

Information about this Replacement

Replacement The 7 March 2008 *MasterCard Rules* replaces your existing MasterCard *Bylaws and Rules*.

What is in the new version? This new version reflects changes since the last update and includes the incorporation of Rules changes announced in MasterCard bulletins up to and including January 2008.

Please refer to [Cross-reference A](#) or [Cross-reference B](#) for a comprehensive list of changes reflected in this update.

Please refer to the [Summary of Changes](#) for a list of minor changes made on 7 March 2008.

Billing MasterCard will bill principal members for this document. Please refer to the appropriate [MasterCard Consolidated Billing System](#) manual for billing-related information.

Cross-reference A

February 2008 *MasterCard Rules* to October 2005 *Bylaws and Rules*

The following cross-reference will help you to understand the former location or source of rules appearing in the February 2008 publication of the *MasterCard Rules*.

For a cross-reference that will help you to understand where you may now locate rules that appeared in the October 2005 publication of the *Bylaws and Rules*, please refer to [Cross-reference B](#).

Rule Title	Location in this edition of <i>MasterCard Rules</i>	Location in prior edition of <i>Bylaws and Rules</i>
Membership		
Types of Members	1.1	Bylaws, Article I, Section 3
Association Member	1.1.1	Bylaws, Article I, Section 3(b)(i)
Principal Member	1.1.2	Bylaws, Article I, Section 3(b)(ii)
Affiliate Member	1.1.3	Bylaws, Article I, Section 3(b)(iii)
Eligibility to be a Member	1.2	Bylaws, Article I, Section 1
Principal Member or Affiliate Member	1.2.1	Bylaws, Article I, Section 1(a)
Association Member	1.2.2	Bylaws, Article I, Section 1(b)
Alternative Membership Eligibility Criteria	1.2.3	New
Application to be a Member	1.3	Bylaws, Article I, Sections 2(a), 2(b)
Interim Participation	1.4	Bylaws, Article I, Section 2(e)

Rule Title	Location in this edition of <i>MasterCard Rules</i>	Location in prior edition of <i>Bylaws and Rules</i>
Obligation to Become a Member	1.5.1	2.4 and Bylaws, Article I, Section 3(c)
Obligation to Participate	1.5.2	Bylaws, Article I, Section 3(a)
Right to Participate	1.5.3	2.2
Membership Not Transferable	1.5.4	2.11 and Bylaws, Article I, Section 7
Member Responsibilities	1.5.5	2.4
Enforcement of Payment of Fees and Other Obligations	1.5.6	Bylaws Article II, Section 8
Voluntary Termination	1.6.1	2.15 and Bylaws, Article I, Section 9
Termination by the Corporation	1.6.2	Bylaws, Article I, Section 10
Automatic Termination	1.6.3	Bylaws, Article I, Section 11
Automatic Termination of License(s)	1.7	Bylaws, Article I, Section 11
Licensing and Licensed Activities		
Purpose of License; Eligibility	2.1	Bylaws, Article I, Section 14
License Application	2.2	New
Area of Use	2.3	2.5
Extending or Otherwise Modifying the Area of Use	2.4	2.6
Special Conditions of Membership or License	2.5	2.7
MasterCard Anti-Money Laundering Program	2.6	2.8
Obligation to Issue Cards	2.7	2.9
Liability for Assigned ICAs and BINs	2.8	2.10
Obligations of a Sponsor	2.9	3.6 and Bylaws, Article I, Section 5(g)
Name Change	2.10	New
Membership Fees and Assessments	2.11	2.12 and Bylaws, Article I, Section 5(b)
Sale or Change in Ownership or Control of Member or Portfolio	2.12	2.11

Rule Title	Location in this edition of <i>MasterCard Rules</i>	Location in prior edition of <i>Bylaws and Rules</i>
Suspension and Amendment of Membership or License or Both	2.13	2.13, 2.14
Rights, Liabilities, and Obligations of Terminated Members	2.14	2.16, 2.17, 2.18 and Bylaws, Article I, Section 12
Failed Class A Member	2.15	2.20 (first two paragraphs and parts 1-5)
System Liquidity	2.16	2.20 (part 7 only)
Loss Allocation Among Members	2.17	2.21
Limitation of Obligation	2.18	2.22
Liability for Owned or Controlled Entities	2.19	2.23
Risk of Loss	2.20	2.24
Member Obligations		
Standards	3.1	1.2
Variances	3.1.1	11.1, 11.2
Failure to Comply with a Standard	3.1.2	1.3.1, 1.3.2
Noncompliance Assessments	3.1.2.1	1.3.3
Certification	3.1.2.2	1.3.5
Resolution of Appeal	3.1.2.3	New
Conduct of Activity	3.2	3.1
Conflict with Law	3.2.1	New
Obligations of a Sponsor	3.2.2	1.3.4 and Bylaws, Article I, Section 5(g)
Affiliate Members	3.2.3	Bylaws, Article I, Section 5(h)
Materially Adverse Financial Condition or Discrepancy	3.2.4	3.3
Compliance	3.2.5	1.2
Indemnity and Limitation of Liability	3.3	1.1
Choice of Laws	3.4	1.4
Examination and Audit	3.5	3.2, 3.4, and Bylaws, Article I, Section 13
Obligation of Member to Provide Information	3.6.1	3.6 and Bylaws, Article I, Section 4(a)
Confidential Information of Members	3.6.2	3.5.1

Rule Title	Location in this edition of <i>MasterCard Rules</i>	Location in prior edition of <i>Bylaws and Rules</i>
Use of Corporation Information by a Member	3.6.3	New
Confidential Information of the Corporation and the Corporation's Affiliates	3.6.4	3.5.2
Quarterly Member Report	3.7	3.8
Report Not Received	3.7.1	3.8
Materially Erroneous or Incomplete Report	3.7.2	3.8
Overpayment Claim	3.7.3	3.8
Safeguard Card Account and Transaction Information	3.8.1	3.7
Satisfaction of Minimum Member Obligations	3.8.2	Bylaws, Article I, Section 5(a)
Satisfaction of Minimum Financial Requirements	3.8.3	Bylaws, Article I, Section 5(b)
Integrity of Brand and Network	3.8.4	3.10
Authorization Service	3.8.5	3.13
Selective Authorization	3.8.5.1	3.12
Transaction Requirements	3.8.6	10.3, 18.B.5.1, and Bylaws, Article I, Section 5(c)
Fees, Expenses and Other Payment Obligations	3.8.7	1.5
Taxes and Other Charges	3.8.7.1	3.19
Pay-Per-Call Service	3.9	3.17
Encashment of MasterCard Travelers Cheques	3.10	3.18
Trademarks and Service Marks		
Right to Use the Marks	4.1	4.2
Licenses	4.1.1	4.2.1
Protection and Registration of the Marks	4.1.2	4.2.2
Registration of a Card Face Design	4.1.2.1	4.2.2.1
Misuse of a Mark	4.1.3	4.3.1
General Rules for Use of the Marks	4.2	4.3
Use of the Marks	4.2.1	4.3.1
Compliance	4.2.2	4.3.2
Required Use	4.2.3	4.3.3
Review of Solicitations	4.2.4	4.3.4
Signage System	4.2.5	4.3.5

Rule Title	Location in this edition of <i>MasterCard Rules</i>	Location in prior edition of <i>Bylaws and Rules</i>
Particular Use of a Mark	4.2.6	4.3.6
Generic Use	4.2.6.1	4.3.7.2
Use of Modifiers	4.2.6.2	4.3.6.2
Use on Stationery	4.2.6.3	4.3.6.3
Use on Non-Licensed Goods	4.2.6.4	4.3.6.4
Use on Checks	4.2.6.5	4.3.6.5
Use on Multiple Application EMV Chip Cards	4.2.6.6	4.3.6.6
Use of the MasterCard Word Mark	4.2.7	4.3.7.1
Use or Registration of “Master” Terminology	4.2.7.1	4.3.7.3
Use of MasterCard in a Corporate, Business or Domain Name	4.2.7.2	4.3.6.1
Use of MasterCard in Text	4.2.7.3	4.3.7.3.1
Registration Notice	4.2.7.4	4.3.7.4
Program Names	4.2.7.5	4.3.7.5
Use of the Interlocking Circles Device	4.2.8	4.3.8
Reproduction Standards	4.2.8.1	4.3.8.2, 4.3.8.3, and 4.3.8.4
Variations Prohibited	4.2.8.2	4.3.8.1
Use or Registration of Similar Logos, Designs, or Names	4.2.8.3	4.3.8.5
Use of Multiple Brand Marks	4.2.9	4.3.9
Use of the Card Face Design	4.2.10	4.3.10
In Advertising and Marketing Material	4.2.10.1	4.3.10.1
In Merchant Advertising	4.2.10.2	4.3.10.2
In Statement Enclosures	4.2.10.3	4.3.10.3
Use of the MasterCard Brand Mark on Other Cards	4.2.11	5.7.2
Use of a Competing Mark on Cards	4.2.12	5.7.3
Use of Other Acceptance Marks on Cards	4.2.13	5.7.4
Merchants and Sales Transactions		
The Merchant Agreement	5.1	9.1, 9.1.1, 9.1.1.1, 9.8
Verify Bona Fide Business Operation	5.1.1	9.2.1
Required Terms	5.1.2	9.1.2

Rule Title	Location in this edition of <i>MasterCard Rules</i>	Location in prior edition of <i>Bylaws and Rules</i>
Assessments for Merchant Agreement Noncompliance	5.1.3	New (See “Assessments for Noncompliance with MasterCard Merchant Agreement Standard,” <i>Global Operations Bulletin</i> , 1 December 2003)
Acquirer Obligations	5.2	9.3
Acquiring Transactions	5.2.1	9.3.1
Merchant Compliance with the Standards	5.2.2	9.1.3
Merchant Information	5.2.3	7.4.4
Payments to Merchants	5.2.4	9.3.2
Supplying Materials	5.2.5	9.3.3
Merchant Monitoring	5.3	9.4, 9.4.1
Merchant Identification and Responsibility for Transactions	5.4	9.9, 9.15.5
Use of the Marks	5.5	9.10
Merchants Must Display the MasterCard Acceptance Mark	5.5.1	4.4.2.1
Merchant Advertising and POI Materials	5.5.2	4.4.2.2
Local/Regional Acceptance Brands	5.5.3	4.4.2.3
Direct Mail Cardholder Solicitation Merchants	5.5.4	4.4.1.1
Card Acceptance Requirements	5.6	9.11
Honor All Cards	5.6.1	9.11.1
Obtain an Authorization	5.6.2	9.13
Additional Cardholder Identification	5.6.3	9.11.2
E-commerce Transactions	5.6.4	9.11.3
Submitting Transactions	5.7	9.14
Valid Transactions	5.7.1	9.14.1
Submit Transactions within Three Business Days	5.7.2	9.14.2
Noncompliance Assessments	5.8	9.1.3, 9.5.1, 9.5.2.5
Prohibited Practices	5.9	9.12
Discrimination	5.9.1	9.12.1
Charges to Cardholders	5.9.2	9.12.2
Minimum/Maximum Transaction Amount Prohibited	5.9.3	9.12.3

Rule Title	Location in this edition of <i>MasterCard Rules</i>	Location in prior edition of <i>Bylaws and Rules</i>
Scrip-dispensing Terminals	5.9.4	9.11.4
Prohibited Transactions	5.9.5	9.12.4
Other Forms of Payment	5.9.6	9.12.5
Illegal or Brand-damaging Transactions	5.9.7	9.5.1, 9.12.6
Security Rules	5.10	9.15
Sale or Exchange of Information	5.10.1	9.15.1
Use of Information	5.10.2	9.15.2, 9.15.3, 9.15.4
Storage of Information	5.10.3	9.15.7
Data Storage Entity Identification	5.10.4	9.15.6
Assessments for Wrongful Disclosure and Failure to Safeguard Account Data	5.10.5	9.15.3
Special Issuer Programs		
Special Issuer Programs—General Requirements	6.1	6.2
Prior Consent of the Corporation	6.1.1	6.2.1, 6.2.2, 6.10
Reservation of Rights	6.1.2	6.2.5, 6.2.6, 6.14.6
Cardholder Communication	6.1.3	6.3.1, 6.15.1, and 6.16.1
Affinity and Co-Brand Card Programs	6.2	Part I
Program Partners	6.2.1	6.1
Ownership and Control of Program	6.2.2	6.2.3
Ownership of the Program Receivables	6.2.3	6.2.4
Additional Program Cardholder Communication Requirement	6.2.4	6.3.1
Issuer Identification on Program Cards	6.2.3	6.4.2
Program Name	6.2.4	6.4.3
Multiple Partners	6.2.5	6.4.4
Accept All Cards Without Discrimination	6.2.6	6.5.1
Use of the MasterCard Acceptance Mark	6.2.7	6.5.2
Brand Value Transactions and Proprietary Accounts	6.3	Parts II and III, 6.8
Proprietary Account Access	6.3.1	6.6, 6.6.1, and 6.8
Fees and Reporting Requirements	6.3.2	6.6.2, 6.6.3, and 6.8
Remote Transaction Accounts	6.4	Part IV, 6.12
Remote Transaction Account Requirements	6.4.1	6.12

Rule Title	Location in this edition of <i>MasterCard Rules</i>	Location in prior edition of <i>Bylaws and Rules</i>
Remote Transaction MasterCard M/Chip Account Programs	6.4.1.1	6.12.1
Secured Card Programs	6.5	Part V, 6.13
Secured Card Program Requirements	6.5.1	6.14.2
Refund of Fees	6.5.2	6.14.4
Secured Card Program Solicitation and Disclosure Requirements	6.5.3	6.15.3 to 6.15.8
Prepaid Card Programs	6.6	Part V, 6.16
Member Service Providers		
Applicability of Member Service Provider Rules	7.1	7.0
MSP Categories	7.2	7.2
Independent Sales Organization	7.2.1	7.2.1
Third Party Processor	7.2.2	7.2.2
Type I	7.2.2.1	7.2.2.1
Type II	7.2.2.2	7.2.2.2
Determination of Program Service	7.2.3	7.2.3, 7.3.15
General Obligations	7.3	7.3
Program Responsibility and Control	7.3.1	7.3.1, 7.3.2
Notification to and Registration by the Corporation	7.3.2	Amended (see “Revised Standards Regarding Registration and Renewal of MSPs and DSEs,” <i>Global Security Bulletin</i> , 15 June 2006)
MSP Agreement	7.3.3	7.3.4
Before Entering Into an Agreement with an MSP	7.3.3.1	7.3.4.1
Disclosure of Standards	7.3.4	7.3.5
Member Point of Contact	7.3.5	7.3.6
Affiliate Member	7.3.6	7.3.7
Use of the Marks	7.3.7	7.3.8
MSP Identification on a Card	7.3.8	7.4.6, 7.5.3
Program Materials	7.3.9	7.3.9
Fees	7.3.10	7.3.10
Settlement Account	7.3.11	7.3.11

Rule Title	Location in this edition of <i>MasterCard Rules</i>	Location in prior edition of <i>Bylaws and Rules</i>
Transfer of Rights Prohibited	7.3.12	7.3.12
MSP Employees	7.3.12.1	7.3.13
Use of Systems and Confidential Information	7.3.13	7.3.14
Indemnification	7.3.14	7.3.16
No Endorsement by the Corporation	7.3.15	7.3.17
Audits	7.3.16	7.3.18
Settlement Failure Obligation	7.3.17	7.3.19
Data Security	7.3.18	7.3.20
Data Storage Entity (DSE) Identification	7.3.19	New (see “Revised Standards Regarding Registration and Renewal of MSPs and DSEs,” <i>Global Security Bulletin</i> , 15 June 2006)
DSE Registration Requirements	7.3.19.1	New
Merchant Acquiring Programs	7.4	7.4
Merchant Agreement	7.4.1	7.4.1
Collection of Funds	7.4.2	7.4.2
Access to Documentation	7.4.3	7.4.3
Authority to Terminate Merchant Agreement	7.4.4	7.4.5
Card Issuing Programs	7.5	7.5
Card Application Approval	7.5.1	7.5.1
Cardholder Agreement	7.5.2	7.5.2
Payment of Fees	7.5.3	7.5.4
Program Receivables	7.5.4	7.5.5
MSP Registration	7.6	7.6
Registration Requirements for ISOs and Type II TPPs	7.6.1	7.6.1, 7.6.2, 7.6.4
SDP Program Noncompliance	7.6.1.1	New (see “Revised Standards Regarding Registration and Renewal of MSPs and DSEs,” <i>Global Security Bulletin</i> , 15 June 2006)
Registration Requirements for Type I TPPs	7.6.2	7.6.3

Rule Title	Location in this edition of <i>MasterCard Rules</i>	Location in prior edition of <i>Bylaws and Rules</i>
Prohibition from Acting as an MSP or DSE	7.6.3	7.6.5 with respect to MSPs; new with respect to DSEs
Termination of MSP Agreement	7.6.4	7.6.6
Processor Evaluation Program (“PEP”)	7.7	7.7
Compliance with PEP Standards	7.7.1	7.7.1
Information Requirements	7.7.2	7.7.2
Confidential Information of MSPs	7.8	7.9, 7.9.1
Cash Disbursements		
Cash Disbursements May Be Provided Only By Members	8.1	8.1
Nondiscrimination	8.2	8.2
Maximum Cash Disbursement Amounts	8.3	8.4
Discount or Service Charges	8.4	8.5
MasterCard Acceptance Mark Must Be Displayed	8.5	8.6
Other Requirements	8.6	8.7
Settlement		
Definitions	9.1	New
Net Settlement	9.2	10.1
Currency Conversion	9.3	10.2
Interchange and Service Fees	9.4	10.4, 10.5
Establishment of Intracountry Interchange and Service Fees	9.5	New
Default Intracountry Fees	9.5.1	New
Intraregional Fees	9.5.2	New
Bilateral Agreement	9.5.3	New
Cost Studies	9.6	New
Allocation of Expenses	9.6.1	New
Noncompliance with a Cost Study	9.6.2	New
Europe Region Rules		
Definitions	10.1	18.2
Europe Region Variances to Global Rules	10A	18.A
Extending or Otherwise Modifying the Area of Use	10A.1	New

Rule Title	Location in this edition of <i>MasterCard Rules</i>	Location in prior edition of <i>Bylaws and Rules</i>
Obligation to Issue Cards	10A.2	18.A.1.2
Charges to Cardholders	10A.3	18.A.2.3
Special Issuer Programs	10A.4	18.A.3
Affinity and Co-Brand Card Programs	10A.4.1	18.A.3.1
Multiple Partners	10A.4.1.1	18.A.3.1.2
Co-Residing Applications	10A.4.2	18.A.3.2
Definitions	10A.4.2.1	18.A.3.2.1
Basic Requirements	10A.4.2.2	18.A.3.2.2
Notification	10A.4.2.3	18.A.3.2.3
Cash Disbursements	10A.5	18.A.5
Transaction Processing	10A.6	18.A.7
CVM Fallback	10A.6.1	18.A.7.2
PIN Entry Device Mandate	10A.6.2	18.A.7.3
Technical Fallback	10A.6.3	18.A.7.4
CVC 2 Processing for Card-Not-Present Transactions	10A.6.4	18.A.7.5
Settlement	10A.7	18.B.10.1
Choice of Laws	10A.8	New (see “Single European Payments Area (SEPA) Rules,” <i>Europe Region Operations Bulletin</i> , 1 December 2006)
Additional Europe Region Rules	10B	18.B
Rules Applicable to Intracountry Transactions	10B.1	18.B.1
Establishment	10B.1.1	18.B.1.2.1
Communication of Intracountry Fallback Rules	10B.1.2	18.B.1.2.3
Central Acquiring	10B.2	18.B. 3 (also see “Simplified Central Acquiring Registration and Approval Process,” <i>Europe Region Operations Bulletin</i> , 2 November 2007)
Central Acquiring License	10B.2.1	18.B.3.1
Central Acquirer Service Requirements	10B.2.2	18.B.3.2.3
Intracountry Rules	10B.2.3	18.B.3.3

Rule Title	Location in this edition of <i>MasterCard Rules</i>	Location in prior edition of <i>Bylaws and Rules</i>
Centrally Acquired Merchants	10B.2.4	18.B.3.4
Updating of Merchant Details	10B.2.4.1	18.B.3.4.1
Registration Procedure	10B.2.5	18.B.3.5
Extension of Registration	10B.2.6	18.B.3.6
Interchange Fee Requirements	10B.2.7	18.B.3.7
Settlement of Disputes	10B.2.8	18.B.3.8
Member Noncompliance	10B.2.9	18.B.3.9
Specified Rules Violations	10B.2.9.1	18.B.3.9.1
Assessments for Specified Rules Violations	10B.2.9.2	18.B.3.9.2
Obligation to Provide Information	10B.3	18.B.5.2
Chip Card and Chip Transaction Plans	10B.3.1	18.B.5.2.1
Information to Cardholders	10B.3.2	18.B.5.2.2
Trademarks and Service Marks	10B.4	18.B.6, 18.B.6.1
Transaction Processing	10B.5	18.B.8
Discounts or Other Benefits at the Point of Interaction	10B.5.1	18.A.2.2
Transaction Information Documents (TIDs)	10B.5.2	18.A.7.1
Euro Migration	10B.5.3	3.15
Recurring Payment Cancellation Service	10B.6	New (see “European Issuers Must Not Use the Recurring Payments Cancellation Service,” <i>Europe Edition Operations Bulletin</i> , 3 July 2006)
Data Protection	10B.7	18.B.11
Processing of Transaction Data	10B.7.1	18.B.11.1
Data Subjects Communications and Consent	10B.7.2	18.B.11.2
Applications from Data Subjects	10B.7.3	18.B.11.3
Merchant Acceptance	10B.8	New (see “Revised Europe Region Standards for MasterCard and Debit MasterCard,” <i>Europe Region Operations Bulletin</i> , 1 October 2007)

Rule Title	Location in this edition of <i>MasterCard Rules</i>	Location in prior edition of <i>Bylaws and Rules</i>
Debit-related Rules	10C	New (See “MasterCard Announces the Introduction of Debit MasterCard in the UK and Finland,” <i>Europe Edition Operations Bulletin</i> , 2 November 2006 and “Revised Europe Region Standards for MasterCard and Debit MasterCard,” <i>Europe Region Operations Bulletin</i> , 1 October 2007)
SEPA Rules	10D	New (see “Single European Payments Area (SEPA) Rules,” <i>Europe Region Operations Bulletin</i> , 1 December 2006 and “Revisions to SEPA Rules,” <i>Europe Region Operations Bulletin</i> , 3 December 2007)
Europe Geographic Region	10E.2	Appendix
Other Regional Rules		
Rules Applicable Only to the Asia/Pacific Region	11.1	Not numbered
Asia/Pacific Region Variances to Global Rules	11.1A	13.A
Affinity and Co-Brand Card Programs	11.1A.1	13.A.1
Chip Transactions	11.1A.2	13.A.2
Additional Asia/Pacific Region Rules	11.1B	13.B
Limitation of Liability of Asia/Pacific Cardholders for Unauthorized Use	11.1B.1	13.B.1
Discounts or Other Benefits at the Point of Interaction	11.1B.2	Approved by the AP Region Board in March 2006
Information to Cardholders	11.1B.3	New (See <i>AP Region Finance Bulletin</i> , May 2005, August 2005)
Asia/Pacific Geographic Region	11.1C	Appendix
Rules Applicable Only to the Canada Region	11.2	Not numbered

Rule Title	Location in this edition of <i>MasterCard Rules</i>	Location in prior edition of <i>Bylaws and Rules</i>
Canada Region Variances to Global Rules	11.2A	14.A
Additional Canada Region Rules	11.2B	14.B
Limitation of Liability of Canadian Cardholders for Unauthorized Use	11.2B.1	14.B.1
Canadian Merchant Transactions; Deposit Requirements	11.2B.2	14.B.2
Discounts or Other Benefits at the Point of Interaction	11.2B.3	14.A.1
Rules Applicable Only to the Latin America and the Caribbean Region	11.3	Not numbered
Latin America and Caribbean Region Variances to Global Rules	11.3A	15.A
Affinity and Co-Brand Card Programs	11.3A.1	15.A.1
Currency Conversion	11.3A.2	15.A.2
Intracountry Interchange Fees	11.3A.3	15.A.3, 15.A.4
Chip Transactions	11.3A.4	15.A.5
Obligation to Issue Cards	11.3A.5	New (see “Revised Standards for Acquiring without Issuing in the Latin America and Caribbean Region,” <i>Global Operations Bulletin</i> , 1 November 2005)
Additional Latin America and the Caribbean Region Rules	11.3B	New heading
Discounts or Other Benefits at the Point of Interaction	11.3B.1	New (see “Revised Standards for Discounts and Other Benefits at the Point of Sale (POS),” <i>LAC Region Operations Bulletin</i> , 19 December 2007)
Latin America and the Caribbean Geographic Region	11.3C	Appendix
Rules Applicable Only to the South Asia/Middle East/Africa Region	11.4	Not numbered
South Asia/Middle East/Africa Region Variances to Global Rules	11.4A	16.A
Chip Transactions	11.4A.1	16.A.1
Additional South Asia/Middle East/Africa Region Rules	11.4B	New

Rule Title	Location in this edition of <i>MasterCard Rules</i>	Location in prior edition of <i>Bylaws and Rules</i>
Limitation of Liability of South Asia/Middle East/Africa Cardholders for Unauthorized Use	11.4B.1	New (see “Revised Standards for Cardholder Liability for Unauthorized Use,” <i>SAMEA Operations Bulletin</i> , 4 January 2006)
Discounts or Other Benefits at the Point of Interaction	11.4B.2	New (see “Revised Standards for Discounts at the Point of Interaction,” <i>SAMEA Operations Bulletin</i> , 4 January 2006)
Information to Cardholders	11.4B.3	New (see <i>SAMEA Region Finance Bulletin</i> , June 2005, August 2005)
South Asia/Middle East/Africa Geographic Region	11.4C	Appendix
Rules Applicable Only to the U.S. Region	11.5	Not numbered
U.S. Region Variances to Global Rules	11.5A	17.A
Affinity and Co-Brand Card Programs	11.5A.1	17.A.1
Obligation to Issue Cards	11.5A.2	2.9
Additional U.S. Region Rules	11.5B	17.B
Limitation of Liability of United States Cardholders for Unauthorized Use	11.5B.1	17.B.1 (also see “MasterCard Announces the Extension of Zero Liability to Card Programs for Small Businesses,” <i>US Region Marketing Bulletin</i> , 22 March 2006 and “Zero Liability Standards for Small Business Card Programs—Update,” <i>US Region Marketing Bulletin</i> , 14 January 2008)
Cash Disbursements within the U.S. Region	11.5B.2	8.3
Settlement Liability for Debit Licensees	11.5B.3	2.10.1
Discounts or Other Benefits at the Point of Interaction	11.5B.4	3.11

Rule Title	Location in this edition of <i>MasterCard Rules</i>	Location in prior edition of <i>Bylaws and Rules</i>
Information to Cardholders	11.5B.5	New (see <i>US Region Finance Bulletin</i> , April 2005, August 2005)
Debit-related Rules	11.5C	17.C
PIN-based Debit Transactions	11.5D	17.D

Cross-reference B

October 2005 *Bylaws and Rules* to February 2008 *MasterCard Rules*

The following cross-reference will help you to understand where you may now locate rules that appeared in the October 2005 publication of the *Bylaws and Rules*.

For a cross-reference that will help you to understand the former location or source of rules appearing in the February 2008 publication of the *MasterCard Rules*, please refer to [Cross-reference A](#).

Rule Title	Location in prior edition of <i>Bylaws and Rules</i>	Location in this edition of <i>MasterCard Rules</i>
Indemnity, Standards, Choice of Laws		
Indemnity	1.1	3.3
Standards	1.2	3.1
Failure to Comply with the Standards	1.3.1	3.1.2
Noncompliance Categories	1.3.2	3.1.2
Noncompliance Assessment Fees	1.3.3	3.1.2.1
Principal Member's Liability for Sponsored Affiliate Members	1.3.4	3.2.2
Certification	1.3.5	3.1.2.2
Choice of Laws	1.4	3.4
Fees and Expenses	1.5	3.8.7
Membership, Licensing, and Termination		
Membership Approval	2.1	Deleted
License Approval	2.2	Deleted
International Membership or License	2.3	Deleted
Obligation to Become a Member	2.4	1.5.1, 1.5.5
Area of Use	2.5	2.3
Transaction Location	2.5.1	Deleted

Rule Title	Location in prior edition of <i>Bylaws and Rules</i>	Location in this edition of <i>MasterCard Rules</i>
Extension of Area of Use	2.6	2.4
Financial Soundness	2.7	2.5
Compliance with MasterCard Anti-Money Laundering Program	2.8	2.6
Obligation to Issue MasterCard Cards	2.9	2.7
Liability for Assigned ICA and BIN Numbers	2.10	2.8
Settlement Liability for Debit Licensees	2.10.1	11.5B.3
Sale or Change in Control or Ownership of MasterCard Member or Portfolio	2.11	2.12
Membership Fees	2.12	2.11
Suspension	2.13	2.13
Compliance with the Standards	2.13.1	2.13
Continuing to License	2.14	2.13
Notice of Voluntary Termination of Membership	2.15	1.6.1
Termination of Use of Marks	2.16	2.14
Termination of Right to Introduce Transaction Records into Interchange	2.17	2.14
Rights, Liabilities and Obligations	2.18	2.14
Continued Liability for Transaction Records	2.18.1	2.14
Continued Liability for Chargebacks	2.18.2	2.14
Obligation to Provide Information	2.18.3	2.14
Confidential Materials	2.18.4	2.14
Disposition of Unissued Cards and Account Information	2.19	Moved to <i>Security Rules and Procedures</i> , Chapter 2
Failed Principal or Association Members	2.20	2.15, 2.16
Loss Allocation Among Members	2.21	2.17
Limitation of Obligation	2.22	2.18
Liability for Owned or Controlled Entities	2.23	2.19
Risk of Loss	2.24	2.20
Member Obligations		
Standards of Operation	3.1	3.2
Examination and Audits	3.2	3.5
Remedial Action	3.3	3.2.4

Rule Title	Location in prior edition of <i>Bylaws and Rules</i>	Location in this edition of <i>MasterCard Rules</i>
Corporation's Right to Audit	3.4	3.5
Confidential Information	3.5	3.6
Confidential Information of Members	3.5.1	3.6.2
Confidential Information of the Corporation and its Affiliates	3.5.2	3.6.4
Obligation to Furnish Information	3.6	2.9, 3.6.1, 7.6.1
Safeguarding of Account Number and Transaction Information	3.7	3.8.1
Quarterly Questionnaire Requirements	3.8	3.7
Regional Restricted Card List	3.9	Moved to <i>Account Management User Manual</i> , Chapter 1
Integrity of Brand and Network	3.10	3.8.4
Discounts or Other Benefits at the Point of Interaction	3.11	See regional rules
Selective Authorization	3.12	3.8.5.1
Authorization Service	3.13	3.8.5
Floor Limits	3.14	Deleted
Euro Conversion	3.15	10B.5.3
Dispute Resolution	3.16	Deleted
Chargebacks	3.16.1	Moved to <i>Chargeback Guide</i> , sections 1.2, 1.4 and 1.22
Compliance	3.16.2	Deleted
Use of a Pay-Per-Call Service	3.17	3.9
Encashment of MasterCard Travelers Cheques	3.18	3.10
Obligation to Pay Taxes	3.19	3.8.7.1
Trademarks and Service Marks		
Definitions	4.1	Definitions
MasterCard Word Mark	4.1.1	Definitions
MasterCard Brand Mark	4.1.2	Definitions
The Right to Use the Marks	4.2	4.1
Licenses	4.2.1	4.1.1
Protection and Registration of the Marks	4.2.2	4.1.2
Registration of a Card Face Design	4.2.2.1	4.1.2.1

Rule Title	Location in prior edition of <i>Bylaws and Rules</i>	Location in this edition of <i>MasterCard Rules</i>
Misuse of the Marks	4.2.3	4.1.3
General Rules for Use of the Marks	4.3	4.2
Use of the Marks	4.3.1	4.2.1
Compliance	4.3.2	4.2.2
Required Uses	4.3.3	4.2.3
Review of Promotional Material	4.3.4	4.2.4
Signage System	4.3.5	4.2.5
Use of “MasterCard” in a Corporate or Business Name	4.3.6.1	4.2.7.2
Use of Modifiers	4.3.6.2	4.2.6.2
Use on Stationery	4.3.6.3	4.2.6.3
Use on Non-Licensed Goods	4.3.6.4	4.2.6.4
Use on Checks	4.3.6.5	4.2.6.5
Use on Multiple Application Integrated Circuit (IC) Cards	4.3.6.6	4.2.6.6
Use of the MasterCard Word Mark	4.3.7.1	4.2.7
Generic Use	4.3.7.2	4.2.6.1
Use of “Master” Terminology	4.3.7.3	4.2.7.1
Use of MasterCard in Text	4.3.7.3.1	4.2.7.3
Registration Notice	4.3.7.4	4.2.7.4
Program Names	4.3.7.5	4.2.7.5
Use of the Interlocking Circles Device	4.3.8	4.2.8
Variations Prohibited	4.3.8.1	4.2.8.2
Standard Colors	4.3.8.2	4.2.8.1
Legends	4.3.8.3	4.2.8.1
Registration Notice	4.3.8.4	4.2.8.1
Use of Similar Logos, Designs, and Names	4.3.8.5	4.2.8.3
Use of Multiple Brand Marks	4.3.9	4.2.9
Parity	4.3.9.1	4.2.9
Use of the Card Face Design	4.3.10	4.2.10
In Advertising and Marketing Material	4.3.10.1	4.2.10.1 (fifth bullet deleted)
In Merchant Advertising	4.3.10.2	4.2.10.2
In Statement Enclosures	4.3.10.3	4.2.10.3

Rule Title	Location in prior edition of <i>Bylaws and Rules</i>	Location in this edition of <i>MasterCard Rules</i>
Additional Requirements for Acquirers and Merchants	4.4	4.3
Merchant Agreement	4.4.1	4.3.1
Direct Mail Cardholder Solicitation Merchants	4.4.1.1	5.5.4
Use of the Marks by Merchants	4.4.2	4.3.2
Merchants Must Display the MasterCard Brand Mark	4.4.2.1	5.5.1
Merchant Advertising and POI Materials	4.4.2.2	5.5.2
Local/Regional Acceptance Brands	4.4.2.3	5.5.3
MasterCard Cards		
MasterCard Card Specifications	5.1	Deleted
Security Standards	5.2	Deleted
Retention and Use of MasterCard Cards by Card Manufacturers	5.3	Deleted (see <i>MasterCard Physical Security Standards for Plastic Card Vendors</i>)
Color Guidelines	5.4	Deleted (see <i>Card Design Standards System</i>)
Issuer Identification on a Card	5.5	Moved to <i>Security Rules and Procedures</i> , section 3.3.1.7
Adhesive Materials	5.6	Deleted (see <i>Security Rules and Procedures</i> , section 3.3.3.3)
Use of the Marks on Cards	5.7	Deleted
Use of the MasterCard Brand Mark on MasterCard Cards	5.7.1	Deleted (see <i>Card Design Standards System</i>)
Use of the MasterCard Brand Mark on Cards other than MasterCard Cards	5.7.2	4.2.11
Use of a Competing Mark on MasterCard Cards	5.7.3	4.2.12
Use of Other Acceptance Marks	5.7.4	4.2.13
MasterCard Card Programs on Multiple Application Cards	5.8	Moved to <i>Security Rules and Procedures</i> , section 3.4
Special Issuer Programs		
Applicability of the Standards	6.1	6.1
Program Requirements	6.2	6.1

Rule Title	Location in prior edition of <i>Bylaws and Rules</i>	Location in this edition of <i>MasterCard Rules</i>
Compliance with the Standards	6.2.1	6.1.1
Program Approval	6.2.2	6.1.1, 6.1.2
Ownership and Control of A/CB Programs	6.2.3	6.2.2
Ownership of Receivables	6.2.4	6.2.3
Violation of A/CB Rules	6.2.5	6.1.2
Termination without Cause	6.2.6	6.1.2
Communication Standards	6.3	6.1.3
Standards for all Communications	6.3.1	6.2.4
Review of Solicitations	6.3.2	Deleted
A/CB MasterCard Card Requirements	6.4	6.2
Card Design	6.4.1	Moved to <i>Security Rules and Procedures</i> , section 3.3; also see <i>Card Design Standards Manual</i>
Issuer Identification	6.4.2	6.2.5
Program Name	6.4.3	6.2.6
Multiple A/CB Partners	6.4.4	6.2.7
Acceptance Requirements	6.5	Deleted
Accept All Cards without Discrimination	6.5.1	Deleted
Use of the MasterCard Mark	6.5.2	6.2.8
Proprietary Accounts and Eligibility	6.6	6.3.1
Proprietary Account Access	6.6.1	6.3.1
Proprietary Account Fees	6.6.2	6.3.2
Reporting Requirements	6.6.3	6.3.2
Indemnification	6.6.4	Deleted
Proprietary Card Program Conversions	6.7	Deleted
Brand Value Transactions (BVTs)	6.8	6.3
Fees	6.9	6.3.2
Program Approval	6.10	6.1.2
Indemnification	6.11	Deleted
Card-Optional Accounts	6.12	6.1.1, 6.4.1
Card-Optional MasterCard M/Chip Account	6.12.1	6.4.1.1

Rule Title	Location in prior edition of <i>Bylaws and Rules</i>	Location in this edition of <i>MasterCard Rules</i>
Applicability of the Rules	6.13	6.5
Secured MasterCard Card Requirements	6.14	Deleted
Compliance with the Corporation's Standards	6.14.1	6.1.1
Compliance with Program Requirements	6.14.2	6.1.3, 6.5.1
Use of an MSP	6.14.3	Deleted
Refund of Fees	6.14.4	6.5.2
Penalty for Rules Violations	6.14.5	Deleted (see Rules 7.3.3.1 and 7.3.4)
Termination of Program	6.14.6	6.1.2
Solicitation and Disclosure Requirements	6.15	6.5.3
Clear and Truthful	6.15.1	6.1.3
Approval Required	6.15.2	6.1.1, 6.1.3
Issuer Identification	6.15.3	6.5.3
Consumer Credit Problems	6.15.4	6.5.3
Deposit Account Required	6.15.5	6.5.3
Credit Line Limit	6.15.6	6.5.3
What the Consumer Will Receive	6.15.7	6.5.3
Fees	6.15.8	6.5.3
Compliance with Prepaid Card Program Requirements	6.16	6.6
Communication Standards	6.16.1	6.1.3
Member Service Providers		
Introduction	7.0	7.1
Definitions	7.1	Deleted
Member Service Provider	7.1.1	Definitions
Agent	7.1.2	Deleted
Program	7.1.3	Definitions
Program Services	7.1.4	Definitions
MSP Classification	7.2	7.2
Independent Sales Organization ("ISO")	7.2.1	7.2.1
Third Party Processor ("TPP")	7.2.2	7.2.2
Type I	7.2.2.1	7.2.2.1
Type II	7.2.2.2	7.2.2.2

Rule Title	Location in prior edition of <i>Bylaws and Rules</i>	Location in this edition of <i>MasterCard Rules</i>
Determination of Program Services	7.2.3	7.2.3
General Obligations	7.3	7.3
Program Responsibility	7.3.1	7.3.1
Member Control of MSP	7.3.2	7.3.1
Registration	7.3.3	Deleted
MSP Agreement	7.3.4	7.3.3
Before Entering Into an Agreement with an MSP	7.3.4.1	7.3.3.1
Rules Disclosure	7.3.5	7.3.4
Member Point of Contact	7.3.6	7.3.5
Affiliate Member	7.3.7	7.3.6
Use of the Marks	7.3.8	7.3.7
Program Materials	7.3.9	7.3.9
Fees	7.3.10	7.3.10
Settlement Account	7.3.11	7.3.11
Transfer of Rights Prohibited	7.3.12	7.3.12
MSP Employees	7.3.13	7.3.12.1
Use of the Systems and Confidential Information	7.3.14	7.3.13
Other Services	7.3.15	7.2.3
Liability	7.3.16	7.3.14
Endorsement of the Corporation	7.3.17	7.3.15
Audits	7.3.18	7.3.16
Settlement Failure Obligation	7.3.19	7.3.17
Data Security	7.3.20	7.3.18
Merchant Acquiring Programs	7.4	7.4
Merchant Agreement	7.4.1	7.4.1
Collection of Funds	7.4.2	7.4.2
Access to Documentation	7.4.3	7.4.3
Access to Merchant Information	7.4.4	5.2.3
Member Authority	7.4.5	7.4.4
MSP Identification on the Card	7.4.6	7.3.8
Card Issuing Programs	7.5	7.5
Card Applicant Approval	7.5.1	7.5.1

Rule Title	Location in prior edition of <i>Bylaws and Rules</i>	Location in this edition of <i>MasterCard Rules</i>
Cardholder Agreement	7.5.2	7.5.2
MSP Identification on the Card	7.5.3	7.3.8
Payment of Fees	7.5.4	7.5.3
Program Receivables	7.5.5	7.5.4
MSP Registration	7.6	7.6
Registration Requirements	7.6.1	7.6.1
Registration of ISOs	7.6.2	7.6.1
Registration of Type I TPPs	7.6.3	7.6.2
Registration of Type II TPPs	7.6.4	7.6.1
MSP De-Registration	7.6.5	7.6.3
Termination of MSP Agreement	7.6.6	7.6.4
Processor Evaluation Program (“PEP”)	7.7	7.7
Compliance with PEP Standards	7.7.1	7.7.1
Information Requirements	7.7.2	7.7.2
PEP Program Manual	7.7.3	Deleted
PEP Renewal	7.7.4	Deleted
De-certification	7.7.5	Deleted
Rules Enforcement and Violations	7.8	Deleted
Rules Interpretation and Enforcement	7.8.1	Deleted
Rules Violations	7.8.2	Deleted
Confidential Information of MSPs	7.9	7.8
Confidential Information	7.9.1	7.8
Cash Disbursements		
Cash Disbursements May Be Provided Only By Members	8.1	8.1
Nondiscrimination	8.2	8.2
Cash Disbursements Within the U.S. Region	8.3	11.5B.2
Maximum Cash Disbursement Amounts	8.4	8.3
Discount or Service Charges	8.5	8.4
MasterCard Mark Must Be Displayed	8.6	8.5
Other Requirements	8.7	8.6
Merchants and Sales Transactions		

