

Visa/MasterCard Fraud and Chargeback Program Thresholds

Program	Minimum Thresholds	Program Fees and Fines
MasterCard – Global Merchant Audit Program (GMAP)	<p><u>Tier Violation (1)</u></p> <ul style="list-style-type: none"> 3 fraud transactions, and At least USD\$3000 fraud, and Fraud to Sales ratio >3% and <4.99% <p><u>Tier Violation (2)</u></p> <ul style="list-style-type: none"> 4 fraud transactions, and At least USD\$4000 fraud, and Fraud to Sales ratio >5% and <7.99% <p><u>Tier Violation (3)</u></p> <ul style="list-style-type: none"> 5 fraud transactions, and At least USD\$5000 fraud, and Fraud to Sales ratio >8% 	<p><u>Tier Violation (3) only</u></p> <ul style="list-style-type: none"> USD\$15000 for not submitting a response to special audit questionnaire Assign chargeback liability for a period of 6-12 months for non-compliance with MasterCard recommended Fraud Control Action Plan
MasterCard – Excessive Chargeback Program (ECP)	<p><u>CMM (Chargeback Monitoring Merchant)</u></p> <ul style="list-style-type: none"> At least 100 chargeback's, and CTR (chargeback to Transaction) ratio 1% <p><u>ECM (Excessive Chargeback Monitoring Merchant Tier 1 and 2 structure)</u></p> <ul style="list-style-type: none"> At least 100 chargeback's, and CTR (chargeback to Transaction) ratio 1.50% 	<p><u>ECM Violation (only)</u></p> <ul style="list-style-type: none"> USD\$25 per chargeback USD\$100 reporting fee for each ECM report submitted Large issuer re-imbursement and violation assessment fees based on CTR percentage above the accepted threshold for <u>each</u> calendar month that a merchant exceeds ECM threshold Late ECM report submission fee USD\$500 per day for each day of the first 15 days that the report is overdue and USD\$1000 per day thereafter until the report is submitted USD\$50,000 per month after the twelfth month that a merchant remains in the Program
Visa Canada - Merchant Fraud Performance Program (MFPP)	<p><u>Domestic Merchant Fraud Performance Program (DMFPP)</u></p> <ul style="list-style-type: none"> 5 fraudulent transactions, and Total fraud transactions reported is USD\$10000, and Fraud to Sales dollar volume ratio 1% <p><u>Interregional:</u></p> <p><u>Minimum Component</u></p> <ul style="list-style-type: none"> 25 fraudulent transactions, and Total fraud transactions reported is USD\$25000, and Fraud to Sales dollar volume ratio is 2.5% <p><u>Excessive Component</u></p> <ul style="list-style-type: none"> 1 fraudulent transaction, and Total fraud transaction reported is USD\$250000, and Fraud to Sales dollar volume ratio is 2.5% 	<p><u>Fees applicable for DMFPP:</u></p> <p>ID Month 5 – USD\$10,000 ID Month 6 – USD\$15,000 ID Month 7 – USD\$25,000 ID Month 8 – USD\$50,000 ID Month 9 – USD\$50,000</p> <p>If a merchant performance is not improved, restriction or revocation of the acceptance privilege may apply</p> <p><u>Fees applicable for Interregional Minimum and Excessive Component</u></p> <ul style="list-style-type: none"> Escalating fines will apply beginning at USD\$5000. per merchant location and increasing by USD\$5000 increments for every month that the merchant exceeds performance threshold Open chargeback window applicable
Visa Global Merchant Chargeback Monitoring Program (GMCMP)	<p><u>Excessive</u></p> <ul style="list-style-type: none"> A count of 200 international chargeback's and Chargeback count to Sales Count of 2% 	<p><u>Fees applicable</u></p> <ul style="list-style-type: none"> ID Month 1-3: USD\$100 per chargeback ID Month 4-10 USD\$200 per chargeback Month 10 – USD\$25,000 review fees for merchant with persistent non-compliance

For more information on the Visa/MasterCard fraud and chargeback programs please visit:

Merchant Operating Manual:

http://www.moneris.com/en/Support/Downloads/~/_media/Files/MerchantServices/merchant-manual-en.ashx

Visa Rules and Regulations: http://usa.visa.com/merchants/operations/op_regulations.html

MasterCard Rules and Regulations: <http://www.mastercard.us/merchants/support/rules.html>