

Important Notice of Changes
Bank of Hawaii Merchant Services – Spring 2020

Please read this notice carefully and keep it with your Merchant Services documents.

This summarizes significant rule and fee changes that affect the way Bank of Hawaii Merchant Services clients accept and process card payments. Individual circumstances may vary, and procedures may be amended or supplemented as appropriate in the future. Please refer to the detailed explanations of these and other changes available on the card brands' websites and through Bank of Hawaii Merchant Services before making any changes to your procedures or point-of-sale systems. Bank of Hawaii cannot be responsible for any errors that occur if merchants only rely on these summaries.

1. Changes affecting multiple card brands

a. Authorizations Required for Purchase Returns

VISA® - Effective April 2020 for all remaining **Asia Pacific Region** merchants

Beginning in October 2019, Visa began requiring large **Asia Pacific Region and U.S. Region** merchants to submit an authorization request when providing credits and refunds to cardholders--for example, for a customer returned item. By having the card issuer generate an authorization code, your customer's account should reflect the credit you are providing more quickly, resulting in a higher level of customer satisfaction.

In **April 2020** the program will expand to all remaining **Asia Pacific Region** merchants with estimated annual Visa purchase returns of \$1 Million USD or less.

MASTERCARD® - Effective April 2020

In October 2019, MasterCard allowed (but not required) merchants to submit an authorization request when providing credits and refunds to cardholders--for example, for a customer returned item. Obtaining an authorization enhances customer satisfaction, and may reduce the cost and effort needed to handle chargebacks. In **April 2020** merchants may incur chargebacks for refund transactions that are not authorized or submitted for a closed account after the presentment time frame has expired. See Dispute Processing and Chargeback Rules (pg. 4 for additional information).

DISCOVER® - Effective April 2020

Merchants will be required to obtain a positive Authorization Response when providing Discover cardholders with credits and refunds, to reduce the risk and expense of chargebacks.

A positive Authorization Response will remain valid for thirty (30) calendar days for credits and refunds in the car rental, passenger transport and lodging industries, as well as other travel Merchant Category Codes (MCCs) and all International Card Sales. A positive Authorization Response will remain valid for ten (10) calendar days for all other industries and MCCs. Merchants are reminded to submit these credits for processing within the respective thirty (30) and ten (10) calendar day timeframes.

Merchants using point-of-sale software or equipment (a “POS System”) provided by a third party should ensure that the original sale transaction is identified on credit/refund transaction receipts. Bank of Hawaii advises these merchants to work with their POS System providers to add this functionality.

b. Transition to 8-digit MasterCard Bank Identification Numbers (BINs) and Visa Issuer Identification Numbers (IINs), and 11-digit Primary Account Number Processing

POS Systems acquired from Bank of Hawaii will be automatically updated to meet this requirement.¹ Merchants using other POS Systems are advised to work with their systems’ providers to assure proper acceptance of the longer numbers, including truncation of account numbers displayed by terminals, which is required for PCI-DSS compliance.

VISA - Effective April 2022

Visa began implementing changes in April 2019 to support migration from six-digit to eight-digit IINs. Visa payment systems will be updated to allow merchants to begin migrating to the new standard ahead of the April 2022 Visa compliance deadline. Additional information will be provided as it becomes available.

MASTERCARD - Effective by April 2022

MasterCard will also require merchant POS Systems to support an 8-digit BIN standard and transaction processing using the first 11 digits of the primary account number (PAN) by April 2022. Additional information will be provided as it becomes available.

c. Dispute Processing and Chargeback Rules

Failure to respond--or late responses--to chargeback notifications and draft fulfillment requests may cause loss of the right to dispute a chargeback, resulting in fines, penalties, additional fees, and losses. To reduce the risk of loss in a chargeback situation, a response to ALL dispute notifications must be completed within the 10 calendar day period which became effective in April 2018.

*If you are not already using **Dispute Manager**SM, a web-accessible chargeback management tool available through Bank of Hawaii, call us at 808-694-7300 for more information.*

¹Merchants using Clover® Go must keep the Clover applications on their devices up-to-date to take advantage of this updating process

VISA- Effective April 2020

Visa has announced changes to certain dispute reason codes:

Reason Code/Description	Chargeback Rule
1350 / Misrepresentation	Issuers may initiate a chargeback if merchandise or digital goods purchased in a card-absent transaction through a trial or promotional period, introductory offer or one-off purchase and the cardholder was not clearly advised of further transactions after the purchase date
1120 / Decline Authorization 1130 / No Authorization	Issuers may initiate chargebacks when proper authorization has not been obtained for credit returns
1010 / EMV Liability Shift Counterfeit Fraud 1030 / Other Fraud (Card-Present)	Additional types of compelling evidence can be provided for card-present U.S. domestic key-entered transactions processed at non-chip terminals

Visa has announced updates to certain Visa Rules:

Rule Update	Rule Overview
First Party Fraud	Issuers must include a formal account and dispute review when excess transaction activity (5 or more separate Dispute Condition 10 – Fraud disputes within a maximum 12 month period) is recorded in a single day
Card-Not-Present Merchant Requirement to Validate Cardholder Approval	Account-on-file merchants will be required to set base-level daily cardholder transaction limits. Additional cardholder authentication will be required when excess transaction activity has been recorded in a single day
Merchant Withdrawal of Services or Assets Following a Fraud Dispute	Merchants will be required to revoke furnishing of goods/services, where reasonable, after a fraud dispute. Fraud due to a merchant account take over requires merchant to re-authenticate cardholder prior to further transactions

Visa will introduce a new Pre-Compliance Image Fee of **\$0.45** which will be applied to pre-compliance request and response packages sent to Visa. Pre-compliance occurs after a merchant successfully disputes a chargeback, but the issuing bank disagrees with the outcome.