Rule Title	Location in prior edition of <i>Bylaws and Rules</i>	Location in this edition of <i>MasterCard Rules</i>
Signing a Merchant	9.1	5.1
The Merchant Agreement	9.1.1	5.1.1
If Using an MSP	9.1.1.1	5.1.1
Required Provisions	9.1.2	5.1.1.2
Member Responsibility for Merchant Compliance	9.1.3	5.2.2, 5.8
Before Signing a Merchant	9.2	Deleted
Verify Bona Fide Business Operation	9.2.1	5.1.1.1
Retain Investigative Records	9.2.2	Deleted (see <i>Security Rules and Procedures</i> , section 7.1.2)
Ongoing Acquirer Obligations and Activities	9.3	5.2
Acquiring Transactions	9.3.1	5.2.1
Payments to Merchants	9.3.2	5.2.4
Supplying Materials	9.3.3	5.2.5
Merchant Monitoring	9.4	5.3
Monitoring Requirements	9.4.1	5.3
Merchant Standards	9.4.2	5.3
Merchant Noncompliance	9.5	5.9
Specified Rules Violations	9.5.1	5.8, 5.9.7
Assessments for Specified Rules Violations	9.5.2.1	Deleted (see Rule 3.1.2)
Assessments for Illegal or Brand-damaging Transactions	9.5.2.1.1	Deleted (see Rule 3.1.2)
Assessments for Merchant Screening Violations	9.5.2.2	Moved to <i>Security Rules and Procedures</i> , section 7.1.3
Assessments for Disclosure and Securing Account Data Rules Violations	9.5.2.3	5.11.3
Terminated Merchants	9.5.2.4	Deleted (see <i>Security Rules and Procedures</i> , section 11.2.2)
Appeal Process	9.5.2.5	5.8
Independent Enhancement Programs	9.6	Deleted
Processing PINs	9.7	Moved to <i>Security Rules and Procedures</i> , section 4.3.3

Rule Title	Location in prior edition of <i>Bylaws and Rules</i>	Location in this edition of <i>MasterCard Rules</i>
Merchant Agreement	9.8	5.1.1, 5.1.1.2, 5.1.1.3
Responsibility for Transactions	9.9	5.4
Use of the MasterCard Mark	9.10	5.5
Honor MasterCard Cards	9.11	5.6
Honor All MasterCard Cards	9.11.1	5.6.1
Cardholder Identification	9.11.2	5.6.3
Electronic Commerce Transactions	9.11.3	5.6.4
Scrip-dispensing Terminals	9.11.4	5.9.4
Prohibited Practices	9.12	5.9
Discrimination	9.12.1	5.9.1
Charges to Cardholders	9.12.2	5.9.2
Charges for Unique Transactions	9.12.2.1	Deleted (see <i>Chargeback Guide</i> , section 2.5.2)
Minimum/Maximum Transaction Amount Prohibited	9.12.3	5.9.3
Prohibited Transactions	9.12.4	5.9.5
Other Forms of Payment	9.12.5	5.9.6
Illegal or Brand-Damaging Transactions	9.12.6	5.9.7
Authorizing Transactions	9.13	5.6.2
Presenting Transactions	9.14	5.7
Valid and Invalid Transactions	9.14.1	5.7.1
Present Transactions Within Three Business Days	9.14.2	5.7.2
Account, Cardholder, Transaction, and Merchant Information	9.15	5.10
Sale or Exchange of Account and Cardholder Information Prohibited	9.15.1	5.10.1
Fraudulent or Unauthorized Use of Account Information Prohibited	9.15.2	5.10.2
Account, Cardholder and Transaction Data Must Be Kept Secure	9.15.3	5.10.2, 5.10.5
Account Information Must Not Be Recorded on a Mailer	9.15.4	5.10.2
Merchant Identification	9.15.5	5.4
Data Storage Entity (DSE) Identification	9.15.6	5.10.4

Rule Title	Location in prior edition of <i>Bylaws and Rules</i>	Location in this edition of <i>MasterCard Rules</i>
Storage of Account, Cardholder, and Transaction Data	9.15.7	5.10.3
Settlement		
Net Settlement	10.1	9.2
Currency Conversion	10.2	9.3
Presenting and Receiving Records	10.3	3.8.6
Interchange Fees, Cash Disbursement Accommodation Fees, and ATM Cash Disbursement Fees	10.4	9.4
Intracountry Interchange Fees	10.5	9.4
Regional Authority May Act if Members Cannot Agree	10.5.1	Deleted
Appealing the Regional Authority's Decision to the Board of Directors	10.5.2	Deleted
Fee Pending Resolution of Dispute	10.5.3	Deleted
Local Law Constraints	10.5.4	Deleted
Variances and Amendments		
Requests for Variances	11.1	3.1.1
Action on Variance Requests	11.2	Deleted
Amendments to the Rules	11.3	Deleted
Delegation of Authority to Regional Boards		
Delegation and Reservations in General	12.1	Deleted
Specific Delegations of Authority	12.2	Deleted
Regional Board Rules	12.3	Deleted
Intraregional Variances	12.4	Deleted
Asia/Pacific Region Board		
Regional Board	13.1	Deleted
Definitions	13.2	Deleted
Composition of the Regional Board	13.3	Deleted
Regional Staff	13.4	Deleted
Delegated Authority	13.5	Deleted
Meetings of the Asia/Pacific Regional Board	13.6	Deleted
Responsibility for Actions; Committees; Amendments	13.7	Deleted
Rules Applicable Only to the Asia/Pacific Region	Not numbered	11.1

Rule Title	Location in prior edition of <i>Bylaws and Rules</i>	Location in this edition of <i>MasterCard Rules</i>
Asia/Pacific Region Variances to the Global Rules	13.A	11.1A
MasterCard Affinity/Co-Branded Card Programs	13.A.1	11.1A.2
Chip Transactions	13.A.2	11.1A.3
Additional Asia/Pacific Region Rules	13.B	11.1B
Limitation of Liability of Asia/Pacific Cardholders for Unauthorized Use	13.B.1	11.1B.1
Asia/Pacific Geographical Region	Appendix	11.1C
Canada Regional Board		
Regional Board	14.1	Deleted
Definitions	14.2	Deleted
Composition of the Regional Board	14.3	Deleted
Regional Staff	14.4	Deleted
Delegated Authority	14.5	Deleted
Meetings of the Canada Board	14.6	Deleted
Responsibility for Actions; Committees; Amendments	14.7	Deleted
Rules Applicable Only to the Canada Region	Not numbered	11.2
Canada Region Variances to the Global Rules	14.A	11.2A
MasterCard Affinity/Co-Branded Card Programs	14.A.1	11.2B.3
Additional Canada Region Rules	14.B	11.2B
Limitation of Liability of Canadian Cardholders for Unauthorized Use	14.B.1	11.2B.1
Canadian Merchant Transactions; Deposit Requirements	14.B.2	11.2B.2
Latin America and Caribbean Region Board		
Regional Board	15.1	Deleted
Definitions	15.2	Deleted
Composition of the Regional Board	15.3	Deleted
Regional Staff	15.4	Deleted
Delegated Authority	15.5	Deleted
Meetings of the LAC Board	15.6	Deleted
Responsibility for Actions; Committees; Amendments	15.7	Deleted
Rules Applicable only to the Latin America and Caribbean Region	Not numbered	11.3

Rule Title	Location in prior edition of <i>Bylaws and Rules</i>	Location in this edition of <i>MasterCard Rules</i>
Latin America and Caribbean Region Variances to the Global Rules	15.A	11.3A
MasterCard Affinity/Co-Branded Card Programs	15.A.1	11.3A.1
Currency Conversion	15.A.2	11.3A.2
Amount of Fees	15.A.3	11.3A.3
Intracountry Interchange Fees	15.A.4	11.3A.3
Chip Transactions	15.A.5	11.3A.4
Latin America and Caribbean Geographical Region	Appendix	11.3C
South Asia/Middle East/Africa Region Board		
Regional Board	16.1	Deleted
Definitions	16.2	Deleted
Composition of the Regional Board; General Meetings of Regional Members	16.3	Deleted
Regional Staff	16.4	Deleted
Delegated Authority	16.5	Deleted
Meetings of the SAMEA Board	16.6	Deleted
Responsibility for Actions; Committees; Amendments	16.7	Deleted
Rules Applicable Only to the South Asia/Middle East/Africa Region	Not numbered	11.4
South Asia/Middle East/Africa Region Variances to the Global Rules	16.A	11.4A
Chip Transactions	16.A.1	11.4A.1
MasterCard Affinity/Co-Branded Card Programs	16.A.2	11.4A.2
South Asia/Middle East/Africa Geographical Region	Appendix	11.4C
U.S. Region Board		
Regional Board	17.1	Deleted
Definitions	17.2	Deleted
Composition of the Regional Board	17.3	Deleted
Regional Staff	17.4	Deleted
Delegated Authority	17.5	Deleted
Meetings of the U.S. Board	17.6	Deleted
Responsibility for Actions; Committees; Amendments	17.7	Deleted
Rules Applicable Only to the U.S. Region	Not numbered	11.5

Rule Title	Location in prior edition of <i>Bylaws and Rules</i>	Location in this edition of <i>MasterCard Rules</i>
U.S. Region Variances to the Global Rules	17.A	11.5A
MasterCard Affinity/Co-Branded Card Programs	17.A.1	11.5A.1
Additional U.S. Region Rules	17.B	11.5B
Limitation of Liability of United States Cardholders for Unauthorized Use	17.B.1	11.5B.1
Debit-related Rules	17.C	11.5C
Definitions	17.C.1	11.5C.1
U.S. Region Variances to Global Rules	17.C.2	11.5C.2
Additional U.S. Region Rules	17.C.3	11.5C.3
PIN-Based Debit Transactions	17.D	11.5D
Definitions	17.D.1	11.5D.1
Co-residing Marks	17.D.2	11.5D.2
Europe Region Board		
Regional Board	18.1	Deleted
Definitions	18.2	10.1
Composition of the Regional Board	18.3	Deleted
Regional Staff	18.4	Deleted
Delegated Authority	18.5	Deleted
Meetings of the Europe Board	18.6	Deleted
Responsibility for Actions; Committees; Amendments	18.7	Deleted
Europe Region Variances to the Global Rules	18.A	10A
Membership, Licensing and Termination	18.A.1	Deleted
Area of Use	18.A.1.1	Deleted
Obligation to Issue MasterCard Cards	18.A.1.2	10A.1
Notice of Voluntary Termination of Membership	18.A.1.3	Deleted
Member Obligations	18.A.2	Deleted
Quarterly Questionnaire Requirements	18.A.2.1	Deleted (see Rule 3.7 and <i>MasterCard Consolidated Billing System—Europe SEPA Region</i> or <i>Europe non-SEPA Region</i> as applicable)
Discounts at Point of Interaction	18.A.2.2	10B.5.1

Rule Title	Location in prior edition of <i>Bylaws and Rules</i>	Location in this edition of <i>MasterCard Rules</i>
Charges to Cardholders	18.A.2.3	10A.2
Special Issuing Programs	18.A.3	10A.3
Affinity/Co-Branded Card Programs	18.A.3.1	10A.3.1
Definitions	18.A.3.1.1	10A.3.4.1 (definitions moved to Rule 6.2)
Multiple A/CB Partners	18.A.3.1.2	10A.3.1.2
Discounts at Point of Interaction	18.A.3.1.3	Deleted (see Rule 10B.6.1)
Co-Residing Applications	18.A.3.2	10A.3.2
Definitions	18.A.3.2.1	10A.3.2.1
Basic Requirements	18.A.3.2.2	10A.3.2.2
Notification	18.A.3.2.3	10A.3.2.3
Member Service Providers	18.A.4	Deleted
Payment of Cardholder Fees to MSPs	18.A.4.1	Deleted (see Rule 7.5.3)
Cash Disbursements	18.A.5	10A.4
Cardholder-Activated Terminals (CATs)	18.A.6	Deleted
Self-Service Terminals/Level 2	18.A.6.1	Moved to <i>Chargeback Guide</i> , section 2.7
Limited Amount Terminals/Level 3	18.A.6.2	Moved to <i>Chargeback Guide</i>
In-flight Commerce Terminals/Level 4	18.A.6.3	Moved to <i>Chargeback Guide</i>
Transaction Processing	18.A.7	10A.5
Transaction Information Documents (TIDs)	18.A.7.1	10B.5.2
Chip Transactions	18.A.7.2	10A.5.1 (also see <i>Chargeback Guide</i> , section 2.8)
Chip/PIN Transactions	18.A.7.3	10A.5.2 (also see <i>Chargeback Guide</i>)
Technical Fallback	18.A.7.4	10A.5.3
CVC 2 Mismatch—Card Not Present Transactions	18.A.7.5	10A.5.4
Security	18.A.8	Deleted
Payment of Rewards	18.A.8.1	Moved to <i>Security Rules and Procedures</i> , section 5.1.3)

Rule Title	Location in prior edition of <i>Bylaws and Rules</i>	Location in this edition of <i>MasterCard Rules</i>
Additional Europe Region Rules	18.B	10B
Rules Applicable to Intracountry Transactions	18.B.1	10B.1
If the Marks Co-reside with an Intracountry Brand	18.B.1.1	Deleted (see “Single European Payments Area (SEPA) Rules,” <i>Europe Region Operations Bulletin</i> , 1 December 2006)
If MasterCard is Used as an Intracountry Brand	18.B.1.2	Heading deleted
Establishment	18.B.1.2.1	10B.1.1
Special Requirements for Intracountry Fallback Interchange and Service Fees	18.B.1.2.2	Deleted (see Chapter 9)
Golden Rules	18.B.1.2.2.1	Deleted
Order of Precedence	18.B.1.2.2.2	Deleted
Disputes	18.B.1.2.2.3	Deleted
Communication of Intracountry Fallback Rules	18.B.1.2.3	10B.1.2
Payment of Fees	18.B.2	Deleted (see Chapter 9)
Fees Payable to the Europe Region	18.B.2.1	Deleted
Fees Payable Between Members	18.B.2.2	Deleted
Intra-European Interchange and Service Fees	18.B.2.2.1	Deleted
Participation in Cost Studies	18.B.2.2.2	Deleted
Cost Study Compliance Fees	18.B.2.2.3	Deleted
Central Acquiring	18.B.3	10B.2
Central Acquiring License	18.B.3.1	10B.2.1
Central Acquirer Criteria	18.B.3.2	Heading deleted
Basic Requirements	18.B.3.2.1	Deleted
Capital Requirements	18.B.3.2.2	Deleted
Service Requirements	18.B.3.2.3	10B.2.2
Intracountry Rules	18.B.3.3	10B.2.3
Centrally Acquired Merchants	18.B.3.4	10B.2.4
Updating of Merchant Details	18.B.3.4.1	10B.2.4.1
Application Procedure	18.B.3.5	10B.2.5
Extension of Central Acquiring License	18.B.3.6	10B.2.6
Interchange Fee Requirements	18.B.3.7	10B.2.7

Rule Title	Location in prior edition of <i>Bylaws and Rules</i>	Location in this edition of <i>MasterCard Rules</i>
Settlement of Disputes	18.B.3.8	10B.2.8
Member Noncompliance	18.B.3.9	10B.2.9
Specified Rules Violations	18.B.3.9.1	10B.2.9.1
Assessments for Specified Rules Violations	18.B.3.9.2	10B.2.9.2
Membership and Licensing	18.B.4	10B.3
Single European Payment Area License	18.B.4.1	Deleted (see Rule 10D.2)
Member Obligations	18.B.5	Deleted
Obligation to Connect to the Interchange System	18.B.5.1	Deleted (see Rules 3.8.6 and 9.4.2)
Obligation to Provide Information	18.B.5.2	10B.3
Chip Card and Chip Transaction Plans	18.B.5.2.1	10B.3.1
Information to Cardholders	18.B.5.2.2	10B.3.2
Trademarks and Service Marks	18.B.6	10B.4
The Eurocard and eurocheque Marks	18.B.6.1	10B.4
MasterCard Cards	18.B.7	Deleted
Card Issuance	18.B.7.1	Deleted
Hybrid Cards	18.B.7.2	Deleted (see Rule 4.2.12)
Cardholder Verification	18.B.7.3	Moved to <i>Security Rules and Procedures</i> , section 3.4.1
BINs for Standard and Premium Programs	18.B.7.4	Deleted
Transaction Processing	18.B.8	10B.5
Refund Transactions	18.B.8.1	Moved to <i>Authorization Guide</i>
Security	18.B.9	10B.7
Testing	18.B.9.1	Deleted
Settlement	18.B.10	10A.6
Assessment for Late Settlement	18.B.10.1	10A.7
Data Protection	18.B.11	10B.7
Processing of Transaction Data	18.B.11.1	10B.7.1
Data Subjects Communications and Consent	18.B.11.2	10B.7.2
Applications from Data Subjects	18.B.11.3	10B.7.3

Rule Title	Location in prior edition of <i>Bylaws and Rules</i>	Location in this edition of <i>MasterCard Rules</i>
Europe Geographical Region	Appendix	10E.2

Summary of Changes

MasterCard Rules, 7 March 2008

The changes listed below are associated with the 7 March 2008 version of this document.

Description of Change	Where to Look
Text formerly located in Rule 18.B.5.1 of the October 2005 <i>Bylaws and Rules</i> has been incorporated into Rule 3.8.6.	Chapter 3
Rules 10B.2.1 and 10B.2.5 have been corrected to reflect accurately the amendments announced in “Simplified Central Acquiring Registration and Approval Process,” <i>Europe Region Operations Bulletin</i> No. 11, 2 November 2007.	Chapter 10



MasterCard Rules

February 2008
Revised 7 March 2008

Proprietary Rights

The information contained in this document is proprietary and confidential to MasterCard International Incorporated, one or more of its affiliated entities (collectively “MasterCard”), or both.

This material may not be duplicated, published, or disclosed, in whole or in part, without the prior written permission of MasterCard.

Trademarks

Trademark notices and symbols used in this manual reflect the registration status of MasterCard trademarks in the United States. Please consult with the Customer Operations Services team or the MasterCard Law Department for the registration status of particular product, program, or service names outside the United States.

All third-party product and service names are trademarks or registered trademarks of their respective owners.

Media

This document is available:

- On MasterCard OnLine®
- On the *MasterCard Electronic Library* (CD-ROM)
- In printed format
- Translated into Spanish
- Translated into Portuguese

MasterCard Worldwide
2200 MasterCard Boulevard
O’Fallon MO 63368-7263
USA

1-636-722-6100

www.mastercard.com

Definitions

Chapter 1 Membership

1.1 Types of Members..... 1-1
 1.1.1 Association Member..... 1-1
 1.1.2 Principal Member..... 1-1
 1.1.3 Affiliate Member..... 1-1

 1.2 Eligibility to be a Member..... 1-1
 1.2.1 Principal Member or Affiliate Member..... 1-1
 1.2.2 Association Member..... 1-2
 1.2.3 Alternative Membership Eligibility Criteria..... 1-2

 1.3 Application to be a Member..... 1-2

 1.4 Interim Participation..... 1-3

 1.5 Obligations, Rights and Responsibilities 1-3
 1.5.1 Obligation to Become a Member 1-3
 1.5.2 Obligation to Participate 1-3
 1.5.3 Right to Participate 1-3
 1.5.4 Membership Not Transferable 1-3
 1.5.5 Member Responsibilities 1-4
 1.5.6 Enforcement of Payment of Fees and Other Obligations 1-4

 1.6 Termination of Membership 1-4
 1.6.1 Voluntary Termination 1-4
 1.6.2 Termination by the Corporation..... 1-5
 1.6.3 Automatic Termination 1-5

 1.7 Automatic Termination of License(s)..... 1-6

 Compliance Zones..... 1-6

Chapter 2 Licensing and Licensed Activities

2.1 Purpose of License; Eligibility..... 2-1
 2.2 License Application 2-1
 2.3 Area of Use..... 2-1
 2.4 Extending or Otherwise Modifying the Area of Use 2-2
 2.5 Special Conditions of Membership or License..... 2-4

2.6 MasterCard Anti-Money Laundering Program	2-5
2.7 Obligation to Issue Cards.....	2-5
2.8 Liability for Assigned ICAs and BINs.....	2-5
2.9 Obligations of a Sponsor	2-6
2.10 Name Change	2-6
2.11 Membership Fees and Assessments.....	2-6
2.12 Sale or Change in Ownership or Control of Member or Portfolio.....	2-6
2.13 Suspension and Amendment of Membership or License or Both.....	2-7
2.14 Rights, Liabilities, and Obligations of Terminated Members	2-7
2.15 Failed Class A Member.....	2-9
2.16 System Liquidity.....	2-10
2.17 Loss Allocation Among Members	2-11
2.18 Limitation of Obligation	2-11
2.19 Liability for Owned or Controlled Entities	2-12
2.20 Risk of Loss.....	2-13
Compliance Zones.....	2-14

Chapter 3 Member Obligations

3.1 Standards	3-1
3.1.1 Variances	3-1
3.1.2 Failure to Comply with a Standard.....	3-1
3.1.2.1 Noncompliance Categories.....	3-2
3.1.2.1.1 Category A—Payment System Integrity	3-2
3.1.2.1.2 Category B—Visible to Customers	3-2
3.1.2.1.3 Category C—Efficiency and Operational Performance	3-2
3.1.2.2 Noncompliance Assessments.....	3-2
3.1.2.3 Certification	3-4
3.1.2.4 Resolution of Appeal	3-4
3.2 Conduct of Activity.....	3-5
3.2.1 Conflict with Law	3-5

3.2.2 Obligations of a Sponsor	3-5
3.2.3 Affiliate Members	3-5
3.2.4 Materially Adverse Financial Condition or Discrepancy.....	3-6
3.2.5 Compliance.....	3-6
3.3 Indemnity and Limitation of Liability	3-6
3.4 Choice of Laws	3-8
3.5 Examination and Audit.....	3-9
3.6 Provision and Use of Information	3-10
3.6.1 Obligation of Member to Provide Information	3-10
3.6.2 Confidential Information of Members	3-11
3.6.3 Use of Corporation Information by a Member	3-12
3.6.4 Confidential Information of the Corporation and the Corporation’s Affiliates.....	3-12
3.7 Quarterly Member Report	3-13
3.7.1 Report Not Received	3-13
3.7.2 Erroneous or Incomplete Report.....	3-14
3.7.3 Overpayment Claim	3-14
3.8 Additional Member Obligations.....	3-15
3.8.1 Safeguard Card Account and Transaction Information	3-15
3.8.2 Satisfaction of Minimum Member Obligations.....	3-15
3.8.3 Satisfaction of Minimum Financial Requirements.....	3-15
3.8.4 Integrity of Brand and Network	3-15
3.8.5 Authorization Service	3-16
3.8.5.1 Selective Authorization	3-16
3.8.6 Transaction Requirements.....	3-16
3.8.7 Fees, Expenses and Other Payment Obligations.....	3-17
3.8.7.1 Taxes and Other Charges	3-17
3.9 Pay-Per-Call Service.....	3-18
3.10 Encashment of MasterCard Travelers Cheques	3-18
Compliance Zones.....	3-19

Chapter 4 Trademarks and Service Marks

4.1 Right to Use the Marks.....	4-1
4.1.1 Licenses	4-1

4.1.2 Protection and Registration of the Marks	4-1
4.1.3 Misuse of a Mark	4-2
4.2 General Rules for Use of the Marks	4-2
4.2.1 Use of the Marks	4-2
4.2.2 Compliance	4-3
4.2.3 Required Use	4-3
4.2.4 Review of Solicitations	4-3
4.2.5 Signage System	4-3
4.2.6 Particular Use of a Mark	4-3
4.2.7 Use of the MasterCard Word Mark	4-4
4.2.8 Use of the Interlocking Circles Device	4-6
4.2.9 Use of Multiple Brand Marks	4-7
4.2.10 Use of the Card Face Design	4-7
4.2.11 Use of the MasterCard Brand Mark on Other Cards	4-8
4.2.12 Use of a Competing Mark on Cards	4-8
4.2.13 Use of Other Acceptance Marks on Cards	4-9
Compliance Zones	4-9

Chapter 5 Merchants and Sales Transactions

5.1 The Merchant Agreement	5-1
5.1.1 Verify Bona Fide Business Operation	5-1
5.1.2 Required Terms	5-1
5.1.3 Assessments for Merchant Agreement Noncompliance	5-2
5.2 Acquirer Obligations	5-2
5.2.1 Acquiring Transactions	5-2
5.2.2 Merchant Compliance with the Standards	5-2
5.2.3 Merchant Information	5-2
5.2.4 Payments to Merchants	5-2
5.2.5 Supplying Materials	5-3
5.3 Merchant Monitoring	5-3
5.4 Merchant Identification and Responsibility for Transactions	5-3
5.5 Use of the Marks	5-4
5.5.1 Merchants Must Display the MasterCard Acceptance Mark	5-4
5.5.2 Merchant Advertising and POI Materials	5-5
5.5.3 Local/Regional Acceptance Brands	5-5
5.5.4 Direct Mail Cardholder Solicitation Merchants	5-5

5.6 Card Acceptance Requirements	5-7
5.6.1 Honor All Cards.....	5-7
5.6.2 Obtain an Authorization	5-7
5.6.3 Additional Cardholder Identification	5-7
5.6.4 E-commerce Transactions	5-7
5.7 Submitting Transactions	5-8
5.7.1 Valid Transactions	5-8
5.7.2 Submit Transactions within Three Business Days	5-8
5.8 Noncompliance Assessments	5-9
5.9 Prohibited Practices.....	5-9
5.9.1 Discrimination	5-9
5.9.2 Charges to Cardholders.....	5-9
5.9.3 Minimum/Maximum Transaction Amount Prohibited	5-10
5.9.4 Scrip-dispensing Terminals.....	5-10
5.9.5 Prohibited Transactions	5-10
5.9.6 Other Forms of Payment.....	5-10
5.9.7 Illegal or Brand-damaging Transactions	5-10
5.10 Security Rules	5-11
5.10.1 Sale or Exchange of Information.....	5-11
5.10.2 Use of Information	5-11
5.10.3 Storage of Information	5-12
5.10.4 Data Storage Entity Identification	5-12
5.10.5 Assessments for Wrongful Disclosure and Failure to Safeguard Account Data	5-13
Compliance Zones.....	5-13

Chapter 6 Special Issuer Programs

6.1 Special Issuer Programs—General Requirements	6-1
6.1.1 Prior Consent of the Corporation	6-1
6.1.2 Reservation of Rights	6-1
6.1.3 Cardholder Communication.....	6-1
6.2 Affinity and Co-Brand Card Programs.....	6-2
6.2.1 Program Partners.....	6-2
6.2.2 Ownership and Control of the Program	6-2
6.2.3 Issuer Identification on Program Cards.....	6-3
6.2.4 Program Name	6-4

6.2.5 Multiple Partners	6-4
6.2.6 Accept All Cards without Discrimination	6-4
6.2.7 Use of the MasterCard Acceptance Mark	6-4
6.3 Brand Value Transactions and Proprietary Accounts	6-4
6.3.1 Proprietary Account Access	6-5
6.3.2 Fees and Reporting Requirements.....	6-5
6.4 Remote Transaction Accounts	6-6
6.4.1 Remote Transaction Account Requirements	6-6
6.5 Secured Card Programs.....	6-7
6.5.1 Secured Card Program Requirements.....	6-7
6.5.2 Refund of Fees	6-7
6.5.3 Secured Card Program Solicitation and Disclosure Requirements.....	6-7
6.6 Prepaid Card Programs	6-8
Compliance Zones.....	6-8

Chapter 7 Member Service Providers

7.1 Applicability of Member Service Provider Rules.....	7-1
7.2 MSP Categories.....	7-1
7.2.1 Independent Sales Organization	7-1
7.2.2 Third Party Processor.....	7-1
7.2.3 Determination of Program Service	7-2
7.3 General Obligations	7-2
7.3.1 Program Responsibility and Control.....	7-2
7.3.2 Notification to and Registration by the Corporation.....	7-3
7.3.3 MSP Agreement	7-3
7.3.4 Disclosure of Standards	7-5
7.3.5 Member Point of Contact.....	7-5
7.3.6 Affiliate Member.....	7-5
7.3.7 Use of the Marks	7-5
7.3.8 MSP Identification on a Card.....	7-6
7.3.9 Program Materials.....	7-6
7.3.10 Fees.....	7-6
7.3.11 Settlement Account	7-7
7.3.12 Transfer of Rights Prohibited.....	7-7
7.3.13 Use of Systems and Confidential Information.....	7-7

7.3.14 Indemnification 7-8
7.3.15 No Endorsement by the Corporation 7-8
7.3.16 Audits 7-8
7.3.17 Settlement Failure Obligation 7-9
7.3.18 Data Security 7-9
7.3.19 Data Storage Entity (DSE) Identification 7-9

7.4 Merchant Acquiring Programs	7-10
7.4.1 Merchant Agreement	7-10
7.4.2 Collection of Funds	7-11
7.4.3 Access to Documentation	7-11
7.4.4 Authority to Terminate Merchant Agreement	7-11
7.5 Card Issuing Programs	7-11
7.5.1 Card Application Approval	7-11
7.5.2 Cardholder Agreement	7-11
7.5.3 Payment of Fees	7-11
7.5.4 Program Receivables	7-12
7.6 MSP Registration	7-12
7.6.1 Registration Requirements for ISOs and Type II TPPs	7-12
7.6.2 Registration Requirements for Type I TPPs	7-14
7.6.3 Prohibition from Acting as an MSP or DSE	7-14
7.6.4 Termination of MSP Agreement	7-14
7.7 Processor Evaluation Program (“PEP”)	7-14
7.7.1 Compliance with PEP Standards	7-14
7.7.2 Information Requirements	7-15
7.8 Confidential Information of MSPs	7-15
Compliance Zones	7-16

Chapter 8 Cash Disbursements

8.1 Cash Disbursements May Be Provided Only By Members	8-1
8.2 Nondiscrimination	8-1
8.3 Maximum Cash Disbursement Amounts	8-1
8.4 Discount or Service Charges	8-2
8.5 MasterCard Acceptance Mark Must Be Displayed	8-2
8.6 Other Requirements	8-2
Compliance Zones	8-2

Chapter 9 Settlement

9.1 Definitions	9-1
9.2 Net Settlement	9-1
9.3 Currency Conversion.....	9-2
9.4 Interchange and Service Fees	9-2
9.5 Establishment of Intracountry Interchange and Service Fees.....	9-2
9.5.1 Default Intracountry Fees	9-3
9.5.2 Intraregional Fees.....	9-4
9.5.3 Bilateral Agreement.....	9-4
9.6 Cost Studies	9-4
9.6.1 Allocation of Expenses.....	9-4
9.6.2 Noncompliance with a Cost Study	9-5
Compliance Zones.....	9-5

Chapter 10 Europe Region Rules

Organization of this Chapter.....	10-1
10.1 Definitions	10-1
10A Europe Region Variances to the Global Rules	10-2
10A.1 Extending or Otherwise Modifying the Area of Use	10-2
10A.2 Obligation to Issue Cards	10-3
10A.3 Charges to Cardholders	10-3
10A.4 Special Issuer Programs.....	10-3
10A.4.1 Affinity and Co-Brand Card Programs	10-3
10A.4.2 Co-Residing Applications.....	10-3
10A.5 Cash Disbursements.....	10-4
10A.6 Transaction Processing	10-4
10A.6.1 CVM Fallback	10-4
10A.6.2 PIN Entry Device Mandate	10-4
10A.6.3 Technical Fallback	10-5
10A.6.4 CVC 2 Processing for Card-Not-Present Transactions	10-5

Table of Contents

10A.7 Settlement.....	10-5
10A.8 Choice of Laws.....	10-6
10B Additional Europe Region Rules	10-6
10B.1 Rules Applicable to Intracountry Transactions	10-7
10B.1.1 Establishment	10-7
10B.1.2 Communication of Intracountry Fallback Rules	10-8
10B.2 Central Acquiring	10-8
10B.2.1 Central Acquiring Registration.....	10-8
10B.2.2 Central Acquirer Service Requirements	10-9
10B.2.3 Intracountry Rules.....	10-9
10B.2.4 Centrally Acquired Merchants	10-10
10B.2.5 Registration Procedure.....	10-11
10B.2.6 Extension of Registration.....	10-11
10B.2.7 Interchange Fee Requirements.....	10-11
10B.2.8 Settlement of Disputes.....	10-12
10B.2.9 Member Noncompliance	10-12
10B.3 Obligation to Provide Information	10-13
10B.3.1 Chip Card and Chip Transaction Plans.....	10-13
10B.3.2 Information to Cardholders	10-13
10B.4 Trademarks and Service Marks	10-14
10B.5 Transaction Processing	10-15
10B.5.1 Discounts or Other Benefits at the Point of Interaction.....	10-15
10B.5.2 Transaction Information Documents (TIDs).....	10-15
10B.5.3 Euro Migration	10-15
10B.6 Recurring Payment Cancellation Service.....	10-16
10B.7 Data Protection	10-16
10B.7.1 Processing of Transaction Data.....	10-16
10B.7.2 Data Subjects Communications and Consent	10-16
10B.7.3 Applications from Data Subjects	10-17
10B.8 Merchant Acceptance.....	10-17
10C Debit-related Rules.....	10-17
10C.1 Definitions	10-17

10C.2 Intracountry Debit MasterCard Program	10-18
10C.2.1 Europe Region Variances to Global Rules.....	10-18
10C.2.2 Additional Europe Region Rules	10-19
10D SEPA Rules.....	10-20
10D.1 Definition	10-20
10D.2 Single European Payments Area License.....	10-21
10D.3 Nondiscrimination	10-22
10D.4 Use of Other Payment Scheme Marks on Cards	10-22
10D.5 Chip/PIN Support	10-23
10E Additional Information.....	10-23
10E.1 Compliance Zones	10-23
10E.2 Europe Geographic Region	10-25

Chapter 11 Other Regional Rules

Organization of this Chapter.....	11-1
11.1 Rules Applicable Only to the Asia/Pacific Region	11-2
11.1A Asia/Pacific Region Variances to Global Rules.....	11-2
11.1A.1 Affinity and Co-Brand Card Programs	11-2
11.1A.2 Chip Transactions	11-2
11.1B Additional Asia/Pacific Region Rules	11-3
11.1B.1 Limitation of Liability of Asia/Pacific Cardholders for Unauthorized Use	11-3
11.1B.2 Discounts or Other Benefits at the Point of Interaction.....	11-4
11.1B.3 Information to Cardholders.....	11-4
11.1C Asia/Pacific Geographic Region.....	11-5
11.2 Rules Applicable Only to the Canada Region.....	11-6
11.2A Canada Region Variances to Global Rules.....	11-6
11.2B Additional Canada Region Rules	11-6
11.2B.1 Limitation of Liability of Canadian Cardholders for Unauthorized Use	11-6
11.2B.2 Canadian Merchant Transactions; Deposit Requirements.....	11-7

11.2B.3 Discounts or Other Benefits at the Point of Interaction.....	11-7
11.3 Rules Applicable Only to the Latin America and the Caribbean Region.....	11-8
11.3A Latin America and the Caribbean Region Variances to Global Rules	11-8
11.3A.1 Affinity and Co-Brand Card Programs	11-8
11.3A.2 Currency Conversion	11-8
11.3A.3 Intracountry Interchange Fees.....	11-9
11.3A.4 Chip Transactions	11-9
11.3A.5 Obligation to Issue Cards	11-10
11.3B Additional Latin America and the Caribbean Region Rules	11-10
11.3B.1 Discounts or Other Benefits at the Point of Interaction.....	11-10
11.3C Latin America and the Caribbean Geographic Region	11-10
11.4 Rules Applicable Only to the South Asia/Middle East/Africa Region ...	11-11
11.4A South Asia/Middle East/Africa Region Variances to Global Rules.....	11-11
11.4A.1 Chip Transactions	11-11
11.4B Additional South Asia/Middle East/Africa Region Rules	11-12
11.4.B.1 Limitation of Liability of South Asia/Middle East/Africa Cardholders for Unauthorized Use.....	11-12
11.4B.2 Discounts or Other Benefits at the Point of Interaction.....	11-13
11.4B.3 Information to Cardholders	11-13
11.4C South Asia/Middle East/Africa Geographic Region	11-14
11.5 Rules Applicable Only to the U.S. Region	11-15
11.5A U.S. Region Variances to Global Rules	11-15
11.5A.1 Affinity and Co-brand Card Programs.....	11-15
11.5A.2 Obligation to Issue Cards	11-16
11.5B Additional U.S. Region Rules.....	11-16
11.5B.1 Limitation of Liability of United States Cardholders for Unauthorized Use	11-16
11.5B.2 Cash Disbursements within the U.S. Region	11-17
11.5B.3 Settlement Liability for Debit Licensees	11-17
11.5B.4 Discounts or Other Benefits at the Point of Interaction.....	11-17
11.5B.5 Information to Cardholders	11-18

11.5C Debit-related Rules..... 11-19

 11.5C.1 Definitions 11-19

 11.5C.2 U.S. Region Variances to Global Rules 11-19

 11.5C.3 Additional U.S. Region Rules..... 11-20

11.5D PIN-based Debit Transactions..... 11-21

 11.5D.1 Definitions 11-22

 11.5D.2 Co-residing Marks..... 11-22

Compliance Zones..... 11-23

Definitions

The following terms used in the *MasterCard Rules* manual have the meanings set forth below.

Access Device

A means other than a Card by which a Cardholder may access a MasterCard account in accordance with the Standards. (See Card.)

Acquirer

A Member in its capacity as an acquirer of a Transaction from a Merchant.

Activity(ies)

The undertaking of any act that can be lawfully undertaken only pursuant to License by the Corporation.

Affiliate Member

A financial institution that is eligible and approved to be a Member pursuant to Rule 1.1.1 and is Sponsored by a Class A Member.

Area of Use

The country or countries in which a Member is licensed to use the Mark(s), and, as a rule, set forth in the License or in an exhibit to the License.

Association Member

An entity that is eligible and approved to be a Member pursuant to Rule 1.1.2 and is a Class A Member.

Board, Board of Directors

The Board of Directors of MasterCard International Incorporated and MasterCard Incorporated.

Bylaws

The bylaws of MasterCard International Incorporated.

Card

A card issued by a Member pursuant to License and in accordance with the Standards that provides access to a credit or debit MasterCard account. Unless otherwise stated herein, Standards applicable to a Card are also applicable to an Access Device.

Cardholder

The authorized user of a Card or Access Device issued by a Member.

Definitions

Cardholder Communication–Intracountry Transaction

Cardholder Communication

Any communication by or on behalf of an Issuer to a Cardholder or prospective Cardholder. A Solicitation is one kind of Cardholder Communication.

Class A Member

An Association Member or a Principal Member.

Control

As used herein, Control has such meaning as the Corporation deems appropriate in its sole discretion given the context of the usage of the term and all facts and circumstances the Corporation deems appropriate to consider. As a general guideline, Control often means to have, alone or together with another entity or entities, direct, indirect, legal, or beneficial possession (by contract or otherwise) of the power to direct the management and policies of another entity.

Corporation

MasterCard International Incorporated and its subsidiaries and affiliates. As used herein, Corporation also means the President and Chief Executive Officer of MasterCard International Incorporated, or his or her designee, or such officer(s) or other employee(s) responsible for the administration and/or management of a program, service, product, system or other function. Unless otherwise set forth in the Standards, and subject to any restriction imposed by law or regulation or by the Board or by the MasterCard International Incorporated Certificate of Incorporation or by the MasterCard International Incorporated Certificate of Incorporation (as each such Certificate of Incorporation may be amended from time to time), each such person is authorized to act on behalf of the Corporation and to so act in his or her sole discretion.

Data Storage Entity (DSE)

An entity other than a Member, Merchant, Independent Sales Organization (ISO), or Third Party Processor (TPP) that stores, transmits, and/or processes MasterCard account data for or on behalf of a Merchant or Member Service Provider.

Interchange System

The computer hardware and software operated by and on behalf of the Corporation for the routing, processing, and settlement of Transactions, including, without limitation, the Banknet and EPS-Net telecommunications networks, the MasterCard Debit Switch (MDS), the Regional Service Center (RSC), the Regional Clearing Management System (RCMS), the Global Clearing Management System (GCMS), and the Settlement Account Management (S.A.M.) system.

Interregional Transaction

A Transaction that occurs at a Merchant located and doing business in a different MasterCard region from the MasterCard region in which the Card was issued, except as otherwise defined by the Corporation.

Intracountry Transaction

A Transaction that occurs at a Merchant located and doing business in the same country as the country in which the Card was issued, except as otherwise defined by the Corporation. A Transaction qualifies as an Intracountry Transaction when it is completed using a Card that bears the Marks either alone or in combination with the marks of another eligible payment scheme, and it is processed as a Transaction, as shown by the Card product identification in the Transaction record, via either the Interchange System or a different network.

Intraregional Transaction

A Transaction that occurs at a Merchant located and doing business in a different country from the country in which the Card was issued, within the same MasterCard region, except as otherwise defined by the Corporation.

