not an all-inclusive list of all applicable Business As Usual (BAU) fields.

| Option 1 | Option 2 |
|--|--|
| During the Transaction (Card Present, Card Not Present, E commerce) Authorization/Settlement | Account Verification Message (\$0.00) Authorization Request Only |
| <p>Merchant must send:</p> <ul style="list-style-type: none"> • POS Environment Field <ul style="list-style-type: none"> ○ XML 9.13 has the details to support these new fields. If merchant is on anything < 9.10 they will need to upgrade, ○ XML 9.13- Merchant must set the <processing Type> to InitialInstallment <p>Merchant must retain:</p> <ul style="list-style-type: none"> • Tran ID will be returned in the response message included in the <networkTransactionId> element COF auth request must be retained for future use. This is a new action step within the updated XML ○ Settlement- this value must be sent in settlement and match the value from the auth <u>response</u> <p>Effective April 2018: Merchants must retain the Tran ID from the auth response to send in subsequent auth requests.</p> | <ul style="list-style-type: none"> ○ We instruct the merchant to pass the auth with \$0.00 for verification |

Technical Requirements Installment Payment

SUBSEQUENT

Note: This is not an all-inclusive list of all applicable Business As Usual (BAU) fields.

| Authorization/Settlement |
|--|
| <p>If the merchant provides <networkTranID>, Vantiv will populate the POS Entry Mode of 10 Vantiv settlement will ensure the value of 10 is sent in the settlement record to Visa.</p> <ul style="list-style-type: none"> ○ Settlement- this value must be sent in settlement and match from auth |
| <p>Merchant must send:</p> <ul style="list-style-type: none"> • POS Environment Field <ul style="list-style-type: none"> ○ XML 9.13 Merchant must set the <orderSource>to Recurring (or appropriate enumeration listed in chapter 4 of XML and include the <networkTranID> value in the <originalNetworkTransactionId>element ○ Settlement- this value must be sent in settlement and match from auth |
| <p>Merchant must send:</p> <ul style="list-style-type: none"> • Tran ID (retained from the previous auth response) in <u>auth request</u>. This is a new action step. ○ XML 9.13 ○ Settlement- this value must be sent in settlement and match the value from the auth <u>response</u> |

Unscheduled COF Transaction

Visa Definition for Unscheduled COF- A transaction that:

- Uses a stored credential
- Does not occur on a scheduled or regularly occurring transaction date, where the cardholder has provided consent for the merchant to initiate one or more future transactions
- Transaction is for a fixed or variable amount
- Transaction dates are unknown

Use Case- Snowplow service will plow your driveway when it snows two inches or more.

Cardholder requests transit merchant to top-up their account when balance reaches a certain amount

Disclosure to Cardholder and Cardholder Consent- Unscheduled COF

When entering into a cardholder agreement, all the requirements below must be clearly displayed at the time the cardholder gives their consent and must be displayed separately from the general purchase terms and conditions

Where required by applicable laws or regulations, the merchant or its agent must also provide to the cardholder a record of the cardholder's consent.

When capturing a stored credential for the first time, establish an agreement with the cardholder containing all of the following:

- A truncated version of the stored credential (e.g., last 4 digit of the account number)
- Method in which the cardholder will be notified of any changes in the agreement
- How the stored credential will be used
- Expiration date of the agreement when applicable

Before processing the transaction the merchant or its agent must Obtain the cardholder's express informed consent to an agreement that contains the following:

- Transaction amount (includes all taxes and charges) or how the transaction amount will be determined
- Transaction currency
- If surcharging is permitted and assesses, cardholder acknowledgement of any surcharges and associated disclosures
- Cancellation and refund policies
- Location of the merchant outlet
- The agreed upon event that will prompt the Transaction (for example: if the cardholder's balance falls below a certain amount
- The cardholder agreement must be retained for the duration of the agreement and provide it to the issuer upon request

Transaction Processing Requirements- Unscheduled COF First Time a Credential is Stored

First Time a Credential is Stored

- The transaction must authorized
 - Submit an authorization request for the amount due
 - If payment is not required, submit an Account Verification Request (\$0.00)
- Submit the appropriate authorization and settlement indicators. For Unscheduled COF technical requirements
- When the authorization is approved, retain the Transaction ID to submit in subsequent authorization requests
- Do not store the credential if the authorization request or Account Verification Request (\$0.00) is declined

Transaction Processing Requirements- Unscheduled COF Subsequent Transactions

Subsequent Transactions

- The transaction must authorized
- Submit the appropriate authorization and settlement indicators. For Unscheduled COF technical requirements
- When the transaction is declined, the merchant must notify the cardholder in writing and allow the cardholder at least 7 days to pay by other means
- When an authorization is declined the merchant may perform the following:
 - Resubmit the authorization up to 4 times within 14 calendar days from the date of the original decline response, in an attempt to receive an approved authorization. The resubmission of authorization can only be performed when the original decline response code was one of the following:
 - 05 (Authorization declined)
 - 51 (Insufficient funds)
 - 61 (Exceeds approval amount limit)
 - 65 (Exceeds withdrawal frequency limit)
 - Identify the transaction as Resubmission authorization type

