



2014 Spring Release

April 10, 2014

Final Communication- Changes Effective April 11, 2014

Each year, the payment networks typically introduce key changes in two “major” releases: Spring Release in April and Fall Release in October. These changes have the potential to affect how you accept payments and drive changes in doing so. What follows is a final summary of the Spring Release changes. New information we’ve received since the distribution of our Spring Release 2014 preview document is denoted with an asterisk “*”.

Be sure to keep this in a safe location so that you can refer back to it when you need to.

If you have any questions or concerns, please contact your WorldPay representative.

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New Consumer Card Type and Interchange Fee Processing

Visa is introducing a new consumer card type that will be issued from US banks. Rates that currently apply to Visa Signature Preferred transactions will also apply to the new consumer card type credit transactions. See below for new interchange categories and rates.

New Interchange Category	New Interchange Rate
New Consumer Credit–Retail	2.10% + \$.10
New Consumer Credit–Card Not Present	2.40% + \$.10
New Consumer Credit–B2B	2.10% + \$.10
New Consumer Credit–Fuel	1.15% + \$.25 (maximum \$1.10)
New Consumer Credit–Electronic	2.40% + \$.10
New Consumer Credit–Standard	2.95% + \$.10 (maximum \$1.10 for fuel MCCs)

Changes to Support Multiple Clearing Records for a Single Card-Not–Present Authorization

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Merchants accepting Visa will be able to submit a single authorization message for a card-not-present transaction that includes multiple items. In addition, these merchants can submit separate clearing transactions for each part of a multi-item order as they are fulfilled and shipped.

Visa will also increase the maximum time permitted to partially reverse a card not-present authorization from 72 hours to seven calendar days (the same amount of time an authorization remains valid currently). The seven calendar day max will begin after the date of the original card-not-present authorization message. This applies only when the authorization amount is greater than the total amount cleared.

It is important to note that the maximum time permitted to fully reverse a card-not-present authorization remains 72 hours from the date of the original card-not-present authorization message.

MASTERCARD®

New Rate Structures

- Commercial and Purchasing Cards**

MasterCard is increasing commercial and purchasing card rates. The below table outlines the rate changes:

MC Category	WorldPay Billing Stmt Descriptor	CURRENT		NEW		CHANGE	
		(%)	Per Item	(%)	Per Item	(%)	Per Item
Data Rate II	Corp Crd Data 2	2.10%	\$0.10	2.50%	\$0.10	0.40%	\$0.00
Data Rate II	Purch Crd Data 2	2.10%	\$0.10	2.50%	\$0.10	0.40%	\$0.00
Data Rate III	Corp Crd Data 3	1.90%	\$0.10	1.80%	\$0.10	-0.10%	\$0.00
Data Rate III	Purch Crd Data 3	1.90%	\$0.10	1.80%	\$0.10	-0.10%	\$0.00
Commercial Supermarket	Corp Crd F2F	2.10%	\$0.10	2.50%	\$0.10	0.40%	\$0.00
Commercial Face to Face	Corp Crd F2F	2.10%	\$0.10	2.50%	\$0.10	0.40%	\$0.00
Commercial Supermarket	Purch Crd F2F	2.10%	\$0.10	2.50%	\$0.10	0.40%	\$0.00
Commercial Face to Face	Purch Crd F2F	2.10%	\$0.10	2.50%	\$0.10	0.40%	\$0.00
Commercial T&E I	Corp Crd T&E 1	2.50%	\$0.00	2.70%	\$0.00	0.20%	\$0.00
Commercial T&E I	Purch Crd T&E 1	2.65%	\$0.00	2.70%	\$0.00	0.05%	\$0.00
Commercial T&E II	Purch Crd T&E 2	2.50%	\$0.10	2.55%	\$0.10	0.05%	\$0.00
Commercial T&E II	Corp Crd T&E 2	2.35%	\$0.10	2.55%	\$0.10	0.20%	\$0.00
Commercial T&E III	Purch Crd T&E 3	2.45%	\$0.10	2.50%	\$0.10	0.05%	\$0.00
Commercial T&E III	Corp Crd T&E 3	2.30%	\$0.10	2.50%	\$0.10	0.20%	\$0.00

