



MasterCard Rules

12 May 2010

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Summary of Changes

MasterCard Rules, 12 May 2010

This update reflects changes associated with announcements in MasterCard Bulletins from November 2009 to mid-May 2010, along with general reorganization necessary to improve the quality and clarity of the rules across brands. To locate these changes online, on the Adobe toolbar, click Find. In the Find box, type ***chg***, and then press ENTER. To move to the next change, press ENTER again.

Description of Change	Where to Look
Restructured this document to present regional rule variations and additional regional rules in the same way as those regional variations are presented in the <i>Maestro Global Rules</i> and <i>Cirrus Worldwide Operating Rules</i>	Table of Contents
Revised Standards for the Payment Facilitator model	Definitions Chapter 2 Chapter 5
Revised Standards for submission and billing timelines for Member Service Provider (MSP) and Data Storage Entity (DSE) registrations	Definitions Chapter 7
Consolidated security Standards relating to the use and storage of account data within the <i>Security Rules and Procedures</i> manual	Chapter 5
Revised Standards for intracurrency settlement service when regional settlement service does not support local currency	Chapter 9
Modified the Standards for compliance with the European Union (EU) data protection laws	Chapter 12
Clarified Acquirer obligations for communicating Debit MasterCard® only acceptance to existing and prospective Merchants	Chapter 12
Revised Standards related to the Single European Payment Area (SEPA) and the Payment Services Directive (PSD)	Chapter 12 Chapter 12b
Revised Standards for purchase with cash back, applicable to the Europe Region	Chapter 12a
Clarified Standards related to the SEPA region EMV mandate	Chapter 12b
Revised Standards for technical fallback in SEPA countries	Chapter 12b
Revised Standards for Internet gambling Transactions in the U.S. Region	Chapter 15
Modified U.S. Region Standards related to Acquirer and Merchant support for partial approval and balance response authorization messages	Chapter 15

Description of Change	Where to Look
Revised Standards applicable to intracountry India Card-not-present Transactions, in particular e-commerce Transactions and fully authenticated IVR transactions	Chapter 14b
Added domestic requirements for cash back Transactions conducted with Debit MasterCard® cards in India	Chapter 14b
Clarified wording where appropriate	Entire document

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Definitions

The following terms used in the *MasterCard Rules* manual have the meanings set forth below.



Note

Additional defined terms appear in Chapter 9, “Settlement”; Chapter 10a, “New Zealand Rules”; Chapter 12, “Europe Region Rules”; Chapter 12a, “Europe Region Debit-related Rules”; Chapter 12b, “SEPA Rules”; Chapter 14a, “South Africa Rules”; Chapter 14b, “India Rules”; Chapter 15a, “United States Region Debit-related Rules”; and Chapter 15b, “United States Region PIN-based Debit Transaction Rules.”

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Access Device

A means other than a Card by which a Cardholder may access a MasterCard account in accordance with the Standards. *See* Card.

Acquirer

A Member in its capacity as an acquirer of a Transaction from a Merchant.

Activity(ies)

The undertaking of any act that can be lawfully undertaken only pursuant to License by the Corporation.

Affiliate Member

A financial institution that is eligible and approved to be a Member pursuant to Rule 1.1.3 and is Sponsored by a Class A Member.

Area of Use

The country or countries in which a Member is licensed to use the Mark(s), and, as a rule, set forth in the License or in an exhibit to the License.

Association Member

An entity that is eligible and approved to be a Member pursuant to Rule 1.1.1 and is a Class A Member.

Board, Board of Directors

The Board of Directors of MasterCard International Incorporated and MasterCard Incorporated.

Bylaws

The bylaws of MasterCard International Incorporated.

Definitions

Card–Data Storage Entity (DSE)

Card

A card issued by a Member pursuant to License and in accordance with the Standards that provides access to a credit or debit MasterCard account. Unless otherwise stated herein, Standards applicable to a Card are also applicable to an Access Device and a Mobile Payment Device.

Cardholder

The authorized user of a Card or Access Device issued by a Member.

Cardholder Communication

Any communication by or on behalf of an Issuer to a Cardholder or prospective Cardholder. A Solicitation is one kind of Cardholder Communication.

Class A Member

An Association Member or a Principal Member.

Control

As used herein, Control has such meaning as the Corporation deems appropriate in its sole discretion given the context of the usage of the term and all facts and circumstances the Corporation deems appropriate to consider. As a general guideline, Control often means to have, alone or together with another entity or entities, direct, indirect, legal, or beneficial possession (by contract or otherwise) of the power to direct the management and policies of another entity.

Corporation

MasterCard International Incorporated and its subsidiaries and affiliates. As used herein, Corporation also means the President and Chief Executive Officer of MasterCard International Incorporated, or his or her designee, or such officer(s) or other employee(s) responsible for the administration and/or management of a program, service, product, system or other function. Unless otherwise set forth in the Standards, and subject to any restriction imposed by law or regulation or by the Board or by the MasterCard Incorporated Certificate of Incorporation or by the MasterCard International Incorporated Certificate of Incorporation (as each such Certificate of Incorporation may be amended from time to time), each such person is authorized to act on behalf of the Corporation and to so act in his or her sole discretion.

Data Storage Entity (DSE)

An entity other than a Member, Merchant, Independent Sales Organization (ISO), or Third Party Processor (TPP) that stores, transmits, and/or processes MasterCard account data for or on behalf of a Merchant, Sub-merchant, or Member Service Provider.

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Interchange System

The computer hardware and software operated by and on behalf of the Corporation for the routing, processing, and settlement of Transactions, including, without limitation, the MasterCard Worldwide Network, the Regional Service Center (RSC), the Regional Clearing Management System (RCMS), the Global Clearing Management System (GCMS), and the Settlement Account Management (S.A.M.) system.

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Interregional Transaction

A Transaction that occurs at a Merchant located and doing business in a different MasterCard region from the MasterCard region in which the Card was issued, except as otherwise defined by the Corporation.

Intracountry Transaction

A Transaction that occurs at a Merchant located and doing business in the same country as the country in which the Card was issued, except as otherwise defined by the Corporation. A Transaction qualifies as an Intracountry Transaction when it is completed using a Card that bears the Marks either alone or in combination with the marks of another eligible payment scheme, and it is processed as a Transaction, as shown by the Card product identification in the Transaction record, via either the Interchange System or a different network.

Intraregional Transaction

A Transaction that occurs at a Merchant located and doing business in a different country from the country in which the Card was issued, within the same MasterCard region, except as otherwise defined by the Corporation.

Issuer

A Member in its capacity as an issuer of a Card or Access Device. For the purpose of this definition, an Issuer also means a Principal Debit Licensee and an Affiliate Debit Licensee.

License, Licensed

The contract between the Corporation and a Member granting the Member the right to use one or more of the Mark(s) in accordance with the Standards. To be “Licensed” means to have such a right pursuant to a License.

Licensee

A Member or other person authorized in writing by the Corporation to use a Mark.

Marks

The names, logos, trade names, logotypes, trademarks, service marks, trade designations, and other designations, symbols, and marks, including but not limited to the MasterCard Brand Mark and the MasterCard Word Mark, that MasterCard International Incorporated and/or its affiliates or subsidiaries own, manage, license, or otherwise control and make available for use by Members and other authorized entities. A “Mark” means any one of the Marks.

MasterCard

MasterCard International Incorporated.

MasterCard Acceptance Mark

The MasterCard Acceptance Mark is a combined mark which includes the MasterCard Brand Mark placed on the dark blue acceptance rectangle.

MasterCard Brand Mark

The MasterCard Word Mark as a custom lettering legend placed within the MasterCard Interlocking Circles Device. The Corporation is the exclusive owner of the MasterCard Brand Mark.

MasterCard Word Mark

The word “MasterCard,” which should be followed by a registered trademark® symbol or the local law equivalent. The Corporation is the exclusive owner of the MasterCard Word Mark.

Member, Membership

A financial institution or other entity that has been granted membership in and has become a member of the Corporation in accordance with the Standards. “Membership” means membership in the Corporation.

Membership Agreement

The written, executed agreement between the Corporation and a Member setting forth the terms of Membership in the Corporation.

Member Report

Any report a Member is required to provide to the Corporation, whether on a one-time or repeated basis, pertaining to its Membership, Activities, use of any Mark, or any of such matters. By way of example and not limitation, the Quarterly Member Report (QMR) is a Member Report.

Member Service Provider (MSP)

A non-Member or Member that is registered by the Corporation as an MSP in accordance with the Standards. An MSP is an agent of a Member.

Merchant

A commercial entity or person that, pursuant to a Merchant Agreement, is authorized to accept Cards and Access Devices when properly presented.

Merchant Agreement

An agreement between a Merchant and a Member that sets forth the terms pursuant to which the Merchant is authorized to accept Cards and Access Devices.

Mobile Payment Device

A Cardholder-controlled mobile phone containing a payment application that is compliant with the Standards. A Mobile Payment Device is differentiated from an Access Device in that a Mobile Payment Device uses an integrated keyboard and screen to access a credit or debit MasterCard Account. *See* Card.

Ownership

As used herein, ownership has such meaning as the Corporation deems appropriate in its sole discretion given the context of the usage of the term and all facts and circumstances the Corporation deems appropriate to consider. As a general guideline, ownership often means to own indirectly, legally, or beneficially more than fifty percent (50%) of an entity.

Payment Facilitator

A Merchant registered by an Acquirer to facilitate Transactions on behalf of Sub-merchants.

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Point of Interaction (POI)

The location at which a Transaction occurs, as determined by the Corporation.

Principal Member

A financial institution that is eligible and approved to be a Member pursuant to Rule 1.1.2 and is a Class A Member.

Program

An Issuer Card program or an Acquirer Merchant program.

Program Service(s)

Service(s) to support a Member's Activity as an Issuer or as an Acquirer.

Definitions

Remote Transaction–Transaction

Remote Transaction

A non-face-to-face Transaction performed partially or wholly by means of electronic communication, such as via phone order, the Internet, text messaging, facsimile, or the like.

Rules

The Standards set forth in the *MasterCard Rules* manual.

Solicitation, Solicit

An application, advertisement, promotion, marketing communication, or the like intended to solicit the enrollment of a person as a Cardholder or as a Merchant. To “Solicit” means to use a Solicitation.

Special Issuer Program

Issuer Activity the Corporation deems may be undertaken only with the express prior consent of the Corporation. As of the date of the publication of these Rules, Special Issuer Programs include Affinity Card, Co-brand Card, Proprietary Account, Remote Transaction account, secured Card, and prepaid Card Programs.

Sponsor, Sponsorship

The relationship described in the Standards between a Class A Member and an Affiliate Member that engages in Activity indirectly through the Class A Member. In such event, the Class A Member is the Sponsor of the Affiliate Member and the Affiliate Member is Sponsored by the Class A Member. “Sponsorship” means the Sponsoring of a Member.

Standards

The Amended and Restated Certificate of Incorporation, Bylaws, Rules, and policies, and the operating regulations and procedures of the Corporation, including but not limited to any manuals, guides or bulletins, as may be amended from time to time.

Sub-licensee

A person authorized in writing to use a Mark either by a Licensee in accordance with the Standards or by the Corporation.

Sub-merchant

A merchant that, pursuant to an agreement with a Payment Facilitator, is authorized to accept Cards and Access Devices when properly presented.

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Transaction

The sale of goods or services by a Merchant to a Cardholder pursuant to acceptance of a Card or Access Device by the Merchant.

Volume

The aggregate financial value of a group of Transactions. “Volume” does not mean the number of Transactions.

1

Membership

This chapter contains information about Membership in the Corporation.

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1.1 Types of Members

The Corporation has the following three types of Members: Association Member, Principal Member, and Affiliate Member.

1.1.1 Association Member

An Association Member is a Class A Member that participates directly in Activity but does not directly issue or acquire without the express prior written consent of the Corporation. An Association Member may Sponsor one or more Affiliate Members.

1.1.2 Principal Member

A Principal Member is a Class A Member that participates directly in Activity. A Principal Member may Sponsor one or more Affiliate Members.

1.1.3 Affiliate Member

An Affiliate Member participates indirectly in Activity through the Sponsorship of a Class A Member. An Affiliate Member is not a Class A Member and may not Sponsor any other Member.

1.2 Eligibility to be a Member

The following are eligible to be a Member of this Corporation.

1.2.1 Principal Member or Affiliate Member

Effective on or after 15 July 1993, any entity that is a financial institution authorized to engage in financial transactions under the laws or government regulations of the country (or any subdivision thereof) in which it is organized or principally engaged in business may apply to be a Principal Member or an Affiliate Member of the Corporation.

For purposes of this section, “financial transactions” means the making of commercial or consumer loans, the extension of credit, the effecting of transactions with payment services cards, or the taking of consumer or commercial deposits.

Membership

1.3 Application to be a Member

Any such financial institution must have the requisite right, power, and authority, corporate and otherwise, to function as a Member of this Corporation and to engage in Activity, and must have submitted business plan(s) approved by the Corporation in accordance with Rule 1.5.5. Any such financial institution also must be regulated and supervised by one or more governmental authorities or agencies authorized and empowered to establish or enforce rules regarding financial transactions and the financial condition, activities, and practices of entities engaging in financial transactions. With respect to any financial institution that does not take deposits, it is a further requirement that financial transactions constitute substantially all of the business conducted by it.



Note

A variation to this Rule appears in Chapter 12, "Europe Region Rules."

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1.2.2 Association Member

Any entity that is Controlled by one or more financial institutions eligible and approved to be a Member(s) as described in Rule 1.2.1 and that is engaged or proposes to engage in Activity on behalf of or through one or more of those Members may apply to be an Association Member. Any such entity must have the requisite right, power, and authority, corporate and otherwise, to function as a Class A Member of this Corporation, and must have submitted business plan(s) approved by the Corporation in accordance with Rule 1.5.5.

1.2.3 Alternative Membership Eligibility Criteria

The Corporation may adopt, consistent with the promotion of sound practices, alternative Membership eligibility criteria on a regional, country-by-country or other basis for any reason. Any such entity must have submitted business plan(s) approved by the Corporation in accordance with Rule 1.5.5.

1.3 Application to be a Member

Any entity eligible to be a Member may apply to become a Member. An application to become a Member must be made in the form and include all of the information then required, and the entity must pay the fee or fees then required. An applicant to be a Member must agree, and by execution and submission of an application to be a Member agrees, that it will comply with all applicable provisions of the Certificate of Incorporation and the Standards of this Corporation as in effect from time to time, and with applicable law.

1.4 Interim Participation

Pending action on a properly completed and submitted application to be a Member, the Corporation may authorize the applicant to participate in Activity on an interim basis as if the applicant were a Member. The continuation of such interim participation is subject to the subsequent approval or disapproval of the application to be a Member. As a condition of such conditional authorization, the applicant must agree, and by commencement of any Activity the applicant is deemed to have agreed, to comply during this interim period (and thereafter as applicable) with the Standards and to discontinue immediately any use of the Marks and Activity if the application is disapproved. All damages, losses, costs, and liabilities arising directly or indirectly, or consequentially, from or related to any interim participation in Activity by the applicant and from the disapproval of the application to be a Member is solely at the applicant's risk and expense, and the Corporation has no responsibility for any such damages, losses, costs, or liabilities.

1.5 Obligations, Rights and Responsibilities

1.5.1 Obligation to Become a Member

Subject to Rule 1.4, a financial institution or other entity that is eligible to be a Member may not participate in Activity unless and until it becomes a Member.

1.5.2 Obligation to Participate

Each Member must participate as a Class A Member or as an Affiliate Member, or as both.

1.5.3 Right to Participate

Each Member may only use a Mark that the Member is authorized to use pursuant to a License by the Corporation.

1.5.4 Membership Not Transferable

Membership in the Corporation is not transferable or assignable, whether by sale, consolidation, merger, operation of law, or otherwise, without the express written consent of the Corporation, provided however, that in the event that the Cards issued by, the Ownership of, or any Activity of a Member are acquired by any person, whether by sale, consolidation, merger, operation of law or otherwise, the obligations, but not the rights, of such Member shall transfer to the person acquiring such Member.

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1.5.5 Member Responsibilities

Each Member must:

1. At all times be entirely responsible for and Control all aspects of its Activities, and the establishment and enforcement of all management and operating policies applicable to its Activities, in accordance with the Standards;
2. Not transfer or assign any part or all of such responsibility and Control or in any way limit its responsibility or Control;
3. Ensure that all policies applicable to its Activities conform to the Standards and comply with applicable laws and regulations;
4. Conduct meaningful and ongoing monitoring to ensure compliance with all of the responsibilities set forth in this Rule;
5. Maintain a significant economic interest in each of its Activities; and
6. Operate Activities at a scale or volume of operations consistent with the business plan(s) approved by the Corporation in connection with the application to be a Member or application for a License, or both, as the case may be.

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1.5.6 Enforcement of Payment of Fees and Other Obligations

The Corporation may apply any sum due to the Member from the Corporation toward the payment of any fee, assessment or other obligation(s) owed to the Corporation by the Member or, in the case of a Class A Member, owed to the Corporation by any Affiliate Member Sponsored by the Class A Member.

1.6 Termination of Membership

Membership in the Corporation may terminate in one of two ways: voluntary termination and termination by the Corporation. The Corporation may continue a License of a terminated Member as set forth in Rule 2.13. Rights, liabilities, and obligations of terminated Members are set forth in Rule 2.14.

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1.6.1 Voluntary Termination

A Member may voluntarily terminate its Membership. A Member that participates in Activity as a Class A Member and also participates in Activity as an Affiliate Member may voluntarily terminate its participation in Activity as either and continue to participate in Activity as the other.

In order to voluntarily terminate as a Member, the Member must give written notice addressed to the Secretary of this Corporation by registered or certified mail, return receipt requested, or by personal or reputable courier service.

The notice must:

1. State that the notice is a notice of termination;
2. Be received by the Secretary;
3. Fix a date on which the termination will be effective, which must be at least thirty days after the notice is received by the Secretary; and
4. Be otherwise in the form as may be required from time to time by the Corporation.

1.6.2 Termination by the Corporation

A Member may be terminated as a Member by the Corporation. The termination is effective upon delivery, or an inability to deliver after a reasonable attempt to do so, of written or actual notice by the Corporation to the Member.

The Corporation may, at its sole discretion, effect such termination forthwith and without prior notice if:

1. The Member suspends payments within the meaning of Article IV of the Uniform Commercial Code in effect at the time in the State of Delaware, regardless of whether, in fact, the Member is subject to the provisions thereof; or

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2. The Member takes the required action by vote of its directors, stockholders, members, or other persons with the legal power to do so, or otherwise acts, to cease operations and to wind up the business of the member, such Membership termination to be effective upon the date of the vote or other action; or
3. The Member fails or refuses to make payments in the ordinary course of business or becomes insolvent, makes an assignment for the benefit of creditors, or seeks the protection, by the filing of a petition or otherwise, of any bankruptcy or similar statute governing creditors' rights generally; or
4. The government or the governmental regulatory authority having jurisdiction over the Member serves a notice of intention to suspend or revoke, or suspends or revokes, the operations or the charter of the Member; or
5. A liquidating agent, conservator, or receiver is appointed for the Member, or the Member is placed in liquidation by any appropriate governmental, regulatory, or judicial authority; or
6. The Member's right to engage in Activity is suspended by the Corporation due to the Member's failure to comply with the Corporation's AML Program or applicable law or regulation, and such suspension continues for twenty-six (26) consecutive weeks; or
7. A Member fails to engage in Activity for twenty-six (26) consecutive weeks; or
8. The Member is no longer Licensed to use any of the Marks.

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Compliance Zones

The following table identifies the noncompliance category that the Corporation has assigned to the Standards described within this chapter. These noncompliance categories are assigned for the purposes of noncompliance assessments under the compliance framework in Rule 3.1.2.

Rule Number	Rule Title	Category
1.1	Types of Members	A
1.2	Eligibility to be a Member	A
1.3	Application to be a Member	A
1.4	Interim Participation	A
1.5	Obligations, Rights and Responsibilities	A
1.6	Termination of Membership	A

2

Licensing and Licensed Activities

This chapter contains information about licensing and rights and obligations related to Licensed Activity by Members.

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2.1 Purpose of License; Eligibility

Each Member, as a condition of Membership, must execute a Membership Agreement and one or more Licenses in such form as is required by the Corporation. Each Member must assist the Corporation in recording any License granted to the Member if required in the country of license or otherwise upon request of the Corporation. The Corporation may add additional requirements or limitations or other conditions to a License then in effect. In the event of an inconsistency between a Standard and a provision in a License, the Standard prevails and the License is deemed to be amended so as to be consistent with the Standard.

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2.1.1 Single European Payments Area License



Note

Rules on this topic appear in Chapter 12b, "SEPA Rules."

2.2 License Application

An application for a License must be made in the form and include all information then required. An applicant for a License must agree and, by execution and submission of an application for a License agrees, and by use of a Mark agrees, to comply with all provisions of the License pertaining to use of a Mark and with the Standards of this Corporation as may be in effect from time to time. A Licensee may not transfer or assign its License, whether by sale, consolidation, merger, operation of law or otherwise, without the express written consent of the Corporation, provided, however, that in the event that the Cards issued by, the Ownership of, or any Activity of a Member are acquired by any person, whether by sale, consolidation, merger, operation of law or otherwise, the obligations, but not the rights, of such Member shall transfer to the person acquiring such Member.

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2.3 Area of Use

Except as otherwise provided in the Standards, each Member may use a Mark solely in the Area of Use in which the Member has been granted a License. If the License does not specify an Area of Use, the License is deemed to authorize the Member to use the Mark only in the country or countries the Corporation determines to be the Member's Area of Use.

A License that the Corporation deems to be inconsistent with this Rule is deemed amended effective as of the granting of the License so as to be consistent with this Rule.

Except as otherwise provided in the Standards, the ICA number under which Cards are issued or acquired must reflect the country, from among those specified in the Area of Use of the License, where such Activity is conducted.

2.3.1 Extending or Otherwise Modifying the Area of Use

A Member must apply to the Corporation for permission to extend or otherwise modify the Area of Use of a License. Such application must be made in the form and include all information then required. If the application is approved, the Corporation will amend the License to reflect the change in the Area of Use.

Notwithstanding the foregoing, a Member is not required to make such application to conduct any of the following Activities, subject to (a) the Corporation's right to prohibit or restrict or condition any such Activity and (b) compliance by the Member with Standards, laws and regulations applicable to any such Activity:

1. Issue Cards outside of the Area of Use, provided that the Member does not use Solicitations or solicit outside of the Area of Use.
2. Solicit and issue Cards to citizens of any country within the Area of Use, wherever such citizens reside. Any Card Solicitation, wherever conducted, must be directed only to residents of countries within the Member's Area of Use.
3. Issue MasterCard Corporate Card® Cards to employees of an entity on whose behalf the Cards are issued, wherever such employees reside, provided that the entity is multinational, having a presence and conducting regular business in more than one country, including at least one country in the Member's Area of Use.
4. Issue payroll or incentive Cards to employees of an entity on whose behalf the Cards are issued, provided that the entity is multinational, having a presence and conducting regular business in more than one country, including at least one country in the Member's Area of Use, and:

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- a. The gross dollar volume (GDV) within a country in a calendar year from the Member's and its Sponsored Affiliate Members total cross-border issuance for all payroll and incentive Card Programs for all companies served in that country does not exceed one percent of that country's MasterCard GDV in that calendar year, or
 - b. If the Member has a License to issue Cards in a particular country (Country A) but wishes to issue Cards into Country A from another country in which the Member is also licensed (Country B), the Member's and its Sponsored Affiliate Members' total cross-border issuance from Country B into Country A in a calendar year may not exceed:
 - i. 10 percent of that Member's and its Sponsored Affiliate Members' total domestic MasterCard GDV in Country A in that calendar year, or
 - ii. if greater than the 10 percent described herein, the amount allowed under the one percent threshold described above.
5. Acquire Transactions from Merchants located in a country within the Area of Use, even if such Transactions arise from mail order, phone order, e-commerce, or recurring payment Transactions that the Merchant effects with Cardholders in countries outside of the Area of Use.
 6. Acquire mail order, phone order, e-commerce, or recurring payment Transactions from Merchants located outside of the Area of Use if such Transactions solely reflect sales to Cardholders residing within the Area of Use.
 7. Acquire airline Transactions in a country outside of the Area of Use, subject to satisfying all of the following requirements:
 - a. The airline has a meaningful presence in at least one country within the Area of Use; and
 - b. The ICA number under which airline Transactions are acquired must reflect either the country in which the airline ticket office is located or a country within the MasterCard region in which the airline ticket office is located; and
 - c. The Member authorizes, clears, and settles each "local Transaction" in a manner that does not significantly disadvantage an Issuer in the same country in the judgment of the Corporation.
 8. Acquire e-commerce Transactions from a Merchant located in a country outside of the Area of Use, subject to satisfying all of the following requirements:
 - a. The ICA number under which e-commerce Transactions are acquired must reflect the country in which the Merchant is located;



Note

A variation to this Rule provision appears in Chapter 12, “Europe Region Rules.”

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- b. The Merchant implements MasterCard® *SecureCode*™; and
- c. The Member authorizes, clears, and settles the Transaction through the Interchange System; and
- d. The Member authorizes, clears, and settles each “local Transaction” in a manner that does not significantly disadvantage an Issuer in the same country in the judgment of the Corporation; and
- e. The Member, the Merchant, the Third Party Processor (if any), and the Data Storage Entity (if any) comply with the MasterCard Site Data Protection Program.

The Member must apply for and receive permission from the Corporation before acquiring e-commerce Transactions under this Rule 2.4, paragraph 8.

A Merchant’s location generally is deemed to be the address set forth in the Merchant Agreement. The location of a Merchant conducting e-commerce, mail order, phone order, or recurring payment Transactions may be determined based in full or in part on where the entity holds a license, pays taxes, or maintains an address for purposes of receiving mail. Any disagreement between Members regarding a Merchant location may be referred to the Corporation for final resolution.

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As used in this Rule, a “local Transaction” means a Transaction by a Cardholder residing in a country that takes place at a Merchant located in the same country.

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2.3.2 Central Acquiring—Europe Region Only



Note

Rules on this topic appear in Chapter 12, “Europe Region Rules.”

2.4 Special Conditions of Membership or License

The Corporation may condition initial or continued Membership or any License or the conduct of any Activity on compliance with special conditions, such as the establishment of escrow arrangements, the delivery of letters of credit, or other arrangements that the Corporation deems necessary or appropriate.

The Corporation has the right at any time to require that a Member enter into a security arrangement with the Corporation. If a Member does not enter into a security arrangement with the Corporation that is satisfactory to the Corporation, the Corporation has the right at any time to collect from the Member, in addition to any amount otherwise due and payable by the Member to the Corporation or to other Members, such additional amount from the Member as the Corporation deems appropriate as collateral. The Corporation has the right to collect any such additional amount by any means available to the Corporation, including, by way of example and not limitation:

1. By taking any funds deposited by any persons from any account that the Corporation is authorized to draw upon for any purpose.
2. By taking any funds due to such Member from other Members.
3. By taking any funds being paid by such Member to other Members.

In each case where the Corporation takes any such collateral, the Corporation has the right, as it deems necessary or appropriate, to take ownership of such collateral (such as by placing funds taken in an account in the Corporation's name as a secured party) and to apply such collateral as payment toward any obligations of the Member to the Corporation or otherwise owed by the Member under the Standards.

Each Member hereby appoints and authorizes the Corporation to act as the Member's attorney and agent for any and all purposes in connection with the filing, recording, or other perfecting of the Corporation's rights under the Standards. This Rule constitutes a security agreement between each Member and the Corporation, and vests in the Corporation a security interest in any collateral collected as provided in these Standards, granted contemporaneously in exchange and as a condition for the continuation of the Member's Membership and Licenses.

2.5 MasterCard Anti-Money Laundering Program

An application for Membership or License must be accompanied by affirmative evidence satisfactory to the Corporation that the applicant is in compliance with the MasterCard Anti-Money Laundering Program (the “AML Program”). Each Member must, at all times, be in compliance with the AML Program.

The Corporation has exclusive authority to determine at any time whether an applicant or a Member is in compliance with the AML Program. Each applicant to be a Member and each Member must cooperate with any effort by the Corporation to evaluate such applicant’s or Member’s compliance with the AML Program. The Corporation may condition initial or continued Membership or License or both upon compliance with special conditions that the Corporation deems necessary or appropriate to ensure continued compliance with the AML Program by the applicant, Member, and Corporation, as the case may be.

2.6 Obligation to Issue Cards

Each Class A Member, together with its Sponsored Affiliate Members, must have issued and outstanding a reasonable number of Cards based on such criteria as the Corporation may deem appropriate from time to time. In addition to any other action that the Corporation deems appropriate, a Class A Member that does not issue and have outstanding the requisite number of Cards will be assessed an additional 20% of the assessment paid on its acquiring volume for each year in which the Card-issuing shortfall exists.

If an approved application for issuance of a payment card or device indicates the applicant’s preference, by way of a checkmark or otherwise, to be issued a Card, then the Issuer must issue a Card.



Note

Variations to this Rule appear in Chapter 10a “New Zealand Rules”; Chapter 12, “Europe Region Rules”; Chapter 13, “Latin America and the Caribbean Region Rules”; Chapter 14a, “South Africa Rules”; and Chapter 15, “United States Region Rules.”

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2.7 Liability for Assigned ICAs and BINs

Each Class A Member is responsible to the Corporation and to all other Members for Transactions arising from the use of the ICA(s)/BIN(s) that the Corporation assigns to the Class A Member.

Neither a Class A Member nor any of its Sponsored Affiliate Members may use the Class A Member's BIN to issue Cards other than as specified by the Corporation. By way of example and not limitation, a Member may not issue a consumer Program Card using a MasterCard Corporate Card® BIN.



Note

Additions to this Rule appear in Chapter 10a, "New Zealand Rules"; Chapter 12a, "Europe Region Debit-related Rules"; Chapter 14a, "South Africa Rules"; and Chapter 15a, "United States Region Debit-related Rules."

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2.7.1 Settlement Liability for Debit Licensees



Note

A Rule on this topic appears in Chapter 15, "United States Region Rules."

2.8 Obligations of a Sponsor

Each Class A Member must advise the Corporation promptly if an Affiliate Member ceases to be Sponsored by the Class A Member or changes its name or has a transfer of Ownership or Control.

2.9 Name Change

The Corporation must receive written notice at least sixty (60) calendar days before the effective date of any proposed Member name change. A Member that proposes to change its name must promptly undertake necessary or appropriate action to ensure that its Membership and License(s) and Activities disclose the true identity of the Member.

2.10 Membership Fees and Assessments

Each Member is responsible to timely pay to the Corporation all fees, charges, assessments and the like applicable to Membership and Activity as may be in effect from time to time, including those set forth in the applicable regional *MasterCard Consolidated Billing System* manual.

2.11 Sale or Change in Ownership or Control of Member or Portfolio

The Corporation must receive written notice at least thirty (30) calendar days before the effective date of any proposed transfer or assignment of an Issuer or Acquirer portfolio, or any proposed change of Control of a Member. A Member must promptly provide the Corporation any information requested by the Corporation relating to such an event or proposed event and the Corporation may:

1. Suspend or impose conditions on Membership or any License granted to the Member or both.
2. Amend rights or obligations or both of a Member.
3. Terminate the Membership of any Member that:
 - a. transfers or attempts to transfer Control of the Member to an entity that is not a Member; or
 - b. merges into or is consolidated with an entity that is not a Member; or
 - c. sells all or substantially all of its assets; or
 - d. sells all or substantially all of its Issuer or Acquirer portfolio(s); or
 - e. experiences a change in Control or Ownership; or
 - f. transfers or assigns, or attempts to transfer or assign, its Membership.

2.12 Suspension and Amendment of Membership or License or Both

The Corporation may, in its sole discretion:

1. Suspend the Membership of a Member or any License granted to a Member or both; or
2. Amend the rights or obligations or both of a Member; or
3. Amend the rights or obligations or both set forth in a License.

A Member that has been suspended or whose License has been suspended must continue to comply with the Standards and must also comply with such additional requirements as the Corporation may impose from time to time. In addition, if Membership is suspended or terminated for any reason, the Corporation may continue a License of the suspended or terminated Member for purposes of the orderly winding up, continuation or transfer of the suspended or terminated Member's business, resumption or reinstatement of Membership, or other purpose. Such continuation of a License is subject to such terms as may be required by the Corporation.

2.13 Rights, Liabilities, and Obligations of Terminated Members

Each License granted to a Member is terminated effective at the time of the termination of the Member's Membership. All of the following apply with respect to a terminated Member:

1. Except as otherwise set forth in the Standards, a terminated Member has no right to use any Mark or to otherwise engage or participate in any Activity. A terminated Member must immediately cease its use of all Marks and must ensure that such Marks are no longer used by any of the following:
 - a. The Member's Merchants;
 - b. Any Affiliate Member Sponsored by a terminated Class A Member;
 - c. Member Service Providers of a terminated Class A Member and of any Affiliate Member Sponsored by a terminated Class A Member;
 - d. Merchants of an Affiliate Member Sponsored by a terminated Class A Member; or
 - e. Any other entity or person acting to provide, directly or indirectly, service related to Activity undertaken pursuant to the authority or purported authority of the terminated Member.
2. A terminated Member is not entitled to any refund of dues, fees, assessments, or other payments and remains liable for, and must promptly pay to this Corporation (a) any and all applicable dues, fees, assessments, or other charges as provided in the Standards and (b) all other charges, debts, liabilities, and other amounts arising or owed in connection with the Member's Activities, whether arising, due, accrued, or owing before or after termination of such Membership.

Licensing and Licensed Activities

2.13 Rights, Liabilities, and Obligations of Terminated Members

3. The terminated Member must promptly cancel all Cards then outstanding that were issued by the terminated Member and, if the terminated Member is a Class A Member, by all of that Member's Sponsored Affiliate Members.
4. The terminated Member must promptly cause all of its Cardholders and, if the terminated Member is a Class A Member, the Cardholders of its Sponsored Affiliate Members to be notified of the cancellation of Cards in writing. Such notice must be in a form and substance satisfactory to the Corporation.
5. If a terminated Member does not take an action that this Rule or any other Standard or that the Corporation otherwise requires, the Corporation may take any such required action without prior notice to the terminated Member and on behalf of and at the expense of the Member.
6. If a Class A Member that Sponsors one or more Affiliate Members terminates its Class A Membership, such Class A Member must cause each of its Sponsored Affiliate Members to take the actions required of a terminated Member under this Rule, unless and to the extent that any such Affiliate Member become an Affiliate Member Sponsored by a different Class A Member within a period of time acceptable to the Corporation.
7. If an Affiliate Member terminates its Membership or its Sponsorship by a Class A Member, the Sponsoring Class A Member must cause the Affiliate Member to take the actions required of a terminated Member under this Rule. If that Affiliate Member fails to so comply, the Corporation may take any action that this Rule requires without notice to the Affiliate Member or the Sponsoring Class A Member on behalf of and at the expense of the Sponsoring Class A Member.
8. A terminated Member has no right to present records of Transactions effected after the date of termination to any other Member, except as permitted by the Standards.
9. A terminated Member continues to have the rights and obligations set forth in the Standards and License(s) with respect to its use of the Marks and conduct of Activity until such time as the Corporation determines such rights or obligations or both cease.
10. A terminated Member has a continuing obligation to provide promptly to the Corporation, on request, Member Reports and any other information about Activity.
11. A terminated Member must, at the option of the Corporation, immediately either destroy, or take such steps as the Corporation may require regarding, all confidential and proprietary information of the Corporation in any form previously received as a Member.

This Rule does not apply in the event that the Corporation has approved:

1. A transfer of Membership of a Principal Member to an Affiliate Member Sponsored by a Class A Member; or
2. A transfer of Membership of an Affiliate Member to a Class A Member; or
3. A transfer of Sponsorship of an Affiliate Member to a different Class A Member.

2.14 Failure of Class A Member to Discharge Obligations

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Subject to the limitation set forth in Rule 2.17, if a Class A Member fails to discharge any obligation to any other Member(s) arising from or in connection with any Activity that it has conducted as a Member, the Corporation may satisfy such obligation(s) to the extent such obligation(s) is not otherwise satisfied. To the extent the Corporation satisfies a Member's settlement obligation, the satisfaction constitutes an automatic transfer, sale, and absolute assignment to the Corporation, and not an assignment for security purposes, of all right, title, and interest in the receivable. Such satisfaction of the obligation also entitles the Corporation to all records and documents related to the receivable, including the name and address of each Cardholder obligated to satisfy any part of the receivable. The Member must promptly deliver all such records and documents to the Corporation or to the Corporation's designee. Any proceeds received by the Member from any receivable must be held in trust by the Member and paid to the Corporation as soon as practicable.

Any satisfaction of any Member obligation by the Corporation may be recovered by the Corporation through an assessment of any one or more of the Members.

