

Visa/MasterCard Fraud and Chargeback Program Thresholds

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

