

Regulatory Summary

October 2023
Card Brand Release
Version 3
30 Day

September 13, 2023



Document History

Version	Notes/Changes
Version 1	90 day Publication – Initial publication – 7/18/2023
Version 2	60 day Publication – Publication – 8/15/2023 Visa updated article - Updates to Fraud Dispute Conditions for the Visa B2B Virtual Payments Program Mastercard new article - Revised Standards for Merchant Agreements with Platform Merchants Mastercard new article - Modifying Mastercard Installments Acceptor Business Programs
Version 3	30 day Publication – Publication – 9/13/2023 Visa updated article - Updates to Fraud Dispute Conditions for the Visa B2B Virtual Payments Program

October 2023 Release

Global Payments Inc. received notification of changes to the operating regulations effective October 2023 by Visa®, Mastercard®, Discover® Network and American Express®. Global Payments Inc. has reviewed and analyzed the changes and is providing the following additional summary. Our proprietary systems will be updated and certified by the required release dates. These updates may require changes to your authorization and/or settlement systems and your internal business processes and procedures. Regulatory items listed below may not apply to all business types. This document provides information available as of the published date and is subject to change.

Each item includes an impact box. If there is an “x” in the authorization box, there may be an impact to your authorization platform requiring changes on your end or an update could be made for you by Global Payments Inc. or your authorization vendor. If there is an “x” in the settlement box, there may be an impact to your settlement platform requiring changes to your systems or an update may be made on your behalf by Global Payments Inc. or the vendor that completes your settlement. If there is not an “x” in the box, we are providing you this information for review, as there may be potential impact to your business in any item. Please review the changes and note any impact/action required – please work with your national account team to determine the specific impacts to your authorization and settlement processes.

Release Date	Impact	Key
October 13, 2023	Authorization	Impact to authorizations
	Settlement	Impact to settlement
	Interchange	Impact to interchange
	Card Brand Fees	Impact to fees
	Disputes	Impact to chargebacks
	Rules	Impact to rules/standards

Technical & Regulatory Rules Changes	5
Visa®	5
Updates to Fraud Dispute Conditions for the Visa B2B Virtual Payments Program	5
Mastercard®	6
Revised Standards for the Support of Magnetic Stripe Technology	6
Increasing the Fraud Notification Service Chargeback Counter	7
Introducing New Merchant Advice Codes for Consumer Non-Reloadable Prepaid Products and Single-Use Virtual Card Numbers	8
Revised Standards for Merchant Agreements with Platform Merchants	8
Discover®	10
Updated Timeliness Days Requirements for Processing Sales Data	10
Updated Authorization Processing Requirements	10
	19
	30

Technical & Regulatory Rules Changes

Visa®

Updates to Fraud Dispute Conditions for the Visa B2B Virtual Payments Program

Release Date		Impact
See Below	Authorization	
	Settlement	
	Interchange	
	Card Brand Fees	
	Disputes	X
	Rules	

What is the impact?

Merchants need to be aware of the changes being made to disputes.

Visa will make changes to several fraud dispute conditions and the Travel & Entertainment minimum amount for the Visa B2B Virtual Payments Program.

Effective for disputes processed on or after October 14, 2023, disputes under the following dispute conditions will no longer be invalid for Visa B2B Virtual Payments Program transactions:

- Dispute Condition 10.1: EMV® Liability Shift Counterfeit Fraud

©2023 Global Payments Inc. All Rights Reserved.

- Dispute Condition 10.2: EMV Liability Shift—Non-Counterfeit Fraud
- Dispute Condition 10.3: Other Fraud—Card-Present Environment
- Dispute Condition 10.4: Other Fraud—Card-Absent Environment

Effective for disputes processed on or after April 13, 2024, the Travel & Entertainment \$25 minimum dispute amount will be removed for disputes under the following dispute conditions for Visa B2B Virtual Payments Program transactions:

- Dispute Condition 10.2
- Dispute Condition 10.3
- Dispute Condition 10.4

Effective October 14, 2023, the Visa Rules will be updated to include the Visa Fraud Dispute Monitoring Program to monitor merchant-provided qualification data submitted as a remedy for Dispute Condition 10.4: Other Fraud—Card-Absent Environment. Until confirmed in writing to Visa that the underlying issues have been addressed, the merchant involved in the violation will no longer be able to remedy a dispute by providing the required qualification data under the Dispute Condition 10.4: Other Fraud—Card-Absent Environment—Pre-Arbitration Processing Requirements.

Revised Standards for the Support of Magnetic Stripe Technology

Release Date		Impact
See Below	Authorization	
	Settlement	
	Interchange	
	Card Brand Fees	
	Disputes	
	Rules	X

What is the impact?

Mastercard is introducing a time table to retire the physical magnetic stripe from the back of the card.

In the coming years, Mastercard will retire physical magnetic stripe technology, bringing several benefits to customers:

- Continued reduction of magnetic stripe fraud in the ecosystem as Mastercard participants migrate to EMV and contactless chip technologies, which provide much enhanced security.
- Peace of mind for cardholders. Cardholders will be free of concerns regarding the possibility of magnetic stripe cloning, especially while transacting at unfamiliar locations.
- In mature EMV markets, reduction in the cost to the payment industry for supporting legacy technologies.
- A more streamlined cardholder experience. Currently there are a variety of ways to pay by card and swiping is now a diminishing experience for cardholders.

