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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VISA DISPUTE PROCESS UPDATES

▶ All reason codes into 4 new dispute categories:

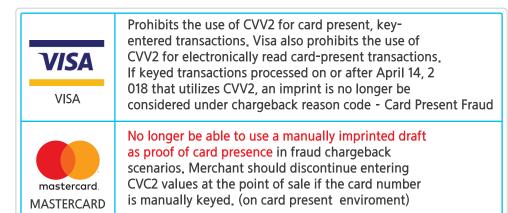
ALLOCATION		COLLABORATION	
10. Fraud	11. Authorization	12. Processing Errors	13. Cunsumer Disputes
10.1 EMV Liability Shift Counterfeit Fraud 10.2 EMV Liability Shift Non-Counterfeit Fraud 10.3 Other Fraud Card Present Environment 10.4 Other Fraud Card Absent Environment 10.5 Visa Fraud Monitoring Program	11.1 Card Recovery Bulletin 11.2 Declined Authorization 11.3 No Authorization	12.1 Late Presentment 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		Chargeback: Debited Day 1		
	ALLOCATION	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	with either an "accept" or	
	COLLABORATION	dispute the claim	"decline" *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 representment) 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:



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

