

## Visa/MasterCard Fraud and Chargeback Program Thresholds

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

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

**Merchant Operating Manual:**

<http://www.moneris.com/en/Support/Downloads/-/media/Files/MerchantServices/merchant-manual-en.ashx>

**Visa Rules and Regulations:** [http://usa.visa.com/merchants/operations/op\\_regulations.html](http://usa.visa.com/merchants/operations/op_regulations.html)

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