Chargeback Guide

8 December 2015

TB

Summary of Changes, 8 December 2015

This document reflects changes made since the 28 May 2015 publication.

Field	Description
Global Operations Bulletin No. 8, August 2014	Update to CVM Limits
Global Operations Bulletin No. 2, February 2015	Updates to 3.2, 3.3, 3.13.3, 3.17.2, 3.17.5, 3.29.2, 3.29.5, 3.30.2, 3.30.4, 3.31.2, 3.31.4, 4.6.5.2, 4.6.5.3, 4.6.8.2, A.3.9.2, A.3.9.4, B. 2.7.2, B.2.7.3, B.2.10.2, B.2.10.3
Europe Region Operations Bulletin No. 2, February 2015	Updates to 1.9.1, 1.10.1, 1.11.1, 1.12.1, 2.1, 2.3.6, 3.7, 3.8, 3.9, 3.16.1, 3.27.4.1, 3.28.4, 3.29.4, 5.3, 5.5, 5.7, 5.8.4, 6.7, A.2.3.1, A.2.3.2, A.2.3.3, A.3.5.3, A.3.6.1, A.3.7.1, A.3.9.1, A. 3.9.2, A.3.9.4, A.3.10.1, A.4.3, A.4.4, A.4.5, A. 4.5.1, A.4.6, B.1.3, B.1.5.1, B.1.6, B.3, B.4.4, B. 4.4.1, B.4.5, B.5,
Global Security Bulletin No. 3, March 2015	Updates to 3.6
Global Operations Bulletin No. 4, April 2015	MasterCard has combined the cardholder dispute family of chargebacks under one chargeback message reason code, 4853. Updates to 3.16.3, 3.16.4, 3.16.5, 3.16.6, 3.19, 3.20, 3.20.1.1, 3.24.1, 3.24.2, 3.26, 3.27, 3.28, and CVM Limits for Sweden.
Europe Region Operations Bulletin No. 4, April 2015	Updates to 3.9, A.2.3.3, B.3
Global Operations Bulletin No. 5, May 2015	Updates to CVM Limits, Europe Region, QPS 4784
Global Operations Bulletin No. 6, June 2015	Updates to CVM Limits, Ireland and Zimbabwe
Europe Region Operations Bulletin No. 6, June 2015	Updates to 3.9, A.2.3.3, B.3,
Global Operations Bulletin No. 7, July 2015	Updates to 4.6.5.1, A.3.9.1, CVM Limits, Malaysia and Kazakhstan
Brazil Operations Bulletin No. 7, July 2015	Updates to 3.5
Global Operations Bulletin No. 8, August 2015	Updates to CVM Limits, Spain
Poland Operations Bulletin No. 2, 20 August 2015	Added MasterPass Transactions to 3.4 and B.3.5
Global Operations Bulletin No. 9, September 2015	Updates to CVM Limits, Zimbabwe, 4.6.5.1, A. 3.9.1

©1988–2015 MasterCard. Proprietary. All rights reserved.

Field	Description
Europe Region Operations Bulletin No. 9, September 2015	Updates to 3.28.5, B.3.9.4, B.3.9.5
Miscellaneous editorial changes	Throughout

©1988–2015 MasterCard. Proprietary. All rights reserved.

Contents

Summary of Changes, 8 December 2015 ..... **2**

Chapter 1: Processing Procedures—MasterCard Dual Message System Transactions **17**

Overview 19
1.1 Global Clearing Management System 19
1.1.1 IPM Message Structure 19
1.1.2 Chargeback Processing Cycles 20
1.1.3 Chargeback Benefits of GCMS 21
1.2 Rights and Obligations 21
1.2.1 Acquirer Responsibilities 22
1.2.2 Issuer Responsibilities 22
1.3 Clearing and Settlement 22
1.4 Chargeback Stages 22
1.5 Explanation of Receipt and Processing Date 24
1.6 Explanation of Acquirer Reference Data 25
1.6.1 Interchange Rate Designator 25
1.7 Processing Cycles and Time Frames 25
1.7.1 GCMS Support of Time Frames 25
1.7.2 Time Frame for First Presentment 26
1.7.3 Time Frame for First Chargeback 27
1.7.4 Time Frame for Second Presentment 27
1.7.5 Time Frame for Arbitration Chargeback 28
1.7.6 Time Frame for Arbitration Case Filing 28
1.8 Processing First Presentment/1240 Messages 29
1.9 Processing First Chargeback/1442 Messages 30
1.9.1 First Chargeback Amount (DE 4 [Amount, Transaction]) 32
1.10 Processing Second Presentment/1240 Messages 33
1.10.1 Second Presentment Amount 33
1.11 Processing Arbitration Chargebacks (Arbitration Chargeback/1442 Message) 34
1.11.1 Arbitration Chargeback Amount 35
1.12 Arbitration Case Filing 36
1.12.1 Arbitration Case Filing Amount 36
1.13 Record Content 37
1.13.1 Card Issuer Reference Data 37
1.13.2 Documentation Indicator 38
1.13.3 Data Record Text 38
1.14 Retrieval Requests 39
1.15 Supporting Documentation 39

©1988–2015 MasterCard. Proprietary. All rights reserved.

1.15.1 Documentation Types..... 40
1.16 Missing Documentation..... 42
1.17 Incompatible or Invalid Acquirer Reference Data..... 43
1.17.1 Second Presentment..... 43
1.17.2 Arbitration Chargeback..... 44
1.17.3 Arbitration Case Filing..... 44
1.18 Invalid Chargeback, Second Presentment, and Arbitration Chargeback..... 44
1.19 Chargeback Information and Documentation Retention Period..... 44
1.20 Miscellaneous Fees and Charges..... 45
1.20.1 Function Codes..... 45
1.20.2 Submitting the Fee Collection/1740 Message..... 45
1.20.3 Returning and Resubmitting the Fee Collection/1740 Message..... 45
1.21 Correction of Errors..... 47
1.22 MasterCard Electronic..... 47
1.22.1 Second Presentment Procedures for Inadvertent Acceptance of MasterCard Electronic..... 48
1.22.2 Arbitration Chargeback Procedures for Inadvertent Acceptance of MasterCard Electronic..... 49

Chapter 2: Retrieval Requests and Fulfillments—MasterCard Dual Message System Transactions..... 50

Overview..... 52
2.1 Issuer's Right to Request a Transaction Information Document (TID)..... 52
2.2 Acquirer's Obligation to Provide a Transaction Information Document (TID)..... 52
2.3 MasterCom Processing..... 53
2.3.1 Initiating a Retrieval Request..... 53
2.3.2 Acquirer's Retrieval Request Response..... 54
2.3.3 Time Frame for Fulfilling a Retrieval Request..... 55
2.3.4 Fulfillment Types..... 55
2.3.5 Requirements for a Substitute Draft..... 56
2.3.6 Retrieval Request Fulfillment Procedure..... 59
2.3.7 Image Review Guidelines for Rejecting Fulfillments..... 60
2.3.8 Image Review Guidelines for Rejecting Acquirer's Response Codes..... 64
2.3.9 MasterCom Image Review Decisions..... 65
2.4 Settlement..... 65
2.5 Transaction Information Document Retention Period..... 66
2.6 Fulfillment Fees..... 66
2.7 Fee Generation..... 67

©1988–2015 MasterCard. Proprietary. All rights reserved.

Chapter 3: MasterCard Message Reason Codes—Dual Message System Transactions..... 68
Overview..... 76
3.1 Additional Processing Notes..... 76
3.2 Authorization-related Chargebacks..... 76
3.2.1 Merchant Authorization Reversals..... 80
3.3 Fraud-related Chargebacks..... 81
3.4 MasterCard *SecureCode* and Universal Cardholder Authentication Field (UCAF) Liability Shift Program..... 82
3.4.1 Improper Use of Message Reason Code 4837..... 86
3.4.2 Proper Use for Acquirer's Second Presentment..... 87
3.4.3 Improper Use of Message Reason Code 4863..... 89
3.4.4 Proper Use for Acquirer's Second Presentment..... 90
3.4.5 Intracountry Acquirer Domain Mobile Remote Payment Transactions..... 92
3.5 Chip Liability Shifts..... 92
Chip Pin Liability Shifts..... 94
3.5.1 Levels of Participation..... 94
3.5.2 Global Chip Liability Shift Program..... 95
3.5.3 Reason Codes and Chargeback Rights..... 96
3.5.4 Participation..... 98
3.6 MasterCard CVC 2 Validation Program (U.S. Region Domestic Transactions Only)..... 99
3.7 Errors in Processing or Procedure..... 100
3.8 Progressive Handling Fees..... 101
3.8.1 Progressive Handling Fee Overview..... 101
3.9 Intra-European and Inter-European Dispute Administration Fee (MasterCard POS).... 105
3.10 Chargeback Message Reason Codes..... 106
3.10.1 First Chargeback: MTI 1442..... 106
3.10.2 Second Presentment: MTI 1240..... 108
3.10.3 Arbitration Chargeback: MTI 1442..... 109
3.10.4 Second Presentment/1240 IPM (Function Codes 205 or 282) Message Reason Code Usage..... 110
3.10.5 Arbitration Chargeback/1442 IPM (Function Codes 451 or 454) Message Reason Code Usage..... 114
3.11 Message Reason Code 4802—Requested/Required Information Illegible or Missing..... 117
3.11.1 Proper Use of Message Reason Code 4802..... 117
3.11.2 Improper Use of Message Reason Code 4802..... 117
3.11.3 Specific Programs Using Message Reason Code 4802..... 117
3.11.4 Proper Use for Issuer's First Chargeback..... 118
3.11.5 Proper Use for Acquirer's Second Presentment..... 118
3.11.6 Arbitration Chargeback..... 119

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.11.7 Arbitration Case Filing..... 120
3.12 Message Reason Code 4807—Warning Bulletin File..... 120
3.13 Message Reason Code 4808—Authorization-related Chargeback.....120
3.13.1 Proper Use of Message Reason Code 4808..... 120
3.13.2 Improper Use of Message Reason Code 4808..... 121
3.13.3 Proper Use for Issuer's First Chargeback..... 122
3.13.4 Proper Use for Acquirer's Second Presentment..... 125
3.13.5 Arbitration Chargeback..... 129
3.13.6 Arbitration Case Filing..... 129
3.13.7 Handling Fees..... 129
3.14 Message Reason Code 4812—Account Number Not on File..... 129
3.15 Message Reason Code 4831—Transaction Amount Differs..... 130
3.15.1 Proper Use of Message Reason Code 4831..... 130
3.15.2 Improper Use of Message Reason Code 4831..... 131
3.15.3 Specific Programs Using Message Reason Code 4831..... 131
3.15.4 Proper Use for Issuer's First Chargeback..... 131
3.15.5 Proper Use for Acquirer's Second Presentment..... 133
3.15.6 Arbitration Chargeback..... 135
3.15.7 Arbitration Case Filing..... 136
3.16 Message Reason Code 4834—Duplicate Processing..... 136
3.16.1 Proper Use for Using Message Reason Code 4834..... 136
3.16.2 Specific Programs Using Message Reason Code 4834..... 137
3.16.3 Proper Use for Issuer's First Chargeback..... 137
3.16.4 Proper Use for Acquirer's Second Presentment..... 138
3.16.5 Arbitration Chargeback..... 142
3.16.6 Arbitration Case Filing..... 143
3.17 Message Reason Code 4837—No Cardholder Authorization..... 143
3.17.1 Proper Use of Message Reason Code 4837..... 143
3.17.2 Improper Use of Message Reason Code 4837..... 145
3.17.3 Specific Programs Using Message Reason Code 4837..... 146
3.17.4 Proper Use for Issuer's First Chargeback..... 146
3.17.5 Proper Use for Acquirer's Second Presentment..... 148
3.17.6 Improper Use for Acquirer's Second Presentment..... 163
3.17.7 Arbitration Chargeback..... 163
3.17.8 Arbitration Case Filing..... 169
3.18 Message Reason Code 4840—Fraudulent Processing of Transactions..... 169
3.18.1 Proper Use of Message Reason Code 4840..... 169
3.18.2 Improper Use of Message Reason Code 4840..... 170
3.18.3 Specific Programs Using Message Reason Code 4840..... 170
3.18.4 Proper Use for Issuer's First Chargeback..... 170
3.18.5 Proper Use for Acquirer's Second Presentment..... 171
3.18.6 Arbitration Chargeback..... 174
3.18.7 Arbitration Case Filing..... 175

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.19 Message Reason Code 4841—Canceled Recurring or Digital Goods Transactions... 175
3.20 Message Reason Code 4842—Late Presentment..... 175
3.20.1 Proper Use of Message Reason Code 4842..... 175
3.20.2 Improper Use of Message Reason Code 4842..... 176
3.20.3 Specific Programs Using Message Reason Code 4842..... 177
3.20.4 Proper Use for Issuer's First Chargeback..... 177
3.20.5 Proper Use for Acquirer's Second Presentment..... 177
3.20.6 Arbitration Chargeback..... 179
3.20.7 Arbitration Case Filing..... 180
3.20.8 Additional Processing Notes..... 180
3.21 Message Reason Code 4846—Correct Transaction Currency Code Not Provided.... 181
3.21.1 Proper Use of Message Reason Code 4846..... 181
3.21.2 Improper Use for Message Reason Code 4846..... 182
3.21.3 Specific Programs Using Message Reason Code 4846..... 182
3.21.4 Proper Use for Issuer's First Chargeback..... 182
3.21.5 Proper Use for Acquirer's Second Presentment..... 183
3.21.6 Arbitration Chargeback..... 185
3.22.7 Arbitration Case Filing..... 185
3.21.8 Additional Processing Notes..... 185
3.22 Message Reason Code 4849—Questionable Merchant Activity..... 185
3.22.1 Proper Use of Message Reason Code 4849..... 185
3.22.2 Improper Use of Message Reason Code 4849..... 186
3.22.3 Specific Programs Using Message Reason Code 4849..... 187
3.22.4 Proper Use for Issuer's First Chargeback..... 187
3.22.5 Proper Use for Acquirer's Second Presentment..... 188
3.22.6 Arbitration Chargeback..... 191
3.22.7 Arbitration Case Filing..... 192
3.22.8 Additional Processing Notes..... 192
3.23 Message Reason Code 4850—Installment Billing Dispute (Participating Countries Only)..... 192
3.24 Message Reason Code 4853—Cardholder Dispute..... 192
3.24.1 Issuer's First Chargeback..... 194
3.24.2 Acquirer's Second Presentment..... 214
3.24.3 Issuer's Arbitration Chargeback..... 220
3.25 Message Reason Code 4854—Cardholder Dispute—Not Elsewhere Classified (U.S. Region Only)..... 224
3.26 Message Reason Code 4855—Goods or Services Not Provided..... 224
3.27 Message Reason Code 4859—Addendum, No-show, or ATM Dispute..... 224
3.28 Message Reason Code 4860—Credit Not Processed..... 225
3.29 Message Reason Code 4863—Cardholder Does Not Recognize—Potential Fraud... 225
3.29.1 Proper Use of Message Reason Code 4863..... 225
3.29.2 Improper Use of Message Reason Code 4863..... 226
3.29.3 Specific Programs Using Message Reason Code 4863..... 228

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.29.4 Proper Use for Issuer's First Chargeback....228
3.29.5 Proper Use for Acquirer's Second Presentment....229
3.29.6 Arbitration Chargeback....235
3.29.7 Arbitration Case Filing....237
3.30 Message Reason Code 4870—Chip Liability Shift....237
3.30.1 Proper Use of Message Reason Code 4870....237
3.30.2 Improper Use of Message Reason Code 4870....238
3.30.3 Proper Use for Issuer's First Chargeback....239
3.30.4 Proper Use for Acquirer's Second Presentment....240
3.30.5 Arbitration Chargeback....245
3.30.6 Arbitration Case Filing....246
3.31 Message Reason Code 4871—Chip/PIN Liability Shift....246
3.31.1 Proper Use of Message Reason Code 4871....246
3.31.2 Improper Use of Message Reason Code 4871....249
3.31.3 Proper Use for Issuer's First Chargeback....250
3.31.4 Proper Use for Acquirer's Second Presentment....251
3.31.5 Arbitration Chargeback....256
3.31.6 Arbitration Case Filing....256
3.32 Message Reason Code 4999—Domestic Chargeback Dispute (Europe Region Only)....256
3.32.1 Requirements for Issuer's First Chargeback, Acquirer's Second Presentment, and Issuer's Arbitration Chargeback....256
3.32.2 Improper Use of Message Reason Code 4999....256
3.32.3 Arbitration Case Filing....256

Chapter 4: Single Message System Transactions....257
4.1 Overview....260
4.2 Exception Transaction Types....260
4.3 Supporting Documentation....260
4.4 Arbitration Case Filing....260
4.5 Acquirer Adjustment Reason Codes....261
4.5.1 Message Reason Code 06—Correction of a Representment....261
4.5.2 Message Reason Code 10—Correct a Terminal Malfunction....262
4.5.3 Message Reason Code 20—Returned Item (U.S. Shared Deposits Only)....264
4.5.4 Message Reason Code 24—Empty Deposit Envelope (U.S. Shared Deposits Only)....264
4.5.5 Message Reason Code 25—Error in Addition (U.S. Shared Deposits Only)....264
4.5.6 Message Reason Code 26—Error in Settlement (U.S. Shared Deposits Only)....264
4.5.7 Message Reason Code 27—Customer Keyed Wrong Amount (U.S. Shared Deposits Only)....264
4.5.8 Message Reason Code 28—Non-Cash Item Deposited (U.S. Shared Deposits Only)....264

©1988–2015 MasterCard. Proprietary. All rights reserved.

4.5.9 Message Reason Code 29—Foreign/Counterfeit Currency Deposited (U.S. Shared Deposits Only)....264
4.5.10 Message Reason Code 85—Adjustment Reversal....264
4.6 Chargeback Reason Codes....265
4.6.1 Message Reason Code 03—Correction of a Chargeback....266
4.6.2 Message Reason Code 17—Cash Dispute-ATM Only....267
4.6.3 Message Reason Code 30—Cardholder Disputed Amount (U.S. Shared Deposits Only)....270
4.6.4 Message Reason Code 53—Defective/Not as Described—Intra-U.S. Region and U.S. Territories Only....270
4.6.5 Message Reason Code 70—Chip Liability Shift....270
4.6.6 Message Reason Code 71—Transaction Amount Differs....279
4.6.7 Message Reason Code 73—Duplicate Transaction....281
4.6.8 Message Reason Code 74—No Cardholder Authorization....284
4.6.9 Message Reason Code 75—Credit Not Received....287
4.6.10 Message Reason Code 79—Goods or Services Not Provided....290
4.6.11 Message Reason Code 80—Late Presentment....293
4.6.12 Message Reason Code 95—Invalid Adjustment—Account Closed....295
4.6.13 Message Reason Code 96—Invalid Adjustment—Insufficient Funds....295

Chapter 5: Arbitration Procedures....297
Overview....299
5.1 Time Frames....299
5.2 Filing Procedures....299
5.2.1 Arbitration Case Filing Using the MasterCom Pro Electronic Case Filing Application....300
5.2.2 Arbitration Case Filing Submitted Using the Dispute Resolution Management MasterCom Hosted (Read-Only) Case Filing Application....300
5.2.3 Submitting a Case with Multiple Chargebacks....302
5.2.4 Installment Billing....302
5.3 Withdrawals or Acceptances....302
5.4 MasterCard Review Process....303
5.5 Fees and Assessments....304
5.6 Arbitration Case Examples (For MasterCard Dual Message System Transactions Only)....305
5.6.1 Example 1—First Chargeback Past the Allowable Time....305
5.6.2 Example 2—Progressive Documentation for "Cardholder Disputes" Chargebacks....306
5.6.3 Example 3—Second Presentment Documentation....306
5.6.4 Example 4—Improper Disclosure—4853—Cardholder Dispute....307
5.6.5 Example 5—Additional Remedies for Chargeback Message Reason Code 4853—Cardholder Dispute....308

©1988–2015 MasterCard. Proprietary. All rights reserved.