Cancellation Procedures- Unscheduled COF

- The merchant must provide a simple cancellation procedure to the cardholder. If the cardholder's order was initially accepted online, the merchant may provide an online cancellation procedure.
- The merchant cannot complete a transaction when:
 - The transaction is beyond the agreed upon duration by the cardholder
 - The cardholder request that the merchant change the payment method
 - Cardholder cancels according to the agreed cancelation policy
 - The merchant receives a decline response

Technical Requirements Unscheduled Credential On File

INITIAL/FIRST

Note: This is not an all-inclusive list of all applicable Business As Usual (BAU) fields.

| Option 1 | Option 2 |
|---|---|
| During the Transaction (Card Present, Card Not Present, E commerce) Authorization/Settlement | Account Verification Message (\$0.00) Authorization Request Only |
| ○ Target support of April 2018 | |

Technical Requirements Unscheduled Credential On File

SUBSEQUENT

Note: This is not an all-inclusive list of all applicable Business As Usual (BAU) fields.

| Authorization/Settlement |
|--------------------------------|
| ○ Target support of April 2018 |

Cardholder Initiated

Visa Definition for Cardholder initiated A transaction in a series of transactions that:

- Uses a stored credential
- Represents a cardholder agreement with the merchant
- Does not occur on a fixed schedule

Use Case- the cardholder shops from their mobile device by accessing the merchant's app or website and when it's time to pay for the purchase, the merchant has the cardholder's payment credentials, shipping and billing address is on file.

Disclosure to Cardholder and Cardholder Consent- Cardholder Initiated

When entering into a cardholder agreement, all the requirements below must be clearly displayed at the time the cardholder gives their consent and must be displayed separately from the general purchase terms and conditions
Where required by applicable laws or regulations, the merchant or its agent must also provide to the cardholder a record of the cardholder's consent.

When capturing a stored credential for the first time, establish an agreement with the cardholder containing all of the following:

- A truncated version of the stored credential (e.g., last 4 digit of the account number)
- Method in which the cardholder will be notified of any changes in the agreement
- How the stored credential will be used
- Expiration date of the agreement when applicable
- The cardholder agreement must be retained for the duration of the agreement and provide it to the issuer upon request

Transaction Processing Requirements- Cardholder Initiated First Time a Credential is Stored

First Time a Credential is Stored

- The transaction must authorized
 - Submit an authorization request for the amount due
 - If payment is not required, submit an Account Verification Request (\$0.00)
- Submit the appropriate authorization and settlement indicators. For cardholder initiated technical requirements
- Do not store the credential if the authorization request or Account Verification Request (\$0.00) is declined

Transaction Processing Requirements- Cardholder Initiated Subsequent Transactions

Subsequent Transactions

- The transaction must authorized
- Submit the appropriate authorization and settlement indicators. For cardholder initiated technical requirements
- The merchant must validate the cardholder's identity (example: login ID and password) prior to processing each transaction

Cancellation Procedures- Cardholder Initiated

- The merchant must provide a simple cancellation procedure to the cardholder. If the cardholder's order was initially accepted online, the merchant may provide an online cancellation procedure.
- The merchant cannot complete a transaction when:
 - The transaction is beyond the agreed upon duration by the cardholder
 - The cardholder request that the merchant change the payment method
 - Cardholder cancels within the terms of the cancelation policy
 - The merchant receives a decline response

Technical Requirements Cardholder Initiated

INITIAL/FIRST

Note: This is not an all-inclusive list of BAU fields.

| Option 1 | Option 2 |
|--|---|
| During the Transaction (CP, CNP, eComm) Authorization/Settlement | Account Verification Message (\$0.00) Authorization Request Only |
| <ul style="list-style-type: none">○ E-Com support for April 2018 | |

Technical Requirements Cardholder Initiated

SUBSEQUENT

Note: This is not an all-inclusive list of BAU fields.

| Authorization/Settlement |
|--|
| <ul style="list-style-type: none">○ E-Com support for April 2018 |

Resubmission

Use Case: A merchant performs a resubmission when an authorization was declined due to insufficient funds after goods or services were already delivered to the cardholder. Merchants can resubmit the auth request to recover outstanding debt from the cardholder. Recurring, installment, unscheduled credential on file, transit merchants.

Technical Requirements SUBSEQUENT

Note: This is not an all-inclusive list of all applicable Business As Usual (BAU) fields.

| Authorization/Settlement |
|--|
| <ul style="list-style-type: none">○ E-Com support for April 2018 |

Reauthorization

Use Case: A merchant initiated transaction using stored credentials initiated if the original order or service extends beyond the authorization validity limit set by Visa. Split shipment – when goods are not available for shipment at the time of the consumer's purchase (e-commerce or MoTo). A separate authorization is conducted to ensure the customer's funds are available when the goods become available to ship.

Technical Requirements SUBSEQUENT

Note: This is not an all-inclusive list of all applicable Business As Usual (BAU) fields.

| Authorization/Settlement |
|---|
| Merchant must send: <ul style="list-style-type: none">• POS Entry Mode<ul style="list-style-type: none">○ XML 9.13 We will send when merchant sends us the tran id |
| Merchant must send: <ul style="list-style-type: none">• Reason Code<ul style="list-style-type: none">○ XML 9.13- When we re-auth we will have the POS entry mode of 10 and the tran id of the original auth and we will respond with mess 3903 |