

# Visa/Mastercard Fraud & Chargeback Program Thresholds

PROGRAM	THRESHOLD	FEES & ASSESSMENTS
<b>VISA DISPUTE MONITORING PROGRAM (VDMP)</b>	<b>Early Warning thresholds</b> <ul style="list-style-type: none"> <li>75 or more disputes, <b>and</b></li> <li>0.65% ratio of disputes to sales transaction</li> </ul>	No non-compliance assessments or program fees
	<b>Standard threshold</b> <ul style="list-style-type: none"> <li>100 disputes, <b>and</b></li> <li>0.9% ratio of dispute to sales transaction</li> </ul>	<ul style="list-style-type: none"> <li>Mth 1-4: no non-compliance assessments or program fees</li> <li>Mth 5-6: USD \$50 per dispute</li> <li>Mth 7: USD \$50 per dispute</li> <li>Mth 8-9: USD \$50 per dispute</li> <li>Mth 10-12+: USD \$50 per dispute plus USD \$25,000 review fee</li> </ul>
	<b>Excessive threshold</b> <ul style="list-style-type: none"> <li>1000 disputes, <b>and</b></li> <li>1.8% ratio of dispute to sales transaction</li> </ul>	
	<b>High Risk threshold</b> <ul style="list-style-type: none"> <li>100 disputes, <b>and</b></li> <li>0.9% ratio of chargeback to sales transaction <b>and</b></li> <li>One of the following:               <ul style="list-style-type: none"> <li>Merchant outlet moved from Visa standard threshold to High Risk threshold based on a review of merchant performance and inappropriate business practices (e.g., use of abusive free trial policies, negative renewal options etc.),</li> </ul> </li> <li><b>or</b></li> <li>The Merchant exceeds the standard program thresholds and is categorized or should be categorized by a high-brand risk MCC, as specified in Section 10.4.6.1, High-Brand Risk MCCs (MCC 5962, 5966, 5967, 7995, 5912, 5122, 5993),</li> <li><b>or</b></li> <li>Met or exceed the program Excessive threshold.</li> </ul>	<ul style="list-style-type: none"> <li>Mth 1-4: USD \$50 per dispute</li> <li>Mth 5-6: USD \$50 per dispute</li> <li>Mth 7: USD \$50 per dispute plus US \$25,000 review fee</li> <li>Mth 8-9: USD \$50 per dispute plus USD \$25,000 review fee</li> <li>Mth 10-12+: USD \$50 per dispute plus USD \$25,000 review fee</li> </ul>

# Visa/Mastercard Fraud & Chargeback Program Thresholds

PROGRAM	THRESHOLD	FEES & ASSESSMENTS
<b>VISA FRAUD MONITORING PROGRAM (VFMP)</b>	<p><b>Early Warning thresholds</b></p> <ul style="list-style-type: none"> <li>US \$50,000 or more in fraud dollar amount, <u>and</u></li> <li>0.65% or higher ratio of fraud to sales dollar amount</li> </ul>	<p>No non-compliance assessment or program fees</p>
	<p><b>Standard threshold</b></p> <ul style="list-style-type: none"> <li>US \$75,000 in fraud amount, <u>and</u></li> <li>0.9% ratio of fraud to sales dollar amount</li> </ul>	<ul style="list-style-type: none"> <li>Mth 1-3: no non-compliance assessments or program fees</li> <li>Mth 4-6: no non-compliance assessment; dispute condition 10.5 chargeback liability applies from Month 5 onward</li> <li>Mth 7-9: no non-compliance assessment; dispute condition 10.5 chargeback liability applies</li> <li>Mth 10-12+: no non-compliance assessment; dispute condition 10.5 chargeback liability applies</li> </ul> <p><i>Effective with the October 2020 Visa Rules update, Dispute Condition 10.5 will be extended to all months that a merchant is in the VFMP program, starting at the first month of enforcement and for all trailing fraud transactions for three program months after transaction processing has ceased.</i></p> <p><i>Effective April 1, 2021 the new VFMP Standard threshold will include assessment fees for a merchant outlet:</i></p> <ul style="list-style-type: none"> <li>Mth 1-4: Not Applicable</li> <li>Mth 5-6: USD \$25,000</li> <li>Mth 7-9: USD \$50,000</li> <li>Mth 10-12+: USD \$75,000</li> </ul>