5.6.6 Example 6—Message Reason Code 4853—Cardholder Dispute (Available for Value-Added Tax [VAT] Disputes)....308
5.6.7 Example 7—Message Reason Code 4837—No Cardholder Authorization....309
5.6.8 Example 8—Additional Documentation Allowed in Arbitration Case....309
5.6.9 Example 9—Time Frame Extension (Applicable to Disputes for Message Reason 4853—Cardholder Dispute)....310
5.6.10 Example 10—Prorated Chargeback Period for Interrupted Services....310
5.6.11 Example 11—Validation of the Transaction Certificate....312
5.6.12 Example 12—Message Reason Code 4853—Cardholder Dispute....312
5.6.13 Example 13—Message Reason Code 4863—Cardholder Does Not Recognize —Potential Fraud....313
5.6.14 Conclusion....314
5.7 Intra-European and Inter-European Domestic Disputes....314
5.8 Arbitration or Compliance Case Appeals....315
5.8.1 Times for Filing an Appeal....315
5.8.2 Filing Procedure....315
5.8.3 Notice to Other Parties....316
5.8.4 Filing Fee....316
5.8.5 Resolution of Appeal....316

Chapter 6: Compliance Procedures....317
Overview....319
6.1 Time Frames....321
6.1.1 Inaccurate Clearing Data That Restricts Chargeback Cycles....322
6.1.2 Fraud-related Documentation Requirement....325
6.1.3 Invalid Maestro Chargebacks....325
6.2 Processing a Pre-compliance Case....326
6.2.1 Submitting a Pre-compliance Case Using the MasterCom Pro Electronic Case Filing Application....326
6.2.2 Submitting a Pre-compliance Case Using the MasterCom Hosted (Read-only) Case Filing Application....327
6.3 Payment of Pre-compliance Case....328
6.3.1 Payment of Pre-compliance Processed Using the MasterCom Electronic Case Filing System or the Dispute Resolution Management Hub Site....328
6.4 Compliance Case Filing....328
6.4.1 MoneySend Payment Transactions....328
6.4.2 Filing a Compliance Case Using the MasterCom Pro Electronic Case Filing Application....329
6.4.3 Filing a Compliance Case through the MasterCom Hosted (Read-Only) Case Filing Application....329
6.5 MasterCard Review Process....330
6.6 Withdrawals or Acceptances....331
6.7 Fees and Assessments....332

©1988–2015 MasterCard. Proprietary. All rights reserved.

6.8 Compliance Case Appeals....332
6.9 MasterCom Compliance Policy....332
6.10 Examples of Rules Violations....333
6.10.1 Failure to Compare Signatures (Chapter 3, MasterCard Cardholder Verification—PIN and Signature Requirements, *Transaction Processing Rules*)....333
6.10.2 Multiple TIDs and Partial Payment (Chapter 3, Multiple Transactions and Partial Payment, *Transaction Processing Rules*)....334
6.10.3 Returned Merchandise, Adjustments, Credits, and Other Specific Terms of a Transaction (Chapter 3, Returned Products and Canceled Services, *Transaction Processing Rules*)....334
6.10.4 Acquirer's Obligation to Provide a Transaction Information Document (TID) (Chargeback Guide—Section 2.2)....334
6.11 Missing, Invalid, or Inaccurate Authorization Data....335
6.12 Discriminatory Practices....335

Appendix A: Chargebacks—MasterCard Europe ATM Transactions (MasterCard, Maestro, and Cirrus)....337
Overview....339
A.1 Clearing....339
A.2 Processing Cycles....339
A.2.1 Processing Cycle for ATM Transactions....339
A.2.2 Presentment....340
A.2.3 Chargebacks and Second Presentments....341
A.2.4 Chip Transactions....343
A.3 Message Reason Codes....343
A.3.1 Message Reason Code 4804—Multiple Processing....344
A.3.2 Message Reason Code 4808—Transaction Not Authorized....344
A.3.3 Message Reason Code 4809—Transaction Not Reconciled....346
A.3.4 Message Reason Code 4811—Stale Transaction....347
A.3.5 Message Reason Code 4834—Duplicate Processing of Transaction....347
A.3.6 Message Reason Code 4842—Late Presentment....350
A.3.7 Message Reason Code 4846—Currency Errors....351
A.3.8 Message Reason Code 4859—ATM Dispute....353
A.3.9 Message Reason Code 4870—Chip Liability Shift....356
A.3.10 Message Reason Code 4880—Late Presentment....361
A.4 Settlement of Disputes....361
A.4.1 When to File an Arbitration Case....361
A.4.2 When to File a Compliance Case....362
A.4.3 Time Frames for Filing....363
A.4.4 Arbitration Filing Procedures....363
A.4.5 Compliance Filing Procedures....363
A.4.6 Compliance Case Appeals....365

©1988–2015 MasterCard. Proprietary. All rights reserved.

Appendix B: Chargebacks—Maestro POS Transactions.....366
Overview.....370
B.1 Exception Item Processing.....371
B.1.1 Exception Transaction Types.....371
B.1.2 Reversals.....371
B.1.3 Retrieval Requests.....371
B.1.4 Chip Transactions.....372
B.1.5 Chargebacks.....372
B.1.6 Second Presentment Procedures.....373
B.2 Message Reason Codes for Interregional Transactions.....374
B.2.1 Interregional Message Reason Code 4802—Documentation Not Legible on Retrieval Request.....375
B.2.2 Interregional Message Reason Code 4804—Transaction Multiple Processing.....375
B.2.3 Interregional Message Reason Code 4809—Transaction Not Reconciled 375
B.2.4 Interregional Message Reason Code 4811—Stale Transaction.....376
B.2.5 Interregional Message Reason Code 4831—Disputed Amount.....376
B.2.6 Interregional Message Reason Code 4834—Duplicate Transaction 377
B.2.7 Interregional Message Reason Code 4837—No Cardholder Authorization.....377
B.2.8 Interregional Message Reason Code 4855—Goods or Services Not Delivered....380
B.2.9 Interregional Message Reason Code 4860—Credit Not Received.....381
B.2.10 Interregional Message Reason Code 4870—Chip Liability Shift.....382
B.2.11 Interregional Message Reason Code 4880—Late Presentment.....386
B.3 Message Reason Codes for Intra-European and Inter-European Transactions.....387
B.3.1 Intra-European Message Reason Code 4802—Non-Fulfillment of Request: Illegible Copy.....389
B.3.2 Intra-European Message Reason Code 4808—Transaction Not Authorized.....389
B.3.3 Intra-European Message Reason Code 4831—Disputed Amount.....392
B.3.4 Intra-European Message Reason Code 4834—Duplicate Processing of Transaction.....395
B.3.5 Intra-European Message Reason Code 4837—No Cardholder Authorization.....397
B.3.6 Intra-European Message Reason Code 4841—Canceled Recurring or Digital Goods Transactions.....402
B.3.7 Intra-European Message Reason Code 4846—Currency Errors.....409
B.3.8 Intra-European Message Reason Code 4855—Goods or Services Not Provided. 412
B.3.9 Intra-European Message Reason Code 4860—Credit Not Received.....413
B.3.10 Intra-European Message Reason Code 4870—Chip Liability Shift.....420
B.3.11 Intra-European Message Reason Code 4880—Late Presentment.....424
B.4 Settlement of Disputes.....425
B.4.1 When to File an Arbitration Case.....425
B.4.2 When to File a Compliance Case.....425
B.4.3 Time Frames for Filing.....426

©1988–2015 MasterCard. Proprietary. All rights reserved.

B.4.4 Arbitration and Compliance Filing Procedures....426
B.4.5 Arbitration or Compliance Case Appeals....429
B.5 Domestic Chargeback Rules....429
B.5.1 Additional Rules Applicable to Domestic Transactions in Ireland, Turkey, and France....429

Appendix C: CVM Limit Amounts....431
Overview....432
CVM Limit Amounts....432

Appendix D: Domestic Chargebacks....433
3.23 Message Reason Code 4850—Installment Billing Dispute (Participating Countries Only)....436
Proper Use of Message Reason Code 4850....436
Improper Use of Message Reason Code 4850....437
Proper Use of Issuer's First Chargeback....437
Proper Use for Acquirer's Second Presentment....439
Arbitration Chargeback....442
Arbitration Case Filing....443
3.25 Message Reason Code 4854—Cardholder Dispute—Not Elsewhere Classified (U.S. Region Only)....443
3.25.1 Proper Use of Message Reason Code 4854....443
3.25.2 Improper Use of Message Reason Code 4854....445
3.25.3 Proper Use for Issuer's First Chargeback....445
3.25.4 Proper Use for Acquirer's Second Presentment....446
3.25.5 Arbitration Chargeback....448
3.25.6 Arbitration Case Filing....449
3.25.7 Additional Processing Notes....449
4.5.3 Message Reason Code 20—Returned Item (U.S. Shared Deposits Only)....450
4.5.3.1 Acquirer Adjustment....450
4.5.3.2 Issuer Chargeback....451
4.5.3.3 Arbitration Case Filing....451
4.5.4 Message Reason Code 24—Empty Deposit Envelope (U.S. Shared Deposits Only)..451
4.5.4.1 Acquirer Adjustment....451
4.5.4.2 Issuer Chargeback....452
4.5.4.3 Arbitration Case Filing....452
4.5.5 Message Reason Code 25—Error in Addition (U.S. Shared Deposits Only)....452
4.5.5.1 Acquirer Adjustment....452
4.5.5.2 Issuer Chargeback....453
4.5.5.3 Arbitration Case Filing....453
4.5.6 Message Reason Code 26—Error in Settlement (U.S. Shared Deposits Only)....453
4.5.6.1 Acquirer Adjustment....453

©1988–2015 MasterCard. Proprietary. All rights reserved.

4.5.6.2 Issuer Chargeback..... 454
4.5.6.3 Arbitration Case Filing..... 454
4.5.7 Message Reason Code 27—Customer Keyed Wrong Amount (U.S. Shared Deposits Only)..... 454
4.5.7.1 Acquirer Adjustment..... 454
4.5.7.2 Issuer Chargeback..... 455
4.5.7.3 Arbitration Case Filing..... 455
4.5.8 Message Reason Code 28—Non-Cash Item Deposited (U.S. Shared Deposits Only)..... 455
4.5.8.1 Acquirer Adjustment..... 455
4.5.8.2 Issuer Chargeback..... 456
4.5.8.3 Arbitration Case Filing..... 456
4.5.9 Message Reason Code 29—Foreign/Counterfeit Currency Deposited (U.S. Shared Deposits Only)..... 456
4.5.9.1 Acquirer Adjustment..... 456
4.5.9.2 Issuer Chargeback..... 457
4.5.9.3 Arbitration Case Filing..... 457
4.6.3 Message Reason Code 30—Cardholder Disputed Amount (U.S. Shared Deposits Only)..... 457
4.6.3.1 Issuer Chargeback..... 457
4.6.3.2 Acquirer Respresentment..... 458
4.6.3.3 Arbitration Case Filing..... 458
4.6.4 Message Reason Code 53—Defective/Not as Described—Intra-U.S. Region and U.S. Territories Only..... 458
4.6.4.1 Issuer Chargeback..... 458
4.6.4.2 Acquirer Representment (Second Presentment)..... 460
4.6.4.3 Arbitration Case Filing..... 461

Appendix E: Lodging Merchant Services..... 465
Guaranteed Reservations..... 466
Advance Resort Deposit..... 467

Appendix F: Transaction Identification Requirements..... 468
Transaction Date..... 469
Contactless Transactions..... 469
Contactless Transit Aggregated Transactions..... 471
Contactless-only Transactions..... 474
Quick Payment Service Transactions..... 476
Payment Transactions..... 477
Electronic Commerce Transactions..... 478
Digital Secure Remote Payment Transactions..... 479
Digital Secure Remote Payment Transactions Containing Chip Data..... 479

©1988–2015 MasterCard. Proprietary. All rights reserved.

Digital Secure Remote Payment Transactions Containing UCAF Data.....482
Partial Shipments Following Digital Secure Remote Payment Transactions..... 484
MasterCard Mobile Remote Payment Transactions.....487

Appendix G: Forms..... 488
Accessing MasterCard Connect.....489
Referenced Forms.....490

Notices.....492

©1988–2015 MasterCard. Proprietary. All rights reserved.

Chapter 1 Processing Procedures—MasterCard Dual Message System Transactions

This chapter describes the way that funds are moved between issuers and acquirers and documents the procedural requirements for each stage of the chargeback process.

Overview..... 19
1.1 Global Clearing Management System..... 19
1.1.1 IPM Message Structure..... 19
1.1.2 Chargeback Processing Cycles..... 20
1.1.3 Chargeback Benefits of GCMS..... 21
1.2 Rights and Obligations..... 21
1.2.1 Acquirer Responsibilities..... 22
1.2.2 Issuer Responsibilities..... 22
1.3 Clearing and Settlement..... 22
1.4 Chargeback Stages..... 22
1.5 Explanation of Receipt and Processing Date..... 24
1.6 Explanation of Acquirer Reference Data..... 25
1.6.1 Interchange Rate Designator..... 25
1.7 Processing Cycles and Time Frames..... 25
1.7.1 GCMS Support of Time Frames..... 25
1.7.2 Time Frame for First Presentment..... 26
1.7.3 Time Frame for First Chargeback..... 27
1.7.4 Time Frame for Second Presentment..... 27
1.7.5 Time Frame for Arbitration Chargeback..... 28
1.7.6 Time Frame for Arbitration Case Filing..... 28
1.8 Processing First Presentment/1240 Messages..... 29
1.9 Processing First Chargeback/1442 Messages..... 30
1.9.1 First Chargeback Amount (DE 4 [Amount, Transaction])..... 32
1.10 Processing Second Presentment/1240 Messages..... 33
1.10.1 Second Presentment Amount..... 33
1.11 Processing Arbitration Chargebacks (Arbitration Chargeback/1442 Message)..... 34
1.11.1 Arbitration Chargeback Amount..... 35
1.12 Arbitration Case Filing..... 36
1.12.1 Arbitration Case Filing Amount..... 36
1.13 Record Content..... 37
1.13.1 Card Issuer Reference Data..... 37

©1988–2015 MasterCard. Proprietary. All rights reserved.

1.13.2 Documentation Indicator....38
1.13.3 Data Record Text....38
1.13.3.1 Data Record Text Examples....39
1.14 Retrieval Requests....39
1.15 Supporting Documentation....39
1.15.1 Documentation Types....40
1.16 Missing Documentation....42
1.17 Incompatible or Invalid Acquirer Reference Data....43
1.17.1 Second Presentment....43
1.17.2 Arbitration Chargeback....44
1.17.3 Arbitration Case Filing....44
1.18 Invalid Chargeback, Second Presentment, and Arbitration Chargeback....44
1.19 Chargeback Information and Documentation Retention Period....44
1.20 Miscellaneous Fees and Charges....45
1.20.1 Function Codes....45
1.20.2 Submitting the Fee Collection/1740 Message....45
1.20.3 Returning and Resubmitting the Fee Collection/1740 Message....45
1.21 Correction of Errors....47
1.22 MasterCard Electronic....47
1.22.1 Second Presentment Procedures for Inadvertent Acceptance of MasterCard Electronic...48
Transaction Was Authorized....48
Transaction Did Not Require Authorization....48
1.22.2 Arbitration Chargeback Procedures for Inadvertent Acceptance of MasterCard Electronic....49

©1988–2015 MasterCard. Proprietary. All rights reserved.

Overview

This chapter describes the way that funds are moved between issuers and acquirers. Procedural requirements are documented for each stage of the chargeback process. In addition, this chapter contains information about Integrated Product Message (IPM) messages as they relate to the chargeback process.

Refer to the following documents for more information related to the subjects discussed in this document:

- *Account Management System User Manual*
- *Authorization Manual*
- *Customer Interface Specification*
- *GCMS Reference Manual*
- *IPM Clearing Formats*
- *M/Chip Requirements*
- *MasterCard Consolidated Billing System*
- *MasterCard Rules*
- *MasterCom Pro User Guide*
- *MasterCom Hosted User Guide*
- *Single Message Transaction Manager User Guide*
- *Quick Reference Booklet*
- *Security Rules and Procedures*
- *Settlement Manual*
- *Single Message System Settlement and Reports*
- *Transaction Processing Rules*

Refer to the *GCMS Reference Manual* and other publications listed in the "Overview" section for information about Global Clearing Management System (GCMS) processing and the IPM format.

1.1 Global Clearing Management System

MasterCard clears transactions through the Global Clearing Management System (GCMS). GCMS uses messages in the Integrated Product Messages (IPM) format. This format is an International Organization of Standardization (ISO)-based flexible format that provides all clearing system information.

1.1.1 IPM Message Structure

There are four main components to all IPM messages.

- **Message Type Identifier (MTI)**—The first element of every IPM message. The MTI is always located in positions 1–4 of the message. The MTI describes the message class. For example, MTI 1442 indicates a chargeback message.

©1988–2015 MasterCard. Proprietary. All rights reserved.

- **Bitmaps**—Bitmaps are the second and third elements of every IPM message. The bitmaps indicate the presence or absence of ISO data elements (DE 1 through DE 128) in each message. There are two bitmaps in every message:
  - **Primary**—Positions 5–12; indicates the presence of data elements 1–64.
  - **Secondary**—Positions 13–20; indicates the presence of data elements 65–128.

    Each bit contains a value of **zero** if the corresponding data element is not present in the message or a value of **one** if it is present.
- **Data elements**—Data elements represent different, pre-identified pieces of information and follow the bitmaps in order by number (known as data element number). For example, function codes are stored in DE 24 (Function Code) and indicate the specific purpose of a message in a message class. Examples of function codes are 450 (first chargeback—full amount) and 453 (first chargeback—partial amount).
- **Message reason codes**—Message reason codes for first chargebacks, second presentments, and arbitration chargebacks are stored in DE 25 (Message Reason Code).

For example, a first chargeback for a full amount for message reason code 4837—No Cardholder Authorization would have the following values.

MTI	1442	Indicates that the message is a chargeback
DE 24 (Function Code)	450	Indicates that the message is a first chargeback for the full amount
DE 25 (Message Reason Code)	4837	Indicates the reason for the chargeback

Refer to *IPM Clearing Formats* for a complete list and explanation of data elements.

1.1.2 Chargeback Processing Cycles

The following table summarizes the IPM messages used in each chargeback processing cycle.

Chargeback Processing Cycle IPM Messages				
MTI	**Description**	**Function Code**	**Description**	**Initiated By**
1240	First Presentment	200	First presentment	Acquirer
1442	First Chargeback	450	Full amount	Issuer
		453	Partial amount	Issuer
1240	Second Presentment	205	Full amount	Acquirer
		282	Partial amount	Acquirer
1442	Arbitration Chargeback	451	Full amount	Issuer

©1988–2015 MasterCard. Proprietary. All rights reserved.