The Corporation may take any action the Corporation deems necessary or appropriate to protect its interest in the receivable and to protect the integrity of the affairs of the Corporation, such as, by way of example and not limitation, by:

1. Rejecting Transaction authorization requests relating to use of the Member's Cards.
2. Establishing a settlement account for monies due to and from the Member.
3. Without prior notice to the Member, holding any monies due to the Member from the Corporation and net settlement and apply the monies to the amounts the Member owes to the Corporation and to other Members arising from Membership.

4. Listing some or all of a Member's Card account numbers on the Electronic Warning Bulletin file, the international Warning Notice(s), or both, or in other or similar publications.
5. Effecting chargebacks on behalf of the Member.
6. Overseeing the disposition of unused Card stock and any other media bearing security-sensitive information, including Card account information.

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2.15 System Liquidity

If the Corporation requires funds to maintain system liquidity and, as set forth in Rule 2.14, to meet any obligations that a Member or Members have failed to discharge (for purposes of this Rule, "Non-discharged Member Obligations"), the Corporation may collect funds directly from the settlement accounts of Members upon reasonable notice to the Members. In such event, the funds will be collected by the Corporation by:

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1. Decreasing the gross daily settlement amounts of outgoing volumes of Class A Members by up to (five) 5 percent of the amount settled on one or more days; and
2. Increasing the gross daily settlement amounts of incoming volumes of Class A Members by up to (five) 5 percent of the amount settled on one or more days.

This collection may continue as long as deemed necessary or appropriate to satisfy Non-discharged Member Obligations and to ensure system liquidity or until the Corporation deems such collection no longer necessary or appropriate.

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Collected funds are treated as advance payments on the sums that may be required from the Class A Members in the allocation among Members of loss related to a Non-discharged Member Obligations. If the funds collected from a Member exceed the amount ultimately allocated to it in connection with a Non-discharged Member Obligations, the excess amount will be returned to the Member with interest. If the funds collected from a Member do not exceed the amount allocated to it, the Member will pay any shortage to the Corporation with interest. Any interest payment by or to the Corporation will be based on the average effective Federal Reserve Fund's Earning Credit Rate (or if such rate is not published, a rate that the Corporation designates) during the time between the incidence of the Member funding and the final allocation.

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2.16 Loss Allocation Among Members

Any loss that the Corporation incurs, or for which the Corporation may otherwise be responsible due to the failure of a Member, whether or not intentional, to perform any of its Membership obligations, may be allocated among the Members by the Corporation in such manner and at such time(s) as the Corporation determines to be appropriate.

2.17 Limitation of Obligation

Except as otherwise set forth in the Standards, the Corporation has no obligation with respect to the failure of a Class A Member, for any reason, to discharge any obligation arising out of or in connection with Membership or any License or Activity, including, without limitation, any one or more of the following obligations:

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1. An obligation arising from a Transaction in which the Member, taken together with any of its sponsored Affiliate Members, acts as both the Issuer and the Acquirer.
2. An obligation arising from a Transaction in which the Issuer and Acquirer are related parties or are under common Control by one or more parents, holding companies, or other entities.
3. Any obligation arising, or then existing, with respect to a Transaction settled outside of the Corporation's settlement system, if the Principal or Association Member has failed with respect to its settlement obligation, and the Corporation has not received actual written notice of the failure from or on behalf of the intended settlement recipient by midnight of the local business day following such failure. As used herein, Transactions settled outside of the Corporation's settlement system include, without limitation, Transactions settled via:
 - a. A processor or any other entity or person net settling between two or more Principal Members or Association Members;
 - b. Indirect or consolidated settlement arrangements when the Corporation is not directly settling with a Principal Member or Association Member;
 - c. Bilateral or other local settlement arrangements including those cleared via the Corporation's Interchange System; and
 - d. Any other arrangement that the Corporation deems to be an alternate arrangement.
4. Any obligation arising, or then existing, with respect to a cross-border Transaction, if the Principal Member or Association Member has failed to comply with the Standards.

5. An obligation of its Affiliate Member.
6. Any obligation of a Principal Member or Association Member to any of its Affiliate Members.

2.18 Liability for Owned or Controlled Entities

Each Member (referred to for purposes of this Rule as a “Responsible Member”) shall irrevocably and unconditionally guarantee, as a primary obligor and not merely as a surety, to the Corporation and all other Members, the prompt payment and performance of the obligations (the “Guaranteed Obligations”) of each of the Responsible Member’s affiliated entities arising under the Standards (as the term “Standards” is defined in the Rules, the *Maestro Global Rules*, and the *Cirrus Worldwide Operating Rules*, respectively) and from each such affiliated entity’s MasterCard, Maestro, and Cirrus Activities and use of any of the Marks (as defined in the Rules) and Service Marks (as defined in the *Maestro Global Rules* and the *Cirrus Worldwide Operating Rules*).

For purposes of this Rule, a Responsible Member’s affiliated entity is defined as follows:

1. A Member that is Owned or Controlled by the Responsible Member or is owned or controlled by the Responsible Member and another Member or Members; or
2. A Member that, with the Responsible Member, is under common Ownership by, or Control of, another entity; or
3. A Member that Owns or Controls the Responsible Member or shares Ownership or Control of the Responsible Member with another Member or Members.

The obligations of each Responsible Member under this Rule shall be continuing, absolute, and unconditional and shall not be discharged or impaired or otherwise affected by any act or omission (including any renewal, extension, amendment, waiver or unenforceability of any of the Guaranteed Obligations) that may vary the risk of such Responsible Member or otherwise operate as a discharge of the obligations of such Responsible Member as a matter of law or equity, and all defenses of the Responsible Member with respect thereto are waived to the fullest extent permitted by applicable law.

The Responsible Member’s liability to the Corporation and all other Members is a primary obligation, while the Corporation’s liability, if any, to another Member is secondary, in that it only arises if a Responsible Member is unable to pay its Guaranteed Obligations in full. Any assessments imposed on a Member for liability under this Rule may be collected by the Corporation, at its option, from the Member’s settlement account or by any other means available.

A Responsible Member may not be exempted from this Rule except upon written notice by the General Counsel of the Corporation.

2.19 Risk of Loss

Each Member bears all risk of loss, and the Corporation bears no risk of loss with respect to all amounts owed by the Member under the Standards except to the extent any such amount is received by the Corporation, free and clear.

Each Member remains fully responsible for fulfillment of, and must take all actions necessary to fulfill, all of its obligations under the Standards, regardless of whether the Member designates a third party to perform all or any part of such obligations on the Member's behalf. The fact that the Member has paid any portion of the amount owed to such third party designee does not discharge the Member's obligations to the Corporation.

The Corporation may draw on the Member's funds to fulfill any of the Member's obligations under the Standards, regardless of whether those funds are held or Controlled by the Member or by any third party designee, to the same extent the Corporation is entitled to draw on funds from any settlement account or funds of the Member under the Standards, and regardless of whether those funds are commingled with any other funds. If the Corporation draws on the Member's funds, the Corporation is not required to reimburse the Member or any third party (whether a third party designee of the Member or another Member) for funds drawn which are owned by any of them or otherwise subject to any of their rights. The Member and any third party (whether a third party designee of the Member or another Member) bear all risk and liability related to the funds drawn and jointly and severally indemnify and hold the Corporation harmless from all liability and claims arising from any such draw of funds. Each Member bears all risk of loss, and the Corporation bears no risk of loss with respect to all amounts owed by the Corporation to the Member under the Standards once the payment is received by the Member or a third party designee of the Member and regardless of whether or how such Transactions are cleared and settled. Each Member must notify the Corporation promptly in writing if any third party designee commingles funds received for or from the Member in connection with the Member's Transactions with any other funds.

Each Member must notify the Corporation promptly in writing of the details of any failure of the Member or any third party designee of the Member to meet any of their obligations with respect to payment of funds owed under the Standards.

If a Member’s third party designee advances funds on behalf of the Member to pay the Corporation or any other party entitled to receive those funds under the Standards, then such payment is deemed to be a payment by the Member, and the Member and the third party designee of the Member jointly and severally bear all of the risks of loss and must jointly and severally indemnify and hold the Corporation harmless from any and all liability and claims arising from any such payment.

The Member must:

1. Obtain the prior written agreement of any third party designee of the Member that may be given access to any funds owed by or to the Member pursuant to the Standards; and
2. Guarantee any such third party designee’s compliance with all its obligations to the Corporation under this Rule.



Note

An addition to this Rule appears in Chapter 15, “United States Region Rules.”

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Compliance Zones

The following table identifies the noncompliance category that the Corporation has assigned to the Standards described within this chapter. These noncompliance categories are assigned for the purposes of noncompliance assessments under the compliance framework in Rule 3.1.2.

Rule Number	Rule Title	Category
2.1	Purpose of License; Eligibility	A
2.2	License Application	A
2.3	Area of Use	A
2.4	Special Conditions of Membership or License	A
2.5	MasterCard Anti-Money Laundering Program	A
2.6	Obligation to Issue Cards	A
2.7	Liability for Assigned ICAs and BINs	A
2.8	Obligations of a Sponsor	C
2.9	Name Change	C
2.10	Membership Fees and Assessments	A
2.11	Sale or Change in Ownership or Control of Member or Portfolio	A
2.12	Suspension and Amendment of Membership or License or Both	A

Rule Number	Rule Title	Category
2.13	Rights, Liabilities, and Obligations of Terminated Members	A
2.14	Failure of Class A Member to Discharge Obligations	A
2.15	System Liquidity	A
2.16	Loss Allocation Among Members	A
2.17	Limitation of Obligation	A
2.18	Liability for Owned or Controlled Entities	A
2.19	Risk of Loss	A

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3

Member Obligations

This chapter contains information about Membership obligations.

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3.1 Standards

From time to time, the Corporation promulgates Standards governing the conduct of Members and Activities. The Corporation has the sole right in its sole discretion to interpret and enforce the Standards. The Corporation has the right, but not the obligation, to resolve any dispute between or among Members including, but not limited to, any dispute involving the Corporation, the Standards, or the Members' respective Activities, and any such resolution by the Corporation is final and not subject to appeal or other similar action. The Corporation has the right to limit, suspend or terminate Membership, Membership privileges, or both, of any Member that does not comply with any Standard or with any decision of the Corporation with regard to the interpretation and enforcement of any Standard, or that in any respect violates any Standard or applicable law.

3.1.1 Variances

A variance is the consent by the Corporation for a Member to act other than in accordance with a Standard. Only a Member may request a variance. Any such request must specify the Rule(s) or other Standard(s) for which a variance is sought. The request must be submitted to the Corporation in writing, together with a statement of the reason for the request.

If the Member claims to be prevented from fully complying with a Standard because of law or regulation, the Member must provide a copy of the law or regulation and if such law or regulation is in a language other than English, a complete certified English translation. As a condition of granting a variance for that reason, the Corporation may require the Member to undertake some other and not prohibited Activity.

The Corporation may assess a fee to consider and act on a variance request.

3.1.2 Failure to Comply with a Standard

Failure to comply with any Standard(s) may cause damage to the Corporation in an amount difficult to calculate. Accordingly, a Member that fails to comply with any Standard is subject to such liquidated damages ("noncompliance assessments") as may be set forth in the Standards or that the Corporation deems to be necessary or appropriate. In lieu of or in addition to the imposition of a noncompliance assessment, the Corporation may require a Member to take such action and the Corporation itself may take such action as the Corporation may deem necessary or appropriate. The Corporation has the sole power to determine whether to impose a noncompliance assessment and the amount of any such assessment. The Corporation has the authority to immediately impose a noncompliance assessment for any noncompliance with

any Standard or, in the alternative, may provide notice and limited time to cure such noncompliance before imposing a noncompliance assessment.

3.1.2.1 Noncompliance Categories

The Corporation has implemented a compliance framework designed to group noncompliance with the Standards into three (3) categories.

3.1.2.1.1 Category A—Payment System Integrity

Category A noncompliance affects payment system integrity. The Corporation has the authority to impose immediate monetary noncompliance assessments for incidents of category A noncompliance with the Standards. “Payment system integrity” violations include, by way of example but not limitation, noncompliance regarding Membership and License requirements, Merchant signing and monitoring requirements, or protection of Card, account, and Transaction information.

3.1.2.1.2 Category B—Visible to Customers

Category B noncompliance addresses conduct that is visible to customers. The Corporation has the authority to impose immediate monetary noncompliance assessments for incidents of category B noncompliance or, in the alternative, may provide notice and limited time to cure factors relating to noncompliance before imposing monetary assessments. “Visible to customers” violations include, by way of example but not limitation, noncompliance regarding the use of the Marks, identification of the Merchant at the point of interaction, the setting of minimum and maximum Transaction amounts, or the payment of Merchants and Sub-merchants for Transactions.

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3.1.2.1.3 Category C—Efficiency and Operational Performance

Category C noncompliance addresses efficiency and operational performance. The Corporation has the authority to impose immediate monetary noncompliance assessments for incidents of category C noncompliance or, in the alternative, may provide notice and limited time to cure factors relating to noncompliance before imposing monetary assessments. “Efficiency and operational performance” violations include, by way of example but not limitation, noncompliance regarding presentment of Transactions within the required time frame, supplying Merchants with materials required for Transaction processing, or the obligation to provide the Corporation with requested information.

3.1.2.2 Noncompliance Assessments

The following schedule pertains to any Standard that does not have an established compliance program. The Corporation may deviate from this schedule at any time.

Noncompliance Category	Assessment Type	Assessment Description
A	Per Violation	First violation: up to USD 25,000 Second violation within 12 months: up to USD 50,000 Third violation within 12 months: up to USD 75,000 Fourth and subsequent violations within 12 months: Up to USD 100,000 per violation
	Variable Occurrence (by device or Transaction)	Up to USD 2,500 per occurrence for the first 30 days Up to USD 5,000 per occurrence for days 31–60 Up to USD 10,000 per occurrence for days 61–90 Up to USD 20,000 per occurrence for subsequent violations
	Variable Occurrence (by number of Cards)	Up to USD 0.50 per card Minimum USD 1,000 per month per card base No maximum per month per card base No maximum per month per Card base or per all Card bases
B	Per Violation	First violation: up to USD 20,000 Second violation within 12 months: up to USD 30,000 Third violation within 12 months: up to USD 60,000 Fourth and subsequent violations within 12 months: Up to USD 100,000 per violation
	Variable Occurrence (by device or Transaction)	Up to USD 1,000 per occurrence for the first 30 days Up to USD 2,000 per occurrence for days 31–60 Up to USD 4,000 per occurrence for days 61–90 Up to USD 8,000 per occurrence for subsequent violations
	Variable Occurrence (by number of Cards)	Up to USD 0.30 per Card Minimum USD 1,000 per month per Card base Maximum USD 20,000 per month per Card base Maximum USD 40,000 per month per all Card bases

Member Obligations

3.1 Standards

Noncompliance Category	Assessment Type	Assessment Description
C	Per Violation	First violation: up to USD 15,000 Second violation within 12 months: up to USD 25,000 Third violation within 12 months: up to USD 50,000 Fourth and subsequent violations within 12 months: Up to USD 75,000 per violation
	Variable Occurrence (by device or Transaction)	Up to USD 1,000 per occurrence for the first 30 days Up to USD 2,000 per occurrence for days 31–60 Up to USD 4,000 per occurrence for days 61–90 Up to USD 8,000 per occurrence for subsequent violations
	Variable Occurrence (by number of Cards)	Up to USD 0.15 per card Minimum USD 1,000 per month per Card base Maximum USD 10,000 per month per Card base Maximum USD 20,000 per month per all Card bases

In the above table all days refer to calendar days and violations of a Standard are tracked on a rolling 12-month basis.

3.1.2.3 Certification

A senior executive officer of each Class A Member must, if requested by the Corporation, promptly certify in writing to the Corporation the status of compliance or noncompliance with any Standard by the Member or by any of such Member's Sponsored Affiliate Members.

3.1.2.4 Review Process

A Member may request that the Secretary of this Corporation review an assessment imposed by the Corporation for noncompliance with a Standard. Such a request must be submitted in writing and signed by the Member's principal contact. The request must be postmarked no later than 30 calendar days after the date of the disputed assessment.

The Corporation will assess a USD 500 fee for each request for review of a noncompliance assessment. The fee will be refunded only if the assessment is rescinded in full.

3.1.2.5 Resolution of Review Request

When a Member requests review of an assessment for noncompliance with a Standard, the Secretary of this Corporation may take such action as he or she deems necessary or appropriate or may elect not to act. The Secretary may delegate authority to act or not to act with respect to any particular matter or type of matter. If the Secretary or his or her designee elects to conduct further inquiry into the matter, each Member must cooperate promptly and fully. If the Secretary or his or her designee makes a recommendation of action to resolve the matter, such recommendation is final and not subject to further review or other action.

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3.1.3 Rules Applicable to Intracountry Transactions



Note

A Rule on this topic appears in Chapter 12, "Europe Region Rules."

3.2 Conduct of Activity

Each Member at all times must conduct Activity in compliance with the Standards and with all applicable laws and regulations. Each Member must conduct all Activity and otherwise operate in a manner that is financially sound and so as to avoid risk to the Corporation and to other Members.

3.2.1 Conflict with Law

A Member is not required to undertake any act that is unambiguously prohibited by applicable law or regulation.

3.2.2 Obligations of a Sponsor

Each Class A Member that Sponsors one or more Affiliate Members must cause each such Affiliate Member to comply with all Standards applicable to the Activity of that Affiliate Member. A Class A Member is liable to the Corporation and to all other Members for all Activities of any Affiliate Member Sponsored by the Class A Member and for any failure by such Sponsored Affiliate Member to comply with a Standard or with applicable law or regulation.

If an Affiliate Member Sponsored by a Class A Member ceases to be so Sponsored by that Class A Member, such Class A Member nonetheless is obligated, pursuant to and in accordance with the Standards, to acquire from other Members the records of Transactions arising from the use of Cards issued by that formerly Sponsored Affiliate Member and whether such Transactions arise before or after the cessation of the Sponsorship.

3.2.3 Affiliate Members

Except to the extent any liability or obligation arising under a Standard has been satisfied by a Class A Member, each Affiliate Member is responsible for the liabilities and obligations arising out of, or in connection with, its Activities, regardless of any:

1. Action taken by such Affiliate Member to satisfy such liability or obligation with, through or by a Class A Member that Sponsors or Sponsored such Affiliate Member, or
2. Agreement between any Class A Member and such Affiliate Member.

In accordance with the Standards and in compliance with applicable laws and regulations, each Class A Member will have access to and may use or otherwise process its Sponsored Affiliate Members' confidential information and Confidential Transaction Data (as defined in Rule 3.6.2) in connection with authorization, settlement, clearing, fraud reporting, chargebacks, billing, and other related activities.

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3.2.4 Materially Adverse Financial Condition or Discrepancy

A Member must promptly report to the Corporation any materially adverse financial condition or discrepancy or suspected materially adverse financial or discrepancy relating to the Member or, in the case of a Class A Member, any Affiliate Member Sponsored by the Class A Member. The Member must refer or, if applicable, cause the Affiliate Member to refer, such condition(s) or discrepancy(ies) to independent certified public accountants or another person or firm satisfactory to the Corporation for evaluation and recommendation as to remedial action, and promptly provide the Corporation a copy of such evaluation and recommendation after receipt thereof.

3.2.5 Compliance

From time to time, the Corporation may develop means and apply criteria to evaluate a Member's compliance with Rule 3.2. Each Member must fully cooperate with any effort by the Corporation and the Corporation's representatives to evaluate a Member's compliance with Rule 3.2.

In the event that the Corporation determines that a Member is not complying or may not on an ongoing basis comply with the requirements of Rule 3.2, the Corporation may:

1. Impose special terms upon the Member as the Corporation deems necessary or appropriate until each condition or discrepancy is resolved to the Corporation's satisfaction so as to enable the Member to be and to remain in full compliance with Rule 3.2, or
2. Require the Member to withdraw from Membership.

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3.2.6 Nondiscrimination—Europe Region Only



Note

A Rule on this topic appears in Chapter 12b, "SEPA Rules."

3.3 Indemnity and Limitation of Liability

Each Member (each, for the purposes of this Rule, an "Indemnifying Member") must protect, indemnify, and hold harmless the Corporation and the Corporation's parent and subsidiaries and affiliated entities, and each of the directors, officers, employees and agents of the Corporation and the Corporation's parent and subsidiaries and affiliated entities from any actual or threatened claim, demand, obligation, loss, cost, liability and/or expense (including, without limitation, actual attorneys' fees, costs of investigation, and disbursements) resulting from and/or arising in connection with, any act or omission of the Indemnifying Member, its subsidiaries, or any person associated with the Indemnifying Member or its subsidiaries (including, without limitation, such Indemnifying Member's directors, officers, employees and agents, all direct and indirect parents, subsidiaries, and affiliates of the Indemnifying Member, the Indemnifying Member's customers in connection with issuing and/or acquiring Activity and/or other business, and the Indemnifying Member's suppliers, including, without limitation, any processors, Member Service Providers (MSPs), and other persons acting for, or in connection with the Indemnifying Member or a Merchant for which the Indemnifying Member acquires Transactions, or any such Merchant's employees, representatives, agents suppliers, customers, including any Data Storage Entity (DSE)) with respect to, or relating to:

1. Any programs and/or Activities of the Indemnifying Member;
2. Any programs and/or activities of any person associated with the Indemnifying Member and/or its subsidiaries;

Member Obligations

3.3 Indemnity and Limitation of Liability

3. The compliance or non-compliance with the Standards by the Indemnifying Member;
4. The compliance or non-compliance with the Standards by any person associated with the Indemnifying Member and its subsidiaries;
5. Any other activity of the Indemnifying Member;
6. Direct or indirect access to and/or use of the Interchange System (it being understood that the Corporation does not represent or warrant that the Interchange System or any part thereof is or will be defect-free or error-free and that each Member chooses to access and use the Interchange System at the Member's sole risk and at no risk to the Corporation);
7. Any other activity of any person associated with the Indemnifying Member, its subsidiaries, or both that used and/or otherwise involved any of the Marks or other assets;
8. Any failure of another Member to perform as required by the Standards or applicable law; or
9. The Corporation's interpretation, enforcement, or failure to enforce any Standard(s).

The Corporation does not represent or warrant that the Interchange System or any other system, process or activity administered, operated, controlled or provided by or on behalf of the Corporation (collectively, for purposes of this Rule, the "Systems") is free of defect and/or mistake and, unless otherwise specifically stated in the Standards or in a writing executed by and between the Corporation and a Member, the Systems are provided on an "as-is" basis and without any express or implied warranty of any type, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose or non-infringement of third party intellectual property rights. **IN NO EVENT WILL THE CORPORATION BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, OR DAMAGES FOR LOSS OF PROFITS, OR ANY OTHER COST OR EXPENSE INCURRED BY A MEMBER OR ANY THIRD PARTY ARISING FROM OR RELATED TO USE OR RECEIPT OF THE SYSTEMS, WHETHER IN AN ACTION IN CONTRACT OR IN TORT, AND EVEN IF THE MEMBER OR ANY THIRD PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. EACH MEMBER ASSUMES THE ENTIRE RISK OF USE OR RECEIPT OF THE SYSTEMS.**

Only in the event the limitation of liability set forth in the immediately preceding paragraph is deemed by a court of competent jurisdiction to be contrary to applicable law, the total liability, in the aggregate, of the Corporation to a Member and anyone claiming by or through the Member, for any and all claims, losses, costs or damages, including attorneys' fees and costs and expert-witness fees and costs of any nature whatsoever or claims expenses resulting from or in any way related to the Systems shall not exceed the total compensation received by the Corporation from the Member for the particular use or receipt of the Systems during the twelve (12) months ending on the date that the Corporation was advised by the Member of the Systems concern or the total amount of USD 250,000.00, whichever is less. It is intended that this limitation apply to any and all liability or cause of action however alleged or arising; to the fullest extent permitted by law; unless otherwise prohibited by law; and notwithstanding any other provision of the Standards.

A payment or credit by the Corporation to or for the benefit of a Member that is not required to be made by the Standards will not be construed to be a waiver or modification of any Standard by the Corporation. A failure or delay by the Corporation to enforce any Standard or exercise any right of the Corporation set forth in the Standards will not be construed to be a waiver or modification of the Standard or of any of the Corporation's rights therein.

3.4 Choice of Laws

The substantive laws of the State of New York govern all disputes involving the Corporation, the Standards, and/or the Members and Activity without regard to conflicts. Any action initiated by a Member regarding and/or involving the Corporation, the Standards and/or any Member and Activity must be brought, if at all, only in the United States District Court for the Southern District of New York or the New York Supreme Court for the County of Westchester, and any Member involved in an action hereby submits to the jurisdiction of such courts and waives any claim of lack of personal jurisdiction, improper venue, and *forum non conveniens*.

This provision in no way limits or otherwise impacts the Corporation's authority described in Rule 3.1. Each Member agrees that the Standards are construed under, and governed by, the substantive laws of the State of New York without regard to conflicts.



Note

A variation to this Rule appears in Chapter 12, "Europe Region Rules."

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3.5 Examination and Audit

The Corporation, at any time, and whether or not a Member is subject to periodic examination by banking regulatory authorities of the United States or any state thereof, or to periodic examination by regulatory authorities of another government, and at the Member's sole expense, may require that Member to be subjected to an examination and/or audit and/or periodic examination and/or periodic audit by a firm of independent certified accountants or by any other person or entity satisfactory to the Corporation. The complete results of each such examination and/or audit will be provided to the Corporation promptly upon completion.

Any accountant's examination or audit undertaken in accordance with this Rule must be at least as detailed and equivalent in scope and nature as an examination or audit required of banks under the laws of the United States and will address such matters relating to or arising from Activity as the Corporation may require for the time period to be examined or audited. Such matters may include, by way of example and not limitation:

1. The number of active and inactive Cards outstanding, the number of Cards issued, the volume of Transactions, and the delinquency experience on repayment.
2. The nature of any credit or other investigation conducted before issuance of a Card, the guidelines and criteria employed to evaluate credit risk, and the nature of credit decisions made.
3. The nature of collection procedures used, including the timing of collection notices, the wording and frequency of such notices, and the procedures for turning Card accounts over to collection services.
4. An evaluation of charge-off procedures used, including the procedures employed during any period in which a Card account is carried without payment, the disposition of a Card account after charge-off, collection efforts by legal action, and the practices followed in the aging of Card accounts.
5. An analysis of the geographic area covered by any Activity and the adequacy of the credit investigation and enforcement facilities in light of such geographic coverage.
6. An analysis of procedures used in evaluating prospective Merchants, including investigation standards, review of financial statements, Dun & Bradstreet reports, and/or similar or additional reports, and review of personal credit reports on principals in the case of small Merchants.

7. An analysis of procedures used in evaluating prospective Member Service Providers, including investigation procedures and criteria, review of financial statements, Dun & Bradstreet reports, and/or similar or additional reports, and of review personal credit reports on principals in the case of small Member Service Providers.
8. An analysis of procedures used in connection and to ensure ongoing compliance with the Corporation's AML Program.
9. An analysis of practices in the manufacture, personalization and issuance of Cards, including proper security measures for blank card stock, controls imposed in the issuance of Cards, mailing procedures, information security measures, and practices used to avoid duplicate issuance.
10. An analysis of policies and practices concerning the taking of reserves as protection against losses due to any Activity and an analysis of whether such policies and practices are at least as strict as that required of U.S banks on classified loans.

The Corporation has no liability or responsibility for any failure to cause an examination or audit or both to be conducted or for the nature or quality of any examination or audit or for any action taken or not taken following any such examination or audit.

The Corporation reserves the right to audit a Member's Activity and compliance with the Standards. The Member must cooperate with and promptly supply the Corporation with all information that the Corporation deems necessary or appropriate in connection with any such audit. The Corporation may assess a Member the costs of any such audit.

3.6 Provision and Use of Information

3.6.1 Obligation of Member to Provide Information

Upon request by the Corporation, and subject to applicable law or regulation, a Member must provide Member Reports to the Corporation, or to the Corporation's designee; provided, compliance with the foregoing obligation does not require a Member to furnish any information, the disclosure of which, in the opinion of this Corporation's legal counsel, is likely to create a significant potential legal risk to this Corporation and/or its Member(s). To the extent that a Member is obligated to provide a Member Report to the Corporation that the Member deems to disclose proprietary information of the Member, such information will be treated by the Corporation with the degree of care deemed appropriate by the Corporation to maintain its confidentiality.

Member Obligations

3.6 Provision and Use of Information

As an example of a Member Report, each Acquirer must provide Transaction Data to the Corporation in such form and manner as the Corporation may require. As used herein, “Transaction Data” means any data or data element or subelement that the Standards require to be used to clear and/or settle a Transaction (whether cleared and/or settled via the Interchange System or otherwise) or that the Corporation requires to be provided.

3.6.1.1 Information to Cardholders



Note

A Rule on this topic appears in Chapter 10, “Asia/Pacific Region Rules”; Chapter 12, “Europe Region Rules”; and Chapter 14, “South Asia/Middle East/Africa Region Rules.”

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3.6.1.2 Information to Merchants



Note

A Rule on this topic appears in Chapter 12, “Europe Region Rules.”

3.6.2 Confidential Information of Members

The Corporation and its parents, subsidiaries and affiliates (herein collectively referred to as the “Corporation’s Affiliates”) will not use or disclose confidential information or Confidential Transaction Data furnished to it by Members or Merchants except to the extent that the use or disclosure is in compliance with applicable law and as specifically provided herein. “Confidential Transaction Data” means any information provided to the Corporation or any of the Corporation’s Affiliates by a Member or Merchant if that information enables the Corporation or any of the Corporation’s Affiliates to determine an individual’s identity or includes a Card account number. The Corporation or the Corporation’s affiliates may use and/or disclose confidential information and Confidential Transaction Data only as follows:

1. For the benefit of the Member supplying the information to support the Member’s Program and/or Activities;
2. As may be appropriate, to the Corporation’s and the Corporation’s Affiliates’ staff, accountants, auditors, or counsel;
3. As may be required or requested by any judicial process or governmental agency having or claiming jurisdiction over the Corporation or the Corporation’s Affiliates;
4. As required for processing Transactions, including authorization, clearing, and settlement;

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5. For accounting, auditing, billing, reconciliation, and collection activities; or
6. For the purpose of processing and/or resolving chargebacks or other disputes;
7. For the purpose of protecting against or preventing actual or potential fraud, unauthorized transactions, claims, or other liability, including to third parties providing these services;
8. For the purpose of managing risk exposures, franchise quality, and compliance with the Standards;
9. For the purpose of providing other products or services to Members or other third parties, except that any Confidential Transaction Data provided in such products or services will only be provided to a Member and will consist solely of Confidential Transaction Data provided to the Corporation or to any of the Corporation's Affiliates by that Member;
10. For the purpose of administering sweepstakes, contests, or other marketing promotions;
11. For preparing internal reports for use by the Corporation or the Corporation's Affiliates, staff, management, and consultants in operating, evaluating, and managing Corporation business;
12. For preparing and furnishing compilations, analyses, and other reports of aggregated information, and anonymizing confidential information and/or Confidential Transaction Data, provided that such compilations, analyses, or other reports do not identify any (i) Member other than the Member for which the Corporation prepares the compilation, analysis, or other report or (ii) Cardholder whose Transactions were involved in the preparation of the compilation, analysis, or other report;
13. For the purpose of complying with applicable legal requirements;
14. For other purposes for which consent has been provided by the individual to whom the confidential information and/or Confidential Transaction Data relates.

Each Member must ensure that it complies with the Standards and applicable laws and regulations in connection with disclosing any Confidential Transaction Data or confidential information to the Corporation or the Corporation's Affiliates to allow the uses and disclosures described herein, including any laws requiring the Member to provide notices to individuals about information practices or to obtain consent from individuals to such practices.

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3.6.3 Use of Corporation Information by a Member

The Corporation is not responsible and disclaims any responsibility for the accuracy, completeness, or timeliness of any information disclosed by the Corporation to a Member; and the Corporation makes no warranty, express or implied, including, but not limited to, any warranty of merchantability or fitness for any particular purpose with respect to any information disclosed by or on behalf of the Corporation to any Member disclosed directly or indirectly to any participant in a Member's Activity. Each Member assumes all risk of use of any information disclosed directly or indirectly to a Member or to any participant in a Member's Activity by or on behalf of the Corporation.

3.6.4 Confidential Information of the Corporation and the Corporation's Affiliates

A Member must not disclose confidential information of the Corporation or of the Corporation's parents, subsidiaries, and Affiliates (herein collectively referred to as the "Corporation's Affiliates") except:

1. On a need-to-know basis to the Member's staff, accountants, auditors, or legal counsel subject to standard confidentiality restrictions, or
2. As may be required by any court process or governmental agency having or claiming jurisdiction over the Member, in which event the Member must promptly provide written notice of such requirement to the Secretary of the Corporation and to the extent possible, the Member must seek confidential treatment by the court or agency.

The obligation set forth herein continues following the termination of Membership. Information provided to Members by the Corporation or the Corporation's Affiliates is deemed confidential unless otherwise stated in writing.

A Member may use confidential or proprietary information and/or trade secrets of the Corporation and the Corporation's Affiliates solely for the purpose of carrying out the Member's Activities.

3.6.5 Data Protection—Europe Region Only



Note

A Rule on this topic appears in Chapter 12, "Europe Region Rules."

3.7 Quarterly Member Report

Each Member must complete and timely deliver to the Corporation the Quarterly Member Report or such other Member Report as the Corporation may require be completed and returned by Members from time to time (such Member Report being hereinafter referred to as the “QMR”) in the manner and at such time as the Corporation requires.

3.7.1 Report Not Received

If the Corporation does not receive a Member’s properly completed QMR questionnaire when and how due, the Corporation may:

1. Impose on the Member, after review of the Member’s last submitted QMR questionnaire and assessment paid, an assessment equal to, or greater than, the Member’s assessment for such calendar quarter;
2. Impose on the Member a noncompliance assessment, as set forth in the applicable regional *MasterCard Consolidated Billing System* manual;
3. If the Member’s actual payment based on the QMR questionnaire submitted by the Member compared with the Corporation’s estimate of payment due results in an underpayment by the Member, collect the amount of the underpayment due and impose an interest penalty of the lower of two (2) percent per month or the highest rate permitted by law, from the date the payment was first due through the date on which the additional amount due is paid;
4. If the Member’s actual payment based on the QMR questionnaire submitted by the Member compared with the Corporation’s estimate of payment due results in an overpayment by the Member, return the amount of the overpayment, without interest or penalty thereon, as soon as practicable after the overpayment amount is identified and calculated; and
5. Collect the assessment amount, and any penalties and interest due thereon, from the Member’s settlement account.

3.7.2 Erroneous or Incomplete Report

If a Member submits an erroneous or incomplete QMR, the Corporation may:

1. Impose on the Member, after review of the Member’s previously correctly submitted QMR and assessments paid thereon an assessment equal to, or greater than, the Member’s last properly paid assessment for each calendar quarter for which it submitted an erroneous or incomplete QMR;
2. Impose on the Member a noncompliance assessment, as set forth in the applicable regional *MasterCard Consolidated Billing System* manual;

3. If the Corporation's estimate of payment due results in an underpayment by the Member, collect the amount of the underpayment due and impose on the Member an assessment on the amount of the underpayment of the lower of two (2) percent per month or the highest rate permitted by law, from the date(s) the payment(s) was first due and payable through the date(s) on which the additional amount(s) due is paid;
4. If the Corporation's estimate of payment due results in an overpayment by the Member, return the amount of the overpayment, without penalty or interest thereon, as soon as practicable after the overpayment amount is identified and calculated; and
5. Collect of the assessment amount, and any interest, from the Member's settlement account.

3.7.3 Overpayment Claim

If a Member, after submitting a QMR, submits to the Corporation a claim asserting an overpayment thereon, the Corporation may:

1. Accept the claim for review only if it is received by the Corporation no later than one calendar quarter after the date of the claimed overpayment; and
2. Provided the overpayment claim is submitted in a timely manner and substantiated, return the amount of the overpayment to the Member, without interest or penalty thereon, as soon as practicable after the overpayment amount is identified and calculated.

A Member may request that the Corporation's Secretary review the Corporation's actions and make a finding or recommendation. Such a request must be received by the Secretary no later than 30 calendar days after the date of the disputed action and any finding or recommendation by the Secretary with regard to the matter will be final and not subject to appeal or other similar action.

3.8 Authorization Service

Each Class A Member must provide, at its own expense and with respect to Cards issued by the Class A Member and any Affiliate Member Sponsored by the Class A Member, authorization services that comply with the Standards.

Each Class A Member must provide, at its own expense and with respect to Merchants of the Class A Member and any Affiliate Member Sponsored by the Class A Member, adequate and reasonable authorization services that comply with the Standards and each such Merchant must be instructed as to the proper use of such authorization services so as to ensure that Cards are accepted or refused and that Transactions are effected or refused in compliance with the Standards.



Note

Additions to this Rule appear in Chapter 12, “Europe Region Rules” and Chapter 15, “United States Region Rules.”

