



Mastercard Switch Rules

23 August 2018

Applicability of Rules in this Manual

This manual contains the specifications and other Standards applicable when a Network Participant uses the Network for authorization, clearing and/or settlement of intra-EEA Transactions and Intracountry Transactions in the EEA.

A Network Participant indicates its agreement to respect these rules in writing and/or by the act of using the Network for authorization, clearing and/or settlement.

The Rules contained in Chapters 1 through 4 apply to all Network Activity; the Rules contained in Chapters 5 through 7 are additional requirements that apply to scheme-specific or Private Label Network Activity.

Summary of Changes, 23 August 2018

The below table reflects changes included in this update of the *Mastercard Switch Rules* manual. Short reference description.

Chapter Number	Rule Number
Chapter 5—Mastercard Scheme-Specific Requirements	5.4.2 Stand-In Processing Service
	5.4.2.1 Accumulative Transaction Limits

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1.1 Standards

From time to time, Mastercard Switching Services sets Standards governing Network Activity. Mastercard Switching Services has the sole right to interpret and enforce the Standards.

Mastercard Switching Services has the right, but not the obligation, to resolve any dispute between or among Network Participants including, but not limited to, any dispute involving Mastercard Switching Services, the Standards, or the Network Participants' respective Network Activities, and any such resolution by Mastercard Switching Services is final and not subject to appeal, review, or other challenge. In resolving disputes between or among Network Participants, or in applying the Standards to Network Participants, Mastercard Switching Services may deviate from any process in the Standards or that Mastercard Switching Services otherwise applies, and may implement an alternative process, if an event, including, without limitation, an account data compromise event, is, in the sole judgment of Mastercard Switching Services, of sufficient scope, complexity and/or magnitude to warrant such deviation.

Mastercard Switching Services will exercise its discretion to deviate from its Standards only in circumstances that Mastercard Switching Services determines to be extraordinary. Any decision to alter or suspend the application of any process (es) will not be subject to appeal, review, or other challenge.

1.1.1 Variances

A variance is the consent by Mastercard Switching Services for a Network Participant to act other than in accordance with a Standard. Only a Network Participant may request a variance. Any such request must specify the Rules or other Standards for which a variance is sought. The request must be submitted to Mastercard Switching Services in writing, together with a statement of the reason for the request.

1.1.2 Failure to Comply with a Standard

Failure to comply with any Standard adversely affects Mastercard Switching Services and its Network Participants and undermines the integrity of the Network. Accordingly, a Network Participant that fails to comply with any Standard is subject to assessments ("noncompliance assessments") as set forth in the Standards.

In lieu of, or in addition to, the imposition of a noncompliance assessment, Mastercard Switching Services, in its sole discretion, may require a Network Participant to take such action and Mastercard Switching Services itself may take such action as Mastercard Switching Services deems necessary or appropriate to ensure compliance with the Standards and safeguard the integrity of the Mastercard system. In the exercise of such discretion, Mastercard Switching Services may consider the nature, willfulness, number and frequency of occurrences and possible consequences resulting from a failure to comply with any Standard. Mastercard Switching Services may provide notice and limited time to cure such noncompliance before imposing a noncompliance assessment.

Mastercard Switching Services reserves the right to limit, suspend or terminate a Network Participant's access to the Network, if that Network Participant does not comply with any

Standards or with any decision of Mastercard Switching Services with regard to the interpretation and enforcement of any Standards.

1.1.3 Noncompliance Categories

From time to time, Mastercard Switching Services may establish programs that address instances of noncompliance with particular Standards. Every instance of noncompliance with a Standard not addressed by such a program falls into at least one of the following three compliance categories.

Category A—Payment System Integrity

Category A noncompliance affects payment system integrity. Mastercard Switching Services has the authority to impose monetary noncompliance assessments for Category A noncompliance. “Payment system integrity” violations include, but are not limited to, failure to protect Card, Account, and Transaction information.

Category B—Visible to Customers

Category B noncompliance addresses conduct that is visible to customers of the Network Participants. Mastercard Switching Services has the authority to impose monetary noncompliance assessments for Category B noncompliance or, in the alternative, may provide notice and a limited time to cure such noncompliance before imposing monetary assessments. “Visible to Customers” violations include, but are not limited to, noncompliance involving the identification of Transactions and identification of the Merchant at the POI.

Category C—Efficiency and Operational Performance

Category C noncompliance addresses efficiency and operational performance. Mastercard Switching Services has the authority to impose monetary noncompliance assessments for Category C noncompliance or, in the alternative, may provide notice and a limited time to cure such noncompliance before imposing monetary assessments. “Efficiency and operational performance” violations include, but are not limited to, noncompliance involving presentment of Transactions within the required time frame, reporting procedures, and the obligation to provide Mastercard Switching Services with requested information.

1.1.4 Noncompliance Assessments

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

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

Compliance Category	Assessment Type	Assessment Description
A	Per violation	Up to USD 25,000 for the first violation
		Up to USD 50,000 for the second violation within 12 months
		Up to USD 75,000 for the third violation within 12 months
		Up to USD 100,000 per violation for the fourth and subsequent violations within 12 months
	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 Portfolio
		No maximum per month per Portfolio or per all Portfolios
B	Per violation	Up to USD 20,000 for the first violation
		Up to USD 30,000 for the second violation within 12 months
		Up to USD 60,000 for the third violation within 12 months
		Up to USD 100,000 per violation for the fourth and subsequent violations within 12 months

Compliance Category	Assessment Type	Assessment Description
	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 Portfolio Maximum USD 20,000 per month per Portfolio Maximum USD 40,000 per month per all Portfolios
C	Per violation	Up to USD 15,000 for the first violation Up to USD 25,000 for the second violation within 12 months Up to USD 50,000 for the third violation within 12 months Up to USD 75,000 per violation for the fourth and subsequent violations within 12 months
	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

Compliance Category	Assessment Type	Assessment Description
	Variable occurrence (by number of Cards)	Up to USD 0.15 per Card Minimum USD 1,000 per month per Portfolio Maximum USD 10,000 per month per Portfolio Maximum USD 20,000 per month per all Portfolios

1.1.5 Certification

A senior executive officer of each Network Participant must, if requested by Mastercard Switching Services, promptly certify in writing to Mastercard Switching Services the status of compliance or noncompliance with any Standard by the Network Participant.

1.1.6 Review Process

A Network Participant may request that the Chief Franchise Integrity Officer of the Corporation review an assessment imposed by Mastercard Switching Services for noncompliance with a Standard. Such a request must be submitted in writing and signed by the Network Participant's principal contact. The request must be postmarked no later than 30 days after the date of the disputed assessment.

Mastercard Switching Services may assess a USD 500 fee to consider and act on a request for review of a noncompliance assessment.

1.1.7 Resolution of Review Request

When a Network Participant requests review of an assessment for noncompliance with a Standard, the Chief Franchise Integrity Officer of the Corporation may take such action as he or she deems necessary or appropriate or may elect not to act. The Chief Franchise Integrity Officer may delegate authority to act or not to act with respect to any particular matter or type of matter.

If the Chief Franchise Integrity Officer or his or her designee elects to conduct further inquiry into the matter, each Network Participant must cooperate promptly and fully. If the Chief Franchise Integrity Officer 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.

1.2 Suspension and Termination of Access to Network

A Network Participant's access to the Network may terminate in either of two ways: voluntary termination, or termination by Mastercard Switching Services. It may also be temporarily suspended.

1.2.1 Voluntary Termination

A Network Participant may voluntarily terminate its use of the Network by providing 180 days advance written notice and submitting documentation as then required by Mastercard Switching Services. For the termination to be effective, the Network Participant must effectively cease to use the Network for authorization, clearing and settlement.

1.2.2 Suspension or Termination by Mastercard Switching Services

Notwithstanding anything to the contrary set forth in any agreement with a Network Participant, Mastercard Switching Services, in its sole discretion, may suspend or terminate a Network Participant's access to the Network effective immediately and without prior notice, if:

1. The Network Participant 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 Network Participant, such termination to be effective upon the date of the vote or other action; or
2. The Network Participant 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
3. The government or the governmental regulatory authority having jurisdiction over the Network Participant serves a notice of intention to suspend or revoke, or suspends or revokes, the operations or the charter of the Network Participant; or
4. A liquidating agent, conservator, or receiver is appointed for the Network Participant, or the Network Participant is placed in liquidation by any appropriate governmental, regulatory, or judicial authority; or
5. The Network Participant (i) directly or indirectly engages in or facilitates any action or activity that is illegal, or that, in the good faith opinion of Mastercard Switching Services, and whether or not addressed elsewhere in the Standards, has damaged or threatens to damage the goodwill or reputation of Mastercard Switching Services or of any of its Marks; or (ii) makes or continues an association with a person or entity which association, in the good faith opinion of Mastercard Switching Services, has damaged or threatens to damage the goodwill or reputation of Mastercard Switching Services or of any of its Marks; or
6. The Network Participant fails to timely provide to Mastercard Switching Services information requested by Mastercard Switching Services and that the Network Participant is required to provide pursuant to the Standards.
7. The Network Participant fails to engage in Network Activity for 26 consecutive weeks or materially fails to operate at a scale or volume of operations consistent with the level agreed with Mastercard Switching Services.
8. Mastercard Switching Services has reason to believe that the Network Participant is, or is a front for, or is assisting in the concealment of, a person or entity that engages in, attempts or threatens to engage in, or facilitates terrorist activity, narcotics trafficking, trafficking in persons, activities related to the proliferation of weapons of mass destruction, activity that violates or threatens to violate human rights or principles of national sovereignty, or money laundering to conceal any such activity. In this regard, and although not dispositive,

Mastercard Switching Services may consider the appearance of the Network Participant, its owner or a related person or entity on a United Nations or domestic or foreign governmental sanction list that identifies persons or entities believed to engage in such illicit activity; or

9. Mastercard Switching Services has reason to believe that not terminating access to the Network would be harmful to its or the Corporation's goodwill or reputation.

1.2.3 Rights, Liabilities, and Obligations of a Network Participant Following Termination

All of the following apply with respect to a Network Participant following termination of access to the Network:

A Network Participant is not entitled to any refund of dues, fees, assessments, or other payments and remains liable for, and must promptly pay (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 Network Participant's Network Activities, whether arising, due, accrued, or owing before or after termination.

If a Network Participant does not take an action that this Rule or any other Standard or that Mastercard Switching Services otherwise requires, Mastercard Switching Services may take any such required action without prior notice to the Network Participant and on behalf of and at the expense of the Network Participant.

A Network Participant has no right to present records of Transactions effected after the date of termination to any other Network Participant, except as permitted by the Standards.

A Network Participant must, at the option of Mastercard Switching Services, immediately either destroy, or take such steps as Mastercard Switching Services may require, regarding all confidential and proprietary information of Mastercard Switching Services in any form previously received as a Network Participant.

1.3 Conduct of Network Activity

This topic describes the conduct of network activity.

1.3.1 Network Participant Responsibilities

At all times, each Network Participant must:

1. Be entirely responsible for and Control all aspects of its Network Activities, and the establishment and enforcement of all management and operating policies applicable to its Network 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 Network Activities conform to the Standards and comply with all applicable laws and government regulations;

4. Conduct meaningful and ongoing monitoring to ensure compliance with all of the responsibilities set forth in this Rule, and be able to demonstrate such monitoring and compliance upon request of Mastercard Switching Services in accordance with the Standards, including without limitation, the requirements set forth in the Examination and Audit section of these Rules;
5. Maintain a significant economic interest in each of its Network Activities;
6. Engage in Network Activities at a scale or volume of operations consistent with its role as a Network Participant ;
7. Promptly update information previously provided to Mastercard Switching Services in the event of a significant change to the accuracy or completeness of any of the information and, separately, upon request of Mastercard Switching Services;
8. Promptly inform Mastercard Switching Services should the Network Participant become unable for any reason to engage in Network Activity in accordance with both the Standards and the laws and government regulations of any country (or any subdivision thereof) in which the Network Participant engages in Network Activity; and
9. Comply with such other requirements as Mastercard Switching Services may establish, in its sole discretion, in connection with Network Activity.