Chargeback Processing Cycle IPM Messages				
MTI	**Description**	**Function Code**	**Description**	**Initiated By**
		454	Partial amount	Issuer

In addition, the following MTI and Function Code combinations may be used in chargeback processing:

- Retrieval Request/1644-603
- Fee Collection (Member-generated)/1740-700, -780, -781, or -782
- Fee Collection (Clearing System-generated)/1740-783

1.1.3 Chargeback Benefits of GCMS

GCMS provides the following benefits.

- Retrieval request and response data in chargeback messages so that customers can tell at a glance the outcome of a retrieval request.
- MasterCom® dates for documentation sent, if present, in the previous cycle.
- Information from the previous chargeback cycle with each subsequent chargeback cycle, so that customers are not required to obtain this information from their archives. This information includes amounts, reason codes, and DE 72 (Data Record) texts.

In addition:

- IPM Second Presentment/1240 and Arbitration Chargeback/1442 messages indicate the reason for the second presentment or arbitration chargeback.
- IPM documentation indicators have one purpose—to indicate whether documentation will follow the transaction.

1.2 Rights and Obligations

All customers have certain rights and obligations when clearing and settling transactions. Customers are required to submit and to accept specific transaction records electronically through GCMS.

Additionally, all customers should balance their net settlement debit or credit advisement received daily to their IPM reconciliation messages (IPM File Currency Summary/1644-680 and IPM Financial Position Detail/1644-685). These messages show the net result of all records sent to and received from MasterCard in one day.

Refer to *IPM Clearing Formats* for information about messages and procedures for presentment of transactions.

Refer to *Settlement Manual* for information about settlement advisements.

©1988–2015 MasterCard. Proprietary. All rights reserved.

1.2.1 Acquirer Responsibilities

All acquirers are responsible for the following tasks.

- Ensuring that presented data is accurate, complete, and in compliance with the MasterCard operating rules
- Editing, monitoring, and reconciling messages sent and received by balancing the IPM reconciliation messages sent and received by balancing the IPM reconciliation messages (IPM File Currency Summary/1644-680 and IPM Financial Position Detail/1644-685) to their internal system reports of customer-generated data and data generated by MasterCard. This requirement ensures that customers reconcile all rejected and accepted messages.
- Receiving all IPM First Chargeback/1442 messages that issuers submit and either:
  - Accepting responsibility for the transactions received, or
  - Pursuing a remedy for the transactions in accordance with the rules and procedures specified within this guide

For example, after receiving a chargeback, the acquirer must not enter the item improperly into interchange as a new first presentment unless the applicable chargeback rule states that is the proper procedure. Normally, if the acquirer can remedy the dispute (such as when the merchant can provide supporting documentation), the acquirer must submit the transaction as a second presentment.

Refer to *IPM Clearing Formats* for these message formats.

1.2.2 Issuer Responsibilities

All issuers are responsible for the following tasks.

1.3 Clearing and Settlement

When a cardholder uses a MasterCard® card to purchase goods or services from a merchant, the acquirer will reimburse the merchant for the transaction. The acquirer then settles those funds with the issuer by presenting the transaction into interchange. MasterCard provides this functionality.

In summary, clearing is the movement of data from the acquirer to MasterCard, and from MasterCard to the issuer. Settlement is the process used to exchange funds between customers for the net value of the monetary transactions cleared for that processing day. Interchange is the exchange of transaction data between customers.

1.4 Chargeback Stages

After the first presentment of a transaction from the acquirer to the issuer, the issuer may determine that, for a given reason specified within this guide, the transaction may be invalid.

©1988–2015 MasterCard. Proprietary. All rights reserved.

The issuer may then return the transaction to the acquirer as a chargeback for possible remedy.

Under no circumstances should the issuer, acquirer, merchant, or cardholder retain funds, goods, and/or services twice for the same transaction. For example, when an issuer has billed a transaction to its cardholder's account for payment and then chooses to exercise a chargeback right, the issuer must credit the cardholder's account for the amount of the chargeback. An issuer must not credit a cardholder twice because of a chargeback processed by the issuer and a refund processed by the merchant.

Interchange procedures allow for the following processing for each transaction:

- First Presentment/1240
- First Chargeback/1442
- Second Presentment/1240
- Arbitration Chargeback/1442
- Arbitration Case Filing

For detailed requirements applicable to a specific message reason code, refer to Chapter 3, MasterCard Message Reason Codes—Dual Message System Transactions.

Additionally, if an issuer needs a copy of the transaction information document (TID), the retrieval process has two steps—Retrieval Request and Retrieval Fulfillment. The retrieval process also may include Image Review. For detailed requirements applicable to the retrieval process, refer to Chapter 2, Retrieval Requests and Fulfillments.

The following table identifies the stages of a transaction when the issuer initiates a chargeback.

Chargeback Stages

Stage	Description	MIT-Function Code(s)
First Presentment	Acquirer submits the transaction to the issuer.	1240-200
Cardholder or issuer disputes the first presentment		
Retrieval Request	Issuer may request a copy of the sales ticket to support or identify a potential chargeback. **NOTE: Most chargebacks do not require a retrieval request.**	1644-603

©1988–2015 MasterCard. Proprietary. All rights reserved.

Chargeback Stages

Stage	Description	MIT-Function Code(s)
Chargeback	Issuer initiates a chargeback within the time frame applicable to the specific message reason. (Refer to Chapter 3, MasterCard Message Reason Codes—Dual Message System Transactions for details.) **NOTE: If an issuer receives a legible copy of the TID through a second presentment for message reason code 4802—Requested/Required Information Illegible or Missing, and after viewing the item for the first time determines that it has another right of chargeback for a different message reason code, the issuer must start the process again with a new chargeback. Refer to Message Reason Code 4802—Requested/Required Information Illegible or Missing for more information.**	1442-450 (full amount) 1442-453 (partial amount)
Second Presentment	When applicable, the acquirer may process a second presentment within 45 calendar days of the Central Site Business Date (PDS 0158 [Business Activity], subfield 5 [Business Date]) of the chargeback.	1240-205 (full amount) 1240-282 (partial amount)
Arbitration Chargeback	When applicable, the issuer may initiate an arbitration chargeback within 45 calendar days of the Central Site Business Date of the second presentment.	1442-451 (full amount) 1442-454 (partial amount)
Arbitration Case Filing	The acquirer may file an arbitration case to MasterCard for a decision on the dispute within 45 calendar days of the Central Site Business Date of the arbitration chargeback.	N/A

1.5 Explanation of Receipt and Processing Date

For purposes of definition, the receipt date for a presented (clearing) transaction or a chargeback is the Central Site Business Date in Private Data Subelement (PDS) 0158 (Business Activity), subfield 5 (Business Date).

When calculating clearing time frames, the Central Site Business Date of an outgoing chargeback **is** counted as day one.

The Central Site Business Date of the presentment or the incoming chargeback **is not** counted as day one.

©1988–2015 MasterCard. Proprietary. All rights reserved.

1.6 Explanation of Acquirer Reference Data

The acquirer assigns the 23-digit value in DE 31 (Acquirer Reference Data [ARD]) to identify the original transaction when it is processed through GCMS and to identify the transaction throughout its life cycle.

1.6.1 Interchange Rate Designator

The interchange rate designator (IRD) identifies the interchange rate program for which the acquirer presented the transaction throughout the life cycle of the item (including during presentment, retrieval, and chargeback).

The IRD is presented in PDS 0158 (Business Activity), subfield 4 (Interchange Rate Designator).

Refer to *Interchange Manual* (respective region) for additional interchange rate program requirements.

1.7 Processing Cycles and Time Frames

Following the first presentment of a transaction, the chargeback life cycle includes the first chargeback and, if necessary, a second presentment, arbitration chargeback, and arbitration case filing.

Applicable time frames associated with the generation of a first chargeback depend on the message reason code. Refer to Chapter 3, MasterCard Message Reason Codes—Dual Message System Transactions for the applicable time frames.

1.7.1 GCMS Support of Time Frames

GCMS edits the First Chargeback/1442, Second Presentment/1240, and Arbitration Chargeback/1442 messages to validate chargeback processing and time frame requirements.

Refer to *IPM Clearing Formats* for detailed information about IPM messages.

NOTE:

A customer that experiences severe operational difficulties because of a natural disaster may contact its Global Customer Service representative and apply for a hardship variance. If approved, MasterCard will waive time frame edits applicable to all message reason codes for a prescribed period.

MasterCard will publish approved variances in the *Global Operations Bulletin* and in the Text Message/1644 message. The customer that received the variance is responsible for identifying each transaction accordingly.

©1988–2015 MasterCard. Proprietary. All rights reserved.

1.7.2 Time Frame for First Presentment

An acquirer must present the transaction to the issuer within **one** of the following time frames.

- If the transaction was completed with electronically recorded card information (whether card-read or key-entered), the acquirer has a maximum of seven calendar days after the transaction date to present the transaction to the issuer.
- If the transaction was completed with manually recorded card information (whether imprinted or handwritten), the acquirer has a maximum of 30 calendar days after the transaction date to present the transaction to the issuer.
- For transactions effected at a U.S. region merchant with a card issued in the U.S. region, if the transaction was completed with manually recorded card information (whether imprinted or handwritten), the acquirer has a maximum of 14 calendar days after the transaction date to present the transaction to the issuer.

These time frames are defined as the time between the transaction date and the Central Site Business Date. When calculating the number of days, consider the transaction date as day zero. An issuer **must** accept a transaction submitted beyond the applicable time frame if the account is in good standing or the transaction can be honored.

Notwithstanding these time frames, the acquirer has a maximum of 30 calendar days (14 calendar days for intra-United States transactions) after the transaction date to present a transaction if the acquirer must delay presentment:

- Because of the merchant's delay in submitting the transaction, as permitted under Chapter 3, Transaction Records of *Transaction Processing Rules*; or
- A national bank holiday of at least four consecutive days occurred, which prevented the acquirer from presenting a card-read or key-entered transaction within the applicable seven-calendar-day time frame.

In either such event, the acquirer must present the transaction promptly upon receipt.

The issuer may use the following values to determine whether a transaction has been completed with electronically or manually recorded card information.

Time Frame for First Presentment

In this type of message...	IF a transaction is completed with manually recorded card information, THEN...	IF a transaction is completed with electronically recorded card information, THEN...
First Presentment/1240 message	DE 22, subfield 7 (POS Terminal PAN Entry Mode) contains a value of one of the following: • 1 (manual input; no terminal) • 0 (unspecified; data unavailable)	DE 22, subfield 7 contains any other valid value

©1988–2015 MasterCard. Proprietary. All rights reserved.

Time Frame for First Presentment		
In this type of message...	**IF a transaction is completed with manually recorded card information, THEN...**	**IF a transaction is completed with electronically recorded card information, THEN...**
Financial Transaction Advice/0220 (Debit MasterCard force post) message	DE 22, subfield 1 (Card Data: Input Mode) contains a value of one of the following: • 01 (PAN manual entry) • 00 (PAN entry mode unknown)	DE 22, subfield 1 contains any other valid value

1.7.3 Time Frame for First Chargeback

The time frames for the first chargeback are 45, 60, 90, 120, and 540 calendar days after the Central Site Business Date, depending on the individual reason for the chargeback. GCMS measures this time limit from the Central Site Business Date of the presentment.

For certain chargeback reasons, the time frame may be calculated from a day other than the Central Site Business Date. The message reason codes in Chapter 3, MasterCard Message Reason Codes—Dual Message System Transactions detail these exceptions.

When delayed delivery of goods or performance of services by a merchant results in a subsequent dispute about the condition of the goods or the quality of the services, MasterCard will calculate the period of 120 days using the delivery or performance date.

In cases that involve the delayed delivery of goods or performance of services that the cardholder asserts the merchant never provided, MasterCard will calculate the period of 120 days from the latest anticipated date that the merchant was to provide the goods or services.

In cases that involve interrupted services where the services are immediately available, the period of 120 days will begin on the date that the services cease. In no case shall the first chargeback exceed 540 days (approximately 18 months) from the Central Site Business Date of the first presentment. The issuer must prorate the chargeback amount to reflect the services received. (Refer to 5.6.10 Example 10—Prorated Chargeback Period for Interrupted Services to determine the proper prorated chargeback period.)

1.7.4 Time Frame for Second Presentment

The time frame for a second presentment is 45 calendar days.

GCMS measures this period as the time between the Central Site Business Date that the customer received the chargeback, and the date the transaction is subsequently processed as a second presentment. GCMS will reject any second presentment submitted more than 45 calendar days after receipt of the previous cycle.

©1988–2015 MasterCard. Proprietary. All rights reserved.

1.7.5 Time Frame for Arbitration Chargeback

The time frame for an arbitration chargeback is 45 calendar days.

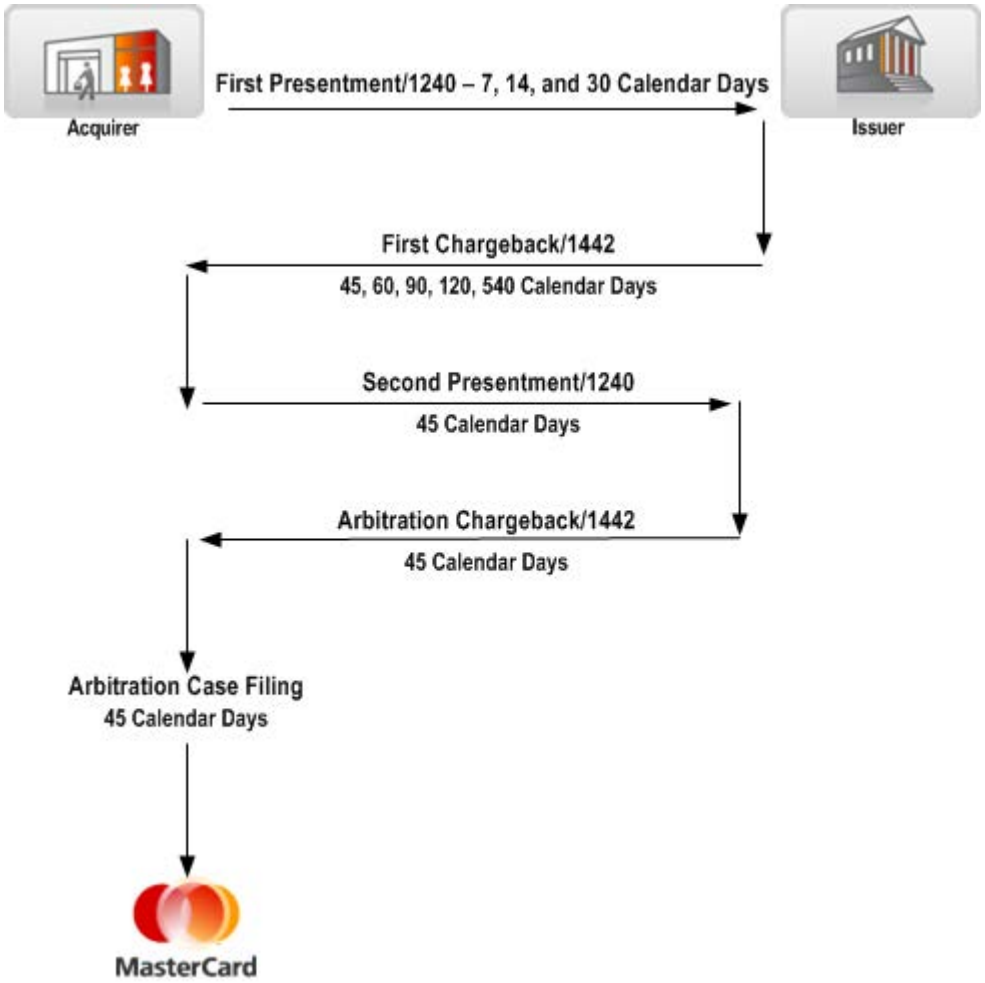
GCMS measures this period as the time between the Central Site Business Date that the customer received the second presentment and the date the transaction is subsequently processed as an arbitration chargeback. GCMS will reject any arbitration chargeback submitted more than 45 calendar days after receipt of the previous cycle.

1.7.6 Time Frame for Arbitration Case Filing

If the dispute is not resolved after completion of the first presentment, chargeback, second presentment, and arbitration chargeback cycles, a customer may proceed to arbitration within 45 calendar days of the Central Site Business Date of the arbitration chargeback.

The following diagram shows the chargeback processing cycles and time frames.

Chargeback Processing Cycles and Time Frames



©1988–2015 MasterCard. Proprietary. All rights reserved.

1.8 Processing First Presentment/1240 Messages

The first presentment occurs when the acquirer submits transaction data to the issuer for the first time for posting to the cardholder's account.

To minimize subsequent retrievals, chargebacks, and second presentments, acquirers must ensure that all presented clearing transactions contain accurate and complete data in the applicable first presentment and addendum messages. To further minimize subsequent chargebacks and second presentments, issuers must ensure that all transaction detail provided by the acquirer is readily available to the cardholder and to internal operations.

The acquirer must send all presented transactions to GCMS using the messages and procedures that MasterCard specifies.

NOTE:

For information about the message procedures for presentment of transactions, refer to *IPM Clearing Formats*.

The acquirer must present all cash disbursements, purchases, credits, unique transactions, and Payment Transactions for the full amount of the original transaction currency as agreed to by the cardholder. The amount may not be increased (or reduced in the case of a credit or a Payment Transaction) unless specifically authorized within this guide. Acquirers must present these transactions promptly to issuers.

Except as otherwise provided in the Standards (for example, Chapter 3, POI Currency Conversion, *Transaction Processing Rules*), MasterCard will convert all transactions processed through GCMS into the equivalent reconciliation currency amount for settlement. MasterCard (not the merchant or acquirer) will convert the transaction using the buy, mid, fixed, and sell rates of the representative group of currencies most frequently traded.

Other arrangements are defined for those customers participating in bilateral agreements as described in Chapter 1 of the *Settlement Manual*.

The term "Standards" as used in this guide has the meaning set forth in the Definitions chapter of *MasterCard Rules*.

NOTE:

For more information about currency conversions, refer to Chapter 13 of the *GCMS Reference Manual*.

©1988–2015 MasterCard. Proprietary. All rights reserved.

1.9 Processing First Chargeback/1442 Messages

Customers must use the appropriate MTI and function code to identify the first chargeback.

MTI	First Chargeback/1442
Function Code 450	Full amount
Function Code 453	Partial Amount

An issuer may process a First Chargeback/1442 message if it determines that for a valid chargeback reason specified below and detailed in Chapter 3, MasterCard Message Reason Codes—Dual Message System Transactions, the transaction may be charged back to the acquirer.

Code	Reason
4802	Requested/Required Information Illegible or Missing
4807	Warning Bulletin File
4808	Requested/Required Authorization Not Obtained
4812	Account Number Not on File
4831	Transaction Amount Differs
4834	Duplicate Processing
4837	No Cardholder Authorization
4840	Fraudulent Processing of Transaction
4841	Canceled Recurring Transaction
4842	Late Presentment
4846	Correct Transaction Currency Code Not Provided
4849	Questionable Merchant Activity
4850	Installment Billing Dispute (Participating Countries Only)
4853	Cardholder Dispute—Defective/Not As Described
4854	Cardholder Dispute—Not Elsewhere Classified **(U.S. region only)**
4855	Goods or Services Not Received
4859	Addendum, No-show, or ATM Disputes
4860	Credit Not Processed

©1988–2015 MasterCard. Proprietary. All rights reserved.