- Large Ticket Fleet, Commercial and Purchasing Cards**

The MasterCard Large Ticket Fleet, Commercial and Purchasing Card Program will be restructured to lower the percentage rate and in some cases increase the per item fees. After reviewing our current customer large ticket program transaction activity we have concluded that this change presents an overall reduction in the costs of these transactions. The below table outlines the rate changes:

MC Category	WorldPay Billing Stmt Descriptor	CURRENT		NEW		CHANGE	
		(%)	Per Item	(%)	Per Item	(%)	Per Item
Commercial Large Ticket I	Corp Crd LgTkt 1	1.35%	\$40.00	1.25%	\$40.00	-0.10%	\$0.00
Commercial Large Ticket I	Purch Crd LgTkt 1	1.35%	\$40.00	1.25%	\$40.00	-0.10%	\$0.00
Commercial Large Ticket II	Corp Crd LgTkt 2	1.35%	\$40.00	1.20%	\$60.00	-0.15%	\$20.00
Commercial Large Ticket II	Fleet Crd LgTkt 2	1.25%	\$40.00	1.20%	\$60.00	-0.05%	\$20.00
Commercial Large Ticket II	Purch Crd LgTkt 2	1.35%	\$40.00	1.20%	\$60.00	-0.15%	\$20.00
Commercial Large Ticket III	Corp Crd LgTkt 3	1.35%	\$40.00	1.15%	\$80.00	-0.20%	\$40.00
Commercial Large Ticket III	Fleet Crd LgTkt 3	1.25%	\$40.00	1.15%	\$80.00	-0.10%	\$40.00
Commercial Large Ticket III	Purch Crd LgTkt 3	1.35%	\$40.00	1.15%	\$80.00	-0.20%	\$40.00

Note: Maximum Transactions amounts are \$7, 555 for Large Ticket 1, \$25,000 for Large Ticket 2, and \$100,000 for Large Ticket

MasterCard Cont.

Consumer and Commercial Warehouse Interchange Rate Programs

All MasterCard consumer and commercial warehouse interchange categories have been eliminated.

Signature Debit/Prepaid Tier Changes

Please note changes to the signature debit/prepaid tier criteria for Merit 3 and Supermarket below:

Tier	Current Annual Transaction Volume	New Annual Transaction Volume
Tier 1	375 million	400 million
Tier 2	250 million	275 million
Tier 3	125 million	150 million

Additionally, below are changes to the signature debit/prepaid tier criteria for Small Ticket Tier:

Tier	Current Annual* Transaction Volume	New Annual* Transaction Volume
Tier 1	100 million	175 million

**The minimum consumer debit transactions is based on a merchants October 2012-September 2013 transaction volume or transactions settled via signature debit that qualified for the small ticket interchange programs.*

Small Ticket MCC exclusions below

- MCC 4111—Transportation—Suburban and Local Commuter Passenger, including Ferries
- MCC 4121—Limousines and Taxicabs
- MCC 4131—Bus Lines
- MCC 4784—Bridge and Road Fees, Tolls
- MCC 5331—Variety Stores
- MCC 5499—Miscellaneous Food Stores—Convenience Stores, Markets, Specialty Stores
- MCC 5812—Eating Places, Restaurants
- MCC 5814—Fast Food Restaurants
- MCC 5994—News Dealers and Newsstands
- MCC 7211—Laundry Services—Family and Commercial
- MCC 7216—Dry Cleaners
- MCC 7338—Quick Copy, Reproduction, and Blueprinting Services
- MCC 7523—Automobile Parking Lots and Garages
- MCC 7542—Car Washes
- MCC 7832—Motion Picture Theaters
- MCC 7841—Video Entertainment Rental Stores
- MCC 9402—Postal Services—Government Only

New Signature Debit/Prepaid Consumer Loan Rate*

A new Merit 1 rate is being created for consumer loans. The rate applies to MCC 6051 (Quasi-cash – Merchant) and will be .80% + \$.25 with a maximum fee of \$2.95. Only merchants who register with MasterCard and receive a MasterCard assigned merchant ID will be eligible. To register for participation in the program, email the below information to consumer_loans@mastercard.com:

MasterCard Cont.