MASTERCARD - Effective April 2020

MasterCard is moving toward a streamlined dispute handling process, and is making these changes to its dispute processing rules effective April 2020:

Chargeback Rule/Reason Code	Status – Effective April 2020
Second Chargeback	Eliminated
Outgoing Pre-Arbitration	Eliminated
Outgoing Filed Arbitration Cycles	Eliminated
Reason Code 4863 (Cardholder Does not Recognize)	Eliminated
Incoming Pre-Arbitration	Added
Incoming Filed Arbitration	Added
Pre-Arbitration Case Filing Requirement for Fraud, Cardholder Disputes and POI Error Reason Codes	Added

Reason Code /Description	Chargeback Rule
Reason Code 4808 Authorization Related Chargeback	Proper authorization has not been obtained for credit returns
Reason Code 4837 No Cardholder Authorization	Chargeback can be represented based on the issuer's decline of a refund transaction authorization request related to the same purchase
Reason Code 4842 Late Presentment	Chargeback can be presented if the issuer received a refund transaction presentment after the presentment time frame (5 days) has expired and the account is closed

This streamlined dispute process will reduce chargebacks, shorten resolution timeframes, and remove invalid chargebacks. Additional rule changes will be provided as they are announced by MasterCard.

MasterCard will introduce a new Dispute Excessive Page Fee of **\$1.00 per page**. This fee will be billed when the image count supplied to MasterCard in an Output Package is in excess of 20 pages.

MasterCard will no longer allow issuers to bundle multiple chargebacks into one single case. To allow merchants to locate specific transaction details all chargebacks will be shown as individual transactions.

DISCOVER - Effective April 2020

Discover will make changes to its dispute processing rules, including those listed below. For information regarding additional dispute rule changes, please call Bank of Hawaii at 808-694-7300.

Reason Code / Description	Chargeback Rule
Reason Code 8002 RN2 - Credit Not Processed	Issuer may not initiate a RN2 chargeback request when the Issuer provided a declined Authorization Response to the Merchant's Authorization Request for credit for a return
Reason Code 4863 AT – No Authorization	Issuer may initiate a dispute when a Merchant did not obtain a positive Authorization Response on a Credit Transaction for a return

Effective August 2020 - Discover will introduce a new Ticket Retrieval Fee of **\$1.00** for each ticket retrieval request. This fee will be billed when an issuer, on behalf of the cardholder or on its own behalf, requests a copy of transaction documentation regarding a card transaction.

d. EMV® Fraud Liability Shift

The EMV chip embedded on credit and debit cards encrypts information, making this technology significantly more secure; whereas, a traditional magnetic stripe card can be duplicated more easily.

*The EMV Fraud Liability Shift states, in the event of a **fraud dispute**, the card issuer is responsible if an effort is made to first read the EMV chip to create the transaction at an EMV-enabled POS terminal (this process is called "dipping"). The merchant is responsible if the magnetic stripe on an EMV chip card is "swiped" without first dipping the EMV chip when an EMV reader is available, and for all transactions conducted at a non-EMV-capable terminal.*

If you are not currently using an EMV-capable-device and are considering this option to reduce your risk of card fraud losses, please call Bank of Hawaii at 808-694-7300.

VISA, MasterCard, Discover, American Express®, Interlink®, Maestro®, Pulse, AFFN®, NYCE®, STAR® – Effective October 2020 for U.S. Region

The EMV liability shift for Automated Fuel Dispensers will be effective October 2020 in the U.S. Region. This liability shift will allow the card issuer to recover a fraud loss from the merchant when an EMV chip card is used at a non-EMV-enabled device.

DISCOVER – Effective April 2020 for U.S. Region

The JCB EMV liability shift will be updated to include Card transactions acquired in the U.S. Region where a counterfeit card using JCB IIN ranges is used at an EMV enabled device, except at Automated Fuel Dispensers (AFDs).

2. VISA Changes

a. Visa Pricing Modifications

- Effective April 2020

Visa will make changes to reduce fraud, improve authorization approval rates and reduce operational costs.

Merchants **MUST NOT RETRY** transactions which fall into **Category 1, Issuer Will Never Approve**.

Category 1 Response Codes	
03 – Invalid Merchant	04 – Pickup Card
07 - Pickup Card, Special Conditions	12 – Invalid Transaction
15 – No Such Issuer	41 – Pickup Card / Lost Card
43 – Pickup Card / Stolen Card	57 – Transaction Not Permitted to Cardholder
62 – Restricted Card	78 – No Account
93 – Transaction Cannot Be Completed	R0 – Stop Payment Order
R1 – Revocation of Authorization Order	R3 – Revocation of All Authorization

-Effective May 2020

To deter merchant data manipulation to achieve an approval, Visa will apply a fee when a merchant resubmits an authorization with changed data elements, e.g., merchant country, merchant category code, etc., following a decline.

Description	Domestic Fee	Cross Border Fee
Data Consistency	\$0.10	0.15

-Effective May 2020

Visa will modify the Visa Rule regarding authorization re-attempts to provide more flexibility to merchants to manage reattempted transactions. Visa will allow up to 15 reattempts in a 30-day period and apply a transaction fee for the 16th and subsequent reattempts.

Description	Domestic Fee	Cross Border Fee
Authorization re-attempts (over 15 in a 30-day period)	\$0.10	0.15

-Effective April 2020 for U.S. Region

Visa will make changes to the Account Verification Fees which enable merchants to validate cardholder information prior to obtaining authorization.

Account Verification Fee Description	Current Rate	New Rate
Domestic Debit	\$0.005	\$0.030
Domestic Credit	\$0.010	\$0.035
International	\$0.045	\$0.070

Visa will make changes to include authorization reversals for the Network Acquirer Processing Fee which is assessed on all Visa branded authorizations acquired in the U.S.