Code	Reason
4863	Cardholder Does Not Recognize—Potential Fraud
4870	Chip Liability Shift
4871	Chip/PIN Liability Shift
4999	Domestic Chargeback Dispute **(Europe region only)**

An issuer may exercise one first chargeback per presented transaction within the time frame applicable for the chargeback reason code chosen. The transaction amount may be charged back one time by the issuer, either as a full chargeback amount, a partial chargeback amount, or multiple partial chargeback amounts not to exceed the original clearing message amount. The transaction amount may include a full or prorated Brand-level Surcharge or Product-level Surcharge). Upon reissuing a MasterCard or Debit MasterCard card with the same primary account number (PAN) and a new expiration date, the issuer must include the expiration date in all chargeback records. This requirement also applies to Maestro cards.

NOTE:

For information about the Brand-level Surcharge or Product-level Surcharge, refer to *MasterCard Rules*, Chapter 16, "Additional U.S. Region and U.S. Territory Rules," Rule 5.11.2, "Charges to Cardholders."

Under most circumstances, GCMS will measure the time frame from the Central Site Business Date of the presentment. Refer to Processing Cycles and Time Frames and the specific message reason codes in Chapter 3, MasterCard Message Reason Codes—Dual Message System Transactions for detailed information about time frame measurement.

To generate a chargeback, the issuer must submit the First Chargeback/1442 message with the applicable message reason as described in Chapter 3, MasterCard Message Reason Codes—Dual Message Reason Codes—Dual Message System Transactions.

The Corporate Purchasing Department Account Program does not have chargeback rights for the following message reason codes:

- 4837—No Cardholder Authorization
- 4840—Fraudulent Processing of Transactions
- 4863—Cardholder Does Not Recognize—Potential Fraud

IPM messages are composed of data elements and private data subelements critical to the exchange of transactions between acquirers and issuers. Customers must ensure that all of the data that is contained within the IPM messages is accurate and complete.

©1988–2015 MasterCard. Proprietary. All rights reserved.

1.9.1 First Chargeback Amount (DE 4 [Amount, Transaction])

An issuer must not charge back a transaction for an amount that exceeds the full amount of the transaction presented by the acquirer.

An issuer may, however, charge back a transaction for an amount less than the full amount of the transaction.

NOTE:

This rule applies to all transactions, except for transactions converted to U.S. dollars. Under these circumstances, the chargeback may be for an amount greater than the transaction amount originally presented by the acquirer.

NOTE:

To charge back a transaction for an amount less than the full amount of the transaction, issuers must submit the First Chargeback/1442 message with a function code of 453 (partial amount).

DE 24 (Function Code) identifies chargebacks submitted for an amount that is different from the original transaction amount. Customers must provide the partial amount function code throughout the life cycle of the chargeback, when applicable.

- **Customers in the U.S. region** processing a First Chargeback/1442 message:

  An issuer in the U.S. region that processes a chargeback will process it in U.S. dollars, using the First Chargeback/1442 message, with no conversion.
- **Customers outside the U.S. region** processing a First Chargeback/1442 message:

  An issuer located outside the U.S. region that processes a chargeback will convert the cardholder billing currency amount directly into U.S. dollars, except when the issuer and acquirer both participate in an intracurrency settlement agreement for which the transaction qualifies. In such event, the issuer will process the chargeback in the currency of the applicable intracurrency settlement agreement.

  For information about currency conversion processing procedures, refer to Chapter 13 of the *GCMS Reference Manual*.
- **For intra-European and inter-European transactions only.** Issuers may process a chargeback for the same or lesser amount of the original presentment received from the acquirer either:
  - In the original presentment reconciliation currency, as specified in DE 5 (Amount, Reconciliation) of the First Presentment/1240 message.
  - In the amount debited in the issuer's payment currency used for settlement of the original presentment, as specified in DE 6 (Amount, Cardholder Billing) of the First Presentment/1240 message.

For example, if the transaction is in EUR and the cardholder's currency is GBP, the chargeback amount may be in either EUR or GBP.

©1988–2015 MasterCard. Proprietary. All rights reserved.

1.10 Processing Second Presentment/1240 Messages

Customers must use the appropriate MTI and function code to identify the second presentment.

MTI	Second Presentment/1240
Function Code 205	Full amount
Function Code 282	Partial Amount

An acquirer may process a second presentment if the chargeback is invalid or if the acquirer can provide additional information to correct the original defect that led to the chargeback.

Refer to the specific message reason code for more information about second presentments. Refer to 1.15 Supporting Documentation and 1.16 Missing Documentation for detailed information about supporting documentation and missing documentation.

The processing requirements for a second presentment are identical for many of the message reason codes. The following standard procedure applies to these message reason codes unless otherwise stated under the particular message reason code:

- To process a second presentment electronically, the acquirer must process a Second Presentment/1240 message through GCMS with the applicable information in DE 95 (Card Issuer Reference Data) to identify the original chargeback. MasterCard does not require acquirers to return all original supporting documentation that the issuer provided with the original chargeback. Acquirers must provide only the additional documentation, as required in this guide, to support the current processing cycle.
- If both a transaction certificate and related data are presented in the clearing record (but not the authorization record), the acquirer is entitled to be reimbursed by the issuer for a handling fee for a second presentment for Message Reason Codes 4812 (Account Number Not On File). The acquirer can collect a USD 25 handling fee by submitting a Fee Collection/1740 message.

  Refer to the *GCMS Reference Manual* for more information.

1.10.1 Second Presentment Amount

An acquirer processes a second presentment for the same or lesser amount of the chargeback received from the issuer in U.S. dollars, without any further currency conversion.

For intra-European and inter-European transactions only. An acquirer may process a second presentment for the same or lesser amount of the chargeback received from the issuer either:

- In the currency of the chargeback, as specified in DE 4 (Amount Transaction) of the First Chargeback/1442 message.

©1988–2015 MasterCard. Proprietary. All rights reserved.

- In the acquirer payment currency used for settlement of the chargeback, as specified in DE 5 (Amount, Reconciliation) of the First Chargeback/1442 message.

Acquirers cannot process a second presentment for an amount greater than the issuer's chargeback, but the acquirer may process a second presentment for a lesser amount. Acquirers can initiate a partial amount second presentment when an issuer has charged back the full amount of the original presentment. And through communication with the merchant, the acquirer accepts responsibility for a portion of the disputed amount. Acquirers notify MasterCard and issuers that the second presentment is for less than the full amount of the first chargeback, by submitting a Second Presentment/1240 message with a function code of 282 (partial amount).

If the amount is not being reduced with the acquirer's second presentment, and the issuer originally submitted the First Chargeback/1442 message with a function code of 453 (partial amount), the acquirer must submit the Second Presentment/1240 message with a function code of 282 (partial amount).

NOTE:

To indicate a reduced chargeback amount, the issuer submits a First Chargeback/1442-453 message and the acquirer submits a Second Presentment/1240-282 message. If the issuer or acquirer does not reduce the amount, it should process the second presentment or arbitration amount with the same partial amount function code that it received.

1.11 Processing Arbitration Chargebacks (Arbitration Chargeback/1442 Message)

Customers must use the appropriate MTI and function code to identify the first chargeback.

MTI	Arbitration Chargeback/1442
Function Code 451	Full amount
Function Code 454	Partial Amount

An issuer has the right to collect a USD 25 handling fee upon receipt of a TID provided with a second presentment that reveals a merchant name, date, or location differing from the information transmitted in the first presentment. This fee is to reimburse the issuer for expenses incurred resulting from erroneous information provided with the original presentment that prompted the issuance of the unnecessary chargeback. The issuer collects this fee by processing a Fee Collection (Member-Generated)/1740 message to the acquirer with message reason code 7612.

©1988–2015 MasterCard. Proprietary. All rights reserved.

NOTE: The issuer must start the processing cycle again with a First Chargeback/1442 message if it receives a legible copy of the TID through a second presentment of a chargeback for message reason code 4802—Requested/Required Information Illegible or Missing and, after viewing the document for the first time, determines that it has another right of chargeback for a different reason.

The following standard procedure applies to an arbitration chargeback for each message reason code, unless otherwise stated. The issuer must process an Arbitration Chargeback/1442 message to the acquirer through GCMS, placing the same information in DE 95 (Card Issuer Reference Data) as was identified in the first chargeback and second presentment.

NOTE:

The issuer must provide any new documentation that supports the arbitration chargeback or the change in the message reason code to the acquirer.

Refer to 1.15 Supporting Documentation for more information about supporting and missing documentation.

Refer to Arbitration Chargeback/1442 IPM (Function Codes 451 or 454) Message Reason Code Usage in Chapter 3, MasterCard Message Reason Codes—Dual Message System Transactions for a list of definitions of the Arbitration Chargeback/1442 IPM message reason codes.

1.11.1 Arbitration Chargeback Amount

Issuers process an arbitration chargeback for the same or lesser amount of the second presentment received from the acquirer in U.S. dollars, without any further currency conversion.

For intra-European and inter-European transactions only. Issuers may process an arbitration chargeback for the same or lesser amount of the second presentment received from the acquirer either:

- In the second presentment reconciliation currency, as specified in DE 5 (Amount, Reconciliation) of the Second Presentment/1240 message.
- In the amount debited in the issuer's payment currency used for settlement of the second presentment, as specified in DE 6 (Amount, Cardholder Billing) of the Second Presentment/1240 message.

An arbitration chargeback may not be for an amount in excess of the acquirer's second presentment, but it may be for a lesser amount. To indicate a lesser amount, the issuer submits the Arbitration Chargeback/1442 with a function code of 454 (partial amount).

If the acquirer has initiated the second presentment for an amount less than the original chargeback amount, the issuer must process the arbitration chargeback with the function code of 454 (partial amount).

©1988–2015 MasterCard. Proprietary. All rights reserved.

1.12 Arbitration Case Filing

After an issuer initiates an arbitration chargeback, neither the issuer nor the acquirer has further rights of chargeback or presentment.

An acquirer may file an arbitration case with MasterCard to resolve the dispute for one of the following reasons:

- The acquirer thinks that the issuer's arbitration chargeback was invalid.
- The acquirer did not receive the supporting documentation that the issuer should have provided with the arbitration chargeback. (If the arbitration case involves missing documentation, the acquirer must wait eight calendar days before filing the case.)
- The acquirer can provide documentary evidence to remedy the arbitration chargeback. (MasterCard does not consider additional documentation that the acquirer should have provided to the issuer with the second presentment.)

Refer to Chapter 5, Arbitration Procedures for more information about arbitration case filing procedures.

NOTE: A customer can file an arbitration case only when it has first exercised any available rights under the chargeback processes described in this guide.

A customer that requests to withdraw the arbitration filing before the issuance of a ruling is assessed both the filing fee and a withdrawal fee by MasterCard.

MasterCard will rule on the case based on the documentation provided within the chargeback processing cycles. Therefore, both customers should make sure that they present their best case—the issuer with its chargeback and arbitration chargeback, and the acquirer with its second presentment and arbitration case filing.

In circumstances where no applicable message reason code exists to remedy a dispute, and a financial loss has been documented as a direct result of a rule violation, the customer may attempt to resolve the matter through compliance procedures.

Refer to Chapter 5, Arbitration Procedures for the arbitration filing procedures.

Refer to Chapter 6, Compliance Procedures for the compliance procedures.

1.12.1 Arbitration Case Filing Amount

All arbitration proceedings are for amounts expressed in USD. Intra-European and inter-European cases may be filed in EUR. Intra-United Kingdom cases may be filed in GBP.

When customers initiate an arbitration case filing, the amount must not exceed the full amount of the arbitration chargeback, but it may be for a lesser amount.

©1988–2015 MasterCard. Proprietary. All rights reserved.

1.13 Record Content

Customers must process all chargebacks, second presentments, and arbitration chargebacks through GCMS using IPM messages.

- First Chargeback/1442
- Second Presentment/1240
- Arbitration Chargeback/1442

IPM messages include specific fields critical to the interchange of transactions between acquirers and issuers. Customers must ensure that all the data contained within the IPM message is accurate and complete.

Refer to *IPM Clearing Formats* for message formats.

Customers that submit transactions must perform specific edits on each field of the IPM message. In general, the customer must edit all fields for correct content and the record must contain all required fields.

If the customer processes a message and it does not pass the GCMS edit criteria, GCMS will reject the message.

The following sections identify fields included within the first chargeback, second presentment, and arbitration chargeback messages that are of particular importance in the interchange process. Therefore, customers must ensure that they adhere to the following criteria when processing a chargeback.

1.13.1 Card Issuer Reference Data

DE 95 (Card Issuer Reference Data) is a unique value with a maximum of 10 positions that the issuer assigns with its original chargeback.

DE 95 is used to track the chargeback throughout its life cycle. The issuer may, at its option, use the first four positions to identify its Customer ID number. DE 95 may be used to identify the originator and, in turn, the originator may determine and direct the chargeback to the department or affiliate customer that initiated the original chargeback.

Additionally, the issuer provides DE 95 when processing a retrieval request. The acquirer is required to include the same data in a subsequent fulfillment of the retrieval request.

The issuer must not use the same DE 95 value more than once in a 12-month period. GCMS edits validate all incoming chargebacks against the chargeback history file to ensure that the incoming chargebacks do not contain a DE 95 value used previously with the same bank identification number (BIN). Acquirers must not modify the DE 95 value when submitting a second presentment. The same unique DE 95 value used for the First Chargeback/1442 must be maintained with the Second Presentment/1240, Arbitration Chargeback/1442 and arbitration case filing. GCMS will reject the chargeback, second presentment, or arbitration chargeback if it contains an invalid DE 95 value.

©1988–2015 MasterCard. Proprietary. All rights reserved.

1.13.2 Documentation Indicator

A customer uses PDS 0262 (Documentation Indicator) to indicate the following conditions.

Code	Description
0	No documentation to follow
1	Documentation to follow

The documentation indicator shows that the customer is providing documentation to support a chargeback, second presentment, or arbitration chargeback.

- When documentation is neither required nor sent, the customer places a **zero** in PDS 0262.
- If the chargeback requires supporting documentation, the customer places a **one** in PDS 0262.
- If a customer chooses to provide documentation, although it is not required, the customer again places a **one** in PDS 0262.
- Customers should not process second presentments or arbitration chargebacks for missing documentation if the message reason code for the previous cycle did not require documentation.
- GCMS will edit this field for all chargeback messages that require supporting documentation, and reject the message if the indicator is not a **one**.

1.13.3 Data Record Text

Customers use DE 72 (Data Record) during the different chargeback processing cycles to provide the receiving customer with specific information about the transaction.

Some chargeback reasons require that the sender of the chargeback, second presentment, or arbitration chargeback enter specific text. If specific text is not required in DE 72, the sender of the message may provide information about the disputed transaction or identify the reason for a returned transaction in DE 72.

An issuer may include additional message reason codes in DE 72 if the item qualifies for more than one specific chargeback reason. However, the additional chargeback reasons would serve only as an advisement and would not require a response of either acceptance or denial from the acquirer. The issuer may use the additional message reason codes only if this does not interfere with the required DE 72 text for the chargeback message reason.

For Mexico domestic transactions, the first positions of DE 72 must contain the Mexico domestic reason code (up to three alphanumeric characters).

©1988–2015 MasterCard. Proprietary. All rights reserved.

1.13.3.1 Data Record Text Examples

In this guide, for message reason code 4853—Cardholder Dispute, the acquirer's General Second Presentment condition chart shows **None** under the DE 72 (Data Record) for message reason code 2700—See Corresponding Documentation/Chargeback Remedied.

This indicates that text is not required. However, the acquirer should identify the reason for the second presentment to the issuer in DE 72, for example, "MERCHANT PROPERLY DISCLOSED CREDIT POLICY."

Message reason code 4834—Duplicate Processing requires that the issuer provide the contents of DE 31 (Acquirer Reference Data) of the first transaction posted to the cardholder's account in DE 72 of the chargeback. In this instance, the issuer must complete and use the required text of "FIRST REF NNNNNNNNNNNNNNNNNNNNNN."

Refer to the individual message reason codes in Chapter 3, MasterCard Message Reason Codes—Dual Message System Transactions to determine whether there is a particular requirement to provide text.

1.14 Retrieval Requests

Before initiating certain chargebacks, the issuer may be required to request a copy of the TID to substantiate the chargeback.

The acquirer is under an obligation to fulfill this request by providing a copy or substitute draft of the TID, or alternatively must provide a response advising the issuer why the acquirer cannot honor the request.

Refer to Chapter 2, Retrieval Requests and Fulfillments—MasterCard Dual Message System Transactions for more information about processing retrieval requests and fulfillments.

1.15 Supporting Documentation

The term "documentation" is used throughout the various chargeback cycles. Documentation may be required to support the chargeback, second presentment, or arbitration chargeback. Supporting documentation, regardless of cycle, must provide sufficient detail to enable all parties to understand the nature of the dispute or rebuttal. MasterCard will determine whether the specific documentation presented in a chargeback cycle contains sufficient detail.

Translation of Documentation. Customers must provide the relevant documentation or information to substantiate the chargeback cycle, arbitration case, or compliance case in the English language or with an accompanying translation in English. The customer must provide a copy of the original documentation that was translated.

When Customers Share a Common Language. A translation of the documentation is not necessary if the dispute is initiated between two customers that share a common language. However, if such a dispute escalates to an arbitration or compliance case, the filing customer must provide an English translation of the relevant selections of the documentation that

©1988–2015 MasterCard. Proprietary. All rights reserved.

corroborates the dispute when filing a case. The filing customer also must include a copy of the original documentation that was translated.

Documentation Processed Through MasterCom®. When a customer forwards chargeback documentation using the CSD application of the MasterCom electronic imaging system, the system automatically generates the chargeback record information and forwards it with the supporting documentation.

If a second presentment or arbitration chargeback occurs, the customer should provide only new documentation through the MasterCom system. (Customers are not required to return all original supporting documentation provided by the sending customer for each subsequent phase of the chargeback process. They must provide only the additional documentation as required in this guide to support the current processing cycle.)

Customers must provide supporting documentation using either the MasterCom Pro or MasterCom Hosted applications. For procedures to process chargeback support documentation and case filings utilizing the MasterCom system, please refer to the *MasterCom Pro User Guide* or the *MasterCom Hosted Guide* available in MasterCard Connect™.

Any action received in MasterCom must be responded to in MasterCom. Any action responded to outside of MasterCom will not be considered a proper response to the request.

Non-matching Primary Account Number (PAN) Information. For transactions processed using the MasterCard Contactless PAN Mapping Service or the MasterCard Digital Enablement Service, the cardholder PAN in chargeback supporting documentation will differ from the PAN originally transmitted by the acquirer. For such transactions, or in the event of any difference in PAN information, the PAN mismatch must not be the sole basis for an acquirer's documentation-related second presentment. The acquirer must be able to demonstrate through other transaction details that the documentation provided by the issuer does not support the chargeback.

1.15.1 Documentation Types

Some examples of the types of documentation are provided in this section.

Any requirement to provide documentation is identified for each message reason code in Chapter 3, MasterCard Message Reason Codes—Dual Message System Transactions.

Some examples of the types of documentation include the following:

- **The TID**—The customer is required to send the original or a legible photocopy of the actual TID that was generated upon completion of the transaction. There are exceptions to this rule, for example, when the type of transaction allows the acquirer to provide an electronically reproduced substitute draft of the transaction or when the cardholder uses a PIN. This guide notes the applicable exceptions.