- Acquirer name (WorldPay)
- Acquirer ICA (four digits)
- Merchant name dba
- Merchant website URL and contact details
- Agreement not to charge the cardholder more than a \$4.95 US dollar convenience fee

After the registration process is complete, MasterCard will contact the acquirer (WorldPay) to coordinate an implementation date.

New World Elite Debit MasterCard Product Code

MasterCard is introducing a new product, World Elite™ Debit MasterCard® in the Asia/Pacific, Europe, South Asia, Middle East and Africa (SAMEA) regions and Mexico. World Elite Debit MasterCard will be introduced in the Latin America and Caribbean (LAC) region as MasterCard Black™ Debit. Existing Interregional rates will apply.

AMERICAN EXPRESS®

Rate Changes

American Express has introduced new rates listed below.

- Fast-food restaurant and restaurant industries - the prepaid discount rate and per item fee is increasing from 1.95% plus \$0.05 to 2.15% plus \$0.05.
- Travel Agencies/Tour Operators - the prepaid per item fee is increasing from \$0.15 to \$0.20.

October 2013			April 2014		
Changed from -			Revised to -		
Industry	Discount	Prepaid Discount	Industry	Discount	Prepaid Discount
Fast Food Restaurant	3.50%	1.05% plus \$0.05 Transaction Fee*	Fast Food Restaurant	3.50%	2.15% plus \$0.05 Transaction Fee*
Restaurant**	3.50% plus \$0.05 Transaction Fee*	1.05% plus \$0.05 Transaction Fee*	Restaurant**	3.50% plus \$0.05 Transaction Fee*	2.15% plus \$0.05 Transaction Fee*
Travel Agencies/Tour Operators**	2.89% plus \$0.15 Transaction Fee*	1.95%	Travel Agencies/Tour Operators**	2.89% plus \$0.15 Transaction Fee*	1.95% plus \$0.20 Transaction Fee*

* The prepaid discount rate and per item fee is increasing from 1.95% plus \$0.05 to 2.15% plus \$0.05 for fast-food restaurant and restaurant industries.

** The prepaid per item per item fee is increasing from \$0.15 to \$0.20 for Travel Agencies/Tour Operators.

American Express Cont.

WorldPay to direct settle American Express Card Transactions – Coming soon in 2014*

Soon WorldPay will start settling directly to its customers* who accept American Express Cards the same way it does other payment cards today. In the coming months you'll receive a packet that will share program details and how you can benefit.

**Eligible customers processing up to \$1 million in American Express Card annual charge volume. Other eligibility requirements apply.*

Merchant Classification Changes

American Express has added Political Organizations (MCC 8651) to the high-risk merchant category. This means that political organizations are subject to additional verification requirements. We are making system coding changes to reflect this addition to the high-risk category.

If a political organization chooses Worldpay as its processor, we must obtain verification which includes, but is not limited to the following:

- proof of the organization's tax exempt filing status with the IRS,
- article of incorporation, or
- approved online tools (e.g., Federal Election Commission online tool to verify the merchant is a political organization).

DISCOVER®

Changed Rates/Transaction Fees under Prepaid Card Products for certain PSLs

Below identifies changes to Discover's rate/transaction fees for specified Prime Submission Levels (PSL) including supermarket/warehouse clubs, retail, restaurants, card- not-present/e-commerce and key entry. We will continue to monitor prepaid card transaction activity to see if there are any shifts in behavior and keep you informed of our findings.