1.3.2 Financial Soundness

Each Network Participant must conduct all Network Activity and otherwise operate in a manner that is financially sound and so as to avoid risk to Mastercard Switching Services and to other Network Participants.

A Network Participant must promptly report to Mastercard Switching Services any materially adverse financial condition or discrepancy or suspected materially adverse financial condition or discrepancy relating to the Network Participant.

The Network Participant must refer such condition or discrepancy to independent certified public accountants or another person or firm satisfactory to Mastercard Switching Services for evaluation and recommendation as to remedial action, and promptly provide to Mastercard Switching Services a copy of such evaluation and recommendation after receipt thereof.

1.3.3 Compliance with Network Activity Responsibilities

From time to time, Mastercard Switching Services may develop means and apply criteria to evaluate a Network Participant's compliance with the requirements set forth in the Conduct of Network Activity section of these Rules. Each Network Participant must fully cooperate with any effort by Mastercard Switching Services and Mastercard Switching Services's representatives to evaluate a Network Participant's compliance with the requirements set forth in the Conduct of Network Activity section of these Rules.

In the event that Mastercard Switching Services determines that a Network Participant is not complying or may not on an ongoing basis comply with the requirements set forth in the Conduct of Network Activity section of these Rules, Mastercard Switching Services may impose special terms upon the Network Participant as Mastercard Switching Services deems necessary or appropriate until each condition or discrepancy is resolved to Mastercard Switching Services's satisfaction so as to enable the Network Participant to be and to remain in

full compliance with the requirements set forth in the Conduct of Network Activity section of these Rules, or require the Network Participant to terminate its use of the Network.

1.4 Indemnity and Limitation of Liability

Each Network Participant (each, for the purposes of this Rule, an “Indemnifying Network Participant”) must protect, indemnify, and hold harmless Mastercard Switching Services and Mastercard Switching Services’ affiliated entities, and each of the directors, officers, employees and agents of Mastercard Switching Services and Mastercard Switching Services’ 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 Network Participant, its subsidiaries, or any person associated with the Indemnifying Network Participant or its subsidiaries (including, without limitation, such Indemnifying Network Participant’s directors, officers, employees and agents, all direct and indirect parents, subsidiaries, and affiliates of the Indemnifying Network Participant, the Indemnifying Network Participant’s Network Participants in connection with Network Activity and/or other business, and the Indemnifying Network Participant’s suppliers, including, without limitation, Service Providers, Card production vendors, and other persons acting for, or in connection with, the Indemnifying Network Participant or a Merchant or other entity for which the Indemnifying Network Participant acquires Transactions, or any such Merchant’s or entity’s employees, representatives, agents, suppliers or Network Participants, including any Data Storage Entity [DSE]) with respect to, or relating to:

1. Any Network Activities of the Indemnifying Network Participant;
2. Any programs and/or activities of any person associated with the Indemnifying Network Participant and/or its subsidiaries;
3. The compliance or noncompliance with the Standards by the Indemnifying Network Participant;
4. The compliance or noncompliance with the Standards by any person associated with the Indemnifying Network Participant and its subsidiaries;
5. Any other activity of the Indemnifying Network Participant;
6. Direct or indirect access to and/or use of the Network (it being understood that Mastercard Switching Services does not represent or warrant that the Network or any part thereof is or will be defect-free or error-free and that each Network Participant chooses to access and use the Network at the Network Participant’s sole risk and at no risk to Mastercard Switching Services);
7. Any other activity and any omission of the Indemnifying Network Participant and any activity and any omission of any person associated with the Indemnifying Network Participant, its subsidiaries, or both, including but not limited to any activity that used and/or otherwise involved any of the Marks or other assets;
8. Any failure of another Network Participant to perform as required by the Standards or applicable law; or

9. Mastercard Europe Switching Service's interpretation, enforcement, or failure to enforce any Standards.

Mastercard Switching Services does not represent or warrant that the Network or any other system, process or activity administered, operated, controlled or provided by or on behalf of Mastercard Switching Services (collectively, for purposes of this section, 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 Mastercard Switching Services and a Network Participant, 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 of non-infringement of third party intellectual property rights. IN NO EVENT WILL MASTERCARD EUROPE SWITCHING SERVICES BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, FOR LOSS OF PROFITS, OR ANY OTHER COST OR EXPENSE INCURRED BY A NETWORK PARTICIPANT 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 NETWORK PARTICIPANT OR ANY THIRD PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. EACH NETWORK PARTICIPANT 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 aggregate, of Mastercard Switching Services to a Network Participant and anyone claiming by or through the Network Participant, 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 Mastercard Switching Services from the Network Participant for the particular use or receipt of the Systems during the 12 months ending on the date that Mastercard Switching Services was advised by the Network Participant 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 Mastercard Switching Services to or for the benefit of a Network Participant that is not required to be made by the Standards will not be construed to be a waiver or modification of any Standard by Mastercard Switching Services. A failure or delay by Mastercard Switching Services to enforce any Standard or exercise any right of Mastercard Switching Services set forth in the Standards will not be construed to be a waiver or modification of the Standard or of any of Mastercard Switching Services' rights therein.

1.5 Choice of Laws

These 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 the substantive law of any other jurisdiction. English courts have exclusive jurisdiction for the resolution of any dispute relating to the Standards between two Network Participants.

1.6 Examination and Audit

Mastercard Switching Services reserves the right to conduct an examination or audit of any Network Participant and Network Participant information to ensure full compliance with the Standards. Any such examination or audit is at the expense of the Network Participant, and a copy of the examination or audit results must be provided promptly to Mastercard Switching Services upon request.

Further, Mastercard Switching Services, at any time and whether or not a Network Participant is subject to periodic examination or audit or other oversight by banking regulatory authorities of a government, and at the Network Participant's sole expense, may require that Network Participant 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 Mastercard Switching Services.

A Network Participant may not engage in any conduct that could or would impair the completeness, accuracy or objectivity of any aspect of such an examination or audit and may not engage in any conduct that could or would influence or undermine the independence, reliability or integrity of the examination or audit. A Network Participant must cooperate fully and promptly in and with the examination or audit and must consent to unimpeded disclosure of information to Mastercard Switching Services by the auditor.

Chapter 2 Network Participant Obligations

This section describes the obligations of network participants.

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2.1 Integrity of the Network

A Network Participant must not directly or indirectly engage in or facilitate any action that is illegal or that, in the opinion of Mastercard Switching Services and whether or not addressed elsewhere in the Standards, damages or may damage the goodwill or reputation of Mastercard Switching Services.

Upon request of Mastercard Switching Services, a Network Participant will promptly cease engaging in or facilitating any such action.

2.2 Fees, Assessments, and Other Payment Obligations

Each Network Participant is responsible to timely pay to Mastercard Switching Services all fees, charges, assessments and the like applicable to Network Activity as may be in effect from time to time, including those set forth in the applicable *Mastercard Consolidated Billing System* manual.

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

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

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

Each Network Participant expressly authorizes Mastercard Switching Services to take the Network Participant's funds and other assets as authorized by this Rule, and to apply such funds and other assets to any obligation of the Network Participant to Mastercard Switching Services or any other person under the Standards, and no Network Participant shall have any claim against Mastercard Switching Services or any other person in respect of such conduct by Mastercard Switching Services.

Each Network Participant agrees upon demand to promptly execute, acknowledge and deliver to Mastercard Switching Services such instruments, agreements, lien waivers, releases, and

other documents as Mastercard Switching Services may, from time to time, request in order to exercise its rights under this Rule.

2.2.1 Taxes and Other Charges

Each Network Participant must pay when due all taxes charged by any country or other jurisdiction in which the Network Participant conducts Network Activity with respect to such Network Activity.

In the event Mastercard Switching Services is charged taxes or other charges by a country or other jurisdiction as a result of or otherwise directly or indirectly attributable to Network Activity, the Network Participant is obligated to reimburse Mastercard Switching Services the amount of such taxes or other charges. Mastercard Switching Services may collect such taxes or other charges from the settlement account of the Network Participant responsible in accordance with the Standards for the Network Activity that gave rise to the charge.

2.3 Obligation of Network Participant to Provide Information

Each Network Participant must provide Mastercard Switching Services with its current contact information, including mailing addresses, air express/hand delivery addresses, telephone numbers, fax numbers, and e-mail addresses.

2.4 Confidential Information of Network Participants

As used in this section, 2.4 Confidential Information of Network Participant, the following terms have the meanings as described below.

Term	Definition
Controller	The entity which alone or jointly with others determines the purposes and the means of the Processing of Personal Data.
Data Subject	A Cardholder or Merchant, or other natural person, whose Personal Data are Processed by Mastercard Switching Services and a Network Participant or a Merchant.
EU Data Protection Law	The EU General Data Protection Regulation 2016/679 (as amended and replaced from time to time) and the e-Privacy Directive 2002/58/EC (as amended by Directive 2009/136/EC, and as amended and replaced from time to time) and their national implementing legislation; the Swiss Federal Data Protection Act (as amended and replaced from time to time); the Monaco Data Protection Act (as amended and replaced from time to time); the UK Data Protection Act (as amended and replaced from time to time); and the Data Protection Acts of the EEA countries (as amended and replaced from time to time).

Term	Definition
Mastercard BCRs	The Mastercard Binding Corporate Rules as approved by the EEA data protection authorities and available at https://www.mastercard.us/content/dam/mccom/en-us/documents/mastercard-bcrs-february-2017.pdf
Personal Data	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 identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural, or social identity of that natural person.
Personal Data Breach	A breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorized disclosure of, or access to, Personal Data transmitted, stored or otherwise Processed.
Processor	The entity which Processes Personal Data on behalf of a Controller.
Processing of Personal Data or Processing	Any operation or set of operations which is performed on Personal Data or on sets of Personal Data, whether or not by automated means, such as collection, recording, organization, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction.
Sensitive Data	Any Personal Data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, genetic data, biometric data, data concerning health or data concerning a natural person's sex life or sexual orientation, as well as any other type of data that will be considered to be sensitive according to any future revision of EU Data Protection Law.
Sub-Processor	The entity engaged by the Processor or any further sub-contractor to Process Personal Data on behalf of and under the instructions of the Controller.
Transaction-related Personal Data	Personal Data required for authorizing, recording, clearing and settling a Transaction by the Corporation.
Geographic Scope of Application	This section, 2.4 Confidential Information of Network Participant, applies to Processing of Personal Data, which is subject to the EU Data Protection Law.

2.4.1 Data Uses for Mastercard Switching Services

Mastercard Switching Services will not use, disclose or otherwise Process Transaction-related Personal Data and other Personal Data or confidential information provided to it by Network Participants or Merchants except to the extent that the use, disclosure or Processing is compliant with EU Data Protection Law and Mastercard BCRs, and relies on one of the purposes defined below:

1. For the benefit of, on behalf and upon instruction of the Network Participants or Merchants supplying the information to support the Network Participants' or Merchants' Program and/or Network Activities;
2. As required for authorization, clearing, and settlement of a Transaction;
3. As may be appropriate to Mastercard Switching Services and Mastercard Switching Services' Affiliates, staff, accountants, auditors, or counsel for the execution of their respective tasks, including but not limited to auditing, billing, reconciliation and collection activities performed in the context of the services on the Network Participant or Merchant;
4. For the purpose of processing and/or resolving chargebacks or other disputes;
5. For the purpose of protecting against or preventing actual or potential fraud, unauthorized transactions, claims, or other liability;
6. For the purpose of providing products or services to Network Participants or Merchants, where the purpose has been (partly or fully) jointly defined by Mastercard Switching Services and Network Participant or Merchant, provided that any Confidential Information or Personal Data provided in such products or services will consist solely of information provided to Mastercard Switching Services by that Network Participant or Merchant;
7. For preparing internal reports for use by Mastercard Switching Services or any of Mastercard Switching Services' Affiliates, staff, management, and consultants for the purposes of operating, evaluating, and managing Mastercard Switching Services business;
8. For anonymizing Personal Data to prepare and furnish aggregated and anonymized data reports, compilations, or analysis, provided that such compilations, analysis, or other reports (i) do not identify any Network Participant or Merchant other than the Network Participant or Merchant for which the compilation, analysis, or other report is prepared and (ii) do not contain any Personal Data;
9. As may be required by applicable laws and regulations or requested by any judicial process or governmental agency having or claiming jurisdiction over Mastercard Switching Services or Mastercard Switching Services' Affiliates; or
10. For other purposes for which the Data Subject to whom the Personal Data relates has provided explicit consent.