Issuer

A Member in its capacity as an issuer of a Card or Access Device. For the purpose of this definition, an Issuer also means a Principal Debit Licensee and an Affiliate Debit Licensee.

License, Licensed

The contract between the Corporation and a Member granting the Member the right to use one or more of the Mark(s) in accordance with the Standards. To be “Licensed” means to have such a right pursuant to a License.

Licensee

A Member or other person authorized in writing by the Corporation to use a Mark.

Marks

The names, logos, trade names, logotypes, trademarks, service marks, trade designations, and other designations, symbols, and marks, including but not limited to the MasterCard Brand Mark and the MasterCard Word Mark, that MasterCard International Incorporated and/or its affiliates or subsidiaries own, manage, license, or otherwise control and make available for use by Members and other authorized entities. A “Mark” means any one of the Marks.

MasterCard

MasterCard International Incorporated.

Definitions

MasterCard Acceptance Mark–Merchant Agreement

MasterCard Acceptance Mark

The MasterCard Acceptance Mark is a combined mark which includes the MasterCard Brand Mark placed on the dark blue acceptance rectangle.

MasterCard Brand Mark

The MasterCard Word Mark as a custom lettering legend placed within the MasterCard Interlocking Circles Device. The Corporation is the exclusive owner of the MasterCard Brand Mark.

MasterCard Word Mark

The word “MasterCard,” which should be followed by a registered trademark® symbol or the local law equivalent. The Corporation is the exclusive owner of the MasterCard Word Mark.

Member, Membership

A financial institution or other entity that has been granted membership in and has become a member of the Corporation in accordance with the Standards. “Membership” means membership in the Corporation.

Membership Agreement

The written, executed agreement between the Corporation and a Member setting forth the terms of Membership in the Corporation.

Member Report

Any report a Member is required to provide to the Corporation, whether on a one-time or repeated basis, pertaining to its Membership, Activities, use of any Mark, or any of such matters. By way of example and not limitation, the Quarterly Member Report (QMR) is a Member Report.

Member Service Provider (MSP)

A non-Member or Member that is registered by the Corporation as an MSP in accordance with the Standards. An MSP is an agent of a Member.

Merchant

A commercial entity or person that, pursuant to a Merchant Agreement, is authorized to accept Cards and Access Devices when properly presented.

Merchant Agreement

An agreement between a Merchant and a Member that sets forth the terms pursuant to which the Merchant is authorized to accept Cards and Access Devices.

Ownership

As used herein, ownership has such meaning as the Corporation deems appropriate in its sole discretion given the context of the usage of the term and all facts and circumstances the Corporation deems appropriate to consider. As a general guideline, ownership often means to own indirectly, legally, or beneficially more than fifty percent (50%) of an entity.

Point of Interaction (POI)

The location at which a Transaction occurs, as determined by the Corporation.

Principal Member

A financial institution that is eligible and approved to be a Member pursuant to Rule 1.1.1 and is a Class A Member.

Program

An Issuer Card program or an Acquirer Merchant program.

Program Service(s)

Service(s) to support a Member's Activity as an Issuer or as an Acquirer.

Remote Transaction

A non-face-to-face Transaction performed partially or wholly by means of electronic communication, such as via phone order, the Internet, text messaging, facsimile, or the like.

Rules

The Standards set forth in the *MasterCard Rules* manual.

Solicitation, Solicit

An application, advertisement, promotion, marketing communication, or the like intended to solicit the enrollment of a person as a Cardholder or as a Merchant. To "Solicit" means to use a Solicitation.

Special Issuer Program

Issuer Activity the Corporation deems may be undertaken only with the express prior consent of the Corporation. As of the date of the publication of these Rules, Special Issuer Programs include Affinity Card, Co-brand Card, Proprietary Account, Remote Transaction account, secured Card, and prepaid Card Programs.

Sponsor, Sponsorship

The relationship described in the Standards between a Class A Member and an Affiliate Member that engages in Activity indirectly through the Class A Member. In such event, the Class A Member is the Sponsor of the Affiliate Member and the Affiliate Member is Sponsored by the Class A Member. "Sponsorship" means the Sponsoring of a Member.

Standards

The Amended and Restated Certificate of Incorporation, Bylaws, Rules, and policies, and the operating regulations and procedures of the Corporation, including but not limited to any manuals, guides or bulletins, as may be amended from time to time.

Sublicensee

A person authorized in writing to use a Mark either by a Licensee in accordance with the Standards or by the Corporation.

Transaction

The sale of goods or services by a Merchant to a Cardholder pursuant to acceptance of a Card or Access Device by the Merchant.

Volume

The aggregate financial value of a group of Transactions. “Volume” does not mean the number of Transactions.

1

Membership

This chapter contains information about Membership in the Corporation.

1.1 Types of Members.....	1-1
1.1.1 Association Member.....	1-1
1.1.2 Principal Member.....	1-1
1.1.3 Affiliate Member.....	1-1
1.2 Eligibility to be a Member.....	1-1
1.2.1 Principal Member or Affiliate Member.....	1-1
1.2.2 Association Member.....	1-2
1.2.3 Alternative Membership Eligibility Criteria.....	1-2
1.3 Application to be a Member.....	1-2
1.4 Interim Participation.....	1-3
1.5 Obligations, Rights and Responsibilities.....	1-3
1.5.1 Obligation to Become a Member.....	1-3
1.5.2 Obligation to Participate.....	1-3
1.5.3 Right to Participate.....	1-3
1.5.4 Membership Not Transferable.....	1-3
1.5.5 Member Responsibilities.....	1-4
1.5.6 Enforcement of Payment of Fees and Other Obligations.....	1-4
1.6 Termination of Membership.....	1-4
1.6.1 Voluntary Termination.....	1-4
1.6.2 Termination by the Corporation.....	1-5
1.6.3 Automatic Termination.....	1-5
1.7 Automatic Termination of License(s).....	1-6
Compliance Zones.....	1-6

1.1 Types of Members

The Corporation has the following three types of Members: Association Member, Principal Member, and Affiliate Member.

1.1.1 Association Member

An Association Member is a Class A Member that participates directly in Activity but does not directly issue or acquire without the express prior written consent of the Corporation. An Association Member may Sponsor one or more Affiliate Members.

1.1.2 Principal Member

A Principal Member is a Class A Member that participates directly in Activity. A Principal Member may Sponsor one or more Affiliate Members.

1.1.3 Affiliate Member

An Affiliate Member participates indirectly in Activity through the Sponsorship of a Class A Member. An Affiliate Member is not a Class A Member and may not Sponsor any other Member.

1.2 Eligibility to be a Member

The following are eligible to be a Member of this Corporation.

1.2.1 Principal Member or Affiliate Member

Effective on or after 15 July 1993, any entity that is a financial institution authorized to engage in financial transactions under the laws or government regulations of the country (or any subdivision thereof) in which it is organized or principally engaged in business may apply to be a Principal Member or an Affiliate Member of the Corporation.

For purposes of this section, “financial transactions” means the making of commercial or consumer loans, the extension of credit, the effecting of transactions with payment services cards, or the taking of consumer or commercial deposits.

Membership

1.3 Application to be a Member

Any such financial institution must have the requisite right, power, and authority, corporate and otherwise, to function as a Member of this Corporation and to engage in Activity, and must have submitted business plan(s) approved by the Corporation in accordance with Rule 1.5.5. Any such financial institution also must be regulated and supervised by one or more governmental authorities or agencies authorized and empowered to establish or enforce rules regarding financial transactions and the financial condition, activities, and practices of entities engaging in financial transactions. With respect to any financial institution that does not take deposits, it is a further requirement that financial transactions constitute substantially all of the business conducted by it.

1.2.2 Association Member

Any entity that is Controlled by one or more financial institutions eligible and approved to be a Member(s) as described in Rule 1.1.1 and that is engaged or proposes to engage in Activity on behalf of or through one or more of those Members may apply to be an Association Member. Any such entity must have the requisite right, power, and authority, corporate and otherwise, to function as a Class A Member of this Corporation, and must have submitted business plan(s) approved by the Corporation in accordance with Rule 1.5.5.

1.2.3 Alternative Membership Eligibility Criteria

The Corporation may adopt, consistent with the promotion of sound practices, alternative Membership eligibility criteria on a regional, country-by-country or other basis for any reason. Any such entity must have submitted business plan(s) approved by the Corporation in accordance with Rule 1.5.5

1.3 Application to be a Member

Any entity eligible to be a Member may apply to become a Member. An application to become a Member must be made in the form and include all of the information then required, and the entity must pay the fee or fees then required. An applicant to be a Member must agree, and by execution and submission of an application to be a Member agrees, that it will comply with all applicable provisions of the Certificate of Incorporation and the Standards of this Corporation as in effect from time to time, and with applicable law.

1.4 Interim Participation

Pending action on a properly completed and submitted application to be a Member, the Corporation may authorize the applicant to participate in Activity on an interim basis as if the applicant were a Member. The continuation of such interim participation is subject to the subsequent approval or disapproval of the application to be a Member. As a condition of such conditional authorization, the applicant must agree, and by commencement of any Activity the applicant is deemed to have agreed, to comply during this interim period (and thereafter as applicable) with the Standards and to discontinue immediately any use of the Marks and Activity if the application is disapproved. All damages, losses, costs, and liabilities arising directly or indirectly, or consequentially, from or related to any interim participation in Activity by the applicant and from the disapproval of the application to be a Member is solely at the applicant's risk and expense, and the Corporation has no responsibility for any such damages, losses, costs, or liabilities.

1.5 Obligations, Rights and Responsibilities

1.5.1 Obligation to Become a Member

Subject to Rule 1.4, a financial institution or other entity that is eligible to be a Member may not participate in Activity unless and until it becomes a Member.

1.5.2 Obligation to Participate

Each Member must participate as a Class A Member or as an Affiliate Member, or as both.

1.5.3 Right to Participate

Each Member may only use a Mark that the Member is authorized to use pursuant to a License by the Corporation.

1.5.4 Membership Not Transferable

Membership in the Corporation is not transferable or assignable, whether by sale, consolidation, merger, operation of law, or otherwise.

1.5.5 Member Responsibilities

Each Member must:

1. At all times be entirely responsible for and Control all aspects of its Activities, and the establishment and enforcement of all management and operating policies applicable to its Activities, in accordance with the Standards;
2. Not transfer or assign any part or all of such responsibility and Control or in any way limit its responsibility or Control;
3. Ensure that all policies applicable to its Activities conform to the Standards and applicable law;
4. Conduct meaningful and ongoing monitoring to ensure compliance with all of the responsibilities set forth in this Rule;
5. Maintain a significant economic interest in each of its Activities; and
6. Operate Activities at a scale or volume of operations consistent with the business plan(s) approved by the Corporation in connection with the application to be a Member or application for a License, or both, as the case may be.

1.5.6 Enforcement of Payment of Fees and Other Obligations

The Corporation may apply any sum due to the Member from the Corporation toward the payment of any fee, assessment or other obligation(s) owed to the Corporation by the Member or, in the case of a Class A Member, owed to the Corporation by any Affiliate Member Sponsored by the Class A Member.

1.6 Termination of Membership

Membership in the Corporation may terminate in one of three ways: voluntary termination, termination by the Corporation, or automatic termination. The Corporation may continue a License of a terminated Member as set forth in Rule 2.13. Rights, liabilities and obligations of terminated Members are set forth in Rule 2.14.

1.6.1 Voluntary Termination

A Member may voluntarily terminate its Membership. A Member that participates in Activity as a Class A Member and also participates in Activity as an Affiliate Member may voluntarily terminate its participation in Activity as either and continue to participate in Activity as the other.

In order to voluntarily terminate as a Member, the Member must give written notice addressed to the Secretary of this Corporation by registered or certified mail, return receipt requested, or by personal or reputable courier service.

The notice must:

1. State that the notice is a notice of termination;
2. Be received by the Secretary;
3. Fix a date on which the termination will be effective, which must be at least thirty days after the notice is received by the Secretary; and
4. Be otherwise in the form as may be required from time to time by the Corporation.

1.6.2 Termination by the Corporation

A Member may be terminated as a Member by the Corporation. The termination is effective upon delivery, or an inability to deliver after a reasonable attempt to do so, of written or actual notice by the Corporation to the Member.

1.6.3 Automatic Termination

Membership in the Corporation automatically terminates forthwith if:

1. The Member suspends payments within the meaning of Article IV of the Uniform Commercial Code in effect at the time in the State of Delaware, regardless of whether, in fact, the Member is subject to the provisions thereof; or
2. The Member takes the required action by vote of its directors, stockholders, members, or other persons with the legal power to do so, or otherwise acts, to cease operations and to wind up the business of the member, such Membership termination to be effective upon the date of the vote or other action; or
3. The Member fails or refuses to make payments in the ordinary course of business or becomes insolvent, makes an assignment for the benefit of creditors, or seeks the protection, by the filing of a petition or otherwise, of any bankruptcy or similar statute governing creditors' rights generally; or
4. The government or the governmental regulatory authority having jurisdiction over the Member serves a notice of intention to suspend or revoke, or suspends or revokes, the operations or the charter of the Member; or
5. A liquidating agent, conservator, or receiver is appointed for the Member, or the Member is placed in liquidation by any appropriate governmental, regulatory, or judicial authority.

Membership

1.7 Automatic Termination of License(s)

6. The Member's right to engage in Activity is suspended by the Corporation due to the Member's failure to comply with the Corporation's AML Program or applicable law or regulation, and such suspension continues for one hundred and four (104) consecutive weeks.

1.7 Automatic Termination of License(s)

A Member's License authorizing it to use a Mark automatically terminates in the event the Member fails to actively participate in Activity using such a Mark for fifty-two consecutive weeks. If a Member is no longer licensed to use any of the MasterCard, Maestro, or Cirrus Marks, Membership automatically is terminated as of the effective date of the termination of the last License to use any of such Marks.

Compliance Zones

The following table identifies the noncompliance category that the Corporation has assigned to the Standards described within this chapter. These noncompliance categories are assigned for the purposes of noncompliance assessments under the compliance framework in Rule 3.1.2.

Rule Number	Rule Title	Category
1.1	Types of Members	A
1.2	Eligibility to be a Member	A
1.3	Application to be a Member	A
1.4	Interim Participation	A
1.5	Obligations, Rights and Responsibilities	A
1.6	Termination of Membership	A
1.7	Automatic Termination of License(s)	A

2

Licensing and Licensed Activities

This chapter contains information about licensing and rights and obligations related to Licensed Activity by Members.

2.1 Purpose of License; Eligibility.....	2-1
2.2 License Application	2-1
2.3 Area of Use	2-1
2.4 Extending or Otherwise Modifying the Area of Use	2-2
2.5 Special Conditions of Membership or License.....	2-4
2.6 MasterCard Anti-Money Laundering Program	2-5
2.7 Obligation to Issue Cards.....	2-5
2.8 Liability for Assigned ICAs and BINs.....	2-5
2.9 Obligations of a Sponsor	2-6
2.10 Name Change	2-6
2.11 Membership Fees and Assessments.....	2-6
2.12 Sale or Change in Ownership or Control of Member or Portfolio.....	2-6
2.13 Suspension and Amendment of Membership or License or Both.....	2-7
2.14 Rights, Liabilities, and Obligations of Terminated Members	2-7
2.15 Failed Class A Member.....	2-9
2.16 System Liquidity.....	2-10
2.17 Loss Allocation Among Members	2-11
2.18 Limitation of Obligation	2-11
2.19 Liability for Owned or Controlled Entities	2-12
2.20 Risk of Loss.....	2-13
Compliance Zones.....	2-14

2.1 Purpose of License; Eligibility

Each Member, as a condition of Membership, must execute a Membership Agreement and one or more Licenses in such form as is required by the Corporation. Each Member must assist the Corporation in recording any License granted to the Member if required in the country of license or otherwise upon request of the Corporation. The Corporation may add additional requirements or limitations or other conditions to a License then in effect. In the event of an inconsistency between a Standard and a provision in a License, the Standard prevails and the License is deemed to be amended so as to be consistent with the Standard.

2.2 License Application

An application for a License must be made in the form and include all information then required. An applicant for a License must agree and, by execution and submission of an application for a License agrees, and by use of a Mark agrees, to comply with all provisions of the License pertaining to use of a Mark and with the Standards of this Corporation as may be in effect from time to time.

2.3 Area of Use

Except as otherwise provided in the Standards, each Member may use a Mark solely in the Area of Use in which the Member has been granted a License. If the License does not specify an Area of Use, the License is deemed to authorize the Member to use the Mark only in the country or countries the Corporation determines to be the Member's Area of Use.

A License that the Corporation deems to be inconsistent with this Rule is deemed amended effective as of the granting of the License so as to be consistent with this Rule.

Except as otherwise provided in the Standards, the ICA number under which Cards are issued or acquired must reflect the country, from among those specified in the Area of Use of the License, where such Activity is conducted.

2.4 Extending or Otherwise Modifying the Area of Use

A Member must apply to the Corporation for permission to extend or otherwise modify the Area of Use of a License. Such application must be made in the form and include all information then required. If the application is approved, the Corporation will amend the License to reflect the change in the Area of Use.

Notwithstanding the foregoing, a Member is not required to make such application to conduct any of the following Activities, subject to the Corporation's right to prohibit or restrict or condition any such Activity:

1. Issue Cards outside of the Area of Use, provided that the Member does not use Solicitations or solicit outside of the Area of Use.
2. Solicit and issue Cards to citizens of any country within the Area of Use, wherever such citizens reside. Any Card Solicitation, wherever conducted, must be directed only to residents of countries within the Member's Area of Use.
3. Issue MasterCard Corporate Card® Cards to employees of an entity on whose behalf the Cards are issued, wherever such employees reside, provided that the entity is multinational, having a presence and conducting regular business in more than one country, including at least one country in the Member's Area of Use.
4. Issue payroll or incentive Cards to employees of an entity on whose behalf the Cards are issued, provided that the entity is multinational, having a presence and conducting regular business in more than one country, including at least one country in the Member's Area of Use, and:
 - a. The gross dollar volume (GDV) within a country in a calendar year from the Member's and its Sponsored Affiliate Members total cross-border issuance for all payroll and incentive Card Programs for all companies served in that country does not exceed one percent of that country's MasterCard GDV in that calendar year, or
 - b. If the Member has a License to issue Cards in a particular country (Country A) but wishes to issue Cards into Country A from another country in which the Member is also licensed (Country B), the Member's and its Sponsored Affiliate Members' total cross-border issuance from Country B into Country A in a calendar year may not exceed:
 - i. 10 percent of that Member's and its Sponsored Affiliate Members' total domestic MasterCard GDV in Country A in that calendar year, or
 - ii. if greater than the 10 percent described herein, the amount allowed under the one percent threshold described above.

5. Acquire Transactions from Merchants located in a country within the Area of Use, even if such Transactions arise from mail order, phone order, e-commerce, or recurring payment Transactions that the Merchant effects with Cardholders in countries outside of the Area of Use.
6. Acquire mail order, phone order, e-commerce, or recurring payment Transactions from Merchants located outside of the Area of Use if such Transactions solely reflect sales to Cardholders residing within the Area of Use.
7. Acquire airline Transactions in a country outside of the Area of Use, subject to satisfying all of the following requirements:
 - a. The airline has a meaningful presence in at least one country within the Area of Use; and
 - b. The ICA number under which airline Transactions are acquired must reflect either the country in which the airline ticket office is located or a country within the MasterCard region in which the airline ticket office is located; and
 - c. The Member authorizes, clears, and settles each “local Transaction” in a manner that does not significantly disadvantage an Issuer in the same country in the judgment of the Corporation.
8. Acquire e-commerce Transactions from a Merchant located in a country outside of the Area of Use, subject to satisfying all of the following requirements:
 - a. The ICA number under which e-commerce Transactions are acquired must reflect the country in which the Merchant is located;
 - b. The Merchant implements MasterCard SecureCode; and
 - c. The Member authorizes, clears, and settles the Transaction through the Interchange System; and
 - d. The Member authorizes, clears, and settles each “local Transaction” in a manner that does not significantly disadvantage an Issuer in the same country in the judgment of the Corporation; and
 - e. The Member, the Merchant, the Third Party Processor (if any), and the Data Storage Entity (if any) comply with the MasterCard Site Data Protection Program.

The Member must apply for and receive permission from the Corporation before acquiring e-commerce Transactions under this Rule 2.4, paragraph eight.

A Merchant’s location generally is deemed to be the address set forth in the Merchant Agreement. Any disagreement between Members regarding a Merchant location may be referred to the Corporation for final resolution.

As used in this Rule, a “local Transaction” means a Transaction by a Cardholder residing in a country that takes place at a Merchant located in the same country.

2.5 Special Conditions of Membership or License

The Corporation may condition initial or continued Membership or any License or the conduct of any Activity on compliance with special conditions, such as the establishment of escrow arrangements, the delivery of letters of credit, or other arrangements that the Corporation deems necessary or appropriate.

The Corporation has the right at any time to require that a Member enter into a security arrangement with the Corporation. If a Member does not enter into a security arrangement with the Corporation that is satisfactory to the Corporation, the Corporation has the right at any time to collect from the Member, in addition to any amount otherwise due and payable by the Member to the Corporation or to other Members, such additional amount from the Member as the Corporation deems appropriate as collateral. The Corporation has the right to collect any such additional amount by any means available to the Corporation, including, by way of example and not limitation:

1. By taking any funds deposited by any persons from any account that the Corporation is authorized to draw upon for any purpose.
2. By taking any funds due to such Member from other Members.
3. By taking any funds being paid by such Member to other Members.

In each case where the Corporation takes any such collateral, the Corporation has the right, as it deems necessary or appropriate, to take ownership of such collateral (such as by placing funds taken in an account in the Corporation’s name as a secured party) and to apply such collateral as payment toward any obligations of the Member to the Corporation or otherwise owed by the Member under the Standards.

Each Member hereby appoints and authorizes the Corporation to act as the Member’s attorney and agent for any and all purposes in connection with the filing, recording, or other perfecting of the Corporation’s rights under the Standards. This Rule constitutes a security agreement between each Member and the Corporation, and vests in the Corporation a security interest in any collateral collected as provided in these Standards, granted contemporaneously in exchange and as a condition for the continuation of the Member’s Membership and Licenses.

2.6 MasterCard Anti-Money Laundering Program

An application for Membership or License must be accompanied by affirmative evidence satisfactory to the Corporation that the applicant is in compliance with the MasterCard Anti-Money Laundering Program (the “AML Program”). Each Member must, at all times, be in compliance with the AML Program.

The Corporation has exclusive authority to determine at any time whether an applicant or a Member is in compliance with the AML Program. Each applicant to be a Member and each Member must cooperate with any effort by the Corporation to evaluate such applicant’s or Member’s compliance with the AML Program. The Corporation may condition initial or continued Membership or License or both upon compliance with special conditions that the Corporation deems necessary or appropriate to ensure continued compliance with the AML Program by the applicant, Member, and Corporation, as the case may be.

2.7 Obligation to Issue Cards

Each Class A Member, together with its Sponsored Affiliate Members, must have issued and outstanding a reasonable number of Cards based on such criteria as the Corporation may deem appropriate from time to time. In addition to any other action that the Corporation deems appropriate, a Class A Member that does not issue and have outstanding the requisite number of Cards will be assessed an additional 20% of the assessment paid on its acquiring volume for each year in which the Card-issuing shortfall exists.

If an approved application for issuance of a payment card or device indicates the applicant’s preference, by way of a checkmark or otherwise, to be issued a Card, then the Issuer must issue a Card.

2.8 Liability for Assigned ICAs and BINs

Each Class A Member is responsible to the Corporation and to all other Members for Transactions arising from the use of the ICA(s)/BIN(s) that the Corporation assigns to the Class A Member.

Neither a Class A Member nor any of its Sponsored Affiliate Members may use the Class A Member’s BIN to issue Cards other than as specified by the Corporation. By way of example and not limitation, a Member may not issue a consumer Program Card using a MasterCard Corporate Card® BIN.

2.9 Obligations of a Sponsor

Each Class A Member must advise the Corporation promptly if an Affiliate Member ceases to be Sponsored by the Class A Member or changes its name or has a transfer of Ownership or Control.

2.10 Name Change

The Corporation must receive written notice at least sixty (60) calendar days before the effective date of any proposed Member name change. A Member that proposes to change its name must promptly undertake necessary or appropriate action to ensure that its Membership and License(s) and Activities disclose the true identity of the Member.

2.11 Membership Fees and Assessments

Each Member is responsible to timely pay to the Corporation all fees, charges, assessments and the like applicable to Membership and Activity as may be in effect from time to time, including those set forth in the applicable regional *MasterCard Consolidated Billing System* manual.

2.12 Sale or Change in Ownership or Control of Member or Portfolio

The Corporation must receive written notice at least thirty (30) calendar days before the effective date of any proposed transfer or assignment of an Issuer or Acquirer portfolio, or any proposed change of Control of a Member. A Member must promptly provide the Corporation any information requested by the Corporation relating to such an event or proposed event and the Corporation may:

1. Suspend or impose conditions on Membership or any License granted to the Member or both.
2. Amend rights or obligations or both of a Member.
3. Terminate the Membership of any Member that:
 - a. transfers or attempts to transfer Control of the Member to an entity that is not a Member; or
 - b. merges into or is consolidated with an entity that is not a Member; or
 - c. sells all or substantially all of its assets; or

- d. sells all or substantially all of its Issuer or Acquirer portfolio(s); or
- e. experiences a change in Control or Ownership; or
- f. transfers or assigns, or attempts to transfer or assign, its Membership.

2.13 Suspension and Amendment of Membership or License or Both

The Corporation may, in its sole discretion:

1. Suspend the Membership of a Member or any License granted to a Member or both; or
2. Amend the rights or obligations or both of a Member; or
3. Amend the rights or obligations or both set forth in a License.

A Member that has been suspended or whose License has been suspended must continue to comply with the Standards and must also comply with such additional requirements as the Corporation may impose from time to time. In addition, if Membership is suspended or terminated for any reason, the Corporation may continue a License of the suspended or terminated Member for purposes of the orderly winding up, continuation or transfer of the suspended or terminated Member's business, resumption or reinstatement of Membership, or other purpose. Such continuation of a License is subject to such terms as may be required by the Corporation.

2.14 Rights, Liabilities, and Obligations of Terminated Members

Each License granted to a Member is terminated effective at the time of the termination of the Member's Membership. All of the following apply with respect to a terminated Member:

1. Except as otherwise set forth in the Standards, a terminated Member has no right to use any Mark or to otherwise engage or participate in any Activity. A terminated Member must immediately cease its use of all Marks and must ensure that such Marks are no longer used by any of the following:
 - a. The Member's Merchants;
 - b. Any Affiliate Member Sponsored by a terminated Class A Member;
 - c. Member Service Providers of a terminated Class A Member and of any Affiliate Member Sponsored by a terminated Class A Member;

Licensing and Licensed Activities

2.14 Rights, Liabilities, and Obligations of Terminated Members

- d. Merchants of an Affiliate Member Sponsored by a terminated Class A Member; or
 - e. Any other entity or person acting to provide, directly or indirectly, service related to Activity undertaken pursuant to the authority or purported authority of the terminated Member.
2. A terminated Member is not entitled to any refund of dues, fees, assessments, or other payments and remains liable for, and must promptly pay to this Corporation (a) any and all applicable dues, fees, assessments, or other charges as provided in the Standards and (b) all other charges, debts, liabilities, and other amounts arising or owed in connection with the Member's Activities, whether arising, due, accrued, or owing before or after termination of such Membership.
3. The terminated Member must promptly cancel all Cards then outstanding that were issued by the terminated Member and, if the terminated Member is a Class A Member, by all of that Member's Sponsored Affiliate Members.
4. The terminated Member must promptly cause all of its Cardholders and, if the terminated Member is a Class A Member, the Cardholders of its Sponsored Affiliate Members to be notified of the cancellation of Cards in writing. Such notice must be in a form and substance satisfactory to the Corporation.
5. If a terminated Member does not take an action that this Rule or any other Standard or that the Corporation otherwise requires, the Corporation may take any such required action without prior notice to the terminated Member and on behalf of and at the expense of the Member.
6. If a Class A Member that Sponsors one or more Affiliate Members terminates its Class A Membership, such Class A Member must cause each of its Sponsored Affiliate Members to take the actions required of a terminated Member under this Rule, unless and to the extent that any such Affiliate Member become an Affiliate Member Sponsored by a different Class A Member within a period of time acceptable to the Corporation.
7. If an Affiliate Member terminates its Membership or its Sponsorship by a Class A Member, the Sponsoring Class A Member must cause the Affiliate Member to take the actions required of a terminated Member under this Rule. If that Affiliate Member fails to so comply, the Corporation may take any action that this Rule requires without notice to the Affiliate Member or the Sponsoring Class A Member on behalf of and at the expense of the Sponsoring Class A Member.
8. A terminated Member has no right to present records of Transactions effected after the date of termination to any other Member, except as permitted by the Standards.

9. A terminated Member continues to have the rights and obligations set forth in the Standards and License(s) with respect to its use of the Marks and conduct of Activity until such time as the Corporation determines such rights or obligations or both cease.
10. A terminated Member has a continuing obligation to provide promptly to the Corporation, on request, Member Reports and any other information about Activity.
11. A terminated Member must, at the option of the Corporation, immediately either destroy, or take such steps as the Corporation may require regarding, all confidential and proprietary information of the Corporation in any form previously received as a Member.

This Rule does not apply in the event that the Corporation has approved:

1. A transfer of Membership of a Principal Member to an Affiliate Member Sponsored by a Class A Member; or
2. A transfer of Membership of an Affiliate Member to a Class A Member; or
3. A transfer of Sponsorship of an Affiliate Member to a different Class A Member.

2.15 Failed Class A Member

Subject to the limitation set forth in [Rule 2.18](#), if a Class A Member is unable to discharge any obligation to any other Member(s) arising from or in connection with any Activity that it has conducted as a Member, the Corporation will satisfy such obligation(s) to the extent such obligation(s) is not otherwise satisfied. To the extent the Corporation satisfies a Member's settlement obligation, the satisfaction constitutes an automatic transfer, sale, and absolute assignment to the Corporation, and not an assignment for security purposes, of all right, title, and interest in the receivable relating to the obligation. Such satisfaction of the obligation also entitles the Corporation to all records and documents related to the receivable, including the name and address of each Cardholder obligated to satisfy any part of the receivable. The Member must promptly deliver all such records and documents to the Corporation or to the Corporation's designee. Any proceeds received by the failed Member from any receivable must be held in trust by the failed Member and paid to the Corporation as soon as practicable.

Any satisfaction of any failed Member obligation by the Corporation may be recovered by the Corporation through an assessment of any one or more of the Members.

Upon verifying the failure of a Member, the Corporation may take any action the Corporation deems necessary or appropriate to protect its interest in the receivable and to protect the integrity of the affairs of the Corporation, such as, by way of example and not limitation, by:

1. Rejecting Transaction authorization requests relating to use of the failed Member's Cards.
2. Establishing a settlement account for monies due to and from the failed Member.
3. Without prior notice to the failed Member, holding any monies due to the failed Member from the Corporation and net settlement and apply the monies to the amounts the Member owes to the Corporation and to other Members arising from Membership.
4. Listing some or all of a failed Member's Card account numbers on the Electronic Warning Bulletin file, the international Warning Notice(s), or both, or in other or similar publications.
5. Effecting chargebacks on behalf of the failed Member.
6. Overseeing the disposition of unused Card stock and any other media bearing security-sensitive information, including Card account information.

2.16 System Liquidity

If the Corporation requires funds to maintain system liquidity and to meet the obligations of a failed Member or failed Members, the Corporation may collect funds directly from the settlement accounts of Members upon reasonable notice to the Members. In such event, the funds will be collected by the Corporation by:

1. Decreasing the gross daily settlement amounts of outgoing volumes of Class A Members by up to (five) 5 percent of the amount settled on one or more days; and
2. Increasing the gross daily settlement amounts of incoming volumes of Class A Members by up to (five) 5 percent of the amount settled on one or more days.

This collection may continue as long as deemed necessary or appropriate to satisfy Transaction obligations of a failed Member or failed Members and to ensure system liquidity or until the Corporation deems such collection no longer necessary or appropriate.

Collected funds are treated as advance payments on the sums that may be required from the Class A Members in the allocation among Members of loss related to a failed Member. If the funds collected from a Member exceed the amount ultimately allocated to it in connection with a failed Member, the excess amount will be returned to the Member with interest. If the funds collected from a Member do not exceed the amount allocated to it, the Member will pay any shortage to the Corporation with interest. Any interest payment by or to the Corporation will be based on the average effective Federal Reserve Fund's Earning Credit Rate (or if such rate is not published, a rate that the Corporation designates) during the time between the incidence of the Member funding and the final allocation.

2.17 Loss Allocation Among Members

Any loss that the Corporation incurs, or for which the Corporation may otherwise be responsible due to the failure of a Member, whether or not intentional, to perform any of its Membership obligations, may be allocated among the Members by the Corporation in such manner and at such time(s) as the Corporation determines to be appropriate.

2.18 Limitation of Obligation

Except as otherwise set forth in the Standards, the Corporation has no obligation with respect to the inability or unwillingness of a Class A Member, for any reason, to discharge any obligation arising out of or in connection with Membership or any License or Activity, including, without limitation, any one or more of the following obligations:

1. An obligation arising from a Transaction in which the Member, taken together with any of its sponsored Affiliate Members, acts as both the Issuer and the Acquirer.
2. An obligation arising from a Transaction in which the Issuer and Acquirer are related parties or are under common Control by one or more parents, holding companies, or other entities.
3. Any obligation arising, or then existing, with respect to a Transaction settled outside of the Corporation's settlement system, if the Principal or Association Member has failed with respect to its settlement obligation, and the Corporation has not received actual written notice of the failure from or on behalf of the intended settlement recipient by midnight of the local business day following such failure. As used herein, Transactions settled outside of the Corporation's settlement system include, without limitation, Transactions settled via:

Licensing and Licensed Activities

2.19 Liability for Owned or Controlled Entities

- a. A processor or any other entity or person net settling between two or more Principal Members or Association Members;
 - b. Indirect or consolidated settlement arrangements when the Corporation is not directly settling with a Principal Member or Association Member;
 - c. Bilateral or other local settlement arrangements including those cleared via the Corporation's Interchange System; and
 - d. Any other arrangement that the Corporation deems to be an alternate arrangement.
4. An obligation of its Affiliate Member.
 5. Any obligation of a Principal Member or Association Member to any of its Affiliate Members.

2.19 Liability for Owned or Controlled Entities

A Member (referred to for purposes of this Rule as a "Responsible Member") is liable to the Corporation and all other Members for the obligations of each of the Responsible Member's affiliated entities under the Standards (as the term "Standards" respectively is defined in the Rules, the [Maestro Global Rules](#), and the [Cirrus Worldwide Operating Rules](#)) and for each of the affiliated entities' MasterCard, Maestro, and Cirrus Activities and its use of any of the Marks (as defined in the Rules) and Service Marks (as defined in the [Maestro Global Rules](#) and the [Cirrus Worldwide Operating Rules](#)).

For purposes of this Rule, a Responsible Member's affiliated entity is defined as follows:

1. A Member that is Owned or Controlled by the Responsible Member or is owned or controlled by the Responsible Member and another Member or Members; or
2. A Member that, with the Responsible Member, is under common Ownership by, or Control of, another entity; or
3. A Member that Owns or Controls the Responsible Member or shares Ownership or Control of the Responsible Member with another Member or Members.

The Responsible Member's liability to other Members is a primary obligation, while the Corporation's liability, if any, is secondary, in that it only arises if a Responsible Member is unable to pay its obligations in full. Any assessments imposed on a Member for liability under this section may be collected by the Corporation from the Member's settlement account or by any other means available.

A Responsible Member may not be exempted from this Rule except upon written notice from the General Counsel of the Corporation.

2.20 Risk of Loss

Each Member bears all risk of loss, and the Corporation bears no risk of loss with respect to all amounts owed by the Member under the Standards except to the extent any such amount is received by the Corporation, free and clear.

Each Member remains fully responsible for fulfillment of, and must take all actions necessary to fulfill, all of its obligations under the Standards, regardless of whether the Member designates a third party to perform all or any part of such obligations on the Member's behalf. The fact that the Member has paid any portion of the amount owed to such third party designee does not discharge the Member's obligations to the Corporation.

The Corporation may draw on the Member's funds to fulfill any of the Member's obligations under the Standards, regardless of whether those funds are held or Controlled by the Member or by any third party designee, to the same extent the Corporation is entitled to draw on funds from any settlement account or funds of the Member under the Standards, and regardless of whether those funds are commingled with any other funds. If the Corporation draws on the Member's funds, the Corporation is not required to reimburse the Member or any third party (whether a third party designee of the Member or another Member) for funds drawn which are owned by any of them or otherwise subject to any of their rights. The Member and any third party (whether a third party designee of the Member or another Member) bear all risk and liability related to the funds drawn and jointly and severally indemnify and hold the Corporation harmless from all liability and claims arising from any such draw of funds. Each Member bears all risk of loss, and the Corporation bears no risk of loss with respect to all amounts owed by the Corporation to the Member under the Standards once the payment is received by the Member or a third party designee of the Member and regardless of whether or how such Transactions are cleared and settled. Each Member must notify the Corporation promptly in writing if any third party designee commingles funds received for or from the Member in connection with the Member's Transactions with any other funds.

Each Member must notify the Corporation promptly in writing of the details of any failure of the Member or any third party designee of the Member to meet any of their obligations with respect to payment of funds owed under the Standards.

If a Member's third party designee advances funds on behalf of the Member to pay the Corporation or any other party entitled to receive those funds under the Standards, then such payment is deemed to be a payment by the Member, and the Member and the third party designee of the Member jointly and severally bear all of the risks of loss and must jointly and severally indemnify and hold the Corporation harmless from any and all liability and claims arising from any such payment.

The Member must:

1. Obtain the prior written agreement of any third party designee of the Member that may be given access to any funds owed by or to the Member pursuant to the Standards; and
2. Guarantee any such third party designee's compliance with all its obligations to the Corporation under this Rule.

Compliance Zones

The following table identifies the noncompliance category that the Corporation has assigned to the Standards described within this chapter. These noncompliance categories are assigned for the purposes of noncompliance assessments under the compliance framework in Rule 3.1.2.

Rule Number	Rule Title	Category
2.1	Purpose of License; Eligibility	A
2.2	License Application	A
2.3	Area of Use	A
2.4	Extending or Otherwise Modifying the Area of Use	A
2.5	Special Conditions of Membership or License	A
2.6	MasterCard Anti-Money Laundering Program	A
2.7	Obligation to Issue Cards	A
2.8	Liability for Assigned ICAs and BINs	A
2.9	Obligations of a Sponsor	C
2.10	Name Change	C
2.11	Membership Fees and Assessments	A
2.12	Sale or Change in Ownership or Control of Member or Portfolio	A
2.13	Suspension and Amendment of Membership or License or Both	A
2.14	Rights, Liabilities, and Obligations of Terminated Members	A
2.15	Failed Class A Member	A

Rule Number	Rule Title	Category
2.16	System Liquidity	A
2.17	Loss Allocation Among Members	A
2.18	Limitation of Obligation	A
2.19	Liability for Owned or Controlled Entities	A
2.20	Risk of Loss	A

3

Member Obligations

This chapter contains information about Membership obligations.

3.1 Standards	3-1
3.1.1 Variances	3-1
3.1.2 Failure to Comply with a Standard.....	3-1
3.1.2.1 Noncompliance Categories.....	3-2
3.1.2.1.1 Category A—Payment System Integrity	3-2
3.1.2.1.2 Category B—Visible to Customers.....	3-2
3.1.2.1.3 Category C—Efficiency and Operational Performance	3-2
3.1.2.2 Noncompliance Assessments.....	3-2
3.1.2.3 Certification	3-4
3.1.2.4 Resolution of Appeal	3-4
3.2 Conduct of Activity.....	3-5
3.2.1 Conflict with Law	3-5
3.2.2 Obligations of a Sponsor	3-5
3.2.3 Affiliate Members	3-5
3.2.4 Materially Adverse Financial Condition or Discrepancy.....	3-6
3.2.5 Compliance.....	3-6
3.3 Indemnity and Limitation of Liability	3-6
3.4 Choice of Laws	3-8
3.5 Examination and Audit.....	3-9
3.6 Provision and Use of Information	3-10
3.6.1 Obligation of Member to Provide Information.....	3-10
3.6.2 Confidential Information of Members	3-11
3.6.3 Use of Corporation Information by a Member	3-12
3.6.4 Confidential Information of the Corporation and the Corporation’s Affiliates.....	3-12
3.7 Quarterly Member Report	3-13
3.7.1 Report Not Received	3-13
3.7.2 Erroneous or Incomplete Report.....	3-14
3.7.3 Overpayment Claim	3-14
3.8 Additional Member Obligations.....	3-15
3.8.1 Safeguard Card Account and Transaction Information	3-15
3.8.2 Satisfaction of Minimum Member Obligations.....	3-15

Member Obligations

3.8.3 Satisfaction of Minimum Financial Requirements	3-15
3.8.4 Integrity of Brand and Network	3-15
3.8.5 Authorization Service	3-16
3.8.5.1 Selective Authorization	3-16
3.8.6 Transaction Requirements.....	3-16
3.8.7 Fees, Expenses and Other Payment Obligations.....	3-17
3.8.7.1 Taxes and Other Charges	3-17
3.9 Pay-Per-Call Service.....	3-18
3.10 Encashment of MasterCard Travelers Cheques	3-18
Compliance Zones.....	3-19

3.1 Standards

From time to time, the Corporation promulgates Standards governing the conduct of Members and Activities. The Corporation has the sole right in its sole discretion to interpret and enforce the Standards. The Corporation has the right, but not the obligation, to resolve any dispute between or among Members including, but not limited to, any dispute involving the Corporation, the Standards, or the Members' respective Activities, and any such resolution by the Corporation is final and not subject to appeal or other similar action. The Corporation has the right to limit, suspend or terminate Membership, Membership privileges, or both, of any Member that does not comply with any Standard or with any decision of the Corporation with regard to the interpretation and enforcement of any Standard, or that in any respect violates any Standard or applicable law.