Acquirer Interchange Program	Prepaid Card Products--Current		Prepaid Card Products—Effective April 11, 2014	
	Rate	Trans Fee	Rate	Trans Fee
PSL-Supermarket/Warehouse Clubs ¹	1.02%	\$0.16	1.10%	\$0.16
PSL-Retail	1.02%	\$0.16	1.10%	\$0.16
PSL-Restaurants (all including quick serve)	1.19%	\$0.10	1.10%	\$0.16
PSL-Card Not Present/E-Commerce	1.62%	\$0.16	1.75%	\$0.20
PSL- Key Entry	1.62%	\$0.16	1.75%	\$0.20

¹PSL Supermarket/Warehouse Clubs: maximum acquirer interchange except for consumer prepaid card transactions - \$0.36

Discover Cont.

Update to Disputes Reason Code TF-Violation of Operating Regulations

Discover may initiate a TF Dispute if it is determined that a merchant operated in a prohibited merchant category, including if the merchant engaged in a fraudulent, deceptive, predatory, or illegal practice as set forth in the operating regulations. Additionally, Discover may change an existing Dispute Reason Code to TF if it is determined that a card transaction violated the operating regulations. Discover may initiate a new chargeback or change an existing chargeback reason code to TF up to 540 days after the transaction date. A dispute with reason code TF can only be initiated by Discover.

Communication Regarding Cross Reference of Card Numbers

Merchants are no longer required to contact Discover if a customer's card number does not match the portion of the card number printed on the transaction receipt.

PAYPAL™

Ticket Retrieval Reason Code Rules

For no signature required sales, the transaction documentation without the PayPal account holder signature may be returned in response to a ticket retrieval request.

Transaction Documentation Requirements for dispute types

The below information must be included in transaction documentation returned to PayPal for all types of disputes. This is in addition to transaction documentation required for specific dispute types such as last 4 digits of the PayPal payment card number.

- PayPal account holder's name as it appears on the back of the card or as returned by PayPal after initiating the authorization
- Merchant name and location (city/town and province/state) and Merchant ID
- Total dollar amount of the sale including tax and tip
- Quantity
- Brief description of the goods or services purchased
- A valid PayPal account holder signature unless the transaction in dispute did not require a signature
- Authorization code, where applicable
- Transaction date

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PayPal Cont.

Chargeback Rules by Dispute Type

Below are changes that will be made to PayPal chargeback rules by dispute type.

Dispute Type- Unauthorized – Card Present Transaction.

- Examples of when this dispute type may apply
 - Added: PayPal account holder did not approve or participate in a card present transaction.
- Acquirer or merchant response rules
 - Added: Acquirers or merchants must respond to an Unauthorized-Card Present dispute within PayPal's applicable time frame of 30 calendar days. However, if PayPal uses the Unauthorized-Card Present dispute to initiate a chargeback for failure to respond to a ticket retrieval request within the applicable timeframe, the acquirer or merchant does not have the right to respond to the chargeback. At this point the chargeback will be considered final with no appeal option.
- Compelling evidence that may be submitted to PayPal to support a response to an Unauthorized-Card Present dispute (but not a chargeback).
 - Added: For no signature required sales, the transaction documentation without the PayPal account holder signature.

Dispute Type – Unauthorized - Card Not Present Transaction

- Acquirer or Merchant Response Rules
 - Added: Acquirers or merchants must respond to an Unauthorized-Card Not Present dispute within PayPal's applicable time frame of 30 calendar days. However, if PayPal uses the Unauthorized-Card Not Present dispute to initiate a chargeback for failure to respond to a ticket retrieval request within the applicable timeframe, the acquirer or merchant does not have the right to respond to the chargeback. At this point the chargeback will be considered final with no appeal option.

Dispute Type - Does Not Recognize

- Acquirer or Merchant Response Rules
 - Added: Acquirers or merchants must respond to a Does Not Recognize dispute within PayPal's applicable time frame of 30 calendar days. However, if PayPal uses the Does Not Recognize dispute to initiate a chargeback for failure to respond to a ticket retrieval request within the applicable timeframe, the acquirer or merchant does not have the right to respond to the chargeback. At this point the chargeback will be considered final with no appeal option.
- Compelling evidence that may be submitted to PayPal to support a response to Does Not Recognize dispute (but not a chargeback).
 - Added: For no signature required sales, the transaction documentation without the PayPal account holder signature.