2.4.2 Processing of Transaction-Related Personal Data

With regard to Transaction-related Personal Data, Networks Participants and Merchants must comply with EU Data Protection Law.

Network Participants and Merchants act as Controllers with regard to the Processing of Personal Data for the purposes of authorizing, recording, clearing and settling Transactions, and Mastercard Switching Services acts as a Processor for these purposes.

To the extent it acts as Processor, Mastercard Switching Services will: (1) cooperate with Network Participants and Merchants in their role as Controllers to fulfill their data protection compliance obligations in accordance with EU Data Protection Law; (2) only undertake Processing of Personal Data in accordance with the Standards, the Network Participants' and Merchants' instructions, and the Mastercard BCRs; and (3) comply with obligations equivalent to those imposed on the Network Participants and Merchants as Controllers by the provisions of EU Data Protection Law, including those applicable to Processors and data transfers.

If Mastercard Switching Services cannot comply with a Network Participant's or Merchant's instructions, it will inform promptly the Controller of its inability to comply (unless applicable law prohibits such information on important grounds of public interest), in which case the relevant Network Participant or Merchant is entitled to suspend the communication of Personal Data and/or terminate the Processing of Personal Data.

2.4.3 Mastercard BCRs

Mastercard Switching Services will abide by the Mastercard BCRs when the Processing of Personal Data is or was subject to EU Data Protection Law.

2.4.4 Data Subject Notice and Legal Grounds for the Processing of Personal Data

Network Participants and Merchants must ensure that the Processing of Personal Data by the applicable Network Participant, Merchant and Mastercard Switching Services for the purposes provided in section, 2.4.1 Data Uses for Mastercard Switching Services of this manual, relies on a valid legal ground under EU Data Protection Law, including obtaining Data Subjects' proper consent where required or appropriate under EU Data Protection Law.

Network Participants and Merchants must ensure that Data Subjects receive appropriate notice, in a timely manner: (1) at the minimum with all the elements required under EU Data Protection Law; (2) about the existence of Processors located outside of the EEA; and (3) where required and appropriate, about the existence of Mastercard BCRs and Data Subjects' right to enforce the Mastercard BCRs as third-party beneficiaries (by referring to the public version of the Mastercard BCRs).

2.4.5 Data Subject Rights

Network Participants and Merchants must develop and implement appropriate procedures for handling Data Subjects' requests to exercise their rights of (a) access, (b) rectification, (c) erasure, (d) portability (e) restriction, and (f) objection.

To the extent that Mastercard Switching Services acts as a Processor, it will forward the requests it receives to the relevant Network Participant or Merchant who will respond in accordance with applicable EU Data Protection Law, and Mastercard Switching Services will assist the relevant Network Participant or Merchant in complying with its obligations to respond to such requests, including by providing access to Personal Data maintained by Mastercard Switching Services.

To the extent that Mastercard Switching Services acts as a Controller, the relevant Network Participant or Merchant must cooperate with Mastercard Switching Services in promptly responding to the request, including by providing access to Personal Data maintained by such Network Participant or Merchant.

2.4.6 Personal Data Accuracy and Data Minimization

Each Network Participant and Merchant must take reasonable steps to ensure that Personal Data such Network Participant or Merchant provides to Mastercard Switching Services is: (1) accurate, complete and current; (2) adequate, relevant and limited to what is necessary in relation to the purposes for which they are Processed; and (3) kept in a form which permits identification of Data Subjects for no longer than is necessary for the purposes for which the

Personal Data are Processed unless a longer retention is required or allowed under applicable law.

2.4.7 Accountability

Taking into account the nature, scope, context and purposes of the Processing as well as the risks of varying likelihood and severity for the rights and freedoms of Data Subjects, Mastercard Switching Services, Network Participants and Merchants must implement appropriate technical and organizational measures to ensure and to be able to demonstrate that the Processing is performed in accordance with the Mastercard Switch Rules and EU Data Protection Law, including, as applicable, by appointing a data protection officer, maintaining records of Processing, complying with the principles of data protection by design and by default, performing data protection impact assessments and conducting prior consultations with supervisory authorities.

2.4.8 Sub-Processing

To the extent Mastercard Switching Services acts as a Processor, each Network Participant and Merchant, acting as a Controller, gives a general authorization to Mastercard Switching Services to use internal and external Sub-Processors on behalf of Mastercard's Network Participants and Merchants as necessary for Mastercard Switching Services to provide its products and services in accordance with EU Data Protection Law.

Mastercard Switching Services commits to provide a list of Sub-Processors to the relevant Network Participants and Merchants upon request, and will inform them of any addition or replacement of a Sub-Processor in a timely fashion so as to give such Network Participants and Merchants an opportunity to object to the change or to terminate the contract before the Personal Data is communicated to the new Sub-Processor, except where the service cannot be provided without the involvement of a specific Sub-processor.

Mastercard Switching Services binds its internal Sub-Processors to respect Mastercard BCRs and to comply with the Network Participants and Merchants' instructions. Mastercard Switching Services requires its external Sub-Processors, via a written agreement, to comply with the requirements of EU Data Protection Law applicable to Processors and data transfers, with the Network Participants and Merchants' instructions and with the same obligations as are imposed on Mastercard Switching Services by the Mastercard Switch Rules and the Mastercard BCRs. Mastercard Switching Services, acting as Processor, is authorized by the Network Participants and Merchants, acting as Controllers, to enter into the 2010 Controller to Processor Standard Contractual Clauses with non-EEA based Sub-Processor on behalf of the Network Participants and Merchants. Mastercard Switching Services will remain liable to the Controller for the performance of its Sub-Processors' obligations.

2.4.9 Disclosures of Personal Data

Where Mastercard Switching Services is requested to disclose Personal Data to a law enforcement authority or state security body in accordance with Rule 2.4.1 above, it will only comply with such request in accordance with the Mastercard BCRs.

2.4.10 Security and Confidentiality of Personal Data

In accordance with the Standards and EU Data Protection Law, Mastercard Switching Services, Network Participants and Merchants must implement and maintain a comprehensive written information security program with appropriate technical and organizational measures to ensure a level of security appropriate to the risk.

In assessing the appropriate level of security, Mastercard Switching Services, Network Participants and Merchants must take into account the state of the art, the costs of implementation and the nature, scope, context and purposes of the Processing as well as the risk of varying likelihood and severity for the rights and freedoms of Data Subjects and the risks that are presented by the Processing, in particular from accidental or unlawful destruction, loss, alteration, unauthorized disclosure of, or access to Personal Data transmitted, stored or otherwise Processed.

Mastercard Switching Services, Network Participants and Merchants must take steps to ensure that any person acting under their authority who has access to Personal Data is subject to a duly enforceable contractual or statutory confidentiality obligation and, as applicable, Processes Personal Data in accordance with the Controller's instructions.

To the extent it acts as Processor and subject to the strictest confidentiality obligations, Mastercard Switching Services will, within reasonable time, provide to the relevant Networks Participants and Merchants with: (a) a summary of the audit reports demonstrating Mastercard Switching Services' compliance with EU Data Protection Law and Mastercard BCRs, after redacting any confidential or commercially sensitive information; and (b) a confirmation that the audit has not revealed any material vulnerability in Mastercard's systems, or to the extent that any such vulnerability was detected, that Mastercard has fully remedied such vulnerability. If the above measures are not sufficient to confirm compliance with EU Data Protection Law and Mastercard BCRs, or reveal some material issues, subject to the strictest confidentiality obligations, Mastercard Switching Services will allow such Network Participants or Merchants to request an audit of Mastercard's data protection compliance in accordance with Mastercard BCRs.

2.4.11 Personal Data Breaches

Mastercard Switching Services, Network Participants and Merchants will inform each other without undue delay, and no later than 48 hours after having become aware of it, of a Personal Data Breach. They will assist each other in complying with their own obligations to notify a Personal Data Breach, and use their best efforts to reach an agreement on whether and how to notify a Personal Data Breach.

Mastercard Switching Services, Network Participants and Merchants must document all Personal Data Breaches, including the facts relating to the Personal Data Breach, its effects and the remedial action taken.

Where required under EU Data Protection Law, Network Participants and Merchants will notify, without undue delay and, where feasible, not later than 72 hours after having become aware of a Personal Data Breach, the competent data protection authority. When the Personal Data Breach is likely to result in a high risk to the rights and freedoms of Data Subjects,

Network Participants and Merchants must communicate the Personal Data Breach to the Data Subject without undue delay.

Network Participants and Merchants authorize Mastercard Switching Services to investigate the Personal Data Breach, including the facts relating to it, its effects and the remedial action taken, and to inform other Network Participants or Merchants and third parties, including law enforcement authorities, as necessary to preserve the security, integrity and confidentiality of the Network and of the Processing of Personal Data.

2.4.12 Termination and Mandatory Retention

To the extent that Mastercard Switching Services acts as a Processor, upon Termination of the provision of Mastercard Switching Services or upon requests to delete or return Personal Data, Mastercard Switching Services will, at the choice of the relevant Network Participant or Merchant, delete, anonymize, or return all the Personal Data to such Network Participant or Merchant, and delete or anonymize existing copies unless applicable law prevents it from returning or destroying all or part of the Personal Data or requires storage of the Personal Data (in which case Mastercard Switching Services will protect the confidentiality of the Personal Data and will not actively Process the Personal Data anymore).

2.4.13 Liability for EU Data Protection Law Violations

Where a Network Participant, Merchant or Mastercard Switching Services act as a Controller, they are responsible for the damage caused by the Processing of Personal Data which infringes EU Data Protection Law.

To the extent that Mastercard Switching Services acts as a Processor, it will only be liable for the damage caused by the Processing only where it has not complied with obligations of EU Data Protection Law specifically directed to Processors or where it has acted outside or contrary to Controller's lawful instructions. Mastercard Switching Services will be exempt from liability if it proves that it is not in any way responsible for the event giving rise to the damage.

Where one or more Network Participants, Merchants and/or Mastercard Switching Services are involved in the same Processing and where they are responsible for any damage caused by the Processing, each may be held liable for the entire damage in order to ensure effective compensation of the Data Subject. If Mastercard Switching Services paid full compensation for the damage suffered, it is entitled to claim back from the Network Participants or Merchants involved in the same Processing that part of the compensation corresponding to their part of responsibility for the damage.

2.5 Cooperation

A Network Participant must fully cooperate with Mastercard Switching Services and all other Network Participants in the resolution of disputes.

A Network Participant, to the best of its ability, must provide requested investigative assistance to any other Network Participant.

Chapter 3 Settlement and Related Obligations

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3.1 Net Settlement

A Network Participant that uses the Network for clearing of Transactions is required to net settle in accordance with the settlement Standards. However, an Acquirer and an Issuer may, with respect to a particular Transaction, 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*.

3.1.1 Currency Conversion

Mastercard Switching Services converts Transactions processed through use of the Network into the applicable settlement currency. The Acquirer must submit each Transaction in the currency in which it occurred.

If two Network Participants elect not to settle a Transaction by using the Network and instead elect to settle directly between themselves in accordance with a bilateral agreement, any Transaction currency that Mastercard Switching Services supports is acceptable for settlement.

3.1.2 Settlement Finality

Mastercard Switching Services determines the net obligations of the Network Participants under the Standards. Network Participants' net obligations are calculated by Mastercard Switching Services's proprietary small value clearing systems and are based upon accepted financial messages submitted by the Network Participants to the Network.

Financial messages are considered irrevocable, by Network Participants, upon completion of the clearing system cutoff. However, in accordance with the Standards, Network Participants may submit a separate financial message to offset a previously submitted financial message.