3.1.1 Variances

A variance is the consent by the Corporation for a Member to act other than in accordance with a Standard. Only a Member may request a variance. Any such request must specify the Rule(s) or other Standard(s) for which a variance is sought. The request must be submitted to the Corporation in writing, together with a statement of the reason for the request.

If the Member claims to be prevented from fully complying with a Standard because of law or regulation, the Member must provide a copy of the law or regulation and if such law or regulation is in a language other than English, a complete certified English translation. As a condition of granting a variance for that reason, the Corporation may require the Member to undertake some other and not prohibited Activity.

The Corporation may assess a fee to consider and act on a variance request.

3.1.2 Failure to Comply with a Standard

Failure to comply with any Standard(s) may cause damage to the Corporation in an amount difficult to calculate. Accordingly, a Member that fails to comply with any Standard is subject to such liquidated damages ("noncompliance assessments") as may be set forth in the Standards or that the Corporation deems to be necessary or appropriate. In lieu of or in addition to the imposition of a noncompliance assessment, the Corporation may require a Member to take such action and the Corporation itself may take such action as the Corporation may deem necessary or appropriate. The Corporation has the sole power to determine whether to impose a noncompliance assessment and the amount of any such assessment. The Corporation has the authority to immediately impose a noncompliance assessment for any noncompliance with

any Standard or, in the alternative, may provide notice and limited time to cure such noncompliance before imposing a noncompliance assessment.

3.1.2.1 Noncompliance Categories

The Corporation has implemented a compliance framework designed to group noncompliance with the Standards into three (3) categories.

3.1.2.1.1 Category A—Payment System Integrity

Category A noncompliance affects payment system integrity. The Corporation has the authority to impose immediate monetary noncompliance assessments for incidents of category A noncompliance with the Standards. “Payment system integrity” violations include, by way of example but not limitation, noncompliance regarding Membership and License requirements, Merchant signing and monitoring requirements, or protection of Card, account, and Transaction information.

3.1.2.1.2 Category B—Visible to Customers

Category B noncompliance addresses conduct that is visible to customers. The Corporation has the authority to impose immediate monetary noncompliance assessments for incidents of category B noncompliance or, in the alternative, may provide notice and limited time to cure factors relating to noncompliance before imposing monetary assessments. “Visible to customers” violations include, by way of example but not limitation, noncompliance regarding the use of the Marks, identification of the Merchant at the point of interaction, or the setting of minimum and maximum Transaction amounts.

3.1.2.1.3 Category C—Efficiency and Operational Performance

Category C noncompliance addresses efficiency and operational performance. The Corporation has the authority to impose immediate monetary noncompliance assessments for incidents of category C noncompliance or, in the alternative, may provide notice and limited time to cure factors relating to noncompliance before imposing monetary assessments. “Efficiency and operational performance” violations include, by way of example but not limitation, noncompliance regarding presentment of Transactions within the required time frame, supplying Merchants with materials required for Transaction processing, or the obligation to provide the Corporation with requested information.

3.1.2.2 Noncompliance Assessments

The following schedule pertains to any Standard that does not have an established compliance program. The Corporation may deviate from this schedule at any time.

Noncompliance Category	Assessment Type	Assessment Description
A	Per Violation	First violation: up to USD 25,000 Second violation within 12 months: up to USD 50,000 Third violation within 12 months: up to USD 75,000 Fourth and subsequent violations within 12 months: Up to USD 100,000 per violation
	Variable Occurrence (by device or Transaction)	Up to USD 2,500 per occurrence for the first 30 days Up to USD 5,000 per occurrence for days 31–60 Up to USD 10,000 per occurrence for days 61–90 Up to USD 20,000 per occurrence for subsequent violations
	Variable Occurrence (by number of Cards)	Up to USD 0.50 per card Minimum USD 1,000 per month per card base No maximum per month per card base No maximum per month per Card base or per all Card bases
B	Per Violation	First violation: up to USD 20,000 Second violation within 12 months: up to USD 30,000 Third violation within 12 months: up to USD 60,000 Fourth and subsequent violations within 12 months: Up to USD 100,000 per violation
	Variable Occurrence (by device or Transaction)	Up to USD 1,000 per occurrence for the first 30 days Up to USD 2,000 per occurrence for days 31–60 Up to USD 4,000 per occurrence for days 61–90 Up to USD 8,000 per occurrence for subsequent violations
	Variable Occurrence (by number of Cards)	Up to USD 0.30 per Card Minimum USD 1,000 per month per Card base Maximum USD 20,000 per month per Card base Maximum USD 40,000 per month per all Card bases

Member Obligations

3.1 Standards

Noncompliance Category	Assessment Type	Assessment Description
C	Per Violation	First violation: up to USD 15,000 Second violation within 12 months: up to USD 25,000 Third violation within 12 months: up to USD 50,000 Fourth and subsequent violations within 12 months: Up to USD 75,000 per violation
	Variable Occurrence (by device or Transaction)	Up to USD 1,000 per occurrence for the first 30 days Up to USD 2,000 per occurrence for days 31–60 Up to USD 4,000 per occurrence for days 61–90 Up to USD 8,000 per occurrence for subsequent violations
	Variable Occurrence (by number of Cards)	Up to USD 0.15 per card Minimum USD 1,000 per month per Card base Maximum USD 10,000 per month per Card base Maximum USD 20,000 per month per all Card bases

In the above table all days refer to calendar days and violations of a Standard are tracked on a rolling 12-month basis.

3.1.2.3 Certification

A senior executive officer of each Class A Member must, if requested by the Corporation, promptly certify in writing to the Corporation the status of compliance or noncompliance with any Standard by the Member or by any of such Member's Sponsored Affiliate Members.

3.1.2.4 Resolution of Appeal

When a Member appeals an assessment for noncompliance with a Standard, the Secretary of this Corporation may take such action as he or she deems necessary or appropriate or may elect not to act. The Secretary may delegate authority to act or not to act with respect to any particular appeal matter or type of appeal matter. If the Secretary or his or her designee elects to conduct further inquiry into the matter, each Member must cooperate promptly and fully. If the Secretary or his or her designee makes a recommendation of action to resolve the matter, such recommendation is final and not subject to further appeal or other action.

3.2 Conduct of Activity

Each Member at all times must conduct Activity in compliance with the Standards and with all applicable laws and regulations. Each Member must conduct all Activity and otherwise operate in a manner that is financially sound and so as to avoid risk to the Corporation and to other Members.

3.2.1 Conflict with Law

A Member is not required to undertake any act that is unambiguously prohibited by applicable law or regulation.

3.2.2 Obligations of a Sponsor

Each Class A Member that Sponsors one or more Affiliate Members must cause each such Affiliate Member to comply with all Standards applicable to the Activity of that Affiliate Member. A Class A Member is liable to the Corporation and to all other Members for all Activities of any Affiliate Member Sponsored by the Class A Member and for any failure by such Sponsored Affiliate Member to comply with a Standard or with applicable law or regulation.

If an Affiliate Member Sponsored by a Class A Member ceases to be so Sponsored by that Class A Member, such Class A Member nonetheless is obligated, pursuant to and in accordance with the Standards, to acquire from other Members the records of Transactions arising from the use of Cards issued by that formerly Sponsored Affiliate Member and whether such Transactions arise before or after the cessation of the Sponsorship.

3.2.3 Affiliate Members

Except to the extent any liability or obligation arising under a Standard has been satisfied by a Class A Member, each Affiliate Member is responsible for the liabilities and obligations arising out of, or in connection with, its Activities, regardless of any:

1. Action taken by such Affiliate Member to satisfy such liability or obligation with, through or by a Class A Member that Sponsors or Sponsored such Affiliate Member, or
2. Agreement between any Class A Member and such Affiliate Member.

3.2.4 Materially Adverse Financial Condition or Discrepancy

A Member must promptly report to the Corporation any materially adverse financial condition or discrepancy or suspected materially adverse financial or discrepancy relating to the Member or, in the case of a Class A Member, any Affiliate Member Sponsored by the Class A Member. The Member must refer or, if applicable, cause the Affiliate Member to refer, such condition(s) or discrepancy(ies) to independent certified public accountants or another person or firm satisfactory to the Corporation for evaluation and recommendation as to remedial action, and promptly provide the Corporation a copy of such evaluation and recommendation after receipt thereof.

3.2.5 Compliance

From time to time, the Corporation may develop means and apply criteria to evaluate a Member's compliance with Rule 3.2. Each Member must fully cooperate with any effort by the Corporation and the Corporation's representatives to evaluate a Member's compliance with Rule 3.2.

In the event that the Corporation determines that a Member is not complying or may not on an ongoing basis comply with the requirements of Rule 3.2, the Corporation may:

1. Impose special terms upon the Member as the Corporation deems necessary or appropriate until each condition or discrepancy is resolved to the Corporation's satisfaction so as to enable the Member to be and to remain in full compliance with Rule 3.2, or
2. Require the Member to withdraw from Membership.

3.3 Indemnity and Limitation of Liability

Each Member (each, for the purposes of this Rule, an "Indemnifying Member") must protect, indemnify, and hold harmless the Corporation and the Corporation's parent and subsidiaries and affiliated entities, and each of the directors, officers, employees and agents of the Corporation and the Corporation's parent and subsidiaries and affiliated entities from any actual or threatened claim, demand, obligation, loss, cost, liability and/or expense (including, without limitation, actual attorneys' fees, costs of investigation, and disbursements) resulting from and/or arising in connection with, any act or omission of the Indemnifying Member, its subsidiaries, or any person associated with the Indemnifying Member or its subsidiaries (including, without limitation, such Indemnifying Member's directors, officers, employees and agents, all direct and indirect parents, subsidiaries, and affiliates of the Indemnifying Member, the Indemnifying Member's customers in connection with issuing and/or acquiring Activity and/or other business, and the

Indemnifying Member's suppliers, including, without limitation, any processors, Member Service Providers (MSPs), and other persons acting for, or in connection with the Indemnifying Member or a Merchant for which the Indemnifying Member acquires Transactions, or any such Merchant's employees, representatives, agents suppliers, customers, including any Data Storage Entity (DSE)) with respect to, or relating to:

1. Any programs and/or Activities of the Indemnifying Member;
2. Any programs and/or activities of any person associated with the Indemnifying Member and/or its subsidiaries;
3. The compliance or non-compliance with the Standards by the Indemnifying Member;
4. The compliance or non-compliance with the Standards by any person associated with the Indemnifying Member and its subsidiaries;
5. Any other activity of the Indemnifying Member;
6. Direct or indirect access to and/or use of the Interchange System (it being understood that the Corporation does not represent or warrant that the Interchange System or any part thereof is or will be defect-free or error-free and that each Member chooses to access and use the Interchange System at the Member's sole risk and at no risk to the Corporation);
7. Any other activity of any person associated with the Indemnifying Member, its subsidiaries, or both that used and/or otherwise involved any of the Marks or other assets;
8. Any failure of another Member to perform as required by the Standards or applicable law; or
9. The Corporation's interpretation, enforcement, or failure to enforce any Standard(s).

The Corporation does not represent or warrant that the Interchange System or any other system, process or activity administered, operated, controlled or provided by or on behalf of the Corporation (collectively, for purposes of this Rule, the "Systems") is free of defect and/or mistake and, unless otherwise specifically stated in the Standards or in a writing executed by and between the Corporation and a Member, the Systems are provided on an "as-is" basis and without any express or implied warranty of any type, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose or non-infringement of third party intellectual property rights. **IN NO EVENT WILL THE CORPORATION BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, OR DAMAGES FOR LOSS OF PROFITS, OR ANY OTHER COST OR EXPENSE INCURRED BY A MEMBER OR ANY THIRD PARTY ARISING FROM OR RELATED TO USE OR RECEIPT OF THE SYSTEMS, WHETHER IN AN ACTION IN CONTRACT OR IN TORT, AND EVEN IF THE MEMBER OR ANY THIRD PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. EACH MEMBER ASSUMES THE ENTIRE RISK OF USE OR RECEIPT OF THE SYSTEMS.**

Only in the event the limitation of liability set forth in the immediately preceding paragraph is deemed by a court of competent jurisdiction to be contrary to applicable law, the total liability, in the aggregate, of the Corporation to a Member and anyone claiming by or through the Member, for any and all claims, losses, costs or damages, including attorneys' fees and costs and expert-witness fees and costs of any nature whatsoever or claims expenses resulting from or in any way related to the Systems shall not exceed the total compensation received by the Corporation from the Member for the particular use or receipt of the Systems during the twelve (12) months ending on the date that the Corporation was advised by the Member of the Systems concern or the total amount of USD 250,000.00, whichever is less. It is intended that this limitation apply to any and all liability or cause of action however alleged or arising; to the fullest extent permitted by law; unless otherwise prohibited by law; and notwithstanding any other provision of the Standards.

A payment or credit by the Corporation to or for the benefit of a Member that is not required to be made by the Standards will not be construed to be a waiver or modification of any Standard by the Corporation. A failure or delay by the Corporation to enforce any Standard or exercise any right of the Corporation set forth in the Standards will not be construed to be a waiver or modification of the Standard or of any of the Corporation's rights therein.

3.4 Choice of Laws

The substantive laws of the State of New York govern all disputes involving the Corporation, the Standards, and/or the Members and Activity without regard to conflicts. Any action initiated by a Member regarding and/or involving the Corporation, the Standards and/or any Member and Activity must be brought, if at all, only in the United States District Court for the Southern District of New York or the New York Supreme Court for the County of Westchester, and any Member involved in an action hereby submits to the jurisdiction of such courts and waives any claim of lack of personal jurisdiction, improper venue, and *forum non conveniens*.

This provision in no way limits or otherwise impacts the Corporation's authority described in Rule 3.1. Each Member agrees that the Standards are construed under, and governed by, the substantive laws of the State of New York without regard to conflicts.

3.5 Examination and Audit

The Corporation, at any time, and whether or not a Member is subject to periodic examination by banking regulatory authorities of the United States or any state thereof, or to periodic examination by regulatory authorities of another government, and at the Member's sole expense, may require that Member to be subjected to an examination and/or audit and/or periodic examination and/or periodic audit by a firm of independent certified accountants or by any other person or entity satisfactory to the Corporation. The complete results of each such examination and/or audit will be provided to the Corporation promptly upon completion.

Any accountant's examination or audit undertaken in accordance with this Rule must be at least as detailed and equivalent in scope and nature as an examination or audit required of banks under the laws of the United States and will address such matters relating to or arising from Activity as the Corporation may require for the time period to be examined or audited. Such matters may include, by way of example and not limitation:

1. The number of active and inactive Cards outstanding, the number of Cards issued, the volume of Transactions, and the delinquency experience on repayment.
2. The nature of any credit or other investigation conducted before issuance of a Card, the guidelines and criteria employed to evaluate credit risk, and the nature of credit decisions made.
3. The nature of collection procedures used, including the timing of collection notices, the wording and frequency of such notices, and the procedures for turning Card accounts over to collection services.
4. An evaluation of charge-off procedures used, including the procedures employed during any period in which a Card account is carried without payment, the disposition of a Card account after charge-off, collection efforts by legal action, and the practices followed in the aging of Card accounts.
5. An analysis of the geographic area covered by any Activity and the adequacy of the credit investigation and enforcement facilities in light of such geographic coverage.
6. An analysis of procedures used in evaluating prospective Merchants, including investigation standards, review of financial statements, Dun & Bradstreet reports, and/or similar or additional reports, and review of personal credit reports on principals in the case of small Merchants.
7. An analysis of procedures used in evaluating prospective Member Service Providers, including investigation procedures and criteria, review of financial statements, Dun & Bradstreet reports, and/or similar or additional

Member Obligations

3.6 Provision and Use of Information

reports, and of review personal credit reports on principals in the case of small Member Service Providers.

8. An analysis of procedures used in connection and to ensure ongoing compliance with the Corporation's AML Program.
9. An analysis of practices in the manufacture, personalization and issuance of Cards, including proper security measures for blank card stock, controls imposed in the issuance of Cards, mailing procedures, information security measures, and practices used to avoid duplicate issuance.
10. An analysis of policies and practices concerning the taking of reserves as protection against losses due to any Activity and an analysis of whether such policies and practices are at least as strict as that required of U.S banks on classified loans.

The Corporation has no liability or responsibility for any failure to cause an examination or audit or both to be conducted or for the nature or quality of any examination or audit or for any action taken or not taken following any such examination or audit.

The Corporation reserves the right to audit a Member's Activity and compliance with the Standards. The Member must cooperate with and promptly supply the Corporation with all information that the Corporation deems necessary or appropriate in connection with any such audit. The Corporation may assess a Member the costs of any such audit.

3.6 Provision and Use of Information

3.6.1 Obligation of Member to Provide Information

Upon request by the Corporation, and subject to applicable law or regulation, a Member must provide Member Reports to the Corporation, or to the Corporation's designee; provided, compliance with the foregoing obligation does not require a Member to furnish any information, the disclosure of which, in the opinion of this Corporation's legal counsel, is likely to create a significant potential legal risk to this Corporation and/or its Member(s). To the extent that a Member is obligated to provide a Member Report to the Corporation that the Member deems to disclose proprietary information of the Member, such information will be treated by the Corporation with the degree of care deemed appropriate by the Corporation to maintain its confidentiality.

As an example of a Member Report, each Acquirer must provide Transaction Data to the Corporation in such form and manner as the Corporation may require. As used herein, "Transaction Data" means any data or data element or subelement that the Standards require to be used to clear and/or settle a

Transaction (whether cleared and/or settled via the Interchange System or otherwise) or that the Corporation requires to be provided.

3.6.2 Confidential Information of Members

The Corporation and its parents, subsidiaries and affiliates (herein collectively referred to as the “Corporation’s Affiliates”) will not use or disclose confidential information or Confidential Transaction Data furnished to it by Members or Merchants except to the extent that the use or disclosure is in compliance with applicable law and as specifically provided herein. “Confidential Transaction Data” means any information provided to the Corporation or any of the Corporation’s Affiliates by a Member or Merchant if that information enables the Corporation or any of the Corporation’s Affiliates to determine an individual’s identity or includes a Card account number. The Corporation may disclose and/or use confidential information and Confidential Transaction Data only as follows:

1. For the benefit of the Member supplying the information;
2. As may be appropriate, to the Corporation’s and the Corporation’s Affiliates’ staff, accountants, auditors, or counsel;
3. As may be required or requested by any judicial process or governmental agency having or claiming jurisdiction over the Corporation or the Corporation’s Affiliates;
4. As required for processing Transactions, including authorization, clearing, and settlement;
5. For accounting, auditing, billing, reconciliation, and collection activities; or
6. For the purpose of processing and/or resolving chargebacks or other disputes;
7. For the purpose of protecting against or preventing actual or potential fraud, unauthorized transactions, claims, or other liability, including to third parties providing these services;
8. For the purpose of managing risk exposures, franchise quality, and compliance with the Standards;
9. For the purpose of providing other products or services to Members or other third parties, except that any Confidential Transaction Data provided in such products or services will only be provided to a Member and will consist solely of Confidential Transaction Data provided to the Corporation or to any of the Corporation’s Affiliates by that Member;
10. For the purpose of administering sweepstakes, contests, or other marketing promotions;

Member Obligations

3.6 Provision and Use of Information

11. For preparing internal reports for use by the Corporation or the Corporation's Affiliates, staff, management, and consultants in operating, evaluating, and managing Corporation business;
12. For preparing and furnishing statistical compilations, analyses, and other reports of aggregated information provided that such compilations, analyses, and reports do not identify any Member or Cardholder whose Transactions were involved in the preparation of the compilations, analyses, or reports; provided that, notwithstanding the foregoing, account numbers may be used for the purpose of creating such compilations, analyses, and other reports of aggregated information;
13. For the purpose of complying with applicable legal requirements;
14. Provided there is consent of the individual to whom the confidential information and/or Confidential Transaction Data relates.

Each Member must ensure that it complies with applicable law in connection with disclosing any Confidential Transaction Data or confidential information to the Corporation and the Corporation's Affiliates to allow the uses permitted herein, including any laws requiring the Member to provide notices to individuals about information practices or to obtain consent from individuals to such practices.

3.6.3 Use of Corporation Information by a Member

The Corporation is not responsible and disclaims any responsibility for the accuracy, completeness, or timeliness of any information disclosed by the Corporation to a Member; and the Corporation makes no warranty, express or implied, including, but not limited to, any warranty of merchantability or fitness for any particular purpose with respect to any information disclosed by or on behalf of the Corporation to any Member disclosed directly or indirectly to any participant in a Member's Activity. Each Member assumes all risk of use of any information disclosed directly or indirectly to a Member or to any participant in a Member's Activity by or on behalf of the Corporation.

3.6.4 Confidential Information of the Corporation and the Corporation's Affiliates

A Member must not disclose confidential information of the Corporation or of the Corporation's parents, subsidiaries, and Affiliates (herein collectively referred to as the "Corporation's Affiliates") except:

1. On a need-to-know basis to the Member's staff, accountants, auditors, or legal counsel subject to standard confidentiality restrictions, or
2. As may be required by any court process or governmental agency having or claiming jurisdiction over the Member, in which event the Member must

promptly provide written notice of such requirement to the Secretary of the Corporation and to the extent possible, the Member must seek confidential treatment by the court or agency.

The obligation set forth herein continues following the termination of Membership. Information provided to Members by the Corporation or the Corporation's Affiliates is deemed confidential unless otherwise stated in writing.

A Member may use confidential or proprietary information and/or trade secrets of the Corporation and the Corporation's Affiliates solely for the purpose of carrying out the Member's Activities.

3.7 Quarterly Member Report

Each Member must complete and timely deliver to the Corporation the Quarterly Member Report or such other Member Report as the Corporation may require be completed and returned by Members from time to time (such Member Report being hereinafter referred to as the "QMR") in the manner and at such time as the Corporation requires.

3.7.1 Report Not Received

If the Corporation does not receive a Member's properly completed QMR questionnaire when and how due, the Corporation may:

1. Impose on the Member, after review of the Member's last submitted QMR questionnaire and assessment paid, an assessment equal to, or greater than, the Member's assessment for such calendar quarter;
2. Impose on the Member a noncompliance assessment, as set forth in the applicable regional *MasterCard Consolidated Billing System* manual;
3. If the Member's actual payment based on the QMR questionnaire submitted by the Member compared with the Corporation's estimate of payment due results in an underpayment by the Member, collect the amount of the underpayment due and impose an interest penalty of the lower of two (2) percent per month or the highest rate permitted by law, from the date the payment was first due through the date on which the additional amount due is paid;
4. If the Member's actual payment based on the QMR questionnaire submitted by the Member compared with the Corporation's estimate of payment due results in an overpayment by the Member, return the amount of the overpayment, without interest or penalty thereon, as soon as practicable after the overpayment amount is identified and calculated; and

5. Collect the assessment amount, and any penalties and interest due thereon, from the Member's settlement account.

3.7.2 Erroneous or Incomplete Report

If a Member submits an erroneous or incomplete QMR, the Corporation may:

1. Impose on the Member, after review of the Member's previously correctly submitted QMR and assessments paid thereon an assessment equal to, or greater than, the Member's last properly paid assessment for each calendar quarter for which it submitted an erroneous or incomplete QMR;
2. Impose on the Member a noncompliance assessment, as set forth in the applicable regional *MasterCard Consolidated Billing System* manual;
3. If the Corporation's estimate of payment due results in an underpayment by the Member, collect the amount of the underpayment due and impose on the Member an assessment on the amount of the underpayment of the lower of two (2) percent per month or the highest rate permitted by law, from the date(s) the payment(s) was first due and payable through the date(s) on which the additional amount(s) due is paid;
4. If the Corporation's estimate of payment due results in an overpayment by the Member, return the amount of the overpayment, without penalty or interest thereon, as soon as practicable after the overpayment amount is identified and calculated; and
5. Collect of the assessment amount, and any interest, from the Member's settlement account.

3.7.3 Overpayment Claim

If a Member, after submitting a QMR, submits to the Corporation a claim asserting an overpayment thereon, the Corporation may:

1. Accept the claim for review only if it is received by the Corporation no later than one calendar quarter after the date of the claimed overpayment; and
2. Provided the overpayment claim is submitted in a timely manner and substantiated, return the amount of the overpayment to the Member, without interest or penalty thereon, as soon as practicable after the overpayment amount is identified and calculated.

A Member may request that the Corporation's Secretary review the Corporation's actions and make a finding or recommendation. Such a request must be received by the Secretary no later than 30 calendar days after the date of the disputed action and any finding or recommendation by the Secretary with regard to the matter will be final and not subject to appeal or other similar action.

3.8 Additional Member Obligations

Each Member must comply with the following obligations.

3.8.1 Safeguard Card Account and Transaction Information

Each Member, for itself and any third party that may be afforded access to Transaction or Card account information, or both, by or on behalf of the Member, must safeguard and use or permit use of such information in accordance with the Standards.

3.8.2 Satisfaction of Minimum Member Obligations

Within one year of becoming a Class A Member and at all times thereafter, each Class A Member must itself, taken together with any Affiliate Member(s) Sponsored by the Class A Member as if they were a single Class A Member, have satisfied the minimum obligations as may be established from time to time and as set forth in the Standards or in a Member Agreement or License.

3.8.3 Satisfaction of Minimum Financial Requirements

Each Member at all times must satisfy the minimum financial requirements established by the Corporation from time to time. The Corporation, in its discretion, may establish different or additional financial requirements for

1. A category of financial institutions, organizations, or corporations or other entities that are eligible to become a Member; or
2. An individual Member or prospective Member in the manner set forth in the Standards should the Corporation determine that different or additional requirements are reasonably appropriate to evidence the financial integrity of a type of Member or an individual Member or prospective Member.

3.8.4 Integrity of Brand and Network

A Member may not directly or indirectly engage in or facilitate any action that is illegal, or that, in the opinion of the Corporation and whether or not addressed in the Standards, damages or may damage the good will or reputation of the Corporation or of any Mark, and the Member will promptly cease engaging in or facilitating such action upon request of the Corporation.

In addition, a Member may not place or cause to be placed on any Card or on any terminal or acceptance device any image, information, application, or product that would in any way, directly or indirectly, have or potentially have the effect of diminishing or devaluing the reputation or utility of the Marks, a

Card, or any of the Corporation's products, programs, services, networks, or systems.

3.8.5 Authorization Service

Each Class A Member must provide, at its own expense and with respect to Cards issued by the Class A Member and any Affiliate Member Sponsored by the Class A Member, authorization services that comply with the Standards.

Each Class A Member must provide, at its own expense and with respect to Merchants of the Class A Member and any Affiliate Member Sponsored by the Class A Member, adequate and reasonable authorization services that comply with the Standards and each such Merchant must be instructed as to the proper use of such authorization services so as to ensure that Cards are accepted or refused and that Transactions are effected or refused in compliance with the Standards.

3.8.5.1 Selective Authorization

Without the express prior written approval of the Corporation, a Member may not launch or maintain a Card Program for the purpose of selectively authorizing Transactions arising from use of the Program Cards at only a subset of MasterCard acceptance locations. A Member is not prohibited from authorizing or declining individual Transactions based on:

1. The amount of funds or credit available in the Cardholder account;
2. Fraud or credit risks presented by individual Cardholder usage patterns;
3. Cash access restrictions to manage a secured or high credit risk account; or
4. Any other restriction on use the Corporation may permit.

3.8.6 Transaction Requirements

Each Member must, in accordance with the Standards:

1. Accept and present to the Issuer records of Transactions arising from the use of a Card issued by any other Member from any Merchant that the Member has authorized to honor Cards;
2. Accept and pay for records of Transactions received from another Member arising from the use of any Card or Access Device issued by it;
3. Present to the Issuer records of the cash disbursement transactions the Member acquires; and
4. Maintain, directly or indirectly, a functional twenty-four-hour per day operating connection to the Interchange System, and not force any other

Member wishing to operate multilaterally using the Interchange System into bilateral agreements.

3.8.7 Fees, Expenses and Other Payment Obligations

If a Member does not timely pay the Corporation or any other person any amount due under the Standards, then the Corporation has the right, immediately and without providing prior notice to the Member, to assess and collect from that Member, on a current basis as the Corporation deems necessary or appropriate, such amount, as well as the actual attorneys' fees and other costs incurred by the Corporation in connection with any effort to collect such amount from that Member.

The Corporation may assess and collect such amount at any time after the applicable amount becomes due, by any means available to the Corporation, which shall specifically include, by way of example and not limitation:

1. The taking or setoff of funds or other assets of the Member held by the Corporation;
2. The taking or setoff of funds from any account of the Member upon which the Corporation is authorized to draw;
3. The taking of funds due to the Member from any other Member; and
4. The taking of funds being paid by the Member to any other Member.

Each Member expressly authorizes the Corporation to take the Member's funds and other assets as authorized by this Rule, and to apply such funds and other assets to any obligation of the Member to the Corporation or any other person under the Standards, and no Member shall have any claim against the Corporation or any other person in respect of such conduct by the Corporation. Each Member agrees upon demand to promptly execute, acknowledge and deliver to the Corporation such instruments, agreements, lien waivers, releases, and other documents as the Corporation may, from time to time, request in order to exercise its rights under this Rule.

If the Corporation draws on the Member's funds, the Corporation is not required to reimburse the Member or any third party (including another Member) for funds drawn which are owned by any of them or otherwise subject to any of their rights. The Member and any third party (including another Member) bear all risk and liability related to the funds drawn and shall jointly and severally indemnify and hold the Corporation harmless from all liability and claims arising from any such draw of funds.

3.8.7.1 Taxes and Other Charges

Each Member must pay when due all taxes charged by any country or other jurisdiction in which the Member conducts Activity with respect to such

Activity. In the event the Corporation is charged taxes or other charges by a country or other jurisdiction as a result of or otherwise directly or indirectly attributable to Activity, the Member is obligated to reimburse the Corporation the amount of such taxes or other charges and the Corporation may collect such taxes or other charges from the settlement account of the Class A Member responsible in accordance with the Standards for the Activity that gave rise to the charge.

3.9 Pay-Per-Call Service

The use of a “900” or other “pay-per-call” telephone service to offer or solicit for any Activity is prohibited.

3.10 Encashment of MasterCard Travelers Cheques

Each Member must encash MasterCard® Travelers Cheques issued in any currency when presented for payment at any of its locations, provided:

1. Such encashment is permitted by law; and
2. The Member has the ability (including a foreign exchange capability, with respect to a currency other than U.S. currency MasterCard Travelers Cheques presented for encashment) to encash such cheques as a result of the business it normally conducts at a location.

If the encashing Member encashes any other brand of travelers cheques at a location, the Member may impose terms and conditions for the encashment of MasterCard Travelers Cheques that it uses to encash other brands of travelers cheques.

Compliance Zones

The following table identifies the noncompliance category that the Corporation has assigned to the Standards described within this chapter. These noncompliance categories are assigned for the purposes of assessments under the compliance framework, as described in Rule 3.1.2.

Rule Number	Rule Title	Category
3.1.2.2	Certification	C
3.2	Conduct of Activity	A
3.5	Examination and Audit	A
3.6.1	Obligation of Member to Provide Information	C
3.6.4	Confidential Information of the Corporation and the Corporation's Affiliates	A
3.7	Quarterly Member Report	A
3.8.1	Safeguard Card Account and Transaction Information	A
3.8.2	Satisfaction of Minimum Member Obligations	A
3.8.3	Satisfaction of Minimum Financial Requirements	A
3.8.4	Integrity of Brand and Network	A
3.8.5	Authorization Service	A
3.8.5.1	Selective Authorization	B
3.8.6	Transaction Requirements	A
3.8.6.1	Taxes and Other Charges	C
3.9	Pay-Per-Call Service	B
3.10	Encashment of MasterCard Travelers Cheques	B

4

Trademarks and Service Marks

This chapter contains information about use of the Marks and competing marks.

4.1 Right to Use the Marks.....	4-1
4.1.1 Licenses.....	4-1
4.1.2 Protection and Registration of the Marks.....	4-1
4.1.2.1 Registration of a Card Face Design.....	4-2
4.1.3 Misuse of a Mark.....	4-2
4.2 General Rules for Use of the Marks.....	4-2
4.2.1 Use of the Marks.....	4-2
4.2.2 Compliance.....	4-3
4.2.3 Required Use.....	4-3
4.2.4 Review of Solicitations.....	4-3
4.2.5 Signage System.....	4-3
4.2.6 Particular Use of a Mark.....	4-3
4.2.6.1 Generic Use.....	4-3
4.2.6.2 Use of Modifiers.....	4-4
4.2.6.3 Use on Stationery.....	4-4
4.2.6.4 Use on Non-Licensed Goods.....	4-4
4.2.6.5 Use on Checks.....	4-4
4.2.6.6 Use on Multiple Application EMV Chip Cards.....	4-4
4.2.7 Use of the MasterCard Word Mark.....	4-4
4.2.7.1 Use or Registration of “Master” Terminology.....	4-5
4.2.7.2 Use of MasterCard in a Corporate, Business or Domain Name.....	4-5
4.2.7.3 Use of MasterCard in Text.....	4-5
4.2.7.4 Registration Notice.....	4-5
4.2.7.5 Program Names.....	4-5
4.2.8 Use of the Interlocking Circles Device.....	4-6
4.2.8.1 Reproduction Standards.....	4-6
4.2.8.2 Variations Prohibited.....	4-6
4.2.8.3 Use or Registration of Similar Logos, Designs, and Names.....	4-6
4.2.9 Use of Multiple Brand Marks.....	4-7
4.2.10 Use of the Card Face Design.....	4-7
4.2.10.1 In Advertising and Marketing Material.....	4-7
4.2.10.2 In Merchant Advertising.....	4-8
4.2.10.3 In Statement Enclosures.....	4-8

4.2.11 Use of the MasterCard Brand Mark on Other Cards.....	4-8
4.2.12 Use of a Competing Mark on Cards	4-8
4.2.13 Use of Other Acceptance Marks on Cards	4-9
Compliance Zones.....	4-9

4.1 Right to Use the Marks

4.1.1 Licenses

A right to use one or more Marks or to use the Interchange System to process unbranded transactions is granted to Members and other licensees only pursuant to the terms of a License or other agreement with the Corporation. Unless an interim License has been granted, a Mark must not be used in any form or manner before the execution of a written License and, if applicable, a License addendum.

No additional interest in the Marks is granted with the grant of a right to use the Marks. A Licensee is responsible for all costs and liabilities resulting from or related to its use of a Mark or the Interchange System.

Except as otherwise expressly provided in a License, each License is non-exclusive and non-transferable. The right to use a Mark may be sublicensed by a Licensee to any Sublicensee only in accordance with the Standards or otherwise with the prior written consent of the Corporation. A Member or other Licensee that is permitted to sublicense the use of a Mark to a Sublicensee must ensure, for so long as the sublicense is in effect, that the Mark is used by the Sublicensee in accordance with the Standards and/or other additional conditions for such use required by the Corporation.

The right to use a Mark cannot be sublicensed or assigned, whether by sale, consolidation, merger, amalgamation, operation of law, or otherwise, without the prior written consent of the Corporation.

The Corporation makes no express or implied representations or warranties in connection with any Mark and the Corporation specifically disclaims all such representations and warranties.

4.1.2 Protection and Registration of the Marks

Protection of the Marks is vital to the Corporation, its Members and other Licensees. Any use of a Mark must not degrade, devalue, denigrate, or cause injury or damage to the Marks or the Corporation in any way.

By using any Mark, each Member and other Licensee acknowledges the Corporation's sole ownership of the Marks and agrees not to challenge or contest the Corporation's exclusive ownership of the Marks, assist others in doing so either directly or indirectly or otherwise take or assist others in taking any acts or failing to take actions that would be inconsistent with that ownership. All use of any Mark will inure solely to the benefit of the Corporation.

No Member or other Licensee or Sublicensee may register, attempt to register or in any way make use of the Marks, or any mark or term that, in the sole discretion of the Corporation, is deemed to be derivative of, similar to, or in any way related to a Mark. In particular, no use of a Mark may be made on or in connection with any card, device or other application associated with a payment service that the Corporation deems to be competitive with any Activity.

Without limitation, the foregoing shall specifically apply to registration or use of any mark or term that incorporates, references or otherwise could be confused or associated with a Mark currently or previously Licensed, Sublicensed or otherwise used by a Member, the Member's Sublicensees and permittees and their respective successors or assignees (including, without limitation, by virtue of acquisition by merger or otherwise, bankruptcy or voluntary or involuntary winding-up.)

4.1.2.1 Registration of a Card Face Design

A Member or other Licensee must not register or attempt to register any Card face design that includes the MasterCard Brand Mark.

4.1.3 Misuse of a Mark

Each Member and other Licensee must promptly notify the Corporation whenever it learns of any misuse of any Mark or of any attempt to copy or infringe any of the Marks.

4.2 General Rules for Use of the Marks

4.2.1 Use of the Marks

A Mark may be used only pursuant to a License. This provision applies, without limitation, to:

1. Use of a Mark for advertising or promotional purposes;
2. Placing orders for card stock or for any other materials bearing a Mark;
3. Displaying a Mark;
4. Issuing Cards;
5. Signing Merchants; and
6. Distributing or affixing decals.

A Mark may only be used by Members and Licensees to identify and promote Activities, in compliance with the Standards.

4.2.2 Compliance

Any use of a Mark must comply with the License, the Standards, and all of the Corporation's reproduction, usage, and artwork standards as may be in effect from time to time.

4.2.3 Required Use

Each Member must prominently display the applicable Mark in all advertising, marketing, promotional, and collateral materials promoting a program or service offered by the Corporation. The inclusion of the MasterCard Word Mark in the headline or title, or the prominent display of the MasterCard Word Mark on the first page of the offering, satisfies this requirement.

4.2.4 Review of Solicitations

The Corporation reserves the right to review samples and approve or refuse to approve use of a Solicitation. Amended samples, if required as a result of this review, also must be forwarded to the Corporation for review. Without the express prior written consent of the Corporation, an Issuer may not use a Solicitation or any other application, advertisement, promotion, marketing communication, offer, or the like in which a Card Program is in any way linked to a different payment card program.

4.2.5 Signage System

The Corporation's interlocking circles signage system is employed when one or more brands using the MasterCard interlocking circles device is accepted at a point of interaction. The system requires the consecutive vertical or horizontal display of the brand Marks in the following sequence—MasterCard, MasterCard Electronic, Maestro, Cirrus. Of the four brands, only those brands that are accepted at a particular point of interaction may be displayed there. The MasterCard Electronic brand mark must not be displayed on an ATM.

4.2.6 Particular Use of a Mark

4.2.6.1 Generic Use

A generic term, such as "bank card" or "payment card", does not function as a Mark. Use of a Mark in a manner that would tend to genericize that Mark or otherwise result in the loss of trademark rights is prohibited.

4.2.6.2 Use of Modifiers

A Member is permitted to use its name or a geographical designation in conjunction with the MasterCard Word Mark, such as “California MasterCard card program” or “First Issuer MasterCard Department.” The Corporation may prohibit the use of a modifier that it determines will impair the distinctiveness of any Mark or create any likelihood of confusion or reflect poorly on the Corporation.

4.2.6.3 Use on Stationery

Subject to the Standards, a Licensee is permitted to use a Mark on print or electronic stationery, letterhead, envelopes, and the like for the purpose of identifying its Program or service. If the MasterCard Word Mark is used, the Licensee’s name must appear in close proximity to it, such as “Superior National Bank MasterCard® Department.”

4.2.6.4 Use on Non-Licensed Goods

A Mark may not be used in a manner likely to create the impression that any good or service offered by the Licensee or Sublicensee is sponsored, produced, offered, approved, sold by, or otherwise affiliated with the Corporation. Each Licensee must ensure that each of its Sublicensees, partners, Merchants, and other Program participants does not apply a Mark to any good or service not expressly covered under the terms of a License.

4.2.6.5 Use on Checks

A Mark may not be placed on a check, except as permitted by a “Master Checking” License.

4.2.6.6 Use on Multiple Application EMV Chip Cards

Standards governing the use of Marks on multiple application EMV chip Cards are set forth in the Card Design Standards System, available on MasterCard Online, which is incorporated into these Rules by reference.

4.2.7 Use of the MasterCard Word Mark

The MasterCard Word Mark “MasterCard®” must appear in English and must be spelled correctly and as one word. The letters “M” and “C” must be capitalized. “MasterCard” must not be abbreviated, hyphenated, used in the plural or possessive, or translated from English into another language.

4.2.7.1 Use or Registration of “Master” Terminology

Except as expressly permitted in writing by the Corporation, the word “Master” may not be used or registered as part of a trademark, service mark, corporate name, business name, or Program name, whether preceding, following or linked together as one word, or with a hyphen or slash, or in connection with any financial or bank-related goods or services.

4.2.7.2 Use of MasterCard in a Corporate, Business or Domain Name

The MasterCard Word Mark may not be used as part of a legal, corporate, or business name, such as “MasterCard® Center, Inc.” No Internet domain name may be registered that includes the word “MasterCard,” except as expressly permitted in writing by the Corporation.

4.2.7.3 Use of MasterCard in Text

The MasterCard Word Mark must be used as an adjective (as in “your MasterCard® card”) in the first or most prominent use subsequent to any use in the title, headline, signature, or cover page of an offering, unless:

1. the word “MasterCard” is used as part of a Member’s Program name (as in “Member/Program name MasterCard”); or
2. otherwise expressly approved in writing by the Corporation.

Use of the word “MasterCard” as a verb (“MasterCard your gifts”), in plural (“MasterCards”) or in possessive form is prohibited.