  Merchants with electronic terminals are required to truncate the Primary Account Number (PAN). When the TID contains an authorization response provided through the MasterCard Network or the clearing system provides DE 55 for off-line Chip processing, all aspects of the exception item process will support PAN truncation on TIDs. At no time does the merchant need to retain the entire PAN, with the exception of transactions resulting from a

©1988–2015 MasterCard. Proprietary. All rights reserved.

manual embossment or electronic terminals that do not obtain Dual Message System authorization with a magnetic stripe transaction.

- **Cardholder copy of the slip**—A copy of the sales slip provided by the cardholder.
- **Cardholder documentation** that provides specific information about the dispute. By providing this cardholder documentation, the issuer is certifying that there is a relationship between the issuer and the cardholder, and that the information is true, accurate, and complete. Cardholder documentation used as supporting documentation must be the result of contact with the cardholder. Cardholder documentation may be, but is not limited to, a written cardholder letter, Dispute Resolution Form, Expedited Billing Dispute Form, electronic mail message, or password-protected website.
- **A written complaint (letter, form, or email message) from a company or government agency representative on behalf of a corporate card cardholder for (1) non-fraudulent type disputes and (2) message reason code 4837 (No Cardholder Authorization) chargebacks when the authorized cardholder no longer is employed by the company or government agency and the issuer has closed the account**—Providing specific information about the dispute of the transaction, which may include the cardholder's name, account number, transaction date, transaction amount, disputed amount, and a statement that the complaint has been written by a company or government agency representative on behalf of a corporate card cardholder. In providing an email message, the issuer is certifying that there is a relationship between the issuer and the cardholder on whose behalf the message was generated and that the message is true, accurate, and complete (unedited).
- **A Dispute Resolution Form or Expedited Billing Dispute Form**—Completed by the issuer's customer service representative while on the phone with the cardholder or a company or government agency representative on behalf of a corporate card cardholder. The Dispute Resolution Form may be provided in place of a written complaint generated by or on behalf of the cardholder. The completed form provided as supporting documentation must be the result of contact with the cardholder. There are two types:
  - The Dispute Resolution Form (non-fraud) or Expedited Billing Dispute Form (non-fraud) which may be used only for non–fraud-related disputes using message reason codes 4831, 4841, 4846, 4853, 4854, 4855, 4859, and 4860.
  - The Dispute Resolution Form (Fraud) may be used for disputes using message reason codes 4837, 4840, 4870, and 4871. This form may only be used if the MasterCard card account is closed and the transaction has been reported to SAFE (System to Avoid Fraud Effectively). The issuer must supply the cardholder's affidavit of fraud when requested by the acquirer pursuant to the cardholder's affidavit of fraud when requested by the acquirer pursuant to a judicial request or similar legal action.

  MasterCard has replaced and consolidated the Expedited Billing Dispute forms shown in the next paragraph. MasterCard strongly recommends customers use the *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) for cardholder disputes or the *Dispute Resolution Form—Point-of-Interaction (POI) Errors* (Form 1240) for error in processing disputes.

  MasterCard will no longer update the following Expedited Billing Dispute forms, although these forms will remain available on the MasterCard Connect Forms site:

©1988–2015 MasterCard. Proprietary. All rights reserved.

- *Expedited Billing Dispute Resolution Process Form Reason Code 4841* (Form 0408)
- *Expedited Billing Dispute Resolution Process Form Reason Code 4855* (Form 0411)
- *Expedited Billing Dispute Resolution Process Form Reason Code 4859* (Form 0413)
- *Expedited Billing Dispute Resolution Process Form Reason Code 4859 (Addendum Dispute)* (Form 0413a)
- *Expedited Billing Dispute Resolution Process Form Reason Code 4860* (Form 0408a)
- *Expedited Billing Dispute Resolution Process Form Reason Code 4853* (Form 0409)
- *Expedited Billing Dispute Resolution Process Form (Counterfeit Goods)* (Form 0409c)
- *Expedited Billing Dispute Resolution Process Form Reason Code 4831* (Form 0407)
- *Expedited Billing Dispute Resolution Process Form Reason Code 4846* (Form 0430)

Refer to Appendix G, Forms for instructions on accessing required forms. The customer service representative signs the form or electronically prints his or her name on the form. MasterCard will not require a cardholder signature in documentation supporting these chargebacks.

- **Progressive cardholder documentation**—A cardholder complaint (letter, email, or form), created under the condition described in the three preceding bullets of this section, that is sent as supporting documentation with an arbitration chargeback. The progressive cardholder documentation must specifically address new information or a merchant's rebuttal that was provided with a second presentment. The progressive cardholder documentation must be properly provided after the second presentment, arbitration chargeback, or arbitration case filing documentation. The progressive cardholder letter, email, or form provided as supporting documentation must be the result of contact with the cardholder.
- **For chip-read transactions,** DE 55 and related data.
- **Any other documentation that may be appropriate to support a particular chargeback, second presentment, or arbitration chargeback;** for example, Electronic Data Capture (EDC) log, magnetic stripe-reading (MSR) terminal or hybrid terminal printer certification, merchant rebuttal, or the authorization log.

1.16 Missing Documentation

When the customer does not receive required supporting documentation within eight calendar days of receiving the chargeback, second presentment, or arbitration chargeback, it may submit a second presentment, arbitration chargeback, or file an arbitration case between the ninth calendar day and the 45th calendar day after receipt of the message. (This action does not apply to chargebacks that do not require supporting documentation.)

For example:

- If the acquirer did not receive the required documentation to support a chargeback, the acquirer can submit a Second Presentment/1240, message reason code 2002 for "Non-receipt of Required Documentation to Support Chargeback."

©1988–2015 MasterCard. Proprietary. All rights reserved.

- If the issuer did not receive the required documentation to support a second presentment, the issuer can submit an Arbitration Chargeback/1442, message reason code 4901 for "Required Documentation Not Received to Support Second Presentment."

The following applies to Mexico domestic transactions only:

When the customer does not receive the required supporting documentation within one business day of receiving the chargeback, second presentment, or arbitration chargeback, it may submit a second presentment or arbitration chargeback or file an arbitration case between the second business day and the 45th calendar day after receipt of the message. All Mexico domestic transaction disputes require supporting documentation.

NOTE:

The customer must use the correct message reason code to indicate that documentation for the previous cycle was not received.

GCMS rejects any second presentment or arbitration chargeback message that indicates "missing documentation" if the Chargeback History File indicates that the customer provided documentation through the MasterCom system.

GCMS also rejects any arbitration chargeback that follows a valid second presentment containing a message reason code of 4901 in the following situation:

- The Chargeback History File indicates that documentation for the issuer's first chargeback was not provided through the MasterCom system.
- The chargeback message reason always requires that documentation be provided.

1.17 Incompatible or Invalid Acquirer Reference Data

When processing a chargeback, an issuer must provide the acquirer with an Acquirer Reference Data (ARD) in the First Chargeback/1442 message.

If the acquirer receives an invalid ARD, or one that is incompatible with the cardholder account number and transaction amount, the acquirer must submit a Second Presentment/1442 message within 45 calendar days of the Central Site Business Date of the message. No documentation is required to support a second presentment caused by an invalid/incompatible ARD.

1.17.1 Second Presentment

When the acquirer submits a second presentment because the issuer supplied an incompatible or invalid ARD, and no documentation is required or provided, the acquirer must submit a second presentment with message reason code 2001 (Invalid Acquirer Reference Data on Documentation was Received or was Not Required).

When the acquirer did receive documentation, the acquirer must submit a second presentment with message reason code 2004, "Invalid Acquirer Reference Data on Chargeback; Documentation was Received."

©1988–2015 MasterCard. Proprietary. All rights reserved.

1.17.2 Arbitration Chargeback

An issuer may remedy the second presentment within 45 calendar days of its receipt by providing the valid or compatible ARD with its arbitration chargeback.

If the issuer's investigation shows that it did provide correct information with its original chargeback, a copy of the incoming report showing the ARD must be provided as supporting documentation.

When initiating the arbitration chargeback, the issuer must state, "Correct reference number supplied" in DE 72 (Data Record).

1.17.3 Arbitration Case Filing

When two customers cannot resolve the validity or compatibility of the ARD, an arbitration case may be filed with MasterCard to resolve the dispute.

1.18 Invalid Chargeback, Second Presentment, and Arbitration Chargeback

A customer that receives an erroneous chargeback, second presentment, or arbitration chargeback must use the next processing cycle, if available, to reverse the message.

NOTE:

This guide does not address every example of a remedy that a customer may take when it believes that another customer has incorrectly effected a chargeback, second presentment, or arbitration chargeback. However, a customer always may reverse such incorrect processing during the next available processing cycle and must be prepared to prove its claim in arbitration if the other customer so proceeds.

For example, an acquirer must process a second presentment if it determines that it received an erroneous chargeback from an issuer; and an issuer must process an arbitration chargeback if it determines that it received an erroneous second presentment from an acquirer.

The customer that receives the chargeback, second presentment, or arbitration chargeback may accept it, or process a second presentment or arbitration chargeback, as applicable, if either of these processing cycles is available. If not, the customer may file an arbitration case.

1.19 Chargeback Information and Documentation Retention Period

Customers are required to store chargeback information and supporting documentation for all chargebacks, second presentments, arbitration chargebacks, and arbitration cases.

Customers do not need to keep these copies after the dispute is resolved or if the time duration for processing disputes has elapsed.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Refer to 2.5 Transaction Information Document Retention Period for the retention requirements for TIDs.

1.20 Miscellaneous Fees and Charges

Customers must settle all miscellaneous fees and charges by submitting a Fee Collection/1740 message. This message contains the information that customers need to process miscellaneous fees and charges.

1.20.1 Function Codes

The function codes used with the Fee Collection/1740 message are as follows.

Code	Description
700	Collection (or first submission)
780	Collection Return (or first resubmission)
781	Collection Resubmission (second submission)
782	Collection Arbitration Return (final resubmission)

Refer to *GCMS Reference Manual* for additional information about the Fee Collection/1740 message.

1.20.2 Submitting the Fee Collection/1740 Message

A customer that processes a Fee Collection/1740 Message through GCMS must mail any required supporting documentation in accordance with the instructions on the specific ICA form or as specified in this section.

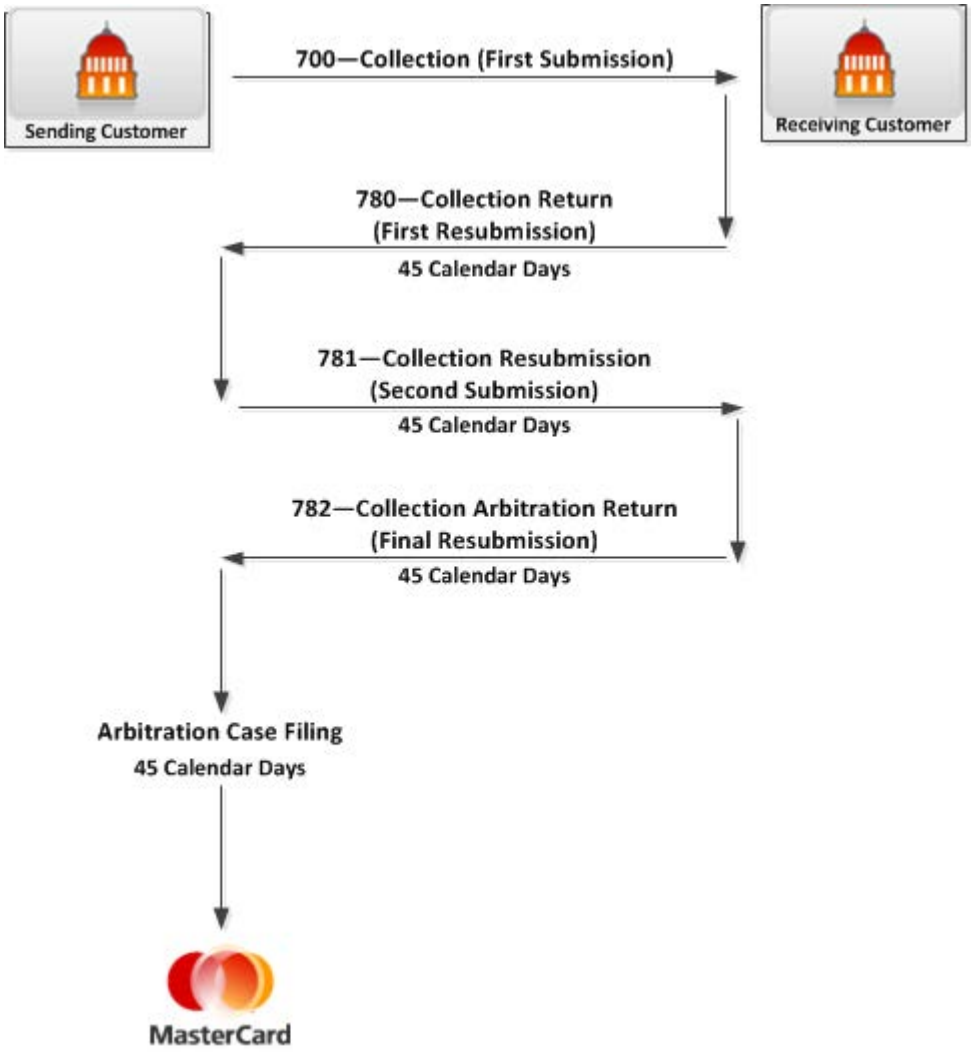
The PDS 0137 (Fee Collection Control Number) must be noted clearly on all documentation to allow the receiving customer to match the documentation to the applicable message and transaction.

1.20.3 Returning and Resubmitting the Fee Collection/1740 Message

This diagram shows the function codes that customers use when submitting a Fee Collection/1740 message.

Submitting the Fee Collection/1740 Message

©1988–2015 MasterCard. Proprietary. All rights reserved.



The receiving customer may submit a Fee Collection/1740 message within 45 calendar days after receipt of the message through GCMS for any of the following reasons.

DE 72 (Data Record) must indicate one of the following reasons for return:

- Supporting documentation not received (The receiving customer must wait 21 calendar days from the date it receives the message through GCMS before returning it for this reason.)
- Misrouted to wrong customer
- Past applicable time frame
- The message text was not provided or was incomplete
- Fee charged exceeds amount allowed
- Fee inaccurate because of entry error
- Charged twice for same fee

©1988–2015 MasterCard. Proprietary. All rights reserved.

- Unauthorized fee/charge—receiving customer did not approve or agree to accept fee/charge. (Applies only to transaction message reason codes for good-faith acceptance [message reason code 7606] and collection letters [message reason code 7607].)
- Improper handling fee (An erroneous or inappropriate progressive handling fee was received. The reason for the return must be given following the required text for the message reason code specified in the *GCMS Reference Manual.*)

If a customer returns a fee or charge for any of the above reasons, the customer may resubmit it through GCMS within 45 calendar days of receipt of the message, but only if the reason for return has been corrected. For example, the missing documentation or correct amount has to have been supplied. The customer should enter an explanation in DE 72.

Any fee or charge that is improperly resubmitted may be returned within 45 calendar days of receipt of the Fee Collection/1740 message. Before returning the message for missing documentation, the receiving customer must wait 21 calendar days from the date it receives the message through GCMS. The customer should enter an explanation in DE 72.

No third submission through GCMS will be permitted. The customer may file a compliance case to resolve any remaining unsolved dispute concerning the Fee Collection/1740 message. See Chapter 6, Compliance Procedures for compliance filing procedures.

NOTE:

For case filings initiated for a violation of this section, MasterCard does not require pre-compliance.

The sending customer must reverse any Fee Collection/1740 message that is duplicated in error. To do so, customers may enter a value of **R** in PDS 0025 (Message Reversal Indicator), subfield 1 (Message Reversal Indicator).

1.21 Correction of Errors

If a customer has been unjustly enriched because of an error, the customer must reimburse the amount with which it has been enriched to the customer or customers that have suffered the corresponding loss.

This rule applies for all products.

1.22 MasterCard Electronic

Except as may be otherwise provided in the MasterCard Electronic Rules, an issuer has the right to charge back an interchange transaction initiated with a MasterCard Electronic card if a MasterCard merchant accepts a MasterCard Electronic card for payment and a dispute arises pertaining to the transaction.

The Standards set forth in Chapter 3, MasterCard Message Reason Codes—Dual Message System Transactions will apply.

©1988–2015 MasterCard. Proprietary. All rights reserved.

M/Chip™ is the MasterCard global payment solution for placing MasterCard®, Maestro®, and Cirrus® transaction functionality on a smart card chip. One of the key benefits of an M/Chip-based MasterCard® Electronic™ card is the ability to avoid inadvertent offline acceptance. M/Chip also helps to reduce counterfeit fraud by providing more robust offline and online card authentication methods (CAMs).

1.22.1 Second Presentment Procedures for Inadvertent Acceptance of MasterCard Electronic

Acquirers that have opted out of MasterCard Electronic may process a second presentment indicating in DE 72 (Data Record) that the transaction was authorized and that the acquirer has opted out of participating in MasterCard Electronic.

Europe acquirers that do not have a MasterCard Electronic acquiring license are automatically considered to have opted out of MasterCard Electronic.

The conditions shown below represent remedies or options that the acquirer can use to process a second presentment.

Transaction Was Authorized

Transaction Was Authorized	
IPM Second Presentment Message Reason Code	**2713** Invalid Chargeback
Second Presentment Condition	The acquirer must substantiate that it has opted out of participating in MasterCard Electronic, and that the transaction was authorized.
Supporting Documents	None
DE 72 (Data Record)	NOT MCE AUTH MMDDYY NNNNNN
Notes	Replace **MMDDYY** with the date the issuer authorized the transaction. Replace **NNNNNN** with the authorization approval code.

Transaction Did Not Require Authorization

Transaction Did Not Require Authorization	
IPM Second Presentment Message Reason Code	**2713** Invalid Chargeback

©1988–2015 MasterCard. Proprietary. All rights reserved.

Transaction Did Not Require Authorization	
Second Presentment Condition	The acquirer must substantiate that it has opted out of MasterCard Electronic participation, the transaction did not require authorization, and an authorization request was not made.
Supporting Documents	Confirmation letter from MasterCard that the acquirer opted out of MasterCard Electronic card participation
DE 72 (Data Record)	NOT MCE
Notes	None

1.22.2 Arbitration Chargeback Procedures for Inadvertent Acceptance of MasterCard Electronic

If a second presentment failed to remedy the first chargeback, the issuer should process the arbitration chargeback using the appropriate reason code and indicating in DE 72 (Data Record) if a **C** was not present in DE 48 (Additional Data).

Arbitration Chargeback for MasterCard Electronic	
IPM Arbitration Chargeback Message Reason Code	Applicable message reason code
Arbitration Chargeback Details	For transactions authorized via the MasterCard Network, the issuer determines that **C** is not present in DE 48 (or DE 048) (Additional Data—Private Use) of the Authorization Request/0100 message.
Supporting Documents	Authorization log reflecting the code contained in DE 48 (or DE 048) (Additional Data—Private Use), subelement 76 (MasterCard Electronic Acceptance Indicator) of the Authorization Request/0100 message.
DE 72 (Data Record)	None
Notes	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

Chapter 2 Retrieval Requests and Fulfillments—MasterCard Dual Message System Transactions

This chapter includes information about processing retrieval requests and fulfillments through the MasterCom® electronic imaging system and by means other than the MasterCom system. It also includes information about settlement for retrieval request fulfillments, retention period requirements for transaction information documents, and fines and penalties associated with retrieval requests.