3.8.1 Selective Authorization

Without the express prior written approval of the Corporation, a Member may not launch or maintain a Card Program for the purpose of selectively authorizing Transactions arising from use of the Program Cards at only a subset of MasterCard acceptance locations. A Member is not prohibited from authorizing or declining individual Transactions based on:

1. The amount of funds or credit available in the Cardholder account;
2. Fraud or credit risks presented by individual Cardholder usage patterns;
3. Cash access restrictions to manage a secured or high credit risk account; or
4. Any other restriction on use the Corporation may permit.

3.8.2 Authorization Routing

An Acquirer must be capable of recognizing all active MasterCard bank identification numbers (BINs) for purposes of obtaining Transaction authorization, and obtain such authorization on behalf of each of its Merchants as the Standards require.

If the Acquirer uses MasterCard account range files provided by the Corporation for this purpose, such files must be loaded and functioning on the Acquirer's host system and available to its Merchants for use within six calendar days from the date that each updated file is distributed. Alternatively, the Acquirer may submit all authorization requests containing an account number with a BIN in the 510000 to 559999 range to the Interchange System for routing to the Issuer.

3.9 Transaction Requirements

Each Member must, in accordance with the Standards, comply with each of the following five requirements:

1. Accept and present to the Issuer records of Transactions arising from the use of a Card issued by any other Member from any Merchant that the Member has authorized to honor Cards;
2. Accept and pay for records of Transactions received from another Member arising from the use of any Card or Access Device issued by it;
3. Present to the Issuer records of the cash disbursement transactions the Member acquires; and
4. Maintain, directly or indirectly, a functional twenty-four-hour per day operating connection to the Interchange System, and not force any other Member wishing to operate multilaterally using the Interchange System into bilateral agreements.
5. Ensure that each Cross-border Transaction (that is, one that takes place at a Merchant located outside the country where the Card was issued) is processed through the Interchange System, unless one of the following conditions exist:
 - a. The Member has applied for and received prior written approval from the Corporation to effect other arrangements;
 - b. The Member has applied for and received certification from the Corporation with the network processing standards for any bilateral or multilateral arrangement entered into on or after 1 June 2009; or
 - c. Applicable Law requires other arrangements, and only to the extent otherwise so required.

As used in paragraph 5 above, "processed" means authorized when required and cleared through the Interchange System.

If a Cross-border Transaction is not processed through the Interchange System and meets one of the conditions contained in requirement five, parts (a) through (c) above, Members shall also provide the Corporation with a report with respect to such Cross-border Transactions in a form as required by the Corporation on a time frame as prescribed by the Corporation. Such report and all information contained therein shall be subject to Rule 3.6.2.



Note

A variation to this Rule provision appears in Chapter 12b, "SEPA Rules."

In the event that any Member is a party to a bilateral or multilateral arrangement established before 1 June 2009 and such Member has not applied for and received prior written approval from the Corporation to effect such arrangement, then such Member must:

1. Register such bilateral or multilateral arrangement with the Corporation no later than 31 August 2009 and provide such other information as the Corporation may request in connection with an evaluation of the relevant arrangement against the network processing standards specified by the Corporation from time to time.
2. If such arrangement fails to meet or exceed such network processing standards, work with the Corporation in a good faith and timely manner to make such adjustments as may be required in order to achieve compliance.
3. In any event, Members shall also provide the Corporation with a report with respect to such Cross-border Transactions in a form as required by the Corporation on a time frame as prescribed by the Corporation. Such report and all information contained therein shall be subject to Rule 3.6.2.

To initiate registration or application for certification, Members must contact via e-mail: networkprocessingstandards@mastercard.com.

A payment service, whose related marks are ineligible to appear on a Card pursuant to Rule 4.2.12, shall be ineligible to enter into a Corporation approved bilateral or multilateral arrangement pursuant to requirement five of this Rule 3.9.

3.9.1 Chip Transactions and Hybrid Terminals

Refer to section 2.8 of the *Chargeback Guide* for Standards applicable to chip Transactions, including chip/PIN Transactions, and for information about intracountry, intraregional, and interregional chip liability shifts and the Global Chip Liability Shift Program.

Refer to section 4.9 of the *Security Rules and Procedures* manual for hybrid terminal security Standards.



Note

Rules on this topic appear in Chapter 10, "Asia/Pacific Region Rules"; Chapter 11, "Canada Region Rules"; Chapter 12, "Europe Region Rules"; Chapter 12b, "SEPA Rules"; Chapter 13, "Latin America and the Caribbean Region Rules"; Chapter 14, "South Asia/Middle East/Africa Region Rules"; and Chapter 14a, "South Africa Rules."

3.9.2 Card-Not-Present Transactions



Note

Rules on this topic appear in Chapter 12, "Europe Region Rules" and Chapter 14b, "India Rules."

3.9.3 Refund Transactions

Refer to sections 2.1.2.3 and 2.1.8 of the *Chargeback Guide* for refund Transaction requirements.



Note

A Rule on this topic appears in Chapter 15, "United States Region Rules."

3.9.4 Automated Fuel Dispenser Transactions



Note

A Rule on this topic appears in Chapter 15, "United States Region Rules."

3.9.5 Issuer Performance Standards



Note

A Rule on this topic appears in Chapter 12, "Europe Region Rules."

3.9.6 PIN-based Debit Transactions



Note

Rules on this topic appear in Chapter 15b, "United States Region PIN-based Debit Transaction Rules."

3.9.7 Euro Migration



Note

A Rule on this topic appears in Chapter 12, "Europe Region Rules."

3.10 Additional Member Obligations

Each Member must comply with the following obligations.

3.10.1 Safeguard Card Account and Transaction Information

Each Member, for itself and any third party that may be afforded access to Transaction or Card account information, or both, by or on behalf of the Member, must safeguard and use or permit use of such information in accordance with the Standards.

3.10.2 Satisfaction of Minimum Member Obligations

Within one year of becoming a Class A Member and at all times thereafter, each Class A Member must itself, taken together with any Affiliate Member(s) Sponsored by the Class A Member as if they were a single Class A Member, have satisfied the minimum obligations as may be established from time to time and as set forth in the Standards or in a Member Agreement or License.

3.10.3 Satisfaction of Minimum Financial Requirements

Each Member at all times must satisfy the minimum financial requirements established by the Corporation from time to time. The Corporation, in its discretion, may establish different or additional financial requirements for

1. A category of financial institutions, organizations, or corporations or other entities that are eligible to become a Member; or
2. An individual Member or prospective Member in the manner set forth in the Standards should the Corporation determine that different or additional requirements are reasonably appropriate to evidence the financial integrity of a type of Member or an individual Member or prospective Member.

3.10.4 Integrity of Brand and Network

A Member may not directly or indirectly engage in or facilitate any action that is illegal, or that, in the opinion of the Corporation and whether or not addressed elsewhere in the Standards, damages or may damage the goodwill or reputation of the Corporation or of any Mark, and the Member will promptly cease engaging in or facilitating such action upon request of the Corporation.

In addition, a Member may not place or cause to be placed on any Card or on any terminal or acceptance device any image, information, application, or product that would in any way, directly or indirectly, have or potentially have the effect of diminishing or devaluing the reputation or utility of the Marks, a Card, or any of the Corporation's products, programs, services, networks, or systems.



Note

An addition to this Rule appears in Chapter 15, "United States Region Rules."

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3.10.5 Fees, Expenses and Other Payment Obligations

If a Member does not timely pay the Corporation or any other person any amount due under the Standards, then the Corporation has the right, immediately and without providing prior notice to the Member, to assess and collect from that Member, on a current basis as the Corporation deems necessary or appropriate, such amount, as well as the actual attorneys' fees and other costs incurred by the Corporation in connection with any effort to collect such amount from that Member.

The Corporation may assess and collect such amount at any time after the applicable amount becomes due, by any means available to the Corporation, which shall specifically include, by way of example and not limitation:

1. The taking or setoff of funds or other assets of the Member held by the Corporation;
2. The taking or setoff of funds from any account of the Member upon which the Corporation is authorized to draw;
3. The taking of funds due to the Member from any other Member; and
4. The taking of funds being paid by the Member to any other Member.

Each Member expressly authorizes the Corporation to take the Member's funds and other assets as authorized by this Rule, and to apply such funds and other assets to any obligation of the Member to the Corporation or any other person under the Standards, and no Member shall have any claim against the Corporation or any other person in respect of such conduct by the Corporation. Each Member agrees upon demand to promptly execute, acknowledge and deliver to the Corporation such instruments, agreements, lien waivers, releases, and other documents as the Corporation may, from time to time, request in order to exercise its rights under this Rule.

If the Corporation draws on the Member's funds, the Corporation is not required to reimburse the Member or any third party (including another Member) for funds drawn which are owned by any of them or otherwise subject to any of their rights. The Member and any third party (including another Member) bear all risk and liability related to the funds drawn and shall jointly and severally indemnify and hold the Corporation harmless from all liability and claims arising from any such draw of funds.

3.10.5.1 Taxes and Other Charges

Each Member must pay when due all taxes charged by any country or other jurisdiction in which the Member conducts Activity with respect to such Activity. In the event the Corporation is charged taxes or other charges by a country or other jurisdiction as a result of or otherwise directly or indirectly attributable to Activity, the Member is obligated to reimburse the Corporation the amount of such taxes or other charges and the Corporation may collect such taxes or other charges from the settlement account of the Class A Member responsible in accordance with the Standards for the Activity that gave rise to the charge.

3.11 Limitation of Liability of Cardholders for Unauthorized Use

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Note

A Rule on this topic appears in Chapter 10, "Asia/Pacific Region Rules"; Chapter 11, "Canada Region Rules"; Chapter 14, "South Asia/Middle East/Africa Region Rules"; and Chapter 15, "United States Region Rules."

3.12 Pay-Per-Call Service

The use of a "900" or other "pay-per-call" telephone service to offer or solicit for any Activity is prohibited.

3.13 Encashment of MasterCard Travelers Cheques

Each Member must encash MasterCard® Travelers Cheques issued in any currency when presented for payment at any of its locations, provided:

1. Such encashment is permitted by law; and
2. The Member has the ability (including a foreign exchange capability, with respect to a currency other than U.S. currency MasterCard Travelers Cheques presented for encashment) to encash such cheques as a result of the business it normally conducts at a location.

If the encashing Member encashes any other brand of travelers cheques at a location, the Member may impose terms and conditions for the encashment of MasterCard Travelers Cheques that it uses to encash other brands of travelers cheques.

Compliance Zones

The following table identifies the noncompliance category that the Corporation has assigned to the Standards described within this chapter. These noncompliance categories are assigned for the purposes of assessments under the compliance framework, as described in Rule 3.1.2.

Rule Number	Rule Title	Category
3.1.2.3	Certification	C
3.2	Conduct of Activity	A

Rule Number	Rule Title	Category
3.5	Examination and Audit	A
3.6.1	Obligation of Member to Provide Information	C
3.6.1.1	Information to Cardholders	B
3.6.1.2	Information to Merchants	B
3.6.4	Confidential Information of the Corporation and the Corporation's Affiliates	A
3.6.5	Data Protection—Europe Region Only	A
3.7	Quarterly Member Report	A
3.8	Authorization Service	A
3.8.1	Selective Authorization	B
3.8.2	Authorization Routing	A
3.8.7	Intracountry Transactions	A
3.9	Transaction Requirements	A
3.9.2	Card-Not-Present Transactions	B
3.9.3	Refund Transactions	B
3.9.4	Automated Fuel Dispenser Transactions	B
3.9.5	Issuer Performance Standards	A
3.9.7	Euro Migration	C
3.10.1	Safeguard Card Account and Transaction Information	A
3.10.2	Satisfaction of Minimum Member Obligations	A
3.10.3	Satisfaction of Minimum Financial Requirements	A
3.10.4	Integrity of Brand and Network	A
3.10.5.1	Taxes and Other Charges	C
3.11	Limitation of Liability of Cardholders for Unauthorized Use	B
3.12	Pay-Per-Call Service	B
3.13	Encashment of MasterCard Travelers Cheques	B

4

Trademarks and Service Marks

This chapter contains information about use of the Marks and competing marks.

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4.1 Right to Use the Marks

4.1.1 Licenses

A right to use one or more Marks or to use the Interchange System to process unbranded transactions is granted to Members and other licensees only pursuant to the terms of a License or other agreement with the Corporation. Unless an interim License has been granted, a Mark must not be used in any form or manner before the execution of a written License and, if applicable, a License addendum.

No additional interest in the Marks is granted with the grant of a right to use the Marks. A Licensee is responsible for all costs and liabilities resulting from or related to its use of a Mark or the Interchange System.

Except as otherwise set forth in Rule 1.5.4, each License is non-exclusive and non-transferable. The right to use a Mark may be sublicensed by a Licensee to any Sub-licensee only in accordance with the Standards or otherwise with the express written consent of the Corporation. A Member or other Licensee that is permitted to sublicense the use of a Mark to a Sub-licensee must ensure, for so long as the sublicense is in effect, that the Mark is used by the Sub-licensee in accordance with the Standards and/or other additional conditions for such use required by the Corporation.

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The right to use a Mark cannot be sublicensed or assigned, whether by sale, consolidation, merger, amalgamation, operation of law, or otherwise, without the express written consent of the Corporation.

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The Corporation makes no express or implied representations or warranties in connection with any Mark and the Corporation specifically disclaims all such representations and warranties.

4.1.2 Protection and Registration of the Marks

Protection of the Marks is vital to the Corporation, its Members and other Licensees. Any use of a Mark must not degrade, devalue, denigrate, or cause injury or damage to the Marks or the Corporation in any way.

By using any Mark, each Member and other Licensee acknowledges the Corporation's sole ownership of the Marks and agrees not to challenge or contest the Corporation's exclusive ownership of the Marks, assist others in doing so either directly or indirectly or otherwise take or assist others in taking any acts or failing to take actions that would be inconsistent with that ownership. All use of any Mark will inure solely to the benefit of the Corporation.

No Member or other Licensee or Sub-licensee may register, attempt to register or in any way make use of the Marks, or any mark or term that, in the sole discretion of the Corporation, is deemed to be derivative of, similar to, or in any way related to a Mark. In particular, no use of a Mark may be made on or in connection with any card, device or other application associated with a payment service that the Corporation deems to be competitive with any Activity.

Without limitation, the foregoing shall specifically apply to registration or use of any mark or term that incorporates, references or otherwise could be confused or associated with a Mark currently or previously Licensed, Sublicensed or otherwise used by a Member, the Member's Sub-licensees and permittees and their respective successors or assignees (including, without limitation, by virtue of acquisition by merger or otherwise, bankruptcy or voluntary or involuntary winding-up.)



Note

An addition to this Rule appears in Chapter 12, "Europe Region Rules."

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4.1.2.1 Registration of a Card Face Design

A Member or other Licensee must not register or attempt to register any Card face design that includes the MasterCard Brand Mark.

4.1.3 Misuse of a Mark

Each Member and other Licensee must promptly notify the Corporation whenever it learns of any misuse of any Mark or of any attempt to copy or infringe any of the Marks.

4.2 General Rules for Use of the Marks

4.2.1 Use of the Marks

A Mark may be used only pursuant to a License. This provision applies, without limitation, to:

1. Use of a Mark for advertising or promotional purposes;
2. Placing orders for card stock or for any other materials bearing a Mark;
3. Displaying a Mark;
4. Issuing Cards;

5. Signing Merchants; and
6. Distributing or affixing decals.

A Mark may only be used by Members and Licensees to identify and promote Activities, in compliance with the Standards.

4.2.2 Compliance

Any use of a Mark must comply with the License, the Standards, and all of the Corporation's reproduction, usage, and artwork standards as may be in effect from time to time.

4.2.3 Required Use

Each Member must prominently display the applicable Mark in all advertising, marketing, promotional, and collateral materials promoting a program or service offered by the Corporation. The inclusion of the MasterCard Word Mark in the headline or title, or the prominent display of the MasterCard Word Mark on the first page of the offering, satisfies this requirement.

4.2.4 Review of Solicitations

The Corporation reserves the right to review samples and approve or refuse to approve use of a Solicitation. Amended samples, if required as a result of this review, also must be forwarded to the Corporation for review. Without the express prior written consent of the Corporation, an Issuer may not use a Solicitation or any other application, advertisement, promotion, marketing communication, offer, or the like in which a Card Program is in any way linked to a different payment card program.

4.2.5 Signage System

The Corporation's interlocking circles signage system is employed when one or more brands using the MasterCard interlocking circles device is accepted at a point of interaction. The system requires the consecutive vertical or horizontal display of the brand Marks in the following sequence—MasterCard, MasterCard Electronic, Maestro, Cirrus. Of the four brands, only those brands that are accepted at a particular point of interaction may be displayed there. The MasterCard Electronic brand mark must not be displayed on an ATM.

4.2.6 Particular Use of a Mark

4.2.6.1 Generic Use

A generic term, such as “bank card” or “payment card”, does not function as a Mark. Use of a Mark in a manner that would tend to genericize that Mark or otherwise result in the loss of trademark rights is prohibited.

4.2.6.2 Use of Modifiers

A Member is permitted to use its name or a geographical designation in conjunction with the MasterCard Word Mark, such as “California MasterCard card program” or “First Issuer MasterCard Department.” The Corporation may prohibit the use of a modifier that it determines will impair the distinctiveness of any Mark or create any likelihood of confusion or reflect poorly on the Corporation.

4.2.6.3 Use on Stationery

Subject to the Standards, a Licensee is permitted to use a Mark on print or electronic stationery, letterhead, envelopes, and the like for the purpose of identifying its Program or service. If the MasterCard Word Mark is used, the Licensee’s name must appear in close proximity to it, such as “Superior National Bank MasterCard® Department.”

4.2.6.4 Use on Non-Licensed Goods

A Mark may not be used in a manner likely to create the impression that any good or service offered by the Licensee or Sub-licensee is sponsored, produced, offered, approved, sold by, or otherwise affiliated with the Corporation. Each Licensee must ensure that each of its Sub-licensees, partners, Merchants, and other Program participants does not apply a Mark to any good or service not expressly covered under the terms of a License.

4.2.6.5 Use on Checks

A Mark may not be placed on a check, except as permitted by a “Master Checking” License.

4.2.6.6 Use on Cards

Standards governing the use of Marks on Cards, including but not limited to multiple application EMV chip Cards and other Cards displaying co-residing Marks, are set forth in the Card Design Standards System, available on MasterCard Online, which are incorporated into these Rules by reference.



Note

An addition to this Rule appears in Chapter 12a, “Europe Region Debit-related Rules,” Chapter 12b, “SEPA Rules,” Chapter 10a, “New Zealand Rules,” Chapter 14a, “South Africa Rules,” Chapter 15a, “United States Region Debit-related Rules,” and Chapter 15b, “United States Region PIN-based Debit Transaction Rules.”

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4.2.7 Use of the MasterCard Word Mark

The MasterCard Word Mark “MasterCard®” must appear in English and must be spelled correctly and as one word. The letters “M” and “C” must be capitalized. “MasterCard” must not be abbreviated, hyphenated, used in the plural or possessive, or translated from English into another language.

4.2.7.1 Use or Registration of “Master” Terminology

Except as expressly permitted in writing by the Corporation, the word “Master” may not be used or registered as part of a trademark, service mark, corporate name, business name, or Program name, whether preceding, following or linked together as one word, or with a hyphen or slash, or in connection with any financial or bank-related goods or services.

4.2.7.2 Use of MasterCard in a Corporate, Business or Domain Name

The MasterCard Word Mark may not be used as part of a legal, corporate, or business name, such as “MasterCard® Center, Inc.” No Internet domain name may be registered that includes the word “MasterCard,” except as expressly permitted in writing by the Corporation.

4.2.7.3 Use of MasterCard in Text

The MasterCard Word Mark must be used as an adjective (as in “your MasterCard® card”) in the first or most prominent use subsequent to any use in the title, headline, signature, or cover page of an offering, unless:

1. the word “MasterCard” is used as part of a Member’s Program name (as in “Member/Program name MasterCard”); or
2. otherwise expressly approved in writing by the Corporation.

Use of the word “MasterCard” as a verb (“MasterCard your gifts”), in plural (“MasterCards”) or in possessive form is prohibited.

4.2.7.4 Registration Notice

The MasterCard Word Mark must be accompanied by the registration notice ® or the local law equivalent. (Refer to the reproduction, usage, and artwork Standards for the correct use and placement of the registration mark.)

4.2.7.5 Program Names

Each MasterCard Program name, offering, and service must be referred to by the full, legal name and include the appropriate registration notice.

4.2.8 Use of the Interlocking Circles Device

4.2.8.1 Reproduction Standards

The MasterCard interlocking circles device must be reproduced in accordance with all of the following requirements:

1. All color, version, and other specifications set forth in the MasterCard Brand Center Web site at www.mastercardbrandcenter.com and in the Card Design Standards;
2. With a MasterCard brand name (such as “MasterCard,” “MasterCard Electronic,” “Maestro,” or “Cirrus”) in custom lettering placed within the circles, except as expressly permitted by the Corporation. Only a permitted MasterCard brand name may be superimposed on any part of the interlocking circles device; and
3. Accompanied by the registration notice ® or the local law equivalent in close proximity to the Mark. If the maximum horizontal dimension of the interlocking circles device is one inch or less, the registration notice may be omitted.

4.2.8.2 Variations Prohibited

All modifications, alterations, and variations of the MasterCard interlocking circles device are prohibited without the express written consent of the Corporation.

4.2.8.3 Use or Registration of Similar Logos, Designs, and Names

A Member, Licensee, or Sub-licensee may not use or seek to register any logo, design, or decorative element that includes two or more interlocking, adjoining, or adjacent circles, spheres, globes, or similar shapes that, in the sole discretion of the Corporation, may be likely to cause confusion with, or create a false association, connection or affiliation with, or dilute the distinctiveness of the MasterCard interlocking circles device.

4.2.9 Use of Multiple Brand Marks

When two or more Marks that use the MasterCard interlocking circles device are displayed together, they must have visual parity with one another.

When promoting any Mark with another acceptance mark in any media to denote acceptance, no other acceptance mark, symbol or logo may be or appear to be larger or more important than or more welcomed than the Mark. To maintain visual parity, a Mark must be at least as prominent as, and appear in at least the same frequency, size, and color treatment as, any other acceptance mark displayed. To maintain parity within written text, the MasterCard Word Mark must be at least as prominent as, and appear at least as frequently as, any other acceptance mark mentioned.

4.2.10 Use of the Card Face Design

4.2.10.1 In Advertising and Marketing Material

An Issuer is permitted to depict a Card face for an advertising or marketing purpose, subject to the following requirements:

1. The proportions of the Card face design, including typestyle and relative positions of the legends, may not be altered or distorted.
2. The legend “VALID THRU” or the equivalent must be depicted on the Card face design, unless the Card face design contains an effective date and an expiration date, in which case the words “VALID DATES” must be depicted in accordance with the requirements set forth in section 2.5.1.5 of the *Security Rules and Procedures* manual and in the Card Design Standards System.

3. The Card face design must bear account information (for example, the account number, the effective date and/or expiration date) and all Card face design requirements set forth in the *Security Rules and Procedures* manual and in the Card Design Standards System.

The first six digits of the account number must be either a Bank Identification Number (BIN) assigned to the Issuer by the Corporation or the unassigned BIN 541275, which the Corporation has set aside for Issuer use in advertising and marketing Card face designs.

4. The MasterCard Identification Area (or the MasterCard Brand Mark, if the Card face design depicts a Card with the hologram on the Card back) must be completely visible on at least one Card face design depicted in the materials.

4.2.10.2 In Merchant Advertising

A Merchant is prohibited from using the Card face design to indicate acceptance in Merchant advertising or other signage, other than signage for a Co-brand Program in which the Merchant is a Co-brand Partner. A Merchant may display an Issuer-specific Card face design in Merchant advertising and any other signage that is not used to signify acceptance.

4.2.10.3 In Statement Enclosures

The Card face design must be displayed on statement enclosures used to offer goods or services to cardholders through the use of a Member's Card. The MasterCard Brand Mark may be used in lieu of the Card face design if the Member's name is displayed on the statement enclosure.

4.2.11 Use of the MasterCard Brand Mark on Other Cards

The MasterCard Brand Mark may not be used on a promotional card or other card without the prior written consent of the Corporation.

4.2.12 Use of a Competing Mark on Cards

Unless expressly permitted by the Corporation, none of the following marks or any similar or related mark, or any mark owned by or affiliated with one of these entities, may appear on a Card:

1. American Express
2. JCB
3. Diners Club
4. Discover

5. Visa
6. Any other name, logo, or mark identifying or in any way associated with a payment service that the Corporation deems to be competitive with any MasterCard product or Program.

Any such competitor's credit or debit POI mark, logo, or name, regardless of whether registered, may not appear on a Card, nor may a payment application of any such competitor reside on the magnetic stripe or chip of a Card. The appearance of the PLUS brand mark or the PLUS word mark on the back of a Card is permitted where there is an effective PLUS agreement with the Issuer executed before July 1996.

No Member or other Licensee or Sub-licensee or any of its affiliates may register, attempt to register, or in any way make use of any Marks or any mark or term that the Corporation in its sole discretion deems to be derivative of, similar to, dilutive of, or in any way related to a Mark on any Card, device, or other application associated with a payment service that the Corporation deems to be competitive with any Activity of the Corporation. Without limitation, the foregoing shall specifically apply to registration or use of any mark or term that incorporates, references, or otherwise could be confused or associated with any Mark currently or previously Licensed, sublicensed (to the extent sublicensing has been previously permitted), or used by a Member, its Sub-licensees and permittees, and their respective successors or assignees (including, without limitation, by virtue of acquisition by merger or otherwise, bankruptcy or voluntary or involuntary winding-up.)

4.2.13 Use of Other Acceptance Marks on Cards

No acceptance mark may appear on a Card except as set forth in the Standards, including the Card Design Standards System.



Note

An addition to this Rule appears in Chapter 12b, "SEPA Rules."

4.2.14 Use on Mobile Payment Devices

Standards governing the use of Marks on Mobile Payment Devices are set forth in the MasterCard *PayPass* Branding Standards, which are incorporated into these Rules by reference. Information regarding the MasterCard *PayPass* Branding Standards is available by e-mail from paypass@mastercard.com.

Compliance Zones

The following table identifies the noncompliance category that the Corporation has assigned to the Standards described within this chapter. These noncompliance categories are assigned for the purposes of assessments under the compliance framework, as described in Rule 3.1.2.

Section Number	Section Title	Category
4.1.1	Licenses	A
4.1.2	Protection and Registration of the Marks	B
4.1.3	Misuse of a Mark	B
4.2	General Rules for Use of the Marks	B

5

Merchants and Sales Transactions

This chapter contains information about Acquirer and Merchant obligations and acceptance procedures.

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5.1 The Merchant Agreement

Each Member in its capacity as an Acquirer must directly enter into a written Merchant Agreement with each Merchant from which it acquires Transactions, whether such Transactions are submitted to the Member directly by the Merchant or through a Member Service Provider acting for or on behalf of such Member.

An Acquirer shall not submit into interchange any Transaction resulting from the acceptance of a Card by an entity or person except pursuant to a Merchant Agreement then in effect between the Acquirer and the entity or person.

The Merchant Agreement must reflect the Acquirer's primary responsibility for the Merchant relationship and must otherwise comply with the Standards.

5.1.1 Verify Bona Fide Business Operation

Before entering into, extending, or renewing a Merchant Agreement, an Acquirer must verify that the Merchant from which it intends to acquire Transactions is a bona fide business, has sufficient safeguards in place to protect from unauthorized disclosure or use such Cardholder and Transaction information as the Standards permit to be captured, and complies with applicable laws, and that each Transaction will reflect bona fide business between the Merchant or Sub-merchant and a Cardholder. Procedures for verifying that a Merchant is a bona fide business are set forth in section 7.1 of the *Security Rules and Procedures* manual.

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5.1.2 Required Terms

Each Merchant Agreement must contain the substance of each of the Standards set forth in Rules 5.6 through 5.12. Furthermore, each Merchant Agreement with a gambling Merchant must incorporate the requirements set forth in section 2.5.4 of the *Chargeback Guide*. The failure to include the substance of any one or more of such Standards in the Merchant Agreement or the grant of a variance by the Corporation with respect to any one or more such Standards does not relieve an Acquirer from responsibility for chargebacks or compliance.

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Each Merchant Agreement may contain only such terms agreed to by the Acquirer and the Merchant, provided that no such term conflicts with any Standard.

Each Merchant Agreement with a Merchant registered as a Payment Facilitator must additionally contain the substance of Rule 5.5 and a provision stating that the Payment Facilitator accepts financial liability for all Transactions entered into interchange on behalf of its Sub-merchants and will be responsible for the handling of all disputed Transactions, credits, and customer service-related expenses. The Merchant Agreement must provide for:

1. The Acquirer's right to terminate the Payment Facilitator, and
2. The Payment Facilitator's obligation to ensure the ongoing compliance of each of its Sub-merchants with the Standards and
3. The Payment Facilitator's obligation to terminate the written agreement with a Sub-merchant for the conduct of activity deemed by the Payment Facilitator, its Acquirer, or the Corporation to be in violation of the Standards.



Note

Additions to this Rule appear in Chapter 10a, "New Zealand Rules"; Chapter 12, "Europe Region Rules"; Chapter 14a, "South Africa Rules"; and Chapter 15a, "United States Region Debit-related Rules."

5.1.3 Assessments for Merchant Agreement Noncompliance

An Acquirer in violation of Rule 5.1 may be assessed up to USD 2,500 per day with respect to each entity or person on whose behalf the Acquirer submits Transactions into interchange with no Merchant Agreement being in effect between the Acquirer and the entity or person, retroactive to the first day of such noncompliant practice.

5.2 Acquirer Obligations

An Acquirer must satisfy all of the obligations set forth in this Rule 5.2.

5.2.1 Acquiring Transactions

Each Acquirer must acquire all Transactions properly presented to it from each of its Merchants on such terms as set forth in the Merchant Agreement.

5.2.2 Merchant and Sub-merchant Compliance with the Standards

The Acquirer is responsible for ensuring that each of its Merchants complies with the Standards, and the Acquirer is itself responsible to the Corporation and to other Members for any Merchant's or Sub-merchant's failure to do so. The Acquirer must take such actions that may be necessary or appropriate to ensure a Merchant's or Sub-merchant's ongoing compliance with the Standards. Failure by a Merchant, Sub-merchant, or Acquirer to comply with any Standard may result in chargebacks, an assessment to the Acquirer, and/or other disciplinary action.

5.2.3 Merchant Information

The Acquirer must maintain, on an ongoing basis, the names and addresses of every Merchant participating in the Acquirer's Program and promptly supply the Corporation with any such information upon request.

5.2.4 Payments to Merchants

Each Acquirer must pay each Merchant for all Transactions the Acquirer acquires from the Merchant in accordance with the Merchant Agreement and the Standards. This obligation is not discharged with regard to a Transaction until the Merchant receives payment from the Acquirer that acquired the Transaction, notwithstanding any Acquirer payment arrangement, including any such arrangement between an Affiliate Member and a Class A Member. A Merchant Agreement may provide for an Acquirer to withhold amounts for chargeback reserves or similar purposes in accordance with the Standards.



Note

An addition to this Rule appears in Chapter 11, "Canada Region Rules."

5.2.5 Supplying Materials

Each Acquirer must regularly ensure that each of its Merchants is provided with all materials necessary to effect Transactions in accordance with the Standards and to signify MasterCard acceptance. These materials may include sales slips, credit slips, terminals, authorization services, MasterCard acceptance decals, signage, and the like.



Note

An addition to this Rule appears in Chapter 15a, "United States Region Debit-related Rules."

5.3 Merchant Monitoring

Each Acquirer must monitor on an ongoing basis the Activity and use of the Marks of each of its Merchants for the purpose of deterring fraudulent and other wrongful activity and to ensure ongoing compliance with the Standards. Minimum Merchant monitoring Standards are set forth in the *Security Rules and Procedures* manual.

5.4 Use of a Payment Facilitator

The Acquirer is liable for all acts and omissions by a Payment Facilitator and any Sub-merchant.

A Payment Facilitator may not be a Sub-merchant of any other Payment Facilitator, nor may a Payment Facilitator be a Payment Facilitator for another Payment Facilitator.

Unless otherwise approved by the Corporation, any Sub-merchant that exceeds USD 100,000 in annual sales may not be or continue to be a Sub-merchant and must enter into a Merchant Agreement directly with a Member.

5.4.1 Responsibility for Payment Facilitator and Sub-merchant Activity

The Acquirer is responsible for the Activity of the Payment Facilitator and each of its Sub-merchants, and must comply with all of the following obligations related to such Activity:

1. The Payment Facilitator and each of its Sub-merchants must be located within the Acquirer's licensed Area of Use as described in Rule 2.3. The Acquirer must obtain an Extension of Area of Use of its license if either is located elsewhere, except as provided in parts 5, 6, 7 and 8 of Rule 2.4. The location of the Sub-merchant determines the location of a Transaction, not the location of the Payment Facilitator.
2. Settlement funds accessed by the Payment Facilitator may only be used to pay Sub-merchants.

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3. An Acquirer may permit a Payment Facilitator to manage the following on behalf of the Acquirer:
 - a. Verification that a Sub-merchant is a bona fide business operation, as set forth in Rule 5.5.1, except that the Acquirer itself must make a MATCH system inquiry about a prospective Sub-merchant prior to the Payment Facilitator entering into an agreement with the Sub-merchant; and
 - b. Retention of records concerning the investigation of any of its Sub-merchants, provided that such records are provided to the Acquirer immediately upon request; and
 - c. Payment to a Sub-merchant for Transactions by the Sub-merchant, as set forth in Rule 5.5.4.4; and
 - d. Ensuring that a Sub-merchant is supplied with materials necessary to effect Transactions as set forth in Rule 5.5.4.5; and
 - e. Monitoring a Sub-merchant's Activity on an ongoing basis to deter fraud or other wrongful activity, as set forth in Rule 5.5.4.6.
4. Neither the Payment Facilitator nor the Sub-merchant may require a Cardholder to waive a right to dispute a transaction.
5. The Acquirer must ensure that all Sub-merchants are identified with the Card acceptor business code (MCC) that most closely reflects the Sub-merchant's primary business, as set forth in the *Quick Reference Booklet*. The Corporation shall have the ultimate authority to dictate the appropriate MCC if any dispute shall arise. MCC 7995 must be assigned to any Sub-merchant that sells gambling chips or other value usable for gambling, even if such sales is a minimal part of the Sub-merchant's business. (Alternatively, multiple MCCs may be used as appropriate.)
6. The Acquirer must provide to the Corporation a quarterly Activity report for each Sub-merchant of the Payment Facilitator that includes:
 - a. Sub-merchant name and location as appears in DE 43 (Card Acceptor Name/Location) of clearing records
 - b. Sub-merchant "doing business as" name or URL
 - c. Sub-merchant MCC(s)
 - d. Transaction sales count and amount for each MCC
 - e. Transaction chargeback count and amount for each MCC

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5.4.2 High-Risk Payment Facilitators

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A Payment Facilitator that proposes to sponsor as Sub-merchants one or more entities conducting business that may be described under any one of the following MCCs or any entity that, as a Merchant, was reported under the Excessive Chargeback Program is deemed by the Corporation to be a “High-Risk Payment Facilitator”:

- Telecom merchants—MCCs 4813, 4814, 4816, and 5967
- Electronic commerce (e-commerce) adult content (videotext) merchants—MCCs 5967, 7273, and 7841
- Non-face-to-face gambling merchants—MCC 7995
- Non-face-to-face prescription drug merchants—MCC 5122 and MCC 5912
- Non-face-to-face tobacco product merchants—MCC 5993.

The acquirer must register each such entity in the MasterCard Registration System (MRP) via MasterCard OnLine before accepting Transactions arising from such entity, whether directly or through a Payment Facilitator, as described in chapter 9 of the *Security Rules and Procedures* manual.

The Corporation, in its sole discretion, may de-register a Payment Facilitator if it or any of its Sub-merchants is identified as generating excessive chargebacks or fraudulent activity or of violating any Standard or applicable law.

The Corporation reserves the right to de-register a Payment Facilitator or Sub-merchant that in the opinion of the Corporation, participates in any activity that may cause damage to the Corporation.

Each Acquirer that has entered into a Merchant Agreement with a High-Risk Payment Facilitator must ensure that the Corporation receives a monthly Sub-merchant Activity report that provides the information set forth in Rule 5.4.1, part 6.

The Merchant monitoring requirements set forth in section 9.3 of the *Security Rules and Procedures* manual apply to High-Risk Payment Facilitators.

5.4.3 Registration Requirements for Payment Facilitators

To propose a Merchant for registration as a Payment Facilitator, the Acquirer must:

- be a Member in good standing with the Corporation, and
- meet any and all capital requirements designated by the Corporation, and
- if the entity is deemed to be a potential High-Risk Payment Facilitator, be in good standing with all of the Corporation's risk management programs.