Network Acquirer Processing Fee (NAPF) Description	Rate
Domestic Debit Authorization Reversals	\$0.0155
Domestic Credit Authorization Reversals	\$0.0195
International Debit Authorization Reversals	\$0.0355
International Credit Authorization Reversals	\$0.0395

Visa will include the **\$0.09** U.S. Acquirer Authorization Misuse Fee to automated fuel dispensers (AFD) which applies to all authorized transactions that do not have a matching settlement.

b. Visa Updates to Subscription Merchants Offering Free Trials or Introductory Promotions

- Effective April 2020

Visa will require merchants who sell physical or digital goods or services and offer free trials or introductory offers which roll into an ongoing subscription to include the Merchant Name in the merchant descriptor. This update will enable cardholders to better identify the merchant and reduce dispute requests.

c. Visa Changes to Level 2 Fuel Programs

-Effective April 2020 for U.S. Region

Visa will make changes to the Corporate and Purchasing Level 2 Fuel Programs.

Visa Fee Program	Current Rate	New Rate
Corporate Card – Fuel Level 2	2.05% + 0.10	2.20% + 0.10
Purchasing Card – Fuel Level 2	2.05% + 0.10	2.20% + 0.10

d. Visa Changes to Business Credit Interchange Fee Programs

-Effective April 2020 for U.S. Region

REFER TO APPENDIX A FOR CHANGES TO THE VISA BUSINESS CREDIT INTERCHANGE FEE PROGRAM RATES.

Visa will change the Business Standard Fee Programs (Travel Service and non-Travel Service). Transactions which do not meet CPS qualification will now be included in the Non-Qualified Business Credit Program.

Visa will discontinue the Business Card-Business-to-Business fee program. Visa Business credit transactions submitted by B2B merchants will no longer qualify for the Business B2B fee program. Visa will change Business Credit Fee Programs for Travel Service transactions for CPS-qualified Visa Business purchase and account funding transactions from Travel Service merchants as well as implement a new Travel Service fee program.

e. Visa Changes to U.S. Interchange Fee Programs

-Effective April 2020 for U.S. Region

REFER TO APPENDIX B FOR CHANGES TO THE VISA BUSINESS CREDIT INTERCHANGE FEE PROGRAM RATES.

Visa will introduce the Non-Qualified Consumer Credit Program for Visa consumer credit purchase and account funding transactions that do not qualify for Custom Payment Service (CPS).

3. MASTERCARD Changes

a. MasterCard Enhancements to Interregional Interchange Programs

- Effective May 2020

MasterCard will reclassify consumer credit product Muse Mastercard™ (MSP) to Consumer Super Premium. As MasterCard continues to identify products and services that meet the needs of the customer, it was determined the Canada Region necessitates the introduction of new MasterCard products since this region does not currently participate in the Super Premium product.

b. MasterCard Enhancements to Wholesale Travel Program

- Effective April 2020

MasterCard will introduce five new commercial credit products to provide pricing flexibility not currently available to business-to-business relationships managed by global wholesale travel agencies.

Description	Rate
Mastercard® B2B Product 1 (<i>existing</i>)	2.00% + 0.00 (<i>existing</i>)
Mastercard® B2B Product 2 (<i>new</i>)	1.80% + 0.00 (<i>new</i>)
Mastercard® B2B Product 3 (<i>new</i>)	1.60% + 0.00 (<i>new</i>)
Mastercard® B2B Product 4 (<i>new</i>)	1.40% + 0.00 (<i>new</i>)
Mastercard® B2B Product 5 (<i>new</i>)	1.20% + 0.00 (<i>new</i>)
Mastercard® B2B Product 6 (<i>new</i>)	1.00% + 0.00 (<i>new</i>)

c. MasterCard Changes to U.S. Interchange Programs and Rates

-Effective April 2020 for U.S. Region

REFER TO APPENDIX C FOR CHANGES TO MASTERCARD U.S. INTERCHANGE PROGRAMS AND RATES.

MasterCard will change certain U.S. Region interchange programs and rates for transactions that are conducted in the U.S. Region and are initiated with a card issued in the U.S. Region.

4. Discover

a. Discover Fee Revisions

-Effective April 2020 for U.S. Region

Discover will make changes to certain fees.

Name	Description	Current Rate	New Rate
Assessment Fee	Fee applied to all Discover charges	0.130% of gross card sale amount	0.140% of gross card sale amount
Program Integrity Fee <i>(New)</i>	Fee assessed on all transactions directly qualified or downgraded to U.S. Mid Submission Level or Base Submission Level Interchange Programs	N/A	\$0.05 per U.S. Mid Submission Level or U.S. Base Submission Level qualified transaction
Merchant Excessive Dispute Fee	Fee charged based on chargeback ratios	\$25 per Chargeback per month	Eliminated

b. Discover Interchange Rate Revisions

-Effective April 2020 for U.S. Region

REFER TO APPENDIX D FOR DETAILED CHANGES TO THE DISCOVER INTERCHANGE PROGRAM RATES.

Discover will make changes to some existing Acquirer Interchange Programs and card product types.

c. Discover Micro Ticket

-Effective April 2020 for U.S. Region

Discover will introduce the new PSL – Micro Ticket U.S. Acquirer Interchange Program. This program applies to specific MCCs for Card Present and Card Not Present Consumer card sales equal to or less the \$5.00.

Product	Rate	+ Trans Fee
Core	1.95%	\$0.00
Rewards	1.95%	\$0.00
Premium	1.97%	\$0.00
Premium Plus	2.05%	\$0.05
Debit	1.80%	\$0.00
Prepaid	1.80%	\$0.00
Non-Exempt	0.05%	\$0.21

5. American Express Changes

a. American Express Fee Revisions

- Effective April 2020 for U.S. Region

American Express will make changes to certain fees.

Name	Description	Current Rate	New Rate
Assessment Fee	Fee applied to all American Express charges, not credits	0.15% of the face amount of each charge	0.16% of the face amount of each charge
Inbound Fee	Fee applied to any charge made using a card issued by an Issuer outside of the U.S. not including Puerto Rico, the U.S. Virgin Islands and other U.S. territories and possessions.	0.40% of the face amount of the charge	1.00 % of the face amount of each charge

b. American Express OptBlue Micropricing

- Effective April 2020 for U.S. Region

American Express will introduce a new micropricing tier for Restaurant and Personal Service merchants. Those merchants with an average ticket of \$0-\$15 may see a change to their pricing.