4.2.7.4 Registration Notice

The MasterCard Word Mark must be accompanied by the registration notice ® or the local law equivalent. (Refer to the reproduction, usage, and artwork Standards for the correct use and placement of the registration mark.)

4.2.7.5 Program Names

Each MasterCard Program name, offering, and service must be referred to by the full, legal name and include the appropriate registration notice.

4.2.8 Use of the Interlocking Circles Device

4.2.8.1 Reproduction Standards

The MasterCard interlocking circles device must be reproduced in accordance with all of the following requirements:

1. All color, version, and other specifications set forth in the MasterCard Brand Center Web site at www.mastercardbrandcenter.com and in the Card Design Standards System;
2. With a MasterCard brand name (such as “MasterCard,” “MasterCard Electronic,” “Maestro,” or “Cirrus”) in custom lettering placed within the circles, except as expressly permitted by the Corporation. Only a permitted MasterCard brand name may be superimposed on any part of the interlocking circles device; and
3. Accompanied by the registration notice ® or the local law equivalent in close proximity to the Mark. If the maximum horizontal dimension of the interlocking circles device is one inch or less, the registration notice may be omitted.

4.2.8.2 Variations Prohibited

All modifications, alterations, and variations of the MasterCard interlocking circles device are prohibited without the express written consent of the Corporation.

4.2.8.3 Use or Registration of Similar Logos, Designs, and Names

A Member, Licensee, or Sublicensee may not use or seek to register any logo, design, or decorative element that includes two or more interlocking, adjoining, or adjacent circles, spheres, globes, or similar shapes that, in the sole discretion of the Corporation, may be likely to cause confusion with, or create a false association, connection or affiliation with, or dilute the distinctiveness of the MasterCard interlocking circles device.

4.2.9 Use of Multiple Brand Marks

When two or more Marks that use the MasterCard interlocking circles device are displayed together, they must have visual parity with one another.

When promoting any Mark with another acceptance mark in any media to denote acceptance, no other acceptance mark, symbol or logo may be or appear to be larger or more important than or more welcomed than the Mark. To maintain visual parity, a Mark must be at least as prominent as, and appear in at least the same frequency, size, and color treatment as, any other acceptance mark displayed. To maintain parity within written text, the MasterCard Word Mark must be at least as prominent as, and appear at least as frequently as, any other acceptance mark mentioned.

4.2.10 Use of the Card Face Design

4.2.10.1 In Advertising and Marketing Material

An Issuer is permitted to depict a Card face for an advertising or marketing purpose, subject to the following requirements:

1. The proportions of the Card face design, including typestyle and relative positions of the legends, may not be altered or distorted.
2. The legend “VALID THRU” or the equivalent must be depicted on the Card face design, unless the Card face design contains an effective date and an expiration date, in which case the words “VALID DATES” must be depicted in accordance with the requirements set forth in the *Security Rules and Procedures* manual and in the *Card Design Standards System*.
3. The Card face design must contain simulated embossing including the account number, the effective date and/or expiration date, and other embossing requirements set forth in the *Security Rules and Procedures* manual and in the *Card Design Standards System*. The first six digits of the account number must be either a Bank Identification Number (BIN) assigned to the Issuer by the Corporation or the unassigned BIN 541275, which the Corporation has set aside for Issuer use in advertising and marketing Card face designs.
4. The MasterCard Identification Area (or the MasterCard Brand Mark, if the Card face design depicts a Card with the hologram on the Card back) must be completely visible on at least one Card face design depicted in the materials.

4.2.10.2 In Merchant Advertising

A Merchant is prohibited from using the Card face design to indicate acceptance in Merchant advertising or other signage, other than signage for a Co-brand Program in which the Merchant is a Co-brand Partner. A Merchant may display an Issuer-specific Card face design in Merchant advertising and any other signage that is not used to signify acceptance.

4.2.10.3 In Statement Enclosures

The Card face design must be displayed on statement enclosures used to offer goods or services to cardholders through the use of a Member's Card. The MasterCard Brand Mark may be used in lieu of the Card face design if the Member's name is displayed on the statement enclosure.

4.2.11 Use of the MasterCard Brand Mark on Other Cards

The MasterCard Brand Mark may not be used on a promotional card or other card without the prior written consent of the Corporation.

4.2.12 Use of a Competing Mark on Cards

Unless expressly permitted by the Corporation, none of the following marks or any similar or related mark, or any mark owned by or affiliated with one of these entities, may appear on a Card:

1. American Express
2. JCB
3. Diners Club
4. Discover
5. Visa
6. Any other name, logo, or mark identifying or in any way associated with a payment service that the Corporation deems to be competitive with any MasterCard product or Program.

Any such competitor's credit or debit POI mark, logo, or name, regardless of whether registered, may not appear on a Card, nor may a payment application of any such competitor reside on the magnetic stripe or chip of a Card. The appearance of the PLUS brand mark or the PLUS word mark on the back of a Card is permitted where there is an effective PLUS agreement with the Issuer executed before July 1996.

No Member or other Licensee or Sublicensee or any of its affiliates may register, attempt to register, or in any way make use of any Marks or any mark or term that the Corporation in its sole discretion deems to be derivative of, similar to, dilutive of, or in any way related to a Mark on any Card, device, or other application associated with a payment service that the Corporation deems to be competitive with any Activity of the Corporation. Without limitation, the foregoing shall specifically apply to registration or use of any mark or term that incorporates, references, or otherwise could be confused or associated with any Mark currently or previously Licensed, sublicensed (to the extent sublicensing has been previously permitted), or used by a Member, its Sublicensees and permittees, and their respective successors or assignees (including, without limitation, by virtue of acquisition by merger or otherwise, bankruptcy or voluntary or involuntary winding-up.)

4.2.13 Use of Other Acceptance Marks on Cards

No acceptance mark may appear on a Card except as set forth in the Standards, including the Card Design Standards System.

Compliance Zones

The following table identifies the noncompliance category that the Corporation has assigned to the Standards described within this chapter. These noncompliance categories are assigned for the purposes of assessments under the compliance framework, as described in Rule 3.1.2.

Section Number	Section Title	Category
4.1.1	Licenses	A
4.1.2	Protection and Registration of the Marks	B
4.1.3	Misuse of the Marks	B
4.2	General Rules for Use of the Marks	B

5

Merchants and Sales Transactions

This chapter contains information about Acquirer and Merchant obligations and acceptance procedures.

5.1 The Merchant Agreement.....	5-1
5.1.1 Verify Bona Fide Business Operation	5-1
5.1.2 Required Terms	5-1
5.1.3 Assessments for Merchant Agreement Noncompliance.....	5-2
5.2 Acquirer Obligations	5-2
5.2.1 Acquiring Transactions.....	5-2
5.2.2 Merchant Compliance with the Standards	5-2
5.2.3 Merchant Information	5-2
5.2.4 Payments to Merchants	5-2
5.2.5 Supplying Materials	5-3
5.3 Merchant Monitoring.....	5-3
5.4 Merchant Identification and Responsibility for Transactions	5-3
5.5 Use of the Marks	5-4
5.5.1 Merchants Must Display the MasterCard Acceptance Mark	5-4
5.5.2 Merchant Advertising and POI Materials.....	5-5
5.5.3 Local/Regional Acceptance Brands	5-5
5.5.4 Direct Mail Cardholder Solicitation Merchants.....	5-5
5.6 Card Acceptance Requirements	5-7
5.6.1 Honor All Cards.....	5-7
5.6.2 Obtain an Authorization	5-7
5.6.3 Additional Cardholder Identification	5-7
5.6.4 E-commerce Transactions	5-7
5.7 Submitting Transactions	5-8
5.7.1 Valid Transactions	5-8
5.7.2 Submit Transactions within Three Business Days	5-8
5.8 Noncompliance Assessments	5-9
5.9 Prohibited Practices.....	5-9
5.9.1 Discrimination	5-9
5.9.2 Charges to Cardholders.....	5-9
5.9.3 Minimum/Maximum Transaction Amount Prohibited	5-10

5.9.4 Scrip-dispensing Terminals	5-10
5.9.5 Prohibited Transactions	5-10
5.9.6 Other Forms of Payment.....	5-10
5.9.7 Illegal or Brand-damaging Transactions	5-10
5.10 Security Rules	5-11
5.10.1 Sale or Exchange of Information.....	5-11
5.10.2 Use of Information	5-11
5.10.3 Storage of Information	5-12
5.10.4 Data Storage Entity Identification	5-12
5.10.4.1 DSE Registration Requirements	5-12
5.10.5 Assessments for Wrongful Disclosure and Failure to Safeguard Account Data	5-13
Compliance Zones.....	5-13

5.1 The Merchant Agreement

Each Member in its capacity as an Acquirer must directly enter into a written Merchant Agreement with each Merchant from which it acquires Transactions, whether such Transactions are submitted to the Member directly by the Merchant or through a Member Service Provider acting for or on behalf of such Member.

An Acquirer shall not submit into interchange any Transaction resulting from the acceptance of a Card by an entity or person except pursuant to a Merchant Agreement then in effect between the Acquirer and the entity or person.

The Merchant Agreement must reflect the Acquirer's primary responsibility for the Merchant relationship and must otherwise comply with the Standards.

5.1.1 Verify Bona Fide Business Operation

Before entering into, extending, or renewing a Merchant Agreement, an Acquirer must verify that the Merchant from which it intends to acquire Transactions is a bona fide business, has sufficient safeguards in place to protect from unauthorized disclosure or use such Cardholder and Transaction information as the Standards permit to be captured, and complies with applicable laws, and that each Transaction will reflect bona fide business between the Merchant and a Cardholder. Procedures for verifying that a Merchant is a bona fide business are set forth in section 7.1 of the *Security Rules and Procedures* manual.

5.1.2 Required Terms

Each Merchant Agreement must contain the substance of each of the Standards set forth in Rules 5.4 through 5.12. The failure to include the substance of any one or more of such Standards in the Merchant Agreement or the grant of a variance by the Corporation with respect to any one or more such Standards does not relieve an Acquirer from responsibility for chargebacks or compliance.

Each Merchant Agreement may contain only such terms agreed to by the Acquirer and the Merchant, provided that no such term conflicts with any Standard.

5.1.3 Assessments for Merchant Agreement Noncompliance

An Acquirer in violation of Rule 5.1 may be assessed up to USD 2,500 per day with respect to each entity or person on whose behalf the Acquirer submits Transactions into interchange with no Merchant Agreement being in effect between the Acquirer and the entity or person, retroactive to the first day of such noncompliant practice.

5.2 Acquirer Obligations

An Acquirer must satisfy all of the obligations set forth in this Rule 5.2.

5.2.1 Acquiring Transactions

Each Acquirer must acquire all Transactions properly presented to it from each of its Merchants on such terms as set forth in the Merchant Agreement.

5.2.2 Merchant Compliance with the Standards

The Acquirer is responsible for ensuring that each of its Merchants complies with the Standards, and the Acquirer is itself responsible to the Corporation and to other Members for any Merchant's failure to do so. The Acquirer must take such actions that may be necessary or appropriate to ensure the Merchant's ongoing compliance with the Standards. Failure by a Merchant or Acquirer or both to comply with any Standard may result in chargebacks, an assessment to the Acquirer, and/or other disciplinary action.

5.2.3 Merchant Information

The Acquirer must maintain, on an ongoing basis, the names and addresses of every Merchant participating in the Acquirer's Program and promptly supply the Corporation with any such information upon request.

5.2.4 Payments to Merchants

Each Acquirer must pay each Merchant for all Transactions the Acquirer acquires from the Merchant in accordance with the Merchant Agreement and the Standards. This obligation is not discharged with regard to a Transaction until the Merchant receives payment from the Acquirer that acquired the Transaction, notwithstanding any Acquirer payment arrangement, including any such arrangement between an Affiliate Member and a Class A Member. A Merchant Agreement may provide for an Acquirer to withhold amounts for chargeback reserves or similar purposes in accordance with the Standards.

5.2.5 Supplying Materials

Each Acquirer must regularly ensure that each of its Merchants is provided with all materials necessary to effect Transactions in accordance with the Standards and to signify MasterCard acceptance. These materials may include sales slips, credit slips, terminals, authorization services, MasterCard acceptance decals, signage, and the like.

5.3 Merchant Monitoring

Each Acquirer must monitor on an ongoing basis the Activity and use of the Marks of each of its Merchants for the purpose of deterring fraudulent and other wrongful activity and to ensure ongoing compliance with the Standards. Minimum Merchant monitoring Standards are set forth in the *Security Rules and Procedures* manual.

5.4 Merchant Identification and Responsibility for Transactions

An Acquirer must ensure that each of its Merchants prominently and unequivocally informs the Cardholder of the identity of the Merchant at all points of interaction, so that the Cardholder readily can distinguish the Merchant from any other party, such as a supplier of products or services to the Merchant. A Merchant Web site must:

1. Prominently display the name of the Merchant;
2. Prominently identify the name of the Merchant as displayed on the Web site as both the Merchant and as the name that will appear on the Cardholder statement; and
3. Display Merchant name information as prominently as any other information depicted on the Web site, other than images of the products or services being offered for sale.

A Merchant must ensure that the Cardholder understands that the Merchant is responsible for the Transaction, including delivery of the products (whether physical or digital) or provision of the services that are the subject of the Transaction, and for customer service and dispute resolution, all in accordance with the terms applicable to the Transaction.

5.5 Use of the Marks

A Merchant is only permitted to use a Mark in accordance with a Merchant Agreement with its Acquirer. The Merchant Agreement must provide that:

1. Any use of a Mark by a Merchant in acceptance advertising, acceptance decals, or signs, must be in accordance with the Standards, including the Corporation's reproduction, usage, and artwork Standards, as may be in effect from time to time; and
2. The Merchant's use or display of any Mark will terminate effective with the termination of the Merchant Agreement or upon notification by the Corporation to discontinue such use or display.

The Acquirer must ensure that its Merchant

1. Uses or displays the Marks in accordance with the Standards and
2. Ceases all use of the Marks and promptly returns any materials displaying the Marks immediately upon termination of the Merchant Agreement or notification by the Corporation to discontinue such use.

The use or display of any Mark does not give a Merchant any ownership or interest in the Mark.

5.5.1 Merchants Must Display the MasterCard Acceptance Mark

An Acquirer must ensure that all of its Merchants prominently display the MasterCard Acceptance Mark at the point of interaction to indicate that the Merchant accepts Cards and Access Devices. No other Mark or mark may be used for this purpose.

An Acquirer must ensure that each of its remote services Merchants display the MasterCard Acceptance Mark wherever payment options are presented. An Acquirer must provide its Merchants with the appropriate artwork in a format authorized by the Corporation. A Mark may not appear on the Web site of a supplier to a Merchant or of any other entity that is not itself a Merchant (such as, by way of example and not limitation, an entity that is contracted by the Merchant to deliver the products or provide the services that are subject of the Transaction).

The MasterCard Acceptance Mark must be clearly visible to the public at the point of interaction. The preferred location to post the MasterCard Acceptance Mark at a physical point of interaction is the entrance, nearby window or door of the Merchant or location, and on the first screen of an electronic point of interaction. Where it is not possible to post signage at the entrance of the Merchant or location, posting the MasterCard Acceptance Mark so that it can easily and readily be seen within the location will satisfy the requirement. Where it is not possible to post the MasterCard Acceptance Mark on the first screen of an electronic point of interaction, posting the MasterCard Acceptance Mark on the payment screen will satisfy the requirement.

5.5.2 Merchant Advertising and POI Materials

A Merchant may use the MasterCard Acceptance Mark in material or images at the physical or electronic point of interaction to indicate acceptance.

Other acceptance marks, symbols, logos, or combinations thereof may appear in the same material or image with the MasterCard Acceptance Mark, if no other acceptance mark, symbol, or logo is more prominent or likely to cause confusion concerning the acceptance of Cards.

5.5.3 Local/Regional Acceptance Brands

The MasterCard Acceptance Mark must be displayed as a free-standing mark, and, as such, may not be displayed so as to suggest that it is either a secondary means of payment to a local/regional acceptance brand, or exclusively linked to a local/regional acceptance brand.

Visual parity must be maintained between the MasterCard Acceptance Mark and any local/regional acceptance mark also displayed at a point of interaction or in Merchant advertising.

5.5.4 Direct Mail Cardholder Solicitation Merchants

Each Merchant Agreement with a Direct Mail Cardholder Solicitation Merchant shall contain the entire following provision:

“Merchant acknowledges that the trademark ‘MasterCard’ and the corresponding logotype are the property of MasterCard International Incorporated (herein, “the Corporation”). Merchant shall not infringe upon the mark or logo, nor otherwise use the mark or logo in such a manner as to create the impression Merchant’s products or services are sponsored, produced, affiliated with, offered, or sold by this Corporation.

“Merchant shall not use the mark or logo on its stationery, letterhead, envelopes, or the like nor in its solicitation; provided, however, that Merchant may use one of the mark or logo in close proximity to the payment or enrollment space in the solicitation in a size not to exceed 1 1/4 inches in horizontal length if a logo is employed, or, if a mark is used, in type not to exceed the size of the type used in the major portion of the text on the same page; provided further that the legend, ‘Accepted for Payment’ must accompany the mark or logo used and must be the equivalent size of the mark or logo. In no case, however, shall Merchant use any of the logo on the front or first page of its solicitation. One truthful statement that Merchant is directing or limiting its offer to MasterCard cardholders may appear in the body of the solicitation, other than in close proximity to the payment or enrollment space, subject to the limitation that:

1. only the word mark may be used;
2. the word mark may not
 - a. exceed in type size the size of any other type on the same page,
 - b. differ in color from the type used in the text (as differentiated from the titles) on the same page,
 - c. be as large or as prominent as the name of Merchant,
 - d. be the first item appearing on any page, nor
 - e. in any other way be the most prominent element of the page;
3. Merchant’s name and/or logo must appear prominently on the same page as the mark; and
4. the following disclaimer must appear in close proximity to the mark on the same page and in an equal size and type of print:

‘MasterCard International Incorporated is not affiliated in any way with [Merchant] and has not endorsed or sponsored this offer.’

“Merchant further agrees to submit its first direct mail solicitation(s), prior to mailing, to the MasterCard Law Department, to be reviewed only for compliance with this Corporation’s trademark rules and shall furthermore not distribute in any manner such solicitations until Merchant shall have obtained this Corporation’s written approval of the manner in which it uses MasterCard mark and logo on such solicitations. Merchant shall likewise, upon request, submit to the Corporation any amended solicitations prior to mailing.”

5.6 Card Acceptance Requirements

An Acquirer must ensure that each of its Merchants complies with the Card acceptance requirements set forth in this Rule 5.6.

5.6.1 Honor All Cards

A Merchant must honor all valid Cards without discrimination when properly presented for payment. A Merchant must maintain a policy that does not discriminate among customers seeking to make purchases with a Card. A Merchant that does not deal with the public at large (for example, a private club) is considered to comply with this rule if it honors all valid and properly presented Cards of Cardholders that have purchasing privileges with the Merchant.

5.6.2 Obtain an Authorization

When required by the Standards or by the Acquirer, the Merchant must obtain an authorization before completing a Transaction.

5.6.3 Additional Cardholder Identification

A Merchant must not refuse to complete a Transaction solely because a Cardholder who has complied with the conditions for presentment of a Card at the POI refuses to provide additional identification information, except as specifically permitted or required by the Standards. A Merchant may require additional identification from the Cardholder if the information is required to complete the Transaction, such as for shipping purposes. A Merchant in a country or region that supports use of the MasterCard Address Verification Service (AVS) may require the Cardholder's ZIP or postal code to complete a Cardholder-Activated Terminal (CAT) Transaction, or the Cardholder's address and ZIP or postal code to complete a mail order, phone order, or e-commerce Transaction.

5.6.4 E-commerce Transactions

A Merchant must not refuse to complete an e-commerce Transaction solely because the Cardholder does not have a digital certificate or other secured protocol.

5.7 Submitting Transactions

An Acquirer must ensure that each of its Merchants comply with the requirements for submitting Transactions to the Acquirer set forth in this Rule 5.7.

5.7.1 Valid Transactions

A Merchant must submit to its Acquirer records of valid Transactions only between the Merchant and a bona fide Cardholder.

A Merchant must not submit to its Acquirer a Transaction that the Merchant knows or should have known to be fraudulent or not authorized by the Cardholder, or that it knows or should have known to be authorized by a Cardholder colluding with the Merchant for a fraudulent purpose. For purposes of this Rule, the Merchant is deemed to be responsible for the conduct of its employees, agents, and representatives.

5.7.2 Submit Transactions within Three Business Days

A Merchant must submit records of valid Transactions to its Acquirer no later than three bank business days after the Transaction date, except:

1. The record must not be presented until after the products are shipped or the services are performed unless, at the time of the Transaction, the Cardholder agrees to a properly disclosed delayed delivery of the products or services.
2. When the Merchant receives Cardholder authorization for a delayed presentment (in which case the words “Delayed Presentment” must be noted on the Transaction Information Document [TID]).
3. When the Merchant is obligated by law to retain the TID or return it to a buyer upon timely cancellation, in which case the Merchant should present the record within 10 business days after the Transaction date.
4. When the Merchant has multiple locations and uses a central facility to accumulate and present records to the Acquirer, in which event the Merchant must present the record in accordance with applicable law and, in any event, within 30 calendar days of the Transaction date.

5.8 Noncompliance Assessments

If the Corporation becomes aware of a Merchant's noncompliance with any Standard, the Corporation may notify the Acquirer of such noncompliance and may assess the Acquirer, and the Acquirer must promptly cause the Merchant to discontinue the noncompliant practice. A notification by the Corporation with respect to at any one location of a Merchant requires the Acquirer to ensure that the Merchant is in compliance with the Standards at all locations of the Merchant that are subject to the Merchant Agreement(s).

A Member may request that the Corporation's Secretary review an assessment for a Merchant's noncompliance with a Standard.

5.9 Prohibited Practices

An Acquirer must ensure that none of its Merchants engage in any of the prohibited practices set forth in this Rule 5.9.

5.9.1 Discrimination

A Merchant must not engage in any acceptance practice that discriminates against or discourages the use of a Card in favor of any other acceptance brand.

5.9.2 Charges to Cardholders

A Merchant must not directly or indirectly require any Cardholder to pay a surcharge or any part of any Merchant discount or any contemporaneous finance charge in connection with a Transaction. A Merchant may provide a discount to its customers for cash payments. A Merchant is permitted to charge a fee (such as a bona fide commission, postage, expedited service or convenience fees, and the like) if the fee is imposed on all like transactions regardless of the form of payment used, or as the Corporation has expressly permitted in writing. For purposes of this Rule:

1. A surcharge is any fee charged in connection with a Transaction that is not charged if another payment method is used.
2. The Merchant discount fee is any fee a Merchant pays to an Acquirer so that the Acquirer will acquire the Transactions of the Merchant.

5.9.3 Minimum/Maximum Transaction Amount Prohibited

A Merchant must not require, or indicate that it requires, a minimum or maximum Transaction amount to accept a valid and properly presented Card.

5.9.4 Scrip-dispensing Terminals

Cards must not be accepted at terminals that dispense scrip.

5.9.5 Prohibited Transactions

A Merchant must not submit for payment into interchange, and a Member must not accept from a Merchant for submission into interchange, any Transaction that:

1. Represents the refinancing or transfer of an existing Cardholder obligation that is deemed to be uncollectible, or
2. Arises from the dishonor of a Cardholder's personal check, or
3. Arises from the acceptance of a Card at a terminal that dispenses scrip.

5.9.6 Other Forms of Payment

A Merchant must not accept any payment from a customer in any other form (for example, cash or check) with respect to a charge for products or services reflected on a TID resulting from the use of a Card. A Merchant also must not accept a Card as payment for products or services for which the Merchant has received or expects to receive payment in any other form, whether from the customer or a third party.

5.9.7 Illegal or Brand-damaging Transactions

A Merchant must not submit for payment into interchange, and an Acquirer must not accept from a Merchant for submission into interchange, any Transaction that is illegal, or in the sole discretion of the Corporation, may damage the goodwill of the Corporation or reflect negatively on the Marks.

The Corporation considers any of the following activities to be in violation of this Rule:

1. The sale or offer of sale of a product or service other than in full compliance with law then applicable to the Acquirer, Issuer, Merchant, Cardholder, Cards, or the Corporation.

2. The sale of a product or service, including an image, which is patently offensive and lacks serious artistic value (such as, by way of example and not limitation, images of nonconsensual sexual behavior, sexual exploitation of a minor, nonconsensual mutilation of a person or body part, and bestiality), or any other material that the Corporation deems unacceptable to sell in connection with a Mark.

An Acquirer that has been notified of a Merchant's noncompliance with this Rule and that fails promptly to cause the noncompliant practice to cease, or that has been notified multiple times regarding violations of this Rule, is subject, at the Acquirer's expense, and in addition to any other noncompliance assessment or other discipline, or both, to any one or more of the following:

1. A RAMP Level 3 review as described in the *Security Rules and Procedures* manual
2. An audit at the sole expense of the Acquirer by a third party selected by the Corporation, of the Acquirer's acquiring practices

The Corporation may list a Merchant which the Corporation determines is noncompliant with this Rule on the MATCH system. (See Chapter 11 of the *Security Rules and Procedures* manual.)

5.10 Security Rules

An Acquirer must ensure that each of its Merchants and the Merchants' DSEs comply with all of the requirements set forth in this Rule 5.10.

5.10.1 Sale or Exchange of Information

A Merchant must not sell, purchase, provide, exchange or in any manner disclose Card account number, Transaction, or personal information of or about a Cardholder to anyone other than its Acquirer, to the Corporation, or in response to a valid government demand. This prohibition applies to Card imprints, TIDs, carbon copies, mailing lists, tapes, database files, and all other media created or obtained as a result of a Transaction.

5.10.2 Use of Information

A Merchant must not request or use Card account number or personal Cardholder information for any purpose that it knows or should have known to be fraudulent or in violation of the Standards, or for any purpose that the Cardholder did not authorize.

A Merchant and each DSE of the Merchant must keep all systems and media containing Card account, Cardholder, or Transaction information (whether physical or electronic) in a secure manner so as to prevent access by, or disclosure to, any unauthorized party and must destroy all media not necessary to retain in a manner that renders the data unreadable. Only Card account, Cardholder, and Transaction information may be stored, and then only to the extent necessary and permitted by the Standards.

A Merchant must not ask a Cardholder to record a Card account number or other account information on the exterior of any order form or other similar device designed to be mailed.

5.10.3 Storage of Information

A Merchant and any DSE of the Merchant must not store in any system or in any manner, discretionary Card-read data, CVC 2 data, PIN data, Address Verification Service (AVS) data, or any other prohibited information as set forth in the Standards including, but not limited to, section 10.2 of the *Security Rules and Procedures* manual, except during the authorization process for a Transaction, that is, from the time an Authorization Request message is transmitted and up to the time the Authorization Request Response message is received. The Corporation permits storage of only the Card account number, expiration date, Cardholder name, and service code, each of which, if stored, must be stored in a secure environment to which access is limited, and then only to the extent that this data is required for bona fide purposes and only for the length of time that the data is required for such purposes.

5.10.4 Data Storage Entity Identification

A Merchant must inform the Acquirer promptly of the identity of any Data Storage Entity (DSE) that the Merchant intends to afford access to Card account, Cardholder, or Transaction information.

5.10.4.1 DSE Registration Requirements

A DSE must comply with the MasterCard Site Data Protection (SDP) Program in accordance with the implementation schedule set forth in section 10.5.5 of the *Security Rules and Procedures* manual. Before the Acquirer initiates registration, the Acquirer's Merchant must instruct the proposed DSE to contact the Corporation via e-mail at sdp@mastercard.com and validate its compliance with the SDP Program using the tools described in section 10.5.2 of the *Security Rules and Procedures* manual, or if the proposed DSE is not compliant, provide a Corporation-approved compliance action plan. A Corporation-approved compliance action plan does not exempt the Class A Member from responsibility and liability that arises from the DSE's

noncompliance with any Standard relating to the disclosure and securing of Cardholder account and Transaction data.

5.10.5 Assessments for Wrongful Disclosure and Failure to Safeguard Account Data

If the Corporation becomes aware of a Member, Merchant, MSP, or DSE in violation of this Rule or section 10.2 of the *Security Rules and Procedures* manual, the Corporation may impose on the Member determined to be responsible a noncompliance assessment of up to USD 100,000 per violation.

An Account Data Compromise Event is a possible unauthorized disclosure by any means, including an unauthorized penetration of systems, Card account, Cardholder, or Transaction information. If a Merchant believes that an Account Data Compromise Event may have occurred at the Merchant or any Merchant location or as a result of any act or omission by or for the Merchant or the agents or representatives thereof:

1. The Merchant must notify the Acquirer immediately; and
2. The Acquirer must comply with the requirements set forth in section 10.3 of the *Security Rules and Procedures* manual; and
3. The Acquirer must cooperate, and ensure that its Merchant cooperates, with the investigation and resolution of the Account Data Compromise Event.

The Corporation may assess the Acquirer with respect to an Account Data Compromise Event as set forth in section 10.3.7 of the *Security Rules and Procedures* manual.

Compliance Zones

The following table identifies the noncompliance category that the Corporation has assigned to the Standards described within this chapter. These noncompliance categories are assigned for the purposes of assessments under the compliance framework described in Rule 3.1.2.

Rule Number	Rule Title	Category
5.1	The Merchant Agreement	A
5.2.1	Acquiring Transactions	B
5.2.2	Merchant Compliance with the Standards	A
5.2.3	Merchant Information	B
5.2.4	Payments to Merchants	C

Merchants and Sales Transactions Compliance Zones

Rule Number	Rule Title	Category
5.2.5	Supplying Materials	C
5.3	Merchant Monitoring	A
5.4	Merchant Identification and Responsibility for Transactions	B
5.5	Use of the Marks	B
5.6.1	Honor All Cards	A
5.6.2	Obtain an Authorization	A
5.6.3	Additional Cardholder Identification	B
5.6.4	E-commerce Transactions	B
5.7.1	Valid Transactions	A
5.7.2	Present Transactions Within Three Business Days	C
5.9.1	Discrimination	B
5.9.2	Charges to Cardholders	B
5.9.3	Minimum/Maximum Transaction Amount Prohibited	B
5.9.4	Scrip-dispensing Terminals	A
5.9.5	Prohibited Transactions	A
5.9.6	Other Forms of Payment	A
5.9.7	Illegal or Brand-Damaging Transactions	A
5.10	Security Rules	A

6

Special Issuer Programs

This chapter contains information about Special Issuer Programs.

6.1 Special Issuer Programs—General Requirements	6-1
6.1.1 Prior Consent of the Corporation	6-1
6.1.2 Reservation of Rights	6-1
6.1.3 Cardholder Communication.....	6-1
6.2 Affinity and Co-brand Card Programs	6-2
6.2.1 Program Partners.....	6-2
6.2.2 Ownership and Control of the Program	6-2
6.2.3 Issuer Identification on Program Cards.....	6-3
6.2.4 Program Name	6-4
6.2.5 Multiple Partners	6-4
6.2.6 Accept All Cards without Discrimination	6-4
6.2.7 Use of the MasterCard Acceptance Mark	6-4
6.3 Brand Value Transactions and Proprietary Accounts	6-4
6.3.1 Proprietary Account Access	6-5
6.3.2 Fees and Reporting Requirements.....	6-5
6.4 Remote Transaction Accounts	6-6
6.4.1 Remote Transaction Account Requirements	6-6
6.4.1.1 Remote Transaction MasterCard M/Chip Account Programs	6-6
6.5 Secured Card Programs.....	6-7
6.5.1 Secured Card Program Requirements.....	6-7
6.5.2 Refund of Fees	6-7
6.5.3 Secured Card Program Solicitation and Disclosure Requirements.....	6-7
6.6 Prepaid Card Programs	6-8
Compliance Zones.....	6-8

6.1 Special Issuer Programs—General Requirements

The Rules set forth in this Chapter 6 apply to Special Issuer Programs that the Corporation may identify as such from time to time.

6.1.1 Prior Consent of the Corporation

A Member may not conduct a Special Issuer Program without the express prior written consent of the Corporation and each Member must operate each Special Issuer Program in accordance with the Standards as may be in effect from time to time. A Special Issuer Program name and Special Issuer Program Card design must be reviewed and approved by the Corporation in accordance with the Standards.

6.1.2 Reservation of Rights

The Corporation reserves the right:

1. To approve or reject any Special Issuer Program application; and
2. To require that any previously approved Special Issuer Program be modified; and
3. To withdraw its approval of any Special Issuer Program and require the Special Issuer Program to be wound up and terminated.

A Member may request that the Corporation's Secretary review the rejection or withdrawal of the approval of a Special Issuer Program by written request to the Corporation's Secretary within 30 days of receipt of the notice of rejection or withdrawal of approval. Any decision by the Corporation's Secretary with respect to such termination is final and not appealable.

6.1.3 Cardholder Communication

A Member is required to provide each Cardholder offered a Card to be issued as part of a Special Issuer Program with the terms and conditions of the Special Issuer Program.

The Corporation determines whether any Cardholder Communication, including, by way of example and not limitation, a Solicitation, disclosure or other information about a Special Issuer Program, is satisfactory and in compliance with the Standards. As a condition of the commencement or continuation of a Special Issuer Program, the Member must comply with the Corporation's Cardholder Communication requirements.

Each Cardholder Communication must clearly communicate the identity of the Member as the Card Issuer and otherwise must be clear and truthful and must not reflect poorly on the Corporation or any Mark.

Each Special Issuer Program Solicitation must:

1. Refer prominently to the offering exclusively as a Card and not position the offering as anything other than a Card; and
2. Prominently and integrally feature the MasterCard Word Mark and MasterCard Brand Mark; and
3. Clearly and conspicuously disclose the identity of the Card Issuer.

Each Solicitation about a Special Issuer Program, including any material modification of a prior Solicitation, must be approved in writing by the Issuer prior to final production and first use.

6.2 Affinity and Co-brand Card Programs

Affinity Card Programs and Co-brand Card Programs are Special Issuer Programs. This Rule 6.2 is applicable to both.

6.2.1 Program Partners

Subject to compliance with the Standards, an Issuer may use the area on a Card that the Standards reserve for the identification of the Issuer to instead or additionally identify a person or entity other than the Issuer. Such person or entity is referred to herein as a “Partner”. There are two types of Partners: an “Affinity Group,” which is an educational or other not-for-profit entity that promotes an institution or activities, and a “Co-brand Partner,” which is a for-profit company organized to engage in commercial activity.

Notwithstanding Rule 1.5.1, a financial institution that is eligible to be a Member may be a Co-brand Partner only if such entity is not a Member.

6.2.2 Ownership and Control of the Program

An Affinity Card Program or Co-brand Card Program must be entirely owned and Controlled by the Issuer at all times and a Partner may not own or Control any part of the Program or the Program receivables. The Corporation exclusively determines if an Issuer is in compliance with the foregoing requirements. In making such a determination, the Corporation may consider such factors as:

1. Whether the Member establishes the Program policies and guidelines, such as Cardholder credit and eligibility decisions;
2. The Member's role in setting fees and rates;
3. What the Member has at risk;
4. Whether the Member actively ensures that the Program policies and guidelines are implemented;
5. The ownership and Control of the Program receivables;
6. Whether all or a substantial portion of the receivables are financed with the Partner; and
7. The extent to which the Member, and not the Partner, is portrayed as the owner of the Program.

6.2.3 Issuer Identification on Program Cards

The following Issuer identification requirements apply to all Affinity Card Program and Co-brand Card Program Cards:

1. Neither the Card design nor any information appearing on the Card may state or infer that anyone other than the Member is the Issuer of the Card.
2. Issuer identification consisting of the Issuer's name or the Issuer's name and logo must be clearly visible either on the Card face or on the Card back. The name or logo or both of a Partner may appear on the Card face in addition to the Issuer identification or on the Card back.
3. A Card that bears only the Partner's name or logo on the Card face, but that otherwise satisfies the Issuer identification Standards is deemed (in the absence of other circumstances) to comply with these requirements.
4. In addition to, or in lieu of, appearing on the upper portion of the Card face, the name of the Partner may be embossed on the fourth line of embossing.
5. If the Issuer identification does not appear on the Card face, the following statement must prominently appear and be clearly legible on the Card back: "This card is issued by (FULL, TRUE ISSUER NAME) pursuant to license by MasterCard International." The location of this statement on the Card is at the Issuer's discretion.
6. For Programs in which more than one Partner participates, Issuer identification on the card back must be equal or greater in size than the identification of any Partner on the Card back. See "[Multiple Partners](#)."
7. The Issuer's customer service telephone number must appear on the back of all Cards.

6.2.4 Program Name

An Issuer may apply to the Corporation for permission to have a Card Program name appear in addition to or in lieu of the Issuer name or the Partner's name or both on the Card face and, with such permission, may use such a Card Program name.

6.2.5 Multiple Partners

Except as may be otherwise set forth in the Standards, if a Program involves more than one Partner, only one Partner's name or logo or both may appear on the Card face. The name or logo or both of any additional Partner(s) may appear only on the Card back.

6.2.6 Accept All Cards without Discrimination

A Merchant that accepts any Affinity Card Program Cards or Co-brand Card Program Cards must accept all other validly presented Cards, without limitation or exception.

6.2.7 Use of the MasterCard Acceptance Mark

A MasterCard Acceptance Mark displayed at the POI must appear apart from any Partner identification and must at least have parity in size and prominence with any Program logo, Program name, or the like, and with any competing mark also displayed. The Corporation has the right to require the modification or removal of any POI display of a Program name or logo that the Corporation determines does not comply with this Rule or reflects negatively on any Mark.

6.3 Brand Value Transactions and Proprietary Accounts

A Brand Value Transaction ("BVT") means a Member or third party transaction that originates by the use of a Card to access a proprietary account, proprietary application, or both. A BVT is not a Transaction. A BVT is a transaction that:

1. Accesses a proprietary account through use of an Affinity Card Program Card or Co-brand Card Program Card at the Partner's own Merchant locations or at other Merchants that participate in the Partner's services; or
2. Accesses proprietary stored value residing on a Card's magnetic stripe or chip; or

3. Uses a non-payment application residing on a Card, such as a loyalty application, an electronic coupon, medical information, or paperless ticketing. The technology employed by the non-payment application (for example, a chip or magnetic stripe) must not facilitate or otherwise enable the use of a competitive payment product for the non-payment benefit or service.

6.3.1 Proprietary Account Access

The Corporation exclusively determines if a proprietary account number may be used on a Card as a BVT. A proprietary account number that the Corporation determines may be used on a Card as a BVT may have one or more of the following characteristics:

1. The proprietary account number is different from the Card account number. The proprietary account number may appear on the Card face, be encoded on the Card, or be cross-referenced in the Member or a Partner's system.
2. The proprietary account number is used in a system or network for authorization and settlement that is distinct from the Interchange System and is not used in the Interchange System.
3. Any billing related to use of the proprietary account number is distinct from any billing for the Card account, whether as part of a common statement or in a separate statement.

Access to a proprietary account by means of an Affinity Card Program Card or Co-brand Card Program Card is authorized only with the prior written consent of the Corporation. In addition, such a Program Card must afford the Cardholder access to the same proprietary account that the Partner previously established for the Cardholder, for payment of the same particularly defined set of transactions that were previously payable by other means. The Corporation must approve, in advance and in writing, of the locations, services, and parties for which the proprietary account access feature is available.

6.3.2 Fees and Reporting Requirements

From time to time, the Corporation may establish, implement, and collect fees, assessments, or both arising from or related to BVTs, proprietary accounts, or both.

If a BVT involves an Affinity Card Program or a Co-brand Card Program, the Member must separately report to the Corporation the number of Cards outstanding, the proprietary account sales volume on such Cards, and any other requested information in the form and at such times as the Corporation requires.

6.4 Remote Transaction Accounts

A Remote Transaction account means a Card account that is intended primarily to be used to engage in Remote Transactions. Subject to the requirements set forth below, a Member is not required to issue a physical Card at the time that the Member activates a Remote Transaction account. A Program using Remote Transaction accounts is a Special Issuer Program, is subject to the Standards, and has all rights accorded to Cards under the Standards except those Standards that relate to the physical characteristics or use of a Card.

6.4.1 Remote Transaction Account Requirements

An Issuer of a Remote Transaction account must comply with the all of the following requirements:

1. A Remote Transaction account program may not be conducted or marketed without the express prior written consent of the Corporation.
2. A Remote Transaction account must either be linked to a Card account or the account holder must be given an opportunity promptly upon request to be issued and receive a Card that links to the Remote Transaction account.
3. A Remote Transaction account must be assigned a 16-digit account number, in conformance with the Standards applicable to Cards, and must be assigned a Card Validation Code 2 (CVC 2) value and an expiration or “valid through” date.
4. A Remote Transaction account must be enhanced with Address Verification Service (AVS) if the account is issued for use in an area where AVS is available.

Before activating a Remote Transaction account, the Issuer must communicate in writing to the Cardholder the account number, the expiration or “valid through” date of the account, the identity of the Issuer, and instructions as to the manner in which the Remote Transaction account may be used.

6.4.1.1 Remote Transaction MasterCard M/Chip Account Programs

A Remote Transaction MasterCard M/Chip™ account means an EMV chip-based Remote Transaction account that a Cardholder uses to effect remote chip-read Transactions. Remote Transaction M/Chip account Programs must adhere to all applicable M/Chip Standards as may be developed and amended from time to time.

6.5 Secured Card Programs

A secured Card means a Card for which a line of credit is secured by an amount held on deposit. A secured Card Program is a Special Issuer Program.

6.5.1 Secured Card Program Requirements

A secured Card Program must be, and the Corporation exclusively determines whether a secured Card Program is:

1. Structured so as to avoid undue risk to the Corporation and its Members, and
2. Operated in a manner that does not reflect poorly on the Corporation or the Marks.