Mastercard Switching Services subsequently creates instructions, reflecting the Network Participants' end-of-day net obligations, which result in the assumption or discharge of payment obligations between Network Participants. These instructions are effected by Network Participants and the settlement agents of Mastercard Switching Services. Settlement finality of the transfer order is determined by the rules of the national payment system in which the funds transfer is executed.

3.1.2.1 Cooperation with Government Authorities

Each Network Participant agrees and acknowledges that, for the purposes of administering the Network, Mastercard Switching Services may from time to time co-operate (by sharing of information or otherwise) with:

1. The Financial Services Authority;
2. The Bank of England;
3. Any relevant office holder (as defined in the UK SFD Regulations); and
4. Any authority, body or person having responsibility for any matter arising out of, or connected with, the default of a Network Participant.

3.1.1.2 Provision of Information

For the purposes of the UK SFD Regulations, each Network Participant must (except if such request is frivolous or vexatious) provide to any interested person who requests it, within 14 days of such request and upon payment by such a person of a reasonable charge.

1. Details of the systems which are designated for the purposes of the Settlement Finality Directive in which such Network Participant participates; and
2. Information about the main rules governing the functioning of such systems.

3.1.2.3 Notification of Winding Up Resolution or Trust Deed

For the purposes of the UK SFD Regulations, each Network Participant must (i) upon the passing of a creditor's voluntary winding up resolution (or analogous procedure in the jurisdiction of incorporation of such Network Participant) in respect of that Network Participant; or (ii) upon a trust deed granted by the Network Participant becoming a protected trust deed, notify Mastercard Switching Services and the Bank of England that such a resolution (or analogous procedure) has been passed or that such a trust deed has become a protected trust deed, as the case may be.

3.1.2.4 Reconciliation

It is the responsibility of each Network Participant to reconcile the totals and Transactions provided by the Network to its own internal records on a daily basis.

For more information on reconciliation, refer to the *GCMS Reference Manual*.

Chapter 4 Connecting to the Network and Authorization Routing

This section describes connecting to the network and authorization routing.

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4.1 Connecting to the Network

Before switching Transactions and on an ongoing basis thereafter, the Network Participant must perform testing and obtain any necessary certifications of its equipment, procedures, and Network connections as may be required by Mastercard Switching Services to ensure compatibility with its technical specifications then in effect.

Each Network Participant must establish and maintain, at its own expense, a data processing facility that is capable of receiving, storing, switching, and communicating any Transaction sent to or received from the Network, and may connect at least one data processing facility directly to the Network. Such facility may be established and maintained by the Network Participant's parent, its wholly-owned subsidiary, or an entity that is wholly owned, directly or indirectly, by the Network Participant's parent, or with the prior written agreement of Mastercard Switching Services, by the Network Participant's designated third party agent.

4.2 Routing Instructions and System Maintenance

Each Network Participant must:

1. Submit to Mastercard Switching Services completed institution routing table (IRT) and institution definition file (IDF) input documents no later than five business days prior to the requested effective date of live switching via the Network.
2. Notify Mastercard Switching Services of any routing updates at least five business days before the effective date of the change. Expedited maintenance may be performed within two business days of such notice.
3. Notify Mastercard Switching Services of any scheduled downtime at least 24 hours in advance.

Chapter 5 Mastercard Scheme-Specific Requirements

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5.1 Transaction Message Data

This topic describes specifications relating to transaction message data.

5.1.1 Card Acceptor Address Information

The Acquirer must transmit the generally accepted location, city, and country of the Terminal or website in DE 43, substantially the same as it appears on any Transaction receipt provided.

5.1.2 Sub-Merchant Name Information

The Acquirer must ensure that a Transaction conducted by a Submerchant includes the names of both the Payment Facilitator and the Submerchant in DE 43 (Card Acceptor Name/Location), subfield 1 (Card Acceptor Name).

The Payment Facilitator name, in full or in abbreviated form, must be three, seven, or 12 characters in length, followed by "*" and the Submerchant name.

5.1.3 Payment Facilitator ID and Submerchant ID

An Acquirer that uses a Payment Facilitator must populate the Payment Facilitator field with a Payment Facilitator (PF) ID in all Transaction messages as follows. The PF ID must match the Company ID provided during Payment Facilitator registration or will be provided directly by the Corporation.

1. DE 48 (Additional Data—Private Use), subelement 37 (Additional Merchant Data), subfield 1 (Payment Facilitator ID) of Authorization Request/0100 messages; and
2. PDS 0208 (Additional Merchant Data), subfield 1 (Payment Facilitator ID) of First Presentment/1240 messages.

An Acquirer that uses a Payment Facilitator must populate the Submerchant field with a Submerchant ID in all Transaction messages as follows. The Submerchant ID must match the Submerchant ID supplied by the Acquirer or Payment Facilitator.

1. DE 48 (Additional Data—Private Use), subelement 37 (Additional Merchant Data), subfield 3 (Submerchant ID) of Authorization Request/0100 messages; and
2. PDS 0208 (Additional Merchant Data), subfield 2 (Submerchant ID) of First Presentment/1240 messages.

5.1.4 ATM Terminal Information

The Acquirer of an ATM Transaction must transmit the ATM owner name and ATM location address in DE 43 and the unique ATM Terminal identification information in DE 41 (Card Acceptor Terminal ID) of each Transaction message.

An Acquirer and any Service Provider performing ATM Transaction switching services must also identify itself using a unique number, which is assigned by the Network.

5.1.5 Independent Sales Organization

An Acquirer that uses an Independent Sales Organization (ISO) must populate the ISO field with an ISO identification number (ID) in all Transaction messages arising from a Merchant, Submerchant, or ATM owner receiving or otherwise benefiting from the Program Service performed by that ISO.

The ISO ID must match the Company ID provided during ISO registration, and which may be found in the Business Administration tool via Mastercard Connect.

The ISO identifier must appear in the following fields:

- DE 48 (Additional Data—Private Use), subelement 37 (Additional Merchant Data), subfield 2 (Independent Sales Organization ID) of Authorization Request/0100 messages; and
- PDS 0209 (Independent Sales Organization ID) of First Presentment/1240 messages.

5.2 Authorization Routing—Mastercard POS Transactions

On an ongoing basis, an Acquirer of Mastercard POS Transactions must recognize all active Mastercard bank identification numbers (BINs) for purposes of obtaining Transaction authorizations, and obtain such authorizations on behalf of each of its Merchants as the Standards require.

If the Acquirer uses Account range files provided by Mastercard Switching Services 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. Upon receipt of an updated Account range file from Mastercard Switching Services, an Acquirer must confirm via an acknowledgment file that it updated its host systems accordingly. Alternatively, the Acquirer may submit all authorization requests containing an Account number with a BIN in the 510000 to 559999 range to the Network for routing to the Issuer.

5.3 Authorization Routing—Maestro POS, ATM Terminal, and PIN-based In-Branch Terminal Transactions

An Acquirer of Maestro POS Transactions, ATM Transactions, and/or Manual Cash Disbursement Transactions occurring at PIN-based In-Branch Terminals may default route to the Network any such Transaction not belonging to its proprietary network. The Network determines whether or not the Transaction is being performed by a Cardholder.

The Acquirer must ensure that the files are loaded and functioning on its host systems and available to its Merchants, ATM Terminals, and PIN-based In-Branch Terminals for use within six calendar days from the date that each updated file is distributed. Upon receipt of an updated file, the Acquirer must confirm to Mastercard Switching Services via an acknowledgment file that it has updated its host systems accordingly.

5.4 Authorization and Clearing Requirements

This topic describes the authorization and clearing requirements.

5.4.1 Issuer Authorization Requirements

In the event that an Issuer chooses not to offer a particular Transaction message type to its Cardholders, the Issuer must provide a value of 57 indicating “transaction not permitted to issuer/cardholder” in DE 39 (Response Code) of the online authorization message.

5.4.2 Stand-In Processing Service

This Rule does not apply to an Issuer in the Europe Region if on or before 17 September 2008, the Issuer commenced its use of an alternative on-behalf authorization service that meets Mastercard Switching Services’ performance standards as set forth in section 5.4.1.2 Performance Standards—Issuers of these Rules.

An Issuer is liable for all Transactions authorized (with or without PIN validation) using the Stand-In Processing Service, provided that the Network correctly uses the Stand-In Parameters defined by Mastercard Switching Services or the Issuer. The Issuer may establish Stand-In Processing Service PIN validation at its option.

For all of its Mastercard Card programs, an Issuer must use the Stand-In Processing Service. Stand-In Investigation Service is now obsolete and replaced with Stand-In User Interface located in the Fraud Center. Stand-In Parameters for Mastercard (including Debit Mastercard) Card Programs must be set at or above Mastercard Switching Services’ default limits.

In the event that fraudulent activity is detected with respect to a Mastercard BIN or BIN range, Mastercard Switching Services, in its sole discretion and judgment, may take such action as it deems necessary or appropriate to safeguard its goodwill and reputation.

Such action may include, by way of example and not limitation, declining some or all Transaction authorization requests received by the Stand-in Processing Service relating to the use of Cards issued under such BIN or BIN range.

For all of its Maestro and Cirrus Card programs, an Issuer must use the Stand-In Processing Service. This requirement does not apply if the Issuer commenced its use of an alternative on-behalf authorization service before 1 December 2003 and such service meets Mastercard Switching Services’ performance standards as set forth in section 5.4.2.2 Performance Standards—Issuers of these Rules.

Stand-In Parameters for Maestro and Cirrus Card programs must be set at or above Mastercard Switching Services’ default limits. An Issuer may employ a blocking service which declines all Transaction authorization requests during Stand-In processing for inactive BINs or in situations where Stand-In processing does not apply for regulatory reasons.

5.4.2.1 Accumulative Transaction Limits

An Issuer at its option, may use daily Stand-In Processing Service Transaction limits (“accumulative limits”) for a Card program that are higher than the applicable default limits set by Mastercard Switching Services.

Refer to the *Stand-In Processing* Forms 041a (Brand Product Categories Addendum), 041f (Accumulative Global Parameters), and 041g (Transaction Category Code Global Parameters) for the minimum (default) daily accumulative Transaction processing limit applicable to a particular Card Program.

5.4.2.2 Performance Standards—Issuers

For all Transactions, an Issuer authorization failure rate that exceeds one percent for two months in any six-month period is deemed to be substandard performance.

The Issuer failure rate is not applied until after the Issuer's fourth calendar month of operation or upon the Issuer's processing of 5,000 Transactions in a calendar month, whichever occurs first. The Issuer failure rate is calculated by taking the sum of ISO 8583 response codes 31—issuer signed off, 82—time out at Issuer host, and 96—system malfunction, and dividing by the total number of Transactions processed through the Issuer connection to the Network.

5.4.3 Authorization Responses

An Acquirer must comply with the authorization response wait time requirements set forth in Chapter 4 of the *Authorization Manual*.

An Issuer must comply with the authorization response requirements set forth in "Routing Timer Values" in Chapter 5 of the *Authorization Manual*. If the Issuer's response is not received within the required time frame, then the Transaction will time out and be forwarded via the Stand-In Processing System or another alternate authorization provider as specified by the Issuer.

5.4.4 Preauthorizations

An authorization request is properly identified as a preauthorization when DE 61 (Point-of-Service [POS] Data), subfield 7 (POS Transaction Status) contains a value of 4.

5.4.5 Final Authorizations

An authorization request is properly identified as a final authorization when DE 61 (Point-of-Service [POS] Data), subfield 7 (POS Transaction Status) contains a value of 0 and DE 48 (Additional Data), subelement 61 (POS Data Extended Condition Codes), subfield 5 contains a value of 1.

5.4.6 Multiple Authorizations

The Acquirer must use a unique identifier from the initial approved authorization of a Transaction in any additional authorizations requested in connection with the same Transaction, by populating DE 48, subelement 63 (Trace ID) of each additional authorization request with the DE 63 (Network Data), subfield 1 (Financial Network Code) and subfield 2 (Banknet Reference Number) and DE 15 (Date, Settlement) data from the initial approved Authorization Request Response/0110 message. This unique identifier must also be included in the Transaction clearing record.