Edit #	Date	Region	Mandate
Merchant	April 1, 2024	Canada, Europe (Switzerland is exempt), LAC, MEA, and AP	All chip-capable ATMs and point-of-sale (POS) terminals deployed are able to correctly process cards that contain the presence of a chip, but not a magnetic stripe.
Issuer	April 1, 2024	Canada, Europe (Switzerland is exempt), LAC, MEA AP	Newly-issued EMV chip cards may optionally not have a physical magnetic stripe.
Merchant	April 1, 2027	U.S.	All chip-capable ATMs and POS terminals in deployment are able to correctly process cards that contain the presence of a chip, but not magnetic stripe.
Issuer	April 1, 2027	U.S.	Newly-issued EMV chip cards may optionally not have a physical magnetic stripe.

Edit #	Date	Region	Mandate
Issuer	April 1, 2029	Global (Switzerland is exempt)	Newly-issued EMV chip cards must not have a physical magnetic stripe. All prepaid card programs (both reloadable and non-reloadable) in the U.S. and Canada regions, and non reloadable prepaid card programs in all other regions, are exempt from this requirement.
Issuer	April 1, 2033	Global (Switzerland is exempt)	All cards in circulation must support the EMV chip technology and must not have a physical magnetic stripe. All prepaid card programs (both reloadable and non-reloadable) in the U.S. and Canada regions, and non-reloadable prepaid card programs in all other regions, are exempt from this requirement.

Increasing the Fraud Notification Service Chargeback Counter

Release Date		Impact
November 7, 2023	Authorization	
	Settlement	
	Interchange	
	Card Brand Fees	
	Disputes	X
	Rules	

What is the impact?

Merchants need to be aware of the changes to the FNS chargeback counter.

Mastercard will increase the Fraud Notification Service (FNS) Chargeback Counter limit from 15 to 35 fraud chargebacks. Fraud-related chargebacks exceeding the FNS limit will be blocked.

Introducing New Merchant Advice Codes for Consumer Non-Reloadable Prepaid Products and Single-Use Virtual Card Numbers

Release Date		Impact
November 7, 2023	Authorization	X
	Settlement	
	Interchange	
	Card Brand Fees	
	Disputes	
	Rules	

What is the impact?

Merchants need to be aware of the new values in the Merchant Advice Code.

Mastercard is introducing new merchant advice codes (MACs) values for use in authorization responses associated with consumer non-reloadable prepaid products and consumer single-use virtual card numbers (VCNs). Merchants must ensure the new values in the Merchant Advice Code field can be read and used to support processing. Card-not-present merchants should not place accounts with these values on file for future use. New values:

- 40 = consumer non-reloadable prepaid card
- 41 = consumer single-use virtual card number

Revised Standards for Merchant Agreements with Platform Merchants

Release Date		Impact
October 13, 2023	Authorization	
	Settlement	
	Interchange	
	Card Brand Fees	
	Disputes	
	Rules	X

What is the impact?

Impacted merchants need to be aware of the revised standards for merchant agreements.

Mastercard is revising its standards relating to the acquiring of merchants that enable, manage, or host third-party sellers on a consumer-facing online platform.

Platform merchants must:

- Implement policies and procedures to include:
 - Collection of information about third-party seller and each of its principal owners as necessary or appropriate for customer identification and due diligence
 - Verification that information collected is true and accurate

- Compliance with all U.S. and local laws and regulations relating to AML, anti-terrorist financing, and sanction screening requirements
- Enter into contract with each third-party seller before submitting transactions on its behalf
 - Must specify that MC prohibits third-party seller from conducting sale that knows/should know is fraudulent or not authorized by consumer, and any violation of this will result in termination of contract without notice
- Ensure third-party seller names visible on merchant's POS do not belong to other legal entities
- Review and monitor its POS and business activities to confirm and reconfirm regularly that all transactions are legal
- Understand its liability for all acts, omissions, and customer services issues and responsibility to manage cardholder disputes relating to transactions arising from third-party sellers

Updated Timeliness Days Requirements for Processing Sales Data

Release Date		Impact
October 13, 2023	Authorization	
	Settlement	
	Interchange	X
	Card Brand Fees	
	Disputes	
	Rules	

What is the impact?

Impacted merchants need to be aware to the updated timeliness days requirements

Discover has reduced the number of timeliness days between the card sale date and the processing date for acquirer interchange programs from three timeliness days to two timeliness days for Emerging Markets (MCCs 4899, 5968, 5983, 6533, 8211, 8220, 8299, 8351) and Public Services (MCCs 4784, 9211, 9222, 9223, 9311, 9399, 9405).

Updated Authorization Processing Requirements

Release Date		Impact
October 13, 2023	Authorization	X
	Settlement	
	Interchange	
	Card Brand Fees	
	Disputes	
	Rules	

What is the impact?

Lodging merchants need to be aware of the revised operating regulations clarifying the use of

An estimated authorization is considered valid if obtained: (a) at any time between the check-in date and check-out dates, to a maximum of thirty (30) calendar days following check-in; and (b) the amount of the charge is less than or equal to 115% of the authorized amount(s). Merchants also have the ability to process the card transaction as a pre-authorization to make the Issuer aware that the final amount is unknown. Under such circumstances, merchants must submit an authorization advice message for the final amount of the card sale within thirty calendar days of the original authorization response. Additionally, any incremental authorization(s) may be accumulated and considered valid for the length of the cardholder stay.