Restaurant	
Tier	Rate
Less than or equal to \$5.00	2.00% + \$0.02 Transaction Fee
\$5.01 - \$15.00	1.60% + \$0.04 Transaction Fee
\$15.01 - \$30.00	1.85% + \$0.10 Transaction Fee
\$30.01 - \$150.00	2.50% + \$0.10 Transaction Fee
Over \$150.00	2.85% + \$0.10 Transaction Fee

Services and Professional Services	
Tier	Rate
Less than or equal to \$5.00	2.00% + \$0.02 Transaction Fee
\$5.01 - \$15.00	1.60% + \$0.04 Transaction Fee
\$15.01 - \$250.00	1.70% + \$0.10 Transaction Fee
\$250.01 - \$3000.00	2.00% + \$0.10 Transaction Fee
Over \$3000.00	2.40% + \$0.10 Transaction Fee

6. PIN / Debit Network Changes

a. STAR Disputes

- Effective October 2020

STAR will make changes to exception processing rules to be consistent with all STAR Networks.

STAR Reason Codes	
2000 - Authorization	3000 - Processing Error
4000 - Cardholder Dispute	5000 - Cancellations and Returns
6000 - Unauthorized / Fraud Dispute	6500 - Counterfeit Chip Card Fraud

STAR will reduce the First Chargeback dispute cycle from 45 to 30 Calendar days. Merchant response timeframes will remain at 15 calendar days.

b. STAR AccessSM Incremental Authorization Processing

-Effective April 2020 for U.S. Region

STAR AccessSM will expand incremental authorization to include additional MCCs.

Transit MCCS
4111 – Local and Suburban Commuter Passenger Transportation, including Ferries
4112 – Passenger Railways
4131 – Bus Lines
4789 - Transportation Services (Not Elsewhere Classified)
4121 - Taxicabs and Limousines

Other Rentals MCCs
7999 – Recreation Services (Not Elsewhere Classified)
4457 – Boat Rentals and Leasing
7394 – Equipment, Tool, Furniture, and Appliance Rental and Leasing
7519 – Motor Home and Recreational Vehicle Rentals
7513 – Truck and Utility Trailer Rentals

c. Interlink

- Effective April 2021 for U.S. Region

Interlink will make changes to reduce fraud, improve authorization approval rates and reduce operational costs. This change is also included in the Visa Changes section on pg. 6.

Merchants **MUST NOT RETRY** transactions which fall into **Category 1, Issuer Will Never Approve**.

Category 1 Response Codes	
03 – Invalid Merchant	04 – Pickup Card
07 - Pickup Card, Special Conditions	12 – Invalid Transaction
15 – No Such Issuer	41 – Pickup Card / Lost Card
43 – Pickup Card / Stolen Card	57 – Transaction Not Permitted to Cardholder
62 – Restricted Card	78 – No Account
93 – Transaction Cannot Be Completed	R0 – Stop Payment Order
R1 – Revocation of Authorization Order	R3 – Revocation of All Authorization

7. Value Added Reseller (VAR) Notifications

Merchants not directly processing their transactions through Bank of Hawaii are advised to work with their systems' providers to implement the changes as shown below. Please reach out to your Value Added Reseller (VAR).

VISA

a. Updates to Subscription Merchants Offering Free Trials or Introductory Promotions

- Effective April 2020

New requirement to include an update to the merchant descriptor in the Merchant Name field in BASE II Draft Data, TCR 0, positions 92-116

- Effective October 2020

Visa/Interlink mandate requires Single Data Encryption Standard (SDES) Derived Unique Key per Transaction (DUKPT) is no longer an acceptable level of protection for PIN transactions. At a minimum, Triple Data Encryption Standard (TDES) keys must be used.

This mandate is specific to Automated Fuel Dispensers (AFDs) however; all merchants utilizing Single DES DUKPT, regardless of the device type must be upgraded to DES DUKPT.

Visa may access non-compliance fees if the required updates are not made.

MASTERCARD

a. Updates to the Accountholder Authentication Values (AAV)

- Effective June 2020

Four new SPA2 AAV control byte values will be introduced for SLI value 212

b. Digital Remote Commerce Enhancements

- Effective June 2020

To support a new token cryptogram MasterCard is introducing three new sub-elements in existing field DE 104 Digital Payment Data

c. Introducing New Consumer Debit Product Code

-Effective April 2020 for **U.S. Region**

MasterCard will introduce a new consumer debit product code, MasterCard Select Debit (MCI) and a new product class MCI under the Debit Mastercard (DMC) acceptance brand.

-Effective April 2020

Product Code BPD (Business Premium Debit) will be added to interchange programs for interregional, intercountry and intracountry.

AMERICAN EXPRESS

a. New Values in Data Field 22

- Effective April 2020

A new value will be added in existing Authorization and Sales Data Field 22 (DF22) POS Data Code. New value of A – Credential on File will be added to positions 1 and 7 in both authorization and clearing messages.

PIN DEBIT

a. STAR AccessSM Card on File (COF) for Card-absent Payments

-Effective April 2020 for **U.S. Region**

STAR AccessSM has expanded support to identify a Card on File payment request. Two new values for STAR Access have been added: 10 (CoF) and 81 (eCom entry)

b. STAR AccessSM Purchase Return/Merchant Correction

-Effective April 2020 for **U.S. Region**

STAR Network will expand support of authorization messages for STAR AccessSM Purchase Return/Merchant Correction transactions.

