

Visa/Mastercard Fraud & Chargeback Program Thresholds

PROGRAM	THRESHOLD	FEES & ASSESSMENTS								
VISA DISPUTE MONITORING PROGRAM (VDMP)	Early Warning thresholds <ul style="list-style-type: none"> 75 or more disputes, and 0.65% ratio of disputes to sales transaction 	No non-compliance assessments or program fees.								
	Standard thresholds <ul style="list-style-type: none"> 100 disputes, and 0.9% ratio of dispute to sales transaction 	<table border="1"> <thead> <tr> <th>Month</th> <th>Assessments per month</th> </tr> </thead> <tbody> <tr> <td>1-4</td> <td>No assessments or program fees</td> </tr> <tr> <td>5-9</td> <td>USD \$50 per dispute</td> </tr> <tr> <td>10-12+</td> <td>USD \$50 per dispute plus USD \$25,000 review fee</td> </tr> </tbody> </table>	Month	Assessments per month	1-4	No assessments or program fees	5-9	USD \$50 per dispute	10-12+	USD \$50 per dispute plus USD \$25,000 review fee
	Month	Assessments per month								
1-4	No assessments or program fees									
5-9	USD \$50 per dispute									
10-12+	USD \$50 per dispute plus USD \$25,000 review fee									
High-risk Standard thresholds <ul style="list-style-type: none"> 100 disputes, and 0.9% ratio of chargeback to sales transaction and One of the following: <ul style="list-style-type: none"> Merchant Exceeds the standard program thresholds and is categorized or should be categorized by a high-brand risk MCC*, as specified in Section 10.4.6.1, High-Brand Risk Merchants Visa determines that the Merchant caused undue harm to the goodwill of the Visa payment system. Excessive thresholds <ul style="list-style-type: none"> 1000 disputes, and 1.8% ratio of dispute to sales transaction 	<table border="1"> <thead> <tr> <th>Month</th> <th>Assessments per month</th> </tr> </thead> <tbody> <tr> <td>1-6</td> <td>USD \$50 per dispute</td> </tr> <tr> <td>7-12+</td> <td>USD \$50 per dispute plus USD \$25,000 review fee</td> </tr> </tbody> </table>	Month	Assessments per month	1-6	USD \$50 per dispute	7-12+	USD \$50 per dispute plus USD \$25,000 review fee			
Month	Assessments per month									
1-6	USD \$50 per dispute									
7-12+	USD \$50 per dispute plus USD \$25,000 review fee									

