

SIGNATURE OPTIONAL

- MasterCard, Discover, American Express, and Visa have all announced that effective April 14 2018, their rules will be updated to allow merchants the option to choose whether to collect a cardholder's signature for **all card present point of sale transactions**.

► 1. What's "EMV-enabled"?

"EMV enablement" is defined as the implementation of an acceptance device capable of reading, communicating, and processing full data transactions from a compliant EMV chip card. Specifically, this means that the Terminal Entry Capability in the authorization message must be "5" for all transactions.

► 2. What about PIN?

There are no changes to acceptance of PIN: existing requirements continue to apply for all merchants in the U.S. These changes apply only to obtaining a signature at eligible merchants.

► 3. No needed to respond for Retrieval Requests?

For transactions on or after 14 April 2018, EMV enabled merchants in the U.S. will not be required to fulfill retrieval requests. However, EMV-enabled merchants will still be responsible for responding to retrieval requests for transactions prior to April 14 2018 based on prior existing rules. (Visa Only)



*For MasterCard Transaction,
Even if the signature on the receipt is optional, the **refund policy** must still be disclosed on the transaction receipt to make the customer aware of the terms and conditions which govern a dispute, for example "All sales are final", "No refunds"



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WHAT YOU NEED TO KNOW



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ELECTRONIC PAYMENT SOLUTION

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VISA DISPUTE PROCESS UPDATES

► All reason codes into 4 new dispute categories:



ALLOCATION		COLLABORATION	
10. Fraud	11. Authorization	12. Processing Errors	13. Consumer Disputes
10.1 EMV Liability Shift Counterfeit Fraud 10.2 EMV Liability Shift Non-Counterfeit Fraud 10.3 Other Fraud Card Present Environment 10.4 Other Fraud Card Absent Environment 10.5 Visa Fraud Monitoring Program	11.1 Card Recovery Bulletin 11.2 Declined Authorization 11.3 No Authorization	12.1 Late Presentation 12.2 Incorrect Transaction Code 12.3 Incorrect Currency 12.4 Incorrect Account Number 12.5 Incorrect Amount 12.6.1 Duplicate Processing 12.6.2 Paid by Other Means 12.7 Invalid Data	13.1 Merchandise/Services Not Received 13.2 Cancelled Recurring 13.3 Not As Described or Defective Merchandise/ Services 13.4 Counterfeit Merchandise 13.5 Misrepresentation 13.6 Credit Not Processed 13.7 Cancelled Merchandise/ Services 13.8 Original Credit Transaction Not Accepted 13.9 Non- Receipt of Cash or Load Transaction Value

IMPACT	REASON CODES	BEFORE 4/14/2018	AFTER 4/14/2018
Financial Adjustments	ALLOCATION	Chargeback: Debited Day 1	
		Reversal: Y (If responded)	Reversal: N
	COLLABORATION	Chargeback: Debited Day 1	
		Reversal: Y (If responded)	
RESPOND	ALLOCATION	No need to respond unless the merchant wishes to dispute the claim	Encouraged to respond with either an "accept" or "decline"
	COLLABORATION		*Fees may apply if a dispute expires
PROCEDURE	ALLOCATION	1st CB → Pre-Arbitration → Arbitration	1st CB & Pre-Arbitration → Arbitration
	COLLABORATION	1st CB → Pre-Arbitration → Arbitration	



* On Allocation disputes, if a merchant wants to challenge a dispute, an outgoing pre-arbitration (instead of representation) is initiated.

VISA - CVV2 / MASTERCARD - CVC2 RULE UPDATES

► CVV2/CVC2 Usage is designed for Card Not Present Cardholder Verification and should not be used in Card Present Situations:

	Prohibits the use of CVV2 for card present, key-entered transactions. Visa also prohibits the use of CVV2 for electronically read card-present transactions. If keyed transactions processed on or after April 14, 2018 that utilizes CVV2, an imprint is no longer be considered under chargeback reason code - Card Present Fraud
	No longer be able to use a manually imprinted draft as proof of card presence in fraud chargeback scenarios. Merchant should discontinue entering CVC2 values at the point of sale if the card number is manually keyed. (on card present environment)

COMPELLING EVIDENCE FOR CB REASON CODE CARD NOT PRESENT FRAUD & MERCHANDISE/SERVICES NOT RECEIVED

	Required to provide specific compelling scenarios as data element on all re-presentments for Fraud Card Not Present - Reason Code 1040 and Merchandise/Services Not Received - Reason Code 1310
	Allowed compelling evidence to be submitted to support a chargeback for reason codes C08 (Goods/Services not received or only partially received) and F29(Card Not Present-Fraud): This support must prove the cardholder participated in the transaction