8. Reminders about Previous Changes

a. MasterCard Dispute Processing and Chargeback Rules

MasterCard no longer allows merchants to dispute a chargeback based on “unjust enrichment”. Unjust enrichment occurs when a cardholder is credited twice (once as a result of a chargeback they initiated through their issuer, and once as a result of a direct merchant-issued refund). To protect themselves, Merchants should not issue credits/refunds after a customer has initiated a chargeback.

b. Visa EMV Contactless Acceptance Requirements

All merchants who choose to accept contactless card payments must support EMV contactless card acceptance. Magnetic stripe contactless card acceptance is being phased out. Visa may assess fines and penalties if your contactless transactions do not meet Visa’s technology standards.²

If you rent terminals or PIN Pad devices from Bank of Hawaii, that equipment is capable of being upgraded to EMV contactless card acceptance. If you are considering EMV contactless card acceptance, please contact us at 808-694-7300 to determine what, if anything, needs to be done to activate your equipment.

Merchants that use third-party Service Providers for maintaining their POS Systems should contact that provider to ask what is required to allow acceptance of EMV contactless payments and discontinue legacy magnetic stripe contactless card acceptance.

c. Requiring Cardholder Identification as a Condition of Card Use is Restricted

Visa and MasterCard rules generally do not allow merchants to require cardholder identification to use a payment card for purchases. Should a merchant suspect fraud in a card-present transaction environment, however, the merchant may request cardholder identification. If the cardholder does not provide identification or the identification provided is expired or if the name does not match, the merchant may elect not to accept the card.

d. Data Security Requirement when using POS Integrators and Resellers

If you want to use a vendor that sells, installs, and/or services point-of-sale software applications, you must use a Qualified Integrator and Reseller (QIR). A list of qualified companies is available at: https://www.pcisecuritystandards.org/assessors_and_solutions/qualified_integrators_and_resellers.

² All equipment that accepts contactless payments must comply with the Visa Contactless Payment Specification (VCPS) Version 2.1.3 or higher and must have actively enabled the Quick Visa Smart Debit/Credit (qVSDC) transaction path by April 13, 2019.

e. Use of Firewalls for your Payment System's Security

Proper configuration and maintenance of your organization's firewall is important to its computer network security. If your organization does not know how to properly configure a firewall to protect its payment systems, you should seek the advice of a computer network professional with PCI DSS accreditations and experience, or consider PCI DSS compliant managed firewall service programs.

9. For more information

For information about Rates, Fees, Rules and Regulations, please visit the Card Brand's website or call us at (808) 694-7300.

Visa Rates & Rules: <https://usa.visa.com/support/small-business/regulations-fees.html>

MasterCard Rates & Rules: <https://www.mastercard.us/en-us/merchants.html>

APPENDIX A

VISA Business Credit Interchange Fee Program Changes

-Effective April 2020 for U.S. Region

- a. Visa will change the Business Standard Fee Programs (Travel Service and non-Travel Service). Transactions which do not meet CPS qualification will now be included in the Non-Qualified Business Credit Program.

EXISTING Business Standard Fee Programs That Will NO LONGER APPLY

Fee Name	Fee Descriptor	Rate
Business Standard Tier 1	US BUS TR1 STD	2.95% + \$0.20
Business Standard Tier 2	US BUS TR2 STD	2.95% + \$0.20
Business Standard Tier 3	US BUS TR3 STD	2.95% + \$0.20
Business Standard Tier 4	US BUS TR4 STD	2.95% + \$0.25

NEW Business Standard Fee Program That WILL APPLY

Fee Name	Fee Descriptor	Rate
Non-Qualified Business Credit	NON QUAL BUS CR	3.15% + \$0.20

- b. Visa will discontinue the Business Card-Business-to-Business fee program. Visa Business credit transactions submitted by B2B merchants will no longer qualify for the Business B2B fee program. Note: Visa Business credit transactions from B2B merchants will qualify for the appropriate Business fee program based on the clearing data present in the transaction.

Discontinued Business Card B2B Fee Programs

Fee Name	Fee Descriptor	Current Rate
Business Card Tier1-Business-to-Business	US BUS TR1 B2B	2.10% + \$0.10
Business Card Tier2-Business-to-Business	US BUS TR2 B2B	2.25% + \$0.10
Business Card Tier3-Business-to-Business	US BUS TR3 B2B	2.40% + \$0.10
Business Card Tier4-Business-to-Business	US BUS TR4 B2B	2.50% + \$0.10

- c. Visa will change Business Credit Fee Programs for Travel Service transactions for CPS-qualified Visa Business purchase and account funding transactions from Travel Service merchants as well as implement a new Travel Service fee program.

Changes to Existing Business Credit Tiered Fee Programs for Travel Service Merchant Transactions

Current Fee Name	New Fee Name	Current Fee Descriptor	New Fee Descriptor	Current Rate	New Rate
Business Electronic Tier1	U.S. Business Tier 1 Travel	US BUS TR1 ELEC	US BUS TR1 TRVL	2.40% + \$0.10	2.35% + \$0.10
Business Electronic Tier2	U.S. Business Tier 2 Travel	US BUS TR2 ELEC	US BUS TR2 TRVL	2.75% + \$0.15	2.50% + \$0.10
Business Electronic Tier3	U.S. Business Tier 3 Travel	US BUS TR3 ELEC	US BUS TR3 TRVL	2.85% + \$0.20	2.55% + \$0.10
Business Electronic Tier4	U.S. Business Tier 4 Travel	US BUS TR4 ELEC	US BUS TR4 TRVL	2.95% + \$0.20	2.65% + \$0.10
N/A	U.S. Business Tier 5 Travel	N/A	US BUS TR5 TRVL	N/A	2.70% + \$0.10

Changes to Existing Business Credit Fee Programs for Card Not Present Transactions

Current Fee Name	New Fee Name	Current Fee Descriptor	New Fee Descriptor	Current Rate	New Rate
Business Card Not Present-Tier1	U.S. Business Tier 1 Product 1	US BUS TR1 CNP	US BUS TR1 PRD 1	2.25% + \$0.10	2.65% + \$0.10
Business Card Not Present-Tier2	U.S. Business Tier 2 Product 1	US BUS TR2 CNP	US BUS TR2 PRD 1	2.45% + \$0.15	2.80% + \$0.10
Business Card Not Present-Tier3	U.S. Business Tier 3 Product 1	US BUS TR3 CNP	US BUS TR3 PRD 1	2.60% + \$0.20	2.85% + \$0.10
Business Card Not Present-Tier4	U.S. Business Tier 4 Product 1	US BUS TR4 CNP	US BUS TR4 PRD 1	2.70% + \$0.20	2.95% + \$0.10
N/A	U.S. Business Tier 5 Product 1	N/A	US BUS TR5 PRD 1	N/A	3.00% + \$0.10