To register a Merchant as a Payment Facilitator, the Acquirer must:

1. Submit all information and material required by the Corporation in connection with the proposed registration within 60 calendar days of the registration application submission date; and
2. Ensure that the Payment Facilitator is compliant with the MasterCard Site Data Protection (SDP) Program in accordance with the implementation schedule applicable to Merchants set forth in section 10.3.4 of the *Security Rules and Procedures* manual. Before initiating registration, the Member must instruct the proposed Payment Facilitator to contact the Corporation via e-mail at sdp@mastercard.com and validate its compliance with the SDP Program using the tools described in section 10.3.2 of the *Security Rules and Procedures* manual, or if the proposed Payment Facilitator is not compliant, provide a Corporation-approved compliance action plan. A Corporation-approved compliance action plan does not exempt the Acquirer or its Sponsoring Class A Member if applicable from responsibility and liability that arises from the noncompliance of the Payment Facilitator or any of its sponsored Sub-merchants with any Standard, including those relating to the disclosure and securing of Cardholder account and Transaction data.

The Acquirer or if an Affiliate Member, its sponsoring Class A Member, must use the MasterCard Registration Program (MRP) system on MasterCard OnLine to complete the registration procedure.

The Acquirer must receive the Corporation's written or e-mail confirmation of the Payment Facilitator's registration before the Acquirer may submit Transactions from the Payment Facilitator or any of its Sub-merchants into interchange. In its sole discretion, the Corporation may approve or may reject any application for the registration of a Payment Facilitator.

To maintain the registration of a Payment Facilitator, the Acquirer must submit such information and material as may be required by the Corporation from time to time, including but not limited to a copy of the agreement between the Acquirer and Payment Facilitator. In its sole discretion, the Corporation may decline to renew the registration of a Payment Facilitator.

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The Corporation will collect all registration, renewal and any other applicable fee(s) then in effect, if any, from the Acquirer or if an Affiliate Member, its Sponsoring Class A Member via the MasterCard Consolidated Billing System (MCBS).

If the Acquirer ceases to accept Sub-merchant Transactions from or terminates a Payment Facilitator, the Acquirer must notify the Corporation of the date and reasons for such action within one week of the decision. In its sole discretion, the Corporation may require an Acquirer to cease to accept Sub-merchant Transactions from a Payment Facilitator at any time.

5.5 Payment Facilitator Obligations

A Payment Facilitator is a Merchant and has all of the rights and responsibilities of a Merchant under the Standards.

The Acquirer must ensure that its Payment Facilitator satisfies all of the obligations set forth in this Rule 5.5.

5.5.1 Sub-merchant Screening Procedures

Before entering into, extending, or renewing an agreement with a Sub-merchant, a Payment Facilitator must verify that the entity is a bona fide business, has sufficient safeguards in place to protect Cardholder and Transaction information permitted by the Standards to be captured from unauthorized disclosure or use, complies with applicable laws, and that each Transaction submitted by the Sub-merchant will reflect bona fide business between the Sub-merchant and a Cardholder.

In determining whether the entity is a bona fide business, the Payment Facilitator must verify, at a minimum, that all of the following have been completed:

1. Credit check, background investigations, and reference checks of the Sub-merchant. If the credit check raises questions or does not provide sufficient information, the Payment Facilitator also should conduct a credit check of:
 - a. the owner, if the entity is a sole proprietor
 - b. the partners, if the entity is a partnership

- c. the principal shareholders, if the entity is a corporation
2. Inspection of the entity's premises or Web sites and records to ensure that it has the proper facilities, equipment, inventory, agreements, and personnel required and if necessary, license or permit and other capabilities to conduct business. If the entity has more than one set of premises or Web site, the Payment Facilitator must inspect at least one of them.

The Payment Facilitator must retain all records concerning the investigation of any entity with which it has entered into a Sub-merchant agreement for a minimum of two years after the date the agreement is terminated or expires.

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5.5.2 MATCH Inquiry Required

Before entering into, extending, or renewing an agreement with a Sub-merchant, the Payment Facilitator must request that its Acquirer make an inquiry to the MasterCard Member Alert to Control (High-risk) Merchants (MATCH) system. The Acquirer must ensure that the Payment Facilitator does not sponsor as a Sub-merchant any entity listed on the MATCH system as having been terminated for a reason described in section 11.5.1 of the *Security Rules and Procedures* manual.

The Acquirer must add each Sub-merchant terminated for any such reason to the MATCH system per section 11.2.2 of the *Security Rules and Procedures* manual.

5.5.3 Sub-merchant Agreement

Each Payment Facilitator must enter into a written agreement with each Sub-merchant which sets forth the terms applicable to the Sub-merchant's acceptance of Cards and otherwise complies with this Rule 5.5.3.

The Sub-merchant agreement must not interfere with or lessen the right of the Payment Facilitator, the Acquirer, or the Corporation to terminate the agreement at any time. The Corporation reserves the right to restrict a Payment Facilitator from entering into a Sub-merchant agreement based on the business of the entity or other criteria as the Corporation deems appropriate.

5.5.3.1 Required Provisions

Each agreement between a Payment Facilitator and its sponsored Sub-merchant must contain the substance of each of the Standards set forth in Rules 5.6 through 5.12, and specify that these Standards are applicable to Sub-merchants to the same extent as to Merchants. The failure of the Payment Facilitator to include the substance of any one or more of such Standards in the Sub-merchant agreement or the grant of a variance by the Corporation with respect to any one or more such Standards does not relieve an Acquirer from responsibility for chargebacks or compliance related to the Activity of or use of the Marks by the Sub-merchant.

The Sub-merchant agreement must, in substance, include all of the following provisions:

1. On an ongoing basis, the Sub-merchant is promptly to provide the Payment Facilitator with the current address of each of its offices, all “doing business as” (DBA) names used by the Sub-merchant, and a complete description of goods sold and services provided to members.
2. In the event of any inconsistency between any provision of the Sub-merchant agreement and the Standards, the Standards will govern.
3. The Payment Facilitator is responsible for the Card acceptance policies and procedures of the Sub-merchant, and may require any changes to its Web site or otherwise that it deems necessary or appropriate to ensure that the Sub-merchant remains in compliance with the Standards governing the use of the Marks.
4. The Sub-merchant agreement automatically and immediately terminates if the Corporation de-registers the Payment Facilitator or if the Payment Facilitator’s Acquirer ceases to be a Member for any reason or if such Acquirer fails to have a valid License with the Corporation to use any Mark accepted by the Sub-merchant.
5. The Payment Facilitator may, at its discretion or at the direction of its Acquirer or the Corporation, immediately terminate the Sub-merchant agreement for activity deemed to be fraudulent or otherwise wrongful by the Payment Facilitator, its Acquirer, or the Corporation.
6. The Sub-merchant acknowledges and agrees:
 - a. to comply with all applicable Standards, as amended from time to time;
 - b. that the Corporation is the sole and exclusive owner of the Marks;
 - c. not to contest the ownership of the Marks for any reason;
 - d. the Corporation may at any time, immediately and without advance notice, prohibit the Sub-merchant from using any of the Marks for any reason;

- e. the Corporation has the right to enforce any provision of the Standards and to prohibit the Sub-merchant and/or its Payment Facilitator from engaging in any conduct the Corporation deems could injure or could create a risk of injury to the Corporation, including injury to reputation, or that could adversely affect the integrity of the Interchange System, the Corporation's Confidential Information as defined in the Standards, or both; and
- f. the Sub-merchant will not take any action that could interfere with or prevent the exercise of this right by the Corporation.

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The Sub-merchant agreement must not contain any terms that conflict with any Standard.

5.5.4 Obligations as Sponsor of Sub-merchants

A Payment Facilitator must fulfill all of the following obligations with respect to each of its Sub-merchants.

5.5.4.1 Submit Valid Transactions

The Payment Facilitator must submit to its Acquirer records of valid Transactions submitted by a Sub-merchant and involving a bona fide Cardholder. The Payment Facilitator must not submit to its Acquirer any Transaction that the Payment Facilitator or the Sub-merchant knows or should have known to be fraudulent or not authorized by the Cardholder, or that either knows or should have known to be authorized by a Cardholder colluding with the Sub-merchant for a fraudulent purpose. For purposes of this Rule, the Sub-merchant is deemed to be responsible for the conduct of its employees, agents, and representatives.

5.5.4.2 Sub-merchant Compliance with the Standards

The Payment Facilitator is responsible for ensuring that each of its Sub-merchants complies with the Standards, including but not limited to the Card acceptance requirements set forth in Rule 5.6. The Payment Facilitator must take such actions that may be necessary or appropriate to ensure the Sub-merchant's ongoing compliance with the Standards.

5.5.4.3 Maintaining Sub-merchant Information

The Payment Facilitator must maintain, on an ongoing basis, the names, addresses, and URLs if applicable of each of its Sub-merchants. The Acquirer must ensure that the Payment Facilitator promptly supplies the Corporation with any such information upon request.

5.5.4.4 Payments to Sub-merchants

Each Payment Facilitator must pay each Sub-merchant for all Transactions the Payment Facilitator submits to its Acquirer on the Sub-merchant's behalf. This obligation is not discharged with regard to a Transaction until the Sub-merchant receives payment from the Payment Facilitator with which the Sub-merchant has entered into an agreement, notwithstanding any payment arrangement between the Sub-merchant and the Payment Facilitator or between the Payment Facilitator and its Acquirer. A Sub-merchant agreement may provide for a Payment Facilitator to withhold amounts for chargeback reserves or similar purposes.

5.5.4.5 Supplying Materials to Sub-merchants

Each Payment Facilitator must regularly ensure that each of its Sub-merchants is provided with all materials necessary to effect Transactions in accordance with the Standards and to signify MasterCard acceptance. These materials may include sales slips, credit slips, terminals, authorization services, MasterCard acceptance decals, signage, and the like.

5.5.4.6 Sub-merchant Monitoring

Each Payment Facilitator must monitor on an ongoing basis the Activity and use of the Marks of each of its Sub-merchants for the purpose of deterring fraudulent and other wrongful activity and to ensure ongoing compliance with the Standards. For purposes of this Rule, the minimum Merchant monitoring Standards set forth in the *Security Rules and Procedures* manual apply with respect to Sub-merchants.

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5.6 Merchant Identification and Responsibility for Transactions

An Acquirer must ensure that each of its Merchants prominently and unequivocally informs the Cardholder of the identity of the Merchant at all points of interaction, so that the Cardholder readily can distinguish the Merchant from any other party, such as a supplier of products or services to the Merchant. A Merchant Web site must:

1. Prominently display the name of the Merchant;
2. Prominently identify the name of the Merchant as displayed on the Web site as both the Merchant and as the name that will appear on the Cardholder statement; and

3. Display Merchant name information as prominently as any other information depicted on the Web site, other than images of the products or services being offered for sale.

If the Cardholder is linked to a Payment Facilitator's Web site from a Sub-merchant's Web site for payment, the name of the Payment Facilitator must appear in DE 43 (Card Acceptor Name/Location), subfield 1 (Card Acceptor Name) in conjunction with the name of the Sub-merchant. If the Cardholder accesses the Payment Facilitator's Web site directly, and its name is visible to the Cardholder throughout Transaction from selection of goods and/or services to the completion of the checkout process, then the Payment Facilitator's name may appear in DE 43 without the name of the Sub-merchant. For Card-present Transactions, both the Payment Facilitator name and the Sub-merchant name must appear in DE 43, unless only the name of the Payment Facilitator is known to the Cardholder.

A Merchant must ensure that the Cardholder understands that the Merchant is responsible for the Transaction, including delivery of the products (whether physical or digital) or provision of the services that are the subject of the Transaction, and for customer service and dispute resolution, all in accordance with the terms applicable to the Transaction.

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5.7 Use of the Marks

A Merchant is only permitted to use a Mark in accordance with a Merchant Agreement with its Acquirer. The Merchant Agreement must provide that:

1. Any use of a Mark by a Merchant in acceptance advertising, acceptance decals, or signs, must be in accordance with the Standards, including the Corporation's reproduction, usage, and artwork Standards, as may be in effect from time to time; and
2. The Merchant's use or display of any Mark will terminate effective with the termination of the Merchant Agreement or upon notification by the Corporation to discontinue such use or display.

The Acquirer must ensure that its Merchant

1. Uses or displays the Marks in accordance with the Standards and
2. Ceases all use of the Marks and promptly returns any materials displaying the Marks immediately upon termination of the Merchant Agreement or notification by the Corporation to discontinue such use.

The use or display of any Mark does not give a Merchant any ownership or interest in the Mark.

5.7.1 Merchants Must Display the MasterCard Acceptance Mark

An Acquirer must ensure that all of its Merchants prominently display the MasterCard Acceptance Mark at the point of interaction to indicate that the Merchant accepts Cards. No other Mark or mark may be used for this purpose.

An Acquirer must ensure that each of its remote services Merchants display the MasterCard Acceptance Mark wherever payment options are presented. An Acquirer must provide its Merchants with the appropriate artwork in a format authorized by the Corporation. A Mark may not appear on the Web site of a supplier to a Merchant or of any other entity that is not itself a Merchant (such as, by way of example and not limitation, an entity that is contracted by the Merchant to deliver the products or provide the services that are subject of the Transaction).

The MasterCard Acceptance Mark must be clearly visible to the public at the point of interaction. The preferred location to post the MasterCard Acceptance Mark at a physical point of interaction is the entrance, nearby window or door of the Merchant or location, and on the first screen of an electronic point of interaction. Where it is not possible to post signage at the entrance of the Merchant or location, posting the MasterCard Acceptance Mark so that it can easily and readily be seen within the location will satisfy the requirement. Where it is not possible to post the MasterCard Acceptance Mark on the first screen of an electronic point of interaction, posting the MasterCard Acceptance Mark on the payment screen will satisfy the requirement.

5.7.2 Merchant Advertising and POI Materials

A Merchant may use the MasterCard Acceptance Mark in material or images at the physical or electronic point of interaction to indicate acceptance.

Other acceptance marks, symbols, logos, or combinations thereof may appear in the same material or image with the MasterCard Acceptance Mark, if no other acceptance mark, symbol, or logo is more prominent or likely to cause confusion concerning the acceptance of Cards.

5.7.3 Local/Regional Acceptance Brands

The MasterCard Acceptance Mark must be displayed as a free-standing mark, and, as such, may not be displayed so as to suggest that it is either a secondary means of payment to a local/regional acceptance brand, or exclusively linked to a local/regional acceptance brand.

Visual parity must be maintained between the MasterCard Acceptance Mark and any local/regional acceptance mark also displayed at a point of interaction or in Merchant advertising.

5.7.4 Direct Mail Cardholder Solicitation Merchants

Each Merchant Agreement with a Direct Mail Cardholder Solicitation Merchant shall contain the entire following provision:

“Merchant acknowledges that the trademark ‘MasterCard’ and the corresponding logotype are the property of MasterCard International Incorporated (herein, “the Corporation”). Merchant shall not infringe upon the mark or logo, nor otherwise use the mark or logo in such a manner as to create the impression Merchant’s products or services are sponsored, produced, affiliated with, offered, or sold by this Corporation.

“Merchant shall not use the mark or logo on its stationery, letterhead, envelopes, or the like nor in its solicitation; provided, however, that Merchant may use one of the mark or logo in close proximity to the payment or enrollment space in the solicitation in a size not to exceed 1 1/4 inches in horizontal length if a logo is employed, or, if a mark is used, in type not to exceed the size of the type used in the major portion of the text on the same page; provided further that the legend, ‘Accepted for Payment’ must accompany the mark or logo used and must be the equivalent size of the mark or logo. In no case, however, shall Merchant use any of the logo on the front or first page of its solicitation. One truthful statement that Merchant is directing or limiting its offer to MasterCard cardholders may appear in the body of the solicitation, other than in close proximity to the payment or enrollment space, subject to the limitation that:

1. only the word mark may be used;
2. the word mark may not
 - a. exceed in type size the size of any other type on the same page,
 - b. differ in color from the type used in the text (as differentiated from the titles) on the same page,
 - c. be as large or as prominent as the name of Merchant,
 - d. be the first item appearing on any page, nor
 - e. in any other way be the most prominent element of the page;
3. Merchant’s name and/or logo must appear prominently on the same page as the mark; and

4. the following disclaimer must appear in close proximity to the mark on the same page and in an equal size and type of print:

‘MasterCard International Incorporated is not affiliated in any way with [Merchant] and has not endorsed or sponsored this offer.’

“Merchant further agrees to submit its first direct mail solicitation(s), prior to mailing, to the MasterCard Law Department, to be reviewed only for compliance with this Corporation’s trademark rules and shall furthermore not distribute in any manner such solicitations until Merchant shall have obtained this Corporation’s written approval of the manner in which it uses MasterCard mark and logo on such solicitations. Merchant shall likewise, upon request, submit to the Corporation any amended solicitations prior to mailing.”

5.8 Card Acceptance Requirements

An Acquirer must ensure that each of its Merchants complies with the Card acceptance requirements set forth in this Rule 5.8 and in section 2.1 of the *Chargeback Guide*.

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5.8.1 Honor All Cards

A Merchant must honor all valid Cards without discrimination when properly presented for payment. A Merchant must maintain a policy that does not discriminate among customers seeking to make purchases with a Card. A Merchant that does not deal with the public at large (for example, a private club) is considered to comply with this rule if it honors all valid and properly presented Cards of Cardholders that have purchasing privileges with the Merchant.

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Note

Variations to this Rule appear in Chapter 10a, “New Zealand Rules”; Chapter 12a, “Europe Region Debit-related Rules”; Chapter 14a, “South Africa Rules”; and Chapter 15a, “United States Region Debit-related Rules.”

5.8.2 Merchant Acceptance



Note

A Rule on this topic appears in Chapter 10a, “New Zealand Rules”; Chapter 12, “Europe Region Rules”; Chapter 14a, “South Africa Rules”; and Chapter 15a, “United States Region Debit-related Rules.” A variation to the Europe Region Rule appears in Chapter 12a, “Europe Region Debit-related Rules.”

5.8.3 Obtain an Authorization

When required by the Standards or by the Acquirer, the Merchant must obtain an authorization before completing a Transaction.

For specific Merchant authorization requirements, refer to sections 2.1.2 through 2.1.5 of the *Chargeback Guide*.



Note

An addition to this Rule appears in Chapter 12, “Europe Region Rules.”

5.8.4 Additional Cardholder Identification

A Merchant must not refuse to complete a Transaction solely because a Cardholder who has complied with the conditions for presentment of a Card at the POI refuses to provide additional identification information, except as specifically permitted or required by the Standards. A Merchant may require additional identification from the Cardholder if the information is required to complete the Transaction, such as for shipping purposes. A Merchant in a country or region that supports use of the MasterCard Address Verification Service (AVS) may require the Cardholder’s ZIP or postal code to complete a Cardholder-Activated Terminal (CAT) Transaction, or the Cardholder’s address and ZIP or postal code to complete a mail order, phone order, or e-commerce Transaction.

5.8.5 E-Commerce Transactions

A Merchant must not refuse to complete an e-commerce Transaction solely because the Cardholder does not have a digital certificate or other secured protocol.

5.8.6 Purchase With Cash Back Transactions

Refer to sections 2.1.12 and 2.4 of the *Chargeback Guide* for purchase with cash back Transaction requirements.



Note

Variations to this Rule appear in Chapter 12, "Europe Region Rules"; Chapter 14b, "India Rules"; and Chapter 15, "United States Region Rules."

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5.9 Submitting Transactions

An Acquirer must ensure that each of its Merchants comply with the requirements for submitting Transactions to the Acquirer set forth in this Rule 5.9.

5.9.1 Valid Transactions

A Merchant must submit to its Acquirer records of valid Transactions only between the Merchant and a bona fide Cardholder.

A Merchant must not submit to its Acquirer a Transaction that the Merchant knows or should have known to be fraudulent or not authorized by the Cardholder, or that it knows or should have known to be authorized by a Cardholder colluding with the Merchant for a fraudulent purpose. For purposes of this Rule, the Merchant is deemed to be responsible for the conduct of its employees, agents, and representatives.

5.9.2 Submit Transactions within Three Business Days

A Merchant must submit records of valid Transactions to its Acquirer no later than three bank business days after the Transaction date, except:

1. The record must not be presented until after the products are shipped or the services are performed unless, at the time of the Transaction, the Cardholder agrees to a properly disclosed delayed delivery of the products or services.
2. When the Merchant receives Cardholder authorization for a delayed presentment (in which case the words "Delayed Presentment" must be noted on the Transaction Information Document [TID]).
3. When the Merchant is obligated by law to retain the TID or return it to a buyer upon timely cancellation, in which case the Merchant should present the record within 10 business days after the Transaction date.

4. When the Merchant has multiple locations and uses a central facility to accumulate and present records to the Acquirer, in which event the Merchant must present the record in accordance with applicable law and, in any event, within 30 calendar days of the Transaction date.

5.10 Noncompliance Assessments

If the Corporation becomes aware of a Merchant's noncompliance with any Standard, the Corporation may notify the Acquirer of such noncompliance and may assess the Acquirer, and the Acquirer must promptly cause the Merchant to discontinue the noncompliant practice. A notification by the Corporation with respect to at any one location of a Merchant requires the Acquirer to ensure that the Merchant is in compliance with the Standards at all locations of the Merchant that are subject to the Merchant Agreement(s).

A Member may request that the Corporation's Secretary review an assessment for a Merchant's noncompliance with a Standard.

5.11 Prohibited Practices

An Acquirer must ensure that none of its Merchants engage in any of the prohibited practices set forth in this Rule 5.11.

5.11.1 Discrimination

A Merchant must not engage in any acceptance practice that discriminates against or discourages the use of a Card in favor of any other acceptance brand.



Note

An addition to this Rule appears in Chapter 10a, "New Zealand Rules."

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5.11.2 Charges to Cardholders

A Merchant must not directly or indirectly require any Cardholder to pay a surcharge or any part of any Merchant discount or any contemporaneous finance charge in connection with a Transaction. A Merchant may provide a discount to its customers for cash payments. A Merchant is permitted to charge a fee (such as a bona fide commission, postage, expedited service or convenience fees, and the like) if the fee is imposed on all like transactions regardless of the form of payment used, or as the Corporation has expressly permitted in writing. For purposes of this Rule:

1. A surcharge is any fee charged in connection with a Transaction that is not charged if another payment method is used.
2. The Merchant discount fee is any fee a Merchant pays to an Acquirer so that the Acquirer will acquire the Transactions of the Merchant.



Note

Variations to this Rule appear in Chapter 10a, "New Zealand Rules" and Chapter 12, "Europe Region Rules."

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5.11.3 Minimum/Maximum Transaction Amount Prohibited

A Merchant must not require, or indicate that it requires, a minimum or maximum Transaction amount to accept a valid and properly presented Card.

5.11.4 Scrip-dispensing Terminals

Cards must not be accepted at terminals that dispense scrip.

5.11.5 Prohibited Transactions

A Merchant must not submit for payment into interchange, and a Member must not accept from a Merchant for submission into interchange, any Transaction that:

1. Represents the refinancing or transfer of an existing Cardholder obligation that is deemed to be uncollectible, or
2. Arises from the dishonor of a Cardholder's personal check, or
3. Arises from the acceptance of a Card at a terminal that dispenses scrip.

5.11.6 Other Forms of Payment

A Merchant must not accept any payment from a customer in any other form (for example, cash or check) with respect to a charge for products or services reflected on a TID resulting from the use of a Card. A Merchant also must not accept a Card as payment for products or services for which the Merchant has received or expects to receive payment in any other form, whether from the customer or a third party.

5.11.7 Illegal or Brand-damaging Transactions

A Merchant must not submit for payment into interchange, and an Acquirer must not accept from a Merchant for submission into interchange, any Transaction that is illegal, or in the sole discretion of the Corporation, may damage the goodwill of the Corporation or reflect negatively on the Marks.

The Corporation considers any of the following activities to be in violation of this Rule:

1. The sale or offer of sale of a product or service other than in full compliance with law then applicable to the Acquirer, Issuer, Merchant, Cardholder, Cards, or the Corporation.
2. The sale of a product or service, including an image, which is patently offensive and lacks serious artistic value (such as, by way of example and not limitation, images of nonconsensual sexual behavior, sexual exploitation of a minor, nonconsensual mutilation of a person or body part, and bestiality), or any other material that the Corporation deems unacceptable to sell in connection with a Mark.

An Acquirer that has been notified of a Merchant's noncompliance with this Rule and that fails promptly to cause the noncompliant practice to cease, or that has been notified multiple times regarding violations of this Rule, is subject, at the Acquirer's expense, and in addition to any other noncompliance assessment or other discipline, or both, to any one or more of the following:

1. A RAMP Level 3 review as described in the *Security Rules and Procedures* manual
2. An audit at the sole expense of the Acquirer by a third party selected by the Corporation, of the Acquirer's acquiring practices

The Corporation may list a Merchant which the Corporation determines is noncompliant with this Rule on the MATCH system. (See chapter 11 of the *Security Rules and Procedures* manual.)

5.12 Security Rules

An Acquirer must ensure that each of its Merchants and the Merchants' DSEs comply with all of the requirements set forth in this Rule 5.12.

5.12.1 Sale or Exchange of Information

A Merchant must not sell, purchase, provide, exchange or in any manner disclose Card account number, Transaction, or personal information of or about a Cardholder to anyone other than its Acquirer, to the Corporation, or in response to a valid government demand. This prohibition applies to Card imprints, TIDs, carbon copies, mailing lists, tapes, database files, and all other media created or obtained as a result of a Transaction.

5.12.2 Data Storage Entity Identification

A Merchant must inform the Acquirer promptly of the identity of any Data Storage Entity (DSE) that the Merchant intends to afford access to Card account, Cardholder, or Transaction information.

The Acquirer must promptly register each entity that does or will provide DSE services to any of the Member's Merchants via the MasterCard Registration Program system on MasterCard OnLine. In addition, the Acquirer must ensure that such an entity complies with the following Rule.

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5.12.2.1 DSE Registration Requirements

A DSE must comply with the MasterCard Site Data Protection (SDP) Program in accordance with the implementation schedule set forth in section 10.3.4 of the *Security Rules and Procedures* manual. Before the Acquirer initiates registration, the Acquirer's Merchant must instruct the proposed DSE to contact the Corporation via e-mail at sdp@mastercard.com and validate its compliance with the SDP Program using the tools described in section 10.3.2 of the *Security Rules and Procedures* manual, or if the proposed DSE is not compliant, provide a Corporation-approved compliance action plan. A Corporation-approved compliance action plan does not exempt the Class A Member from responsibility and liability that arises from the DSE's noncompliance with any Standard relating to the disclosure and securing of Cardholder account and Transaction data.

5.13 Discounts or Other Benefits at the Point of Interaction



Note

A Rule on this topic appears in Chapter 10, “Asia/Pacific Region Rules”; Chapter 11, “Canada Region Rules”; Chapter 12, “Europe Region Rules”; Chapter 13, “Latin America and the Caribbean Region Rules”; Chapter 14, “South Asia/Middle East/Africa Region Rules”; and Chapter 15, “United States Region Rules.”

Compliance Zones

The following table identifies the noncompliance category that the Corporation has assigned to the Standards described within this chapter. These noncompliance categories are assigned for the purposes of assessments under the compliance framework described in Rule 3.1.2.

Rule Number	Rule Title	Category
5.1	The Merchant Agreement	A
5.2.1	Acquiring Transactions	B
5.2.2	Merchant and Sub-merchant Compliance with the Standards	A
5.2.3	Merchant Information	B
5.2.4	Payments to Merchants	B
5.2.5	Supplying Materials	C
5.3	Merchant Monitoring	A
5.4	Use of a Payment Facilitator	A
5.5	Payment Facilitator Obligations	A
5.5.1	Sub-merchant Screening Procedures	A
5.5.2	MATCH Inquiry Required	A
5.5.3	Sub-merchant Agreement	A
5.5.4.1	Submit Valid Transactions	A
5.5.4.2	Sub-merchant Compliance with the Standards	A
5.5.4.3	Maintaining Sub-merchant Information	C
5.5.4.4	Payments to Sub-merchants	B
5.5.4.5	Supplying Materials to Sub-merchants	C

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Merchants and Sales Transactions Compliance Zones

Rule Number	Rule Title	Category
5.5.4.6	Sub-merchant Monitoring	A
5.6	Merchant Identification and Responsibility for Transactions	B
5.7	Use of the Marks	B
5.8.1	Honor All Cards	A
5.8.2	Merchant Acceptance	A
5.8.3	Obtain an Authorization	A
5.8.4	Additional Cardholder Identification	B
5.8.5	E-commerce Transactions	B
5.8.6	Purchase With Cash Back Transactions	B
5.9.1	Valid Transactions	A
5.9.2	Submit Transactions Within Three Business Days	C
5.11.1	Discrimination	B
5.11.2	Charges to Cardholders	B
5.11.3	Minimum/Maximum Transaction Amount Prohibited	B
5.11.4	Scrip-dispensing Terminals	A
5.11.5	Prohibited Transactions	A
5.11.6	Other Forms of Payment	A
5.11.7	Illegal or Brand-damaging Transactions	A
5.12	Security Rules	A
5.13	Discounts or Other Benefits at the Point of Interaction	B

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6

Special Issuer Programs

This chapter contains information about Special Issuer Programs.

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6.1 Special Issuer Programs—General Requirements

The Rules set forth in this Chapter 6 apply to Special Issuer Programs that the Corporation may identify as such from time to time.

6.1.1 Prior Consent of the Corporation

A Member may not conduct a Special Issuer Program without the express prior written consent of the Corporation and each Member must operate each Special Issuer Program in accordance with the Standards as may be in effect from time to time. A Special Issuer Program name and Special Issuer Program Card design must be reviewed and approved by the Corporation in accordance with the Standards.

6.1.2 Reservation of Rights

The Corporation reserves the right:

1. To approve or reject any Special Issuer Program application; and
2. To require that any previously approved Special Issuer Program be modified; and
3. To withdraw its approval of any Special Issuer Program and require the Special Issuer Program to be wound up and terminated.

A Member may request that the Corporation's Secretary review the rejection or withdrawal of the approval of a Special Issuer Program by written request to the Corporation's Secretary within 30 days of receipt of the notice of rejection or withdrawal of approval. Any decision by the Corporation's Secretary with respect to such termination is final and not appealable.

6.1.3 Cardholder Communication

A Member is required to provide each Cardholder offered a Card to be issued as part of a Special Issuer Program with the terms and conditions of the Special Issuer Program.

The Corporation determines whether any Cardholder Communication, including, by way of example and not limitation, a Solicitation, disclosure or other information about a Special Issuer Program, is satisfactory and in compliance with the Standards. As a condition of the commencement or continuation of a Special Issuer Program, the Member must comply with the Corporation's Cardholder Communication requirements.

Special Issuer Programs

6.2 Affinity and Co-Brand Card Programs

Each Cardholder Communication must clearly communicate the identity of the Member as the Card Issuer and otherwise must be clear and truthful and must not reflect poorly on the Corporation or any Mark.

Each Special Issuer Program Solicitation must:

1. Refer prominently to the offering exclusively as a Card and not position the offering as anything other than a Card; and
2. Prominently and integrally feature the MasterCard Word Mark and MasterCard Brand Mark; and
3. Clearly and conspicuously disclose the identity of the Card Issuer.

Each Solicitation about a Special Issuer Program, including any material modification of a prior Solicitation, must be approved in writing by the Issuer prior to final production and first use.

6.2 Affinity and Co-Brand Card Programs

Affinity Card Programs and Co-brand Card Programs are Special Issuer Programs. This Rule 6.2 is applicable to both.

6.2.1 Program Partners

Subject to compliance with the Standards, an Issuer may use the area on a Card that the Standards reserve for the identification of the Issuer to instead or additionally identify a person or entity other than the Issuer. Such person or entity is referred to herein as a “Partner”. There are two types of Partners: an “Affinity Group,” which is an educational or other not-for-profit entity that promotes an institution or activities, and a “Co-brand Partner,” which is a for-profit company organized to engage in commercial activity.

Notwithstanding Rule 1.5.1, a financial institution that is eligible to be a Member may be a Co-brand Partner only if such entity is not a Member.

6.2.2 Ownership and Control of the Program

An Affinity Card Program or Co-brand Card Program must be entirely owned and Controlled by the Issuer at all times and a Partner may not own or Control any part of the Program or the Program receivables. The Corporation exclusively determines if an Issuer is in compliance with the foregoing requirements. In making such a determination, the Corporation may consider such factors as:

1. Whether the Member establishes the Program policies and guidelines, such as Cardholder credit and eligibility decisions;
2. The Member's role in setting fees and rates;
3. What the Member has at risk;
4. Whether the Member actively ensures that the Program policies and guidelines are implemented;
5. The ownership and Control of the Program receivables;
6. Whether all or a substantial portion of the receivables are financed with the Partner; and
7. The extent to which the Member, and not the Partner, is portrayed as the owner of the Program.

6.2.3 Issuer Identification on Program Cards

The following Issuer identification requirements apply to all Affinity Card Program and Co-brand Card Program Cards:

1. Neither the Card design nor any information appearing on the Card may state or infer that anyone other than the Member is the Issuer of the Card.
2. Issuer identification consisting of the Issuer's name or the Issuer's name and logo must be clearly visible either on the Card face or on the Card back. The name or logo or both of a Partner may appear on the Card face in addition to the Issuer identification or on the Card back.
3. A Card that bears only the Partner's name or logo on the Card face, but that otherwise satisfies the Issuer identification Standards is deemed (in the absence of other circumstances) to comply with these requirements.
4. In addition to, or in lieu of, appearing on the upper portion of the Card face, the name of the Partner may be present on the fourth line of the Account Information Area.
5. If the Issuer identification does not appear on the Card face, the following statement must prominently appear and be clearly legible on the Card back: "This card is issued by (FULL, TRUE ISSUER NAME) pursuant to license by MasterCard International." The location of this statement on the Card is at the Issuer's discretion.
6. For Programs in which more than one Partner participates, Issuer identification on the card back must be equal or greater in size than the identification of any Partner on the Card back. See "[Multiple Partners](#)."
7. The Issuer's customer service telephone number must appear on the back of all Cards.

6.2.4 Program Name

An Issuer may apply to the Corporation for permission to have a Card Program name appear in addition to or in lieu of the Issuer name or the Partner's name or both on the Card face and, with such permission, may use such a Card Program name.

6.2.5 Multiple Partners

Except as may be otherwise set forth in the Standards, if a Program involves more than one Partner, only one Partner's name or logo or both may appear on the Card face. The name or logo or both of any additional Partner(s) may appear only on the Card back.



Note

Variations to this Rule appear in Chapter 10, "Asia/Pacific Region Rules"; Chapter 12, "Europe Region Rules"; Chapter 13, "Latin America and the Caribbean Region Rules"; and Chapter 15, "United States Region Rules."

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6.2.6 Accept All Cards without Discrimination

A Merchant that accepts any Affinity Card Program Cards or Co-brand Card Program Cards must accept all other validly presented Cards, without limitation or exception.

6.2.7 Use of the MasterCard Acceptance Mark

A MasterCard Acceptance Mark displayed at the POI must appear apart from any Partner identification and must at least have parity in size and prominence with any Program logo, Program name, or the like, and with any competing mark also displayed. The Corporation has the right to require the modification or removal of any POI display of a Program name or logo that the Corporation determines does not comply with this Rule or reflects negatively on any Mark.

6.3 Brand Value Transactions and Proprietary Accounts

A Brand Value Transaction (“BVT”) means a Member or third party transaction that originates by the use of a Card to access a proprietary account, proprietary application, or both. A BVT is not a Transaction. A BVT is a transaction that:

1. Accesses a proprietary account through use of an Affinity Card Program Card or Co-brand Card Program Card at the Partner’s own Merchant locations or at other Merchants that participate in the Partner’s services; or
2. Accesses proprietary stored value residing on a Card’s magnetic stripe or chip; or
3. Uses a non-payment application residing on a Card, such as a loyalty application, an electronic coupon, medical information, or paperless ticketing. The technology employed by the non-payment application (for example, a chip or magnetic stripe) must not facilitate or otherwise enable the use of a competitive payment product for the non-payment benefit or service.

**Note**

A variation to this Rule appears in Chapter 12, “Europe Region Rules.”

6.3.1 Proprietary Account Access

The Corporation exclusively determines if a proprietary account number may be used on a Card as a BVT. A proprietary account number that the Corporation determines may be used on a Card as a BVT may have one or more of the following characteristics:

1. The proprietary account number is different from the Card account number. The proprietary account number may appear on the Card face, be encoded on the Card, or be cross-referenced in the Member or a Partner’s system.
2. The proprietary account number is used in a system or network for authorization and settlement that is distinct from the Interchange System and is not used in the Interchange System.
3. Any billing related to use of the proprietary account number is distinct from any billing for the Card account, whether as part of a common statement or in a separate statement.

Access to a proprietary account by means of an Affinity Card Program Card or Co-brand Card Program Card is authorized only with the prior written consent of the Corporation. In addition, such a Program Card must afford the Cardholder access to the same proprietary account that the Partner previously established for the Cardholder, for payment of the same particularly defined set of transactions that were previously payable by other means. The Corporation must approve, in advance and in writing, of the locations, services, and parties for which the proprietary account access feature is available.

6.3.2 Fees and Reporting Requirements

From time to time, the Corporation may establish, implement, and collect fees, assessments, or both arising from or related to BVTs, proprietary accounts, or both.