Visa/Mastercard Fraud & Chargeback Program Thresholds

PROGRAM	THRESHOLD	FEES & ASSESSMENTS										
VISA FRAUD MONITORING PROGRAM (VFMP)	<p>Early Warning thresholds</p> <ul style="list-style-type: none"> US \$50,000 or more in fraud dollar amount, <u>and</u> 0.65% or higher ratio of fraud to sales dollar amount <p>Early Warning thresholds for Digital Goods**</p> <ul style="list-style-type: none"> US \$15,000 or more in fraud dollar amount, <u>and</u> 150 Fraud Count; <u>and</u> 0.45% or higher ratio of fraud to sales dollar amount 	No non-compliance assessment or program fees										
	<p>Standard thresholds</p> <ul style="list-style-type: none"> US \$75,000 in fraud amount, <u>and</u> 0.9% ratio of fraud to sales dollar amount <p>Standard thresholds for Digital Goods**</p> <ul style="list-style-type: none"> US \$25,000 or more in fraud dollar amount, <u>and</u> 300 Fraud Count; <u>and</u> 0.9% or higher ratio of fraud to sales dollar amount 	<table border="1"> <thead> <tr> <th>Month</th> <th>Assessments per month</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>No assessment or program fees</td> </tr> <tr> <td>5-6</td> <td>USD \$25,000</td> </tr> <tr> <td>7-9</td> <td>USD \$50,000</td> </tr> <tr> <td>10-12+</td> <td>USD \$75,000</td> </tr> </tbody> </table>	Month	Assessments per month	1	No assessment or program fees	5-6	USD \$25,000	7-9	USD \$50,000	10-12+	USD \$75,000
	Month	Assessments per month										
1	No assessment or program fees											
5-6	USD \$25,000											
7-9	USD \$50,000											
10-12+	USD \$75,000											
<p>Excessive thresholds</p> <ul style="list-style-type: none"> US \$250,000 in fraud amount, <u>and</u> 1.8% ratio of fraud to sales dollar amount <p>High Risk thresholds</p> <ul style="list-style-type: none"> US \$75,000 in fraud dollar amount, <u>and</u> 0.9% ratio of fraud to sales dollar amount, <u>and</u> One of the following: <ul style="list-style-type: none"> Visa determines that the Merchant caused undue harm to the goodwill of the Visa payment system <u>or</u> The Merchant exceeds the standard program thresholds and is categorized or should be categorized by a high-brand risk MCC*, as specified in Section 10.4.6.1, High-Brand Risk MCCs 	<table border="1"> <thead> <tr> <th>Month</th> <th>Assessments per month¹</th> </tr> </thead> <tbody> <tr> <td>1-3</td> <td>USD \$10,000</td> </tr> <tr> <td>4-6</td> <td>USD \$25,000</td> </tr> <tr> <td>7-9</td> <td>USD \$50,000</td> </tr> <tr> <td>10-12+</td> <td>USD \$75,000</td> </tr> </tbody> </table> <p>¹ Per merchant case per month. Dispute condition 10.5 chargeback liability applies from month 1 onward.</p>	Month	Assessments per month ¹	1-3	USD \$10,000	4-6	USD \$25,000	7-9	USD \$50,000	10-12+	USD \$75,000	
Month	Assessments per month ¹											
1-3	USD \$10,000											
4-6	USD \$25,000											
7-9	USD \$50,000											
10-12+	USD \$75,000											

*For all card-absent transactions using MCC 5122, 5962, 5966, 5967, 5993, 7273, and 7995 and certain card-absent transactions using MCC 4816 – sale of access to cyberlockers or remote digital file-sharing services, 5816 – transactions involving skilled game wagering (e.g. daily fantasy sports), and 6051 – foreign currency, non-fiat currency (e.g. cryptocurrency), money orders (not money transfer), travelers cheques, and debt repayment, for the sale of cryptocurrencies.

**Effective April 1, 2023, Visa expanded the VFMP by implementing the Visa Digital Goods Merchant Fraud Monitoring Program, which will focus on fraud transactions for the following MCCs: MCC 5735, 5815, 5816, 5817, and 5818. Digital Goods Merchant Fraud Monitoring Program will operate similar to other compliance programs and will become operational at the beginning of October 2023.