Changes to Existing Business Credit Fee Programs for Retail Transactions

Current Fee Name	New Fee Name	Current Fee Descriptor	New Fee Descriptor	Current Rate	New Rate
Business Retail-Tier1	U.S. Business Tier 1 Product 2	US BUS TR1 RTL	US BUS TR1 PRD 2	2.20% + \$0.10	1.20% + \$0.10
Business Retail-Tier2	U.S. Business Tier 2 Product 2	US BUS TR2 RTL	US BUS TR2 PRD 2	2.30% + \$0.10	2.05% + \$0.10
Business Retail-Tier3	U.S. Business Tier 3 Product 2	US BUS TR3 RTL	US BUS TR3 PRD 2	2.40% + \$0.10	2.10% + \$0.10
Business Retail-Tier4	U.S. Business Tier 4 Product 2	US BUS TR4 RTL	US BUS TR4 PRD 2	2.50% + \$0.10	2.20% + \$0.10
N/A	U.S. Business Tier 5 Product 2	N/A	US BUS TR5 PRD 2	N/A	2.25% + \$0.10

Changes to Business Credit Fee Programs for Transactions with Level 2 Data

Fee Name	Fee Descriptor	Current Rate	New Rate
Business Level 2-Tier 1	US BUS TR1 LVL2	2.05% + \$0.10	1.90% + \$0.10
Business Level 2-Tier 3	US BUS TR3 LVL2	2.05% + \$0.10	2.10% + \$0.10
Business Level 2-Tier 5	US BUS TR5 LVL2	N/A	2.25% + \$0.10

Eligible Business Tier 5 Transactions in Merchant Verification Value (MVV) Fee Programs

Fee Name	Fee Descriptor	Rate
Utility Program-Business Card	CPS/Utility BUS	\$1.50
Visa Partner Program	VISA PART PRGM	Varies by agreement

APPENDIX B
VISA Supermarket Interchange Rate Revisions

- Visa Changes to U.S. Interchange Fee Programs

-Effective April 2020 for U.S. Region

- a. Visa will introduce the Non-Qualified Consumer Credit Program for Visa consumer credit purchase and account funding transactions that do not qualify for Custom Payment Service (CPS).

New Fee Program	Product Name	New Rate
Non-Qualified Consumer Credit	Visa Traditional Visa Traditional Rewards Visa Signature Visa Signature Preferred Visa Infinite	3.15% + \$0.10 (Max \$1.10 for MCCs 5541 - Service Stations and 5542 – Automated Fuel Dispensers)

- b. Visa will make changes to the U.S. Interchange Fee Programs for Supermarkets (MCC 5411) when CPS/Supermarket Credit and CPS/Small Ticket Credit qualifications are met.

EXISTING Visa Traditional Supermarket Programs That Will NO LONGER APPLY

Visa Traditional Supermarket Credit		
Qualifying CPS Program	Fee Descriptor	Current Rate
CPS/Supermarket Credit	CPS/SPMKT CR	1.22% + \$0.05
CPS/Small Ticket Credit	CPS/SM TKT CR	1.65% + \$0.04

NEW Visa Traditional Supermarket Programs That WILL APPLY

Visa Traditional Supermarket Credit		
Qualifying CPS Program	Fee Descriptor	New Rate
CPS/Supermarket Credit	VT SPMKT	1.50% + \$0.07
CPS/Small Ticket Credit		

- c. Visa will create a new Supermarket Visa Traditional Rewards fee descriptor and rate for Supermarkets (MCC 5411) when CPS/Supermarket Credit and CPS/Small Ticket Credit qualifications are met.

EXISTING Visa Supermarket Traditional Rewards Programs That Will NO LONGER APPLY

Visa Supermarket Traditional Rewards Credit		
Qualifying CPS Program	Fee Descriptor	Current Rate
CPS/Supermarket Credit	CPS/REWARDS 1	1.65% + \$0.10
CPS/Small Ticket Credit	CPS/SM TKT CR	1.65% + \$0.04

EXISTING Visa Supermarket Traditional Rewards Programs That WILL APPLY

Visa Supermarket Traditional Rewards Credit		
Qualifying CPS Program	Fee Descriptor	New Rate
CPS/Supermarket Credit	VTR SPMKT	1.50% + \$0.07
CPS/Small Ticket Credit		

- d. Visa will create a new Visa Signature and Visa Infinite (Spend not-qualified) Supermarket fee descriptor and rate for Supermarkets (MCC 5411) when CPS/Supermarket Credit and CPS/Small Ticket Credit qualifications are met.

EXISTING Visa Signature and Visa Infinite (Spend not-qualified) Supermarket Programs That Will NO LONGER APPLY

Visa Signature and Visa Infinite (Spend not-qualified) Credit		
Qualifying CPS Program	Fee Descriptor	Current Rate
CPS/Supermarket Credit	CPS/REWARDS 1	1.65% + \$0.10
CPS/Small Ticket Credit	CPS/SM TKT CR	1.65% + \$0.04

EXISTING Visa Signature and Visa Infinite (Spend not-qualified) Supermarket Programs That WILL APPLY

Visa Signature and Visa Infinite (Spend not-qualified) Credit		
Qualifying CPS Program	Fee Descriptor	New Rate
CPS/Supermarket Credit	VS VIN SPMKT	1.65% + \$0.07
CPS/Small Ticket		

- e. Visa will create a new Visa Signature and Visa Infinite (Spend qualified) Supermarket fee descriptor and rate for Supermarkets (MCC 5411) when CPS/Supermarket Credit and CPS/Small Ticket Credit qualifications are met.