If a BVT involves an Affinity Card Program or a Co-brand Card Program, the Member must separately report to the Corporation the number of Cards outstanding, the proprietary account sales volume on such Cards, and any other requested information in the form and at such times as the Corporation requires.



Note

A variation to this Rule appears in Chapter 10, "Asia/Pacific Region Rules."

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6.4 Remote Transaction Accounts

A Remote Transaction account means a Card account that is intended primarily to be used to engage in Remote Transactions. Subject to the requirements set forth below, a Member is not required to issue a physical Card at the time that the Member activates a Remote Transaction account. A Program using Remote Transaction accounts is a Special Issuer Program, is subject to the Standards, and has all rights accorded to Cards under the Standards except those Standards that relate to the physical characteristics or use of a Card.

6.4.1 Remote Transaction Account Requirements

An Issuer of a Remote Transaction account must comply with the all of the following requirements:

1. A Remote Transaction account program may not be conducted or marketed without the express prior written consent of the Corporation.
2. A Remote Transaction account must either be linked to a Card account or the account holder must be given an opportunity promptly upon request to be issued and receive a Card that links to the Remote Transaction account.
3. A Remote Transaction account must be assigned a 16-digit account number, in conformance with the Standards applicable to Cards, and must be assigned a Card Validation Code 2 (CVC 2) value and an expiration or “valid through” date.
4. A Remote Transaction account must be enhanced with Address Verification Service (AVS) if the account is issued for use in an area where AVS is available.

Before activating a Remote Transaction account, the Issuer must communicate in writing to the Cardholder the account number, the expiration or “valid through” date of the account, the identity of the Issuer, and instructions as to the manner in which the Remote Transaction account may be used.

6.4.1.1 Remote Transaction MasterCard M/Chip Account Programs

A Remote Transaction MasterCard M/Chip™ account means an EMV chip-based Remote Transaction account that a Cardholder uses to effect remote chip-read Transactions. Remote Transaction M/Chip account Programs must adhere to all applicable M/Chip Standards as may be developed and amended from time to time.

6.5 Secured Card Programs

A secured Card means a Card for which a line of credit is secured by an amount held on deposit. A secured Card Program is a Special Issuer Program.

6.5.1 Secured Card Program Requirements

A secured Card Program must be, and the Corporation exclusively determines whether a secured Card Program is:

1. Structured so as to avoid undue risk to the Corporation and its Members, and
2. Operated in a manner that does not reflect poorly on the Corporation or the Marks.

6.5.2 Refund of Fees

If a Member promises, directly or indirectly, to refund any fee paid by an applicant for a secured Card if the Card is not so issued, the Member must ensure that such refund is made promptly and in any event within 30 days following the submission of the application and without any further action by the applicant.

6.5.3 Secured Card Program Solicitation and Disclosure Requirements

The following Solicitation and disclosure requirements apply to a secured Card Program:

1. A Member that conducts a secured Card Program without the use of an MSP may use a Program name to identify such a Program, in addition to or in lieu of the Member's name, subject to the prior written approval of the Corporation.
2. A Solicitation may not reference consumers who have filed, or are contemplating filing, for bankruptcy relief. Any reference within a Solicitation to a consumer's credit problem may be included only in the general disclosure to the consumer.
3. Each Solicitation for a secured Card must clearly and conspicuously disclose that the Card is a secured Card and that the consumer must establish a deposit account. The Solicitation also must specify that the credit line will be equal to either
 - a. The amount of the security deposit, or
 - b. A specified percentage of the security deposit.

4. No Solicitation may refer to a specific credit line limit unless the Issuer
 - a. Regularly issues secured Cards with such a credit limit, or
 - b. Has in effect a policy that
 - i. permits the regular issuance of secured Cards with such a credit limit, and
 - ii. is compatible with the Issuer's policy governing its issuance of secured Cards with lower credit limits.
5. Each Solicitation for a secured Card must clearly and conspicuously disclose what an applicant will receive by responding to the Solicitation. If the applicant may not be issued a secured Card after responding to a Solicitation, that fact must be clearly and conspicuously disclosed in the Solicitation.
6. Each Solicitation for a secured Card must clearly and conspicuously disclose any and all application or other fees the applicant must pay, or could be required to pay, to be issued a secured Card. All such fees must be made payable to the Issuer and not to any other person or entity.

6.6 Prepaid Card Programs

An Issuer of a prepaid Card must comply with Standards applicable to prepaid Card Programs, as such Standards may be modified from time to time. As of the date of this publication, such Standards include the document entitled *Policy for Prepaid Card Programs*.

Compliance Zones

The following table identifies the noncompliance category that the Corporation has assigned to the Standards described within this chapter. These noncompliance categories are assigned for the purposes of assessments under the compliance framework described in Rule 3.1.2.

Section Number	Section Title	Category
6.1.1	Prior Consent of the Corporation	A
6.1.3	Cardholder Communication	A
6.2.1	Program Partners	A
6.2.2	Ownership and Control of the Program	A
6.2.3	Issuer Identification on Program Cards	B
6.2.4	Program Name	B

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Section Number	Section Title	Category
6.2.5	Multiple Partners	B
6.2.6	Accept All Cards without Discrimination	B
6.2.7	Use of the MasterCard Acceptance Mark	A
6.3.1	Proprietary Account Access	A
6.3.2	Fees and Reporting Requirements	B
6.4.1	Remote Transaction Account Requirements	A
6.5.1	Secured Card Program Requirements	A
6.5.2	Refund of Fees	A
6.5.3	Secured Card Program Solicitation and Disclosure Requirements	A
6.6	Prepaid Card Programs	A

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Member Service Providers

This chapter contains Rules that apply to Members that use Member Service Providers to provide Program Service.

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7.1 Applicability of Member Service Provider Rules

A Member may use a non-Member third party or another Member as its agent for the purpose of performing Program Service on behalf of the Member, subject to compliance with the Member Service Provider (“MSP”) Rules set forth in this Rules chapter and other applicable Standards. The MSP Rules in this Rules chapter do not apply to:

1. A Member that performs Program Service solely for its own Programs, or
2. A corporate affiliate of a Member that performs Program Service for the Member and that is Owned and Controlled by the Member or by the Member’s ultimate parent, provided such corporate affiliate provides Program Service solely to the Member.

7.2 MSP Categories

There are two categories of MSPs.

7.2.1 Independent Sales Organization

The first MSP category is Independent Sales Organization (“ISO”). An ISO is an MSP that provides ISO Program Service. ISO Program Service includes, by way of example and not limitation, Merchant Solicitation, Cardholder Solicitation, and customer service. An ISO must promptly provide such information applicable to its MSP registration and provision of Program Service as the Corporation may request at any time.

7.2.2 Third Party Processor

The second MSP category is Third Party Processor (“TPP”). A TPP is an MSP that provides TPP Program Service. TPP Program Service includes, by way of example and not limitation, terminal operation, authorization routing, voice authorization, call referral processing, electronic data capture, clearing file preparation and submission, settlement processing (excluding possession, ownership, or control of settlement funds, which are prohibited), Cardholder and Merchant statement preparation, and chargeback processing. A TPP must provide such information applicable to its MSP registration and provision of Program Service as the Corporation may request at any time.

TPPs are subcategorized as follows.

7.2.2.1 Type I

The first TPP subcategory is a Type I TPP. The Corporation determines, in its sole discretion, if a TPP is a Type I TPP. Type I TPPs generally are those that provide Program Service to a large number of Members or that otherwise could significantly impact the integrity of the Interchange System.

As a condition of continued Type I TPP registration by the Corporation, a Type I TPP must comply with the Corporation's Type I TPP Evaluation Program requirements and applicable Standards, including these MSP Rules.

7.2.2.2 Type II

The second TPP subcategory is a Type II TPP. A Type II TPP is any TPP that the Corporation does not deem to be a Type I TPP. A Type II TPP must comply with applicable Standards, including these MSP Rules.

The Corporation at any time may reclassify a Type II TPP as a Type I TPP.

7.2.3 Determination of Program Service

The Corporation solely determines whether any particular activity may be conducted by an MSP. An MSP may provide only the type of Program Service that it is registered and permitted by the Corporation to provide. An MSP may not offer or provide other services in conjunction with or as a condition of providing Program Service without the express prior consent of the Member.

7.3 General Obligations

Each MSP and each Member that registers an MSP must comply with all of the following.

7.3.1 Program Responsibility and Control

The Member must at all times be entirely responsible for and must itself manage and direct all aspects of Program Service performed by the MSP and establish and enforce all management and operating policies applicable to Program Service in accordance with the Standards. A Member must not transfer or assign any part or all of such responsibilities or in any way limit its responsibility with regard to its MSP. A Member must conduct meaningful monitoring to ensure ongoing compliance by its MSP with applicable Standards.

7.3.2 Notification to and Registration by the Corporation

Each Class A Member must advise the Corporation promptly when any MSP registered by the Class A Member ceases to provide Program Service for the Class A Member or for any Affiliate Member Sponsored by the Class A Member or if such an MSP undergoes a change of name or transfer of Ownership or Control.

Each Type I TPP must advise the Corporation promptly in writing when it

1. Engages to perform Program Service for any Member, and on an ongoing basis, inform the Corporation of all ICA numbers for which Program Service are performed;
2. Undergoes a change of name or transfer of Ownership or Control;
3. Fails or refuses to make payments in the ordinary course of business;
4. Makes an assignment for the benefit of creditors; or
5. Seeks bankruptcy protection or similar protection.

A Member may not receive Program Service by or from any other entity or person except as set forth in the Standards.

7.3.3 MSP Agreement

A Member and its MSP must enter into a written agreement describing the Program Service that the MSP is to provide. The MSP agreement must be updated from time to time as appropriate to reflect the Program Service that the MSP provides and may not contradict, or be inconsistent with, the Standards.

The MSP agreement must reflect the Member's responsibility, as described in this chapter, for establishing all management and operating policies and must not include any provision that limits, or attempts to limit, the Member's responsibility for the Program. The MSP agreement must, in substance, include all of the following provisions:

1. The MSP received, understands, and agrees to comply with all applicable Standards, including these MSP Rules.
2. On an ongoing basis, the MSP is promptly to provide the Member with the current address of each of its offices.
3. In the event of any inconsistency between any provision of the MSP agreement and the Standards, the Standards will govern.

4. The MSP agreement automatically and immediately terminates if the Corporation de-registers the MSP or if the Member ceases to be a Member for any reason or if the Member fails to have a valid License by the Corporation to use any Mark pertaining to the Program Service to be performed by the MSP.
5. The MSP acknowledges and agrees
 - a. to comply with all Standards, as amended from time to time, applicable to the Program Service to be provided;
 - b. that the Corporation is the sole and exclusive owner of the Marks;
 - c. not to contest the ownership of the Marks for any reason;
 - d. the Corporation may at any time, immediately and without advance notice, prohibit the MSP from using any of the Marks for any reason;
 - e. the Corporation has the right to enforce any provision of the Standards and to prohibit an MSP from engaging in any conduct the Corporation deems could injure or could create a risk of injury to the Corporation, including injury to reputation, or that could adversely affect the integrity of the Interchange System, the Corporation's Confidential Information as defined in the Standards, or both; and
 - f. the MSP will not take any action that could interfere with or prevent the exercise of this right by the Corporation.

7.3.3.1 Before Entering Into an Agreement with an MSP

Before entering into, extending, or renewing an agreement with an MSP, a Member must verify that the MSP is a bona fide business, has sufficient safeguards in place to protect Cardholder and Transaction information permitted by the Standards to be captured from unauthorized disclosure or use, and complies with applicable laws.

In determining whether the MSP is a bona fide business, the Member must verify, at a minimum, that all of the following have been completed:

1. Credit check, background investigations, and reference checks of the MSP. If the credit check of the MSP raises questions or does not provide sufficient information, the Member also should conduct a credit check of:
 - a. the owner, if the MSP is a sole proprietor
 - b. the partners, if the MSP is a partnership
 - c. the principal shareholders, if the MSP is a corporation

2. Inspection of the MSP's premises and records to ensure that the MSP has the proper facilities, equipment, inventory, agreements, and personnel required and if necessary, license or permit and other capabilities to conduct business. If the MSP has more than one set of premises, the Member must inspect at least one of them.

The Corporation does not require a Member to conduct a credit check of a public or private company that has annual sales revenue in excess of USD 50 million (or the foreign currency equivalent), provided that the Member reviews, and finds satisfactory for the purposes of the Program Services being considered, the MSP's most recent annual report, including audited financial statements. A private company that does not have a recent audited financial statement is subject to a credit check and inspection even if its annual revenue exceeds USD 50 million.

The Member must retain all records concerning the investigation of any MSP with which it has entered into an agreement to receive Program Services for a minimum of two years after the date the agreement is terminated or expires.

7.3.4 Disclosure of Standards

Before a Member proposes an entity for registration as an MSP by the Corporation, the Member must provide the proposed MSP with a copy of Standards then in effect applicable to MSPs and Program Service the proposed MSP is expected to perform, including these MSP Rules. After registration, the Member must promptly provide an MSP with any change to the Standards applicable to such Program Service, including any change to these MSP Rules.

7.3.5 Member Point of Contact

An MSP must promptly provide a name and title of, and a telephone number for an employee of the Member upon request by a Cardholder or a Merchant, or if the MSP is unable or unwilling to respond to a question to the Cardholder's or Merchant's satisfaction.

7.3.6 Affiliate Member

In addition to complying with these MSP Rules, an Affiliate Member wishing to receive Program Service from an MSP must obtain the prior consent of the Affiliate Member's Sponsoring Class A Member.

7.3.7 Use of the Marks

An MSP must not use any Mark on its own behalf, whether in connection with Program Service or otherwise. The MSP may not suggest or in any manner create an impression that the MSP is a Member or a representative of the Corporation, or that the MSP is anything other than an MSP of the Member. The MSP must not create an impression that the Corporation in any way endorses the MSP or Program Service the MSP performs.

The MSP may use one or more of the Marks, provided that:

1. The Marks are used in accordance with the Standards, including all reproduction, usage and artwork Standards that may be in effect from time to time; and
2. The Marks are used according to the express written instructions of the Member; and
3. The Marks are used solely in connection with the provision of Program Service.

The MSP may use the Marks on its stationery, letterhead, or business cards only if accompanied, in close proximity, by a clear statement that identifies the MSP as an agent for a Member and that includes the name by which the Member identifies itself to the public (for example, “MSP is an authorized representative of Bank XYZ”).

7.3.8 MSP Identification on a Card

The name of a non-Member MSP may appear on a Card only if that MSP does not provide acquiring Program Service for any Member.

7.3.9 Program Materials

A Member must approve all Program documents and other materials before any distribution, disclosure, or other use thereof by an MSP. The Program materials may not state or imply that the MSP is participating in, or conducting any activity not expressly permitted by the Standards. Program materials include, by way of example, Merchant applications, Card applications, Merchant Agreements, Cardholder agreements, Merchant statements, Cardholder statements, marketing materials, and Cardholder Communications, including Solicitations.

7.3.10 Fees

A Member must approve, in advance, any fee or other obligation associated with the Member's Program and an MSP may not collect or attempt to collect any such fee or obligation without the express prior written approval of the Member. Any fee must be clearly and conspicuously disclosed in writing to the Merchant or Card applicant, as appropriate, prior to any request or demand for payment of the fee.

7.3.11 Settlement Account

An MSP must not have access to any account for funds then or subsequently due to a Merchant for Activity and/or funds withheld from a Merchant for chargebacks arising out of Activity. A Member must not assign or otherwise transfer an obligation to pay or reimburse a Merchant to an MSP if the obligation arises from Activity.

7.3.12 Transfer of Rights Prohibited

An MSP must not subcontract, sublicense, assign, license, franchise, or in any other manner extend or transfer to any third party any right or obligation the MSP may have in connection with providing Program Service to a Member, and any such transfer is null and void *ab initio*. An MSP may provide Program Service to a Member only using the MSP's own employees or employees of a different MSP that is confirmed also to be registered by the Corporation to provide Program Service for that same Member. This requirement does not preclude a DSE that has been registered as such by the Corporation from storing, transmitting, and/or processing Card account data for or on behalf of the MSP.

7.3.13 Use of Systems and Confidential Information

An MSP must agree to:

1. Use any of the Corporation's equipment and software ("Systems"), including but not limited to any MasterCard Interface Processor (MIP) or Network Interface Processor (NIU) used to connect to the Interchange System, and any of the Corporation's information identified or reasonably understood to be confidential or proprietary ("Corporation's Confidential Information") solely in order to perform Program Service on behalf of the Member and not for any other purpose;

2. Treat the Systems and Corporation's Confidential Information in at least as careful and confidential a manner as the MSP treats its own and the Member's systems and proprietary information;
3. Acknowledge that access to the Systems and Corporation's Confidential Information does not provide the MSP with any right, title, interest, or copyright therein or any license to use, sell, exploit, copy or develop them further;
4. Limit access to the Systems and Corporation's Confidential Information to those MSP employees with a need to have access or to know in order to enable the MSP to perform Program Service and to implement and to maintain reasonable and appropriate safeguards to prevent unauthorized access to the Systems or disclosure of Corporation's Confidential Information, including those set forth in section 10.6 of the *Security Rules and Procedures* manual;
5. Immediately cease any and all use of the Systems and Corporation's Confidential Information upon request of the Corporation or the Member or upon the earlier of the termination or completion of the MSP's performance of Program Service, and to immediately deliver all Systems and all Corporation's Confidential Information to the Corporation;
6. Immediately advise the Member and the Corporation if any unauthorized person seeks to gain or gains access to the Systems or Corporation's Confidential Information, whether by legal proceedings or otherwise.

The obligations set forth in this Rule survive the termination or expiration of the MSP agreement.

7.3.14 Indemnification

Program Service undertaken by or on behalf of a Member by any third party (regardless of whether such third party is or was registered with the Corporation as an MSP or whether such third party is itself a Member), the receipt of Program Service by a Member, and the performance of Program Service for a Member by any person or entity other than that Member, including, for example, an MSP, is Activity which subjects the Member to the indemnification and other obligations set forth in Rule 3.3.

7.3.15 No Endorsement by the Corporation

In no event does compliance with these MSP Rules or enforcement or any lack of or delay in enforcement thereof or the registration of an MSP imply, suggest or otherwise mean that the Corporation endorses any MSP or the nature or quality of Program Service or other performance, or that the Corporation approves of, is a party to, or a participant in, any act or omission by an MSP or other entity acting for or on behalf of a Member.

7.3.16 Audits

The Corporation or its designee may conduct one or more or regular or periodic financial and procedural audits of the Member, its MSP(s), or both, at any time and from time to time for the purpose of determining compliance with the Standards, including these MSP Rules. The Member bears all costs of any such audit or audits. The Member and its MSP(s) each must fully cooperate with and promptly supply the Corporation with all information and material upon request.

7.3.17 Settlement Failure Obligation

An MSP that becomes aware of a settlement failure by the Member(s) for which the MSP provides Program Service must promptly, and in no event later than 24 hours after becoming aware of such failure, notify the Corporation in writing of such failure.

7.3.18 Data Security

An MSP must comply with all Standards and applicable laws and regulations pertaining to the storage and/or safeguarding and/or transmission of account data. If an MSP reasonably believes that an unauthorized person accessed or may have accessed Card account, Cardholder, or Transaction information in the possession or control of the MSP or any of the MSP's DSEs, the MSP must promptly notify the Member(s) for which it provides Program Service in writing of such belief and the Member must promptly notify the Corporation in writing of such belief.

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7.3.19 Data Storage Entity (DSE) Identification

An MSP must promptly submit in writing to the Corporation and to each Member for which the MSP is registered to provide Program Service the identity of any DSE that engages, or proposes to engage, in the processing, transmission, or storage of Card account data, Transaction data, or both, for or on behalf of the MSP, whether directly or indirectly, regardless of the manner or duration of such activities.

The Member must promptly register each entity that does or will provide DSE services to any of the Member's MSPs via the MasterCard Registration Program system on MasterCard OnLine. In addition, the Member must ensure that such an entity complies with the following Rule.

7.3.19.1 DSE Registration Requirements

A DSE must comply with the MasterCard Site Data Protection (SDP) Program in accordance with the implementation schedule set forth in section 10.3.4 of the *Security Rules and Procedures* manual. Before initiating registration, the Member's MSP must instruct the proposed DSE to contact the Corporation via e-mail at sdp@mastercard.com and validate its compliance with the SDP Program using the tools described in section 10.3.2 of the *Security Rules and Procedures* manual, or if the proposed DSE is not compliant, provide a Corporation-approved compliance action plan. A Corporation-approved compliance action plan does not exempt the Class A Member from responsibility and liability that arises from the DSE's noncompliance with any Standard relating to the disclosure and securing of Cardholder account and Transaction data.

7.4 Merchant Acquiring Programs

In addition to complying with the general obligations set forth in Rule 7.3, each Member and each MSP that provides Program Service with respect to that Member's Merchant acquiring Programs also must comply with this Rule 7.4.

7.4.1 Merchant Agreement

The Merchant Agreement establishing the terms of an acquiring relationship between the Acquirer and a Merchant must:

1. Be signed by the Member with no separate or other agreement between the MSP and the Merchant regarding Activity. The MSP may be a party to the Merchant Agreement, in which case the Merchant Agreement must contain the substance of all of the following:
 - a. For purposes of the Merchant Agreement and performance of the Merchant Agreement by the MSP, (i) the MSP is the exclusive agent of the Member; (ii) the Member is at all times and entirely responsible for, and in control of, MSP performance; and (iii) the Member must approve, in advance, any fee payable to or obligation of the Merchant arising from or related to performance of the Merchant Agreement.
 - b. The Merchant Agreement is not effective and may not be modified in any respect without the express written agreement of the Member.

- c. The MSP may not have access, directly or indirectly, to any account for funds or funds due to a Merchant and/or funds withheld from a Merchant for chargebacks arising from, or related to, performance of this Merchant Agreement. The Member may not assign or otherwise transfer an obligation to pay or reimburse a Merchant arising from, or related to, performance of the Merchant Agreement to an MSP.
 - d. The MSP may not subcontract, sublicense, assign, license, franchise, or in any manner extend or transfer to any third party, any right or obligation of the MSP set forth in the Merchant Agreement. The Member may not waive, forgive, release, assign, or fail to insist on strict performance of each requirement set forth in these parts 1 through 4.
2. Confirm the Member's responsibility for the Program and for the Merchant's Program participation and confirm that the Merchant Agreement does not contain any provision that could be deemed to limit such responsibility.
 3. Not take effect or state or imply that it takes or has taken effect prior to being signed by the Member.
 4. Disclose the Member's name and sufficient information to enable the Merchant to contact the Member directly by telephone or in writing.

7.4.2 Collection of Funds

Discount rates (or similar charges called by other terms) due to a Member from a Merchant must be collected directly by the Member and not by the MSP.

7.4.3 Access to Documentation

The Member at all times must maintain prompt and unrestricted physical access to all original, executed Merchant Agreements and completed inspection reports. The Member must forward true and complete copies of any one or more of these documents to the Corporation promptly upon request.

7.4.4 Authority to Terminate Merchant Agreement

A Member may not limit or in any manner condition its authority to terminate any Merchant Agreement to accommodate an MSP or otherwise.

7.5 Card Issuing Programs

In addition to complying with the General Obligations set forth in Rule 7.3, each Member and each MSP that provides Program Service with respect to that Member's Card issuing Programs also must comply with this Rule 7.5.

7.5.1 Card Application Approval

The Member itself, and not an MSP, must approve of a Card applicant's participation in a Card Program.

7.5.2 Cardholder Agreement

The Cardholder agreement must disclose the Member's name and sufficient information to enable the Cardholder to contact the Member directly by telephone or in writing. The MSP must not be a party to the Cardholder agreement.

7.5.3 Payment of Fees

All Program payments other than application fees for initial Program participants must be collected directly by the Member and not by the MSP.

7.5.4 Program Receivables

An MSP may own Program receivables or participate in a financing vehicle involving Program receivables so long as the Corporation determines that the Member continues to own and control the Program. Ownership of Program receivables by the MSP does not in any way limit the Member's obligation to comply with the Standards.

7.6 MSP Registration

7.6.1 Registration Requirements for ISOs and Type II TPPs

Each Class A Member, for itself and each of its Sponsored Affiliate Members, must use the MasterCard Registration Program (MRP) system on MasterCard OnLine to register any ISO or Type II TPP MSP, as follows:

1. The Class A Member must submit all information and material required by the Corporation in connection with the proposed registration within 60 days of the registration application submission date.

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2. A Type II TPP that also wishes to provide ISO Program Service to one or more Members must be distinctly proposed for registration by the Corporation on behalf of each Member wishing to receive ISO Program Service from that Type II TPP.
3. A Type II TPP must comply with the MasterCard Site Data Protection (SDP) Program in accordance with the implementation schedule set forth in section 10.5.4 of the *Security Rules and Procedures* manual. Before initiating registration, the Member must instruct the proposed Type II TPP to contact the Corporation via e-mail at sdp@mastercard.com and validate its compliance with the SDP Program using the tools described in section 10.5.2 of the *Security Rules and Procedures* manual, or if the proposed Type II TPP is not compliant, provide a Corporation-approved compliance action plan. A Corporation-approved compliance action plan does not exempt the Class A Member from responsibility and liability that arises from the Class A Member's or any of its Sponsored Affiliate Members' or their Type II TPP's noncompliance with any Standard, including those relating to the disclosure and securing of Cardholder account and Transaction data.
4. The Corporation collects the applicable fee(s) then in effect from the Member that proposes the registration via the MasterCard Consolidated Billing System (MCBS). A Member that receives ISO Program Service from a Type II TPP is charged separately for the ISO registration.
5. The Class A Member must receive the Corporation's written or e-mail confirmation of the registration before the Class A Member or any of its Sponsored Affiliate Members receives Program Service from an ISO or Type II TPP and before the ISO or Type II TPP commences providing such Program Service or represents itself to any person as authorized to provide such Program Service on behalf of the Class A Member or any of its Sponsored Affiliate Members. In its sole discretion, the Corporation may approve or may reject any application for the registration of an MSP.
6. To maintain the registration of an ISO or Type II TPP, the Member must submit such information and material as may be required by the Corporation from time to time, including but not limited to a copy of the agreement between the Member and ISO or Type II TPP. The renewal fee then in effect is debited from the Member via MCBS. In its sole discretion, the Corporation may decline to renew the registration of an MSP.

If the Member terminates an ISO or Type II TPP, the Member must notify the Corporation of the termination date and of the reasons for the termination. This notification must be received by the Corporation within one week of the decision to terminate. In its sole discretion, the Corporation may require a Member to terminate an MSP at any time.

7.6.1.1 SDP Program Noncompliance

Each Class A Member that has registered or proposed the registration of an MSP to provide Program Service for it and/or for one or more of its Sponsored Affiliate Members must promptly notify each of its Merchants and other customers that directly or indirectly are or may benefit from or may otherwise be impacted, as the case may be, by the Program Service if the registered or proposed MSP is not or will not be fully compliant with SDP Program requirements applicable to it as an MSP by and after the date performance of the Program Service commences. Such notification must include, with respect to the registered or proposed MSP:

1. The name and address of the MSP;
2. A description of the Program Service to be or being provided by the MSP;
3. A description of SDP Program requirements the MSP is not compliant with; and
4. A specific date by which the MSP will become fully compliant with applicable SDP Program requirements, or, in the alternative, the date by which the MSP will cease providing Program Service.

7.6.2 Registration Requirements for Type I TPPs

A TPP that the Corporation designates as a Type I TPP, upon receiving notification of such designation, must apply to be registered by the Corporation as a Type I TPP and must be registered by the Corporation as a Type I TPP MSP before commencing to provide TPP Program Service. A Type I TPP that also wishes to provide ISO Program Service to one or more Members must be distinctly proposed to the Corporation for registration by each Member wishing to receive ISO Program Service from that Type I TPP.

Post-registration by the Corporation of a Type I TPP, on a quarterly basis, the applicable fee is charged by the Corporation directly to the Type I TPP. If a Type I TPP also provides ISO Program Service to a Member, the Member is charged separately for the ISO registration and renewal thereof. Renewal of Type TPP registration status is at the sole discretion of the Corporation.

7.6.3 Prohibition from Acting as an MSP or DSE

The Corporation reserves the right to prohibit, either for a fixed period of time or permanently, an MSP, its owners, officers, and/or employees from providing Program Service or acting as a DSE or both.

7.6.4 Termination of MSP Agreement

On the effective date of the termination or expiration of the MSP agreement(s), or upon notice by the Corporation, or upon expiration or de-registration of an MSP, the MSP must immediately cease all use of the Corporation's Marks and Systems and cease performing Program Service.

7.7 Type I TPP Evaluation Program

7.7.1 Compliance with Type I TPP Evaluation Program Standards

Each Type I TPP is required to comply with the Type I TPP Evaluation Program requirements and fully cooperate with any effort by the Corporation to determine such compliance. The Corporation requires all Type I TPPs to participate fully in each such review.

7.8 Confidential Information of MSPs

The Corporation will not disclose confidential information furnished to it by a Member or MSP pursuant to these MSP Rules, except to the Member or MSP supplying the information, or as part of a general statistical compilation that does not reveal individual Member or MSP data, or as may be required by any court process or governmental agency having or asserting jurisdiction over the Corporation, or as otherwise described in Rule 3.6.2.

The registration and Type I TPP Evaluation Program compliance status of the Type I TPP, including the identity of the Member(s) for which the Type I TPP provides Program Service, the nature of Program Service the Type I TPP performs, and the results of any Type I TPP evaluation are not confidential information.

In addition, and notwithstanding the aforesaid, as a condition of the registration or renewal of registration of an MSP, the Member and MSP each agree that the Corporation may disclose such information of and about the Member and MSP as the Corporation deems necessary or appropriate.

Compliance Zones

The following table identifies the noncompliance category that the Corporation has assigned to the Standards described within this chapter. These noncompliance categories are assigned for the purposes of assessments under the compliance framework described in Rule 3.1.2.

Rule Number	Rule Title	Category
7.2	MSP Categories (3 subsections)	A
7.3.1	Program Responsibility and Control	A
7.3.2	Notification to and Registration by the Corporation	A
7.3.3	MSP Agreement	A
7.3.4	Disclosure of Standards	C
7.3.5	Member Point of Contact	B
7.3.6	Affiliate Member	A
7.3.7	Use of the Marks	B
7.3.8	MSP Identification on a Card	B
7.3.9	Program Materials	B
7.3.10	Fees	B
7.3.11	Settlement Account	A
7.3.12	Transfer of Rights Prohibited	A
7.3.13	Use of the Systems and Confidential Information	A
7.3.16	Audits	B
7.3.17	Settlement Failure Obligation	A
7.3.18	Data Security	A
7.3.19	Data Storage Entity (DSE) Identification	A
7.4.1	Merchant Agreement	A
7.4.2	Collection of Funds	A
7.4.3	Access to Documentation	B
7.4.4	Authority to Terminate Merchant Agreement	A
7.5.1	Card Application Approval	A
7.5.2	Cardholder Agreement	B
7.5.3	Payment of Fees	A

Rule Number	Rule Title	Category
7.5.4	Program Receivables	A
7.6	MSP Registration (4 subsections)	A
7.7.1	Compliance with Type I TPP Evaluation Program Standards	A

8

Cash Disbursements

This chapter contains Rules that apply to the cash disbursements that Members provide.

8.1 Cash Disbursements May Be Provided Only By Members.....	8-1
8.2 Nondiscrimination	8-1
8.3 Maximum Cash Disbursement Amounts	8-1
8.4 Discount or Service Charges.....	8-2
8.5 MasterCard Acceptance Mark Must Be Displayed	8-2
8.6 Other Requirements	8-2
Compliance Zones.....	8-2

8.1 Cash Disbursements May Be Provided Only By Members

A cash disbursement may be provided only by a Member at its offices and through its authorized agents. For purposes of this Rule, an authorized agent is a financial institution authorized to provide cash disbursement services on behalf of a Member pursuant to written agreement with the Member.

8.2 Nondiscrimination

Each Member and each of its authorized cash disbursement agents must comply with the following requirements at each office at which any cash disbursement services are afforded:

1. Not discriminate against or discourage the use of Cards in favor of any card or device bearing or otherwise issued or used in connection with another acceptance brand; and
2. Provide cash disbursement services to all Cardholders on the same terms and regardless of the Issuer.

**Note**

An addition to this Rule appears in Chapter 15, "United States Region Rules."

8.3 Maximum Cash Disbursement Amounts

A Member and each of its authorized cash disbursement agents may limit the amount of a face-to-face cash disbursement provided to any one Cardholder in one day at any individual office. Such limit may not be less than USD 5,000 per Cardholder in one day and uniformly must be applied to all Cardholders.

If compliance with this Rule would cause hardship to one or more (but not all) of such individual offices that are required or permitted to provide cash disbursement services, the Member may establish a maximum cash disbursement amount of less than USD 5,000 per person in one day at each such office, provided that the maximum cash disbursement amount:

1. Is not less than USD 1,000;
2. Is not less than the maximum cash disbursement amount established for any other acceptance brand at the office; and
3. Applies only at those offices where the Member can, if requested by the Corporation, demonstrate that a higher maximum would create a hardship.



Note

A variation to this Rule appears in Chapter 12, "Europe Region Rules."

8.4 Discount or Service Charges

The Member and each of its authorized cash disbursement agents must disburse all cash disbursements at par without any discount and without any service or other charge to the Cardholder, except as may be imposed to comply with applicable law. Any charge imposed must be charged to and paid by the Cardholder separately and must not be included in the total amount of the cash disbursement.

8.5 MasterCard Acceptance Mark Must Be Displayed

A Member and each of its authorized cash disbursement agents must display the MasterCard Acceptance Mark to indicate that Cards are accepted as required by the Standards at each place where the Member or any such agent provides cash disbursements.

8.6 Other Requirements

The Member and each of its authorized cash disbursement agents must complete cash disbursement transactions in the manner set forth in the *Chargeback Guide*. (Refer to the *Maestro Global Rules* and the *Cirrus Worldwide Operating Rules* for Standards governing the use of automated teller machines.)

Compliance Zones

The following table identifies the noncompliance category that the Corporation has assigned to the Standards described within this chapter. These noncompliance categories are assigned for the purposes of assessments under the compliance framework described in Rule 3.1.2.

Rule Number	Rule Title	Category
8.1	Cash Disbursements May Be Provided Only By Members	A
8.2	Nondiscrimination	A

Rule Number	Rule Title	Category
8.3	Maximum Cash Disbursement Amounts	B
8.4	Discount or Service Charges	B
8.5	MasterCard Acceptance Mark Must Be Displayed	B
8.6	Other Requirements	B

9

Settlement

This chapter contains information about settlement procedures.

9.1 Definitions	9-1
9.2 Net Settlement	9-1
9.3 Currency Conversion.....	9-2
9.4 Interchange and Service Fees	9-2
9.5 Establishment of Intracountry Interchange and Service Fees.....	9-3
9.5.1 Default Intracountry Fees	9-3
9.5.2 Intraregional Fees.....	9-4
9.5.3 Bilateral Agreement.....	9-4
9.6 Cost Studies	9-5
9.6.1 Allocation of Expenses.....	9-5
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9.1 Definitions

As used in the Rules set forth in this chapter 9, the following terms have the meanings described:

- “Interchange fee” means an amount paid by the Acquirer to the Issuer with respect to the interchange of a Transaction. All references to interchange fees in this chapter 9 mean both the levels of the fees and all qualifying criteria and conditions for their applicability.
- “Intracountry issuing Volume” means the issuing Volume resulting from Intracountry Transactions.
- “Intracountry acquiring Volume” means the acquiring Volume resulting from Intracountry Transactions.
- “Service fee” means an amount paid by the Issuer to the Acquirer with respect to the interchange of a cash disbursement. All references to service fees in this chapter 9 mean both the levels of the fees and all qualifying criteria and conditions for their applicability.
- “Intracountry cash disbursement” means a cash disbursement that occurs in the same country as the country in which the Card was issued, except as otherwise defined by the Corporation.
- “Intraregional cash disbursement” means a cash disbursement that occurs in a different country from the country in which the Card was issued, within the same MasterCard region, except as otherwise defined by the Corporation.
- “Interregional cash disbursement” means a cash disbursement that occurs in a different MasterCard region from the MasterCard region in which the Card was issued, except as otherwise defined by the Corporation.

9.2 Net Settlement

A Member that uses the Interchange System for the authorization and clearing of Transactions and cash disbursements is required to net settle in accordance with the Corporation’s settlement Standards. However, an Acquirer and an Issuer may, with respect to a particular Transaction or cash disbursement, agree to settle directly between themselves pursuant to a bilateral agreement. Standards describing net settlement and bilateral agreement rights and obligations are set forth in the *Settlement Manual*.

If the Corporation does not support the local currency of a particular country in the regional settlement service, then each Member engaged in Intracountry Transaction Activity in that country must participate in the Corporation's intracurrency settlement service for that country, if such an intracurrency settlement service exists.

