

Visa/Mastercard Fraud & Chargeback Program Thresholds

PROGRAM	THRESHOLD	FEES & ASSESSMENTS								
VISA DISPUTE MONITORING PROGRAM (VDMP)	Early Warning thresholds <ul style="list-style-type: none"> 75 or more disputes, <u>and</u> 0.65% ratio of disputes to sales transaction 	No non-compliance assessments or program fees								
	Standard threshold <ul style="list-style-type: none"> 100 disputes, <u>and</u> 0.9% ratio of dispute to sales transaction 	<table border="1"> <thead> <tr> <th>Month</th> <th>Assessments per month</th> </tr> </thead> <tbody> <tr> <td>1-4</td> <td>No assessments or program fees</td> </tr> <tr> <td>5-9</td> <td>USD \$50 per dispute</td> </tr> <tr> <td>10-12+</td> <td>USD \$50 per dispute plus USD \$25,000 review fee</td> </tr> </tbody> </table>	Month	Assessments per month	1-4	No assessments or program fees	5-9	USD \$50 per dispute	10-12+	USD \$50 per dispute plus USD \$25,000 review fee
	Month	Assessments per month								
	1-4	No assessments or program fees								
5-9	USD \$50 per dispute									
10-12+	USD \$50 per dispute plus USD \$25,000 review fee									
Excessive threshold <ul style="list-style-type: none"> 1000 disputes, <u>and</u> 1.8% ratio of dispute to sales transaction 										
High Risk threshold <ul style="list-style-type: none"> 100 disputes, <u>and</u> 0.9% ratio of chargeback to sales transaction <u>and</u> One of the following: <ul style="list-style-type: none"> 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.), <u>or</u> 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), <u>or</u> Met or exceed the program Excessive threshold. 	<table border="1"> <thead> <tr> <th>Month</th> <th>Assessments per month</th> </tr> </thead> <tbody> <tr> <td>1-6</td> <td>USD \$50 per dispute</td> </tr> <tr> <td>7-12+</td> <td>US \$50 per dispute plus USD \$25,000 review fee</td> </tr> </tbody> </table>	Month	Assessments per month	1-6	USD \$50 per dispute	7-12+	US \$50 per dispute plus USD \$25,000 review fee			
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VISA FRAUD MONITORING PROGRAM (VFMP)	<p>Early Warning thresholds</p> <ul style="list-style-type: none"> US \$50,000 or more in fraud dollar amount, <u>and</u> 0.65% or higher ratio of fraud to sales dollar amount 	<p>No non-compliance assessment or program fees</p>										
	<p>Standard threshold</p> <ul style="list-style-type: none"> US \$75,000 in fraud amount, <u>and</u> 0.9% ratio of fraud to sales dollar amount 	<table border="1"> <thead> <tr> <th>Month</th> <th>Assessments per month</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>No assessment or program fees</td> </tr> <tr> <td>5-6</td> <td>USD \$25,000</td> </tr> <tr> <td>7-9</td> <td>USD \$50,000</td> </tr> <tr> <td>10-12+</td> <td>USD \$75,000</td> </tr> </tbody> </table>	Month	Assessments per month	1	No assessment or program fees	5-6	USD \$25,000	7-9	USD \$50,000	10-12+	USD \$75,000
	Month	Assessments per month										
1	No assessment or program fees											
5-6	USD \$25,000											
7-9	USD \$50,000											
10-12+	USD \$75,000											
<p>Excessive threshold</p> <ul style="list-style-type: none"> US \$250,000 in fraud amount, <u>and</u> 1.8% ratio of fraud to sales dollar amount <p>High Risk threshold</p> <ul style="list-style-type: none"> US \$75,000 in fraud dollar amount, <u>and</u> 0.9% ratio of fraud to sales dollar amount, <u>and</u> One of the following: <ul style="list-style-type: none"> 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.) <u>or</u> 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), <u>or</u> Meet or exceed the program Excessive threshold 	<table border="1"> <thead> <tr> <th>Month</th> <th>Assessments per month*</th> </tr> </thead> <tbody> <tr> <td>1-3</td> <td>USD \$10,000</td> </tr> <tr> <td>4-6</td> <td>USD \$25,000</td> </tr> <tr> <td>7-9</td> <td>USD \$50,000</td> </tr> <tr> <td>10-12+</td> <td>USD \$75,000</td> </tr> </tbody> </table> <p>*Per merchant case per month. Dispute condition 10.5 chargeback liability applies from month 1 onward.</p>	Month	Assessments per month*	1-3	USD \$10,000	4-6	USD \$25,000	7-9	USD \$50,000	10-12+	USD \$75,000	