EXISTING Visa Signature and Visa Infinite (Spend qualified) Supermarket Programs That Will NO LONGER APPLY

Visa Signature and Visa Infinite (Spend qualified) Credit		
Qualifying CPS Program	Fee Descriptor	Current Rate
CPS/Supermarket Credit	US VSP RTL	2.10% + \$0.10
CPS/Small Ticket Credit		
CPS/Supermarket Credit	US HNW RTL	2.10% + \$0.10
CPS/Small Ticket Credit		

Visa Signature Preferred and Visa Infinite (spend-qualified) Credit		
Qualifying CPS Program	Fee Descriptor	New Rate
CPS/Supermarket Credit	VSP VIQ SPMKT	2.00% + \$0.07
CPS/Small Ticket Credit		
CPS/Supermarket Credit		
CPS/Small Ticket Credit		

- f. Visa will restructure the Supermarket credit performance tier program. The program will now include four credit tiers (0- tier 3) and be eligible for Visa Signature, Visa Signature Preferred, and Visa Infinite transactions.

Tier 0	
Product	Rate
Visa Traditional	1.15% + \$0.05
Visa Traditional Rewards	
Visa Signature	1.40% + \$0.05
Visa Signature Preferred	
Visa Infinite (Spend-qualified)	
Visa Infinite (Spend not-qualified)	

Product	Tier 1	Tier 2	Tier 3
Visa Traditional	1.15% + \$0.05	1.22% + \$0.05	1.22% + \$0.05
Visa Traditional Rewards			
Visa Signature	1.50% + \$0.05	1.55% + \$0.05	1.60% + \$0.05
Visa Infinite (Spend not-qualified)			
Visa Signature Preferred	1.55% + \$0.05	1.65% + \$0.05	1.75% + \$0.05
Visa Infinite (Spend qualified)			

APPENDIX C
MASTERCARD U.S. Interchange Program and Rate Revisions

-Effective April 2020 for U.S. Region

- a. MasterCard will add programs to the **U.S. Region Interchange Programs**.

Program Name	Rate
Merit I Day Care	1.60% + 0.10
Merit I Day Care Enhanced	1.60% + 0.10
Merit I Day Care World	1.60% + 0.10
Merit III (Pre-Paid)	1.15% + 0.15
Merit I Real Estate (Pre-Paid)	0.80% + 0.25
Merit I Real Estate CAP (Pre-Paid)	0.00% + 5.00
Merit I Real Estate CAP (Debit)	0.00% + 5.00

- b. MasterCard will make changes to the **U.S. Region Interchange Programs**.

Program Name	Current Rate	New Rate
MC-CONVENIENCE PURCHASES	1.90% + 0.00	1.65% + 0.04
MC-ENHANCED CONVENIENCE PURCH	1.90% + 0.00	1.80% + 0.04
MC-WORLDCARD CONVENIENCE PUR	2.00% + 0.00	1.90% + 0.04
MC-HIGH VAL CONVENIENCE PURCH	2.00% + 0.00	2.30% + 0.04
MC-WORLD ELITE CONVENIENCE PUR	2.00% + 0.00	2.30% + 0.04
MC-KEY ENTERED	1.89% + 0.10	1.95% + 0.10
MC-ENHANCED KEY ENTERED	2.04% + 0.10	2.10% + 0.10
MC-WORLDCARD KEY-ENTERED	2.05% + 0.10	2.20% + 0.10
MC-HIGH VAL KEY ENTERED	2.05% + 0.10	2.60% + 0.10
MC-WORLD ELITE KEY-ENTERED	2.05% + 0.10	2.60% + 0.10
MC-LODGING	1.58% + 0.10	1.65% + 0.10
MC-AUTO RENTAL	1.58% + 0.10	1.65% + 0.10
MC-CRUISE LINES	1.58% + 0.10	1.65% + 0.10
MC-ENHANCED TRAVEL LODGING	1.80% + 0.10	1.75% + 0.10
MC-ENHANCED TRAVEL VEHICLE	1.80% + 0.10	1.75% + 0.10
MC-ENHANCED TRAVEL CRUISE LINE	1.80% + 0.10	1.75% + 0.10
MC-DOMESTIC MERIT I	1.89% + 0.10	1.95% + 0.10
MC-MERIT I ELECTRONIC COMMERCE	1.89% + 0.10	1.95% + 0.10
MC-ENHANCED MERIT I	2.04% + 0.10	2.10% + 0.10
MC-WORLDCARD MERIT I	2.05% + 0.10	2.20% + 0.10