Overview..... 52
2.1 Issuer's Right to Request a Transaction Information Document (TID).....52
2.2 Acquirer's Obligation to Provide a Transaction Information Document (TID)..... 52
2.3 MasterCom Processing.....53
2.3.1 Initiating a Retrieval Request.....53
2.3.2 Acquirer's Retrieval Request Response..... 54
2.3.3 Time Frame for Fulfilling a Retrieval Request 55
2.3.4 Fulfillment Types.....55
2.3.4.1 Documentation Specifications.....56
2.3.5 Requirements for a Substitute Draft.....56
2.3.5.1 Substitute Draft for Card Not Present Transaction.....56
2.3.5.2 Draft for Vehicle Rental Transaction.....57
2.3.5.3 Substitute Draft for Airline and Passenger Railway Transaction..... 57
2.3.5.4 Substitute Draft for Lodging Transaction..... 58
2.3.5.5 Substitute Draft for Cardholder-Activated Terminal (CAT) Transaction.....58
2.3.5.6 Substitute Draft for Parking Lot Transaction..... 58
2.3.5.7 Substitute Draft for Chip-Read Transaction.....59
2.3.5.8 Substitute Draft for Contactless Transit Transaction..... 59
2.3.6 Retrieval Request Fulfillment Procedure.....59
2.3.7 Image Review Guidelines for Rejecting Fulfillments..... 60
2.3.7.1 MasterCom Image Review Reject Codes..... 61
2.3.7.2 Guidelines for Rejecting for "P" (Primary Account Number Missing/Illegible)..... 62
2.3.7.3 Guidelines for Rejecting for "A" (Transaction Amount Missing/Illegible)..... 62
2.3.7.4 Guidelines for Rejecting for "E" (Not Used).....63
2.3.7.5 Guidelines for Rejecting for "W" (Wrong Document/Item Not as Requested)..... 63
2.3.7.6 Guidelines for Rejecting for "O" (Other—Missing Information on Substitute Draft).....63
2.3.7.7 Memo Field..... 63
2.3.8 Image Review Guidelines for Rejecting Acquirer's Response Codes..... 64

©1988–2015 MasterCard. Proprietary. All rights reserved.

2.3.9 MasterCom Image Review Decisions....65
2.4 Settlement....65
2.5 Transaction Information Document Retention Period....66
2.6 Fulfillment Fees....66
2.7 Fee Generation....67

©1988–2015 MasterCard. Proprietary. All rights reserved.

Overview

The issuer submits a retrieval request to obtain a copy of a transaction information document (TID) from the acquirer. The requested document may help resolve an issue with a transaction. MasterCard uses the term TID to include transaction documentation such as form sets, sales tickets, terminal receipts, or records of charges.

Fulfillment occurs when the acquirer provides the issuer with the TID. MasterCard processes and settles the appropriate fees.

This chapter includes the following information:

- Procedures to process retrieval requests, responses, and fulfillments through the MasterCom® electronic imaging system
- Recommended procedures for customers that choose to submit or fulfill retrieval requests by means other than the MasterCom system
- Settlement procedures for retrieval request fulfillment records
- Retention period requirements for TIDs
- Information about applicable fees, fines, and penalties

2.1 Issuer's Right to Request a Transaction Information Document (TID)

Because acquirers must present clearing records to all other customers electronically through the Global Clearing Management System (GCMS), the issuer has the right to request the original TID, a copy of the original TID, or a substitute draft.

The three most common reasons for an issuer to initiate a retrieval request are to:

- Satisfy a cardholder inquiry
- Substantiate a chargeback
- Support legal or fraud investigation

However, this right does not apply to MasterCard® ATM Network transactions or to intra-European and inter-European CAT Level 1, 2, or 3 transactions.

2.2 Acquirer's Obligation to Provide a Transaction Information Document (TID)

The acquirer has an obligation to provide a legible copy of the TID or a substitute draft if requested by the issuer.

To ensure timely delivery of the item, MasterCard strongly recommends that the acquirer provide the documentation through the MasterCom system. Using the MasterCom system ensures that the issuer receives the transaction information document image or acquirer's retrieval request response code.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Acquirers must provide TIDs within the applicable time frames even though the issuer may not have a chargeback right.

In addition, any customer in violation of this section may be assessed a fee of USD 1,000 per day or a fraction thereof, up to a maximum of USD 10,000 for any single customer.

2.3 MasterCom Processing

All customers have been assigned a MasterCom endpoint to help with the routing of retrieval and chargeback documentation through the MasterCom system.

The MasterCom system is PC-based and electronically transmits a copy of the requested TID through the MasterCom server. The result is a clear copy that the issuer and the cardholder can read, and proof for the acquirer that it fulfilled the request. Once again, MasterCard strongly recommends that customers use the MasterCom system to ensure timely delivery of items and to retain subsequent chargeback and presentment rights.

2.3.1 Initiating a Retrieval Request

All customers must process and receive retrieval requests through GCMS to protect their chargeback rights under message reason code 4802—Requested/Required Information Illegible or Missing.

NOTE:

Customers should recognize that for transactions processed using the MasterCard Contactless PAN mapping service, the cardholder PAN for retrievals differ from the PAN originally transmitted by the acquirer.

To request an item electronically, issuers must submit a Retrieval Request/1644–603 message. This message contains all of the information necessary for an acquirer to locate a requested item. Refer to the *IPM Clearing Formats* manual for a description and layout of the IPM message.

Value	Meaning
6305	Cardholder does not agree with billed amount
6321	Cardholder does not recognize transaction
6322	Transaction Certificate (ICC Transaction)
6323	Transaction Information Document (TID) needed for cardholder's personal records expense reporting
6341	Fraud investigation
6342	Potential chargeback or compliance documentation

©1988–2015 MasterCard. Proprietary. All rights reserved.

Value	Meaning
6343	Real-time Substantiation Audit Request (IIAS)

Once processed, a retrieval request is not allowed to be reversed.

2.3.2 Acquirer's Retrieval Request Response

If an acquirer cannot locate an item based on the information that the issuer provided in the retrieval request, the acquirer may respond through the MasterCom workstation with one of the acquirer response codes listed below. The acquirer should thoroughly research the retrieval request before transmitting a response.

The issuer receives the acquirer's response on its MasterCom workstation. The MasterCom system maintains an audit trail within the issuer's notification file.

For more details, refer to the *MasterCom Pro User Guide* and the online help for the MasterCom system.

The four Acquirer Response Codes listed in the following table describe the reasons for the failure to provide requested items.

Acquirer Response Codes	Description
A	The acquirer reference data (ARD) is not within the range of reference numbers assigned by that acquirer.
B	The ARD and cardholder number combination in the retrieval request does not match the original document.
C	Any of the following: • The issuer's request for retrieval was for a transaction identified as a contactless transaction that is equal to or less than the applicable CVM Limit. An Acquirer Response Code of **C** may not be used in response to an issuers request for a transaction identified as a Contactless Transit Post-Authorized Aggregated transaction that is equal to or less than the applicable CVM Limit. • The issuer's request for retrieval was for a transaction identified as a Quick Payment Service (QPS) transaction that is equal to or less than the applicable CVM Limit.
E	The item is unavailable.

MasterCard recommends that all acquirers process their response codes through their MasterCom workstation.

©1988–2015 MasterCard. Proprietary. All rights reserved.

2.3.3 Time Frame for Fulfilling a Retrieval Request

The acquirer should ensure that the issuer receives the TID within 30 calendar days following the Central Site Business Date of the retrieval request.

2.3.4 Fulfillment Types

The acquirer that receives a retrieval request must fulfill the request even though a right of chargeback may not exist under the chargeback message reason codes detailed in Chapter 3, MasterCard Message Reason Codes—Dual Message System Transactions.

For chip-read transactions, acquirers also must provide the transaction certificate inclusive of its elements upon request.

The acquirer must provide the following types of fulfillments in response to the value indicated in Retrieval Document Code (Private Data Subelement [PDS] 0228). Retrieval Document Code values are defined as follows:

- **1 = Original TID.** The original TID also is referred to as the "hard copy," or "original paper." The acquirer must transmit a legible copy using the MasterCom system in response to this request. Additionally, the acquirer may provide the original document by certified mail or overnight courier if it is available.

  If the transaction was a mail order, a retrieval request fulfillment for the "hard copy" must minimally provide the cardholder's name and description of the merchandise. **MasterCard urges customers to consult legal counsel to determine their individual retention period requirements for original or actual interchange documentation.**
- **2 = Copy of the Original TID.** The acquirer must transmit a legible image of either a TID copy or substitute draft when applicable.

  MasterCard recommends that acquirers fulfill a retrieval request with a legible copy of the TID, even though a substitute draft may be permitted if the reason for request includes a requirement for a signature or proof of the card's presence.
- **4 = Substitute draft or facsimile draft.** The acquirer may transmit a substitute draft if the transaction was any one of the following transaction types:
  - Mail/phone order or recurring transaction or any other non-face-to-face (*SecureCode* and other Electronic Commerce transactions)
  - Airline/passenger railway
  - Vehicle rental
  - Parking lot
  - Lodging
  - CAT
  - Chip-read transaction

The acquirer must not fulfill a retrieval request for a retail transaction electronic draft capture transaction with a substitute draft if it is not for a transaction type listed above.

©1988–2015 MasterCard. Proprietary. All rights reserved.

NOTE:

The issuer cannot request a TID for an ATM transaction through GCMS.

2.3.4.1 Documentation Specifications

A legible copy of the front of the actual TID used in the transaction or, at the acquirer's option, the actual TID itself, must conform to the following minimum specifications.

- 80-column slip: 1.75 inches x 3.50 inches (4.45 cm x 8.90 cm)
- 51-column slip: 1.75 inches x 2.50 inches (4.45 cm x 6.35 cm)

The acquirer may provide a legible copy using electronic signature capture technology (ESCT). Acquirers using ESCT must comply with the requirements provided in section 4.12 of the *Security Rules and Procedures* manual.

MasterCard reserves the right to audit customers to ensure compliance with these sections and may prohibit use of ESCT if it identifies inadequate controls.

2.3.4.1.1 Primary Account Number Truncation and Expiration Date Omission on POS Terminal Receipts

Cardholder receipts generated by all electronic POS terminals, whether attended or unattended, must omit the card expiration date and reflect only the last four digits of the PAN. All preceding digits of the PAN must be replaced with fill characters, such as X, asterisk (*), or pound sign (#), that are neither blank, spaces, nor numeric characters.

Refer to 3.11.3 of *Security Rules and Procedures* for additional information and receipt specifications.

2.3.5 Requirements for a Substitute Draft

The acquirer is responsible for ensuring that all substitute drafts contain the truncated PAN used in the transaction.

2.3.5.1 Substitute Draft for Card Not Present Transaction

The following list identifies the substitute draft data requirements for card-not-present transactions.

- Cardholder account number
- Cardholder name
- Merchant name or Web site address
- Merchant location, Web site or customer service phone number in lieu of city information
- Date the merchandise or services were ordered
- Transaction date, date merchandise shipped, or services provided
- Authorization code (if any)
- Specific information describing the merchandise or services purchased
- "Ship to" name and address (if applicable)
- Transaction amount (indicate the original transaction amount if the requested transaction represents a partial shipment)
- Address verification service code (if available)

©1988–2015 MasterCard. Proprietary. All rights reserved.

- Order confirmation number (if available)

DEFINITION:

Card-not-present = A non–face-to-face transaction that occurs when the card is not present at the time of the transaction (but not limited to mail order, phone order, subsequent recurring payment, and e-commerce transactions).

2.3.5.2 Draft for Vehicle Rental Transaction

The following list identifies the substitute draft data requirements for vehicle rental transactions.

- Cardholder account number
- Description of the rental
  - Type of vehicle
  - Mileage
  - Rental rate(s)
  - Actual rate charges
  - Refueling charge
- Cardholder name
- Cardholder address
- Transaction amount
- Authorization code (if any)
- Merchant name
- Rental location
- Return location
- Rental agent identification number
- Insurance charges
- Tax
- Cash received
- Rental agreement number
- Method of billing
- Rental and return dates

2.3.5.3 Substitute Draft for Airline and Passenger Railway Transaction

The following list identifies the substitute draft data requirements for airline and passenger railway transactions.

- Cardholder account number
- Cardholder name or business name (optional)
- Passenger name
- Transaction date
- Transaction amount
- Mailing address (optional)

©1988–2015 MasterCard. Proprietary. All rights reserved.

- Authorization code (if any)
- Airline or passenger railway merchant name
- Travel agency name and location (if applicable)
- Airline flight or passenger railway information (if applicable)
- Ticket number (optional)

If the cardholder purchased an airline ticket, the acquirer may provide a computer-generated substitute draft produced by the supplier of the ticket (for example, the airline) instead of a legible copy. The substitute draft must be in accordance with Inter-Industry Message Specifications Standards for Credit Card Billing Data. If the substitute draft fails to satisfy the inquiry, the issuer may request the actual TID (hard copy) or a copy of the TID. The acquirer must provide the actual TID or copy of the TID to the issuer.

2.3.5.4 Substitute Draft for Lodging Transaction

The following list identifies the substitute draft data requirements for lodging transactions.

- Ticket number (optional)
- Cardholder account number
- Cardholder name
- Guest name, if different
- Dates of stay, including check-in and check-out dates
- Transaction amount
- Authorization codes (if any)
- Merchant name and location
- Itemization of charges including room rate, taxes, food and beverage charges, and incidental charges

2.3.5.5 Substitute Draft for Cardholder-Activated Terminal (CAT) Transaction

The following list identifies the substitute draft data requirements for CAT transactions.

- Cardholder account number
- Invoice number (if available)
- Authorization code (if any)
- Transaction date
- Merchant name
- CAT location code or city and state
- Product purchased
- Total amount

2.3.5.6 Substitute Draft for Parking Lot Transaction

The following list identifies the substitute draft data requirements for parking lot transactions.

- Cardholder account number
- Cardholder name (optional)
- Transaction amount
- Merchant name and location

©1988–2015 MasterCard. Proprietary. All rights reserved.

- Terminal location code (if available)
- Transaction date and time
- Authorization code (if any)
- License plate number of the car (optional)

2.3.5.7 Substitute Draft for Chip-Read Transaction

The following list identifies the substitute draft data requirements for chip-read transactions.

- Cardholder account number
- Cardholder name (if available)
- Transaction date
- Transaction time (optional)
- Transaction amount
- Authorization code (if any)
- Data Element (DE 55) (Integrated Circuit Card [ICC] System-Related Data), complete and unaltered (optional)
- Merchant name and location
- Store department (optional)
- Description of the merchandise or services
- "Ship-to" information (if applicable)

2.3.5.8 Substitute Draft for Contactless Transit Transaction

The following list identifies the substitute draft data requirements for contactless transit transactions.

- Cardholder account number
- Cardholder name (optional)
- Transaction amount
- Merchant name
- Transaction date and time
- Authorization code (if any)
- If the transaction was a post-authorized aggregated contactless transit transaction, then a list of each terminal location, date, and time at which the contactless tap(s) occurred must be included. The terminal location must readily identifiable by the cardholder, for example: station name or bus route.

2.3.6 Retrieval Request Fulfillment Procedure

The acquirer must fulfill a retrieval request through the MasterCom system to guarantee delivery of the item and retain subsequent second presentment rights.

When the acquirer fulfills the request through the MasterCom system, the MasterCom system generates the record. Refer to *MasterCom Pro User Guide* or online help for the MasterCom system for details.

In most cases, the MasterCom system will transmit the image from the acquirer's MIP to the issuer's MIP in 24 hours or less. The printed detail included with the image and transmitted

©1988–2015 MasterCard. Proprietary. All rights reserved.

using the MasterCom workstation provides the issuer with sufficient data to allow it to match the documentation to the applicable retrieval request record. The retrieval request is considered complete when the acquirers' workstation processes the image.

Within 10 calendar days (25 calendar days for Mexico domestic transactions) of receipt, however, the issuer has the right to reject the image if the acquirer transmitted an illegible or incorrect image of the TID or substitute documentation to the issuer.

For example, the issuer can reject the item if it did not meet the criteria specified for substitute documentation in 2.3.5 Requirements for a Substitute Draft.

If the issuer fails to respond by rejecting the image within 10 calendar (25 calendar days for Mexico domestic transactions) days of receipt, the retrieval request is considered fulfilled.

When the issuer rejects an item, it is routed to the MasterCom Image Review workstation in St. Louis, where a MasterCard representative reviews it and rules in favor of the issuer or acquirer. Refer to 2.3.7 Image Review Guidelines for Rejecting Fulfillments and 2.3.8 Image Review Guidelines for Rejecting Acquirer's Response Codes for information about the MasterCom Image Review process.

Once the retrieval request is considered fulfilled in accordance with the procedures above, the MasterCom system will generate fulfillment fees through the MasterCard Consolidated Billing System (MCBS). For Mexico domestic transactions only, the MasterCom system will generate the fulfillment fee immediately upon the acquirer's fulfillment of the retrieval request.

Customers may use the MasterCom system to transmit images of Visa card transactions through the MasterCom workstation. The process is identical to that previously described for MasterCard retrieval requests. Customers must ensure that they update their internal Base II files.

The fulfillment fee structure for Visa transactions supplements Base II fulfillment fees to ensure overall consistency with Visa pricing.

If an acquirer has provided EMV chip data in DE 55 of the First Presentment/1240 message and provides the data again when fulfilling a retrieval request, the acquirer may collect a USD 25 (or EUR 25 for intra-European and inter-European transactions) handling fee.

Refer to the *MasterCom Pro User Guide* and the online help for the MasterCom system for more information about fulfilling requests for Visa transactions.

2.3.7 Image Review Guidelines for Rejecting Fulfillments

When rejecting the image of the TID or substitute draft, the issuer must enter the applicable reject reason code in the MasterCom retrieval application on its MasterCom workstation.

Refer to 2.3.7.1 MasterCom Image Review Reject Codes for more information.

If the issuer rejects the fulfillment, the MasterCard Image Review representative reviews the image and reason for the reject and issues a decision in favor of either the issuer or the acquirer. The MasterCard representative usually issues this decision within two business days. This process is called "MasterCom Image Review."

©1988–2015 MasterCard. Proprietary. All rights reserved.

NOTE: MasterCom Image Review does not decide whether the issuer has valid chargeback reasons. Their responsibility centers on if the item supplied constitutes a valid fulfillment of the request. (For example, if the image is clear and legible and all required data elements are present.)

Refer to 2.3.9 MasterCom Image Review Decisions for more detailed information about the MasterCom Image Review process.

2.3.7.1 MasterCom Image Review Reject Codes

The following chart contains the issuer reject reason codes and the appropriate chargeback message reason codes to help the customer apply the correct chargeback rules.

NOTE:

If the issuer intends to submit a chargeback for any message reason code other than for 4802—Requested/Required Information Illegible or Missing, it should accept the item.

If the issuer rejects the item to Image Review and receives a decision in its favor, it should submit the appropriate chargeback for message reason code 4802 or it may file a compliance case for non-fulfillment of the retrieval request, if applicable.