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9.3 Currency Conversion

The Corporation converts all Transactions and cash disbursements processed through use of the Interchange System into the applicable settlement currency. The Acquirer must submit each Transaction or cash disbursement in the currency in which it occurred. However, if two Members elect not to settle a Transaction or cash disbursement by using the Interchange System and instead elect to settle directly between themselves in accordance with a bilateral agreement, any currency that the Corporation supports is acceptable for settlement.

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Note

An addition to this Rule appears in Chapter 13, "Latin America and the Caribbean Region Rules."

9.4 Interchange and Service Fees

A Transaction or cash disbursement cleared and settled between Members gives rise to the payment of the appropriate interchange fee or service fee, as applicable. The Corporation has the right to establish default interchange fees and default service fees (hereafter referred to as "interchange fees," "service fees," or collectively, "fees"), it being understood that all such fees set by the Corporation apply only if there is no applicable bilateral interchange fee or service fee agreement between two Members in place. The Corporation establishes all fees for Interregional Transactions and interregional cash disbursements and Intraregional Transactions and intraregional cash disbursements, and may establish fees for Intracountry Transactions and intracountry cash disbursements. The Corporation will inform Members, as applicable, of all fees it establishes and may periodically publish fee tables. Unless an applicable bilateral interchange fee or service fee agreement between two Members is in place, any intraregional or interregional fees established by the Corporation are binding on all Members.

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Note

A variation to this Rule appears in Chapter 10a, "New Zealand Rules."

9.5 Establishment of Intracountry Interchange and Service Fees

This Rule 9.5 is applicable only to Intracountry Transactions and intracountry cash disbursements.

If intracountry interchange and service fees are not established by the Corporation, such fees may be established in one of two ways: by agreement of Members in the country as set forth in Rule 9.5.1, or by application of intraregional interchange and service fees to Intracountry Transactions and intracountry cash disbursements as set forth in Rule 9.5.2. Such fees may also be established by bilateral agreement between two Members as set forth in Rule 9.5.3.

For any Transaction or cash disbursement that is subject to a bilateral agreement between two Members, the interchange and service fees set forth in the bilateral agreement prevail.

For any Transaction or cash disbursement that is not subject to a bilateral agreement between two Members, the default intracountry fees established by the Corporation apply, or if none, the default intracountry fees established by Members pursuant to these Rules apply, or if none, the intraregional fees apply, or if none, the interregional fees apply. Any multilateral Member fee agreement must comply with all requirements set forth in Rule 9.5.1. The Corporation reserves the right to determine if multiple bilateral agreements are deemed to be a multilateral agreement.



Note

Additions to this Rule appear in Chapter 10, "Asia/Pacific Region Rules" and Chapter 13, "Latin America and the Caribbean Region Rules."

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9.5.1 Default Intracountry Fees

If permitted by local law, default fees applicable to Intracountry Transactions and intracountry cash disbursements for a country may be established by the affirmative vote of Members that hold a License for the country and represent at least 75 percent of the intracountry issuing Volume (excluding on-us Volume) and at least 75 percent of the intracountry acquiring Volume (excluding on-us Volume) in the preceding calendar year. To be effective, and in addition to the foregoing, intracountry fallback fees must be agreed to by at least two Acquirers and at least two Issuers Licensed to engage in Activity in the country. Once effective, intracountry fallback fees remain in effect until revised by Members pursuant to these Rules or by the Corporation.

Settlement

9.5 Establishment of Intracountry Interchange and Service Fees

Intracountry default fees established by Members must be established with the purpose of encouraging the widespread use and acceptance of Cards, must be justifiable, must not jeopardize the integrity of the Interchange System, must not conflict with the Standards, and must be reviewed periodically (typically, every one to three years) and revised as appropriate.

Members that establish intracountry default fees must promptly provide the Corporation with a copy of such fees and any subsequent change to the fees. Members must be notified of intracountry default fees and any change thereto well in advance of the effective date, unless exceptional circumstances make this impossible. Exceptional circumstances generally must relate to events beyond the control of Members; in the event of dispute or uncertainty, the Corporation determines if notice was effective. Intracountry default fees that have not been provided to and acknowledged by the Corporation as effective as of a certain date are not effective.



Note

A variation to this Rule appears in Chapter 10a, "New Zealand Rules."

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9.5.2 Intraregional Fees

In the event that no bilaterally agreed interchange fee or service fee applies and no default interchange fee or service fee has been otherwise established pursuant to these Rules, the applicable intraregional fee or if none, the interregional fee, applies to Intracountry Transactions and intracountry cash disbursements.



Note

A variation to this Rule appears in Chapter 10a, "New Zealand Rules."

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9.5.3 Bilateral Agreement

Any two Members may establish by bilateral agreement between them the interchange and service fees applicable to Transactions and cash disbursements between them. All such fees must be promptly submitted to the Corporation, and when applicable to Transactions and cash disbursements processed through the Interchange System, sufficiently in advance of the effective date to allow the Corporation to incorporate the fees into future Interchange System releases as necessary or appropriate. Such fees applicable to Transaction and cash disbursements processed in another manner must be provided to the Corporation upon request.



Note

An addition to this Rule appears in Chapter 10, "Asia/Pacific Region Rules."

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9.6 Cost Studies

The Corporation or its agent(s) may conduct one or more cost studies on a country-specific or regional or other basis for the purpose of establishing interchange and service fees. In order to ensure a sufficient quantity and level of data quality and representativeness as the Corporation deems necessary or appropriate, the Corporation may designate any number of Members to participate in cost studies. All Members so designated are required to participate and must provide and be able to certify that the Member has provided the Corporation or its agent(s) with complete and accurate information in the form and manner and for such period of time and by a date as requested.

9.6.1 Allocation of Expenses

The Corporation may allocate expenses related to any cost study among Members conducting Activity in the country or region or other area that is the subject of the cost study. The expenses may be allocated as the Corporation deems appropriate and the decision of the Corporation is binding on all Members in that country or region or other area.

9.6.2 Noncompliance with a Cost Study

A Member designated to participate in a cost study that fails to fully and timely participate is subject to assessments and other disciplinary action at the sole discretion of the Corporation.

Compliance Zones

The following table identifies the noncompliance category that the Corporation has assigned to the Standards described within this chapter. These noncompliance categories are assigned for the purposes of assessments under the compliance framework, as described in Rule 3.1.2.

Rule Number	Rule Title	Category
9.2	Net Settlement	A
9.3	Currency Conversion	A

**Settlement
Compliance Zones**

Rule Number	Rule Title	Category
9.4	Interchange and Service Fees	A
9.5	Establishment of Intracountry Interchange and Service Fees	A
9.6	Cost Studies	A

10

Asia/Pacific Region Rules

This chapter contains Rules that apply only to the Asia/Pacific Region.

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Organization of this Chapter

The Rules in this Chapter 10 are variances and additions to the “global” Rules that apply in the Asia/Pacific Region.

Refer to Appendix A for the Asia/Pacific Region geographic listing.

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3.6 Provision and Use of Information

3.6.1 Obligation of Member to Provide Information

3.6.1.1 Information to Cardholders

The Issuer must provide information to its Cardholders as set forth below.

1. Card Solicitations. Each Issuer of Cards must disclose, clearly and conspicuously, in all Solicitations any amounts relating to the MasterCard Issuer Cross-border Assessment and/or the MasterCard Currency Conversion Assessment that the Issuer charges, or will charge, to the Cardholder.
2. Cardholder Communications. Each Issuer of Cards must disclose, clearly and conspicuously, in all existing Cardholder Communications, including Cardholder agreements and account agreements, any amounts relating to the MasterCard Issuer Cross-border Assessment and/or the MasterCard Currency Conversion Assessment that the Issuer charges, or will charge, to the Cardholder.
3. Periodic Billing Statement. Each Issuer of Cards must provide adequate disclosure on each applicable periodic billing statement, such that the Cardholder can readily determine from the billing statement any amounts that the Issuer charges to the Cardholder relating to the MasterCard Issuer Cross-border Assessment and/or the MasterCard Currency Conversion Assessment during that billing cycle, either in gross or on a per Transaction basis.

4. **Currency Conversion Procedure.** The Corporation further recommends and encourages Issuers to inform their Cardholders that part of the Corporation's currency conversion procedure includes use of either a government-mandated exchange rate or a wholesale exchange rate, selected by the Corporation, and that the government-mandated exchange rate or wholesale exchange rate that the Corporation uses for a particular Transaction is the rate the Corporation selects for the applicable currency on date that the Transaction is processed (the Central Site Business Date), which may differ from the rate selected on the date the Transaction occurred or on the date the Transaction is posted to the Cardholder's account.

For information about the MasterCard Currency Conversion Assessment, refer to the *GCMS Reference Manual*. For information about the MasterCard Cross-border Assessment, refer to the *MasterCard Consolidated Billing System—Asia/Pacific Region* manual.

3.9 Transaction Requirements

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3.9.1 Chip Transactions and Hybrid Terminals

Rule 3.9.1 of Chapter 3, "Member Obligations," is modified to include the following.

For purposes of these Rules, a counterfeit Transaction is a type of fraudulent Transaction; "chip-capable" means the ability to become EMV compliant; and "EMV-compliant" means in compliance with the EMV standards then in effect.

1. **New Chip-Capable Terminals.** All new ATMs and POI terminals deployed by Regional Members and capable of accepting EMV chip Cards (credit or debit) must be EMV-compliant in accordance with the Standards.
2. **Incentive Interchange Rate.** An incentive interchange rate applies to intraregional chip Transactions to:
 - a. Compensate the Issuers of Cards with an increased intraregional interchange of ten basis points when the Card is used at a non-EMV compliant terminal.
 - b. Compensate the Acquirers using EMV-compliant terminals with a reduced intraregional interchange of ten basis points when a non-EMV-compliant Card is used at that terminal.
3. **Chip Cards.** All new and reissued EMV chip Cards (credit or debit) must be EMV-compliant in accordance with the Standards.

4. Chip Liability Shift. The liability for intraregional counterfeit Transactions in which one Regional Member (either the Issuer or the Acquirer) is not yet EMV-compliant is borne by the non-EMV-compliant Regional Member.

Effective 15 October 2010, an interregional chip liability shift will take effect between the Asia/Pacific and South Asia/Middle East/Africa Regions. All countries within each of these regions will participate.

3.11 Limitation of Liability of Cardholders for Unauthorized Use

The following applies with respect to Asia/Pacific Region Cardholders.

1. Limitation on Amount. Subject to laws of the country within which a Card is issued, the liability of a Cardholder for unauthorized use of a Card (regardless of the type of account to which Transactions initiated with such Card are posted):
 - a. shall not exceed USD 0 if the conditions set forth in paragraph 2 below have been met; or
 - b. shall be in accordance with the corresponding Cardholder agreement if the conditions set forth in paragraph 2 below have not been met.
2. Conditions to USD 0 Liability. The liability limitations set forth in clause (a) of paragraph 1, above, shall apply only if:
 - a. the Cardholder has exercised vigilant care in safeguarding such card from risk of loss, theft, or unauthorized use;
 - b. the Cardholder immediately and without delay notifies the Issuer upon discovery of the loss, theft, or unauthorized use;
 - c. the Cardholder has not reported two or more incidents of unauthorized use to the Issuer in the immediately preceding 12-month period;
 - d. the account to which Transactions initiated with such card are posted is in good standing; and
 - e. the Cardholder has complied with the terms and conditions of the corresponding Cardholder agreement.
3. Effect of Other Applicable Law or Agreement. If country, provincial, or local law, or an agreement between a Cardholder and the Issuer of a Card (regardless of the type of account to which Transactions initiated with such Card are posted) imposes lesser liability than that provided in this Rule, the lesser liability shall govern.

4. Unauthorized Use. For purposes of this Rule, “unauthorized use” means the use of a Card (regardless of the type of account to which Transactions initiated with such Card are posted) by a person other than the Cardholder who does not have actual, implied, or apparent authority for such use, and from which the Cardholder receives no benefit.
5. Non-applicability. This Rule shall not apply to Cards issued
 - a. to an entity other than a natural person;
 - b. primarily for business, commercial, or agricultural purposes; or
 - c. if a PIN is used as the Cardholder verification method for unauthorized Transaction(s).

5.13 Discounts or Other Benefits at the Point of Interaction

A discount or other point of interaction benefit may be applied at a POI upon presentation of a particular Card for payment. Promotion of any such discount or other benefit at the POI is permitted provided such promotion does not result in discrimination against other Card Programs. The determination of whether any promotion discriminates against other Card Programs is at the sole discretion of the Corporation.

6.2 Affinity and Co-Brand Card Programs

6.2.5 Multiple Partners

Rule 6.2.5 of Chapter 6, “Special Issuer Programs,” is modified such that up to two Partners’ names or logos or both may appear on the face of the Card subject to the following conditions:

1. the Card design shall comply in all respects with the Card design requirements published in the Card Design Standards System
2. the MasterCard Brand Mark is not obscured by the proliferation of other names or logos or both and the presence of multiple logos does not in any way damage or impair the strength of the MasterCard brand;
3. the decision as to whether any given Card design conforms to these conditions is reserved to the Corporation’s staff.

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6.3 Brand Value Transactions and Proprietary Accounts

6.3.2 Fees and Reporting Requirements

Rule 6.3.2 of Chapter 6, “Special Issuer Programs,” is modified such that for Programs that are approved for proprietary account access, any proprietary account fees that may be in effect may be waived on a case-by-case basis at the sole discretion of the Corporation.

9.5 Establishment of Intracountry Interchange and Service Fees

9.5.3 Bilateral Agreement

Rule 9.5.3 of Chapter 9, “Settlement,” is modified to include the following:

All interchange fees applicable to Intracountry Transactions contained in a bilateral agreement must not exceed the maximum interchange fee set by the Corporation (the “MasterCard maximum interchange fee”).

10a New Zealand Rules

This chapter contains Rules that apply only in New Zealand.

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Organization of this Chapter

The Rules in this Chapter 10a are variances and additions to the “global” Rules that apply in New Zealand.

Except for Rule 5.9.1 and Rule 5.9.2 of this Chapter 10a, which apply to all Cards, the Rules in this Chapter 11a apply to Cards issued in New Zealand by New Zealand Members and presented for payment at Merchant locations in New Zealand. Members and Merchants in New Zealand must continue to comply with the global rules for Cards issued by Members outside of New Zealand and presented for payment at Merchant locations in New Zealand.

For the avoidance of doubt, the Rules in this Chapter 10a do not apply to (i) Cirrus-only cards; or (ii) Maestro-only cards.

Definitions

Solely for the purposes of this Chapter 10a, the following terms have the meanings set forth below:

1. “Debit” or “Debit MasterCard Card” or “Debit Card” shall mean any MasterCard consumer device, program, or card issued in New Zealand, by a New Zealand member, that when presented for payment in New Zealand, accesses, debits, holds, or settles funds from a consumer’s demand deposit or asset account.

“Debit” or “Debit MasterCard Card” shall include consumer signature debit programs, stored value programs, prepaid cards, payroll cards, electronic benefit transfer cards, and deferred debit cards that access, debit, hold, or settle funds from the user’s demand deposit or asset account less than fourteen days after the date of purchase. “Debit” shall not include any point-of-sale device that accesses, debits, hold, or settles funds from the user’s demand deposit or asset account fourteen or more days after the date of the purchase.

2. “Other MasterCard Card” shall mean any MasterCard device, program, or card that is not defined as “debit” or “Debit MasterCard Card.”

2.6 Obligation to Issue Cards

Rule 2.6 of Chapter 2, “Licensing and Licensed Activities,” does not apply in New Zealand.

2.7 Liability for Assigned ICAs and BINs

Rule 2.7 of Chapter 2, “Licensing and Licensed Activities,” is modified as follows:

Members must use specific and unique bank identification numbers (BINs) for Debit MasterCard Cards. Acquirers must provide a complete list of the BINs that apply to Debit MasterCard Cards to Merchants upon any form of reasonable request.

4.2 General Rules for Use of the Marks

4.2.6 Particular Use of a Mark

4.2.6.6 Use on Cards

Rule 4.2.6.6 of Chapter 4, “Trademarks and Service Marks,” is modified as follows:

Members must display (i) the Debit MasterCard Hologram instead of the MasterCard Global Hologram on the front of all Debit MasterCard Cards issued in New Zealand, in the position required for the MasterCard Global Hologram, or (ii) the “Debit” word mark on the card front if the Debit MasterCard Hologram is on the Card back.

Debit MasterCard Cards must conform to the Standards set forth in the [Security Rules and Procedures](#) manual and the Card Design Standards System.

5.1 The Merchant Agreement

5.1.2 Required Terms

Rule 5.1.2 of Chapter 9, “Merchants and Sales Transactions,” is modified to include the following:

Merchant Agreements must provide the Merchant with the option, and the applicable Merchant discount rate for each option, to elect to accept Debit MasterCard Cards only, Other MasterCard Cards only, or both Debit MasterCard Cards and Other MasterCard Cards. A Merchant may choose to stop accepting Debit MasterCard Cards or Other MasterCard Cards by providing no less than 30 days advance written notice to its Acquirer.

5.8 Card Acceptance Requirements

5.8.1 Honor All Cards

Rule 5.8.1 of Chapter 5, “Merchants and Sales Transactions,” is modified as follows:

Honor All Debit MasterCard Cards. Subject to Rule 5.11.1 of this Chapter 10a, Merchants that choose to accept Debit MasterCard Cards must honor all valid Debit MasterCard Cards without discrimination when properly presented for payment. Merchants must maintain a policy that does not discriminate among customers seeking to make purchases with a Debit MasterCard Card.

Honor All Other MasterCard Cards. Subject to Rule 5.11.1 of this Chapter 10a, Merchants that choose to accept Other MasterCard Cards must honor all Other MasterCard Cards without discrimination when properly presented for payment. Merchants must maintain a policy that does not discriminate among customers seeking to make purchases with Other MasterCard Cards.

5.8.2 Merchant Acceptance

Merchants that accept Cards may choose to accept Debit MasterCard Cards only, Other MasterCard Cards only, or both Debit MasterCard cards and Other MasterCard cards.

Acquirers must advise the Corporation when a New Zealand merchant chooses not to accept either Debit MasterCard Cards or other MasterCard Cards.

5.11 Prohibited Practices

5.11.1 Discrimination

Rule 5.11.1 of Chapter 5, “Merchants and Sales Transactions,” is modified to include the following:

The Corporation will not consider steering at the point of sale by offering discounts, promotions, or financial incentives to encourage an alternate form of payment (including as between Cards and EFT POS cards, or cards from different schemes, or different types of Cards) of itself to constitute a breach of Rule 5.11.1 or any other rule. Further, the Corporation will not consider merchant surcharging pursuant to Rule 5.11.2 of this Chapter 10a to constitute a breach of Rule 5.11.1.

5.11.2 Charges to Cardholders

Rule 5.11.2 of Chapter 5, “Merchants and Sales Transactions,” does not apply in New Zealand.

If a Merchant applies a surcharge for payment by Card, the amount or method of calculation of the surcharge must be clearly indicated to the Cardholder at the time of purchase and must bear reasonable relationship to the Merchant’s cost of accepting Cards.

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9.4 Interchange and Service Fees

Rule 9.4 of Chapter 9, “Settlement,” is modified to exclude Intracountry Transactions from the list of Transactions for which the Corporation may establish default interchange and service fees.

9.5 Establishment of Intracountry Interchange and Service Fees

Rule 9.5 of Chapter 9, “Settlement,” is replaced in its entirety with the following:

This Rule 9.5 is applicable only to Intracountry Transactions and intracountry cash disbursements.

Intracountry Transactions

The Corporation will establish and publish on its Web site containing content specific to New Zealand and in such other manner as the Corporation deems appropriate, maximum interchange fees for all Intracountry Transactions (herein, the “MasterCard maximum interchange fee”). Issuers and Acquirers may negotiate bilateral interchange fees (subject to any MasterCard maximum interchange fee) and Issuers may determine interchange fees applicable to their Intracountry Transactions (subject to any bilateral agreements and subject to any MasterCard maximum interchange fee). Issuers must ensure that with respect to each of their Intracountry Transactions, neither a negotiated bilateral interchange fee nor an interchange fee set by the Issuer results in an interchange amount with respect to that Intracountry Transaction that exceeds the interchange amount payable pursuant to the maximum interchange fee set by the Corporation.

An Issuer must promptly notify the Corporation of the interchange fees applicable to its Intracountry Transactions, said fees must not exceed the maximum interchange fee set by the Corporation. If an Issuer does not provide the Corporation with an interchange fee that applies to each of its Intracountry Transactions, then the Corporation will process the Transaction on the basis of a zero interchange fee.

Each Issuer must publish the intracountry interchange fees notified to the Corporation on its Web site except for those interchange fees which are subject to a bilateral agreement. The Corporation either will publish on its Web site containing content specific to New Zealand the Issuer's intracountry interchange fees (except for those interchange fees which are subject to a bilateral agreement) or will provide a link from its Web site to the relevant page of the Issuer's Web site.

9.5.1 Default Intracountry Fees

Rule 9.5.1 of Chapter 9, "Settlement," is modified to exclude default fees established for Intracountry Transactions by the affirmative vote of Members that hold a License for the country and represent at least 75 percent of the intracountry issuing Volume (excluding On-Us Volume) and at least 75 percent of the intracountry acquiring Volume (excluding On-Us Volume) in the preceding calendar year. For the avoidance of doubt, Rule 9.5.1 applies in its entirety to intracountry cash disbursements.

9.5.2 Intraregional Fees

Rule 9.5.2 of Chapter 9, "Settlement," is modified to exclude intraregional or interregional fees from applying by default to Intracountry Transactions. For the avoidance of doubt, Rule 9.5.2 applies in its entirety to intracountry cash disbursements.

11

Canada Region Rules

This chapter contains Rules that apply only to the Canada Region.

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Organization of this Chapter

The Rules in this Chapter 11 are variances and additions to the “global” Rules that apply in the Canada Region.

3.9 Transaction Requirements

3.9.1 Chip Transactions and Hybrid Terminals

Rule 3.9.1 of Chapter 3, “Member Obligations” is modified to include the following:

For purposes of these Rules, “EMV chip-compliant” means operating any chip device including cards, ATMs, point-of-interaction (POI) terminals, electronic cash registers (ECRs), PIN pads, and terminals that are in accordance fully with the Standards relative to EMV standards; and “chip/PIN-compliant” means issuing hybrid PIN-preferring Cards or operating hybrid PIN-capable terminals as such terms are defined in section 2.8.1.1 of the *Chargeback Guide*.

1. Chip Liability Shift. Effective 15 October 2010, the liability for Canada intraregional counterfeit Transactions in which one Member (either the Issuer or the Acquirer) is not yet EMV chip-compliant is borne by the non-EMV chip-compliant Member.
2. Chip/PIN Liability Shift. Effective 15 October 2010, the liability for Canada intraregional lost, stolen, and never-received-issue Transactions in which one Member (either the Issuer or the Acquirer) is not yet able to support chip/PIN Transactions will be borne by the non-chip/PIN-compliant Member.

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3.11 Limitation of Liability of Cardholders for Unauthorized Use

The following applies with respect to Canada Region Cardholders:

1. Limitation on amount. The liability of a Cardholder for unauthorized use of a Card (regardless of the type of account to which Transactions initiated with such Card are posted) shall not exceed
 - a. CAD 0 if the conditions set forth in paragraph 2, below, have been met, or
 - b. if the conditions set forth in paragraph 2 have not been met, the lesser of CAD 50 or the amount of money, property, labor, or services obtained by the unauthorized use before notification to the Issuer.

2. Conditions to CAD 0 liability. The liability limitations set forth in clause (i) of paragraph 1, above, shall apply only if
 - a. the Cardholder has exercised reasonable care in safeguarding such Card from risk of loss or theft;
 - b. the Cardholder has not reported two or more incidents of unauthorized use to the Issuer in the immediately preceding 12-month period; and
 - c. the account to which Transactions initiated with such Card are posted is in good standing.
3. Effect of other applicable law agreement. If federal, provincial or local law, or an agreement between a Cardholder and the Issuer of a Card (regardless of the type of account to which Transactions initiated with such Card are posted) imposes lesser liability than that provided in this Rule, the lesser liability shall govern.
4. Unauthorized use. For purposes of this Rule, “unauthorized use” means the use of a Card (regardless of the type of account to which Transactions initiated with such Card are posted) by a person other than the Cardholder who does not have actual, implied, or apparent authority for such use, and from which the Cardholder receives no benefit.
5. Nonapplicability. This Rule shall not apply to Cards issued
 - a. to an entity other than a natural person; or
 - b. primarily for business, commercial, or agricultural purposes.

5.2 Acquirer Obligations

5.2.4 Payments to Merchants

Rule 5.2.4 of Chapter 5, “Merchants and Sales Transactions,” is modified to include the following:

Each Member that acquires Transactions from Canadian Merchants must have a deposit account for each Merchant from which it acquires such Transactions, and the proceeds of such Transactions must be deposited by the Member in such Merchant’s deposit account.

5.13 Discounts or Other Benefits at the Point of Interaction

The use of an Affinity Card Program or Co-Brand Card Program Card to activate a discount or other benefit at the POI that is not available on similar purchases with the use of any other Card is permitted for Transactions effected wholly within the Region. The determination of whether any such discount or other POI benefit practice complies with the Standards is at the sole discretion of the Corporation's staff.

12

Europe Region Rules

This chapter contains Rules that apply only in the Europe Region.

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Organization of this Chapter

The Rules in this Chapter 12 are variances and additions to the “global” Rules that apply in the Europe Region.

Refer to Appendix A for the Europe Region geographic listing.

Definitions

Solely for the purposes of Rules in this Chapter 12 and in Chapters 12a and 12b, the following terms have the meanings set forth below.

1. “Commercial Card” means in the EEA a Card issued to an undertaking or public sector entity or one of its employees and that is intended for use in connection with business expenses made by that undertaking or public sector entity or by its employee, or a Card issued to a self-employed natural person engaged in a business activity and that is intended for use for business expenses. Cards fitting the above definition that are in issuance in the EEA after 31 December 2010 must be identifiable as Commercial Cards.
2. “Consumer Card” means in the EEA a Card issued to a natural person that is not used primarily for business expenses.
3. “Credit Card” means in the EEA a Consumer Card that allows the cardholder to make purchases with a certain credit amount, which can be settled in full by the end of a specified period (which typically is interest-free) or can be settled in part, with the remaining balance being taken as credit and charged with interest. A Credit Card may be linked to a current account at a deposit-taking institution or to an account that has been set up specifically for the use of the Credit Card. Credit Cards include charge (or delayed debit) Cards. A charge (or delayed debit) Card is a Card that allows the Cardholder to make purchases but does not offer credit, the amount of the debit having to be settled in full only after a specified period (which typically is interest-free). A charge (or delayed debit) Card may be linked to a current account at a deposit-taking institution or to an account that has been set up specifically for the use of the charge (or delayed debit) Card.

4. “Debit Card” means in the EEA a Consumer Card that allows a cardholder to charge purchases directly to a current account at a deposit-taking institution. The Debit Card serves as a device to access funds in a current account. A Debit Card Transaction is always directly charged to a current account i.e. no later than two business days after the clearing of the Transaction, whereas a Credit (or charge or delayed debit) Card Transaction may be settled by the end of a specified period or charged to a current account more than two business days after the clearing of that Transaction. Cards fitting the above definition that are in issuance in the EEA after 31 December 2010 must be identifiable as Debit Cards.
5. “European Economic Area” (EEA) means the following countries: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and United Kingdom.
6. “Intra-SEPA Transaction” means a Transaction completed using a Card issued in a country or territory included in the SEPA geographic listing in Appendix A at a point of interaction located in a country or territory included in the SEPA geographic listing in Appendix A.
7. “Non-Intracountry Transaction” means a Transaction completed at a Merchant located outside the country in which the Card is issued.
8. “Payment Scheme” means MasterCard Incorporated, including all of its subsidiaries and affiliates, its products and services, the Standards that govern the products and services, and its Members.
9. “Stand-In Parameters” means a set of authorization requirements established by the Corporation or the Issuer that are accessed by the Interchange System using the Stand-In Processing Service to determine the appropriate responses to authorization requests.
10. “Stand-In Processing Service” means a service offered by the Corporation in which the Interchange System authorizes or declines Transactions on behalf of and uses Stand-In Parameters provided by the Issuer (or in some cases, by the Corporation). The Stand-In Processing Service responds only when the Issuer is unavailable, the Transaction cannot be delivered to the Issuer, or the Issuer exceeds the response time parameters set by the Corporation.

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1.2 Eligibility to be a Member

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1.2.1 Principal Member or Affiliate Member

In the EEA, Rule 1.2.1 of Chapter 1, “Membership,” is modified as follows:

It is not required that financial transactions constitute substantially all of the business conducted by a financial institution located in the EEA that does not take deposits.

2.3 Area of Use

2.3.1 Extending or Otherwise Modifying the Area of Use

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Rule 2.3.1, paragraph 8, part (a) of Chapter 2, “Licensing and Licensed Activities,” is modified with respect to Merchants located and acquired in the Europe Region as follows:

The ICA number under which e-commerce Transactions are acquired must reflect either the country in which the Merchant is located or another country in the Europe Region.

2.3.2 Central Acquiring

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The rules in this section apply in the Europe Region in place of Rule 2.3.1, paragraphs 5, 6, 7, and 8.

Provided that they comply with the provisions of this Rule, Members that hold a License may centrally acquire Transactions of Merchants as described in Rule 2.3.2.4, including those undertaken in countries for which the Member does not hold a License. Members must not acquire Transactions from Merchants situated outside their Area of Use, except pursuant to this Rule 2.3.2.

This Rule 2.3.2 applies to central acquiring in the Europe Region by Members with a License for any Europe Region country.

2.3.2.1 Central Acquiring Registration

Members must have completed the central acquiring registration process before they centrally acquire. The central acquiring registration letter specifies the countries in which a Member may centrally acquire intraregional Merchant Transactions.

2.3.2.2 Central Acquirer Service Requirements

The Member must authorize, clear and settle centrally acquired Transactions in a manner that does not disadvantage the Cardholder, the Merchant or the Issuer involved in the Transaction in comparison with non-centrally acquired Transactions. The Member must also comply with the requirements defined below.

1. Authorizations

Central Acquirers must provide Issuers with all information required in the authorization request, as set forth in the Customer Interface Specification manual.

A central Acquirer must be able to provide local language voice authorization services, itself or through a local Acquirer, at the cost of a local call if the authorization system is not available or in a country where Transactions cannot be authorized electronically. If the central Acquirer and local Acquirer cannot agree on a price for these services, the following rates will apply:

- Voice authorization: EUR 4
- Call referral: EUR 8.

2. Clearing

Central Acquirers must provide details in the clearing record of the location, city and country where the Transaction took place.

For specific Merchant sectors, central Acquirers must provide additional information in the clearing record if required by the Europe Region, using the message formats detailed in the *IPM Clearing Formats* manual.

2.3.2.3 Intracountry Rules

Central Acquirers must comply with the intracountry rules of a country in which they centrally acquire Transactions.

The Corporation will provide central Acquirers, on request, with the intracountry rules of the country or countries covered by the request. The administrative fee for this service, as set forth in the *MasterCard Consolidated Billing System—Europe SEPA Region* or *MasterCard Consolidated Billing System—Europe non-SEPA Region* manual as applicable, or elsewhere, must be paid at the time when the request is made and before the rules are sent.

2.3.2.4 Centrally Acquired Merchants

An Acquirer may centrally acquire Transactions from any Merchant located in any one of the following Western or Central European countries: Andorra, Austria, Belgium, Bulgaria, Channel Islands, Czech Republic, Cyprus, Denmark, Estonia, Finland, France, Germany, Gibraltar, Greece, Hungary, Iceland, Ireland, Isle of Man, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Monaco, Netherlands, Norway, Poland, Portugal, Romania, San Marino, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom, Vatican City.

In all other Europe Region countries, an Acquirer may only centrally acquire Transactions of a Merchant that:

1. Operates in more than two Europe Region countries either directly; or through wholly-owned subsidiaries; or through a joint venture that requires consolidation on the balance sheet of the central company; or under the same brand name through franchise and/or management contracts.
2. Operates a centrally managed delivery system that services subsidiaries and local operators and is used to process orders, reservations, sales or payments; supports the delivery of services (for example, tickets/contracts) or goods; and manages stock or service availability.
3. Operates a centrally managed accounting system that monitors treasury and cash management and payment collections and is used to channel and support payment system authorizations.

2.3.2.4.1 Updating of Merchant Details

To ensure correct system implementation and transaction monitoring, central Acquirers must inform the Corporation of any changes to the Merchant details of any Merchant (excluding Merchants in Western and Central European countries) where Transactions are centralized, including changes to the Merchant's name and address and to the MCC used for centrally acquired Transactions. The changes must be communicated by submitting a central acquiring application form that contains the new details. If changes to Merchant details are not communicated within 30 business days of receipt of a warning letter, the assessment for centrally acquiring Transactions from a non-notified Merchant will be applied.

2.3.2.5 Registration Procedure

To register to centrally acquire in the Western and Central European countries listed in Rule 2.3.2.4 above, the Member must submit to the Corporation a single application form covering all such Western and Central European countries. The central acquiring registration letter will cover all such Western and Central European countries.

To register to centrally acquire in other countries, the Member must submit to the Corporation an application form for each Merchant and country where the Member wishes to centrally acquire Transactions.

2.3.2.6 Extension of Registration

In the Western and Central European countries listed in Rule 10B.2.4 above, a central Acquirer is not required to comply with any formal procedures in order to extend its central acquiring Activities to a new country in Western and Central Europe.

In all other countries, a Member that wishes to extend its central acquiring Activities to a new Merchant or country must follow the registration procedure set forth in Rule 2.3.2.5 above.

2.3.2.7 Interchange Fee Requirements

If a central Acquirer acquires an Intracountry Transaction, the following principles apply to the interchange fee:

1. The central Acquirer may agree upon bilateral interchange fees with the Issuer; and
2. Unless a bilateral agreement applicable to an Intracountry Transaction has been established between two Members, the interchange fees applicable to an Intracountry Transaction set forth in Rule 9.5 will apply.

If a central Acquirer acquires a Non-Intracountry Transaction, the following principles apply to the interchange fee:

1. The central Acquirer may agree upon bilateral interchange fees with the Issuer; and
2. Unless a bilateral agreement applicable to a Non-Intracountry Transaction has been established between two Members, the interchange fees applicable to a Non-Intracountry Transaction set forth in Rule 9.4 will apply.

2.3.2.8 Settlement of Disputes

Any disputes relating to central acquiring will be resolved by the Corporation in accordance with the Standards.

2.3.2.9 Member Noncompliance

The following are examples of violations of the central acquiring rules for which noncompliance assessments may be applied:

1. Engaging in central acquiring without first registering,
2. Engaging in central acquiring in non-notified countries or of non-notified Merchants (not applicable for Western and Central European countries).
3. Failure to comply with intracountry rules (including application of incorrect interchange fees) resulting in financial loss to another party.
4. Incorrect data in network messages (including incorrect country code) resulting in financial loss to another party.

2.6 Obligation to Issue Cards

Rule 2.6 of Chapter 2, “Licensing and Licensed Activities,” does not apply in the EEA.

3.1 Standards

3.1.3 Rules Applicable to Intracountry Transactions

The following are additional Rules applicable to intracountry Transactions. Refer to Rule 9.5 of Chapter 9, “Settlement,” regarding the establishment of intracountry interchange fees and intracountry service fees.

The Corporation may establish Rules for Intracountry Transactions. The Corporation will inform Members of all Rules it establishes.

If Rules for Intracountry Transactions are not established by the Corporation, the following two options apply as regards establishment of the rules to be applied to Intracountry Transactions. Members may change from one option to another upon notice in writing to the Corporation, and fulfillment of any requirements associated with the new option.

Global Rules (including Europe Region Rules)

Members may apply the Rules (including the Europe Region Rules) to Intracountry Transactions. If the other option does not apply, then this option applies by default.

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Intracountry Fallback Rules (75 percent Rule)

If permitted by local law, Members holding Licenses for the country (including SEPA Licenses) and representing, during the year preceding the agreement, at least 75 percent of each of the Card issuing and acquiring intracountry Volumes (excluding on-us Volumes), have the power to agree on fallback Rules applicable to all Intracountry Transactions, including those acquired by Members outside the country. Intracountry fallback rules must be agreed by at least two Issuers and at least two Acquirers Licensed to engage in Activity in the country.

The percentage is calculated separately for each Card product, as determined by the Card product identifier and functionality (for example, POS vs. cash disbursement).

Intracountry fallback rules remain in effect until changed or challenged. If intracountry fallback rules are challenged because the Members agreeing to them no longer meet the 75 percent threshold, the Rules (including the Europe Region Rules) will apply in their place, as from the date when the Corporation has determined that the 75 percent threshold is no longer met.

Intracountry fallback rules must be non-discriminatory, justifiable and not in conflict with the Rules (including the Europe Region Rules and any Rules established by the Corporation for Intracountry Transactions). Intracountry fallback Rules must not discriminate against Cardholders (including international Cardholders) or jeopardize the integrity of the Payment Scheme.