Program Name	Current Rate	New Rate
MC-HIGH VAL MERIT I	2.50% + 0.10	2.60% + 0.10
MC-WORLD ELITE MERIT I	2.50% + 0.10	2.60% + 0.10
MC-HIGH VAL MERIT I INSURANCE	2.20% + 0.10	2.25% + 0.10
MC-WE MERIT I INS	2.20% + 0.10	2.25% + 0.10
MC-MERIT I BILLPAY REAL ESTATE	1.10% + 0.00	1.43% + 0.05
MC-ENH MERIT I BILLPAY REAL ES	1.10% + 0.00	1.43% + 0.05
MC-W MERIT I REAL ESTATE	1.10% + 0.00	1.43% + 0.05
MC-DOMESTIC MERIT III	1.58% + 0.10	1.65% + 0.10
MC-ENHANCED MERIT III BASE	1.73% + 0.10	1.80% + 0.10
MC-WORLDCARD MERIT III	1.77% + 0.10	1.90% + 0.10
MC-HIGH VAL MERIT III BASE	2.20% + 0.10	2.30% + 0.10
MC-ENHANCED MERIT III BASE	2.20% + 0.10	2.30% + 0.10
MC-WORLDCARD RESTAURANT	1.73% + 0.10	1.85% + 0.10
MC-HIGH VAL RESTAURANT	2.20% + 0.10	2.00% + 0.10
MC-WORLD ELITE RESTAURANT	2.20% + 0.10	2.00% + 0.10
MC-DOMESTIC STANDARD	2.95% + 0.10	3.15% + 0.10
MC-ENHANCED STANDARD	2.95% + 0.10	3.15% + 0.10
MC-WORLDCARD STANDARD	2.95% + 0.10	3.15% + 0.10
MC-HIGH VAL STANDARD	3.25% + 0.10	3.15% + 0.10
MC-WORLD ELITE STANDARD	3.25% + 0.10	3.15% + 0.10
MC-SUPERMARKET	1.48% + 0.10	1.45% + 0.10
MC-ENHANCED SUPERMARKET BASE	1.48% + 0.10	1.60% + 0.10
MC-WORLDCARD SUPERMARKET BASE	1.58% + 0.10	1.70% + 0.10
MC-HIGH VAL SUPERMARKET BASE	1.90% + 0.10	2.10% + 0.10
MC-WORLD ELITE SUPERMARKET	1.90% + 0.10	2.10% + 0.10
MC-WORLDCARD - LODGING	2.30% + 0.10	2.25% + 0.10
MC-WORLDCARD - AUTO RENTAL	2.30% + 0.10	2.25% + 0.10
MC-WORLDCARD - OTHER	2.30% + 0.10	2.25% + 0.10
MC-HIGH VAL T & E	2.75% + 0.10	2.55% + 0.10
MC-WORLD ELITE T&E LODGING	2.75% + 0.10	2.55% + 0.10
MC-WORLD ELITE -AUTO RENTAL	2.75% + 0.10	2.55% + 0.10
MC-WORLD ELITE - OTHER	2.75% + 0.10	2.55% + 0.10
MC-HIGH VAL T & E LARGE TKT	2.00% + 0.00	2.55% + 0.00
MC-WORLD ELITE T&E LG TKT	2.00% + 0.00	2.55% + 0.00

Program Name	Current Rate	New Rate
MC-ENHANCED UTILITIES	0.00% + 0.65	0.00% + 0.75
MC-UTILITY CREDIT	0.00% + 0.65	0.00% + 0.75
MC-WORLD UTILITY	0.00% + 0.65	0.00% + 0.75
CONSUMER REFUND 1	2.42% + 0.00	2.30% + 0.00
CONSUMER REFUND 2	2.09% + 0.00	1.75% + 0.00
CONSUMER REFUND 3	1.95% + 0.00	1.75% + 0.00
CONSUMER REFUND 4	1.82% + 0.00	1.75% + 0.00
CONSUMER REFUND 5	1.73% + 0.00	1.75% + 0.00
MC-MERIT I BILLPAY REAL EST DB	1.10% + 0.00	0.80% + 0.25

APPENDIX D
DISCOVER Interchange Rate Revisions

-Effective April 2020 for **U.S. Region**

- a. Discover will make changes to the **U.S. Acquirer International Pricing Programs**.

Changes to Consumer Debit and Prepaid Card Product

Program Name	Card Product Type	Current Rate	New Rate
PSL – Supermarket/Warehouse Clubs	Prepaid	1.10% + \$0.16	1.12% + \$0.16
PSL – Card Not Present	Prepaid	1.75% + \$0.20	1.76% + \$0.20
PSL – E-Commerce	Prepaid	1.75% + \$0.20	1.76% + \$0.20
PSL – Key Entry	Prepaid	1.75% + \$0.20	1.76% + \$0.20
PSL - Restaurant	Debit	1.10% + \$0.16	1.14% + \$0.15
	Prepaid	1.10% + \$0.16	1.14% + \$0.15
PSL - Retail	Prepaid	1.10% + \$0.16	1.14% + \$0.15

- b. Discover will make changes to **Acquirer Interchange** Programs.

Changes to Consumer Credit Products

Program Name	Card Product Type	Current Rate	New Rate
PSL – Supermarket/Warehouse Clubs	Rewards	1.65% + \$0.05	1.62% + \$0.10
PSL – Express Services	Premium	1.95% + \$0.00	1.97% + \$0.00
PSL – Passenger Transport	Rewards	1.90% + \$0.10	1.92% + \$0.10
PSL – Emerging Markets	Rewards	1.45% + \$0.05	1.50% + \$0.05
	Premium	1.45% + \$0.05	1.50% + \$0.05
PSL - Retail	Core	1.56% + \$0.10	1.57% + \$0.10
	Rewards	1.71% + \$0.10	1.72% + \$0.10
	Premium	1.71% + \$0.10	1.74% + \$0.10
	Premium Plus	2.15% + \$0.10	2.17% + \$0.10
PSL – Hotels/Card Rentals	Rewards	1.90% + \$0.10	1.92% + \$0.10
	Premium Plus	2.40% + \$0.10	2.57% + \$0.10
PSL – Card Not Present	Rewards	2.00% + \$0.10	2.02% + \$0.10
	Premium	2.00% + \$0.10	2.02% + \$0.10
	Premium Plus	2.40% + \$0.10	2.45% + \$0.10
PSL – E-Commerce	Rewards	2.00% + \$0.10	2.02% + \$0.10
	Premium	2.00% + \$0.10	2.02% + \$0.10
	Premium Plus	2.40% + \$0.10	2.45% + \$0.10
PSL – E-Commerce Secured	Core	1.89% + \$0.10	1.80% + \$0.10
	Rewards	2.00% + \$0.10	1.90% + \$0.10
	Premium	2.00% + \$0.10	1.95% + \$0.10
	Premium Plus	2.40% + \$0.10	2.35% + \$0.10
Key Entry	Rewards	2.00% + \$0.10	2.02% + \$0.10
	Premium	2.00% + \$0.10	2.02% + \$0.10
	Premium Plus	2.40% + \$0.10	2.45% + \$0.10

Changes to Commercial Electronic

Program Name	Current Rate	New Rate
Commercial Debit and Prepaid	2.30% + \$0.10	2.35% + \$0.10
Business, Executive Business and Corp Card	2.30% + \$0.10	2.35% + \$0.10