

Regulatory Summary

PMB 1276 October 2022 Release Changes Version 1

July 19, 2022

www.heartlandpaymentsystems.com

© 2022 Heartland Payment Systems, LLC

Heartland

Page 1 of 8



Document History

Version	Notes/Changes
Version 1	90 Day Publication – Initial Publication – July 19, 2022
Version 2	60 Day Publication - Secondary Publication - August 16, 2022
Version 3	90 Day Publication - Final Publication - September 13, 2022

October 2022 Release

Global Payments Inc. received notification of changes to the operating regulations effective October 2022 by Visa®, Mastercard®, Discover® Network and American Express®. Global Payments Inc. has reviewed and analyzed the changes and is providing the following additional summary to serve as a general guideline. Our proprietary systems will be updated and certified by the required release dates. These updates may require changes to your authorization and/or settlement systems and your internal business processes and procedures. Regulatory items listed below may not apply to all business types. This document provides information available as of the published date and is subject to change. While we strive to make sure this information is accurate, we do not warrant the completeness, timeliness, or suitability of this information for your specific needs. In addition, the compilations, summaries and information contained within this document do not substitute for the Association Rules, which are part of your contract with Heartland Payment Systems.

Each item includes an impact box. If there is an “x” in the authorization box, there may be an impact to your authorization platform requiring changes on your end or an update could be made for you by Global Payments Inc. or your authorization vendor. If there is an “x” in the settlement box, there may be an impact to your settlement platform requiring changes to your systems or an update may be made on your behalf by Global Payments Inc. or the vendor that completes your settlement. If there is not an “x” in the box, we are providing you this information for review, as there may be potential impact to your business in any item. Please review the changes and note any impact/action required – please work with your Enterprise Account Team to determine the specific impacts to your authorization and settlement processes.

Release Date	Impact	Key
October 14, 2022	Authorization	Impact to authorizations
	Settlement	Impact to settlement
	Interchange	Impact to interchange
	Card Brand Fees	Impact to fees
	Disputes	Impact to chargebacks

All Card Brands

Reminder: Retirement of 3D Secure 1.0.2 5

Mastercard®

Cardholder-Initiated Transaction and Merchant-Initiated Transaction Indicators 5

Mastercard Authorization Optimizer Enhancements 6

Chargeback Standards Revised for Gratuities 8

Revised Chargeback Standards for Automated Fuel Dispensers in the U.S. Region 8

American Express®

Refund Authorization Support 10

All Card Brands

Reminder: Retirement of 3D Secure 1.0.2

Release Date		Impact
October 15, 2022	Authorization	
	Settlement	
	Interchange	
	Card Brand Fees	
	Disputes	

What is the impact?

As a reminder, merchants need to be aware that 3DS 1.0.2 will no longer be supported and they will need to upgrade to EMV 3DS 2.0.

3DS version 1.0.2 will no longer be supported. Clients who wish to continue 3DS participation must upgrade to EMV 3DS 2.0. Transactions submitted with 3DS 1.0 will receive an error message.

Mastercard®

Cardholder-Initiated Transaction and Merchant-Initiated Transaction Indicators

Release Date		Impact
October 14, 2022	Authorization	X
	Settlement	X
	Interchange	
	Card Brand Fees	
	Disputes	

What is the impact?

- Merchants need to work with their 3rd party POS vendors, eCommerce Integrators, and mobile application providers to ensure transactions are identified correctly.

Mastercard requires that all merchants globally populate the recurring payment indicator when submitting a card-not-present CIT transaction that starts a series of recurring payments, in addition to the inclusion on each subsequent recurring payment transaction.

Mastercard Authorization Optimizer Enhancements

Release Date		Impact
October 14, 2022	Authorization	X
	Settlement	
	Interchange	
	Card Brand Fees	
	Disputes	

What is the impact?

- Merchants will need to be aware of the timing insights after receiving a decline reason code for insufficient funds.

Mastercard is changing the name of the Decline Reason Code service to be Mastercard Authorization Optimizer.

Mastercard Authorization Optimizer is:

- limited to card-not-present declines
- excludes mail and telephone order and ATM transactions, and
- only pertains to transactions processed on the Mastercard Network.

Mastercard is adding Merchant Advice Codes to provide additional insight after merchants receive an authorization decline reason code for Insufficient Funds.

Value	Description
24	Retry after 1 hour
25	Retry after 24 hours
26	Retry after 2 days
27	Retry after 4 days
28	Retry after 6 days
29	Retry after 8 days
30	Retry after 10 days

Chargeback Standards Revised for Gratuities

Release Date		Impact
October 14, 2022	Authorization	X
	Settlement	X
	Interchange	
	Card Brand Fees	
	Disputes	

What is the impact?

- Merchants need to be aware of the increase in the gratuity authorization tolerances.

Mastercard will increase the gratuity authorization tolerances from **20% to 30%** for U.S. domestic transactions. The chargeback standards for gratuities are being revised to reflect this change in order to limit issuers' authorization-related chargebacks to only the amount over the applicable gratuity tolerance.

NOTE: Transactions processed with the authorization coded as a final authorization are not subject to the gratuity tolerance.

Revised Chargeback Standards for Automated Fuel Dispensers in the U.S. Region

Release Date		Impact
October 14, 2022	Authorization	
	Settlement	
	Interchange	
	Card Brand Fees	
	Disputes	X

What is the impact?

- Merchants need to be aware of the revised chargeback standards for AFDs.

Mastercard is increasing the chargeback protection amount at U.S. region AFDs for all cards. The chargeback protection limit increase is listed below:

Mastercard Chargeback Protection Limits		
Card Type	Current Amount	New Amount
Commercial Cards	\$350.00	\$500.00
All Other Cards	\$125.00	\$175.00

Refund Authorization Support

Release Date		Impact
October 14, 2022	Authorization	X
	Settlement	
	Interchange	
	Card Brand Fees	
	Disputes	X

What is the impact?

- Merchants need to be aware that return authorizations will be required.

American Express is requiring the support of authorizations of refund transactions.