6.5.2 Refund of Fees

If a Member promises, directly or indirectly, to refund any fee paid by an applicant for a secured Card if the Card is not so issued, the Member must ensure that such refund is made promptly and in any event within 30 days following the submission of the application and without any further action by the applicant.

6.5.3 Secured Card Program Solicitation and Disclosure Requirements

The following Solicitation and disclosure requirements apply to a secured Card Program:

1. A Member that conducts a secured Card Program without the use of an MSP may use a Program name to identify such a Program, in addition to or in lieu of the Member's name, subject to the prior written approval of the Corporation.
2. A Solicitation may not reference consumers who have filed, or are contemplating filing, for bankruptcy relief. Any reference within a Solicitation to a consumer's credit problem may be included only in the general disclosure to the consumer.
3. Each Solicitation for a secured Card must clearly and conspicuously disclose that the Card is a secured Card and that the consumer must establish a deposit account. The Solicitation also must specify that the credit line will be equal to either
 - a. The amount of the security deposit, or
 - b. A specified percentage of the security deposit.

4. No Solicitation may refer to a specific credit line limit unless the Issuer
 - a. Regularly issues secured Cards with such a credit limit, or
 - b. Has in effect a policy that
 - i. permits the regular issuance of secured Cards with such a credit limit, and
 - ii. is compatible with the Issuer's policy governing its issuance of secured Cards with lower credit limits.
5. Each Solicitation for a secured Card must clearly and conspicuously disclose what an applicant will receive by responding to the Solicitation. If the applicant may not be issued a secured Card after responding to a Solicitation, that fact must be clearly and conspicuously disclosed in the Solicitation.
6. Each Solicitation for a secured Card must clearly and conspicuously disclose any and all application or other fees the applicant must pay, or could be required to pay, to be issued a secured Card. All such fees must be made payable to the Issuer and not to any other person or entity.

6.6 Prepaid Card Programs

An Issuer of a prepaid Card must comply with Standards applicable to prepaid Card Programs, as such Standards may be modified from time to time. As of the date of this publication, such Standards include the document entitled *Policy for MasterCard, MasterCard Electronic, Maestro, and Cirrus Prepaid Card Programs*.

Compliance Zones

The following table identifies the noncompliance category that the Corporation has assigned to the Standards described within this chapter. These noncompliance categories are assigned for the purposes of assessments under the compliance framework described in Rule 3.1.2.

Section Number	Section Title	Category
6.1.1	Prior Consent of the Corporation	A
6.1.3	Cardholder Communication	A
6.2.1	Program Partners	A
6.2.2	Ownership and Control of the Program	A
6.2.3	Issuer Identification on Program Cards	B

Section Number	Section Title	Category
6.2.4	Program Name	B
6.2.5	Multiple Partners	B
6.2.6	Accept All Cards without Discrimination	5
6.2.7	Use of the MasterCard Acceptance Mark	A
6.3.1	Proprietary Account Access	A
6.3.2	Fees and Reporting Requirements	B
6.4.1	Remote Transaction Account Requirements	A
6.5.1	Secured Card Program Requirements	A
6.5.2	Refund of Fees	A
6.5.3	Secured Card Program Solicitation and Disclosure Requirements	A
6.6	Prepaid Card Programs	A

7

Member Service Providers

This chapter contains Rules that apply to Members that use Member Service Providers to provide Program Service.

7.1	Applicability of Member Service Provider Rules.....	7-1
7.2	MSP Categories.....	7-1
7.2.1	Independent Sales Organization.....	7-1
7.2.2	Third Party Processor.....	7-1
7.2.2.1	Type I.....	7-2
7.2.2.2	Type II.....	7-2
7.2.3	Determination of Program Service.....	7-2
7.3	General Obligations.....	7-2
7.3.1	Program Responsibility and Control.....	7-2
7.3.2	Notification to and Registration by the Corporation.....	7-3
7.3.3	MSP Agreement.....	7-3
7.3.3.1	Before Entering Into an Agreement with an MSP.....	7-4
7.3.4	Disclosure of Standards.....	7-5
7.3.5	Member Point of Contact.....	7-5
7.3.6	Affiliate Member.....	7-5
7.3.7	Use of the Marks.....	7-5
7.3.8	MSP Identification on a Card.....	7-6
7.3.9	Program Materials.....	7-6
7.3.10	Fees.....	7-6
7.3.11	Settlement Account.....	7-7
7.3.12	Transfer of Rights Prohibited.....	7-7
7.3.13	Use of Systems and Confidential Information.....	7-7
7.3.14	Indemnification.....	7-8
7.3.15	No Endorsement by the Corporation.....	7-8
7.3.16	Audits.....	7-8
7.3.17	Settlement Failure Obligation.....	7-9
7.3.18	Data Security.....	7-9
7.3.19	Data Storage Entity (DSE) Identification.....	7-9
7.3.19.1	DSE Registration Requirements.....	7-9
7.4	Merchant Acquiring Programs.....	7-10
7.4.1	Merchant Agreement.....	7-10
7.4.2	Collection of Funds.....	7-11
7.4.3	Access to Documentation.....	7-11

7.4.4 Authority to Terminate Merchant Agreement	7-11
7.5 Card Issuing Programs	7-11
7.5.1 Card Application Approval	7-11
7.5.2 Cardholder Agreement	7-11
7.5.3 Payment of Fees	7-11
7.5.4 Program Receivables	7-12
7.6 MSP Registration	7-12
7.6.1 Registration Requirements for ISOs and Type II TPPs	7-12
7.6.1.1 SDP Program Noncompliance	7-13
7.6.2 Registration Requirements for Type I TPPs	7-14
7.6.3 Prohibition from Acting as an MSP or DSE	7-14
7.6.4 Termination of MSP Agreement	7-14
7.7 Processor Evaluation Program (“PEP”)	7-14
7.7.1 Compliance with PEP Standards	7-14
7.7.2 Information Requirements	7-15
7.8 Confidential Information of MSPs	7-15
Compliance Zones	7-16

7.1 Applicability of Member Service Provider Rules

A Member may use a non-Member third party or another Member as its agent for the purpose of performing Program Service on behalf of the Member, subject to compliance with the Member Service Provider (“MSP”) Rules set forth in this Rules chapter and other applicable Standards. The MSP Rules in this Rules chapter do not apply to:

1. A Member that performs Program Service solely for its own Programs, or
2. A corporate affiliate of a Member that performs Program Service for the Member and that is Owned and Controlled by the Member or by the Member’s ultimate parent, provided such corporate affiliate provides Program Service solely to the Member.

7.2 MSP Categories

There are two categories of MSPs.

7.2.1 Independent Sales Organization

The first MSP category is Independent Sales Organization (“ISO”). An ISO is an MSP that provides ISO Program Service. ISO Program Service includes, by way of example and not limitation, Merchant Solicitation, Cardholder Solicitation, and customer service. An ISO must promptly provide such information applicable to its MSP registration and provision of Program Service as the Corporation may request at any time.

7.2.2 Third Party Processor

The second MSP category is Third Party Processor (“TPP”). A TPP is an MSP that provides TPP Program Service. TPP Program Service includes, by way of example and not limitation, terminal operation, authorization routing, voice authorization, call referral processing, electronic data capture, clearing file preparation and submission, settlement processing (excluding possession, ownership, or control of settlement funds, which are prohibited), Cardholder and Merchant statement preparation, and chargeback processing. A TPP must provide such information applicable to its MSP registration and provision of Program Service as the Corporation may request at any time.

TPPs are subcategorized as follows.

7.2.2.1 Type I

The first TPP subcategory is a Type I TPP. The Corporation determines, in its sole discretion, if a TPP is a Type I TPP. That determination is based, in part, on the number of Members the TPP may provide Program Service for and the number of Merchant and Card accounts the TPP processes. As a condition of continued TPP registration by the Corporation, a Type I TPP must participate in the Corporation's Processor Evaluation Program ("PEP") and comply with the PEP requirements and applicable Standards, including these MSP Rules.

7.2.2.2 Type II

The second TPP subcategory is a Type II TPP. A Type II TPP is any TPP that the Corporation does not deem to be a Type I TPP. A Type II TPP is not required to participate in the PEP or comply with PEP requirements, but must comply with applicable Standards, including these MSP Rules. The Corporation at any time may require a Type II TPP to become registered as and comply with Standards applicable to a Type I TPP.

7.2.3 Determination of Program Service

The Corporation solely determines whether any particular activity may be conducted by an MSP. An MSP may provide only the type of Program Service that it is registered and permitted by the Corporation to provide. An MSP may not offer or provide other services in conjunction with or as a condition of providing Program Service without the express prior consent of the Member.

7.3 General Obligations

Each MSP and each Member that registers an MSP must comply with all of the following.

7.3.1 Program Responsibility and Control

The Member must at all times be entirely responsible for and must itself manage and direct all aspects of Program Service performed by the MSP and establish and enforce all management and operating policies applicable to Program Service in accordance with the Standards. A Member must not transfer or assign any part or all of such responsibilities or in any way limit its responsibility with regard to its MSP. A Member must conduct meaningful monitoring to ensure ongoing compliance by its MSP with applicable Standards.

7.3.2 Notification to and Registration by the Corporation

Each Class A Member must advise the Corporation promptly when any MSP registered by the Class A Member or by any Affiliate Member Sponsored by the Class A Member ceases to provide Program Service for the Class A Member or for any Affiliate Member Sponsored by the Class A Member or if such an MSP undergoes a change of name or transfer of Ownership or Control.

Each Type I TPP must advise the Corporation promptly in writing when it

1. Ceases to perform Program Service for any Member;
2. Undergoes a change of name or transfer of Ownership or Control;
3. Fails or refuses to make payments in the ordinary course of business;
4. Makes an assignment for the benefit of creditors; or
5. Seeks bankruptcy or similar protection.

A Member may not receive Program Service by or from any other entity or person except as set forth in the Standards.

7.3.3 MSP Agreement

A Member and its MSP must enter into a written agreement describing the Program Service that the MSP is to provide. The MSP agreement must be updated from time to time as appropriate to reflect the Program Service that the MSP provides and may not contradict, or be inconsistent with, the Standards.

The MSP agreement must reflect the Member's responsibility, as described in this chapter, for establishing all management and operating policies and must not include any provision that limits, or attempts to limit, the Member's responsibility for the Program. The MSP agreement must, in substance, include all of the following provisions:

1. The MSP received, understands, and agrees to comply with all applicable Standards, including these MSP Rules.
2. On an ongoing basis, the MSP is promptly to provide the Member with the current address of each of its offices.
3. In the event of any inconsistency between any provision of the MSP agreement and the Standards, the Standards will govern.
4. The MSP agreement automatically and immediately terminates if the Corporation de-registers the MSP or if the Member ceases to be a Member for any reason or if the Member fails to have a valid License by the Corporation to use any Mark pertaining to the Program Service to be performed by the MSP.

5. The MSP acknowledges and agrees
 - a. to comply with all Standards, as amended from time to time, applicable to the Program Service to be provided;
 - b. that the Corporation is the sole and exclusive owner of the Marks;
 - c. not to contest the ownership of the Marks for any reason;
 - d. the Corporation may at any time, immediately and without advance notice, prohibit the MSP from using any of the Marks for any reason;
 - e. the Corporation has the right to enforce any provision of the Standards and to prohibit an MSP from engaging in any conduct the Corporation deems could injure or could create a risk of injury to the Corporation, including injury to reputation, or that could adversely affect the integrity of the Interchange System, the Corporation's Confidential Information as defined in the Standards, or both; and
 - f. the MSP will not take any action that could interfere with or prevent the exercise of this right by the Corporation.

7.3.3.1 Before Entering Into an Agreement with an MSP

Before entering into, extending, or renewing an agreement with an MSP, a Member must verify that the MSP is a bona fide business, has sufficient safeguards in place to protect Cardholder and Transaction information permitted by the Standards to be captured from unauthorized disclosure or use, and complies with applicable laws.

In determining whether the MSP is a bona fide business, the Member must verify, at a minimum, that all of the following have been completed:

1. Credit check, background investigations, and reference checks of the MSP. If the credit check of the MSP raises questions or does not provide sufficient information, the Member also should conduct a credit check of:
 - a. the owner, if the MSP is a sole proprietor
 - b. the partners, if the MSP is a partnership
 - c. the principal shareholders, if the MSP is a corporation
2. Inspection of the MSP's premises and records to ensure that the MSP has the proper facilities, equipment, inventory, agreements, and personnel required and if necessary, license or permit and other capabilities to conduct business. If the MSP has more than one set of premises, the Member must inspect at least one of them.

The Corporation does not require a Member to conduct a credit check of a public or private company that has annual sales revenue in excess of USD 50 million (or the foreign currency equivalent), provided that the Member reviews, and finds satisfactory for the purposes of the Program Services being considered, the MSP's most recent annual report, including audited financial statements. A private company that does not have a recent audited financial statement is subject to a credit check and inspection even if its annual revenue exceeds USD 50 million.

The Member must retain all records concerning the investigation of any MSP with which it has entered into an agreement to receive Program Services for a minimum of two years after the date the agreement is terminated or expires.

7.3.4 Disclosure of Standards

Before a Member proposes an entity for registration as an MSP by the Corporation, the Member must provide the proposed MSP with a copy of Standards then in effect applicable to MSPs and Program Service the proposed MSP is expected to perform, including these MSP Rules. After registration, the Member must promptly provide an MSP with any change to the Standards applicable to such Program Service, including any change to these MSP Rules.

7.3.5 Member Point of Contact

An MSP must promptly provide a name and title of, and a telephone number for an employee of the Member upon request by a Cardholder or a Merchant, or if the MSP is unable or unwilling to respond to a question to the Cardholder's or Merchant's satisfaction.

7.3.6 Affiliate Member

In addition to complying with these MSP Rules, an Affiliate Member wishing to receive Program Service from an MSP must obtain the prior consent of the Affiliate Member's Sponsoring Class A Member.

7.3.7 Use of the Marks

An MSP must not use any Mark on its own behalf, whether in connection with Program Service or otherwise. The MSP may not suggest or in any manner create an impression that the MSP is a Member or a representative of the Corporation, or that the MSP is anything other than an MSP of the Member. The MSP must not create an impression that the Corporation in any way endorses the MSP or Program Service the MSP performs.

The MSP may use one or more of the Marks, provided that:

1. The Marks are used in accordance with the Standards, including all reproduction, usage and artwork Standards that may be in effect from time to time; and
2. The Marks are used according to the express written instructions of the Member; and
3. The Marks are used solely in connection with the provision of Program Service.

The MSP may use the Marks on its stationery, letterhead, or business cards only if accompanied, in close proximity, by a clear statement that identifies the MSP as an agent for a Member and that includes the name by which the Member identifies itself to the public (for example, “MSP is an authorized representative of Bank XYZ”).

7.3.8 MSP Identification on a Card

The name of a non-Member MSP may appear on a Card only if that MSP does not provide acquiring Program Service for any Member.

7.3.9 Program Materials

A Member must approve all Program documents and other materials before any distribution, disclosure, or other use thereof by an MSP. The Program materials may not state or imply that the MSP is participating in, or conducting any activity not expressly permitted by the Standards. Program materials include, by way of example, Merchant applications, Card applications, Merchant Agreements, Cardholder agreements, Merchant statements, Cardholder statements, marketing materials, and Cardholder Communications, including Solicitations.

7.3.10 Fees

A Member must approve, in advance, any fee or other obligation associated with the Member’s Program and an MSP may not collect or attempt to collect any such fee or obligation without the express prior written approval of the Member. Any fee must be clearly and conspicuously disclosed in writing to the Merchant or Card applicant, as appropriate, prior to any request or demand for payment of the fee.

7.3.11 Settlement Account

An MSP must not have access to any account for funds then or subsequently due to a Merchant for Activity and/or funds withheld from a Merchant for chargebacks arising out of Activity. A Member must not assign or otherwise transfer an obligation to pay or reimburse a Merchant to an MSP if the obligation arises from Activity.

7.3.12 Transfer of Rights Prohibited

An MSP must not subcontract, sublicense, assign, license, franchise, or in any other manner extend or transfer to any third party any right or obligation the MSP may have in connection with providing Program Service to a Member, and any such transfer is null and void *ab initio*. An MSP may provide Program Service to a Member only using the MSP's own employees or employees of a different MSP that is confirmed also to be registered by the Corporation to provide Program Service for that same Member. This requirement does not preclude a DSE that has been registered as such by the Corporation from storing, transmitting, and/or processing Card account data for or on behalf of the MSP.

7.3.13 Use of Systems and Confidential Information

An MSP must agree to:

1. Use any of the Corporation's equipment and software ("Systems"), including but not limited to any MasterCard Interface Processor (MIP) or Network Interface Processor (NIU) used to connect to the Interchange System, and any of the Corporation's information identified or reasonably understood to be confidential or proprietary ("Confidential Information") solely in order to perform Program Service on behalf of the Member and not for any other purpose;
2. Treat the Systems and Confidential Information in at least as careful and confidential a manner as the MSP treats its own and the Member's systems and proprietary information;
3. Acknowledge that access to the Systems and Confidential Information does not provide the MSP with any right, title, interest, or copyright therein or any license to use, sell, exploit, copy or develop them further;
4. Limit access to the Systems and Confidential Information to those MSP employees with a need to have access or to know in order to enable the MSP to perform Program Service and to implement and to maintain reasonable and appropriate safeguards to prevent unauthorized access to the Systems or disclosure of Confidential Information, including those set forth in section 10.6 of the *Security Rules and Procedures* manual;

5. Immediately cease any and all use of the Systems and Confidential Information upon request of the Corporation or the Member or upon the earlier of the termination or completion of the MSP's performance of Program Service, and to immediately deliver all Systems and all Confidential Information to the Corporation;
6. Immediately advise the Member and the Corporation if any unauthorized person seeks to gain or gains access to the Systems or Confidential Information, whether by legal proceedings or otherwise.

The obligations set forth in this Rule survive the termination or expiration of the MSP agreement.

7.3.14 Indemnification

Program Service undertaken by or on behalf of a Member by any third party (regardless of whether such third party is or was registered with the Corporation as an MSP or whether such third party is itself a Member), the receipt of Program Service by a Member, and the performance of Program Service for a Member by any person or entity other than that Member, including, for example, an MSP, is Activity which subjects the Member to the indemnification and other obligations set forth in Rule 3.3.

7.3.15 No Endorsement by the Corporation

In no event does compliance with these MSP Rules or enforcement or any lack of or delay in enforcement thereof or the registration of an MSP imply, suggest or otherwise mean that the Corporation endorses any MSP or the nature or quality of Program Service or other performance, or that the Corporation approves of, is a party to, or a participant in, any act or omission by an MSP or other entity acting for or on behalf of a Member.

7.3.16 Audits

The Corporation or its designee may conduct one or more or regular or periodic financial and procedural audits of the Member, its MSP(s), or both, at any time and from time to time for the purpose of determining compliance with the Standards, including these MSP Rules. The Member bears all costs of any such audit or audits. The Member and its MSP(s) each must fully cooperate with and promptly supply the Corporation with all information and material upon request.

7.3.17 Settlement Failure Obligation

An MSP that becomes aware of a settlement failure by the Member(s) for which the MSP provides Program Service must promptly, and in no event later than 24 hours after becoming aware of such failure, notify the Corporation in writing of such failure.

7.3.18 Data Security

An MSP must comply with all Standards pertaining to the storage and/or safeguarding and/or transmission of account data. If an MSP reasonably believes that an unauthorized person accessed or may have accessed Card account, Cardholder, or Transaction information in the possession or control of the MSP or any of the MSP's DSEs, the MSP must promptly notify the Member(s) for which it provides Program Service in writing of such belief and the Member must promptly notify the Corporation in writing of such belief.

7.3.19 Data Storage Entity (DSE) Identification

An MSP must promptly submit in writing to the Corporation and to each Member for which the MSP is registered to provide Program Service the identity of any DSE that engages, or proposes to engage, in the processing, transmission, or storage of Card account data, Transaction data, or both, for or on behalf of the MSP, whether directly or indirectly, regardless of the manner or duration of such activities.

The Member must promptly register each entity that does or will provide DSE services to any of the Member's MSPs via the MasterCard Registration Program system on MasterCard OnLine. In addition, the Member must ensure that such an entity complies with the following Rule.

7.3.19.1 DSE Registration Requirements

A DSE must comply with the MasterCard Site Data Protection (SDP) Program in accordance with the implementation schedule set forth in section 10.5.5 of the *Security Rules and Procedures* manual. Before initiating registration, the Member's MSP must instruct the proposed DSE to contact the Corporation via e-mail at sdp@mastercard.com and validate its compliance with the SDP Program using the tools described in section 10.5.2 of the *Security Rules and Procedures* manual, or if the proposed DSE is not compliant, provide a Corporation-approved compliance action plan. A Corporation-approved compliance action plan does not exempt the Class A Member from responsibility and liability that arises from the DSE's noncompliance with any Standard relating to the disclosure and securing of Cardholder account and Transaction data.

7.4 Merchant Acquiring Programs

In addition to complying with the general obligations set forth in Rule 7.3, each Member and each MSP that provides Program Service with respect to that Member's Merchant acquiring Programs also must comply with this Rule 7.4.

7.4.1 Merchant Agreement

The Merchant Agreement establishing the terms of an acquiring relationship between the Acquirer and a Merchant must:

1. Be signed by the Member with no separate or other agreement between the MSP and the Merchant regarding Activity. The MSP may be a party to the Merchant Agreement, in which case the Merchant Agreement must contain the substance of all of the following:
 - a. For purposes of the Merchant Agreement and performance of the Merchant Agreement by the MSP, (i) the MSP is the exclusive agent of the Member; (ii) the Member is at all times and entirely responsible for, and in control of, MSP performance; and (iii) the Member must approve, in advance, any fee payable to or obligation of the Merchant arising from or related to performance of the Merchant Agreement.
 - b. The Merchant Agreement is not effective and may not be modified in any respect without the express written agreement of the Member.
 - c. The MSP may not have access, directly or indirectly, to any account for funds or funds due to a Merchant and/or funds withheld from a Merchant for chargebacks arising from, or related to, performance of this Merchant Agreement. The Member may not assign or otherwise transfer an obligation to pay or reimburse a Merchant arising from, or related to, performance of the Merchant Agreement to an MSP.
 - d. The MSP may not subcontract, sublicense, assign, license, franchise, or in any manner extend or transfer to any third party, any right or obligation of the MSP set forth in the Merchant Agreement. The Member may not waive, forgive, release, assign, or fail to insist on strict performance of each requirement set forth in these parts 1 through 4.
2. Confirm the Member's responsibility for the Program and for the Merchant's Program participation and confirm that the Merchant Agreement does not contain any provision that could be deemed to limit such responsibility.
3. Not take effect or state or imply that it takes or has taken effect prior to being signed by the Member.
4. Disclose the Member's name and sufficient information to enable the Merchant to contact the Member directly by telephone or in writing.

7.4.2 Collection of Funds

Discount rates (or similar charges called by other terms) due to a Member from a Merchant must be collected directly by the Member and not by the MSP.

7.4.3 Access to Documentation

The Member at all times must maintain prompt and unrestricted physical access to all original, executed Merchant Agreements and completed inspection reports. The Member must forward true and complete copies of any one or more of these documents to the Corporation promptly upon request.

7.4.4 Authority to Terminate Merchant Agreement

A Member may not limit or in any manner condition its authority to terminate any Merchant Agreement to accommodate an MSP or otherwise.

7.5 Card Issuing Programs

In addition to complying with the General Obligations set forth in Rule 7.3, each Member and each MSP that provides Program Service with respect to that Member's Card issuing Programs also must comply with this Rule 7.5.

7.5.1 Card Application Approval

The Member itself, and not an MSP, must approve of a Card applicant's participation in a Card Program.

7.5.2 Cardholder Agreement

The Cardholder agreement must disclose the Member's name and sufficient information to enable the Cardholder to contact the Member directly by telephone or in writing. The MSP must not be a party to the Cardholder agreement.

7.5.3 Payment of Fees

All Program payments other than application fees for initial Program participants must be collected directly by the Member and not by the MSP.

7.5.4 Program Receivables

An MSP may own Program receivables or participate in a financing vehicle involving Program receivables so long as the Corporation determines that the Member continues to own and control the Program. Ownership of Program receivables by the MSP does not in any way limit the Member's obligation to comply with the Standards.

7.6 MSP Registration

7.6.1 Registration Requirements for ISOs and Type II TPPs

Each Class A Member, for itself and each of its Sponsored Affiliate Members, must use the MasterCard Registration Program (MRP) system on MasterCard OnLine to register any ISO or Type II TPP MSP, as follows:

1. The Class A Member must submit all information and material required by the Corporation in connection with the proposed registration.
2. A Type II TPP that also wishes to provide ISO Program Service to one or more Members must be distinctly proposed for registration by the Corporation on behalf of each Member wishing to receive ISO Program Service from that Type II TPP.
3. A TPP must comply with the MasterCard Site Data Protection (SDP) Program in accordance with the implementation schedule set forth in section 10.5.5 of the *Security Rules and Procedures* manual. Before initiating registration, the Member must instruct the proposed TPP to contact the Corporation via e-mail at sdp@mastercard.com and validate its compliance with the SDP Program using the tools described in section 10.5.2 of the *Security Rules and Procedures* manual, or if the proposed TPP is not compliant, provide a Corporation-approved compliance action plan. A Corporation-approved compliance action plan does not exempt the Class A Member from responsibility and liability that arises from the Class A Member's or any of its Sponsored Affiliate Members' or their TPP's noncompliance with any Standard, including those relating to the disclosure and securing of Cardholder account and Transaction data.
4. The Corporation collects the applicable fee(s) then in effect from the Member that proposes the registration via the MasterCard Consolidated Billing System. A Member that receives ISO Program Service from a Type II TPP is charged separately for the ISO registration.

5. The Class A Member must receive the Corporation's written or e-mail confirmation of the registration before the Class A Member or any its Sponsored Affiliate Members receives Program Service from an ISO or Type II TPP and before the ISO or Type II TPP commences providing such Program Service or represents itself to any person as authorized to provide such Program Service on behalf of the Class A Member or any of its Sponsored Affiliate Members. In its sole discretion, the Corporation may approve or may reject any application for the registration of an MSP.
6. To maintain the registration of an ISO or Type II TPP, the Member must submit such information and material as may be required by the Corporation from time to time, including but not limited to a copy of the agreement between the Member and ISO or Type II TPP. The renewal fee then in effect is debited from the Member via the MasterCard Consolidated Billing System. In its sole discretion, the Corporation may decline to renew the registration of an MSP.

If the Member terminates an ISO or Type II TPP, the Member must notify the Corporation of the termination date and of the reasons for the termination. This notification must be received by the Corporation within one week of the decision to terminate. In its sole discretion, the Corporation may require a Member to terminate an MSP at any time.

7.6.1.1 SDP Program Noncompliance

Each Class A Member that has registered or proposed the registration of an MSP to provide Program Service for it and/or for one or more of its Sponsored Affiliate Members must promptly notify each of its Merchants and other customers that directly or indirectly are or may benefit from or may otherwise be impacted, as the case may be, by the Program Service if the registered or proposed MSP is not or will not be fully compliant with SDP Program requirements applicable to it as an MSP by and after the date performance of the Program Service commences. Such notification must include, with respect to the registered or proposed MSP:

1. The name and address of the MSP;
2. A description of the Program Service to be or being provided by the MSP;
3. A description of SDP Program requirements the MSP is not compliant with; and
4. A specific date by which the MSP will become fully compliant with applicable SDP Program requirements, or, in the alternative, the date by which the MSP will cease providing Program Service.

7.6.2 Registration Requirements for Type I TPPs

An entity that the Corporation designates as a Type I TPP must be registered directly by the Corporation as an MSP before providing Program Service. A Type I TPP that also wishes to provide ISO Program Service to one or more Members must be distinctly proposed to the Corporation for registration by each Member wishing to receive ISO Program Service from that Type I TPP.

On a monthly basis, the applicable fee is charged by the Corporation directly to the Type I TPP. If a Type I TPP also provides ISO Program Service to a Member, the Member is charged separately for ISO registration and renewal.

7.6.3 Prohibition from Acting as an MSP or DSE

The Corporation reserves the right to prohibit, either for a fixed period of time or permanently, an MSP, its owners, officers, and/or employees from providing Program Service or acting as a DSE or both.

7.6.4 Termination of MSP Agreement

On the effective date of the termination or expiration of the MSP agreement(s), or upon notice by the Corporation, or upon expiration or de-registration of an MSP, the MSP must immediately cease all use of the Corporation’s Marks and Systems and cease performing Program Service.

7.7 Processor Evaluation Program (“PEP”)

7.7.1 Compliance with PEP Standards

All Type I TPPs are required to participate in the PEP. The Corporation may review the performance of each Type I TPP against the PEP Standards then in effect. Type I TPPs that are found to comply with the PEP Standards are certified by the Corporation as PEP-compliant. The identities of all certified Type I TPPs are available from the Corporation upon request. The four core elements of PEP compliance are as follows:

1. All Program Service must meet the performance Standards established by the Corporation from time to time.
2. A Type I TPP must be financially sound and maintain adequate financial resources relative to the Program Service provided.

3. A Type I TPP's processing system environment must have robust control procedures in place. The Type I TPP's SAS 70 report (or equivalent), audit documentation, or both must be made available to the Corporation upon request. The Type I TPP must agree to on-site reviews or external audits at the Corporation's request.
4. A Type I TPP must have adequate outage and business recovery procedures in place and must make the procedures available to the Corporation upon request. The Type I TPP's processing system outages must not exceed thresholds established by the Corporation.

7.7.2 Information Requirements

A Type I TPP must cooperate with, and promptly supply the Corporation with, all information and materials that the Corporation requests relating to the PEP or otherwise relating to compliance with the Standards.

7.8 Confidential Information of MSPs

The Corporation will not disclose confidential information furnished to it by a Member or MSP pursuant to these MSP Rules, except to the Member or MSP supplying the information, or as part of a general statistical compilation that does not reveal individual Member or MSP data, or as may be required by any court process or governmental agency having or asserting jurisdiction over the Corporation, or as otherwise described in Rule 3.6.2.

The registration and PEP certification status of the MSP, including the identity of the Member(s) for which the MSP provides Program Service and the nature of Program Service the MSP performs, are not confidential information and no restriction will apply to the Corporation's right to disclose this information.

In addition, and notwithstanding the aforesaid, as a condition of the registration or renewal of registration of an MSP, the Member and MSP each agree that the Corporation may disclose such information of and about the Member and MSP as the Corporation deems necessary or appropriate.

Compliance Zones

The following table identifies the noncompliance category that the Corporation has assigned to the Standards described within this chapter. These noncompliance categories are assigned for the purposes of assessments under the compliance framework described in Rule 3.1.2.

Rule Number	Rule Title	Category
7.2	MSP Categories (3 subsections)	A
7.3.1	Program Responsibility and Control	A
7.3.2	Notification to and Registration by the Corporation	A
7.3.3	MSP Agreement	A
7.3.4	Disclosure of Standards	C
7.3.5	Member Point of Contact	B
7.3.6	Affiliate Member	A
7.3.7	Use of the Marks	B
7.3.8	MSP Identification on a Card	B
7.3.9	Program Materials	B
7.3.10	Fees	B
7.3.11	Settlement Account	A
7.3.12	Transfer of Rights Prohibited	A
7.3.13	Use of the Systems and Confidential Information	A
7.3.16	Audits	B
7.3.17	Settlement Failure Obligation	A
7.3.18	Data Security	A
7.3.19	Data Storage Entity (DSE) Identification	A
7.4.1	Merchant Agreement	A
7.4.2	Collection of Funds	A
7.4.3	Access to Documentation	B
7.4.4	Authority to Terminate Merchant Agreement	A
7.5.1	Card Application Approval	A
7.5.2	Cardholder Agreement	B
7.5.3	Payment of Fees	A
7.5.4	Program Receivables	A
7.6	MSP Registration (4 subsections)	A

Rule Number	Rule Title	Category
7.7.1	Compliance with PCP Standards	A
7.7.2	Information Requirements	C

8

Cash Disbursements

This chapter contains Rules that apply to the cash disbursements that Members provide.

8.1 Cash Disbursements May Be Provided Only By Members.....	8-1
8.2 Nondiscrimination	8-1
8.3 Maximum Cash Disbursement Amounts	8-1
8.4 Discount or Service Charges	8-2
8.5 MasterCard Acceptance Mark Must Be Displayed	8-2
8.6 Other Requirements	8-2
Compliance Zones.....	8-2

8.1 Cash Disbursements May Be Provided Only By Members

A Card cash disbursement may be provided only by a Member at its offices and through its authorized agents. For purposes of this Rule, an authorized agent is a financial institution authorized to provide cash disbursement services on behalf of a Member pursuant to written agreement with the Member.

8.2 Nondiscrimination

Each Member and each of its authorized cash disbursement agents must comply with the following requirements at each office at which any cash disbursement services are afforded:

1. Not discriminate against or discourage the use of Cards in favor of any card or device bearing or otherwise issued or used in connection with another acceptance brand; and
2. Provide cash disbursement services to all Cardholders on the same terms and regardless of the Issuer.

8.3 Maximum Cash Disbursement Amounts

A Member and each of its authorized cash disbursement agents may limit the amount of a face-to-face cash disbursement provided to any one Cardholder in one day at any individual office. Such limit may not be less than USD 5,000 per Cardholder in one day and uniformly must be applied to all Cardholders.

If compliance with this Rule would cause hardship to one or more (but not all) of such individual offices that are required or permitted to provide cash disbursement services, the Member may establish a maximum cash disbursement amount of less than USD 5,000 per person in one day at each such office, provided that the maximum cash disbursement amount:

1. Is not less than USD 1,000;
2. Is not less than the maximum cash disbursement amount established for any other acceptance brand at the office; and
3. Applies only at those offices where the Member can, if requested by the Corporation, demonstrate that a higher maximum would create a hardship.

8.4 Discount or Service Charges

The Member and each of its authorized cash disbursement agents must disburse all cash disbursements at par without any discount and without any service or other charge to the Cardholder, except as may be imposed to comply with applicable law. Any charge imposed must be charged to and paid by the Cardholder separately and must not be included in the total amount of the cash disbursement.

8.5 MasterCard Acceptance Mark Must Be Displayed

A Member and each of its authorized cash disbursement agents must display the MasterCard Acceptance Mark to indicate that Cards are accepted as required by the Standards at each place where the Member or any such agent provides cash disbursements.

8.6 Other Requirements

The Member and each of its authorized cash disbursement agents must complete cash disbursement transactions in the manner set forth in the *Chargeback Guide*. (Refer to the *Maestro Global Rules* manual and the *Cirrus Worldwide Operating Rules* manual for Standards governing the use of automated teller machines.)

Compliance Zones

The following table identifies the noncompliance category that the Corporation has assigned to the Standards described within this chapter. These noncompliance categories are assigned for the purposes of assessments under the compliance framework described in Rule 3.1.2.

Rule Number	Rule Title	Category
8.1	Cash Disbursements May Be Provided Only By Members	A
8.2	Nondiscrimination	A
8.3	Maximum Cash Disbursement Amounts	B
8.4	Discount or Service Charges	B
8.5	MasterCard Acceptance Mark Must Be Displayed	B
8.6	Other Requirements	C

9

Settlement

This chapter contains information about settlement procedures.

9.1 Definitions	9-1
9.2 Net Settlement	9-1
9.3 Currency Conversion.....	9-2
9.4 Interchange and Service Fees	9-2
9.5 Establishment of Intracountry Interchange and Service Fees.....	9-2
9.5.1 Default Intracountry Fees	9-3
9.5.2 Intraregional Fees.....	9-4
9.5.3 Bilateral Agreement.....	9-4
9.6 Cost Studies	9-4
9.6.1 Allocation of Expenses.....	9-4
9.6.2 Noncompliance with a Cost Study	9-5
Compliance Zones.....	9-5

9.1 Definitions

As used in the Rules set forth in this Chapter 9, the following terms have the meanings described:

- “Interchange fee” means an amount paid by the Acquirer to the Issuer with respect to the interchange of a Transaction. All references to interchange fees in this Chapter 9 mean both the levels of the fees and all qualifying criteria and conditions for their applicability.
- “Intracountry issuing Volume” means the issuing Volume resulting from Intracountry Transactions.
- “Intracountry acquiring Volume” means the acquiring Volume resulting from Intracountry Transactions.
- “Service fee” means an amount paid by the Issuer to the Acquirer with respect to the interchange of a cash disbursement. All references to service fees in this Chapter 9 mean both the levels of the fees and all qualifying criteria and conditions for their applicability.
- “Intracountry cash disbursement” means a cash disbursement that occurs in the same country as the country in which the Card was issued, except as otherwise defined by the Corporation.
- “Intraregional cash disbursement” means a cash disbursement that occurs in a different country from the country in which the Card was issued, within the same MasterCard region, except as otherwise defined by the Corporation.
- “Interregional cash disbursement” means a cash disbursement that occurs in a different MasterCard region from the MasterCard region in which the Card was issued, except as otherwise defined by the Corporation.

9.2 Net Settlement

A Member that uses the Interchange System for the authorization and clearing of Transactions and cash disbursements is required to net settle in accordance with the Corporation’s settlement Standards. However, an Acquirer and an Issuer may, with respect to a particular Transaction or cash disbursement, agree to settle directly between themselves pursuant to a bilateral agreement. Standards describing net settlement and bilateral agreement rights and obligations are set forth in the *Settlement Manual*.

9.3 Currency Conversion

The Corporation converts all Transactions and cash disbursements processed through use of the Interchange System into the applicable settlement currency. The Acquirer must submit each Transaction or cash disbursement in the currency in which it occurred. However, if two Members elect not to settle a Transaction or cash disbursement by using the Interchange System and instead elect to settle directly between themselves in accordance with a bilateral agreement, any currency that the Corporation supports is acceptable for settlement.

9.4 Interchange and Service Fees

A Transaction or cash disbursement cleared and settled between Members gives rise to the payment of the appropriate interchange fee or service fee, as applicable. The Corporation has the right to establish default interchange fees and default service fees (hereafter referred to as “interchange fees,” “service fees,” or collectively, “fees”), it being understood that all such fees set by the Corporation apply only if there is no applicable bilateral interchange fee or service fee agreement between two Members in place. The Corporation establishes all fees for Interregional Transactions and interregional cash disbursements and Intraregional Transactions and intraregional cash disbursements, and may establish fees for Intracountry Transactions and intracountry cash disbursements. The Corporation will inform Members, as applicable, of all fees it establishes and may periodically publish fee tables. Unless an applicable bilateral interchange fee or service fee agreement between two Members is in place, any intraregional or interregional fees established by the Corporation are binding on all Members.

9.5 Establishment of Intracountry Interchange and Service Fees

This Rule 9.5 is applicable only to Intracountry Transactions and intracountry cash disbursements.

If intracountry interchange and service fees are not established by the Corporation, such fees may be established in one of two ways: by agreement of Members in the country as set forth in Rule 9.5.1, or by application of intraregional interchange and service fees to Intracountry Transactions and intracountry cash disbursements as set forth in Rule 9.5.2. Such fees may also be established by bilateral agreement between two Members as set forth in Rule 9.5.3.

For any Transaction or cash disbursement that is subject to a bilateral agreement between two Members, the interchange and service fees set forth in the bilateral agreement prevail.

For any Transaction or cash disbursement that is not subject to a bilateral agreement between two Members, the default intracountry fees established by the Corporation apply, or if none, the default intracountry fees established by Members pursuant to these Rules apply, or if none, the intraregional fees apply, or if none, the interregional fees apply. Any multilateral Member fee agreement must comply with all requirements set forth in Rule 9.5.1. The Corporation reserves the right to determine if multiple bilateral agreements are deemed to be a multilateral agreement.

9.5.1 Default Intracountry Fees

If permitted by local law, default fees applicable to Intracountry Transactions and intracountry cash disbursements for a country may be established by the affirmative vote of Members that hold a License for the country and represent at least 75 percent of the intracountry issuing Volume (excluding on-us Volume) and at least 75 percent of the intracountry acquiring Volume (excluding on-us Volume) in the preceding calendar year. To be effective, and in addition to the foregoing, intracountry fallback fees must be agreed to by at least two Acquirers and at least two Issuers Licensed to engage in Activity in the country. Once effective, intracountry fallback fees remain in effect until revised by Members pursuant to these Rules or by the Corporation.

Intracountry default fees established by Members must be established with the purpose of encouraging the widespread use and acceptance of Cards, must be justifiable, must not jeopardize the integrity of the Interchange System, must not conflict with the Standards, and must be reviewed periodically (typically, every one to three years) and revised as appropriate.

Members that establish intracountry default fees must promptly provide the Corporation with a copy of such fees and any subsequent change to the fees. Members must be notified of intracountry default fees and any change thereto well in advance of the effective date, unless exceptional circumstances make this impossible. Exceptional circumstances generally must relate to events beyond the control of Members; in the event of dispute or uncertainty, the Corporation determines if notice was effective. Intracountry default fees that have not been provided to and acknowledged by the Corporation as effective as of a certain date are not effective.

9.5.2 Intraregional Fees

In the event that no bilaterally agreed interchange fee or service fee applies and no default interchange fee or service fee has been otherwise established pursuant to these Rules, the applicable intraregional fee or if none, the interregional fee, applies to Intracountry Transactions and intracountry cash disbursements.

9.5.3 Bilateral Agreement

Any two Members may establish by bilateral agreement between them the interchange and service fees applicable to Transactions and cash disbursements between them. All such fees must be promptly submitted to the Corporation, and when applicable to Transactions and cash disbursements processed through the Interchange System, sufficiently in advance of the effective date to allow the Corporation to incorporate the fees into future Interchange System releases as necessary or appropriate. Such fees applicable to Transaction and cash disbursements processed in another manner must be provided to the Corporation upon request.