MasterCom Reject Reason Code		Appropriate Chargeback Message Reason Code
Code	**Description**	
A	Transaction amount missing/illegible. Refer to 2.3.7.3 Guidelines for Rejecting for "A" (Transaction Amount Missing/ Illegible).	4802
D	Transaction date missing/illegible.	4802
E	Not used.	
M	Merchant name missing/illegible.	4802
O	Other. (To specify items missing or illegible on a substitute draft.) Refer to 2.3.7.6 Guidelines for Rejecting for "O" (Other—Missing Information on Substitute Draft) and 2.3.7.7 Memo Field.	4802

©1988–2015 MasterCard. Proprietary. All rights reserved.

MasterCom Reject Reason Code		Appropriate Chargeback Message Reason Code
Code	**Description**	
P	Primary account number missing/illegible. **NOTE: A truncated primary account number (PAN) on an electronically generated TID does not constitute missing or illegible information. Refer to 2.3.7.2 Guidelines for Rejecting for "P" (Primary Account Number Missing/Illegible).**	None
W	Not used.	

Issuers must ensure that reject reasons and chargeback reasons are compatible.

Issuers also should examine the ticket carefully before rejecting it to Image Review to ensure that there is no valid reason for chargeback other than message reason code 4802. If the issuer identifies another valid chargeback reason, it should accept the item and submit a chargeback with the appropriate message reason code. The only purpose for rejecting the item to Image Review is to preserve chargeback rights for message reason code 4802 or to support a potential compliance case for non-fulfillment of a retrieval request.

2.3.7.2 Guidelines for Rejecting for "P" (Primary Account Number Missing/Illegible)

The issuer should not reject the item to Image Review under the following conditions.

- A manually keyed or handwritten account number appears on the TID and the account number is clear
- The account number appears more than once on the ticket, and the manually keyed or handwritten account number is clear, but the imprinted number is not clear
- The account number is clear but is not the one requested
- The account number is truncated on an electronically-generated TID

The issuer must accept the item under the circumstances specified above and use the applicable chargeback message reason code detailed in Chapter 3, MasterCard Message Reason Codes—Dual Message System.

2.3.7.3 Guidelines for Rejecting for "A" (Transaction Amount Missing/Illegible)

If the transaction amount is legible but is not the amount requested in the retrieval request, the issuer should not reject the item to Image Review.

The issuer should accept the item and use the applicable chargeback reason detailed in Chapter 3, MasterCard Message Reason Codes—Dual Message System Transactions.

©1988–2015 MasterCard. Proprietary. All rights reserved.

2.3.7.4 Guidelines for Rejecting for "E" (Not Used)

This reject reason code is no longer valid.

2.3.7.5 Guidelines for Rejecting for "W" (Wrong Document/Item Not as Requested)

This reject reason code is no longer valid.

2.3.7.6 Guidelines for Rejecting for "O" (Other—Missing Information on Substitute Draft)

Use this message reason code when a substitute draft does not contain the required information identified in the following section.

The required information is identified in 2.3.5 Requirements for a Substitute Draft.

If the image does not contain a signature, the issuer must accept the item and use the applicable chargeback reason detailed in Chapter 3, MasterCard Message Reason Codes—Dual Message System Transactions.

Customers rejecting an item for this reject reason code must provide an explanation for the rejection in the memo field. Customers should use this code only for categories other than those listed above.

Any information missing on a substitute draft would constitute a common reason for rejection within this category.

2.3.7.7 Memo Field

The acquirer should use the memo field to document unclear or missing information, including the following.

- Merchant name or location
- Missing information on the substitute draft
- Transaction date information

When the acquirer provides this information, the issuer may not reject the item to Image Review for the reasons noted in the memo field. If the acquirer does not provide the appropriate information in the memo field, the issuer is permitted to reject the item to Image Review for a decision.

Customers may use the following standard abbreviations in the memo field.

Abbreviation	Definition	Abbreviation	Definition
ACC or ACCT#	Account Number	MER or MERCH	Merchant
ACQ	Acquirer	MO	Mail Order
AMT or $	Amount	PO	Preauthorized Order
CB	Chargeback	RC	Message reason code
CH	Cardholder	REQ RSN	Request Reason
EC or ECOM	Electronic Commerce	SGN or SIGN	Signature

©1988–2015 MasterCard. Proprietary. All rights reserved.

Abbreviation	Definition	Abbreviation	Definition
EDC	Electronic Data Capture	TRN or TRAN	Transaction
ILL or ILLEG	Illegible	TD	Transaction Date
ISS	Issuer	TO	Telephone Order
LOC	Location	W/	With

2.3.8 Image Review Guidelines for Rejecting Acquirer's Response Codes

An issuer that receives an invalid acquirer's response code of **A, B, or C** may reject the response to Image Review within 10 calendar days under the following conditions.

Acquirer's Response Code	Condition to Substantiate Reject
A	The ARD in the retrieval request contained the valid ARD received in the original Financial Detail Addendum/1644 messages.
B	The retrieval request contained the same ARD and cardholder combination as received in the original Financial Detail Addendum/1644 messages.
C	The original Financial Detail Addendum/1644 messages does not show a MasterCard contactless transaction took place or carry the QPS identifier in PDS 0044 (Program Participation Indicator), subfield 2 (QPS/Contactless Chargeback Eligibility Indicator) of the clearing message.

The issuer must complete its research before rejecting the response code. When an issuer rejects an acquirer's response code, it must send a legible copy of the research document to Image Review through Image Mail, identifying the following:

- Rejecting ARD
- Cardholder account number
- Transaction amount

The research documentation must show the original First Presentment/1240 message received from the acquirer (such as the incoming GCMS report) and must be received at Central Site within 24 hours of the reject.

If an issuer rejects a record, the issuer must send a copy of the original financial detail documentation and the record via fax (1-636-722-7215) as proof to Image Review within 24 hours of the reject.

A MasterCom Image Review representative will review the documentation and decide in favor of the issuer or the acquirer.

©1988–2015 MasterCard. Proprietary. All rights reserved.

If MasterCom Image Review decides in favor of the acquirer, the acquirer will be paid the fulfillment fee.

2.3.9 MasterCom Image Review Decisions

When the Image Review representative issues a decision, MasterCard Central Site sends the issuer and the acquirer images advising them of the ruling. MasterCard provides the following information.

- Original request record generated by the issuer
- Acquirer's response
- Issuer's response
- MasterCom Image Review decision
- Memos supplied by the acquirer, issuer, or MasterCom Image Review

If Image Review decides in favor of the acquirer, the issuer loses chargeback rights for message reason code 4802—Requested/Required Information Illegible or Missing. The issuer retains all other chargeback rights.

If the issuer wants to contest this decision, its only recourse is to file a compliance case. The issuer must submit any case involving a MasterCom Image Review decision or dispute to MasterCard within 45 calendar days from the Image Review decision date. Refer to MasterCom Compliance Policy for information about MasterCom compliance issues.

If the Image Review is in favor of the issuer, the issuer may submit a chargeback for message reason code 4802—Requested/Required Information Illegible or Missing.

2.4 Settlement

GCMS processes and settles retrieval request fulfillment records.

GCMS creates the Financial Position Detail/1644 reconciliation message that confirms each sending customer's accepted retrieval fulfillment fees.

The issuer may collect a USD 25 (EUR 25) handling fee if the retrieval request fulfillment or TID provided with the second presentment verifies an incorrect merchant name, location, or transaction date. When collecting a handling fee, the issuer must submit a Fee Collection/1740 message with message reason code 7612.

©1988–2015 MasterCard. Proprietary. All rights reserved.

2.5 Transaction Information Document Retention Period

The acquirer is required to retain a copy of interchange transaction information documents or substitute draft (when allowed for the transaction type) for a minimum of 13 months from the processing date for transactions.

NOTE:

The retention period required by this section may not satisfy all local and national laws and regulations. MasterCard recommends that each customer discuss the advisability of longer retention periods with its legal department. (Refer to 1.18 Invalid Chargeback, Second Presentment, and Arbitration Chargeback, for additional retention requirements.)

2.6 Fulfillment Fees

The acquirer receives reimbursement from the issuer for retrieving a copy of the TID and is dependent on the following.

- How quickly the acquirer fulfilled the request
- The type of documentation requested and provided

MasterCard is responsible for debiting the issuer and crediting the acquirer for fulfillment fees. MasterCard bills the processing fees as On-behalf 1740/Fee Collections through GCMS.

The following table summarizes the fulfillment fee structure for MasterCard and Visa fulfillments.

			MasterCom Fee Classification Fulfillment Time Frames in Days				
	Document Type	**PDS 0228 Retrieval Document Code**	**A 1–5**	**B 6–10**	**C 11–15**	**D 16–21**	**More than 21 Days**
MasterCard	Sales Draft	2	USD 8/ EUR 8	USD 5/ EUR 5	USD 3/ EUR 3	USD 2/ EUR 2	USD 0/ EUR 0
MasterCard	Substitute Draft	4	USD 6/ EUR 6	USD 3/ EUR 3	USD 2/ EUR 2	USD 1/ EUR 1	USD 0/ EUR 0
Visa	Supplement	2	USD 6/ EUR 6	USD 3/ EUR 3	USD 1/ EUR 1	USD 0/ EUR 0	USD 0/ EUR 0

MasterCard considers the fulfillment complete when the acquirer processes it on the MasterCom workstation. The MasterCom system uses the workstation process date for the

©1988–2015 MasterCard. Proprietary. All rights reserved.

calculation of MasterCom fees, not the "MIP-staged" date and time, because the workstation has the actual date of the acquirer's fulfillment.

For example, if MasterCard Central Site originally processed the retrieval request on 1 October, and the acquirer's fulfillment was processed on 6 October, the fulfillment delivery period is five days. The fulfillment meets the MasterCom Fee Classification A (1–5 days) as described in the previous table. The fee is based on the document type provided by the acquirer and the number of days taken to fulfill the request using the MasterCom system.

MasterCom processes fulfillment fees when:

- The issuer accepts the image or response sent by the acquirer.
- The issuer has rejected the image or response and Image Review has issued a decision in favor of the acquirer.
- Ten calendar days have elapsed since the acquirer provided a response or transmitted an image to the issuer's workstation and the issuer has failed to accept or reject the image or response.

2.7 Fee Generation

MasterCom generates retrieval fulfillment fees as on behalf 1740/Fee Collections as follows.

- **Item Unavailable:** If the acquirer sends a response code of E, Item Unavailable, the issuer must accept it. In this case, the acquirer will not receive a fee.
- **Valid Acquirer's Retrieval Request Response:** If the acquirer sends a response code indicating that the requested information was inaccurate and the issuer agrees, the acquirer is paid and the issuer charged based on the date of the acquirer's response and the type of document requested.
- **Image Review Decision:** If the issuer rejects the acquirer's response or the image sent, MasterCom Image Review will resolve the matter.

If the image review decision favors the issuer, no fulfillment fees are generated. If the image review decision favors the acquirer, the fee is based on the date of the acquirer's response and the type of document requested.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Chapter 3 MasterCard Message Reason Codes—Dual Message System Transactions

This chapter details the procedures that customers must follow for each individual message reason code.

Overview..... 76
3.1 Additional Processing Notes..... 76
3.2 Authorization-related Chargebacks..... 76
3.2.1 Merchant Authorization Reversals..... 80
3.3 Fraud-related Chargebacks..... 81
3.4 MasterCard *SecureCode* and Universal Cardholder Authentication Field (UCAF) Liability Shift Program..... 82
3.4.1 Improper Use of Message Reason Code 4837..... 86
3.4.2 Proper Use for Acquirer's Second Presentment..... 87
Intraregional Liability Shifts (Asia/Pacific, Europe, Latin America and the Caribbean, and MEA regions)..... 87
Intraregional Liability Shifts (Canada region and U.S. region)..... 88
Global Interregional Merchant-only Liability Shift..... 89
3.4.3 Improper Use of Message Reason Code 4863..... 89
3.4.4 Proper Use for Acquirer's Second Presentment..... 90
Intraregional Liability Shifts (Asia/Pacific, Europe, Latin America and the Caribbean, and MEA regions)..... 90
Intraregional Merchant-only Liability Shifts (Canada region and U.S. region)..... 91
Global Interregional Merchant-only Liability Shift..... 92
3.4.5 Intracountry Acquirer Domain Mobile Remote Payment Transactions..... 92
3.5 Chip Liability Shifts..... 92
Chip Pin Liability Shifts..... 94
3.5.1 Levels of Participation..... 94
3.5.2 Global Chip Liability Shift Program..... 95
Level 1 (Chip Liability Shift) Participation..... 95
Level 2 (Chip/PIN Liability Shift) Participation..... 96
3.5.3 Reason Codes and Chargeback Rights..... 96
3.5.3.1 Data Record Text..... 97
3.5.4 Participation..... 98
3.5.4.1 Voluntary Participation Criteria..... 98
3.5.4.2 Mandatory Participation..... 98
3.5.4.3 Notifying MasterCard of Intent to Participate..... 99

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.6 MasterCard CVC 2 Validation Program (U.S. Region Domestic Transactions Only)..... 99
3.7 Errors in Processing or Procedure..... 100
3.8 Progressive Handling Fees..... 101
3.8.1 Progressive Handling Fee Overview..... 101
3.8.1.1 Issuer Use of Message Reason Code 7622..... 102
3.8.1.2 Acquirer Use of Message Reason Code 7623..... 102
3.8.1.3 Issuer Use of Message Reason Code 7624..... 102
3.8.1.4 Acquirer Use of Message Reason Code 7627—No MAC Provided..... 102
3.8.1.5 Acquirer Use of Message Reason Code 7627—Face-to-Face or CAT Level 2 Transaction..... 103
3.8.1.6 Required Fields in Fee Collection Messages..... 104
3.9 Intra-European and Inter-European Dispute Administration Fee (MasterCard POS)..... 105
3.10 Chargeback Message Reason Codes..... 106
3.10.1 First Chargeback: MTI 1442..... 106
3.10.2 Second Presentment: MTI 1240..... 108
Technical Return..... 108
Documentation Return..... 108
Substance Return..... 108
3.10.3 Arbitration Chargeback: MTI 1442..... 109
Technical Return..... 109
Documentation Return..... 109
3.10.4 Second Presentment/1240 IPM (Function Codes 205 or 282) Message Reason Code Usage..... 110
3.10.5 Arbitration Chargeback/1442 IPM (Function Codes 451 or 454) Message Reason Code Usage..... 114
3.11 Message Reason Code 4802—Requested/Required Information Illegible or Missing..... 117
3.11.1 Proper Use of Message Reason Code 4802..... 117
3.11.2 Improper Use of Message Reason Code 4802..... 117
3.11.3 Specific Programs Using Message Reason Code 4802..... 117
3.11.4 Proper Use for Issuer's First Chargeback..... 118
3.11.5 Proper Use for Acquirer's Second Presentment..... 118
3.11.5.1 Additional Remedies..... 119
3.11.6 Arbitration Chargeback..... 119
3.11.7 Arbitration Case Filing..... 120
3.12 Message Reason Code 4807—Warning Bulletin File..... 120
3.13 Message Reason Code 4808—Authorization-related Chargeback..... 120
3.13.1 Proper Use of Message Reason Code 4808..... 120
3.13.2 Improper Use of Message Reason Code 4808..... 121
3.13.3 Proper Use for Issuer's First Chargeback..... 122

©1988–2015 MasterCard. Proprietary. All rights reserved.

Authorization-Related Chargeback 122
Multiple Authorization Request 123
CAT 3 Devices 124
3.13.4 Proper Use for Acquirer's Second Presentment 125
Issuer Authorized the Transaction 125
Multiple Authorization Requests 126
Authorization Not Required 126
Multiple Clearing Records 127
3.13.4.1 Additional Remedies 128
3.13.5 Arbitration Chargeback 129
3.13.6 Arbitration Case Filing 129
3.13.7 Handling Fees 129
3.14 Message Reason Code 4812—Account Number Not on File 129
3.15 Message Reason Code 4831—Transaction Amount Differs 130
3.15.1 Proper Use of Message Reason Code 4831 130
3.15.2 Improper Use of Message Reason Code 4831 131
3.15.3 Specific Programs Using Message Reason Code 4831 131
3.15.4 Proper Use for Issuer's First Chargeback 131
3.15.5 Proper Use for Acquirer's Second Presentment 133
Payment by Other Means 133
Correct Transaction Amount 133
Increased Transaction Amount 133
Unreasonable Amount (Intra-EEA Transactions Only) 134
3.15.5.1 Additional Remedies 134
3.15.6 Arbitration Chargeback 135
3.15.7 Arbitration Case Filing 136
3.16 Message Reason Code 4834—Duplicate Processing 136
3.16.1 Proper Use for Using Message Reason Code 4834 136
3.16.2 Specific Programs Using Message Reason Code 4834 137
3.16.3 Proper Use for Issuer's First Chargeback 137
Cash Dispense Dispute—ATM Only 137
3.16.4 Proper Use for Acquirer's Second Presentment 138
PIN Transaction 138
Credit Previously Issued 139
Two Different TIDs—ATM Only 139
Two Different TIDs—Non-ATM 140
Invalid Message Text 140
Cash Dispense Dispute – ATM Only 140
3.16.4.1 Additional Remedies 141

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.16.5 Arbitration Chargeback....142
3.16.6 Arbitration Case Filing....143
3.17 Message Reason Code 4837—No Cardholder Authorization....143
3.17.1 Proper Use of Message Reason Code 4837....143
3.17.2 Improper Use of Message Reason Code 4837....145
3.17.3 Specific Programs Using Message Reason Code 4837....146
3.17.4 Proper Use for Issuer's First Chargeback....146
No Cardholder Authorization....146
Batching Multiple Transactions....147
Voided Cards....148
3.17.5 Proper Use for Acquirer's Second Presentment....148
Two or More Previous Fraud-related Chargebacks....149
Fraud-related Chargeback Counter Exceeds Threshold....150
Contactless Transaction Unattended Terminals....151
PIN Transaction....151
MasterCard *SecureCode* SL2 (Global Liability Shift)....152
MasterCard *SecureCode* SL1 (Merchant-only Liability Shift)....152
Account Takeover....153
Acquirer Identified Addendum....154
Address Verification Service (AVS) Transaction....154
Compelling Evidence for Airline Transactions....155
Compelling Evidence for Recurring Transactions....156
Compelling Evidence for E-commerce and MO/TO Transactions....156
Guaranteed Reservation Service (No-show)....158
Proof of Card Presence and Signature for Non-card-read Transactions....158
CVC 2 Validation Program (U.S. Region Domestic Transactions Only)....160
Invalid Chargeback....161
Chip Liability Shift....162
Chip/PIN Liability Shift....163
3.17.6 Improper Use for Acquirer's Second Presentment....163
3.17.7 Arbitration Chargeback....163
Addendum Disputes....164
Address Verification Service (AVS) Transaction....165
Compelling Evidence....166
Guaranteed Reservation Service (No-show)....167
Invalid Proof of Card Presence and Signature....167
MasterCard *SecureCode* Merchant-only Liability Shift not Applicable....168
3.17.7.1 Additional Remedies....168
3.17.8 Arbitration Case Filing....169