Visa/Mastercard Fraud & Chargeback Program Thresholds

PROGRAM	THRESHOLD	FEES & ASSESSMENTS															
MASTERCARD EXCESSIVE CHARGEBACK PROGRAM (ECP)*	<p>Excessive Chargeback Merchant (ECM)</p> <ul style="list-style-type: none"> A count of at least 100 to 299 chargebacks and A chargeback to transaction ratio (CTR)= 1.5% to 2.99% 	<p>Assessments are based on the number of Months Above ECM Thresholds:</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Assessments per month</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>No assessments or program fees</td> </tr> <tr> <td>2-3</td> <td>USD \$1,000</td> </tr> <tr> <td>4-6</td> <td>USD \$5,000</td> </tr> <tr> <td>7-11</td> <td>USD \$25,500</td> </tr> <tr> <td>12-18</td> <td>USD \$50,000</td> </tr> <tr> <td>19+</td> <td>USD \$100,000</td> </tr> </tbody> </table>	Month	Assessments per month	1	No assessments or program fees	2-3	USD \$1,000	4-6	USD \$5,000	7-11	USD \$25,500	12-18	USD \$50,000	19+	USD \$100,000	
	Month	Assessments per month															
1	No assessments or program fees																
2-3	USD \$1,000																
4-6	USD \$5,000																
7-11	USD \$25,500																
12-18	USD \$50,000																
19+	USD \$100,000																
<p>High Excessive Chargeback Merchant (HECM)</p> <ul style="list-style-type: none"> A count of at least 300 chargebacks and A chargeback to transaction ratio (CTR) ≥ 3% 	<p>Assessments are based on the number of Months Above HECM Thresholds:</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Assessments per month</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>no assessments or program fees</td> </tr> <tr> <td>2</td> <td>USD \$1,000</td> </tr> <tr> <td>3</td> <td>USD \$2,000</td> </tr> <tr> <td>4-6</td> <td>USD \$10,000 plus IR Assessment</td> </tr> <tr> <td>7-11</td> <td>USD \$50,000 plus IR Assessment</td> </tr> <tr> <td>12-18</td> <td>USD \$100,000 plus IR Assessment</td> </tr> <tr> <td>19+</td> <td>USD \$200,000 plus IR Assessment</td> </tr> </tbody> </table> <p>Issuer Recovery (IR) assessment:</p> <ul style="list-style-type: none"> Applies at USD \$5 per chargeback over 300 chargebacks. <i>For example, a merchant with 500 chargebacks would be assessed USD \$1,000 in Issuer Recovery (500 chargebacks - 300 chargebacks = 200 x USD \$5 = USD \$1,000</i> 	Month	Assessments per month	1	no assessments or program fees	2	USD \$1,000	3	USD \$2,000	4-6	USD \$10,000 plus IR Assessment	7-11	USD \$50,000 plus IR Assessment	12-18	USD \$100,000 plus IR Assessment	19+	USD \$200,000 plus IR Assessment
Month	Assessments per month																
1	no assessments or program fees																
2	USD \$1,000																
3	USD \$2,000																
4-6	USD \$10,000 plus IR Assessment																
7-11	USD \$50,000 plus IR Assessment																
12-18	USD \$100,000 plus IR Assessment																
19+	USD \$200,000 plus IR Assessment																

Visa/Mastercard Fraud & Chargeback Program Thresholds

PROGRAM	THRESHOLD	FEES & ASSESSMENTS																
MASTERCARD EXCESSIVE FRAUD MERCHANT PROGRAM (EFM)*	<p>Excessive Fraud Merchant Program (EFM)</p> <ul style="list-style-type: none"> 1,000 or more ecommerce transactions and The total dollar amount (or local currency equivalent) of fraud related chargebacks in a given month equals or exceeds USD 50,000, and The total number of fraud chargeback basis points is equal or more than 50 and The percentage of monthly clearing volume processed using 3DS (including Identity Check Insights transactions) or Digital Secure Remote Payment (DSRP) is less than 10 percent in non-regulated countries, or less than 50 percent in regulated countries. <p>For reference, Mastercard considers Canada as a non-regulated country.</p>	<p>Assessments are based on the number of Months Above EFM Thresholds:</p> <table border="1" data-bbox="979 625 1507 888"> <thead> <tr> <th>Month</th> <th>Assessments per month</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>No assessments or program fees</td> </tr> <tr> <td>2</td> <td>USD \$500</td> </tr> <tr> <td>3</td> <td>USD \$1,000</td> </tr> <tr> <td>4-6</td> <td>USD \$5,000</td> </tr> <tr> <td>7-11</td> <td>USD \$25,500</td> </tr> <tr> <td>12-18</td> <td>USD \$50,000</td> </tr> <tr> <td>19+</td> <td>USD \$100,000</td> </tr> </tbody> </table>	Month	Assessments per month	1	No assessments or program fees	2	USD \$500	3	USD \$1,000	4-6	USD \$5,000	7-11	USD \$25,500	12-18	USD \$50,000	19+	USD \$100,000
Month	Assessments per month																	
1	No assessments or program fees																	
2	USD \$500																	
3	USD \$1,000																	
4-6	USD \$5,000																	
7-11	USD \$25,500																	
12-18	USD \$50,000																	
19+	USD \$100,000																	

*Effective March 1, 2022, once the merchant ID (MID) of a merchant has been identified in either the ECP or EFM for 12 months, the higher of the program assessments (whether ECP or EFM) will apply concerning transactions containing that MID.

For more information on the Visa/MasterCard Fraud & Chargeback programs please visit:

<https://www.moneris.com/en/Legal/Terms-Conditions>