5.4.7 Full and Partial Reversals

An Acquirer must support reversals for the full amount of any authorized POS Transaction whenever the Acquirer host system is unable to communicate the authorization response to the POS Terminal.

5.4.8 Full and Partial Approvals and Account Balance Responses

The attended POS Terminal must either display or print the available balance when the Issuer provides available balance information in DE 54 (Additional Amounts) of the authorization response message.

5.4.9 Balance Inquiries

Balance inquiries are identified with a value of 30 in DE 3, subfield 1 of authorization messages.

5.4.10 CVC 2 Verification for POS Transactions

An Issuer must not authorize a Mastercard POS Transaction identified as a mail order, phone order, or e-commerce Transaction if the CVC 2 transmitted by the Acquirer does not match the CVC 2 on file with the Issuer corresponding to the Mastercard Account in question (that is, DE 48, subelement 87 of the Authorization Request Responses/0110 message = "N").

5.5 Acceptance Procedures

This topic describes requirements relating to acceptance procedures.

5.5.1 Suspicious Cards

To report a suspicious Card to its Acquirer, the Merchant may include a value of 1 (Suspected fraud (merchant suspicious—code 10) in DE 61, subfield 8 (Transaction Security) of the authorization request message.

5.5.2 Obtaining an Authorization for a Mastercard POS Transaction

5.5.2.1 Authorization of Lodging, Cruise Line, and Vehicle Rental Transactions

IF	THEN
The authorization request message contains the Partial Approval Terminal Support Indicator, and the authorization request response message contains a value of 10 (Partial Approval) in DE 39 and a partial approval amount in DE 6.	The Transaction amount may not exceed the approved amount.

5.5.2.2 Authorization When the Cardholder Adds a Gratuity

IF	THEN
The authorization request message contains the Partial Approval Terminal Support Indicator, and the authorization request response message contains a value of 10 (Partial Approval) in DE 39 and a partial approval amount in DE 6.	The Transaction amount may not exceed the approved amount.

5.5.2.3 Use of Card Validation Code 2 (CVC 2)

All non-face-to-face gambling Transactions (MCC 7995) conducted with a Mastercard Card must include CVC 2 value in DE 48 (Additional Data—Private Use), subelement 92 of the Authorization Request/0100 message.

5.5.3 POS and Mastercard Manual Cash Disbursement Receipt Requirements

The “doing business as” (DBA) Merchant name, city, state/province, and country, or the financial institution location as provided in DE 43 (Card Acceptor Name/Location) must be included on a Transaction receipt.

5.5.4 POI Currency Conversion

The currency chosen by the Cardholder must be indicated as the Transaction currency in DE 49 of Transaction messages.

The POI currency conversion indicator and pre-conversion currency and amount must be provided in DE 54 of First Presentment/1240 messages.

5.6 Card-Present Transactions

This topic describes specifications relating to card-present transactions.

5.6.1 Chip Transactions at Hybrid POS Terminals

The Acquirer must send the EMV chip data in DE 55 (Integrated Circuit Card [ICC] System-Related Data) of the Authorization Request/0100 message and in DE 55 of the First Presentment/1240 message. A value of 2 or 6 must also be present in position 1 of the three-digit service code in DE 35 (Track 2 Data) of the Authorization Request/0100 message.

5.6.2 Offline Transactions Performed on Board Planes, Trains, and Ships

If applicable, the Acquirer must provide in the First Presentment/1240 message:

1. The value of F (Offline Chip) in DE 22 (Point of Service Entry Mode), subfield 7 (Card Data Input Mode).
2. The Application Authentication Cryptogram (AAC) in DE 55.

5.6.3 Contactless Transactions at POS Terminals

If a Maestro Card that also bears a domestic debit brand mark is used in a Contactless Transaction and the domestic debit brand does not support contactless payment functionality, the Transaction must be identified in all Transaction messages as a Maestro Contactless Transaction and all Rules regarding such Transactions apply to the Transaction.

If processed by means of the Network, the Maestro Contactless Transaction is identified by the following data elements:

1. In authorization:
 - a. DE 22 (POS entry mode), subfield 1 (POS Terminal PAN Entry Mode) must contain the value of "7" to indicate PAN auto-entry via contactless M/Chip, and
 - b. DE 61 (POS Data), subfield 11 (POS Card Data Terminal Input Capability) must contain the value of "3" to indicate contactless M/Chip.
2. In clearing:
 - a. DE 22 (POS entry mode), subfield 1 (Terminal Data: Card Data Input Capability) must contain the value of "M" to indicate PAN auto-entry via contactless M/Chip, and
 - b. DE 22 (POS data), subfield 7 (Card Data: Input Mode) must contain the value of "M" to indicate PAN auto-entry via contactless M/Chip.

5.6.4 Mastercard Contactless Transit Aggregated Transactions

A Mastercard Contactless transit aggregated Transaction occurs when the transit Merchant's Acquirer generates a First Presentment/1240 message combining one or more contactless taps performed with one Mastercard Account at one transit Merchant. A "tap" means the Cardholder's tap of the Card or Contactless Payment Device on the contactless reader of the POS Terminal with each ride taken.

In order for the transit Merchant to receive chargeback protection, all of the following must occur:

1. The Merchant must send a properly identified Authorization Request/0100 message (which can be for any amount).
2. The Issuer must approve the Transaction.
3. The combined amount of the taps must be equal to or less than the applicable chargeback protection amount.
4. The maximum time period from the first tap until the First Presentment/1240 message is generated must be 14 calendar days or less.

Upon the Cardholder's request, the Merchant must provide a list of the taps (the date and fare for each ride taken) that were combined into a First Presentment/1240 message.

5.6.5 Maestro Contactless Transit Aggregated Transactions

A Maestro Contactless transit aggregated Transaction occurs when the Acquirer generates an Authorization Request/0100 message for an estimated amount in connection with the use of one Maestro Account at one transit Merchant.

Maestro Contactless transit aggregated Transactions must be processed as follows.

1. The Merchant sends an Authorization Request/0100 message with a value of 06 in DE 48, subelement 64, subfield 1 (Transit Transaction Type Indicator) for an estimated amount not to exceed the applicable Contactless transit Transaction ceiling limit amount.
2. The Issuer must approve the Transaction.
3. The Cardholder may make subsequent taps for additional rides; these taps will not be sent to the Issuer for authorization. The combined amount of the taps must be equal to or less than the post-authorized aggregated Contactless Transaction ceiling limit amount.
4. When the limit is reached or within three calendar days, the Merchant totals the value of all taps and generates a Reversal Request/0400 or Authorization Advice/0120 message to reverse any unused funds.

Upon the Cardholder's request, the Merchant must provide a list of the taps (the date and fare for each ride taken) that were combined into a First Presentment/1240 message.

5.6.6 Purchase with Cash Back Transactions

The authorization and clearing messages of each purchase with cash back Transaction must comply with the following requirements:

1. The Transaction must be identified with a value of 09 (purchase with cash back) in DE 3 (Processing Code), subfield 1 (Cardholder Transaction Type).
2. The purchase amount, cash back amount, and total Transaction amount must be in the same currency.
3. The total Transaction amount (inclusive of the purchase and cash back amounts) must be transmitted in DE 4 (Amount, Transaction).
4. The cash back amount must be transmitted in DE 54 (Amounts, Additional).

5.6.7 Automated Fuel Dispenser Transactions

The First Presentment/1240 message must contain the final Transaction amount in DE 4.

5.7 Card-Not-Present Transactions

This topic describes specifications relating to card-not-present transactions.

5.7.1 Use of Static AAV for Card-not-present Transactions

An Issuer must technically support Card-not-present Transactions that contain a value of 3, 4, or 5 in DE 48 (Additional Data—Private Use), subelement 43 (Static AAV), position 1 of Authorization Request/0100 messages.

5.7.2 Recurring Payment Transactions

Each recurring payment Transaction must contain a value of 4 (Standing order/recurring transactions) in DE 61 (Point-of-Service [POS] Data), subfield 4 (POS Cardholder Presence) in the Authorization Request/0100 message.

For recurring payment Transactions relating to a bill invoiced to the Cardholder, it is recommended that in the First Presentment/1240 message, the Merchant name in DE 43

subfield 1 be followed by a space, the word “BILL” or the local language equivalent, a space, and the bill reference number.

5.7.3 Installment Billing for Domestic Transactions—Participating Countries Only

5.7.3.1 Issuer-financed Installment Billing

The Issuer must use the following decline response codes when appropriate, and the relevant description must be reflected on the screen of the POS Terminal or the web page for the declined Transaction.

DE 39 (Response Code)	Description	Reason
13	Invalid amount	Transaction amount less than minimum set for country (e.g. HUF 20,000 in Hungary)
57	Transaction not permitted to Cardholder	Invalid number of installments, issuer does not offer Installment Transactions at all, or not for this specific Cardholder
58	Transaction not permitted to Merchant	Installment Transactions must not be initiated by this Merchant (see “Exclusions”)

5.7.3.2 Acquirer-financed and Merchant-financed Installment Billing

Transaction Processing Procedures

The Authorization Request/0100 message of a Transaction to be billed in installments must contain the following information, and must not contain the recurring payment indicator:

- The appropriate installment billing indicator code in DE 48, subelement 95 (Promotion Code), and
- The installment plan type and the number of installments requested by the Cardholder at the time of purchase in DE 112 (Additional Data, National Use). The Authorization Request/0100 message must be submitted for the total value of the Transaction. The Acquirer must ensure that the Authorization Request Response/0100 message contains the same number of installments indicated in DE 112 of the Authorization Request/0100 message.

The Acquirer must ensure that each installment payment clearing record contains information identifying the original approved authorization, as follows:

- The values contained in DE 63 (Network Data) and DE 15 (Settlement Date) from the authorization request response message must be placed in DE 63, subfield 2 (Trace ID) of each clearing record, and
- The value contained in DE 38 (Approval Code) from the authorization request response message must be placed in DE 38 of each clearing record.

5.7.4 Transit Transactions Performed for Debt Recovery

An Issuer of Maestro Cards that allows its Cardholders to perform Maestro Contactless transit aggregated Transactions must be able to accept and must make an individual authorization decision for each transit debt recovery Transaction identified as a Card-not-present Transaction (for example, as a PAN key-entered, e-commerce, or mail order or telephone order (MO/TO) Transaction) when the Authorization Request/0100 message is properly identified with:

- A value of 07 (Debt Recovery) in DE 48 (Additional Data), subelement 64 (Transit Program), subfield 1 (Transit Transaction Type Indicator); and
- An amount in DE 4 (Amount, Transaction) that is less than or equal to the applicable Maestro Contactless transit aggregated Transaction ceiling limit.

5.7.5 Use of Automatic Billing Updater

The Automatic Billing Updater (ABU) is used by a Network Participant to communicate changes to Account information to Merchants that participate in recurring payment Transactions. For information about ABU, refer to the *Mastercard Automatic Billing Updater Reference Guide*, available on Publications through Mastercard Connect.

5.8 Payment Transactions

This topic describes specifications relating to payment transactions.

5.8.1 Gaming Payment Transactions

1. The Gaming Payment Transaction must be properly identified in authorization and clearing messages using MCC 7995, a Transaction type value of 28, and a Payment Transaction program type value of C04.
2. Gaming Payment Transactions will not be authorized in Mastercard Stand-In, X-Code or Limit 1. Authorization is entirely under the control of the Issuer.

5.9 POS Terminal Requirements

This topic describes POS terminal requirements.

5.9.1 Hybrid POS Terminal Requirements

A Hybrid POS Terminal is identified in Transaction messages with the following values:

- A value of 3, 5, 8, or 9 in DE 61 (Point-of-Service Data), Subfield 11 (POS Card Data Terminal Input Capability Indicator) in the Authorization Request/0100 message, as described in the Customer Interface Specification manual; and
- Data Input Capability) of the First Presentment/1240 message, as described in the IPM Clearing Formats manual.

A PIN-capable Hybrid POS Terminal is indicated when in addition, DE 22, Subfield 2 (Terminal Data: Cardholder Authentication Capability), of the First Presentment/1240 message contains a value of 1.