Dispute Type - Recurring Payments

- Compelling evidence that may be submitted to PayPal to support a response to Recurring Payments dispute (but not a chargeback).
 - Added: For no signature required sales, the transaction documentation without the PayPal account holder's signature.

PayPal Cont.

Dispute Type-Goods/Services Not Received

- Compelling evidence that may be submitted to PayPal to support a response to Goods/Services Not Received dispute (but not a chargeback).
 - Added:
 - For No Signature Required Sales, the transaction documentation without the PayPal account holder's signature.
 - Evidence that the merchant or acquirer issued a credit to the account to correct the error when credits are permitted by PayPal Dispute Rules and Operating Regulations.

Dispute Type-Goods/Services Not As Described

- Examples of when this dispute type may apply
 - Added:
 - PayPal account holder claims that goods received were damaged or defective and the account holder returned the goods to the merchant.
 - PayPal account holder claims that goods or services were not as represented by the merchant.
- Compelling evidence that may be submitted to PayPal to support a response to Goods/Services Not as Described dispute (but not a chargeback).
 - Added: For No Signature Required Sales, the transaction documentation without the PayPal account holder's signature.

Dispute Type- Credit Not Processed

- Examples of when this dispute type may apply
 - Added: PayPal account holder received a transaction receipt for a credit but a corresponding amount was not posted to the account.
- Compelling evidence that may be submitted to PayPal to support a response to Credit Not Processed.
 - Added:
 - For No Signature Required Sales, the transaction documentation without the PayPal account holder signature.
 - Evidence that a credit was issued to the account to correct the error where credits are permitted by PayPal dispute rules and operating regulations.
 - Evidence that the cardholder did not cancel the reservation in accordance with the merchant's published policies.
 - Evidence that the cancellation number provided by the PayPal account holder in support of the dispute is invalid and the sale was processed correctly.

Dispute Type- Credit/Debit Posted Incorrectly

- Compelling evidence that may be submitted to PayPal to support a response to Goods/Services Not as Described dispute (but not a chargeback).
 - Added: For No Signature Required Sales, the transaction documentation without the PayPal account holder signature.

Dispute Type - Duplicate Billing

- Clarification: The Duplicate Billing dispute type applies to a chargeback request related to a claim by a PayPal account holder that they were charged two or more times; for the same sale transaction; at the same merchant location; for the same amount; on the same date. The account holder did not receive the benefit of more than one sale transaction.
- Compelling evidence that may be submitted to PayPal to support a response to Duplicate Billing
 - Added: For No Signature Required Sales, the transaction documentation without the PayPal account holder signature.

PayPal Cont.

Dispute Type - Altered Amount

- Compelling evidence that may be submitted to PayPal to support a response to Altered Amount
 - Added: For No Signature Required Sales, the transaction documentation without the PayPal account holder signature.

DEBIT NETWORKS

PULSE

PULSE Debit Network Changes to Merchant Participation Fee

PULSE has increased the annual Merchant Participation Fee from \$6 to \$9 per active merchant location per year. This fee applies if a business processes one or more PULSE transactions from March 1st through May 31st of the annual period. The annual period is defined as March 1st through February 28th of the following year. The fee covering March 2014 through February 2015 will be billed in your June 2014 WorldPay processing statement.

AFFN

AFFN Partial Authorization - Effective Late 2014

AFFN is mandating the support of partial authorizations for POS debit transactions. WorldPay already supports partial authorizations for other POS debit networks today and AFFN will be joining the group when this project is completed later in the year.

Fleet Card Networks

Voyager*

Network Fee Change – Effective April 1, 2014

Effective April 1, 2014 Voyager will implement a single adjustment fee change impacting the Voyager interchange rate detailed below.

Voyager Standard Interchange Rate	
Current	2.95%
New (Effective April 1)	3.25%