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MASTERCARD EXCESSIVE CHARGEBACK PROGRAM (ECP) **	<p>Excessive Chargeback Merchant (ECM)</p> <ul style="list-style-type: none"> A count of at least 100 to 299 chargebacks and A chargeback to transaction ratio (CTR)= 1.5% to 2.99% 	<p>Assessments are based on the number of Months Above ECM Thresholds:</p> <table border="1" data-bbox="984 653 1510 884"> <thead> <tr> <th>Month</th> <th>Assessments per month</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>No assessments or program fees</td> </tr> <tr> <td>2-3</td> <td>USD \$1,000</td> </tr> <tr> <td>4-6</td> <td>USD \$5,000</td> </tr> <tr> <td>7-11</td> <td>USD \$25,000</td> </tr> <tr> <td>12-18</td> <td>USD \$50,000</td> </tr> <tr> <td>19+</td> <td>USD \$100,000</td> </tr> </tbody> </table>	Month	Assessments per month	1	No assessments or program fees	2-3	USD \$1,000	4-6	USD \$5,000	7-11	USD \$25,000	12-18	USD \$50,000	19+	USD \$100,000	
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<p>High Excessive Chargeback Merchant (HECM)</p> <ul style="list-style-type: none"> A count of at least 300 chargebacks and A chargeback to transaction ratio (CTR)= > 3% 	<p>Assessments are based on the number of Months Above HECM Thresholds:</p> <table border="1" data-bbox="984 1205 1510 1472"> <thead> <tr> <th>Month</th> <th>Assessments per month</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>no assessments or program fees</td> </tr> <tr> <td>2</td> <td>USD \$1,000</td> </tr> <tr> <td>3</td> <td>USD \$2,000</td> </tr> <tr> <td>4-6</td> <td>USD \$10,000 plus IR Assessment</td> </tr> <tr> <td>7-11</td> <td>USD \$50,000 plus IR Assessment</td> </tr> <tr> <td>12-18</td> <td>USD \$100,000 plus IR Assessment</td> </tr> <tr> <td>19+</td> <td>USD \$200,000 plus IR Assessment</td> </tr> </tbody> </table> <p>Issuer Recovery (IR) assessment: Applies at USD \$5 per chargeback over 300 chargebacks. <i>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)</i></p>	Month	Assessments per month	1	no assessments or program fees	2	USD \$1,000	3	USD \$2,000	4-6	USD \$10,000 plus IR Assessment	7-11	USD \$50,000 plus IR Assessment	12-18	USD \$100,000 plus IR Assessment	19+	USD \$200,000 plus IR Assessment
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<p>MASTERCARD EXCESSIVE FRAUD MERCHANT PROGRAM (EFM)**</p>	<p>Excessive Fraud Merchant Program (EFM)</p> <ul style="list-style-type: none"> 1,000 or more ecommerce transactions and The total dollar amount (or local currency equivalent) of fraud related chargebacks in a given month equals or exceeds USD 50,000, and The total number of fraud chargeback basis points is equal or more than 50 and The percentage of monthly clearing volume processed using 3DS (including Data Only transactions) or Digital Secure Remote Payment (DSRP)*** is less than 10 percent in non-regulated countries, or less than 50 percent in regulated countries. <p>For reference, Mastercard considers Canada as a non-regulated country.</p>	<p>Assessments are based on the number of Months Above EFM Thresholds:</p> <table border="1" data-bbox="984 634 1511 900"> <thead> <tr> <th>Month</th> <th>Assessments per month</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>No assessments or program fees</td> </tr> <tr> <td>2</td> <td>USD \$500</td> </tr> <tr> <td>3</td> <td>USD \$1,000</td> </tr> <tr> <td>4-6</td> <td>USD \$5,000</td> </tr> <tr> <td>7-11</td> <td>USD \$25,000</td> </tr> <tr> <td>12-18</td> <td>USD \$50,000</td> </tr> <tr> <td>19+</td> <td>USD \$100,000</td> </tr> </tbody> </table>	Month	Assessments per month	1	No assessments or program fees	2	USD \$500	3	USD \$1,000	4-6	USD \$5,000	7-11	USD \$25,000	12-18	USD \$50,000	19+	USD \$100,000
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	<p>**Effective March 1, 2022, once the merchant ID (MID) of a merchant has been identified in either the ECP or EFM for 12 months, the higher of the program assessments (whether ECP or EFM) will apply concerning transactions containing that MID.</p> <p>***Revised criteria as of October 19, 2021 to include DSRP in consideration for EFM.</p>																	

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

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