5.10 Transaction Identification Requirements

This topic describes transaction identification requirements.

5.10.1 Transaction Date

The Transaction date must appear in DE 12 (Date and Time, Local Transaction) as follows.

For the following transaction...	The transaction date is the date on which...
Face-to-Face	The products or services are exchanged.
Non-Face-to-Face	The products are shipped or services performed.
Vehicle Rental	The vehicle is returned, or, if applicable, the prepayment date.
Lodging	Checkout occurred, or if applicable, the prepayment date.
No-show	The Cardholder was expected to arrive at the lodging merchant and failed to appear.
Airline/Railway	The airline or railway ticket was issued.
Cruise Line	The transportation documents were issued.
On-board Cruise Line	The passenger disembarks.
Refund	The Merchant grants a credit or price adjustment.
All In-Flight Commerce Transactions except those involving mailed purchases	The flight departs from the originating city. The Transaction date for in-flight commerce mailed purchases is the shipment date unless otherwise disclosed to the Cardholder.
Mastercard Contactless Transit Aggregated	One or more contactless taps performed with one Mastercard Account and occurring at one transit Merchant are aggregated in a First Presentment/1240 message.
Maestro Contactless Transit Aggregated	An Authorization Request(0100) message is sent for an estimated or maximum amount in connection with the use of one Maestro Account at one transit Merchant.

5.10.2 Contactless Transactions

The Acquirer must identify each Contactless Transaction with the following values. A Transaction must not be identified as a Contactless Transaction if the Card information is contact chip-read, magnetic stripe-read, or key-entered.

In addition, a Transaction must not be identified as a Maestro Contactless Transaction if the Card information is contactless magnetic stripe-read.

Contactless Transaction Values for Authorization Request/0100 Messages

Data Element	Subfield	Value
22 (Point of Service [POS] Entry Mode)	1 (POS Terminal PAN Entry Mode)	One of the following: <ul style="list-style-type: none"> 07 (PAN auto-entry via contactless M/Chip) 08 (PAN auto-entry via contactless M/Chip, Contactless Mapping Service applied)
61 (Point-of-Service [POS] Data)	11 (POS Card Data Terminal Input Capabilities)	One of the following: <ul style="list-style-type: none"> 3 (Contactless M/Chip) 4 (Contactless Magnetic Stripe)

Contactless Transactions Values for First Presentment/1240 Messages

Data Element	Subfield	Value
22 (Point of Service Data Code)	1 (Terminal Data: Card Data Capability)	One of the following: <ul style="list-style-type: none"> A (PAN auto-entry via contactless magnetic stripe) M (PAN auto-entry via contactless M/Chip)
22 (Point-of-Service Data Code)	7 (Card Data: Input Mode)	One of the following: <ul style="list-style-type: none"> A (PAN auto-entry via contactless magnetic stripe) M (PAN auto-entry via contactless M/Chip)

5.10.2.1 Contactless Transit Aggregated Transactions

The Acquirer must identify each Contactless transit aggregated Transaction with the following values.

Contactless Transit Aggregated Transaction Values for Authorization Request/0100 Messages

Data Element	Subfield	Value
18 (Merchant Type)		One of the following: <ul style="list-style-type: none"> • 4111 (Transportation-Suburban and Local Commuter Passenger, including Ferries) • 4131 (Bus Lines) • 4784 (Bridge and Road Fees, Tolls)
22 (Point-of- Service [POS] Entry Mode)	1 (POS Terminal PAN Entry Mode)	Any of the values shown in “Contactless Transactions Values for Authorization Request/0100 Messages.” NOTE: Additionally, the value of 82 appears in Contactless debt repayment Transactions.
48 (Additional Data— Private Use)	1 (Transaction Category Code [TCC])	X (Airline and Other Transportation Services)
48 (Additional Data— Private Use), subelement 64 (Transit Program)	1 (Transit Transaction Type)	One of the following: <ul style="list-style-type: none"> • 03 (Mastercard Contactless Transit Aggregated) • 06 (Maestro Contactless Transit Aggregated)

Data Element	Subfield	Value
61 (Point-of-Service [POS] Data)	1 (POS Terminal Attendance)	1 (Unattended terminal)
	3 (POS Terminal Location)	0 (On premises of merchant facility)
	4 (POS Cardholder Presence)	0 (Cardholder present)
	5 (POS Card Presence)	0 (Card present)
	6 (POS Card Capture Capabilities)	0 (Terminal/Operator has no card capture capability)
	7 (POS Transaction Status)	One of the following: <ul style="list-style-type: none"> • 0 (Normal request) • 4 (Pre-authorized request)
	10 (Cardholder-Activated Terminal Level)	0 (Not a CAT transaction)
	11 (POS Card Data Terminal Input Capability)	One of the following: <ul style="list-style-type: none"> • 3 (Contactless M/Chip) • 4 (Contactless Magnetic Stripe)

Contactless Transit Aggregated Transaction Values for First Presentment/1240 Messages

Data Element	Subfield	Value
22 (Point of Service Data Code)	1 (Terminal Data: Card Data Capability)	One of the following: <ul style="list-style-type: none"> A (PAN auto-entry via contactless magnetic stripe) M (PAN auto-entry via contactless M/Chip)
	3 (Terminal Data: Card Capture Capability)	0 (No capture capability)
	4 (Terminal Operating Environment)	2 (On merchant premises; unattended terminal)
	5 (Card Present Data)	0 (Cardholder present)
	6 (Card Present Data)	1 (Card present)
	7 (Card Data: Input Mode)	One of the following: <ul style="list-style-type: none"> A (PAN auto-entry via contactless magnetic stripe) M (PAN auto-entry via contactless M/Chip) S
	26 (Merchant Business Code [MCC])	One of the following: <ul style="list-style-type: none"> 4111 (Transportation-Suburban and Local Commuter [MCC] Passenger, including Ferries) 4131 (Bus Lines) 4784 (Bridge and Road Fees, Tolls)
PDS 0210 (Transit Transaction Type)	1 (Transit Transaction Type)	One of the following: <ul style="list-style-type: none"> 03 (Mastercard Contactless Transit Aggregated) 06 (Maestro Contactless Transit Aggregated)

5.10.2.2 Contactless-only Transactions

The Acquirer must identify each Contactless-only Transaction with the following values.

Contactless-Only Transaction Values for Authorization Request/0100 Messages

Data Element	Subfield	Value
18 (Merchant Type)		An MCC approved to be Contactless-only as published from time to time in the <i>Global Operations Bulletin</i> .
22 (Point-of-Service [POS] Entry Mode)	1 (POS Terminal PAN Entry Mode)	Any of the values shown in "Contactless Transactions Values for Authorization Request/0100 Messages."
61 (Point-of-Service [POS] Data)	1 (POS Terminal Attendance)	1 (Unattended terminal)
	3 (POS Terminal Location)	One of the following: <ul style="list-style-type: none"> • 0 (On premises of merchant facility) • 1 (Off premises of merchant facility [merchant terminal—remote location])
	4 (POS Cardholder Presence)	0 (Cardholder present)
	5 (POS Card Presence)	0 (Card present)
	7 (POS Transaction Status)	0 (Normal request)
	10 (Cardholder-Activated Terminal Level)	One of the following: <ul style="list-style-type: none"> • 1 (Authorized Level 1 CAT: Automated dispensing machine with PIN) • 2 (Authorized Level 2 CAT: Self-service terminal) • 3 (Authorized Level 3 CAT: Limited-amount terminal)
	11 (POS Card Data Terminal Input Capability)	One of the following: <ul style="list-style-type: none"> • 3 (Contactless M/Chip) • 4 (Contactless Magnetic Stripe)

Contactless-Only Transaction Values for First Presentment/1240 Messages

Data Element	Subfield	Value
22 (Point of Service Data Code)	1 (Terminal Data: Card Data Capability)	One of the following: <ul style="list-style-type: none"> • A (PAN auto-entry via contactless magnetic stripe) • M (PAN auto-entry via contactless M/Chip)
	4 (Terminal Operating Environment)	One of the following: <ul style="list-style-type: none"> • 2 (On merchant premises; unattended terminal) • 4 (Off merchant premises; unattended) • 6 (Off cardholder premises; unattended)
	5 (Card Present Data)	0 (Cardholder present)
	6 (Card Present Data)	1 (Card present)
	7 (Card Data: Input Mode)	One of the following: <ul style="list-style-type: none"> • A (PAN auto-entry via contactless magnetic stripe) • M (PAN auto-entry via contactless M/Chip)
26 (Merchant Business Code [MCC])		An MCC approved to be contactless-only as published from time to time in the Global Operations Bulletin.

5.10.3 Quick Payment Service Transactions

The Acquirer must identify each Quick Payment Service (QPS) Transaction with the following values.

QPS Transactions Values for First Presentment/1240 Messages

Data Element	Subfield	Value
22 (Point of Service Data Code)	1 (Terminal Data: Card Data Capability)	One of the following: <ul style="list-style-type: none"> • 2 (Magnetic stripe reader capability) • 5 (Integrated circuit card [ICC] capability) • B (Magnetic strip reader and key entry capability) • C (Magnetic stripe reader, ICC, and key entry capability) • D (Magnetic stripe reader and ICC capability) • E (ICC and key entry capability)
	4 (Terminal Operating Environment)	<ul style="list-style-type: none"> • 1 (On merchant premises; attended terminal) • 3 (Off merchant premises; attended terminal)
	5 (Cardholder Present Data)	0 (Cardholder present)
	6 (Card Present Data)	1 (Card present)
	7 (Card Data: Input Mode)	One of the following: <ul style="list-style-type: none"> • 2 (Magnetic stripe reader input) • B (Magnetic strip reader input; track data captured and passed unaltered) • C (Online Chip) • F (Offline Chip)
26 (Merchant Business Code [MCC])		An eligible Quick Payment Service (QPS) MCC.
PDS 0044 (Program Participation Indicator)	2 (QPS/PayPass Chargeback Eligibility Indicator)	I (Ineligible for chargeback—Value added by Mastercard.)

5.10.4 Payment Transactions

The Acquirer must identify each Payment Transaction, MoneySend Payment Transaction, and Gaming Payment Transaction, as applicable, with the following values.

Payment Transactions Values for Authorization Request/0100 Messages

Data Element	Subfield	Value
3 (Processing Code)	1 (Cardholder Transaction Type)	28
18 (Merchant Type)		One of the following: <ul style="list-style-type: none"> • 6532—for a Payment Transaction processed by a Network Participant or its authorized agent. • 6533—for a Payment Transaction processed by a Merchant. • 6536—for Intracountry MoneySend Payment Transactions • 6537—for Interountry MoneySend Payment Transactions • 7995—for Gaming Payment Transactions (Europe Region only) • A value specified for Payment Transactions in the applicable intracountry or intercountry business service arrangement, if one is in place
48 (Additional Data—Private Use)	TCC (Transaction Category Code)	P
48 (Additional Data—Private Use)	77 (Payment Transaction Type Indicator)	Payment Transaction program type

Payment Transaction Values for First Presentment/1240 Messages

Data Element	Subfield	Value
3 (Processing Code)	1 (Cardholder Transaction Type)	28
26 (Merchant Business Code)		As described for DE 18 (Merchant Type) in the Authorization Request/0100 message
48 (Additional Data—Private Use)	PDS 0043 (Program Registration ID)	Payment Transaction program type

The value used for the Payment Transaction program type must be that which best describes the purpose of the Payment Transaction.

The Acquirer also should provide either the Network Participant service phone number in PDS 0170 (Merchant Inquiry Information), subfield 1 (Network Participant Service Phone Number) or the URL address in PDS 0175 (Merchant URL) in the clearing message.

A Payment Transaction Detail addendum may also be submitted with a Payment Transaction. This addendum provides the Issuer and Cardholder with enhanced data about the Merchant, the recipient of funds, and other Transaction details.

5.10.5 Electronic Commerce Transactions

The Acquirer must identify each electronic commerce Transaction with the following values.