9.6 Cost Studies

The Corporation or its agent(s) may conduct one or more cost studies on a country-specific or regional or other basis for the purpose of establishing interchange and service fees. In order to ensure a sufficient quantity and level of data quality and representativeness as the Corporation deems necessary or appropriate, the Corporation may designate any number of Members to participate in cost studies. All Members so designated are required to participate and must provide and be able to certify that the Member has provided the Corporation or its agent(s) with complete and accurate information in the form and manner and for such period of time and by a date as requested.

9.6.1 Allocation of Expenses

The Corporation may allocate expenses related to any cost study among Members conducting Activity in the country or region or other area that is the subject of the cost study. The expenses may be allocated as the Corporation deems appropriate and the decision of the Corporation is binding on all Members in that country or region or other area.

9.6.2 Noncompliance with a Cost Study

A Member designated to participate in a cost study that fails to fully and timely participate is subject to assessments and other disciplinary action at the sole discretion of the Corporation.

Compliance Zones

The following table identifies the noncompliance category that the Corporation has assigned to the Standards described within this chapter. These noncompliance categories are assigned for the purposes of assessments under the compliance framework, as described in Rule 3.1.2.

Rule Number	Rule Title	Category
9.2	Net Settlement	A
9.3	Currency Conversion	A
9.4	Interchange and Service Fees	A
9.5	Establishment of Intracountry Interchange and Service Fees	A
9.6	Cost Studies	A

10

Europe Region Rules

This chapter contains Rules that apply only to the Europe Region.

Organization of this Chapter.....	10-1
10.1 Definitions	10-1
10A Europe Region Variances to the Global Rules	10-2
10A.1 Extending or Otherwise Modifying the Area of Use	10-2
10A.2 Obligation to Issue Cards	10-3
10A.3 Charges to Cardholders	10-3
10A.4 Special Issuer Programs	10-3
10A.4.1 Affinity and Co-Brand Card Programs	10-3
10A.4.1.1 Multiple Partners.....	10-3
10A.4.2 Co-Residing Applications.....	10-3
10A.4.2.1 Definitions.....	10-3
10A.4.2.2 Basic Requirements	10-4
10A.4.2.3 Notification.....	10-4
10A.5 Cash Disbursements.....	10-4
10A.6 Transaction Processing	10-4
10A.6.1 CVM Fallback	10-4
10A.6.2 PIN Entry Device Mandate	10-4
10A.6.3 Technical Fallback	10-5
10A.6.4 CVC 2 Processing for Card-Not-Present Transactions	10-5
10A.7 Settlement.....	10-5
10A.8 Choice of Laws.....	10-6
10B Additional Europe Region Rules	10-6
10B.1 Rules Applicable to Intracountry Transactions	10-7
10B.1.1 Establishment	10-7
10B.1.2 Communication of Intracountry Fallback Rules	10-8
10B.2 Central Acquiring.....	10-8
10B.2.1 Central Acquiring Registration.....	10-8
10B.2.2 Central Acquirer Service Requirements	10-9

10B.2.3 Intracountry Rules.....	10-9
10B.2.4 Centrally Acquired Merchants.....	10-10
10B.2.4.1 Updating of Merchant Details.....	10-10
10B.2.5 Registration Procedure.....	10-11
10B.2.6 Extension of Registration.....	10-11
10B.2.7 Interchange Fee Requirements.....	10-11
10B.2.8 Settlement of Disputes.....	10-12
10B.2.9 Member Noncompliance.....	10-12
10B.2.9.1 Specified Rules Violations.....	10-12
10B.2.9.2 Assessments for Specified Rules Violations.....	10-12
10B.3 Obligation to Provide Information.....	10-13
10B.3.1 Chip Card and Chip Transaction Plans.....	10-13
10B.3.2 Information to Cardholders.....	10-13
10B.4 Trademarks and Service Marks.....	10-14
10B.5 Transaction Processing.....	10-15
10B.5.1 Discounts or Other Benefits at the Point of Interaction.....	10-15
10B.5.2 Transaction Information Documents (TIDs).....	10-15
10B.5.3 Euro Migration.....	10-15
10B.6 Recurring Payment Cancellation Service.....	10-16
10B.7 Data Protection.....	10-16
10B.7.1 Processing of Transaction Data.....	10-16
10B.7.2 Data Subjects Communications and Consent.....	10-16
10B.7.3 Applications from Data Subjects.....	10-17
10B.8 Merchant Acceptance.....	10-17
10C Debit-related Rules.....	10-17
10C.1 Definitions.....	10-17
10C.2 Intracountry Debit MasterCard Program.....	10-18
10C.2.1 Europe Region Variances to Global Rules.....	10-18
10C.2.2 Additional Europe Region Rules.....	10-19
10D SEPA Rules.....	10-20
10D.1 Definition.....	10-20
10D.2 Single European Payments Area License.....	10-21
10D.3 Nondiscrimination.....	10-22

10D.4 Use of Other Payment Scheme Marks on Cards	10-22
10D.5 Chip/PIN Support	10-23
10E Additional Information.....	10-23
10E.1 Compliance Zones	10-23
10E.2 Europe Geographic Region	10-25

Organization of this Chapter

This chapter is numbered according to the following scheme:

The Rules in this Chapter 10 apply to the Europe region and are further subdivided as follows:

- Europe region variances, indicated by Rules numbered with **10A**
- Additions to the “global” Rules, indicated by Rules numbered with **10B**
- Debit-related Rules (variances and additions to the “global” Rules that relate to Debit MasterCard Cards issued in a Debit MasterCard Country and presented for payment in the same Debit MasterCard Country), indicated by Rules numbered with **10C**
- SEPA Rules (additions to the “global” Rules that apply within SEPA), indicated by Rules numbered with **10D**
- General Reference Information, indicated by headings numbered as **10E**

10.1 Definitions

Solely for the purposes of Rules in this Chapter 10 that begin with 10, 10A, or 10B, the following terms have the meanings set forth below.

1. “Centrally Acquired Transaction” means a Transaction that is acquired by a Member registered by the Corporation to centrally acquire and located outside the country in which the Transaction took place pursuant to a Central Acquiring License.
2. “EPS-Net” means the telecommunication network used to authorize Transactions in the Europe region.
3. “European Economic Area” means the following countries: Austria, Belgium, Czech Republic, Cyprus, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, and United Kingdom.
4. “Intra-SEPA Transaction” means a Transaction completed using a Card issued in a country covered by Rule 10D at a point of interaction located in a country covered by Rule 10D.
5. “Non-Intracountry Transaction” means a Transaction completed at a Merchant located outside the country in which the Card is issued.
6. “Payment Scheme” means MasterCard Incorporated, including all of its subsidiaries and affiliates, its products and services, the Standards that govern the products and services, and its Members.

In addition, the following definitions are solely for the purposes of Rule 10B.8 of this chapter:

1. “Controller” means the entity which alone or jointly with others determines the purposes and the means of the Processing of Personal Data.
2. “Data Subject” means a Cardholder or Merchant whose Personal Data are processed by a Member or MasterCard Europe sprl or MasterCard International Inc.
3. “EU Privacy Directive” means directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data, as may be amended from time to time.
4. “Personal Data” means any information related to an identified or identifiable natural person; an identifiable natural person is one who can be identified, directly or indirectly, for example by reference to an identification number.
5. “Processor” means the entity which processes Personal Data on behalf of a Controller.
6. “Processing of Personal Data” means any operation or set of operations which is performed upon Personal Data, whether or not by automatic means, such as collection, recording, organization, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, blocking, erasure or destruction.
7. “Transaction Data” means Personal Data required for authorizing, recording, settling and clearing a Transaction processed by the Corporation.

10A Europe Region Variances to the Global Rules

Rules that begin with the designation of “10A” are intraregional variances to the Corporations “global” Rules.

10A.1 Extending or Otherwise Modifying the Area of Use

Rule 2.4, paragraph 8, part (a) is modified with respect to Merchants located and acquired in the Europe region as follows.

The ICA number under which e-commerce Transactions are acquired must reflect either the country in which the Merchant is located or another country in the Europe region.

10A.2 Obligation to Issue Cards

Rule 2.7 does not apply in the European Economic Area.

10A.3 Charges to Cardholders

Rule 5.9.2 does not apply in the European Economic Area.

If a Merchant applies a surcharge for payment by Card, the amount or method of calculation of the surcharge must be clearly indicated to the Cardholder at the POI location and must bear a reasonable relationship to the Merchant's cost of accepting Cards.

10A.4 Special Issuer Programs

[Chapter 6](#) is modified as follows.

10A.4.1 Affinity and Co-Brand Card Programs

Rule 6.2 is modified as follows.

10A.4.1.1 Multiple Partners

Rule 6.2.8 is modified to allow more than one Partner's name or logo or both to appear on the Card face.

10A.4.2 Co-Residing Applications

Rule 6.3 is replaced in its entirety with the following.

10A.4.2.1 Definitions

"Co-residing application" means a Member or third party proprietary application or function unrelated to the Payment Scheme that co-resides on a Card.

Any of a Member's proprietary intracountry payment functions or brands, whether stored value, debit or credit, is a co-residing application if it resides on a chip embedded on a Card. If such a function or brand does not reside on the chip, the Rules for co-residing applications do not apply.

10A.4.2.2 Basic Requirements

Members may not use any Mark as part of the identification of any co-residing application without the Corporation's prior written approval.

Co-residing payment applications may not use or be associated with any competitive brand (for example, American Express, JCB, Diners Club, Visa).

10A.4.2.3 Notification

The Corporation must be notified of co-residing payment applications with the form provided in the *Cirrus Worldwide Operating Rules*. Class A Members may provide notification of co-residing applications on behalf of their Sponsored Affiliate Members. If a co-residing payment application is discontinued, the Corporation must be notified without delay.

10A.5 Cash Disbursements

Rule 8.3 is modified so that the maximum cash disbursement transaction amounts of USD 5,000 and USD 1,000 therein stated are replaced in the Europe region by EUR 5,000 and EUR 1,000, respectively.

10A.6 Transaction Processing

The following are variances to the Standards relating to the processing of Transactions.

10A.6.1 CVM Fallback

CVM fallback is not permitted at CAT Level 1 terminals.

10A.6.2 PIN Entry Device Mandate

All new, replaced or upgraded chip terminals must have a PIN pad. These terminals must at a minimum support offline PIN (encrypted and clear text) for processing chip Transactions. New, replaced or upgraded hybrid terminals will not pass the Acquirer Terminal Integration Process unless they are equipped with a PIN pad.

The PIN pad mandate does not apply to CAT Level 2 and 3 hybrid terminals.

10A.6.3 Technical Fallback

At cardholder-activated terminals (CATs) Level 1 and 2, if both the Card and the CAT support chip technology, the Transaction may only be completed using the chip. Technical fallback is not permitted at such terminals.

10A.6.4 CVC 2 Processing for Card-Not-Present Transactions

The Issuer must not authorize card-not-present (CNP) Transactions (that is, mail order/telephone order [MO/TO] and electronic commerce [e-commerce] Transactions) if the CVC 2 transmitted by the Acquirer does not match the CVC 2 on file with the Issuer corresponding to the Card number in question (that is, DE 048, subelement 87 of the Authorization Request Response/0110 message = "N").

The Acquirer must ensure that a CNP Merchant that has exceeded 100 basis points in fraudulent CNP Transactions for two consecutive calendar months:

1. For all MO/TO Transactions, captures and transmits the CVC 2 value to the Issuer for validation; and
2. For all e-commerce Transactions, captures and transmits the CVC 2 value to the Issuer for validation or becomes MasterCard SecureCode™-enabled.

Acquirers must ensure that Merchants comply with this requirement within 120 days following the second trigger month.

Refer to section 3.6 of the *Security Rules and Procedures* manual for additional CVC 2 requirements.

10A.7 Settlement

As described in the *Settlement Manual*, a Member is not permitted to maintain a balance under zero on its account with the settlement bank. In order to remedy any debit position, every Member is required to transfer on a daily basis to its settlement account the funds necessary to bring the account balance up to zero.

If a Member does not comply with this requirement, the Corporation will assess the Member daily based on the amount of the deficit. The assessment will be charged on the first day of the failure to transfer funds in a timely manner and for each subsequent day on which funds are overdue.

“Failure of Member to Settle” in Chapter 1 of the *Settlement Manual* is modified as follows:

Members are assessed according to the schedule in *MasterCard Consolidated Billing System—Europe SEPA Region* or *MasterCard Consolidated Billing System—Europe non-SEPA Region* manual as applicable. No assessment will be charged if the Member’s deficit is less than USD 2,000 per day. The assessment will not apply if the settlement failure is the result of natural disaster, strike, local holidays, delay on the part of the settlement bank, or any event beyond the Member’s control.

10A.8 Choice of Laws

The following replaces Rule 3.4 in the Europe region:

Licenses are governed by and construed according to the applicable law mentioned in the particular License, without reference to conflict-of-laws or similar provisions that would mandate or permit application of the substantive law of any other jurisdiction

The courts mentioned in the particular License have exclusive jurisdiction for the resolution of any dispute relating to rights and obligations deriving from Licenses.

Licenses concluded after 1 January 2007 will specify English law and courts.

The Standards are governed by and construed according to English law, without reference to conflict-of-laws or similar provisions that would mandate or permit the application of substantive law of any other jurisdiction. English courts have exclusive jurisdiction for the resolution of any dispute relating to the Standards between two Members holding Licenses for countries in the Europe region.

10B Additional Europe Region Rules

Rules that begin with a designation of “10B” are additional intraregional Rules that are not variances to the Corporation’s “global” Rules.

10B.1 Rules Applicable to Intracountry Transactions

The following are additional Rules applicable to intracountry Transactions. Refer to Rule 9.5 regarding the establishment of intracountry interchange fees and intracountry service fees.

10B.1.1 Establishment

The following two options apply as regards establishment of the rules to be applied to Intracountry Transactions. Members may change from one option to another upon notice in writing to the Corporation, and fulfillment of any requirements associated with the new option.

Global Rules (including Europe Region Rules)

Members may apply the Rules (including the Europe Region Rules) to Intracountry Transactions. If one of the other options does not apply, then this option applies by default.

Intracountry Fallback Rules (75 percent Rule)

If permitted by local law, Members holding Licenses for the country (including SEPA Licenses) and representing, during the year preceding the agreement, at least 75 percent of each of the Card issuing and acquiring intracountry Volumes (excluding on-us Volumes), have the power to agree on fallback Rules applicable to all Intracountry Transactions, including those acquired by Members outside the country. Intracountry fallback rules must be agreed by at least two Issuers and at least two Acquirers Licensed to engage in Activity in the country.

The percentage is calculated separately for each Card product, as determined by the Card product identifier, and functionality (for example, POS vs. cash disbursement).

Intracountry fallback rules remain in effect until changed or challenged. If intracountry fallback rules are challenged because the Members agreeing to them no longer meet the 75 percent threshold, the Rules (including the Europe Region Rules) will apply in their place, as from the date when the Corporation has determined that the 75 percent threshold is no longer met.

Intracountry fallback rules must be non-discriminatory, justifiable and not in conflict with the Rules (including the Europe Region Rules). Intracountry fallback Rules must not discriminate against Cardholders (including international Cardholders) or jeopardize the integrity of the Payment Scheme.

10B.1.2 Communication of Intracountry Fallback Rules

Members that agree to intracountry fallback rules must provide the Corporation with a copy of such rules as well as with any subsequent changes to those rules. The Corporation must be notified of intracountry fallback rules well in advance of their effective dates, unless exceptional circumstances make this impossible. Exceptional circumstances must be related to events beyond the control of the Members, such as a change in laws or regulations, compliance with which requires immediate action.

Intracountry fallback rules that have not been provided to and acknowledged by the Corporation are not applicable.

The Corporation will endeavor to publish intracountry fallback rules and their revisions at least three calendar months prior to their effective dates. If exceptional circumstances apply, the period will not be less than one calendar month before the effective date. If necessary, the initially notified effective date will be delayed to respect these time frames.

10B.2 Central Acquiring

Provided that they comply with the provisions of this Rule, Members that hold a License may centrally acquire Transactions of Merchants as described in Rule 10B.2.4, including those undertaken in countries for which the Member does not hold a License. Members must not acquire Transactions from Merchants situated outside their Area of Use, except pursuant to this Rule 10B.2.

This Rule 10B.2 applies to central acquiring in the Europe Region by Members with a License for any Europe Region country.

10B.2.1 Central Acquiring Registration

Members must have completed the central acquiring registration process before they centrally acquire. The central acquiring registration letter specifies the countries in which a Member may centrally acquire intraregional Merchant Transactions.

In order to be registered for central acquiring, the Member must meet the central acquirer criteria set forth in Rule 10B.2.2 below.

10B.2.2 Central Acquirer Service Requirements

The Member must authorize, clear and settle centrally acquired Transactions in a manner that does not disadvantage the Cardholder, the Merchant or the Issuer involved in the Transaction in comparison with non-centrally acquired Transactions. The Member must also comply with the requirements defined below.

1. Authorizations

Central Acquirers must provide Issuers with all information required in the authorization request, as set forth in the *V5 Interface Specifications* manual.

A central Acquirer must be able to provide local language voice authorization services, itself or through a local Acquirer, at the cost of a local call if the authorization system is not available or in a country where Transactions cannot be authorized electronically. If the central Acquirer and local Acquirer cannot agree on a price for these services, the following rates will apply:

- Voice authorization: EUR 4
- Call referral: EUR 8.

2. Clearing

Central Acquirers must provide details in the clearing record of the location, city and country where the Transaction took place.

For specific Merchant sectors, central Acquirers must provide additional information in the clearing record if required by the Europe Region, using the message formats detailed in the *IPM Clearing Formats* manual.

10B.2.3 Intracountry Rules

Central Acquirers must comply with the intracountry rules of a country in which they centrally acquire Transactions.

The Corporation will provide central Acquirers, on request, with the intracountry rules of the country or countries covered by the request. The administrative fee for this service, as set forth in the *MasterCard Consolidated Billing System—Europe SEPA Region* or *MasterCard Consolidated Billing System—Europe non-SEPA Region* manual as applicable, or elsewhere, must be paid at the time when the request is made and before the rules are sent.

10B.2.4 Centrally Acquired Merchants

An Acquirer may centrally acquire Transactions from any Merchant located in any one of the following Western or Central European countries: Andorra, Austria, Belgium, Bulgaria, Channel Islands, Czech Republic, Cyprus, Denmark, Estonia, Finland, France, Germany, Gibraltar, Greece, Hungary, Iceland, Ireland, Isle of Man, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Monaco, Netherlands, Norway, Poland, Portugal, Romania, San Marino, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom, Vatican City.

In all other Europe Region countries, an Acquirer may only centrally acquire Transactions of a Merchant that:

1. Operates in more than two Europe Region countries either directly; or through wholly-owned subsidiaries; or through a joint venture that requires consolidation on the balance sheet of the central company; or under the same brand name through franchise and/or management contracts.
2. Operates a centrally managed delivery system that services subsidiaries and local operators and is used to process orders, reservations, sales or payments; supports the delivery of services (for example, tickets/contracts) or goods; and manages stock or service availability.
3. Operates a centrally managed accounting system that monitors treasury and cash management and payment collections and is used to channel and support payment system authorizations.

10B.2.4.1 Updating of Merchant Details

To ensure correct system implementation and transaction monitoring, central Acquirers must inform the Corporation of any changes to the Merchant details of any Merchant (excluding Merchants in Western and Central European countries) where Transactions are centralized, including changes to the Merchant's name and address and to the MCC used for centrally acquired Transactions. The changes must be communicated by submitting a central acquiring application form that contains the new details. If changes to Merchant details are not communicated within 30 business days of receipt of a warning letter, the assessment for centrally acquiring Transactions from a non-notified Merchant will be applied.

10B.2.5 Registration Procedure

To register to centrally acquire in the Western and Central European countries listed in Rule 10B.2.4 above, the Member must submit to the Corporation a single application form covering all such Western and Central European countries. The central acquiring registration letter will cover all such Western and Central European countries.

To register to centrally acquire in other countries, the Member must submit to the Corporation an application form for each Merchant and country where the Member wishes to centrally acquire Transactions.

10B.2.6 Extension of Registration

In the Western and Central European countries listed in Rule 10B.2.4 above, a central Acquirer is not required to comply with any formal procedures in order to extend its central acquiring Activities to a new country in Western and Central Europe.

In all other countries, a Member that wishes to extend its central acquiring Activities to a new Merchant or country must follow the registration procedure set forth in Rule 10B.2.5 above.

10B.2.7 Interchange Fee Requirements

If a central Acquirer acquires an Intracountry Transaction, the following principles apply to the interchange fee:

1. The central Acquirer may agree upon bilateral interchange fees with the Issuer; and
2. Unless a bilateral agreement applicable to an Intracountry Transaction has been established between two Members, the interchange fees applicable to an Intracountry Transaction set forth in Rule 9.5 will apply.

If a central Acquirer acquires a Non-Intracountry Transaction, the following principles apply to the interchange fee:

1. The central Acquirer may agree upon bilateral interchange fees with the Issuer; and
2. Unless a bilateral agreement applicable to a Non-Intracountry Transaction has been established between two Members, the interchange fees applicable to a Non-Intracountry Transaction set forth in Rule 9.4 will apply.

10B.2.8 Settlement of Disputes

Any disputes relating to central acquiring will be resolved by the Corporation in accordance with the Standards.

10B.2.9 Member Noncompliance

An allegation of a violation of any Rule set forth in this Rule 10B.3 may be brought by any Member or the Corporation.

If a Member fails to rectify a violation specified in Rule 10B.2.9.1 below within the specified time, the Corporation may impose assessments against the Member according to the schedule set forth in Rule 10B.2.9.2 below.

The Corporation reserves the right to notify local members of any violation by another member that affects them.

10B.2.9.1 Specified Rules Violations

The following central acquiring violations are subject to the assessments set forth in Rule 10B.2.9.2 below:

1. Engaging in central acquiring without first registering, or
2. Engaging in central acquiring in non-notified countries or of non-notified Merchants (not applicable for Western and Central European countries).
3. Failure to comply with intracountry rules (including application of incorrect interchange fees) resulting in financial loss to another party.
4. Incorrect data in network messages (including incorrect country code) resulting in financial loss to another party.
5. Double currency conversion on centrally acquired Transactions.

10B.2.9.2 Assessments for Specified Rules Violations

The following assessments apply to the central acquiring violations detailed in Rule 10B.2.9.1.

Violation	Assessment
First violation	Warning letter stating the nature of the violation with a specific date for its remedy. The remedy period will be a maximum of 30 business days.
Noncompliance with first warning letter	Assessment per country and/or Merchant per day until remedy of the violation.
Second and subsequent violations	Assessment per country and/or Merchant per day until remedy of the violation.

Central acquiring assessments are set forth in the *MasterCard Consolidated Billing System—Europe SEPA Region* or *MasterCard Consolidated Billing System—Europe non-SEPA Region* manual as applicable. The central acquiring assessments payable to the Corporation are in addition to any sums payable to other Members according to compliance cases.

10B.3 Obligation to Provide Information

The following are additions to the Standards relating to the obligations of Members to provide the Corporation with information about Programs and Activity.

10B.3.1 Chip Card and Chip Transaction Plans

The Member must provide to the Europe Region the following information on its plans to issue chip Cards and/or acquire chip Transactions:

1. Number of chip Cards; and
2. Number of chip terminals.

10B.3.2 Information to Cardholders

The Issuer must provide information to its Cardholders as set forth below, in addition to any information required under applicable legislation. The Europe Region may ask an Issuer to certify its compliance with these Standards.

1. Before the Card is Used

The Issuer must make information available to Cardholders as to where the Card may be used (that is, wherever, at home or abroad, the relevant Mark is displayed). The Issuer must also provide the following information to the Cardholder:

- a. The price of the Card.
- b. Specific charges, if any, to be paid to the Issuer for the kind(s) of service (both at home and abroad) provided through the Card. Examples of these charges are: cash advance fee, ATM usage fee, and interest rate(s) to be applied to credit Card accounts.
- c. The basis for calculation of the exchange rate.
- d. Notice that exchange rates can fluctuate and that they may change between the time when the transaction is made and the time when it is billed to the Cardholder's account.

Europe Region Rules

10B.4 Trademarks and Service Marks

- e. For credit and charge Cards, information concerning any auxiliary charges applicable to the account linked to the Card: for example, fees for additional statements, account excess fees and late payment fees.
 - f. The Cardholder's liability, including the cost, if the Card is lost or stolen. This information must be stated clearly in the body of the product literature. The Cardholder must also be told what to do if the Card is lost or stolen.
 - g. The standard limit, if any, up to which the Cardholder can use the Card.
 - h. Information concerning when the Transaction is likely to be billed to the Cardholder's account.
2. At the Time of Billing the Transaction
- As applicable, the following information must be provided to the Cardholder:
- a. Transaction type (for example sale, ATM cash withdrawal, cash advance), and location (if technically feasible).
 - b. Amount in Transaction currency.
 - c. Amount in billing currency.
 - d. Exchange rate applied.
 - e. Total commission applied (if applicable).
 - f. Interest rate applied (if applicable).

10B.4 Trademarks and Service Marks

MasterCard Europe sprl is the exclusive owner of the Eurocard and eurocheque marks. Members must not, either by act or omission, do anything inconsistent with the exclusive ownership of the Eurocard or eurocheque marks, or do anything that may harm the Eurocard or eurocheque marks.

10B.5 Transaction Processing

The following are additions to the Standards relating to the processing of Transactions.

10B.5.1 Discounts or Other Benefits at the Point of Interaction

A discount or other benefit may be applied at a POI location upon simple presentation of a particular Card for payment. The promotion at the POI of a discount or other benefit that may be accessed by any particular Card is prohibited.

10B.5.2 Transaction Information Documents (TIDs)

In addition to the provisions of section 2.1.6.2.1 of the *Chargeback Guide*, two currency denominations may be shown on an electronically-generated terminal receipt, when the Transaction amount in a different currency is printed at the bottom of the receipt with a clear indication that it is being provided only for information purposes. A maximum of two currencies may be indicated on an electronically generated terminal receipt.

10B.5.3 Euro Migration

Transactions submitted into interchange that take place in countries that convert to the euro must be submitted in the euro. To allow a grace period for exceptional cases, the Interchange System will not reject Transactions submitted in currencies that have been replaced by the euro within six months after the transition period. Within this six-month period, Issuers may not reject or charge back Transactions submitted in currencies that the euro has replaced exclusively on grounds that such Transactions have not been submitted in euro.

Provided that the national currency of a country that converts to the Euro is still valid and accepted by the Interchange System, the greater of the euro floor limit or the floor limit in the national currency applies to intracountry Transactions, regardless of the Transaction currency.

10B.6 Recurring Payment Cancellation Service

Issuers connected to EPS-Net for authorization purposes must not use the Recurring Payment Cancellation Service.

An Acquirer that is unable to present a recurring payment Transaction because the Issuer did not comply with the above provision may seek redress by filing a compliance case, citing this Rule.

10B.7 Data Protection

The following are additional Standards relating to the protection of Transaction data.

10B.7.1 Processing of Transaction Data

With regard to Transaction Data, Members in the European Union must comply with the applicable national legislation implementing the EU Privacy Directive. In this respect, Members are Controllers with regard to the Processing of Personal Data for the purposes of authorizing, recording, clearing and settling transactions, and the Corporation and MasterCard Europe sprl are Processors for these purposes. It is also acknowledged that the Corporation and MasterCard Europe sprl act jointly with the Members as Controllers in relation to the processing of Personal Data for other purposes provided for in Rule 3.6.2.

The Corporation and MasterCard Europe sprl will, to the extent they act as Processors, only undertake Processing of Personal Data in accordance with the Rules and will comply with security obligations equivalent to those imposed on the Members as Controllers by Article 17 of the EU Privacy Directive, as implemented by national legislation.

10B.7.2 Data Subjects Communications and Consent

Members must ensure that the Data Subjects are properly informed and, if necessary, have given proper consent—in accordance with national legislation, that:

1. Personal Data relating to them may be processed by MasterCard Europe sprl and the Corporation for the purposes provided for in Rule 3.6.2;
2. Data Subjects can request access to the Personal Data held by the Members, MasterCard Europe sprl or the Corporation, and require that any inaccurate or unnecessary data is corrected or deleted.

10B.7.3 Applications from Data Subjects

Members must set up appropriate procedures for dealing with applications for access to, correction and/or deletion of Personal Data from Data Subjects in accordance with national legislation. MasterCard Europe sprl and the Corporation will cooperate fully with Members in responding to any such application and will, in particular, provide prompt access to Transaction Data held by them to enable Members to comply with any request for access to such Personal Data.

In case such application is made directly to MasterCard Europe sprl or the Corporation, Members must co-operate with MasterCard Europe sprl or the Corporation in promptly answering such application.

10B.8 Merchant Acceptance

Merchants that accept Cards must accept all types of Cards (for example, consumer Cards, MasterCard Corporate Card[®] Cards, World MasterCard[™] Cards, Debit MasterCard Cards, etc.).

10C Debit-related Rules

Rules that begin with the designation of “10C” are intraregional Rules that relate to Debit MasterCard Cards issued in a Debit MasterCard Country and presented for payment in the same Debit MasterCard Country.

10C.1 Definitions

Solely for the purposes of Rules in this Chapter 10 that begin with 10C, the following terms have the meanings set forth below.

1. “Debit MasterCard Card” means a Card or any other physical or virtual device that is directly linked to an account (“Debit Account”) for the purpose of paying for goods and services or for cash withdrawal, where the Debit Account is a deposit, current, saving or other type of money account and the full transaction amount could be immediately debited, held or settled from the Debit Account by the Card Issuer on receipt of the cleared Transaction.

Cards offering credit facilities for which the Cardholder has to enter into a written credit agreement with the Card issuing institution that would qualify as consumer credit under the applicable legislation governing consumer credit are explicitly excluded. Overdraft facilities linked to the Debit Account are excluded from the above definition of credit facilities.

2. “Other Card” shall mean any MasterCard-branded device, program, or card that does not qualify as “debit” or “Debit MasterCard card”.
3. “Debit MasterCard Country” shall mean a country designated by the Corporation, in its sole discretion, as a participant in the Intracountry Debit MasterCard Program.

10C.2 Intracountry Debit MasterCard Program

This section applies to Intracountry Transactions that take place in a Debit MasterCard Country and to Merchants and Acquirers of those Transactions.

10C.2.1 Europe Region Variances to Global Rules

1. **Merchant Acceptance.** Rule 10B.8 is modified to permit Merchants in a Debit MasterCard Country to choose to accept Debit MasterCard Cards issued in that country but not to accept Other Cards issued in that country. Merchants that choose to accept Debit MasterCard Cards issued in that country but not to accept Other Cards issued in that country must also accept all valid Cards issued outside of that country and presented for payment at Merchant locations in that country.

Acquirers must identify to the Corporation any Merchant in a Debit MasterCard Country that chooses to accept Debit MasterCard Cards issued in that country but not to accept Other Cards issued in that country, and inform the Corporation of the reason for the Merchant’s decision

2. **Honor All Debit MasterCard Cards.** Rule 5.6.1 is modified to require Merchants in a Debit MasterCard Country that choose to accept Debit MasterCard Cards issued in that country but not Other Cards issued in that country to accept all such valid Debit MasterCard Cards and all valid Cards issued outside of that country without discrimination, when properly presented for payment. The Merchant must maintain a policy that does not discriminate among customers seeking to make purchases with a Debit MasterCard Card issued in that country or any Card issued outside of that country.

10C.2.2 Additional Europe Region Rules

1. **Required Provisions of the Merchant Agreement.** In addition to the Standards set forth in Rule 5.1, Merchant Agreements for Merchants located in a Debit MasterCard Country must provide the Merchant with the option to choose to accept Debit MasterCard Cards issued in that country but not Other Cards issued in that country. With respect to any contract existing on or before the date that the Merchant's country became a Debit MasterCard Country, and under which a Merchant accepts Cards, the Merchant may choose to stop accepting Other Cards issued in that country by providing no less than 30 days advance written notice to its Acquirer.
2. **Clear and Conspicuous Debit Identifier.** Debit MasterCard Card Issuers must display either
 - a. the Debit MasterCard Hologram instead of the MasterCard Global Hologram on the Card front, in the position required for the MasterCard Global Hologram, or
 - b. the "Debit" word Mark on the Card front, if the Debit MasterCard Hologram is on the Card back. Debit MasterCard Cards must conform to the Standards set forth in the *Security Rules and Procedures* manual and the Card Design Standards System.
3. **Transaction/BIN Identification.** Debit MasterCard Card Issuers must use specific and unique bank identification numbers (BINs) for Debit MasterCard Cards.
4. **Purchase with Cash Back Transactions.** A Merchant must offer purchase with cash back Transactions to Debit MasterCard Cardholders if the Merchant offers this transaction type to cardholders of any other debit brand

Acquirers must provide a complete list of the BINs that apply to Debit MasterCard Cards to their Merchants upon any form of reasonable request.

10D SEPA Rules

Rules that begin with a designation of “10D” apply within the Single European Payments Area (SEPA). The geographic scope of SEPA includes the following countries and territories:

Andorra	Greece	Netherlands
Austria	Hungary	Norway
Belgium	Iceland	Poland
Bulgaria	Ireland	Portugal
Channel Islands	Isle of Man	Romania
Cyprus	Italy	San Marino
Czech Republic	Latvia	Slovakia
Denmark	Liechtenstein	Slovenia
Estonia	Lithuania	Spain
Finland	Luxembourg	Sweden
France	Malta	Switzerland
Germany	Monaco	United Kingdom
Gibraltar		Vatican City

10D.1 Definition

Solely for the purposes of Rules in this Chapter 10 that begin with 10D, the following term has the meaning set forth below.

“SEPA Cards Framework (SCF)” means the SEPA Cards Framework as published by the European Payments Council, as it may be amended from time to time.

10D.2 Single European Payments Area License

The following additional Rules apply within SEPA:

1. Any entity that is eligible to become a Member in one of the SEPA countries may request a SEPA License. The SEPA License covers all of the countries in SEPA.
2. The Standards applicable to other Licenses also apply to SEPA Licenses, unless otherwise provided.
3. The SEPA License may be granted to a Class A Member or an Affiliate Member.
4. A Class A Member holding a SEPA License may Sponsor Affiliate Members in one or more SEPA countries. The Affiliate Member(s) may receive either a SEPA License or a License.
5. If a SEPA License is held by a Member that will undertake Activities in one or more SEPA countries via separate legal entities, the separate legal entities must also sign Licenses.
6. The holder of a SEPA License must meet all local legal requirements in each country in which it intends to undertake Activities.
7. Each Class A Member is granted separate BINs/ICAs for each SEPA country in which it is active, as appropriate. A Member must use and ensure each of its Sponsored Affiliate Members use a BIN/ICA only for Activities conducted in the country with which such BIN/ICA is associated. A Member, upon receiving a SEPA License, must not undertake Activities in a SEPA country before it has been assigned the necessary BINs/ICAs for that country.
8. With regard to Intracountry Transactions, the holder of a SEPA License must comply with the applicable intracountry rules and fees.

10D.3 Nondiscrimination

The following additional Rule applies within SEPA:

A Member must not, directly or indirectly, prevent or discriminate against the use of MasterCard as a brand for Intracountry Transactions or Intra-SEPA Transactions.

By way of example but not limitation:

1. A single certification must be valid for both intracountry and intra-SEPA use of the MasterCard payment application at the terminal.
2. The prevalence of any particular chip-based payment application at terminal or Acquirer system level must not be mandated or implemented.
3. If the MasterCard payment application is supported by both the Card and the terminal, its use must not be blocked or impaired by technical or other means.
4. If the MasterCard payment application is supported by both the Card and the terminal, the Cardholder must be given the opportunity to complete the Transaction with the MasterCard payment application, in an EMV environment and in all other cases where the terminal is technically capable of providing that choice to the Cardholder. In an EMV environment, if the Cardholder is not able to choose a payment application, the priority order defined by the Issuer in the chip must be respected.
5. Neither the Cardholder's chosen payment application nor the Issuer's priority order may be disregarded or overridden by technical or other means.

10D.4 Use of Other Payment Scheme Marks on Cards

The following additional Rules apply within SEPA:

1. The Marks may co-reside on Cards with other payment scheme marks upon written agreement with the Corporation. If Cards bear multiple payment scheme marks in addition to the Marks, only one of the additional payment scheme marks may be placed on the Card front.
2. Effective 1 January 2011, only the marks of payment schemes that are SCF-compliant may co-reside on Cards with the Marks.

10D.5 Chip/PIN Support

The following additional Rules apply within SEPA, with effect from 1 January 2011:

1. Cards and terminals must support both magnetic stripe and EMV chip technology. (Note: Terminals at Merchants located in the Netherlands are not required to support EMV chip technology until 2013.)
2. Hybrid terminals must support the use of PIN as the CVM for intra-SEPA chip Transactions.
3. Fallback from chip to magnetic stripe is prohibited. If the Transaction cannot be completed using the chip, it must be declined.

10E Additional Information

This section contains information about the following:

- Compliance Zones
- Europe Geographical Region

10E.1 Compliance Zones

The following table identifies the noncompliance category that the Corporation has assigned to the Standards described within this chapter. These noncompliance categories are assigned for the purposes of assessments under the compliance framework described in Rule 3.1.2.

Rule Number	Rule Title	Category
10.A.1	Extending or Otherwise Modifying the Area of Use	A
10A.3	Charges to Cardholders	B
10A.4.1	Affinity and Co-Brand Card Programs	B
10A.4.2	Co-Residing Applications	A
10A.5	Cash Disbursements	B
10A.6.1	CVM Fallback	A
10A.6.2	PIN Entry Device Mandate	A
10A.6.3	Technical Fallback	A
10A.6.4	CVC 2 Processing for Card-Not-Present Transactions	B
10B.1	Rules Applicable to Intracountry Transactions	C

Europe Region Rules
10E.1 Compliance Zones

Rule Number	Rule Title	Category
10B.2	Central Acquiring	A
10B.3.1	Chip Card and Chip Transaction Plans	C
10B.3.2	Information to Cardholders	B
10B.4	Trademarks and Service Marks	A
10B.5.1	Discounts or Other Benefits at the Point of Interaction	B
10B.5.2	Transaction Information Documents (TIDs)	B
10B.5.3	Euro Migration	C
10B.6	Recurring Payment Cancellation Service	A
10B.7	Data Protection	A
10B.8	Merchant Acceptance	B
10C.2.1(1)	Merchant Acceptance	A
10C.2.1(2)	Honor All Debit MasterCard Cards	A
10C.2.2(1)	Required Provisions of the Merchant Agreement	A
10C.2.2(2)	Clear and Conspicuous Debit Identifier	B
10C.2.2(3)	Transaction/BIN Identification	A
10C.2.2(4)	Purchase with Cash Back Transactions	B
10D.2	Single European Payments Area License	A
10D.3	Nondiscrimination	A
10D.4	Use of Other Payment Scheme Marks on Cards	A
10D.5	Chip/PIN Support	A

10E.2 Europe Geographic Region

Albania	Germany, Republic of	Poland
Andorra	Gibraltar	Portugal
Antarctica	Greece	Romania
Armenia	Greenland	Russian Federation
Austria	Hungary	San Marino
Azerbaijan	Iceland	Serbia and Montenegro
Belarus	Ireland	Slovakia
Belgium	Israel	Slovenia
Bosnia and Herzegovina	Italy	Spain
Bulgaria	Kazakhstan	St. Helena
Croatia	Kyrgyzstan	Svalbard and Jan Mayen
Cyprus	Latvia	Sweden
Czech Republic	Liechtenstein	Switzerland
Denmark	Lithuania	Tajikistan
Estonia	Luxembourg	Turkey
Faroe Islands	Macedonia	Turkmenistan
Falkland Islands (Malvinas)	Malta	Ukraine
Finland	Moldova, Republic of	United Kingdom
France	Monaco	Uzbekistan
Georgia	Netherlands	Vatican City
	Norway	

Changes in allegiance or national affiliation of a part of any of the above countries shall not affect the geographic coverage of the definition.

11

Other Regional Rules

This chapter contains Rules that apply to the Asia/Pacific, Canada, Latin America and the Caribbean, South Asia/Middle East/Africa, and United States regions.