3.1.3.1 Order of Precedence

For any Intracountry Transaction, the intracountry Rules established by the Corporation apply, or if none, the intracountry fallback rules established by Members pursuant to the preceding Rule apply, or if none, the intraregional Rules apply, or if none, the interregional Rules apply.

3.1.4 Communication of Intracountry Fallback Rules

Members that agree to intracountry fallback rules must provide the Corporation with a copy of such rules as well as with any subsequent changes to those rules. The Corporation must be notified of intracountry fallback rules well in advance of their effective dates, unless exceptional circumstances make this impossible. Exceptional circumstances must be related to events beyond the control of the Members, such as a change in laws or regulations, compliance with which requires immediate action.

Intracountry fallback rules that have not been provided to and acknowledged by the Corporation are not applicable.

The Corporation will endeavor to publish intracountry fallback rules and their revisions at least three calendar months prior to their effective dates. If exceptional circumstances apply, the period will not be less than one calendar month before the effective date. If necessary, the initially notified effective date will be delayed to respect these time frames.

3.4 Choice of Laws

Rule 3.4 of Chapter 3, “Member Obligations,” is replaced in its entirety by the following:

Licenses are governed by and construed according to the applicable law mentioned in the particular License, without reference to conflict-of-laws or similar provisions that would mandate or permit application of the substantive law of any other jurisdiction

The courts mentioned in the particular License have exclusive jurisdiction for the resolution of any dispute relating to rights and obligations deriving from Licenses.

Licenses concluded after 1 January 2007 will specify English law and courts.

The Standards are governed by and construed according to English law, without reference to conflict-of-laws or similar provisions that would mandate or permit the application of substantive law of any other jurisdiction. English courts have exclusive jurisdiction for the resolution of any dispute relating to the Standards between two Members holding Licenses for countries in the Europe Region.

3.6 Provision and Use of Information

3.6.1 Obligation to Provide Information

Rule 3.6.1 of Chapter 3, “Member Obligations,” is modified to include the following.

The Member must provide to the Europe Region the following information on its plans to issue chip Cards and/or acquire chip Transactions:

1. Number of chip Cards; and
2. Number of chip terminals.

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3.6.1.1 Information to Cardholders

The following additional Rules apply in the Europe Region.

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The Issuer must provide information to its Cardholders as set forth below, in addition to any information required under applicable laws or regulations. The Europe Region may ask an Issuer to certify its compliance with these Standards.

1. Before the Card is Used

The Issuer must make information available to Cardholders as to where the Card may be used (that is, wherever, at home or abroad, the relevant Mark is displayed). The Issuer must also provide the following information to the Cardholder:

- a. The price of the Card.
- b. Specific charges, if any, to be paid to the Issuer for the kind(s) of service (both at home and abroad) provided through the Card. Examples of these charges are: cash advance fee, ATM usage fee, and interest rate(s) to be applied to credit Card accounts.
- c. The basis for calculation of the exchange rate.
- d. Notice that exchange rates can fluctuate and that they may change between the time when the transaction is made and the time when it is billed to the Cardholder's account.
- e. For credit and charge Cards, information concerning any auxiliary charges applicable to the account linked to the Card: for example, fees for additional statements, account excess fees and late payment fees.
- f. The Cardholder's liability, including the cost, if the Card is lost or stolen. This information must be stated clearly in the body of the product literature. The Cardholder must also be told what to do if the Card is lost or stolen.
- g. The standard limit, if any, up to which the Cardholder can use the Card.
- h. Information concerning when the Transaction is likely to be billed to the Cardholder's account.
- i. Information required to be provided by Rule 3.6.5.2 herein.

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2. At the Time of Billing the Transaction

As applicable, the following information must be provided to the Cardholder:

- a. Transaction type (for example sale, ATM cash withdrawal, cash advance), and location (if technically feasible).
- b. Amount in Transaction currency.

- c. Amount in billing currency.
- d. Exchange rate applied.
- e. Total commission applied (if applicable).
- f. Interest rate applied (if applicable).

3.6.1.2 Information to Merchants

This additional Rule applies only in the EEA.

An Acquirer:

- must inform existing and prospective Merchants that interchange fees and rules set by the Corporation are available on the MasterCard public Internet site (www.mastercard.com); and
- must inform existing and prospective Merchants that they may apply different surcharges to Credit Card Transactions, Commercial Card Transactions, Debit Card Transactions and Maestro transactions, while respecting Rule 5.9.2 (Charges to Cardholders) of this Chapter 12.

By 31 December 2009, an Acquirer:

- must provide to existing and prospective Merchants, upon their request, pricing information that specifies separately (including separately from those of any other card network) the financial terms to be applied to Credit Card Transactions, Commercial Card Transactions, Debit Card Transactions and Maestro transactions. The Acquirer is entitled to charge for the extra cost of providing such separate pricing information;
- must indicate on Merchant invoices for such Merchants that have requested separate pricing, the number of Transactions, Volume and total amount of the Merchant service charge separately (including separately from those of any other card network) for Credit Card Transactions, Commercial Card Transactions, Debit Card Transactions and Maestro transactions. The Acquirer is entitled to charge for the extra cost of providing such separate invoice information;
- must inform existing and prospective Merchants that they are not obliged to accept Maestro cards and/or the cards of any other network as a condition for accepting Cards; and
- may not prohibit existing or prospective Merchants from entering into a Merchant Agreement with any other Acquirer with respect to Credit Card Transactions, Commercial Card Transactions, Debit Card Transactions, Maestro transactions and/or the transactions of other card networks, unless the Merchant elects to enter into a Merchant Agreement solely with the Acquirer.

By 31 December 2010, an Acquirer:

- must provide to existing and prospective Merchants pricing information that specifies separately (including separately from those of any other card network) the financial terms to be applied to Credit Card Transactions, Commercial Card Transactions, Debit Card Transactions and Maestro transactions, unless the Merchant elects that the Acquirer shall not have to provide such separate pricing information; and
- must indicate on Merchant invoices the number of Transactions, Volume and total amount of the Merchant service charge separately (including separately from those of any other card network) for Credit Card Transactions, Commercial Card Transactions, Debit Card Transactions and Maestro transactions, unless the Merchant elects that the Acquirer shall not have to provide such separate invoice information.

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3.6.5 Data Protection

The following are additional Standards relating to Personal Data. The following definitions are solely for the purposes of Rule 3.6.5 of this chapter:

1. “Controller” means the entity which alone or jointly with others determines the purposes and the means of the Processing of Personal Data.
2. “Data Subject” means a Cardholder or Merchant, or other natural or legal person (to the extent a legal person is subject to national data protection law) whose Personal Data are processed by a Member in the EEA or Switzerland and the Corporation.
3. “EU Privacy Directive” means, collectively, Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data and Directive 2002/58/EC of the European Parliament and of the Council of 12 July 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector, as may be amended from time to time.
4. “Personal Data” means any information relating to an identified or identifiable natural person; an identifiable natural person is one who can be identified, directly or indirectly, in particular, by reference to an identification number or to one or more factors specific to his or her physical, physiological, mental, economic, cultural, or social identity.
5. “Processor” means the entity which processes Personal Data on behalf of a Controller.

6. “Processing of Personal Data” means any operation or set of operations which is performed upon Personal Data, whether or not by automatic means, such as collection, recording, organization, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, blocking, erasure or destruction of such data.
7. “Transaction-related Personal Data” means Personal Data required for authorizing, recording, settling and clearing a Transaction processed by the Corporation.

3.6.5.1 Processing of Transaction-Related Personal Data

With regard to Transaction-related Personal Data, Members in the EEA or Switzerland must comply with the applicable national legislation implementing the EU Privacy Directive or any other applicable data protection law. Members are Controllers with regard to the Processing of Personal Data for the purposes of authorizing, recording, clearing and settling transactions, and the Corporation acts as a Processor for these purposes.

The Corporation will, to the extent it acts as a Processor, only undertake Processing of Personal Data in accordance with the Standards and will comply with security obligations equivalent to those imposed on the Members as Controllers by Article 17 of the EU Privacy Directive 95/46, as implemented by national legislation.

3.6.5.2 Data Subject Notice and Consent

Members in the EEA or Switzerland must ensure that Data Subjects are properly informed and, if necessary, have given proper consent in accordance with applicable laws and regulations that Personal Data relating to them may be used, disclosed or otherwise processed by the applicable Member and the Corporation as set forth for the purposes provided for in Rule 3.6.2.

In accordance with applicable laws and regulations, Members in the EEA or Switzerland must ensure that Data Subjects are properly informed, at a minimum:

1. that Data Subjects have the right to (a) request access to and receive information about the Personal Data maintained by the applicable Members, or the Corporation, (b) update and correct inaccuracies in the Personal Data, and (c) have the Personal Data blocked or deleted as appropriate.
2. that Data Subjects may withdraw any consent they previously provided to the applicable Member or the Corporation or object at any time on legitimate grounds to the Processing of Personal Data;

3. about the choices and means that Data Subjects have for limiting the Processing of Personal Data by the Corporation;
4. that Personal Data may be processed outside the EEA or Switzerland; and
5. about the categories of recipients of Personal Data.

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3.6.5.3 Data Subject Access to Personal Data

In accordance with applicable laws and regulations, Members in the EEA or Switzerland must develop and implement appropriate procedures for handling requests by Data Subjects for access to, correction and/or deletion of Personal Data maintained by the applicable Member or Corporation. The Corporation will cooperate with Members in responding to such requests and will provide access to Personal Data maintained by the Corporation to assist Members in complying with requests for access to such Personal Data.

If an access request is made directly to the Corporation, Members must cooperate with the Corporation in promptly responding to the request.

3.6.5.4 Integrity of Personal Data

Each Member in the EEA or Switzerland must take reasonable steps to ensure that Personal Data the Member provides to the Corporation is reliable for its intended use and is accurate, complete and current.

3.9 Transaction Requirements

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3.9.1 Chip Transactions and Hybrid Terminals

Rule 3.9.1 of Chapter 3, “Member Obligations” is modified to include the following with respect to chip Transactions effected wholly within the Region.

For purposes of these Rules, “EMV-compliant” means in compliance with the EMV standards then in effect.

1. **Chip Liability Shift.** The liability for intraregional counterfeit fraudulent Transactions in which one Regional Member (either the Issuer or the Acquirer) is not yet EMV-compliant is borne by the non-EMV-compliant Regional Member.
2. **Chip/PIN Liability Shift.** The liability for intraregional lost, stolen, and never received fraudulent Transactions in which one Regional Member (either the Issuer or the Acquirer) is not yet able to support chip/PIN Transactions is borne by the non-chip/PIN-compliant Regional Member.

3. **PIN Entry Device Mandate.** All new, replaced, or upgraded chip terminals must have a PIN pad. These terminals must at a minimum support offline PIN (encrypted and clear text) for processing chip Transactions. New, replaced, or upgraded hybrid terminals will not pass the Acquirer Terminal Integration Process unless they are equipped with a PIN pad.

The PIN pad mandate does not apply to CAT Level 2 and 3 hybrid terminals.

4. **Technical Fallback.** At cardholder-activated terminals (CATs) Level 1 and 2, if both the Card and the CAT support chip technology, the Transaction may only be completed using the chip. Technical fallback is not permitted at such terminals. Refer to section 2.8.1.3 of the *Chargeback Guide* for more information about technical fallback.

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3.9.2 CVC 2 Processing for Card-Not-Present Transactions

The following additional rules apply in the Europe Region.

The Issuer must not authorize card-not-present (CNP) Transactions (that is, mail order/telephone order [MO/TO] and electronic commerce [e-commerce] Transactions) if the CVC 2 transmitted by the Acquirer does not match the CVC 2 on file with the Issuer corresponding to the Card number in question (that is, DE 048, subelement 87 of the Authorization Request Response/0110 message = "N").

The Acquirer must ensure that a CNP Merchant that has exceeded 100 basis points in fraudulent CNP Transactions for two consecutive calendar months:

1. For all MO/TO Transactions, captures and transmits the CVC 2 value to the Issuer for validation; and
2. For all e-commerce Transactions, captures and transmits the CVC 2 value to the Issuer for validation or becomes MasterCard SecureCode™-enabled.

Acquirers must ensure that Merchants comply with this requirement within 120 days following the second trigger month.

Refer to section 3.7 of the *Security Rules and Procedures* manual for additional CVC 2 requirements.

3.9.5 Issuer Performance Standards

The following are additional Standards relating to issuer performance.

Issuers that fail to meet performance standards may be subject to the assessments set forth in Rule 3.9.5.3 below and will be mandated to implement the Stand-In Processing Service. Chip Issuers mandated to implement the Stand-In Processing Service will also be required to register for M/Chip Cryptogram Validation in Stand-In.

3.9.5.1 Issuer Failure Rate (Substandard Performance)

An Issuer failure rate that exceeds one percent (1%) for Transactions for two months in any six-month period is substandard performance. The Issuer failure rate will not apply to an Issuer or its processor until:

- a. After the fourth calendar month of operation; or
- b. Upon processing five thousand (5,000) Transactions in a calendar month; whichever occurs first.

3.9.5.2 Calculation of the Issuer Failure Rate

The Issuer failure rate is calculated according to the formula below:

The sum of the following ISO 8583 response codes:

- a. 31 issuer signed off
- b. 82 time out at Issuer EM
- c. 96 system malfunction

divided by the total Transactions processed through the Issuer connection to the Interchange System.

3.9.5.3 Assessments for Substandard Performance

An Issuer that fails to meet the Corporation's performance standards may be subject to the following assessments.

Occurrence	Assessment
First occurrence	USD 15,000
Second occurrence within the twelve (12) month period following the first occurrence	USD 15,000
Third and any subsequent occurrence within the twelve (12) month period following the second occurrence	USD 20,000

After completion of a full calendar year without any violations, a subsequent violation is counted as a first violation.

3.9.7 Euro Migration

The following additional Rules apply in the Europe Region.

Transactions submitted into interchange that take place in countries that convert to the euro must be submitted in the euro. To allow a grace period for exceptional cases, the Interchange System will not reject Transactions submitted in currencies that have been replaced by the euro within six months after the transition period. Within this six-month period, Issuers may not reject or charge back Transactions submitted in currencies that the euro has replaced exclusively on grounds that such Transactions have not been submitted in euro.

Provided that the national currency of a country that converts to the Euro is still valid and accepted by the Interchange System, the greater of the euro floor limit or the floor limit in the national currency applies to intracountry Transactions, regardless of the Transaction currency.

4.1 Right to Use the Marks

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4.1.2 Protection and Registration of the Marks

Rule 4.1.2 of Chapter 4, “Trademarks and Service Marks,” is modified to include the following additional Standard.

MasterCard Europe sprl is the exclusive owner of the Eurocard and eurocheque marks. Members must not, either by act or omission, do anything inconsistent with the exclusive ownership of the Eurocard or eurocheque marks, or do anything that may harm the Eurocard or eurocheque marks.

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5.1 The Merchant Agreement

5.1.2 Required Terms

Rule 5.1.2 of Chapter 5, “Merchants and Sales Transactions,” is modified to include the following additional Rule that applies in the EEA:

Each Merchant Agreement with a Merchant located in the EEA must contain a term requiring the Merchant to respond to Cardholder disputes and handle chargebacks in accordance with the *Chargeback Guide*.

5.8 Card Acceptance Requirements

5.8.2 Merchant Acceptance

The following additional Rule applies in the Europe Region.

Merchants that accept Cards must accept all types of Cards (for example, consumer Cards, MasterCard Corporate Card® Cards, World MasterCard™ Cards, Debit MasterCard Cards, etc.).

5.8.6 Purchase with Cash Back Transactions

The following additional Rules apply in the Europe Region.

Merchants in the Europe Region may at their option support purchase with cash back Transactions on all types of Cards other than Debit MasterCard Cards in accordance with the Rules in this section.

For the Rules applicable to Debit MasterCard purchase with cash back Transactions, refer to section 2.1.12 of the *Chargeback Guide* and Rule 5.8.6 of Chapter 12a, “Europe Region Debit-related Rules.”

A purchase with cash back Transaction is an optional service that a Merchant may offer, with the prior approval of its Acquirer, in a Card-present, face-to-face environment only. A purchase with cash back Transaction is not a cash disbursement. Refer to chapter 8 of this manual for Standards regarding cash disbursements.

The following Acquirer and Merchant requirements apply to purchase with cash back Transactions:

1. Cash may be provided **only** when combined with a purchase Transaction. The purchase, cash back, and total Transaction components of the purchase with cash back Transaction must be in the same currency.
2. Purchase with cash back is available only for chip/PIN and chip/signature Transactions, except in the Czech Republic, Poland and Slovakia, where purchase with cash back is available on magnetic stripe Transactions until 31 December 2010. As of 1 January 2011, purchase with cash back on magnetic stripe Transactions must be discontinued in these three countries.
3. The acquirer must obtain positive online authorization of the full Transaction amount; support for authorization of the purchase amount only is optional.
4. An offer of purchase with cash back that is promoted at the point of interaction (POI) must be available to all Cardholders and the Merchant may prompt the Cardholder to use this service.

If a Merchant decides to provide purchase with cash back only upon presentation of particular Cards, then the Merchant must not promote the service at the POI location or prompt the Cardholder to use purchase with cash back.

5. Before the Merchant first offers purchase with cash back Transactions to Cardholders, the Acquirer and Merchant must establish an education program for retail employee staff, including but not limited to POS terminal operators.

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6. The maximum cash back amount of the purchase with cash back Transaction is GBP 100 in the United Kingdom and EUR 100 or the local currency equivalent in other Europe Region countries, with the exception of Germany, where the maximum is EUR 200.
7. Acquirers or Merchants may establish a lower maximum cash back amount, provided that:
 - Any such maximum amount is applied uniformly; and
 - Any maximum amount is not lower than the maximum amount established for any other payment means on which purchase with cash back is offered at the Merchant location.
8. Acquirers or Merchants may establish a minimum cash back amount, provided that:
 - Any such minimum amount is applied uniformly; and
 - Any minimum amount is not greater than the minimum amount established for any other payment means on which purchase with cash back is offered at the Merchant location.
9. The First Presentment/1240 message of each purchase with cash back Transaction must be submitted as follows:
 - A value of **09** (purchase with cash back) must be present in DE 3 (Processing Code), subfield 1 (Cardholder Transaction Type).
 - The total transaction amount (inclusive of the purchase amount and cash back amount) must be transmitted in DE 4 (Amount, Transaction).
 - The cash back amount must be transmitted in DE 54 (Amounts, Additional).

The following Issuer requirements apply to purchase with cash back Transactions:

1. An Issuer that intends to support purchase with cash back Transactions must properly personalize the chip on its Cards.
2. When purchase with cash back for magnetic stripe Transactions is discontinued in Czech Republic, Poland and Slovakia, Issuers should use partial authorization to approve only the purchase amount of magnetic stripe Transactions, if they have implemented partial authorization.
3. When using message reason codes 4853, 4855, 4859, and 4860 to submit a chargeback of a purchase with cash back Transaction, the Issuer may charge back only the purchase amount or a portion thereof, using Function Code of 453 (Partial Amount) in the First Chargeback/1442 message. An Issuer must not charge back the cash back amount or any portion thereof under any of these message reason codes.

5.11 Prohibited Practices

5.11.2 Charges to Cardholders

Rule 5.11.2 of Chapter 5, “Merchants and Sales Transactions,” does not apply in the EEA.

If a Merchant applies a surcharge for payment by Card, the amount or method of calculation of the surcharge must be clearly indicated to the Cardholder at the POI location and must bear a reasonable relationship to the Merchant’s cost of accepting Cards.

5.13 Discounts or Other Benefits at the Point of Interaction

The following additional Rule applies in the Europe Region.

A discount or other benefit may be applied at a POI location in the Europe Region upon simple presentation of a particular Card for payment. The promotion at the POI of a discount or other benefit that may be accessed by any particular Card is prohibited.

6.2 Affinity and Co-Brand Card Programs

6.2.5 Multiple Partners

Rule 6.2.5 of Chapter 6, “Special Issuer Programs,” is modified to allow more than one Partner’s name or logo or both to appear on the Card face.

6.3 Co-Residing Applications

Rule 6.3 of Chapter 6, “Special Issuer Programs,” is replaced in its entirety with the following.

6.3.1 Definitions

“Co-residing application” means a Member or third party proprietary application or function unrelated to the Payment Scheme that co-resides on a Card.

Europe Region Rules

8.3 Maximum Cash Disbursement Amounts

Any of a Member's proprietary intracountry payment functions or brands, whether stored value, debit or credit, is a co-residing application if it resides on a chip embedded on a Card. If such a function or brand does not reside on the chip, the Rules for co-residing applications do not apply.

6.3.2 Basic Requirements

Members may not use any Mark as part of the identification of any co-residing application without the Corporation's prior written approval.

Co-residing payment applications may not use or be associated with any competitive brand (for example, American Express, JCB, Diners Club, Visa).

6.3.3 Notification

The Corporation must be notified of co-residing payment applications with the form provided in the *Cirrus Worldwide Operating Rules*. Class A Members may provide notification of co-residing applications on behalf of their Sponsored Affiliate Members. If a co-residing payment application is discontinued, the Corporation must be notified without delay.

8.3 Maximum Cash Disbursement Amounts

Rule 8.3 of Chapter 8, "Cash Disbursements," is modified so that the maximum cash disbursement transaction amounts of USD 5,000 and USD 1,000 therein stated are replaced in the Europe Region by EUR 5,000 and EUR 1,000, respectively.

12a Europe Region Debit-related Rules

This chapter contains debit-related Rules that apply only to the Europe Region.

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Organization of this Chapter

The Rules in this Chapter 12a are variances and additions to the “global” Rules that apply to:

1. Debit MasterCard Cards issued in a Debit MasterCard Country and presented for payment in the Europe Region;
2. Debit MasterCard Transactions that take place in the Europe Region; and
3. Merchants and Acquirers of those Transactions.

The rules set forth in *Intracountry Debit MasterCard Rules for the United Kingdom* also apply to Transactions effected with a Debit MasterCard Card that take place wholly within the United Kingdom.

Members and Merchants must continue to comply with the global Rules with respect to Cards issued by Members outside of the Europe Region and presented for payment at Merchant locations in the Europe Region, unless otherwise agreed by the Corporation.

Definitions

The defined terms provided in Chapter 12 apply to Rules in this Chapter 12a.

Solely for the purposes of Rules in this Chapter 12a, the following terms have the meanings set forth below.

1. “Debit MasterCard Card” means a Debit Card as defined in the Definitions section of Chapter 12.

Cards offering credit facilities for which the Cardholder has to enter into a written credit agreement with the Card issuing institution that would qualify as consumer credit under the applicable legislation governing consumer credit are explicitly excluded. Overdraft facilities linked to an Account are excluded from the above definition of credit facilities.

2. “Other Card” shall mean any MasterCard-branded device, program, or card that does not qualify as a “Debit MasterCard Card.”
3. “Debit MasterCard Country” shall mean a country designated by the Corporation, in its sole discretion, as a participant in the Intracountry Debit MasterCard Program. Only a country so designated is a Debit MasterCard Country.

2.7 Liability for Assigned ICAs and BINs

Rule 2.7 of Chapter 2, “Licensing and Licensed Activities,” is modified to include the following:

Transaction/BIN Identification. Debit MasterCard Card Issuers must use specific and unique bank identification numbers (BINs) for Debit MasterCard Cards. Acquirers must provide a complete list of the BINs that apply to Debit MasterCard Cards to their Merchants upon any form of reasonable request.

4.2 General Rules for Use of the Marks

4.2.6 Particular Use of a Mark

4.2.6.6 Use on Cards

Rule 4.2.6.6 of Chapter 4, “Trademarks and Service Marks,” is modified to include the following:

Clear and Conspicuous Debit Identifier. Debit MasterCard Card Issuers must display either

1. the Debit MasterCard Hologram instead of the MasterCard Global Hologram on the Card front, in the position required for the MasterCard Global Hologram, or
2. the “Debit” word Mark on the Card front, if the Debit MasterCard Hologram is on the Card back. Debit MasterCard Cards must conform to the Standards set forth in the *Security Rules and Procedures* manual and the Card Design Standards System.

5.8 Card Acceptance Requirements

5.8.1 Honor All Cards

Rule 5.8.1 of Chapter 5, “Merchants and Sales Transactions,” is modified as follows.

1. **If Debit MasterCard Cards are Accepted.** Merchants in a Debit MasterCard Country that choose to accept Debit MasterCard Cards issued in the Europe Region but not Other Cards issued in the Europe Region must honor all valid Debit MasterCard Cards issued in the Europe Region without discrimination, when properly presented for payment. The Merchant must not discriminate among customers seeking to make purchases with a Debit MasterCard Card issued in the Europe Region. | *chg*
2. **If Other Cards are Accepted.** Merchants in a Debit MasterCard Country that choose to accept Other Cards must honor all valid Debit MasterCard Cards issued in the Europe Region and all valid Other Cards issued in the Europe Region and all valid Cards without discrimination, when properly presented for payment. The Merchant must not discriminate among customers seeking to make purchases with another Card. | *chg*

5.8.2 Merchant Acceptance

Rule 5.8.2 of Chapter 12, “Europe Region Rules,” is modified to permit Merchants in a Debit MasterCard Country to choose to accept only Debit MasterCard Cards issued in the Europe Region or both Debit MasterCard Cards and Other Cards issued in the Europe Region. Acquirers must inform existing and prospective merchants that they have this right. | *chg*

A merchant may choose to stop accepting Other Cards issued in the Europe Region by providing no less than 30 days advance written notice to its Acquirer.

Acquirers must identify to the Corporation any Merchant in a Debit MasterCard Country that chooses to accept Debit MasterCard Cards but not Other Cards issued in the Europe Region, and inform the Corporation of the reason for the Merchant’s decision.

Merchants may request signage for the purpose of indicating their acceptance of Debit MasterCard Cards at www.mastercardweacceptdebit.com. | *chg*

5.8.6 Purchase with Cash Back Transactions

A Merchant must offer purchase with cash back Transactions on all Europe-issued Debit MasterCard Cards if the Merchant offers this transaction type on any other debit brand.

12b SEPA Rules

This chapter contains Rules that apply only within the Single European Payments Area (SEPA).

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Organization of this Chapter

The Rules in this Chapter 12b are variances and additions to the “global” Rules that apply within the Single European Payments Area (SEPA).

Definitions

The defined terms provided in Chapter 12 apply to Rules in this Chapter 12b.

Solely for the purposes of Rules in this Chapter 12b, the following term has the meaning set forth below.

“SEPA Cards Framework (SCF)” means the SEPA Cards Framework as published by the European Payments Council, as it may be amended from time to time.

2.1 Purpose of License; Eligibility

2.1.1 Single European Payments Area License

The following additional Rules apply within SEPA:

1. Any entity that is eligible to become a Member in one of the SEPA countries may request a SEPA License.
2. The Standards applicable to other Licenses also apply to SEPA Licenses, unless otherwise provided.
3. The SEPA License may be granted to a Class A Member or an Affiliate Member.
4. A Class A Member holding a SEPA License may Sponsor Affiliate Members in one or more SEPA countries. The Affiliate Member(s) may receive either a SEPA License or a License.
5. If a SEPA License is held by a Member that will undertake Activities in one or more SEPA countries via separate legal entities, the separate legal entities must also sign Licenses.
6. The SEPA License may cover all of the countries in SEPA. If the SEPA License will cover both Switzerland and an EEA country, any Member legal entity or SEPA Licensee that will be active both in Switzerland and in an EEA country must be regulated both in Switzerland and in an EEA country. The holder of a SEPA License must meet all local legal requirements in each country in which it intends to undertake Activities.

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7. Each Class A Member is granted separate BINs/ICAs for each SEPA country in which it is active, as appropriate. A Member must use and ensure each of its Sponsored Affiliate Members use a BIN/ICA only for Activities conducted in the country with which such BIN/ICA is associated. A Member, upon receiving a SEPA License, must not undertake Activities in a SEPA country before it has been assigned the necessary BINs/ICAs for that country.
8. With regard to Intracountry Transactions, the holder of a SEPA License must comply with the applicable intracountry rules and fees.

3.2 Conduct of Activity

3.2.6 Nondiscrimination

Rule 3.2.6 of Chapter 3, “Member Obligations,” is modified to include the following:

A Member must not, directly or indirectly, prevent or discriminate against the use of MasterCard as a brand for Intracountry Transactions or Intra-SEPA Transactions.

By way of example but not limitation:

1. A single certification must be valid for both intracountry and intra-SEPA use of the MasterCard payment application at the terminal.
2. The prevalence of any particular chip-based payment application at terminal or Acquirer system level must not be mandated or implemented.
3. If the MasterCard payment application is supported by both the Card and the terminal, its use must not be blocked or impaired by technical or other means.
4. If the MasterCard payment application is supported by both the Card and the terminal, the Cardholder must be given the opportunity to complete the Transaction with the MasterCard payment application, in an EMV environment and in all other cases where the terminal is technically capable of providing that choice to the Cardholder. In an EMV environment, if the Cardholder is not able to choose a payment application, the priority order defined by the Issuer in the chip must be respected.
5. Neither the Cardholder’s chosen payment application nor the Issuer’s priority order may be disregarded or overridden by technical or other means.

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3.9 Transaction Requirements

Rule 3.9, part 5 of Chapter 3, “Member Obligations,” which applies to Cross-border Transactions, does not apply to Intra-SEPA Transactions.

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3.9.1 Chip Transactions and Hybrid Terminals

The following additional Rules apply within SEPA:

1. Effective 1 October 2010, an Issuer of Cards that do not support both magnetic stripe and EMV chip technology must have an EMV migration project registered with MasterCard Customer Implementation Services.
2. Effective 1 October 2010, an Acquirer with any terminals deployed that do not support both magnetic stripe and EMV chip technology must have an EMV migration project registered with MasterCard Customer Implementation Services. (Note: This requirement does not apply with respect to terminals at Merchants located in the Netherlands until 1 October 2012.)
3. Effective 1 January 2011, Cards and terminals must support both magnetic stripe and EMV chip technology. As an exception to the preceding rule, nonreloadable prepaid cards are not required to support EMV chip technology. (Note: Terminals at Merchants located in the Netherlands are not required to support EMV chip technology until 2013.)
4. Effective 1 January 2011, hybrid terminals must support the use of PIN as the CVM for intra-SEPA chip Transactions.

4.2 General Rules for Use of the Marks

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4.2.13 Use of Other Acceptance Marks on Cards

Rule 4.2.13 of Chapter 4, “Trademarks and Service Marks,” is modified to include the following:

1. The Marks may co-reside on Cards with other payment scheme marks upon written agreement with the Corporation. If Cards bear multiple payment scheme marks in addition to the Marks, only one of the additional payment scheme marks may be placed on the Card front.
2. Effective 1 January 2011, only the marks of payment schemes that are SCF-compliant may co-reside on Cards with the Marks.

13

Latin America and the Caribbean Region Rules

This chapter contains Rules that apply only in the Latin America and the Caribbean Region.

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Organization of this Chapter

The Rules in this Chapter 13 are variances and additions to the “global” Rules that apply in the Latin America and the Caribbean Region.

Refer to Appendix A for the Latin America and the Caribbean Region geographic listing.

2.6 Obligation to Issue Cards

Rule 2.6 of Chapter 2, “Licensing and Licensed Activities,” is modified to include the following.

A Member that is Licensed to acquire Transactions in the United States that extends its Area of Use to acquire Transactions in Puerto Rico is not required to issue Cards in Puerto Rico if its acquiring Activity in Puerto Rico is limited to only the Transactions of Merchants located in Puerto Rico that are also located and have headquarters in the United States, and with whom the Member has an existing acquiring relationship in the United States.

3.9 Transaction Requirements

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3.9.1 Chip Transactions and Hybrid Terminals

Rule 3.9.1 of Chapter 3, “Member Obligations,” is modified to include the following.

For purposes of these Rules, “EMV chip-capable” means the ability to become “compliant”; and “EMV chip-compliant” means operating any chip device including cards, ATMs, point-of-interaction (POI) terminals, electronic cash registers (ECRs), PIN pads, and terminals that are in accordance fully with the Standards relative to EMV standards.

1. New Terminals. All new ATMs and POI terminals must be EMV-compliant.
2. Critical Fraud Percentage. The Acquirer of a Merchant located in the Latin America and Caribbean Region with a ratio of fraud and counterfeit volume to Card sales volume that equals or exceeds the Standards must replace any magnetic-stripe-only POI or ECR terminal at such Merchant with an EMV-capable terminal, either POI or ECR.
3. Intra-regional Chip Liability Shift. The liability for Latin America and Caribbean intra-regional counterfeit fraudulent Transactions in which one Member (either the Issuer or the Acquirer) is not yet EMV chip-compliant is borne by the non-EMV chip-compliant Member.

4. Incentive Interchange Rate. An incentive interchange rate applies to intraregional international chip Transactions to:
 - a. Compensate the Issuers of Cards with an increased intraregional interchange of ten basis points when the Card is used at a non-EMV chip-compliant terminal.
 - b. Compensate the Acquirers using EMV-compliant terminals with a reduced intraregional interchange of ten basis points when a non-EMV chip-compliant Card is used at that terminal.
5. Domestic Chip Liability Shifts. The liability for domestic counterfeit fraudulent Transactions in which one Member (either the Issuer or the Acquirer) is not yet EMV chip-compliant is borne by the non-EMV chip-compliant Member in the following countries: Brazil, Colombia, Venezuela.

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5.13 Discounts or Other Benefits at the Point of Interaction

A Card may access a discount or other benefit at a point of interaction (POI) located in the Latin America and the Caribbean Region, and the Merchant may promote such discount or other benefit at the POI, provided such promotion does not disparage other Card Programs.

6.2 Affinity and Co-Brand Card Programs

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6.2.5 Multiple Partners

Rule 6.2.5 of Chapter 6, “Special Issuer Programs,” is modified such that for Affinity Card Programs and Co-brand Card Programs issued by Members in the LAC Region, more than one Partner’s name or logo or both may appear on the face of the Card subject to the following conditions:

1. The Card design shall comply in all respects with the Card design guidelines,
2. In no way may any Partner name and/or logo, or combination, obscure in any way the fact that the card is a Card, and
3. The decision as to whether any given Card design conforms to these conditions is reserved to the Corporation’s staff.

9.3 Currency Conversion

Rule 9.3 of Chapter 9, “Settlement,” is modified to include the following.

Within the country in which the Card was issued, if that country is within the LAC Region, and if the Transaction currency is the same as the currency of the Issuer and is not U.S. dollars, the Acquirer must accept payment for the Transaction in the local currency, unless the Acquirer and Issuer have agreed otherwise, or unless local law requires otherwise.

Noncompliance by any Member with this requirement will result in the imposition of a USD 50 fine for each USD 1,000 of affected settlement volume, payable monthly for the volume in the prior month.

9.5 Establishment of Intracountry Interchange and Service Fees

Rule 9.5 of Chapter 9, “Settlement,” is modified to include the following.

Integrated Service for Intracurrency Settlement (ISIS) certification is a standard feature of the certification process for Card Programs in which an LAC Region Member participates. All Class A Members in the LAC Region and MSPs providing Program Services to Class A Members in the LAC Region must settle Transactions through ISIS at the applicable intracountry interchange rate and conditions with each LAC Region Member that chooses to use ISIS as its settlement platform of choice for intracountry Transactions.

14

South Asia/Middle East/Africa Region Rules

This chapter contains Rules that apply only to the South Asia/Middle East/Africa Region.

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Organization of this Chapter

The Rules in this Chapter 14 are variances and additions to the “global” Rules that apply in the South Asia/Middle East/Africa (SAMEA) Region.

Refer to Appendix A for the South Asia/Middle East/Africa Region geographic listing.

3.6 Provision and Use of Information

3.6.1 Obligation of Member to Provide Information

3.6.1.1 Information to Cardholders

The Issuer must provide information to its Cardholders as set forth below.

1. Card Solicitations. Each Issuer of Cards must disclose, clearly and conspicuously, in all Solicitations any amounts relating to the MasterCard Issuer Cross-border Assessment and/or the MasterCard Currency Conversion Assessment that the Issuer charges, or will charge, to the Cardholder.
2. Cardholder Communications. Each Issuer of Cards must disclose, clearly and conspicuously, in all new and existing Cardholder Communications, including Cardholder agreements and account agreements, any amounts relating to the MasterCard Issuer Cross-border Assessment and/or the MasterCard Currency Conversion Assessment that the Issuer charges, or will charge, to the Cardholder.
3. Periodic Billing Statement. Each Issuer of Cards must provide adequate disclosure on each applicable periodic billing statement, such that the Cardholder can readily determine from the billing statement any amounts that the Issuer charges to the Cardholder relating to the MasterCard Issuer Cross-border Assessment and/or the MasterCard Currency Conversion Assessment during that billing cycle, either in gross or on a per Transaction basis.