Electronic Commerce Transactions Values for Authorization Request/0100 Messages

Data Element	Subfield	Value
22 (Point-of-Service [POS] Entry Mode)	1 (POS Terminal PAN Entry Mode)	81 (PAN entry via e-commerce, including chip)
61 (Point-of-Service [POS] Data)	4 (POS Cardholder Presence)	One of the following: <ul style="list-style-type: none"> • 4 (Standing order/recurring transactions [If the Transaction is the first payment in a recurring payment arrangement]) • 5 (Electronic order)
61 (Point-of-Service [POS] Data)	10 (CAT Level)	6 (Electronic commerce)

For First Presentment/1240 Messages

Data Element	Subfield	Value
22 (Point of Service Data Code)	5 (Cardholder Present Data)	One of the following: <ul style="list-style-type: none"> • 4 (Cardholder not present (standing order/ recurring transactions [If the Transaction is the first payment in a recurring payment arrangement]) • 5 (Cardholder not present [electronic order])
22 (Point of Service Data Code)	7 (Card Data: Input Mode)	5 (Electronic commerce)

5.10.6 Digital Secure Remote Payment Transactions

A Digital Secure Remote Payment Transaction is an electronic commerce Transaction that contains cryptographic information, in the form of either full EMV chip data passed in DE 55

or a cryptographic value derived from an M/Chip cryptogram passed in the Universal Cardholder Authentication Field (UCAF). Subsequent to the initial Digital Secure Remote Payment Transaction, a related Transaction for a partial shipment may occur, in which case cryptographic information is not passed.

When a Digital Secure Remote Payment Transaction contains tokenized account information, the Mastercard Digital Enablement Service performs token mapping and cryptographic validation services.

5.10.6.1 Digital Secure Remote Payment Transactions Containing Chip Data

Authorization Request/0100 Messages

Data Element	Subfield/Subelement	Value
22 (Point-of-Service [POS] Entry Mode)	1 (POS Terminal PAN Entry Mode)	09 (PAN entry via electronic commerce including remote chip)
48 (Additional Data—Private Use)	33 (PAN Mapping File Information)	Present when the Mastercard Digital Enablement Service performs token mapping.
	71 (On-behalf Services)	Present when the Mastercard Digital Enablement Service performs token mapping: <ul style="list-style-type: none"> • Subfield 1 = 50 (Mastercard Digital Enablement Service PAN Mapping); and • Subfield 2 = C (Conversion of Device Account Number to Funding Account Number was completed)
	71 (On-behalf Services)	Present when the Mastercard Digital Enablement Service performs cryptographic validation: <ul style="list-style-type: none"> • Subfield 1 = 51 (Mastercard Digital Enablement Service Chip Pre-Validation); and • Subfield 2 = V (Valid)

Data Element	Subfield/Subelement	Value
61 (Point-of-Service [POS] Data)	3 (POS Terminal Location)	One of the following: <ul style="list-style-type: none"> • 2 (Off premises of card acceptor facility [cardholder terminal including home PC, mobile phone, PDA]); or • 4 (On premises of card acceptor facility [cardholder terminal including home PC, mobile phone, PDA])
	4 (POS Cardholder Presence)	5 (Electronic order [home PC, Internet, mobile phone, PDA])
	10 (Cardholder-Activated Terminal Level)	6 (Authorized Level 6 CAT: Electronic commerce Terminal Level)

First Presentment/1240 Messages

Data Element	Subfield/PDS	Value
22 (Point-of- Service [POS] Data Code)	4 (Terminal Operating Environment)	One of the following: <ul style="list-style-type: none"> • 2 (On card acceptor premises; unattended terminal); or • 4 (Off card acceptor premises; unattended)
	5 (Cardholder Present Data)	5 (Cardholder not present [electronic order (PC, Internet, mobile phone, or PDA)])
	7 (Card Data: Input Mode)	R (PAN Entry via electronic commerce, including remote chip)
48 (Additional Data)	PDS 0023 (Terminal Type)	CT 6 (CAT level 6 [electronic commerce transaction])

5.10.6.2 Digital Secure Remote Payment Transactions Containing UCAF Data

Authorization Request/0100 Messages

Data Element	Subfield/Subelement	Value
22 (Point-of-Service [POS] Entry Mode)	1 (POS Terminal PAN Entry Mode)	81 (PAN entry via electronic commerce, including chip)

Data Element	Subfield/Subelement	Value
48 (Additional Data—Private Use)	33 (PAN Mapping File Information)	Present when the Mastercard Digital Enablement Service performs token mapping.
	42 (Electronic Commerce Indicators), subfield 1, position 3 (UCAF Collection Indicator)	All of the following (UCAF authentication occurs): <ul style="list-style-type: none"> • Position 1 = 2 • Position 2 = 4 • Position 3 = 2
	71 (On-behalf Services)	Present when the Mastercard Digital Enablement Service performs token mapping: <ul style="list-style-type: none"> • Subfield 1 = 50 (Mastercard Digital Enablement Service PAN Mapping); and • Subfield 2 = C (Conversion of Device Account Number to Funding Account Number was completed)
	71 (On-behalf Services)	Present when the Mastercard Digital Enablement Service performs cryptographic validation: <ul style="list-style-type: none"> • Subfield 1 = 51 (Mastercard Digital Enablement Service Chip Pre-Validation); and • Subfield 2 = V (Valid)
61 (Point-of-Service [POS] Data)	3 (POS Terminal Location)	One of the following: <ul style="list-style-type: none"> • 2 (Off premises of card acceptor facility [cardholder terminal including home PC, mobile phone, PDA]); or • 4 (On premises of card acceptor facility [cardholder terminal including home PC, mobile phone, PDA])
	4 (POS Cardholder Presence)	5 (Electronic order [home PC, Internet, mobile phone, PDA])
	10 (Cardholder-Activated Terminal Level)	6 (Authorized Level 6 CAT: Electronic commerce)

First Presentment/1240 Messages

Data Element	Subfield/PDS	Value
22 (Point-of- Service [POS] Data Code)	4 (Terminal Operating Environment)	One of the following: <ul style="list-style-type: none"> • 2 (On card acceptor premises; unattended terminal); or • 4 (Off card acceptor premises; unattended)
	5 (Cardholder Present Data)	5 (Cardholder not present [electronic order (PC, Internet, mobile phone, or PDA)])
	7 (Card Data: Input Mode)	5 (Electronic commerce)
48 (Additional Data)	PDS 0023 (Terminal Type)	CT 6 (CAT level 6 [electronic commerce transaction])
	PDS 0052 (Electronic Commerce Security Level Indicator)	All of the following (UCAF authentication occurs): <ul style="list-style-type: none"> • Position 1 = 2 • Position 2 = 4 • Position 3 = 2

5.10.6.3 Partial Shipments Following Digital Secure Remote Payment Transactions

Authorization Request/0100 Messages

Data Element	Subfield/Subelement	Value
22 (Point-of-Service [POS] Entry Mode)	1 (POS Terminal PAN Entry Mode)	81 (PAN entry via electronic commerce, including chip)

Data Element	Subfield/Subelement	Value
48 (Additional Data—Private Use)	33 (PAN Mapping File Information)	Present when the Mastercard Digital Enablement Service performs token mapping.
	42 (Electronic Commerce Indicators), subfield 1, position 3 (UCAF Collection Indicator)	All of the following (UCAF authentication occurs): <ul style="list-style-type: none"> • Position 1 = 2 • Position 2 = 4 • Position 3 = 7
	71 (On-behalf Services)	Present when the Mastercard Digital Enablement Service performs token mapping: <ul style="list-style-type: none"> • Subfield 1 = 50 (Mastercard Digital Enablement Service PAN Mapping); and • Subfield 2 = C (Conversion of Device Account Number to Funding Account Number was completed) <p>NOTE: Note: Value 51 (Mastercard Digital Enablement Service Chip Pre-Validation) does not appear in a partial shipment.</p>

First Presentment/1240 Messages

Data Element	Subfield/PDS	Value
22 (Point-of- Service [POS] Data Code)	4 (Terminal Operating Environment)	One of the following: <ul style="list-style-type: none"> • 2 (On card acceptor premises; unattended terminal); or • 4 (Off card acceptor premises; unattended)
	5 (Cardholder Present Data)	5 (Cardholder not present [electronic order (PC, Internet, mobile phone, or PDA)])
	7 (Card Data : Input Mode)	S (Electronic commerce)

Data Element	Subfield/PDS	Value
48 (Additional Data)	PDS 0023 (Terminal Type)	CT 6 (CAT level 6 [electronic commerce transaction])
	PDS 0052 (Electronic Commerce Security Level Indicator)	All of the following (no UCAF authentication occurs): <ul style="list-style-type: none"> • Position 1 = 2 • Position 2 = 4 • Position 3 = 7

5.10.7 Mastercard Mobile Remote Payment Transactions

The Acquirer must identify each Mastercard Mobile Remote Payment Transaction with the following values.

Mastercard Mobile Remote Payment Transaction Values for Authorization Request/0100 Messages

Data Element	Subfield	Value
22 (Point-of-Service [POS] Entry Mode)	1 (POS Terminal PAN Entry Mode)	82 (PAN auto entry via Server [issuer, acquirer or third party vendor system])
48 (Additional Data—Private Use)	1 (Remote Payments Program Type Identifier)	1 (Issuer domain) or 2 (Acquirer domain)

Mastercard Mobile Remote Transaction Values for First Presentment/1240 Messages

Data Element	Subfield/Subelement	Value
22 (Point-of-Service [POS] Entry Mode)	7 (Card Data: Input Mode)	T (PAN auto entry via Server [issuer, acquirer or third party vendor system])
48 (Additional Data)	1 (Remote Payments Program Data)	1 (Issuer domain) or 2 (Acquirer domain)

5.11 Cardholder-Activated Terminal (CAT) Transactions

In Authorization Request/0100 and Authorization Request Response/0110 messages, the CAT level indicator is located in DE 61 (Point-of-Service Data), subfield 10 (Cardholder-Activated Terminal Level). In First Presentment/1240, Chargeback/1442, Second Presentment/1240, and

Arbitration Chargeback/1442 messages, the CAT level indicator is located in PDS 0023 (Terminal Type).

For additional requirements, see the *Customer Interface Specification* and the *IPM Clearing Formats* manuals.

The First Presentment/1240 message of a CAT Transaction must contain one of the following values in DE 22 (Point of Service Data Code), subfield 7 (Card Data: Input Mode):

- A—(PAN auto-entry via contactless magnetic stripe)
- B—(Magnetic stripe reader input, with track data captured and passed unaltered; does not apply to CAT 3)
- C—(Online Chip)
- F—(Offline Chip)
- M—(PAN auto-entry via contactless M/Chip)
- N—(Contactless input, Contactless Mapping Service applied [This value is visible only to Issuer; Acquirers use value A or M])
- S—(Electronic commerce; applies to CAT 6 only)
- 2—(Magnetic stripe reader input; applies to CAT 3 only)

5.11.1 CAT Level Requirements

This topic describes CAT level requirements.

5.11.1.1 CAT Level 1: Automated Dispensing Machines (CAT 1)

The following authorization requirement applies to CAT 1 devices:

The MIP X-Code authorization response must be a decline. The Issuer is liable for Transactions that are approved under acquirer MIP X-Code, up to the MIP X-Code limits specified by Mastercard Switching Services.

5.11.1.2 CAT Level 2: Self-Service Terminal (CAT 2)

The following authorization requirement applies to CAT 2 devices:

The issuer is liable for Transactions that are approved under acquirer MIP X-Code, up to the MIP X-Code limits specified by Mastercard Switching Services.

5.11.1.3 CAT Level 3: Limited Amount Terminals (CAT 3)

The following authorization requirement applies to CAT 3 devices:

X-code processing does not apply.

5.11.1.4 CAT Level 4: In-Flight Commerce (IFC) Terminals (CAT 4)

The following authorization requirement applies to CAT 4 devices:

The Issuer is liable for Transactions that are approved under acquirer MIP X-Code, up to the MIP X-Code limits specified by Mastercard Switching Services.