# Visa/Mastercard Fraud & Chargeback Program Thresholds

PROGRAM	THRESHOLD	FEES & ASSESSMENTS
	<p><b>Excessive threshold</b></p> <ul style="list-style-type: none"> <li>US \$250,000 in fraud amount, <u>and</u></li> <li>1.8% ratio of fraud to sales dollar amount</li> </ul> <p><b>High Risk threshold</b></p> <ul style="list-style-type: none"> <li>US \$75,000 in fraud dollar amount, <u>and</u></li> <li>0.9% ratio of fraud to sales dollar amount, <u>and</u></li> <li>One of the following:               <ul style="list-style-type: none"> <li>Merchant outlet moved from Visa standard threshold to High Risk threshold based on a review of merchant performance and inappropriate business practices (e.g., use of abusive free trial policies, negative renewal options etc.)</li> <li><u>or</u></li> <li>The Merchant exceeds the standard program thresholds and is categorized or should be categorized by a high-brand risk MCC, as specified in Section 10.4.6.1, High-Brand Risk MCCs (MCC 5962, 5966, 5967, 7995, 5912, 5122, 5993),</li> <li><u>or</u></li> <li>Meet or exceed the program Excessive threshold</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Mth 1-3: USD \$10,000 per merchant case per month; dispute condition 10.5 chargeback liability applies from Month 1 onward</li> <li>Mth 4-6: USD \$25,000 per merchant case per month; dispute condition 10.5 chargeback liability applies</li> <li>Mth 7-9: USD \$50,000 per merchant case per month; dispute condition 10.5 chargeback liability applies</li> <li>Mth 10-12+: USD \$75,000 per merchant case per month; dispute condition 10.5 chargeback liability applies</li> </ul>
<b>MASTERCARD GLOBAL MERCHANT AUDIT PROGRAM (GMAP)</b>	<p><b>Tier 1 – Informational Fraud Alert</b></p> <ul style="list-style-type: none"> <li>3 fraudulent transactions, <u>and</u></li> <li>Minimum of USD \$3,000, <u>and</u></li> <li>A fraud to sales ratio of 3% and not exceeding 4.99%</li> </ul>	<p>No non-compliance assessments or program fees</p> <p>Fraud awareness training</p> <p>Correct any identified deficiencies</p>
	<p><b>Tier 2 – Suggested Training Fraud Alert</b></p> <ul style="list-style-type: none"> <li>4 fraudulent transactions, <u>and</u></li> <li>Minimum of \$4,000USD, <u>and</u></li> <li>A fraud to sales ratio of 5% and not exceeding 7.99%</li> </ul>	
	<p><b>Tier 3 – High Fraud Alert</b></p> <ul style="list-style-type: none"> <li>5 fraudulent transactions, <u>and</u></li> <li>Minimum of \$5,000USD, <u>and</u></li> <li>A fraud to sales ratio minimum of 8%</li> </ul>	

# Visa/Mastercard Fraud & Chargeback Program Thresholds

PROGRAM	THRESHOLD	FEES & ASSESSMENTS
<b>MASTERCARD EXCESSIVE CHARGEBACK PROGRAM (ECP)*</b>	<p><b>Excessive Chargeback Merchant (ECM)</b></p> <ul style="list-style-type: none"> <li>A count of at least 100 to 299 chargebacks <b>and</b></li> <li>A chargeback to transaction ratio (CTR) = 1.5% to 2.99%</li> </ul>	<p>Assessments are based on the number of Months Above ECM Thresholds:</p> <ul style="list-style-type: none"> <li>1 mth: no non-compliance assessments or program fees</li> <li>2-3 mths: USD \$1,000</li> <li>4-6 mths: USD \$5,000</li> <li>7-11 mths: USD \$25,000</li> <li>12-18 mths: USD \$50,000</li> <li>19+ mths: USD \$100,000</li> </ul>
	<p><b>High Excessive Chargeback Merchant (HECM)</b></p> <ul style="list-style-type: none"> <li>A count of at least 300 chargebacks <b>and</b></li> <li>A chargeback to transaction ratio (CTR) = &gt; 3%</li> </ul>	<p>Assessments are based on the number of Months Above HECM Thresholds:</p> <ul style="list-style-type: none"> <li>1 mth: no non-compliance assessments or program fees</li> <li>2 mths : USD \$1,000</li> <li>3 mths: USD \$2,000</li> <li>4-6 mths: USD \$10,000 plus Issuer Recovery Assessment**</li> <li>7-11 mths: USD 50,000 plus Issuer Recovery Assessment**</li> <li>12-18 mths: USD \$100,000 plus Issuer Recovery Assessment**</li> <li>19+ mths: USD \$200,000 plus Issuer Recovery Assessment**</li> </ul> <p>**Issuer Recovery assessment applies at USD 5 per chargeback over 300 chargebacks. For example, a merchant with 500 chargebacks would be assessed USD 1,000 in Issuer Recovery (500 chargebacks - 300 chargebacks = 200 x USD 5 = USD 1,000)</p>
<p><i>*REVISED CRITERIA AS OF NOVEMBER 1, 2019.</i></p> <p><i>MONITORING BEGINS AS OF NOVEMBER 1, 2019. EXISTING ECP CRITERIA REMAIN DURING TRANSITION PERIOD (NOVEMBER 1 2019 TO SEPTEMBER 1, 2020).</i></p>		

# Visa/Mastercard Fraud & Chargeback Program Thresholds

PROGRAM	THRESHOLD	FEES & ASSESSMENTS
<b>MASTERCARD EXCESSIVE FRAUD MERCHANT PROGRAM (EFM)</b>	<p><b>Excessive Fraud Merchant Program (EFM)</b></p> <ul style="list-style-type: none"> <li>▪ 1,000 or more ecommerce transactions and</li> <li>▪ The total dollar amount (or local currency equivalent) of fraud related chargebacks in a given month equals or exceeds USD 50,000, <u>and</u></li> <li>▪ The total number of fraud chargeback basis points is equal or more than 50 <u>and</u></li> <li>▪ The percentage of monthly clearing volume processed using 3DS (including Data Only transactions) is less than 10 percent in non-regulated countries, or less than 50 percent in regulated countries</li> </ul>	<p>Assessments are based on the number of Months Above EFM Thresholds:</p> <ul style="list-style-type: none"> <li>▪ 1 mth: no non-compliance assessments or program fees</li> <li>▪ 2 mths: USD \$500</li> <li>▪ 3 mths: USD \$1,000</li> <li>▪ 4-6 mths: USD \$5,000</li> <li>▪ 7-11 mths: USD \$25,000</li> <li>▪ 12-18 mths: USD 50,000</li> <li>▪ 19+ mths: USD \$100,000</li> </ul> <p>NOTE: Acquirers and Merchants in the Canada Region will not be assessed before October 1, 2020 however the 1st assessment amount will be determined by the length of time a merchant has been identified within the EFM program since monitoring began (October 1, 2019).</p>

For more information on the Visa/MasterCard Fraud & Chargeback programs please visit:

<https://www.moneris.com/en/Legal/Terms-Conditions>