4. Currency Conversion Procedure. The Corporation further recommends and encourages Issuers to inform their Cardholders that part of the Corporation's currency conversion procedure includes use of either a government-mandated exchange rate or a wholesale exchange rate, selected by the Corporation, and that the government-mandated exchange rate or wholesale exchange rate that the Corporation uses for a particular Transaction is the rate the Corporation selects for the applicable currency on date that the Transaction is processed (the Central Site Business Date), which may differ from the rate selected on the date the Transaction occurred or on the date the Transaction is posted to the Cardholder's account.

For information about the MasterCard Currency Conversion Assessment, refer to the *GCMS Reference Manual*. For information about the MasterCard Cross-border Assessment, refer to the *MasterCard Consolidated Billing System—SAMEA Region* manual.

3.9 Transaction Requirements

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3.9.1 Chip Transactions and Hybrid Terminals

Rule 3.9.1 of Chapter 3, "Member Obligations," is modified to include the following.

For purposes of these Rules, a counterfeit Transaction is a type of fraudulent Transaction.

1. New Terminals. All new or retrofitted ATMs and POI terminals deployed by Regional Members must be EMV-capable.
2. Incentive Interchange Rate. An incentive interchange rate is applied to intraregional Transactions to:
 - a. Compensate Issuers of EMV-compliant Cards with an increased intraregional interchange of ten basis points when the Card is used at a non-EMV-compliant terminal
 - b. Compensate Acquirers using EMV-compliant terminals with reduced intraregional interchange of 10 basis points when a non-EMV-compliant Card is used at that terminal.
3. Chip Liability Shift for SAMEA. The liability for SAMEA intraregional counterfeit Card Transactions in which one member (either the Issuer or the Acquirer) is not yet EMV-compliant will be borne by the non-EMV-compliant member.

Effective 15 October 2010, an interregional chip liability shift will take effect between the Asia/Pacific and South Asia/Middle East/Africa Regions. All countries within each of these regions will participate.

3.11 Limitation of Liability of Cardholders for Unauthorized Use

The following applies with respect to SAMEA Region Cardholders.

1. Limitation on amount. Subject to the laws of the country within which a Card is issued, the liability of a Cardholder for unauthorized use of a Card (regardless of the type of account to which Transactions initiated with such Card are posted)
 - a. shall not exceed USD 0 if the conditions set forth in paragraph 2, below, have been met or,
 - b. shall be in accordance with the corresponding Cardholder agreement if the conditions set forth in paragraph 2 have not been met.
2. Conditions to USD 0 liability. The liability limitations set forth in clause (a) of paragraph 1, above, shall apply only if
 - a. the Cardholder has exercised vigilant care in safeguarding such Card from risk of loss, theft, or unauthorized use;
 - b. the Cardholder immediately and without delay notifies the Issuer upon discovery of the loss, theft, or unauthorized use;
 - c. the Cardholder has not reported two or more incidents of unauthorized use to the Issuer in the immediately preceding 12-month period;
 - d. the account to which Transactions initiated with such Card are posted is in good standing; and
 - e. the Cardholder has complied with the terms and conditions of the corresponding Cardholder agreement.
3. Effect of other applicable law or agreement. If country or local law or an agreement between a Cardholder and the Issuer of a Card (regardless of the type of account to which Transactions initiated with such Card are posted) imposes lesser liability than that provided in this Rule, the lesser liability shall govern.

4. Unauthorized use. For purposes of this Rule, “unauthorized use” means the use of a Card (regardless of the type of account to which Transactions initiated with such Card are posted) by a person other than the Cardholder who does not have actual, implied, or apparent authority for such use, and from which the Cardholder receives no benefit.
5. Nonapplicability. This Rule shall not apply to Cards issued
 - a. to an entity other than a natural person;
 - b. primarily for business, commercial, or agricultural purposes; or
 - c. if a PIN or MasterCard *SecureCode* is used as the Cardholder verification method for unauthorized Transaction(s).

5.13 Discounts or Other Benefits at the Point of Interaction

A discount or other benefit may be applied at a POI located in the SAMEA Region upon presentation of a particular Card for payment. Promotion of any such discount or other POI benefit is permitted provided such promotion does not result in discrimination against other Card Programs. The determination of whether any promotion discriminates against other Card Programs is at the sole discretion of the Corporation.

14a South Africa Rules

This chapter contains Rules that apply only in South Africa.

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Organization of this Chapter

The Rules in this Chapter 14a are variances and additions to the “global” Rules that apply to Cards issued in South Africa by South Africa Members and presented for payment at Merchant locations in South Africa.

Members and Merchants in South Africa must continue to comply with the global Rules for Cards issued by Members outside of South Africa and presented for payment at Merchant locations in South Africa.

Definitions

Solely for the purposes of this Chapter 14a, the following terms have the meanings set forth below.

1. “Debit” or “Debit MasterCard Card” or “Debit Card” shall mean any Access Device, Program, or Card issued in South Africa, by a Member licensed in South Africa, that when presented for payment in South Africa, accesses, debits, holds, or settles funds from a consumer’s deposit, current, saving, asset or other type of money account. “Debit” or “Debit MasterCard Card” shall include consumer signature and/or PIN debit Programs, stored value Programs, prepaid Cards, payroll Cards and electronic benefit transfer Cards. Zero floor limits apply and all Transactions are authorized online.
2. “Other Card” shall mean any Access Device, Program, or Card that is not defined as “debit” or “Debit MasterCard Card”.

2.6 Obligation to Issue Cards

Rule 2.6 of Chapter 2, “Licensing and Licensed Activities,” does not apply in South Africa.

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2.7 Liability for Assigned ICAs and BINs

Rule 2.7 of Chapter 2, “Licensing and Licensed Activities,” is modified to include the following:

Transaction/BIN Identification. Issuers must use specific and unique bank identification numbers (BINs) for Debit MasterCard Cards. Acquirers must provide a complete list of the BINs that apply to Debit MasterCard Cards to Merchants upon any form of reasonable request.

3.9 Transaction Requirements

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3.9.1 Chip Transactions and Hybrid Terminals

Rule 3.9.1 of Chapter 3, “Member Obligations,” is modified to include the following:

Chip Liability Shift for South Africa. The liability for South Africa intracountry counterfeit Card Transactions in which one member (either the Issuer or the Acquirer) is not yet EMV-compliant will be borne by the non-EMV-compliant member.

4.2 General Rules for Use of the Marks

4.2.6 Particular Use of a Mark

4.2.6.6 Use on Cards

Rule 4.2.6.6 of Chapter 4, “Trademarks and Service Marks,” is modified to include the following:

Clear and Conspicuous Debit Identifier. Issuers must display

1. the Debit MasterCard Hologram instead of the MasterCard Global Hologram on the front of all Debit MasterCard Cards issued in South Africa in the position required for the MasterCard Global Hologram, or
2. the “Debit” word mark on the Card front if the Debit MasterCard Hologram is on the Card back. Debit MasterCard Cards must conform to the Standards set forth in the *Security Rules and Procedures* manual and the Card Design Standards System.

5.1 The Merchant Agreement

5.1.2 Required Terms

Rule 5.1.2 of Chapter 5, “Merchants and Sales Transactions,” is modified to include the following:

In addition to the Standards set forth in Chapter 5, Merchant Agreements must provide the Merchant with the option, and the applicable Merchant discount rate for each option, to elect to accept Debit MasterCard Cards only, Other Cards only, or both Debit MasterCard Cards and Other Cards. A Merchant may choose to stop accepting Debit MasterCard Cards or Other Cards by providing no less than 30 days advance written notice to its Acquirer.

5.8 Card Acceptance Requirements

5.8.1 Honor All Cards

Rule 5.8.1 of Chapter 5, “Merchants and Sales Transactions,” is modified as follows.

1. **Honor All Debit MasterCard Cards.** Merchants that choose to accept Debit MasterCard Cards must honor all valid Debit MasterCard Cards without discrimination when properly presented for payment. The Merchant must maintain a policy that does not discriminate among customers seeking to make purchases with a Debit MasterCard Card.
2. **Honor All Other MasterCard Cards.** Merchants that choose to accept Other Cards must honor all Other Cards without discrimination when properly presented for payment. The Merchant must maintain a policy that does not discriminate among customers seeking to make purchases with another Card.

5.8.2 Merchant Acceptance

Merchants that accept Cards may choose to accept Debit MasterCard Cards only, Other Cards only, or both Debit MasterCard Cards and Other Cards. Acquirers must advise the Corporation when a Merchant chooses not to accept either Debit MasterCard Cards or Other Cards.

Merchants may request signage for the purpose of indicating their acceptance of Debit MasterCard Cards at www.mastercardweacceptdebit.com.

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14b India Rules

This chapter contains Rules that apply only in India.

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Organization of this Chapter

The Rules in this Chapter 14b are variances and additions to the “global” Rules that apply to Cards issued in India by India Members and presented for payment at Merchant locations in India.

Members and Merchants in India must continue to comply with the global Rules for Cards issued by Members outside of India and presented for payment at Merchant locations in India.

Definitions

Solely for the purposes of this Chapter 14b, the following terms have the meanings set forth below.

“Debit” or “Debit MasterCard Card” or “Debit Card” shall mean any Access Device, Program, or Card issued in India, by a Member licensed in India, that when presented for payment in India, accesses, debits, holds, or settles funds from a consumer’s deposit, current, saving, asset or other type of money account. “Debit” or “Debit MasterCard Card” shall include consumer signature debit Programs, stored value Programs, prepaid Cards, payroll Cards and electronic benefit transfer Cards.

3.9 Transaction Requirements

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3.9.2 Card-Not-Present Transactions

Electronic commerce Transactions effected at a Merchant located in India with a Card issued in India must be authenticated. An authenticated Transaction occurs when:

- a. The Merchant is Universal Cardholder Authentication Field (UCAF)-enabled;
- b. The Issuer provided the UCAF data for that Transaction;
- c. All other authorization and clearing requirements applicable to the Transaction were satisfied; and
- d. The Authorization Request Response/0110 message reflected the Issuer’s approval of the Transaction.

Refer to section 3.4 of the *Chargeback Guide* for chargeback rights applicable to electronic commerce Transactions under the MasterCard *SecureCode* liability shift program.

An Issuer may not use message reason codes 4837, 4849 or 4863 to charge back a phone order Transaction conducted by means of an integrated voice response (IVR) phone system that occurs at a Merchant located in India, if:

- a. The Merchant is UCAF-enabled;
- b. The Issuer provided the UCAF for that Transaction;
- c. All other phone order authorization and clearing requirements were satisfied, including the presence of a value of 2 (SecureCode phone order) in DE 61 (Point-of-Service [POS] Data), subfield 7 (POS Transaction Status) of the Authorization Request/0100 message;
- d. The Authorization Request Response/0110 message reflected the Issuer's approval of the Transaction.

Effective 16 April 2010, all Issuers and all Acquirers of e-commerce Merchants must participate in the Activation During Shopping (ADS) method of cardholder enrollment in MasterCard *SecureCode*. Cardholders must complete enrollment on the first attempt, and the Issuer must not allow a Cardholder to opt-out of the *SecureCode* enrollment process.

Refer to the MasterCard *SecureCode Member Enrollment and Implementation Guide* for more information about MasterCard *SecureCode* and UCAF.

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5.8 Card Acceptance Requirements

5.8.6 Purchase With Cash Back Transactions

Rule 5.8.6 of Chapter 5, "Merchants and Sales Transactions," is modified to include the following:

The maximum daily cash back amount per Debit MasterCard Card shall be in accordance with applicable law including circulars published by the Reserve Bank of India.

A Merchant that has received prior approval from its Acquirer may offer a purchase with cash back Transaction to a Cardholder for intracountry, Card-present, face-to-face Transactions conducted in India.

Effective 31 July 2010, a Merchant that has received prior approval from its Acquirer may offer a cash back Transaction to a Cardholder with no accompanying purchase for intracountry, Card-present, face-to-face Transactions conducted in India.

15

United States Region Rules

This chapter contains Rules that apply only in United States Region.

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Organization of this Chapter

The Rules in this Chapter 15 are variances and additions to the “global” Rules that apply in the United States Region.

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2.6 Obligation to Issue Cards

Rule 2.6 of Chapter 2, “Licensing and Licensed Activities,” is modified to include the following:

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1. Any Member that does not issue or have outstanding any cards of a competing card program within the U.S. Region is not obligated to issue Cards to customers in the U.S. Region before it may acquire Transactions from Merchants located in the U.S. Region.
2. A Member that is Licensed to acquire Transactions in the United States that extends its Area of Use to acquire Transactions in Puerto Rico is not required to issue Cards in Puerto Rico if its acquiring Activity in Puerto Rico is limited to only the Transactions of Merchants located in Puerto Rico that are also located and have headquarters in the United States, and with whom the Member has an existing acquiring relationship in the United States.

2.7 Liability for Assigned ICAs and BINs

2.7.1 Settlement Liability for Debit Licensees

A debit Licensee is granted a License limited to the issuance of Debit MasterCard Cards. Notwithstanding the foregoing, a principal debit Licensee is not responsible for the Debit MasterCard Card Program obligations of any affiliate debit Licensee that it Sponsors if such an affiliate debit Licensee becomes unable or unwilling to discharge its settlement obligations.

3.6 Provision and Use of Information

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3.6.1 Obligation of Member to Provide Information

3.6.1.1 Information to Cardholders

The Issuer must provide information to its Cardholders as set forth below.

1. Card Solicitations. Each Issuer of Cards must disclose, clearly and conspicuously, in all Solicitations any amounts relating to the MasterCard Issuer Cross-border Assessment and/or the MasterCard Currency Conversion Assessment that the Issuer charges, or will charge, to the Cardholder.
2. Cardholder Communications. Each Issuer of Cards must disclose, clearly and conspicuously, in all new and existing Cardholder Communications, including Cardholder agreements and account agreements, any amounts relating to the MasterCard Issuer Cross-border Assessment and/or the MasterCard Currency Conversion Assessment that the Issuer charges, or will charge, to the Cardholder.
3. Periodic Billing Statement. Each Issuer of Cards must provide adequate disclosure on each applicable periodic billing statement, such that the Cardholder can readily determine from the billing statement any amounts that the Issuer charges to the Cardholder relating to the MasterCard Issuer Cross-border Assessment and/or the MasterCard Currency Conversion Assessment during that billing cycle, either in gross or on a per Transaction basis.
4. Currency Conversion Procedure. The Corporation further recommends and encourages Issuers to inform their Cardholders that part of the Corporation's currency conversion procedure includes use of either a government-mandated exchange rate or a wholesale exchange rate, selected by the Corporation, and that the government-mandated exchange rate or wholesale exchange rate that the Corporation uses for a particular Transaction is the rate the Corporation selects for the applicable currency on date that the Transaction is processed (the Central Site Business Date), which may differ from the rate selected on the date the Transaction occurred or on the date the Transaction is posted to the Cardholder's account.

For information about the MasterCard Currency Conversion Assessment, refer to the *GCMS Reference Manual*. For information about the MasterCard Cross-border Assessment, refer to the *MasterCard Consolidated Billing System—United States Region* manual.

3.8 Authorization Service

Rule 3.8 of Chapter 3, “Member Obligations,” is modified to include the following:

1. Mandated Issuer Authorization Messages. The authorization services provided by Debit MasterCard Card Issuers must include the following features, as applicable:
 - a. For all Debit MasterCard Card account ranges, Issuers must support partial approvals and full and partial reversals; and
 - b. For all Debit MasterCard Card prepaid account ranges, Issuers must support account balance responses.
2. Mandated Acquirer Authorization Messages. Effective as indicated below, the authorization services provided by the Acquirer of a merchant included in a card acceptor business code (MCC) listed below and that accepts Debit MasterCard Cards must include the following features, as applicable:
 - a. For all Debit MasterCard Card account ranges, Acquirers must support partial approvals. This requirement does not apply to batch-authorized electronic commerce Transactions, mail order or telephone order Transactions, or recurring payment Transactions.
 - b. For all Debit MasterCard Card account ranges, Acquirers must support full and partial reversals.
 - c. For all Debit MasterCard Card prepaid account ranges, Acquirers must support account balance responses. This requirement does not apply to MCC 5542 or to batch-authorized electronic commerce Transactions, mail order or telephone order Transactions, or recurring payment Transactions.

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Effective Date	MCC	Description
1 May 2010	4812	Telecommunication Equipment including Telephone Sales
	4814	Telecommunication Services
	5111	Stationery, Office Supplies
	5200	Home Supply Warehouse Stores
	5300	Wholesale Clubs
	5310	Discount Stores
	5311	Department Stores
	5331	Variety Stores
	5399	Miscellaneous General Merchandise Stores
	5411	Grocery Stores, Supermarkets

United States Region Rules
3.8 Authorization Service

Effective Date	MCC	Description
	5499	Miscellaneous Food Stores—Convenience Stores, Markets, Specialty Stores and Vending Machines
	5541	Service Stations (with or without Ancillary Services)
	5542	Fuel Dispenser, Automated
	5732	Electronic Sales
	5734	Computer Software Stores
	5735	Record Shops
	5812	Eating Places, Restaurants
	5814	Fast Food Restaurants
	5912	Drug Stores, Pharmacies
	5921	Package Stores, Beer, Wine, and Liquor
	5941	Sporting Goods Stores
	5942	Book Stores
	5943	Office, School Supply and Stationery Stores
	5964	Direct Marketing—Catalog Merchants
	5965	Direct Marketing—Combination Catalog—Retail Merchants
	5966	Direct Marketing—Outbound Telemarketing Merchants
	5967	Direct Marketing—Inbound Telemarketing Merchants
	5969	Direct Marketing—Other Direct Marketers—not elsewhere classified
	5999	Miscellaneous and Specialty Retail Stores
	7829	Motion Picture-Video Tape Production-Distribution
	7832	Motion Picture Theaters
	7841	Video Entertainment Rental Stores
	8011	Doctors—not elsewhere classified
	8021	Dentists, Orthodontists
	8041	Chiropractors
	8042	Optometrists, Ophthalmologists
	8043	Opticians, Optical Goods, and Eyeglasses
	8062	Hospitals
	8099	Health Practitioners, Medical Services—not elsewhere classified

Effective Date	MCC	Description
1 November 2010	4111	Transportation—Suburban and Local Commuter Passenger, including Ferries
	4816	Computer Network/Information Services
	4899	Cable, Satellite, and Other Pay Television and Radio Services
	7996	Amusement Parks, Carnivals, Circuses, Fortune Tellers
	7997	Clubs—Country Membership
	7999	Recreation Services—not elsewhere classified
	1 May 2011	8999
9399		Government Services—not elsewhere classified



Note

Acquirers of Merchants in the MCCs listed in this table with an effective date of 1 May 2010 or 1 November 2010 must support these requirements in all stand-alone terminal software updates performed after 1 May 2010 and for all stand-alone terminals that are deployed after 1 May 2010. For the purposes of this section, stand-alone terminals are terminals that are not integrated into a Merchant’s POS system, such that the Transaction amount must be manually entered into the terminal.

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3.9 Transaction Requirements

3.9.3 Refund Transactions

A Debit MasterCard Card Issuer must post funds due to a Cardholder as a result of a refund Transaction to the Cardholder’s account within one business day of Transaction settlement. The Issuer may place a temporary hold on such funds to the extent allowed under applicable law if the Issuer determines that the circumstances or account history warrant the delay.

3.9.4 Automated Fuel Dispenser Transactions

If an Issuer approves an authorization request for USD 1 for a Cardholder-activated automated fuel dispenser Transaction occurring at a Merchant located in the U.S. Region and identified with MCC 5542 and CAT level 2, then the Issuer must release any estimated hold in excess of USD 1 that the Issuer has placed on Cardholder funds within 24 hours of authorization approval or immediately upon receiving the First Presentment/1240 or Financial Transaction/0220 message for the Transaction. The Issuer must also release any hold for the amount specified immediately upon receiving a Reversal Request/0400 or Acquirer Reversal Advice/0420 message.

3.10 Additional Member Obligations

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3.10.4 Integrity of Brand and Network

Rule 3.10.4 of Chapter 3, “Member Obligations,” is modified to include the following:

Pursuant to this Rule, with respect to any potentially illegal Internet gambling Transaction attempted on or after 1 June 2010, the Issuer of the Card must either employ a method of systemic Transaction blocking or decline all such Transaction authorization requests on an individual basis.

An Internet gambling Transaction is any Transaction that the Acquirer has identified in the authorization request message as both:

- a. a gambling Transaction, by the use of MCC 7995 in DE 18 (Merchant Type) and a TCC of U (Unique), and
- b. an e-commerce Transaction, by the use of a value of 6 (electronic commerce Transaction) in DE 61 (Point of Service [POS] Data), subfield 10 (Cardholder-Activated Terminal Level Indicator).

Issuers may approve, on an individual basis, any Internet gambling Transaction authorization requests identified with MCC 9754 (Gambling—Horse Racing, Dog Racing, State Lotteries) that involve a U.S. region Cardholder. In using MCC 9754, the Acquirer asserts that the Transaction involves gambling activity deemed by the Acquirer to be legal in the U.S. region and indemnifies the Corporation in connection with all such gambling activity. Such indemnity applies regardless of the Acquirer’s or the Merchant’s compliance with the Corporation’s *Internet Gambling Policy* or the Standards.

3.11 Limitation of Liability of Cardholders for Unauthorized Use

The following applies with respect to United States Region Cardholders.

1. Limitation on amount. The liability of a Cardholder for unauthorized use of a Card (regardless of the type of account to which Transactions initiated with such Card are posted, except as set forth in paragraph 5 below) shall not exceed
 - a. USD 0 if the conditions set forth in paragraph 2, below, have been met or,
 - b. if the conditions set forth in paragraph 2 have not been met, the lesser of USD 50 or the amount of money, property, labor, or services obtained by the unauthorized use before notification to the Issuer.
2. Conditions to USD 0 liability. The liability limitations set forth in clause (a) of paragraph 1, above, shall apply only if
 - a. the Cardholder has exercised reasonable care in safeguarding such Card from risk of loss or theft;
 - b. the Cardholder has not reported two or more incidents of unauthorized use to the Issuer in the immediately preceding 12-month period; and
 - c. the account to which Transactions initiated with such Card are posted is in good standing.
3. Effect of other applicable law or agreement. If federal, state or local law, or an agreement between a Cardholder and the Issuer of a Card (regardless of the type of account to which Transactions initiated with such Card are posted) imposes lesser liability than that provided in this Rule, the lesser liability shall govern.
4. Unauthorized use. For purposes of this Rule, “unauthorized use” means the use of a Card (regardless of the type of account to which Transactions initiated with such Card are posted) by a person other than the Cardholder who does not have actual, implied, or apparent authority for such use, and from which the Cardholder receives no benefit.
5. No applicability. This Rule shall not apply
 - a. to Cards issued to an entity other than a natural person or primarily for business, commercial, or agricultural purposes, except that the Rule shall apply to the Card Programs for small businesses described on www.mastercardbusiness.com; or
 - b. if a PIN is used as the Cardholder verification method for unauthorized Transaction(s); or

- c. to any Card issued or sold to a person until such time as that person's identity is registered by or on behalf of the Issuer in connection with the issuance and/or use of such Card, which registration may include appropriate customer identification program requirements

5.13 Discounts or Other Benefits at the Point of Interaction

Subject to other Standards, a Card may not access a discount or other benefit at a Point of Interaction (POI) located in the United States Region unless such discount or other benefit may be accessed by any valid and properly presented Card.

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The following are the only discount practices permitted in conjunction with a particular Card at the POI:

1. A discount or other benefit accessed after the Transaction has been completed (for example, a credit on the billing statement or a rebate); and
2. A discount or other benefit accessed at the time of or after the Transaction has been effected by a separate instrument and not by the Card (for example, a coupon or a voucher).

The promotion at the POI of a discount or other benefit that may be accessed by any particular Card is prohibited.

6.2 Affinity and Co-brand Card Programs

6.2.5 Multiple Partners

Rule 6.2.5 of Chapter 6, "Special Issuer Programs," is modified such that more than one Affinity Card or Co-brand Card Program logo may appear on the face of the Card, subject to the discretion of the Corporation, which is charged with the responsibility of ensuring that:

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1. The card is clearly identifiable as a Card product;
2. The Mark remains prominent on the Card face; and
3. The Mark is not obscured by the proliferation of other names and/or logos; and
4. The presence of multiple logos does not in any way damage or impair the strength of the MasterCard brand.

The decision as to whether any given Card design conforms to these conditions is reserved to the Corporation's staff.

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8.2 Nondiscrimination

Rule 8.2 of Chapter 8, "Cash Disbursements," is modified to include the following:

Subject to compliance with the Standards, each Member within the U.S. Region must provide cash disbursement services to all Cardholders at all of the Member's offices where teller services are provided.

15a United States Region Debit-related Rules

This chapter contains debit-related Rules that apply only in the United States Region.

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Organization of this Chapter

The Rules in this Chapter 15a are variances and additions to the “global” Rules resulting from the settlement of In Re Visa Check/MasterMoney Antitrust Litigation. These Rules apply to Debit MasterCard Cards and Other Cards issued in the U.S. Region by U.S. Region Members and presented for payment at Merchant locations in the U.S. Region. Members and Merchants in the U.S. Region must continue to comply with the global Rules for Cards issued by Members outside of the U.S. Region and presented for payment at Merchant locations in the Region.

With respect to Debit MasterCard Cards, these Rules apply where signature is used as the Cardholder verification method (CVM) or where no CVM is required. For Rules applicable to Debit MasterCard Cards where PIN is used as the CVM, refer to Chapter 15b.

Definitions

Solely for the purposes of this Chapter 15a, the following terms have the meanings set forth below.

1. “Debit” or “Debit MasterCard Card” or “Debit Card” shall mean any Access Device, Program, or Card issued in the Region, by a Regional Member, that when presented for payment in the United States, accesses, debits, holds, or settles funds from a consumer’s demand deposit or asset account. “Debit” or “Debit MasterCard Card” shall include consumer signature debit Programs, stored value Programs, prepaid Cards, payroll Cards, electronic benefit transfer Cards, and deferred debit Cards that access, debit, hold, or settle funds from the user’s demand deposit or asset account less than fourteen days after the date of purchase. “Debit” shall not include any point-of-sale device that accesses, debits, hold, or settles funds from the user’s demand deposit or asset account fourteen or more days after the date of the purchase.
2. “Other Card” shall mean any Access Device, Program, or Card that is not defined as “debit” or “Debit MasterCard Card”.

2.7 Liability for Assigned ICAs and BINs

Rule 2.7 of Chapter 2, “Licensing and Licensed Activities,” is modified to include the following:

Transaction/BIN Identification. Members must use specific and unique bank identification numbers (BINs) for Debit MasterCard Cards.

2.20 Risk of Loss

In addition to the Rules in Chapter 2, “Licensing and Licensed Activities,” the following applies:

The Risk of Loss Rule applies with respect to affiliate debit Licensees in the same manner as it applies to Members.

4.2 General Rules for Use of the Marks

4.2.6 Particular Use of a Mark

4.2.6.6 Use on Cards

Rule 4.2.6.6 of Chapter 4, “Trademarks and Service Marks,” is modified to include the following:

Clear and Conspicuous Debit Identifier. Members must display

1. the Debit MasterCard Hologram instead of the MasterCard Global Hologram on the front of all Debit MasterCard Cards issued in the United States, in the position required for the MasterCard Global Hologram, or
2. the “Debit” word mark on the Card front if the Debit MasterCard Hologram is on the Card back. Debit MasterCard Cards must conform to the Standards set forth in the *Security Rules and Procedures* manual and the Card Design Standards System.

5.1 The Merchant Agreement

5.1.2 Required Terms

Rule 5.1.2 of Chapter 5, “Merchants and Sales Transactions,” is modified to include the following:

In addition to the Standards set forth in Chapter 5, Merchant Agreements must provide the Merchant with the option, and the applicable Merchant discount rate for each option, to elect to accept Debit MasterCard Cards only, Other Cards only, or both Debit MasterCard Cards and Other Cards. With respect to any contract existing on or before 1 January 2004, under which a Merchant accepts Cards, a Merchant may choose to stop accepting Debit MasterCard Cards or Other Cards by providing no less than 30 days advance written notice to its Acquirer.

5.8 Card Acceptance Requirements

5.8.1 Honor All Cards

Rule 5.8.1 of Chapter 5, “Merchants and Sales Transactions,” is replaced with the following:

Honor All Debit MasterCard Cards. Merchants that choose to accept Debit MasterCard Cards must honor all valid Debit MasterCard Cards without discrimination when properly presented for payment. The Merchant must maintain a policy that does not discriminate among customers seeking to make purchases with a Debit MasterCard Card.

Honor All Other MasterCard Cards. Merchants that choose to accept Other Cards must honor all Other Cards without discrimination when properly presented for payment. The Merchant must maintain a policy that does not discriminate among customers seeking to make purchases with another Card.

5.8.2 Merchant Acceptance

Merchants that accept Cards may choose to accept Debit MasterCard Cards only, Other Cards only, or both Debit MasterCard Cards and Other Cards. Acquirers must advise the Corporation when a Merchant in the Region chooses not to accept either Debit MasterCard Cards or Other Cards.

Merchants that request signage for the purpose of indicating their acceptance of Debit MasterCard Cards must display such signage for a minimum of three months. The signage may be requested at www.mastercardweacceptdebit.com.

Acquirers must provide a complete list of the BINs that apply to Debit MasterCard Cards to Merchants upon any form of reasonable request.

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15b United States Region PIN-based Debit Transaction Rules

This chapter contains Rules that apply only to PIN-based Debit MasterCard Transactions occurring in the United States Region.

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Organization of this Chapter

Rules in this Chapter 15b are variances and additions to the “global” Rules that apply in the U.S. Region. These Rules relate to Debit MasterCard Cards where a PIN is used as the Cardholder verification method.

Definitions

Solely for the purposes of this Chapter 15b, the following terms have the meanings set forth below.

1. “Debit” or “Debit MasterCard Card” shall mean any Access Device or Card that, when presented for payment in the United States, accesses, debits, holds, or settles funds from a demand deposit or asset account and where PIN is used as the Cardholder verification method.
2. “Service Marks” shall mean (i) from an issuing perspective, the MasterCard Word Mark and/or the MasterCard Brand Marks as those terms are defined in the Definitions chapter of this manual, and (ii) from an acquiring perspective, the MasterCard Word Mark and/or the MasterCard Brand Marks as those terms are defined in the Definitions chapter of this manual and the MAESTRO trademarks, trade names, service marks, logotypes, and trade designations made available for use pursuant to License by the Corporation.
3. “Maestro Service Marks” shall mean the MAESTRO trademarks, trade names, service marks, logotypes, and trade designations made available for use pursuant to license by the Corporation.
4. “Cirrus Service Marks” shall mean the CIRRUS trademarks, trade names, service marks, logotypes, and trade designations made available for use pursuant to license by the Corporation.

3.9 Transaction Requirements

3.9.6 PIN-based Debit Transactions

Members may choose to issue Debit MasterCard Cards where a PIN is used as the Cardholder verification method and/or acquire Transactions effected with such Cards as defined in this Chapter 15b. If Members so choose, the rules contained in the *Maestro Global Rules* will apply to such Transactions except

1. for the requirements contained in sections 1.2 Membership, 1.3.1 License Application Process (as those requirements relate to issuing Activity), 1.7 Termination from the Organization, 4.3 Display on Cards, and 6.1.1 b.1. Eligible Cards, of that rulebook, and
2. that when the term “Member” appears in the text of the *Maestro Global Rules*, the definition of that term contained in the Definitions chapter of this manual applies, and
3. that when the term “Service Marks” appears in the text of the *Maestro Global Rules*, the definition of that term contained in part 2 of the Definitions section in this Chapter 15b applies.

4.2 General Rules for Use of the Marks

4.2.6 Particular Use of a Mark

4.2.6.6 Use on Cards

Rule 4.2.6.6 of Chapter 4, “Trademarks and Service Marks,” is modified to include the following:

1. The Maestro and/or Cirrus Service Marks must not appear on Debit MasterCard Cards issued on or after 1 June 2006. Effective 1 June 2007, the Maestro and/or Cirrus Service Marks must not appear on Debit MasterCard Cards.
2. Issuers that display regional debit brands on their Debit MasterCard Cards must place the MasterCard Brand Mark on the back (in equal size and prominence with those regional debit brands) as well as on the front of the Card. Refer to the Card Design Standards System for additional information.

A

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A.1 Asia/Pacific Region

The Asia/Pacific Region includes the following countries or territories.

American Samoa	Australia
Brunei Darussalam	Cambodia
China	Christmas Island
Cocos (Keeling) Islands	Cook Islands
East Timor	Fiji
French Polynesia	Guam
Heard and McDonald Islands	Hong Kong
Indonesia	Japan
Johnston Island	Kiribati
Korea, Republic of	Lao People's Democratic Republic
Macau	Malaysia
Marshall Islands	Micronesia
Midway Islands	Mongolia
Nauru	New Caledonia
New Zealand	Niue
Norfolk Island	Northern Mariana Islands
Palau	Papua New Guinea
Philippines	Pitcairn
Samoa	Singapore
Solomon Islands	Taiwan
Thailand	Tokelau
Tonga	Tuvalu
U.S. Minor Outlying Islands	Vanuatu
Viet Nam	Wake Island
Wallis and Futuna	

A.2 Canada Region

The Canada Region is composed of Canada.

A.3 Europe Region

The Europe Region includes the following countries or territories.

Albania	Andorra
Antarctica	Armenia
Austria	Azerbaijan
Belarus	Belgium
Bosnia and Herzegovina	Bulgaria
Channel Islands	Croatia
Cyprus	Czech Republic
Denmark	Estonia
Falkland Islands (Malvinas)	Faroe Islands
Finland	France
Georgia	Germany, Republic of
Gibraltar	Greece
Greenland	Hungary
Iceland	Ireland
Isle of Man	Israel
Italy	Kazakhstan
Kosovo	Kyrgyzstan
Latvia	Liechtenstein
Lithuania	Luxembourg
Macedonia	Malta
Moldova, Republic of	Monaco
Montenegro, Republic of	Netherlands
Norway	Poland
Portugal	Romania
Russian Federation	San Marino
Serbia, Republic of	Slovakia
Slovenia	Spain
St. Helena	Svalbard and Jan Mayen
Sweden	Switzerland
Tajikistan	Turkey
Turkmenistan	Ukraine
United Kingdom	Uzbekistan
Vatican City	

Changes in allegiance or national affiliation of a part of any of the countries listed in this appendix shall not affect the geographic coverage of the definition.

A.3.1 Single European Payments Area (SEPA)

The Single European Payments Area includes the following countries or territories.

Andorra	Greece	Netherlands
Austria	Hungary	Norway
Belgium	Iceland	Poland
Bulgaria	Ireland	Portugal
Channel Islands	Isle of Man	Romania
Cyprus	Italy	San Marino
Czech Republic	Latvia	Slovakia
Denmark	Liechtenstein	Slovenia
Estonia	Lithuania	Spain
Finland	Luxembourg	Sweden
France	Malta	Switzerland
Germany	Monaco	United Kingdom
Gibraltar		Vatican City

A.4 Latin America and the Caribbean Region

The Latin America and the Caribbean Region includes the following countries or territories.

Anguilla	Antigua and Barbuda
Argentina	Aruba
Bahamas	Barbados
Belize	Bermuda
Bolivia	Brazil
Cayman Islands	Chile
Colombia	Costa Rica
Dominica	Dominican Republic
Ecuador	El Salvador
Grenada	Guatemala
Guyana	Haiti
Honduras	Jamaica
Mexico	Montserrat
Netherlands Antilles	Nicaragua

Geographic Listing

A.5 South Asia/Middle East/Africa Region

Panama	Paraguay
Peru	Puerto Rico
St. Kitts-Nevis	St. Lucia
St. Vincent and the Grenadines	Suriname
Trinidad and Tobago	Turks and Caicos Islands
Uruguay	Venezuela
Virgin Islands, British	Virgin Islands, U.S.

A.5 South Asia/Middle East/Africa Region

The South Asia/Middle East/Africa Region includes the following countries or territories.

Afghanistan	Algeria
Angola	Bahrain
Bangladesh	Benin
Bhutan	Botswana
Bouvet Island	British Indian Ocean Territory
Burkina Faso	Burundi
Cameroon	Cape Verde
Central African Republic	Chad
Comoros	Congo
Côte D'Ivoire	Democratic Republic of the Congo
Djibouti	Egypt
Equatorial Guinea	Eritrea
Ethiopia	French Southern Territories
Gabon	Gambia
Ghana	Guinea
Guinea-Bissau	India
Iraq	Jordan
Kenya	Kuwait
Lebanon	Lesotho
Liberia	Libyan Arab Jamahiriya
Madagascar	Malawi
Maldives	Mali
Mauritania	Mauritius
Morocco	Mozambique
Namibia	Nepal
Niger	Nigeria
Oman	Pakistan

Palestine	Qatar
Reunion	Rwanda
Sao Tome and Principe	Saudi Arabia
Senegal	Seychelles
Sierra Leone	Somalia
South Africa	Sri Lanka
Swaziland	Syrian Arab Republic
Tanzania, United Republic of	Togo
Tunisia	Uganda
United Arab Emirates	Western Sahara
Yemen	Zambia
Zimbabwe	

A.6 United States Region

The United States Region is composed of the United States.