5.11.1.5 CAT Level 9: Mobile POS (MPOS) Acceptance Device Transactions (CAT 9)

The Acquirer must submit the following values in Transaction messages for each Transaction conducted at an MPOS Terminal:

- A value of 9 (MPOS Acceptance Device) in DE 61 (Point-of-Service[POS] Data), subfield 10 (Cardholder-Activated Terminal Level) of the Authorization Request/0100 message; and
- A value of CT9 (MPOS Acceptance Device) in PDS 0023 (Terminal Type) of the First Presentment/1240 message.

Chapter 6 Private Label Requirements

See the Private Label Rules Manual.

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Private Label Requirements

See the *Private Label Rules* manual for information regarding Private Label requirements.

Chapter 7 Other Schemes

Mastercard Switching Services does not currently provide switching services for other schemes.

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Other Schemes

Applicable rules will be added here as and when additional processing services are offered.

Appendix A Definitions

This appendix contains defined terms used in this manual.

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Definitions

The following terms as used in this manual have the meanings set forth below.

Additional and/or revised terms may also be used for purposes of the Rules in a particular chapter or section of this manual.

Access Device

A device other than a Card that has successfully completed all applicable Mastercard certification and testing requirements, if any, and:

- Uses at least one Payment Application provisioned to the device by or with the approval of a Network Participant to provide access to an Account;
- Supports the transmission or exchange of magnetic stripe or chip data containing a dynamic cryptogram to or with a Terminal, as applicable, by implementing the EMV Contactless Specifications (Book D) to effect Transactions at the Terminal without requiring direct contact of the device to the Terminal; and
- May also support the transmission of magnetic stripe data containing a dynamic cryptogram to a Terminal to effect Transactions identified by the Acquirer in Transaction messages as magnetic stripe Transactions.

A Cirrus Access Device, Maestro Access Device, and Mastercard Access Device is each an Access Device. *Also see Mobile Payment Device.*

Account

An account maintained by or on behalf of a Cardholder by an Issuer for the processing of Transactions, and which is identified with a bank identification number (BIN) or Issuer identification number (IIN) designated by the Corporation in its routing tables for routing to the Interchange System. *Also see Cirrus Account, Maestro Account, Mastercard Account.*

Acquirer

A Network Participant in its capacity as an acquirer of a Transaction.

ATM Transaction

A cash withdrawal effected at an ATM Terminal with a Card and processed through the Mastercard ATM Network. An ATM Transaction is identified with MCC 6011 (Automated Cash Disbursements—Customer Financial Institution).

Card

A card issued by a Network Participant pursuant to License and in accordance with the Standards and that provides access to an Account. Unless otherwise stated herein, Standards applicable to the use and acceptance of a Card are also applicable to an Access Device and, in a Card-not-present environment, an Account. A Cirrus Card, Maestro Card, and Mastercard Card is each a Card.

Cardholder

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

Chip Card (Smart Card, Integrated Circuit Card, IC Card, or ICC)

A Card with an embedded EMV-compliant chip containing memory and interactive capabilities used to identify and store additional data about a Cardholder, an Account, or both.

Chip Transaction

A Contact Chip Transaction or a Contactless Transaction.

Contact Chip Transaction

A Transaction in which data is exchanged between the Chip Card and the Terminal through the reading of the chip using the contact interface, in conformance with EMV specifications.

Contactless Payment Device

A means other than a Card by which a Cardholder may access an Account at a Terminal in accordance with the Standards. A Contactless Payment Device is a type of Access Device that exchanges data with the Terminal by means of radio frequency communications. *Also see* Mobile Payment Device.

Contactless Transaction

A Transaction in which data is exchanged between the Chip Card or Access Device and the Terminal through the reading of the chip using the contactless interface, by means of radio frequency communications. *Also see* EMV Mode Contactless Transaction, Magnetic Stripe Mode Contactless Transaction.

Corporation

Mastercard International Incorporated, Maestro International Inc., and their 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 officers or other employees 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 of Directors of Mastercard International Incorporated, or by the Mastercard International Incorporated Certificate of Incorporation or the Mastercard 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.

European Economic Area (EEA)

The following countries, islands, and territories: Austria, Belgium, Bulgaria, Croatia, Czech Republic, Cyprus, 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, Canary Islands, Ceuta, Melilla, Azores, Madeira, Aland Islands, Jan Mayen, Gibraltar, French Guiana, Guadeloupe, Martinique, Réunion, Saint Martin (French Part), and Mayotte.

For the sake of clarity, the EEA does not include: Andorra, Monaco, San Marino, Switzerland, Vatican City, Antarctica, Greenland, Faroe Islands, Akrotiri and Dhekelia, Saint Pierre and Miquelon, Saint Barthélemy, Saint Martin (Dutch Part), Svalbard, Falkland Islands, Channel Islands, Isle of Man, Pitcairn, Henderson, Ducie and Oeno Islands, Saint Helena, Ascension and Tristan da Cunha, South Georgia and the South Sandwich Islands.

European Union (EU)

The following countries, islands, and territories: Austria, Belgium, Bulgaria, Croatia, Czech Republic, Cyprus, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and United Kingdom, Canary Islands, Ceuta, Melilla, Azores, Madeira, Aland Islands, Gibraltar, French Guiana, Guadeloupe, Martinique, Réunion, Saint Martin (French Part), and Mayotte.

Hybrid Terminal

A Terminal, including any POS or MPOS Terminal (“Hybrid POS Terminal”, “Hybrid MPOS Terminal”), ATM Terminal (“Hybrid ATM Terminal”), or Bank Branch Terminal (“Hybrid Bank Branch Terminal”), that:

1. Is capable of processing both Contact Chip Transactions and magnetic stripe Transactions;
2. Has the equivalent hardware, software, and configuration as a Terminal with full EMV Level 1 and Level 2 type approval status with regard to the chip technical specifications; and
3. Has satisfactorily completed the Corporation's Terminal Integration Process (TIP) in the appropriate environment of use.

Issuer

A Network Participant in its capacity as an issuer of a Card or Account.

Manual Cash Disbursement Transaction

A disbursement of cash performed upon the acceptance of a Card by a Network Participant financial institution teller. A Manual Cash Disbursement Transaction is identified with MCC 6010 (Manual Cash Disbursements—Customer Financial Institution).

Marks

The names, logos, trade names, logotypes, trademarks, service marks, trade designations, and other designations, symbols, and marks that the Corporation owns, manages, licenses, or otherwise Controls and makes available for use by Network Participants and other authorized entities in accordance with a License. A "Mark" means any one of the Marks.

Mastercard Switching Services

The Mastercard Division which provides Network Activities within the EEA, including its officers and/or other employees responsible for the administration and/or management of a service, system or other function. Subject to any restriction imposed by law or regulation, each such person is authorized to act on behalf of Mastercard Switching Services and to so act in his or her sole discretion.

Merchant

A retailer, or any other person, firm or corporation that, pursuant to a Merchant Agreement, agrees to accept Cards when properly presented.

Mobile POS (MPOS) Terminal

An MPOS Terminal enables a mobile device to be used as a POS Terminal. Card “reading” and software functionality that meets the Corporation’s requirements may reside within the mobile device, on a server accessed by the mobile device, or in a separate accessory connected (such as via Bluetooth or a USB port) to the mobile device. The mobile device may be any multi-purpose mobile computing platform, including, by way of example and not limitation, a feature phone, smart phone, tablet, or personal digital assistant (PDA).

Mobile Payment Device

A Cardholder-controlled mobile device containing a Payment Application compliant with the Standards, and which uses an integrated keyboard and screen to access an Account. A Mobile Payment Device may also be a Contactless Payment Device.

Network

The computer hardware and software operated by and on behalf of Mastercard Switching Services for the routing, switching, and settlement of Transactions including, without limitation, the Mastercard ATM Network, the Dual Message System, the Global Clearing Management System (GCMS), and the Settlement Account Management (SAM) system.

Network Activities

The undertaking of authorization, clearing and settlement using the Network.

Network Participant

A financial institution or other entity that uses the Network for Network Activity.

Payment Application

A package of code and data stored in a Card, an Access Device, a server, or a combination of Access Device and server, that when exercised outputs a set of data that may be used to effect a Transaction, in accordance with the Standards. A Mastercard Payment Application, Maestro Payment Application, and Cirrus Payment Application is each a Payment Application.

Bank Branch Terminal

An attended device, located on the premises of a Network Participants or other financial institution designated as its authorized agent by the Corporation, that facilitates a Manual Cash Disbursement Transaction by a Cardholder.

Point of Interaction (POI)

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

Point-of-Sale (POS) Terminal

An attended or unattended device located in or at a Merchant's premises, including an MPOS Terminal, that enables a Cardholder to effect a Transaction for the purchase of products or services sold by such Merchant with a Card and/or Access Device, or attended device located in the premises of a Network Participants or its authorized agent that facilitates a Manual Cash Disbursement Transaction, including a Bank Branch Terminal. A POS Terminal must comply with the POS Terminal security and other applicable Standards.

Point-of-Sale (POS) Transaction

The sale of products or services by a Merchant to a Cardholder pursuant to acceptance of a Card by the Merchant or Manual Cash Disbursement Transaction. A POS Transaction may be a Card-present Transaction taking place in a face-to-face environment or at an unattended POS Terminal, or a Card-not-present Transaction taking place in a non-face-to-face environment (for example, an e-commerce, mail order, phone order, or recurring payment Transaction).

Rules

The Standards set forth in this manual.

Standards

The organizational documents, operating rules, regulations, policies, and procedures of the Corporation, including but not limited to any manuals, guides, announcements or bulletins, as may be amended from time to time.

Stand-In Parameters

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.

Stand-In Processing Service

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.

Terminal

Any attended or unattended device that meets the Corporation requirements for the electronic capture and exchange of Card data and that permits a Cardholder to effect a Transaction in accordance with the Standards. An ATM Terminal, Bank Branch Terminal, and POS Terminal is each a type of Terminal.

Transaction

A financial transaction arising from the proper acceptance of a Card or Account bearing or identified with one or more of the Brand Marks, either alone or in combination with the marks of another payment scheme, at a Card acceptance location and identified in messages with a Card Program identifier.

Appendix B Compliance Zones

The following table identifies the noncompliance category that the Network has assigned to the Standards described within this manual

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1.3 Conduct of Network Activity	A
1.6 Examination and Audit	A
2.1 Integrity of the Network	A
2.2 Fees, Assessments and Other Payment Obligations	A
2.3 Obligation of Network Participant to Provide Information	C
2.4 Confidential Information of Network Participants	A
2.5 Cooperation	B
3.1 Net Settlement	A
4.1 Connecting to the Network	A
4.2 Routing Instructions and System Maintenance	C
5.1 Transaction Message Data	A
5.2 Authorization Routing – Mastercard POS Transactions	A
5.3 Authorization Routing – Maestro POS, ATM Terminal and PIN-based In-branch Terminal Transactions	A
5.4 Authorization and Clearing Requirements	A
5.5.1 Suspicious Cards	B
5.5.2 Obtaining an Authorization for a Mastercard POS Transaction	A
5.5.3 POS and Mastercard Manual Cash Disbursement Receipt Requirements	B
5.5.4 POI Currency Conversion	B
5.6.1 Chip Transactions at Hybrid POS Terminals	A
5.6.2 Offline Transactions Performed on Board Planes, Trains and Ships	B
5.6.3 Contactless Transactions at POS Terminals	A
5.6.4 Mastercard Contactless Transit Aggregated Transactions	A
5.6.5 Maestro Contactless Transit Aggregated Transactions	A

Rule Section and Title	Compliance Zone
5.6.6 Purchase With Cash Back Transactions	A
5.6.7 Automated Fuel Dispenser Transactions	A
5.7.1 Use of Static AAV for Card-not-present Transactions	A
5.7.2 Recurring Payment Transactions	A
5.7.3 Installment billing for Domestic Transactions – Participating Countries Only	A
5.7.4 Transit Transactions Performed for Debt Recovery	A
5.7.5 Use of Automatic Billing Updater	B
5.8.1 Gaming Payment Transactions	A
5.9.1 Hybrid POS Terminal Requirements	A
5.10 Transaction Identification Requirements	A
5.11 Cardholder-Activated Terminal (CAT) Transactions	A

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