Organization of this Chapter.....	11-1
11.1 Rules Applicable Only to the Asia/Pacific Region	11-2
11.1A Asia/Pacific Region Variances to Global Rules.....	11-2
11.1A.1 Affinity and Co-Brand Card Programs	11-2
11.1A.2 Chip Transactions	11-2
11.1B Additional Asia/Pacific Region Rules	11-3
11.1B.1 Limitation of Liability of Asia/Pacific Cardholders for Unauthorized Use	11-3
11.1B.2 Discounts or Other Benefits at the Point of Interaction.....	11-4
11.1B.3 Information to Cardholders	11-4
11.1C Asia/Pacific Geographic Region.....	11-5
11.2 Rules Applicable Only to the Canada Region.....	11-6
11.2A Canada Region Variances to Global Rules.....	11-6
11.2B Additional Canada Region Rules	11-6
11.2B.1 Limitation of Liability of Canadian Cardholders for Unauthorized Use	11-6
11.2B.2 Canadian Merchant Transactions; Deposit Requirements.....	11-7
11.2B.3 Discounts or Other Benefits at the Point of Interaction.....	11-7
11.3 Rules Applicable Only to the Latin America and the Caribbean Region.....	11-8
11.3A Latin America and the Caribbean Region Variances to Global Rules	11-8
11.3A.1 Affinity and Co-Brand Card Programs	11-8
11.3A.2 Currency Conversion	11-8
11.3A.3 Intracountry Interchange Fees.....	11-9
11.3A.4 Chip Transactions	11-9
11.3A.5 Obligation to Issue Cards	11-10
11.3B Additional Latin America and the Caribbean Region Rules	11-10
11.3B.1 Discounts or Other Benefits at the Point of Interaction.....	11-10

11.3C Latin America and the Caribbean Geographic Region	11-10
11.4 Rules Applicable Only to the South Asia/Middle East/Africa Region ...	11-11
11.4A South Asia/Middle East/Africa Region Variances to Global Rules.....	11-11
11.4A.1 Chip Transactions	11-11
11.4B Additional South Asia/Middle East/Africa Region Rules	11-12
11.4.B.1 Limitation of Liability of South Asia/Middle East/Africa Cardholders for Unauthorized Use.....	11-12
11.4B.2 Discounts or Other Benefits at the Point of Interaction.....	11-13
11.4B.3 Information to Cardholders	11-13
11.4C South Asia/Middle East/Africa Geographic Region	11-14
11.5 Rules Applicable Only to the U.S. Region	11-15
11.5A U.S. Region Variances to Global Rules	11-15
11.5A.1 Affinity and Co-brand Card Programs.....	11-15
11.5A.2 Obligation to Issue Cards	11-16
11.5B Additional U.S. Region Rules.....	11-16
11.5B.1 Limitation of Liability of United States Cardholders for Unauthorized Use	11-16
11.5B.2 Cash Disbursements within the U.S. Region	11-17
11.5B.3 Settlement Liability for Debit Licensees	11-17
11.5B.4 Discounts or Other Benefits at the Point of Interaction.....	11-17
11.5B.5 Information to Cardholders	11-18
11.5C Debit-related Rules.....	11-19
11.5C.1 Definitions	11-19
11.5C.2 U.S. Region Variances to Global Rules	11-19
11.5C.3 Additional U.S. Region Rules.....	11-20
11.5D PIN-based Debit Transactions.....	11-21
11.5D.1 Definitions	11-22
11.5D.2 Co-residing Marks.....	11-22
Compliance Zones.....	11-23

Organization of this Chapter

This chapter contains rules that are applicable to the following regions:

1. Asia/Pacific region—Designated by rules numbering “11.1” in the heading, and including
 - a. Regional variances, indicated by rules numbered with 11.1A
 - b. Additions to the “global” rules indicated by 11.1B
 - c. Reference information indicated by 11.1C
2. Canada region—Designated by rules numbering “11.2” in the heading, and including
 - a. Regional variances, indicated by rules numbered with 11.2A
 - b. Additions to the “global” rules indicated by 11.2B
 - c. Reference information indicated by 11.2C
3. Latin America and the Caribbean region—Designated by rules numbering “11.3” in the heading, and including
 - a. Regional variances, indicated by rules numbered with 11.3A
 - b. Additions to the “global” rules indicated by 11.3B
 - c. Reference information indicated by 11.3C
4. South Asia/Middle East/Africa region—Designated by rules numbering “11.4” in the heading, and including
 - a. Regional variances, indicated by rules numbered with 11.4A
 - b. Additions to the “global” rules indicated by 11.4B
 - c. Reference information indicated by 11.4C
5. United States region—Designated by rules numbering “11.5” in the heading, and including
 - a. Regional variances, indicated by rules numbered with 11.5A
 - b. Additions to the “global” rules indicated by 11.5B
 - c. Additions to the “global” rules, related to Debit Transactions, indicated by 11.5C
 - d. Additions to the “global” rules, related to PIN-based Debit Transactions, indicated by 11.5D
 - e. Reference information indicated by 11.5E
6. Compliance Zones—Located at the end of the chapter, compliance zones are included for each of the regions designated above.

11.1 Rules Applicable Only to the Asia/Pacific Region

The Rules in this section 11.1 apply to the Asia/Pacific region.

11.1A Asia/Pacific Region Variances to Global Rules

Rules that begin with the designation of “11.1A” are intraregional variances to the Corporation’s “global” Rules.

11.1A.1 Affinity and Co-Brand Card Programs

1. Multiple Partners. Up to two Partners’ names or logos or both may appear on the face of the Card subject to the following conditions:
 - a. the Card design shall comply in all respects with the Card design requirements published in the Card Design Standards System
 - b. the MasterCard Brand Mark is not obscured by the proliferation of other names or logos or both and the presence of multiple logos does not in any way damage or impair the strength of the MasterCard brand;
 - c. the decision as to whether any given Card design conforms to these conditions is reserved to the Corporation’s staff.
2. Proprietary Account Fees. For Programs that are approved for proprietary account access, any proprietary account fees that may be in effect may be waived on a case-by-case basis at the sole discretion of the Corporation.

11.1A.2 Chip Transactions

For chip Transactions effected wholly within the Region, the following Rules apply. For purposes of these Rules, a counterfeit Transaction is a type of fraudulent Transaction; “chip-capable” means the ability to become EMV compliant; and “EMV-compliant” means in compliance with the EMV standards then in effect.

1. New Chip-Capable Terminals. All new ATMs and POI terminals deployed by Regional Members and capable of accepting EMV chip Cards (credit or debit) must be EMV-compliant in accordance with the Standards.
2. Incentive Interchange Rate. An incentive interchange rate applies to intraregional chip Transactions to:
 - a. Compensate the Issuers of Cards with an increased intraregional interchange of ten basis points when the Card is used at a non-EMV compliant terminal.

- b. Compensate the Acquirers using EMV-compliant terminals with a reduced intraregional interchange of ten basis points when a non-EMV-compliant Card is used at that terminal.
3. Chip Cards. All new and reissued EMV chip Cards (credit or debit) must be EMV-compliant in accordance with the Standards.
4. Chip Liability Shift. The liability for intraregional counterfeit Transactions in which one Regional Member (either the Issuer or the Acquirer) is not yet EMV-compliant is borne by the non-EMV-compliant Regional Member.

11.1B Additional Asia/Pacific Region Rules

Rules that begin with a designation of “11.1B” are additional intraregional Rules that are not variances to the Corporation’s “global” Rules.

11.1B.1 Limitation of Liability of Asia/Pacific Cardholders for Unauthorized Use

1. Limitation on Amount. Subject to laws of the country within which a Card is issued, the liability of a Cardholder for unauthorized use of a Card (regardless of the type of account to which Transactions initiated with such Card are posted):
 - a. shall not exceed USD 0 if the conditions set forth in paragraph 2 below have been met; or
 - b. shall be in accordance with the corresponding Cardholder agreement if the conditions set forth in paragraph 2 below have not been met.
2. Conditions to USD 0 Liability. The liability limitations set forth in clause (a) of paragraph 1, above, shall apply only if:
 - a. the Cardholder has exercised vigilant care in safeguarding such card from risk of loss, theft, or unauthorized use;
 - b. the Cardholder immediately and without delay notifies the Issuer upon discovery of the loss, theft, or unauthorized use;
 - c. the Cardholder has not reported two or more incidents of unauthorized use to the Issuer in the immediately preceding 12-month period;
 - d. the account to which Transactions initiated with such card are posted is in good standing; and
 - e. the Cardholder has complied with the terms and conditions of the corresponding Cardholder agreement.

3. Effect of Other Applicable Law or Agreement. If country, provincial, or local law, or an agreement between a Cardholder and the Issuer of a Card (regardless of the type of account to which Transactions initiated with such Card are posted) imposes lesser liability than that provided in this Rule, the lesser liability shall govern.
4. Unauthorized Use. For purposes of this Rule, “unauthorized use” means the use of a Card (regardless of the type of account to which Transactions initiated with such Card are posted) by a person other than the Cardholder who does not have actual, implied, or apparent authority for such use, and from which the Cardholder receives no benefit.
5. Non-applicability. This Rule shall not apply to Cards issued
 - a. to an entity other than a natural person;
 - b. primarily for business, commercial, or agricultural purposes; or
 - c. if a PIN is used as the Cardholder verification method for unauthorized Transaction(s).

11.1B.2 Discounts or Other Benefits at the Point of Interaction

A discount or other point of interaction benefit may be applied at a POI upon presentation of a particular Card for payment. Promotion of any such discount or other benefit at the POI is permitted provided such promotion does not result in discrimination against other Card Programs. The determination of whether any promotion discriminates against other Card Programs is at the sole discretion of the Corporation.

11.1B.3 Information to Cardholders

The Issuer must provide information to its Cardholders as set forth below.

1. Card Solicitations. Each Issuer of Cards must disclose, clearly and conspicuously, in all Solicitations any amounts relating to the MasterCard Issuer Cross-border Assessment and/or the MasterCard Currency Conversion Assessment that the Issuer charges, or will charge, to the Cardholder.
2. Cardholder Communications. Each Issuer of Cards must disclose, clearly and conspicuously, in all existing Cardholder Communications, including Cardholder agreements and account agreements, any amounts relating to the MasterCard Issuer Cross-border Assessment and/or the MasterCard Currency Conversion Assessment that the Issuer charges, or will charge, to the Cardholder.

3. **Periodic Billing Statement.** Each Issuer of Cards must provide adequate disclosure on each applicable periodic billing statement, such that the Cardholder can readily determine from the billing statement any amounts that the Issuer charges to the Cardholder relating to the MasterCard Issuer Cross-border Assessment and/or the MasterCard Currency Conversion Assessment during that billing cycle, either in gross or on a per Transaction basis.
4. **Currency Conversion Procedure.** The Corporation further recommends and encourages Issuers to inform their Cardholders that part of the Corporation's currency conversion procedure includes use of either a government-mandated exchange rate or a wholesale exchange rate, selected by the Corporation, and that the government-mandated exchange rate or wholesale exchange rate that the Corporation uses for a particular Transaction is the rate the Corporation selects for the applicable currency on date that the Transaction is processed (the Central Site Business Date), which may differ from the rate selected on the date the Transaction occurred or on the date the Transaction is posted to the Cardholder's account.

For information about the MasterCard Currency Conversion Assessment, refer to the *GCMS Reference Manual*. For information about the MasterCard Cross-border Assessment, refer to the *MasterCard Consolidated Billing System—Asia/Pacific Region* manual.

11.1C Asia/Pacific Geographic Region

American Samoa	Korea, Republic of	Palau
Australia	Lao People's Democratic Republic	Papua New Guinea
Brunei Darussalam	Macau	Philippines
Cambodia	Malaysia	Samoa
China	Marshall Islands	Singapore
Cook Islands	Micronesia	Solomon Islands
East Timor	Mongolia	Taiwan
Fiji	Myanmar	Thailand
French Polynesia	Nauru	Tokelau
Guam	New Caledonia	Tonga
Hong Kong	New Zealand	Tuvalu
Indonesia	Niue	Vanuatu
Japan	Norfolk Island	Vietnam
Kiribati	Northern Mariana Islands	Wallis and Futuna
Korea, Democratic People's Republic of		

11.2 Rules Applicable Only to the Canada Region

The Rules in this section 11.2 apply to the Canada region.

11.2A Canada Region Variances to Global Rules

Rules that begin with a designation of “11.2.A” are intraregional variances to the Corporation’s “global” Rules. Currently, there are no intraregional variances to the global Rules for this region.

11.2B Additional Canada Region Rules

Rules that begin with a designation of “11.2B” are additional intraregional Rules that are not variances to the Corporation’s “global” Rules.

11.2B.1 Limitation of Liability of Canadian Cardholders for Unauthorized Use

1. Limitation on amount. The liability of a Cardholder for unauthorized use of a Card (regardless of the type of account to which Transactions initiated with such Card are posted) shall not exceed
 - a. CAD 0 if the conditions set forth in paragraph 2, below, have been met, or
 - b. if the conditions set forth in paragraph 2 have not been met, the lesser of CAD 50 or the amount of money, property, labor, or services obtained by the unauthorized use before notification to the Issuer.
2. Conditions to CAD 0 liability. The liability limitations set forth in clause (i) of paragraph 1, above, shall apply only if
 - a. the Cardholder has exercised reasonable care in safeguarding such Card from risk of loss or theft;
 - b. the Cardholder has not reported two or more incidents of unauthorized use to the Issuer in the immediately preceding 12-month period; and
 - c. the account to which Transactions initiated with such Card are posted is in good standing.
3. Effect of other applicable law agreement. If federal, provincial or local law, or an agreement between a Cardholder and the Issuer of a Card (regardless of the type of account to which Transactions initiated with such Card are posted) imposes lesser liability than that provided in this Rule, the lesser liability shall govern.

4. Unauthorized use. For purposes of this Rule, “unauthorized use” means the use of a Card (regardless of the type of account to which Transactions initiated with such Card are posted) by a person other than the Cardholder who does not have actual, implied, or apparent authority for such use, and from which the Cardholder receives no benefit.
5. Nonapplicability. This Rule shall not apply to Cards issued
 - a. to an entity other than a natural person; or
 - b. primarily for business, commercial, or agricultural purposes.

11.2B.2 Canadian Merchant Transactions; Deposit Requirements

In the Canada region, each Member that acquires Transactions from Canadian Merchants must have a deposit account for each Merchant from which it acquires such Transactions, and the proceeds of such Transactions must be deposited by the Member in such Merchant’s deposit account.

11.2B.3 Discounts or Other Benefits at the Point of Interaction

The use of an Affinity Card Program or Co-Brand Card Program Card to activate a discount or other benefit at the POI that is not available on similar purchases with the use of any other Card is permitted for Transactions effected wholly within the Region. The determination of whether any such discount or other POI benefit practice complies with the Standards is at the sole discretion of the Corporation’s staff.

11.3 Rules Applicable Only to the Latin America and the Caribbean Region

The Rules in this section 11.3 apply to the Latin America and the Caribbean region.

11.3A Latin America and the Caribbean Region Variances to Global Rules

Rules that begin with a designation of “11.3A” are intraregional variances to the Corporation’s “global” Rules.

11.3A.1 Affinity and Co-Brand Card Programs

For Affinity Card Programs and Co-brand Card Programs issued by Members in the Latin America and the Caribbean region, more than one Partner’s name or logo or both may appear on the face of the Card subject to the following conditions:

1. The Card design shall comply in all respects with the Card design guidelines,
2. In no way may any Partner name and/or logo, or combination, obscure in any way the fact that the card is a Card, and
3. The decision as to whether any given Card design conforms to these conditions is reserved to the Corporation’s staff.

11.3A.2 Currency Conversion

For purposes only of Latin America and the Caribbean region Members, the following paragraph shall be deemed to appear at the end of and as a part of Rule 9.2.

Within the country in which the Card was issued, if that country is within the LAC region, and if the Transaction currency is the same as the currency of the Issuer and is not U.S. dollars, the Acquirer must accept payment for the Transaction in the local currency, unless the Acquirer and Issuer have agreed otherwise, or unless local law requires otherwise.

Noncompliance by any Member with this requirement will result in the imposition of a USD 50 fine for each USD 1,000 of affected settlement volume, payable monthly for the volume in the prior month.

11.3A.3 Intracountry Interchange Fees

Integrated Service for Intracurrency Settlement (ISIS) certification is a standard feature of the certification process for Card Programs in which an LAC region Member participates. All Class A Members in the LAC region and MSPs providing Program Services to Class A Members in the LAC region must settle Transactions through ISIS at the applicable intracountry interchange rate and conditions with each LAC region Member that chooses to use ISIS as its settlement platform of choice for intracountry Transactions.

11.3A.4 Chip Transactions

For chip Transactions effected wholly within the Latin America and the Caribbean region, the following Rules apply. For purposes of these Rules, a counterfeit Transaction is a type of fraudulent Transaction; “EMV chip-capable” means the ability to become “compliant”; and “EMV chip-compliant” means operating any chip device including cards, ATMs, point-of-interaction (POI) terminals, electronic cash registers (ECRs), PIN pads, and terminals that are in accordance fully with the Standards relative to EMV standards.

1. New Terminals. All new ATMs and POI terminals must be EMV-compliant.
2. Critical Fraud Percentage. The Acquirer of a Merchant located in the Latin America and Caribbean region with a ratio of fraud and counterfeit volume to Card sales volume that equals or exceeds the Standards must replace any magnetic-stripe-only POI or ECR terminal at such Merchant with an EMV-capable terminal, either POI or ECR.
3. Liability Shift. The liability for Latin America and Caribbean intraregional counterfeit Transactions in which one Member (either the Issuer or the Acquirer) is not yet EMV chip-compliant is borne by the non—EMV chip-compliant Member.
4. Incentive Interchange Rate. An incentive interchange rate applies to intraregional international chip Transactions to:
 - a. Compensate the Issuers of Cards with an increased intraregional interchange of ten basis points when the Card is used at a non-EMV compliant terminal.
 - b. Compensate the Acquirers using EMV-compliant terminals with a reduced intraregional interchange of ten basis points when a non-EMV-compliant Card is used at that terminal.

Other Regional Rules

11.3B Additional Latin America and the Caribbean Region Rules

11.3A.5 Obligation to Issue Cards

A Member that is Licensed to acquire Transactions in the United States that extends its Area of Use to acquire Transactions in Puerto Rico is not required to issue Cards in Puerto Rico if its acquiring Activity in Puerto Rico is limited to only the Transactions of Merchants located in Puerto Rico that are also located and have headquarters in the United States, and with whom the Member has an existing acquiring relationship in the United States.

11.3B Additional Latin America and the Caribbean Region Rules

Rules that begin with a designation of “11.3B” are additional intraregional Rules that are not variances to the Corporation’s “global” Rules.

11.3B.1 Discounts or Other Benefits at the Point of Interaction

A Card may access a discount or other benefit at the point of interaction (POI), and the Merchant may promote such discount or other benefit at the POI, provided such promotion does not disparage other Card Programs.

11.3C Latin America and the Caribbean Geographic Region

Anguilla	Dominican Republic	Nicaragua
Antigua and Barbuda	Ecuador	Panama
Argentina	El Salvador	Paraguay
Aruba	French Guiana	Peru
Bahamas	Grenada	Peter Island
Barbados	Guadeloupe	Puerto Rico
Belize	Guatemala	St. Kitts-Nevis
Bermuda	Guyana	St. Lucia
Bolivia	Haiti	St. Vincent and the Grenadines
Brazil	Honduras	Suriname
Cayman Islands	Jamaica	Trinidad and Tobago
Chile	Martinique	Turks and Caicos Islands
Colombia	Mexico	Uruguay
Costa Rica	Montserrat	Venezuela
Dominica	Netherlands Antilles	Virgin Islands, British
		Virgin Islands, U.S.

11.4 Rules Applicable Only to the South Asia/Middle East/Africa Region

The Rules in this section 11.4 apply to the South Asia/Middle East/Africa region.

11.4A South Asia/Middle East/Africa Region Variances to Global Rules

Rules that begin with the designation of “11.4A” are intraregional variances to the Corporation’s “global” Rules.

11.4A.1 Chip Transactions

For chip Transactions effected wholly within the South Asia/Middle East/Africa region, the following Rules apply. For purposes of these Rules, a counterfeit Transaction is a type of fraudulent Transaction.

1. New Terminals. All new or retrofitted ATMs and POI terminals deployed by Regional Members must be EMV-capable.
2. Incentive Interchange Rate. An incentive interchange rate is applied to intraregional Transactions to:
 - a. Compensate Issuers of EMV-compliant Cards with an increased intraregional interchange of ten basis points when the Card is used at a non-EMV-compliant terminal
 - b. Compensate Acquirers using EMV-compliant terminals with reduced intraregional interchange of 10 basis points when a non-EMV-compliant Card is used at that terminal.
3. Chip Liability Shift for South Africa. The liability for South Africa intracountry counterfeit Card Transactions in which one member (either the Issuer or the Acquirer) is not yet EMV-compliant will be borne by the non-EMV-compliant member.
4. Chip Liability Shift for SAMEA. The liability for SAMEA intraregional counterfeit Card Transactions in which one member (either the Issuer or the Acquirer) is not yet EMV-compliant will be borne by the non-EMV-compliant member.

11.4B Additional South Asia/Middle East/Africa Region Rules

Rules that begin with a designation of “11.4B” are additional intraregional Rules that are not variances to the Corporation’s “global” Rules.

11.4.B.1 Limitation of Liability of South Asia/Middle East/Africa Cardholders for Unauthorized Use

1. Limitation on amount. Subject to the laws of the country within which a Card is issued, the liability of a Cardholder for unauthorized use of a Card (regardless of the type of account to which Transactions initiated with such Card are posted)
 - a. shall not exceed USD 0 if the conditions set forth in paragraph 2, below, have been met or,
 - b. shall be in accordance with the corresponding Cardholder agreement if the conditions set forth in paragraph 2 have not been met.
2. Conditions to USD 0 liability. The liability limitations set forth in clause (a) of paragraph 1, above, shall apply only if
 - a. the Cardholder has exercised vigilant care in safeguarding such Card from risk of loss, theft, or unauthorized use;
 - b. the Cardholder immediately and without delay notifies the Issuer upon discovery of the loss, theft, or unauthorized use;
 - c. the Cardholder has not reported two or more incidents of unauthorized use to the Issuer in the immediately preceding 12-month period;
 - d. the account to which Transactions initiated with such Card are posted is in good standing; and
 - e. the Cardholder has complied with the terms and conditions of the corresponding Cardholder agreement.
3. Effect of other applicable law or agreement. If country or local law or an agreement between a Cardholder and the Issuer of a Card (regardless of the type of account to which Transactions initiated with such Card are posted) imposes lesser liability than that provided in this Rule, the lesser liability shall govern.
4. Unauthorized use. For purposes of this Rule, “unauthorized use” means the use of a Card (regardless of the type of account to which Transactions initiated with such Card are posted) by a person other than the Cardholder who does not have actual, implied, or apparent authority for such use, and from which the Cardholder receives no benefit.

5. Nonapplicability. This Rule shall not apply to Cards issued
 - a. to an entity other than a natural person;
 - b. primarily for business, commercial, or agricultural purposes; or
 - c. if a PIN or MasterCard SecureCode is used as the Cardholder verification method for unauthorized Transaction(s).

11.4B.2 Discounts or Other Benefits at the Point of Interaction

A discount or other benefit may be applied at a POI located in the SAMEA region upon presentation of a particular Card for payment. Promotion of any such discount or other POI benefit is permitted provided such promotion does not result in discrimination against other Card Programs. The determination of whether any promotion discriminates against other Card Programs is at the sole discretion of the Corporation.

11.4B.3 Information to Cardholders

The Issuer must provide information to its Cardholders as set forth below.

1. Card Solicitations. Each Issuer of Cards must disclose, clearly and conspicuously, in all Solicitations any amounts relating to the MasterCard Issuer Cross-border Assessment and/or the MasterCard Currency Conversion Assessment that the Issuer charges, or will charge, to the Cardholder.
2. Cardholder Communications. Each Issuer of Cards must disclose, clearly and conspicuously, in all new and existing Cardholder Communications, including Cardholder agreements and account agreements, any amounts relating to the MasterCard Issuer Cross-border Assessment and/or the MasterCard Currency Conversion Assessment that the Issuer charges, or will charge, to the Cardholder.
3. Periodic Billing Statement. Each Issuer of Cards must provide adequate disclosure on each applicable periodic billing statement, such that the Cardholder can readily determine from the billing statement any amounts that the Issuer charges to the Cardholder relating to the MasterCard Issuer Cross-border Assessment and/or the MasterCard Currency Conversion Assessment during that billing cycle, either in gross or on a per Transaction basis.

Other Regional Rules

11.4C South Asia/Middle East/Africa Geographic Region

4. Currency Conversion Procedure. The Corporation further recommends and encourages Issuers to inform their Cardholders that part of the Corporation's currency conversion procedure includes use of either a government-mandated exchange rate or a wholesale exchange rate, selected by the Corporation, and that the government-mandated exchange rate or wholesale exchange rate that the Corporation uses for a particular Transaction is the rate the Corporation selects for the applicable currency on date that the Transaction is processed (the Central Site Business Date), which may differ from the rate selected on the date the Transaction occurred or on the date the Transaction is posted to the Cardholder's account.

For information about the MasterCard Currency Conversion Assessment, refer to the *GCMS Reference Manual*. For information about the MasterCard Cross-border Assessment, refer to the *MasterCard Consolidated Billing System—SAMEA Region* manual.

11.4C South Asia/Middle East/Africa Geographic Region

Afghanistan	Gabon	Nigeria
Algeria	Gambia	Oman
Angola	Ghana	Pakistan
Bahrain	Guinea	Palestine
Bangladesh	Guinea-Bissau	Pitcairn
Benin	Heard and McDonald Islands	Qatar
Bhutan	India	Reunion
Botswana	Iran, Islamic Republic of	Rwanda
Bouvet Island	Iraq	Sao Tome and Principe
British Indian Ocean Territory	Jordan	Saudi Arabia
Burkina Faso	Kenya	Senegal
Burundi	Kuwait	Seychelles
Cameroon	Lebanon	Sierra Leone
Cape Verde	Lesotho	Somalia
Central African Republic	Liberia	South Africa
Chad	Libyan Arab Jamahiriya	Sri Lanka
Christmas Island	Madagascar	Sudan
Cocos (Keeling) Islands	Malawi	Swaziland
Comoros	Maldives	Syrian Arab Republic
Congo	Mali	Tanzania, United Republic of
Côte D'Ivoire	Mauritania	Togo
Democratic Republic of the Congo	Mauritius	Tunisia

Djibouti	Midway Islands	Uganda
Egypt	Morocco	United Arab Emirates
Equatorial Guinea	Mozambique	U.S. Minor Outlying Islands
Eritrea	Namibia	Wake Island
Ethiopia	Nepal	Yemen
French Southern Territories	Niger	Zambia

11.5 Rules Applicable Only to the U.S. Region

The Rules in this section 11.5 apply to the U.S. region.

11.5A U.S. Region Variances to Global Rules

Rules that begin with a designation of “11.5A” are intraregional variances to the Corporation’s “global” Rules.

11.5A.1 Affinity and Co-brand Card Programs

Advertising Standards and Card Design. More than one Affinity Card or Co-brand Card Program logo may appear on the face of the Card, subject to the discretion of the Corporation, which is charged with the responsibility of ensuring that:

1. The card is clearly identifiable as a Card product;
2. The Mark remains prominent on the Card face; and
3. The Mark is not obscured by the proliferation of other names and/or logos and the presence of multiple logos does not in any way damage or impair the strength of the MasterCard brand.

Staff is authorized to promulgate appropriate Rules, regulations, and policies consistent with the foregoing.

11.5A.2 Obligation to Issue Cards

1. Any Member that does not issue or have outstanding any cards of a competing card program within the U.S. region is not obligated to issue Cards to customers in the U.S. region before it may acquire Transactions from Merchants located in the U.S. region.
2. A Member that is Licensed to acquire Transactions in the United States that extends its Area of Use to acquire Transactions in Puerto Rico is not required to issue Cards in Puerto Rico if its acquiring Activity in Puerto Rico is limited to only the Transactions of Merchants located in Puerto Rico that are also located and have headquarters in the United States, and with whom the Member has an existing acquiring relationship in the United States.

11.5B Additional U.S. Region Rules

Rules that begin with a designation of “11.5.B“ are additional intraregional Rules that are not variances to the Corporation’s “global” Rules.

11.5B.1 Limitation of Liability of United States Cardholders for Unauthorized Use

1. Limitation on amount. The liability of a Cardholder for unauthorized use of a Card (regardless of the type of account to which Transactions initiated with such Card are posted, except as set forth in paragraph 6 below) shall not exceed
 - a. USD 0 if the conditions set forth in paragraph 2, below, have been met or,
 - b. if the conditions set forth in paragraph 2 have not been met, the lesser of USD 50 or the amount of money, property, labor, or services obtained by the unauthorized use before notification to the Issuer.
2. Conditions to USD 0 liability. The liability limitations set forth in clause (a) of paragraph 1, above, shall apply only if
 - a. the Cardholder has exercised reasonable care in safeguarding such Card from risk of loss or theft;
 - b. the Cardholder has not reported two or more incidents of unauthorized use to the Issuer in the immediately preceding 12-month period; and
 - c. the account to which Transactions initiated with such Card are posted is in good standing.

3. Effect of other applicable law or agreement. If federal, state or local law, or an agreement between a Cardholder and the Issuer of a Card (regardless of the type of account to which Transactions initiated with such Card are posted) imposes lesser liability than that provided in this Rule, the lesser liability shall govern.
4. Unauthorized use. For purposes of this Rule, “unauthorized use” means the use of a Card (regardless of the type of account to which Transactions initiated with such Card are posted) by a person other than the Cardholder who does not have actual, implied, or apparent authority for such use, and from which the Cardholder receives no benefit.
5. Nonapplicability. This Rule shall not apply to Cards issued
 - a. to an entity other than a natural person or primarily for business, commercial, or agricultural purposes, except that the Rule shall apply to the Card Programs for small businesses described on www.mastercardbusiness.com; or
 - b. if a PIN is used as the Cardholder verification method for unauthorized Transaction(s).

11.5B.2 Cash Disbursements within the U.S. Region

In addition to complying with Rule 8.2, and subject to compliance with the Standards, each Member within the U.S. region must provide cash disbursement services to all Cardholders at all of the Member’s offices where teller services are provided.

11.5B.3 Settlement Liability for Debit Licensees

A debit Licensee is granted a License limited to the issuance of Debit MasterCard Cards. Notwithstanding the foregoing, a principal debit Licensee is not responsible for the Debit MasterCard Card Program obligations of any affiliate debit Licensee that it Sponsors if such an affiliate debit Licensee becomes unable or unwilling to discharge its settlement obligations.

11.5B.4 Discounts or Other Benefits at the Point of Interaction

Subject to other Standards, a Card or Access Device may not access a discount or other benefit at the Point of Interaction (POI) unless such discount or other benefit may be accessed by any valid and properly presented Card.

The following are the only discount practices permitted in conjunction with a particular Card at the POI:

1. A discount or other benefit accessed after the Transaction has been completed (for example, a credit on the billing statement or a rebate); and

2. A discount or other benefit accessed at the time of or after the Transaction has been effected by a separate instrument and not by the Card (for example, a coupon or a voucher).

The promotion at the POI of a discount or other benefit that may be accessed by any particular Card is prohibited.

11.5B.5 Information to Cardholders

The Issuer must provide information to its Cardholders as set forth below.

1. Card Solicitations. Each Issuer of Cards must disclose, clearly and conspicuously, in all Solicitations any amounts relating to the MasterCard Issuer Cross-border Assessment and/or the MasterCard Currency Conversion Assessment that the Issuer charges, or will charge, to the Cardholder.
2. Cardholder Communications. Each Issuer of Cards must disclose, clearly and conspicuously, in all new and existing Cardholder Communications, including Cardholder agreements and account agreements, any amounts relating to the MasterCard Issuer Cross-border Assessment and/or the MasterCard Currency Conversion Assessment that the Issuer charges, or will charge, to the Cardholder.
3. Periodic Billing Statement. Each Issuer of Cards must provide adequate disclosure on each applicable periodic billing statement, such that the Cardholder can readily determine from the billing statement any amounts that the Issuer charges to the Cardholder relating to the MasterCard Issuer Cross-border Assessment and/or the MasterCard Currency Conversion Assessment during that billing cycle, either in gross or on a per Transaction basis.
4. Currency Conversion Procedure. The Corporation further recommends and encourages Issuers to inform their Cardholders that part of the Corporation's currency conversion procedure includes use of either a government-mandated exchange rate or a wholesale exchange rate, selected by the Corporation, and that the government-mandated exchange rate or wholesale exchange rate that the Corporation uses for a particular Transaction is the rate the Corporation selects for the applicable currency on date that the Transaction is processed (the Central Site Business Date), which may differ from the rate selected on the date the Transaction occurred or on the date the Transaction is posted to the Cardholder's account.

For information about the MasterCard Currency Conversion Assessment, refer to the *GCMS Reference Manual*. For information about the MasterCard Cross-border Assessment, refer to the *MasterCard Consolidated Billing System—United States Region* manual.

11.5C Debit-related Rules

Rules that begin with a designation of “11.5C” are intraregional Rules resulting from the settlement of In Re Visa Check/MasterMoney Antitrust Litigation. These Rules contain intraregional variances to the Corporation’s “global” Rules and additional intraregional Rules, and apply to Debit MasterCard Cards and other Cards issued in the U.S. region, by U.S. region Members and presented for payment at Merchant locations in the U.S. region. Members and Merchants in the U.S. region must continue to comply with the global Rules for Cards issued by Members outside of the U.S. region and presented for payment at Merchant locations in the Region. The Corporation may fix and impose noncompliance assessments on Members for violating the Rules as set forth in this section 11.5C.

11.5C.1 Definitions

Solely for the purposes of this section 11.5C,

1. “Debit” or “Debit MasterCard Card” or “Debit Card” shall mean any Access Device, Program, or Card issued in the Region, by a Regional Member, that when presented for payment in the United States, accesses, debits, holds, or settles funds from a consumer’s demand deposit or asset account. “Debit” or “Debit MasterCard Card” shall include consumer signature debit Programs, stored value Programs, prepaid Cards, payroll Cards, electronic benefit transfer Cards, and deferred debit Cards that access, debit, hold, or settle funds from the user’s demand deposit or asset account less than fourteen days after the date of purchase. “Debit” shall not include any point-of-sale device that accesses, debits, hold, or settles funds from the user’s demand deposit or asset account fourteen or more days after the date of the purchase.
2. “Other Card” shall mean any Access Device, Program, or Card that is not defined as “debit” or “Debit MasterCard Card”.

11.5C.2 U.S. Region Variances to Global Rules

The following Rules do not apply to a Debit MasterCard Card or other Card where PIN is used as the Cardholder verification method. For Rules relating to such Transactions, refer to section 11.5D herein.

1. Merchant Acceptance. Merchants that accept Cards may choose to accept Debit MasterCard Cards only, other Cards only, or both Debit MasterCard Cards and other Cards. Acquirers must advise the Corporation when a Merchant in the Region chooses not to accept either Debit MasterCard Cards or other Cards.

2. Honor All Debit MasterCard Cards. Merchants that choose to accept Debit MasterCard Cards to honor all valid Debit MasterCard Cards without discrimination when properly presented for payment. The Merchant must maintain a policy that does not discriminate among customers seeking to make purchases with a Debit MasterCard Card.
3. Honor All Other MasterCard Cards. Merchants that choose to accept other Cards to honor all other Cards without discrimination when properly presented for payment. The Merchant must maintain a policy that does not discriminate among customers seeking to make purchases with another Card.
4. Risk of Loss. The Risk of Loss Rule applies with respect to affiliate debit Licensees in the same manner as it applies to Members.

11.5C.3 Additional U.S. Region Rules

1. Required Provisions of the Merchant Agreement. In addition to the Standards set forth in [Chapter 5](#), Merchant Agreements must provide the Merchant with the option, and the applicable Merchant discount rate for each option, to elect to accept Debit MasterCard Cards only, other Cards only, or both Debit MasterCard Cards and other Cards. With respect to any contract existing on or before 1 January 2004, under which a Merchant accepts Cards, a Merchant may choose to stop accepting Debit MasterCard Cards or other Cards by providing no less than 30 days advance written notice to its Acquirer.
2. Signage. Merchants that request signage for the purpose of indicating their acceptance of Debit MasterCard Cards must display such signage for a minimum of three months.
3. Clear and Conspicuous Debit Identifier. Upon issuance of new or reissued Debit MasterCard Cards on or after 1 January 2004, Members must display
 - a. the Debit MasterCard Hologram instead of the MasterCard Global Hologram on the front of all Debit MasterCard Cards issued in the United States, in the position required for the MasterCard Global Hologram, or
 - b. the “Debit” word mark on the Card front if the Debit MasterCard Hologram is on the Card back. Debit MasterCard Cards must conform to the Standards set forth in the [Security Rules and Procedures](#) manual and the Card Design Standards System.

Members must certify their compliance with the above Rule as set forth in a schedule prescribed by the Corporation, so that 80 percent of all outstanding Debit MasterCard Cards display either the Debit MasterCard Hologram or the hot stamped or thermally printed “Debit” word mark, as set forth in the Card Design Standards System, by 1 July 2005 and 100 percent of outstanding Debit MasterCard Cards display the Debit MasterCard Hologram by 1 January 2007.

4. Transaction/BIN Identification. Members must use specific and unique bank identification numbers (BINs) for Debit MasterCard Cards.

Members must certify their compliance with the above Rule as set forth in a schedule prescribed by the Corporation, so that 80 percent of all outstanding Debit MasterCard Cards are identified by a specific and unique BIN by 1 July 2005 and 100 percent are identified by a specific and unique BIN by 1 January 2007.

Acquirers must provide a complete list of the BINs that apply to Debit MasterCard Cards to Merchants upon any form of reasonable request.

5. Mandated Issuer Authorization Messages. Effective 1 November 2008, the authorization services provided by Debit MasterCard Card Issuers must include the following features, as applicable:
 - a. For all Debit MasterCard Card account ranges, Issuers must support partial approvals and full and partial reversals; and
 - b. For all Debit MasterCard Card prepaid account ranges, Issuers must support account balance responses.

11.5D PIN-based Debit Transactions

Rules that begin with a designation of “11.5D” are intraregional Rules that are variances to the Corporation’s “global” Rules. U.S. region Rules that begin with 11.5D relate to Debit MasterCard Cards where a PIN is used as the cardholder verification method.

Members may choose to issue Debit MasterCard Cards where a PIN is used as the Cardholder verification method and/or acquire Transactions effected with such Cards as defined in this section 11.5D. If Members so choose, the rules contained in the *Maestro Global Rules* will apply to such Transactions except

1. for the requirements contained in sections 1.2 Membership, 1.7 Termination from the Organization, 4.3 Display on Cards, and 6.1.1 b.1. Eligible Cards, of that rulebook, and
2. that when the term “Member” appears in the text of the *Maestro Global Rules*, the definition of that term contained in the Definitions chapter of this manual applies, and
3. that when the term “Service Marks” appears in the text of the *Maestro Global Rules*, the definition of that term contained in part 2 of section 11.5D.1 applies.

11.5D.1 Definitions

Solely for the purposes of this section 11.5D,

1. “Debit” or “Debit MasterCard Card” shall mean any Access Device or Card that, when presented for payment in the United States, accesses, debits, holds, or settles funds from a demand deposit or asset account and where PIN is used as the Cardholder verification method.
2. “Service Marks” shall mean (i) from an issuing perspective, the MasterCard Word Mark and/or the MasterCard Brand Marks as those terms are defined in the Definitions chapter of this manual, and (ii) from an acquiring perspective, the MasterCard Word Mark and/or the MasterCard Brand Marks as those terms are defined in the Definitions chapter of this manual and the MAESTRO trademarks, trade names, service marks, logotypes, and trade designations made available for use pursuant to License by the Corporation.
3. “Maestro Service Marks” shall mean the MAESTRO trademarks, trade names, service marks, logotypes, and trade designations made available for use pursuant to license by the Corporation.
4. “Cirrus Service Marks” shall mean the CIRRUS trademarks, trade names, service marks, logotypes, and trade designations made available for use pursuant to license by the Corporation.

11.5D.2 Co-residing Marks

1. The Maestro and/or Cirrus Service Marks must not appear on Debit MasterCard Cards issued on or after 1 June 2006. Effective 1 June 2007, the Maestro and/or Cirrus Service Marks must not appear on Debit MasterCard Cards.
2. Issuers that display regional debit brands on their Debit MasterCard Cards must place the MasterCard Brand Mark on the back (in equal size and prominence with those regional debit brands) as well as on the front of the Card. Refer to the Card Design Standards System for additional information.

Compliance Zones

The following table identifies the noncompliance category that the Corporation has assigned to the Standards described within this chapter. These noncompliance categories are assigned for the purposes of assessments under the compliance framework described in Rule 3.1.2.

Rule Number	Rule Title	Category
11.1A.1	Affinity and Co-Brand Card Programs	B
11.1A.2	Chip Transactions	A
11.1B.1	Limitation of Liability of Asia/Pacific Cardholders for Unauthorized Use	B
11.1B.2	Discounts or Other Benefits at the Point of Interaction	B
11.1B.3	Information to Cardholders	B
11.2B.1	Limitation of Liability of Canadian Cardholders for Unauthorized Use	B
11.2B.2	Canadian Merchant Transactions; Deposit Requirements	C
11.2B.3	Discounts or Other Benefits at the Point of Interaction	B
11.3A.1	Affinity and Co-Brand Card Programs	B
11.3A.2	Currency Conversion	A
11.3A.3	Amount of Fees	A
11.3A.4	Intracountry Interchange Fees	A
11.3A.5	Chip Transactions	A
11.3A.6	Obligation to Issue Cards	A
11.3B.1	Discounts or Other Benefits at the Point of Interaction	B
11.4A.1	Chip Transactions	A
11.4B.1	Limitation of Liability of South Asia/Middle East/Africa Cardholders for Unauthorized Use	B
11.4B.2	Discounts or Other Benefits at the Point of Interaction	B
11.4B.3	Information to Cardholders	B
11.5A.1	Affinity and Co-Brand Card Programs	B
11.5A.2	Obligation to Issue Cards	A
11.5B.1	Limitation of Liability of United States Cardholders for Unauthorized Use	B
11.5B.2	Cash Disbursements Within the U.S. Region	A
11.5B.3	Settlement Liability for Debit Licensees	A
11.5B.4	Discounts or Other Benefits at the Point of Interaction	B
11.5B.5	Information to Cardholders	B

Other Regional Rules
Compliance Zones

Rule Number	Rule Title	Category
11.5C.2 (1)	Merchant Acceptance	A
11.5C.2 (2)	Honor All Debit MasterCard Cards	A
11.5C.2 (3)	Honor All Other MasterCard Cards	A
11.5C.3 (1)	Required Provisions of the Merchant Agreement	A
11.5C.3 (2)	Signage	B
11.5C.3 (3)	Clear and Conspicuous Debit Identifier	B
11.5C.3 (4)	Transaction/BIN Identification	C
11.5D.2	Co-Residing Marks	B