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.18 Message Reason Code 4840—Fraudulent Processing of Transactions..... 169
3.18.1 Proper Use of Message Reason Code 4840.....169
3.18.2 Improper Use of Message Reason Code 4840.....170
3.18.3 Specific Programs Using Message Reason Code 4840.....170
3.18.4 Proper Use for Issuer's First Chargeback.....170
3.18.5 Proper Use for Acquirer's Second Presentment.....171
PIN Transaction..... 171
Credit Previously Issued.....172
Two Separate Transactions..... 172
Duplicate Chargeback.....173
Data Record did not Contain the Valid ARD..... 173
3.18.6 Arbitration Chargeback..... 174
3.18.7 Arbitration Case Filing..... 175
3.19 Message Reason Code 4841—Canceled Recurring or Digital Goods Transactions..... 175
3.20 Message Reason Code 4842—Late Presentment.....175
3.20.1 Proper Use of Message Reason Code 4842.....175
3.20.2 Improper Use of Message Reason Code 4842.....176
3.20.3 Specific Programs Using Message Reason Code 4842.....177
3.20.4 Proper Use for Issuer's First Chargeback.....177
3.20.5 Proper Use for Acquirer's Second Presentment.....177
Correct Transaction Date.....177
Account Not Permanently Closed.....178
Delayed Presentment..... 178
3.20.5.1 Additional Remedies..... 179
3.20.6 Arbitration Chargeback..... 179
3.20.7 Arbitration Case Filing..... 180
3.20.8 Additional Processing Notes..... 180
3.21 Message Reason Code 4846—Correct Transaction Currency Code Not Provided..... 181
3.21.1 Proper Use of Message Reason Code 4846.....181
3.21.2 Improper Use for Message Reason Code 4846..... 182
3.21.3 Specific Programs Using Message Reason Code 4846.....182
3.21.4 Proper Use for Issuer's First Chargeback.....182
Incorrect Transaction Currency Code Transmitted..... 182
POI Currency Conversion..... 182
POI Currency Conversion—Incorrect Cardholder Currency.....183
3.21.5 Proper Use for Acquirer's Second Presentment.....183
3.21.5.1 Additional Remedies..... 184
3.21.6 Arbitration Chargeback..... 185
3.22.7 Arbitration Case Filing..... 185

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.21.8 Additional Processing Notes..... 185
3.22 Message Reason Code 4849—Questionable Merchant Activity..... 185
3.22.1 Proper Use of Message Reason Code 4849.....185
3.22.1.1 Transaction Eligibility.....186
3.22.1.2 Time Frame for Issuer's Chargeback..... 186
3.22.2 Improper Use of Message Reason Code 4849.....186
3.22.3 Specific Programs Using Message Reason Code 4849.....187
3.22.4 Proper Use for Issuer's First Chargeback.....187
3.22.5 Proper Use for Acquirer's Second Presentment.....188
MasterCard *SecureCode* Global Liability Shifts.....188
Chip Transaction Reported to SAFE..... 189
Improper SAFE Reporting.....189
Ineligible Fraud..... 190
Not Listed in MasterCard Global Security Bulletin.....190
3.22.5.1 Additional Remedies..... 190
3.22.6 Arbitration Chargeback..... 191
3.22.7 Arbitration Case Filing..... 192
3.22.8 Additional Processing Notes..... 192
3.23 Message Reason Code 4850—Installment Billing Dispute (Participating Countries Only)..... 192
3.24 Message Reason Code 4853—Cardholder Dispute.....192
3.24.1 Issuer's First Chargeback.....194
Not as Described or Defective..... 194
Good or Services Not Provided.....196
Good or Services Not Provided—European Transactions for Travel Services..... 199
Digital Goods Purchase of USD 25 or Less.....200
Credit Not Processed.....203
Counterfeit Goods.....206
Cardholder Dispute of a Recurring Transaction.....207
Issuer Dispute of a Recurring Transaction..... 208
Addendum Dispute.....210
"No-Show" Hotel Charge.....211
Transaction Did Not Complete..... 212
Timeshares..... 213
Credit Posted as a Purchase..... 213
3.24.2 Acquirer's Second Presentment.....214
General Second Presentment..... 214
Good or Services Not Provided – European Transactions for Travel Services.....214
Digital Goods Purchase of USD 25 or Less.....215
Credit Previously Issued.....216

©1988–2015 MasterCard. Proprietary. All rights reserved.

Additional Second Presentment Options..... 218
3.24.3 Issuer's Arbitration Chargeback..... 220
Additional Arbitration Chargeback Options.....223
3.25 Message Reason Code 4854—Cardholder Dispute—Not Elsewhere Classified (U.S. Region Only).....224
3.26 Message Reason Code 4855—Goods or Services Not Provided..... 224
3.27 Message Reason Code 4859—Addendum, No-show, or ATM Dispute.....224
3.28 Message Reason Code 4860—Credit Not Processed.....225
3.29 Message Reason Code 4863—Cardholder Does Not Recognize—Potential Fraud.....225
3.29.1 Proper Use of Message Reason Code 4863.....225
3.29.2 Improper Use of Message Reason Code 4863.....226
If the following values are in the Authorization Request/0100 message.....227
If the following values are in the First Presentment/1240 message.....227
3.29.3 Specific Programs Using Message Reason Code 4863.....228
3.29.4 Proper Use for Issuer's First Chargeback.....228
Cardholder Does Not Recognize..... 228
Cardholder Does Not Recognize—Intra-European and Inter-European Transactions..... 228
3.29.5 Proper Use for Acquirer's Second Presentment.....229
Two or More Previous Fraud-related Chargebacks..... 230
Fraud-related Chargeback Counter Exceeds Threshold..... 230
MasterCard *SecureCode* SL2 (Global Liability Shift).....231
Additional Information.....231
Address Verification Service (AVS)..... 232
No Conflicting Information in Authorization and Clearing Message..... 233
Conflicting Information in Authorization and Clearing Message.....233
MasterCard *SecureCode* SL1 (Merchant-only Liability Shift)..... 234
3.29.5.1 Additional Remedies..... 234
3.29.6 Arbitration Chargeback..... 235
Not New Information.....235
UCAF Value Discrepancy..... 236
Merchant-only MasterCard *SecureCode* Liability Shift not Applicable..... 236
3.29.7 Arbitration Case Filing..... 237
3.30 Message Reason Code 4870—Chip Liability Shift.....237
3.30.1 Proper Use of Message Reason Code 4870.....237
3.30.2 Improper Use of Message Reason Code 4870.....238
3.30.3 Proper Use for Issuer's First Chargeback.....239
3.30.4 Proper Use for Acquirer's Second Presentment.....240
Two or More Previous Fraud-related Chargebacks..... 241
Fraud-related Chargeback Counter Exceeds Threshold..... 242

©1988–2015 MasterCard. Proprietary. All rights reserved.

Not Reported to SAFE....242
Issuer Authorized Transaction....243
Technical Fallback....243
Chip Transaction—No Requirement of Online Authorization....244
DE 55 was Provided in the First Presentment/1240 Message....244
Invalid Chargeback....245
3.30.4.1 Additional Remedies....245
3.30.5 Arbitration Chargeback....245
3.30.6 Arbitration Case Filing....246
3.31 Message Reason Code 4871—Chip/PIN Liability Shift....246
3.31.1 Proper Use of Message Reason Code 4871....246
3.31.2 Improper Use of Message Reason Code 4871....249
3.31.3 Proper Use for Issuer's First Chargeback....250
3.31.4 Proper Use for Acquirer's Second Presentment....251
Two or More Previous Fraud-related Chargebacks....252
Fraud-related Chargeback Counter Exceeds Threshold....252
Not Reported to SAFE....253
Authorized Online Transaction....253
Technical Fallback....254
Valid Chip/PIN Transaction....254
DE 55 was Provided in First Presentment/1240 Message....255
Invalid Chargeback....255
3.31.5 Arbitration Chargeback....256
3.31.6 Arbitration Case Filing....256
3.32 Message Reason Code 4999—Domestic Chargeback Dispute (Europe Region Only)....256
3.32.1 Requirements for Issuer's First Chargeback, Acquirer's Second Presentment, and Issuer's Arbitration Chargeback....256
3.32.2 Improper Use of Message Reason Code 4999....256
3.32.3 Arbitration Case Filing....256

©1988–2015 MasterCard. Proprietary. All rights reserved.

Overview

This chapter lists the message reason codes in numeric order.

Customers also will find tables that help identify the available chargebacks according to the dispute category.

Chargebacks fall into four categories:

- Authorization
- Fraud
- Cardholder disputes
- Errors in processing or procedure.

3.1 Additional Processing Notes

Each section from Message Reason Code 4807—Warning Bulletin File through Message Reason Code 4871—Chip/PIN Liability Shift addresses a distinct message reason code. Some or all of those sections contain "Additional Processing Notes." Additional Processing Notes are not themselves chargeback requirements or conditions. Rather, Additional Processing Notes are provided to guide or illustrate particular circumstances or events and to address circumstances or events of frequent concern to members.

As set forth in section 2.1 of the *MasterCard Rules* manual, MasterCard has the sole right to interpret such Corporation Standards, including those in this guide.

3.2 Authorization-related Chargebacks

The following message reason codes are authorization-related.

NOTE: MasterCard combined chargeback message reason codes 4807—Warning Bulletin and 4812—Account Number Not on File with chargeback message reason code 4808—Request/ Required Authorization Not Obtained. Chargeback message reason code 4808 has been renamed 4808—Authorization-Related Chargeback. Chargeback message reason code 4808 now contains the conditions and requirements previously included in message reason codes 4807, 4808 and 4812.

An issuer may use 4807, 4808, or 4812 as the message reason code for any chargeback submitted under the new authorization-related chargeback message reason code. However, 4807 and 4812 will eventually be eliminated as valid message reason codes.

The following information must be reviewed prior to initiating a chargeback for Authorization issues to ensure only valid disputes are processed.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Warning Bulletin File

Transactions that result from accounts listed in the Electronic Warning Bulletin File are eligible within the following time frames:

- The Electronic Warning Bulletin for region 1 (the U.S. region) provides next-day chargeback rights for account updates received before 18:00 St. Louis, Missouri, USA time.
- The Electronic Warning Bulletin File for regions A, B, C, D, and E provides chargeback rights on the third calendar day for account updates received before 18:00 St. Louis time. Chargeback rights for account updates received after 18:00 St. Louis time will occur on the fourth calendar day.
- All Subregional Electronic Warning Bulletin Files except France provide chargeback rights on the third calendar day for account updates received before 18:00 St. Louis time. Chargeback rights for account updates received after 18:00 St. Louis time will occur on the fourth calendar day.
- The Subregional Electronic Warning Bulletin File for France (country code 250) provides next-day chargeback rights for account updates received before 18:00 St. Louis time, unless the transaction takes place at a tollway merchant (MCC 4784). For transactions at tollway merchants in France, chargeback rights apply on the third calendar day for account updates received before 18:00 St. Louis time.

Eligibility remains in effect until the account number is deleted from the Electronic Warning Bulletin File.

Transaction Date. DE 12 (Date and Time, Local Transaction) is the date that the card account number was first presented to the merchant location for payment. For GCMS transaction records submitted into interchange without a transaction date, the issuer can initiate a chargeback if the account number was listed in the applicable Electronic Warning Bulletin on any date within 15 calendar days before the Central Site Business Date.

Purge Date. The purge date is the last day for the chargeback right. The deletion takes place the following day.

Face-to-Face Transactions. Issuers must use the merchant location (as specified in DE 43 [Merchant Name/Location], subfield 5 [State, Province, or Region Code]) to determine whether the account number was listed in the applicable regional Electronic Warning Bulletin File. If the issuer cannot determine the merchant location from DE 43, it may use any region of the Electronic Warning Bulletin File that listed the account number on the date of the transaction.

Non-Face-to-Face Transactions. This reason code can be used for non–face-to-face or non-fixed merchant location transactions if the account number was listed in any region of the Electronic Warning Bulletin File on the transaction date. The issuer must indicate one of the regions in which the account number was listed in DE 72 (Data Record).

- Non–face-to-face transactions include (but are not limited to) mail order, phone order, and e-Commerce transactions.
- A transaction aboard an airplane, train, or cruise ship is an example of a transaction at a location that is not fixed.

Subregional. Issuers must use both the merchant location, as specified in DE 43 and the merchant category code (as specified in DE 26 [Merchant Business Code (MCC)]) to determine

©1988–2015 MasterCard. Proprietary. All rights reserved.

whether the account number was listed in the applicable subregional Electronic Warning Bulletin File

Authorization Information for Various Programs

Expired payment guarantee (Europe region merchants only)—For an amount relating to a transaction occurring at a merchant located in the Europe region, when the issuer has permanently closed the account before filing the chargeback and either of the following applies:

- The transaction authorization was identified as a pre-authorization (DE 61, subfield 7 = 4) and the transaction was presented more than 30 calendar days after the authorization approval date; or
- The transaction authorization was not identified as a pre-authorization, and the transaction was presented more than seven calendar days after the authorization approval date.

The above time frames for the European Payment Guarantee do not apply to properly identified acquirer-financed installment payments or MasterCard contactless transit aggregated or transit debt recovery transactions.

Partial Authorization. If the issuer authorized the transaction for less than the settled amount, it may charge back only the unauthorized portion of the amount.

Partial Authorization of Automated Fuel Dispenser (MCC 5542) transactions. If an Authorization Request/0100 message indicates that an automated fuel dispenser merchant supports partial authorization, and the transaction amount exceeds the partial approval amount in DE 6 of the Authorization Request Response/0110 message, the issuer may charge back the difference between the transaction amount and the partial approval amount. This applies even if the authorization request was for USD 1 from a U.S. region merchant.

Multiple Authorizations. Before charging back, issuers must consider that vehicle rental and hotel/motel transactions might have multiple authorizations. The transaction date can be different from the actual sale date.

Multiple Clearing Records. Before charging back, issuers should consider that multiple clearing records may have been or will be submitted in connection with a single approved authorization if one of the following values is present in DE 25 (Message Reason Code) of the First Presentment/1240 message:

- 1403 (Previously approved authorization—partial amount, multi-clearing); or
- 1404 (Previously approved authorization—partial amount, final clearing).

When the transaction involves a Single Message System Debit MasterCard issuer, the 1403 and 1404 values will be present in DE 60 (Advice Reason Code), subfield 2 (Advice Reason Detail Code) within the Single Message System-generated Financial Transaction Advice/0220 message.

Additionally, issuers must consider that multiple airline first presentments may be submitted in connection with a single approved authorization, whether or not one of the above indicators is used. MasterCard suggests that issuers check their authorization logs for at least three days before and three days after the transaction date.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Merchant Advice Code. MasterCard strongly recommends that the issuer provide a Merchant Advice Code (MAC) in DE 48 (Additional Data—Private Use), subelement 84 (Merchant Advice Code) of each Authorization Request Response/0110 message in which a decline response is given. Refer to Chapter 11 of the *Authorization Manual* for a list of valid MAC values.

Online-Capable POS Device. MasterCard defines an online-capable POS device as any device that electronically contacts the acquirer's host for the purpose of obtaining an authorization.

Magnetic Stripe POS Device. Magnetic stripe POS devices are identified in GCMS DE 22 subfield 1 (Terminal Data: Card Data Input Capability) with the following values:

- **2**—Magnetic stripe reader capability
- **B**—Magnetic stripe reader and key-entry capability
- **C**—Magnetic stripe reader, integrated circuit card (ICC), and key-entry capability
- **D**—Magnetic stripe reader and ICC capability

Installment Billing Transactions. The merchant must obtain authorization of the full amount of a transaction to be billed in installments. The issuer may use this message reason code to charge back an installment billing transaction if only partial approval was obtained.

Chip Transactions: In a valid chip transaction, DE 55 must be reviewed to determine if:

- a Transaction Certificate was obtained representing the chip authorizing the transaction; or,
- an ARQC is present representing an online authorization approval by the issuer.

The issuer-authorized amount and the actual transaction amount are within the following parameters:

- Gratuity is added—20 percent
- Hotel/Motel—15 percent
- Vehicle Rental—15 percent
- Cruise Lines—15 percent

NOTE: These parameters do not apply if the acquirer's Authorization Request/0100 message contained the Partial Approval Terminal Support Indicator and the issuer's Authorization Response/0110 message contained a value of 10 (Partial Approval) in DE 39 and a partial approval amount in DE 6.

Europe region merchants—The 20 percent parameter for gratuities does not apply to the following types of transactions occurring at Europe region merchant locations:

- Chip/PIN transactions;
- Contactless transactions;
- Card-not-present transactions; and
- Transactions for which the authorization was not coded as a pre-authorization.

The 15 percent parameters for hotel/motel, vehicle rental, and cruise lines do not apply to any transactions occurring at Europe region merchant locations.

©1988–2015 MasterCard. Proprietary. All rights reserved.

The 15 percent parameter for transactions relating to repairs does not apply to any transactions occurring at Europe region merchant locations.

The issuer cannot charge back a properly identified **contactless transit aggregated** transaction if all of the following apply:

- An Authorization Request/0100 message was generated for the transaction;
- The issuer approved the authorization request;
- The transaction amount was equal to or less than the contactless transit aggregated transaction CVM limit amount as published in Appendix C, CVM Limit and Contactless Ceiling Limit Amounts of this guide;
- The maximum period from the first contactless tap until the First Presentment/1240 message is generated was 14 calendar days or less and
- If the transaction amount exceeds the contactless transit aggregated transaction CVM limit amount, then the issuer may charge back only the difference between the transaction amount and the contactless transit aggregated transaction CVM limit amount.

Automated Fuel Dispenser (MCC 5542) Transactions

The issuer cannot charge back an automated fuel dispenser transaction effected in the U.S. region with a MasterCard Corporate Card®, MasterCard Corporate Executive Card®, MasterCard Corporate Fleet Card®, or MasterCard Corporate Purchasing Card™ for any amount less than or equal to USD 150, if the transaction was identified in the authorization request with MCC 5542 and CAT 2, and authorized by the issuer for USD 1. If the transaction amount exceeds USD 150, the issuer may charge back only the difference between the transaction amount and USD 150.

The issuer cannot charge back an automated fuel dispenser transaction effected in the U.S. region with any other MasterCard card for any amount less than or equal to USD 100, if the transaction was identified in the authorization request with MCC 5542 and CAT 2, and authorized by the issuer for USD 1. If the transaction amount exceeds USD 100, the issuer may charge back only the difference between the transaction amount and USD 100.

3.2.1 Merchant Authorization Reversals

MasterCard has implemented merchant authorization reversals that allow merchants to cancel the original authorization amount, provided that the corresponding transaction has not been submitted into clearing.

After processing a merchant authorization reversal, if the transaction inadvertently is submitted to clearing and then is subsequently charged back for an authorization-related chargeback by the issuer, the acquirer may not submit a second presentment because the original authorization is no longer considered valid because of the existence of the merchant authorization reversal. However, if the issuer declines the merchant authorization reversal request, the acquirer retains second presentment rights up to the amount of the original authorization.

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.3 Fraud-related Chargebacks

For purposes of the chargeback Standards, the following message reason codes are deemed to be fraud-related.

- **4837**—No Cardholder Authorization
- **4840**—Fraudulent Processing of Transactions
- **4849**—Questionable Merchant Activity
- **4870**—Chip Liability Shift
- **4871**—Chip/PIN Liability Shift

Neither the length of time between authorization approval and transaction presentment nor the partial or full reversal of an approved authorization have any effect upon the chargeback protection afforded by an authentication occurring during authorization against a fraud-related chargeback (for example, MasterCard *SecureCode* authentication, chip validation, and/or PIN verification.

SAFE Reporting. All fraud, including counterfeit transactions, must be reported to the System to Avoid Fraud Effectively (SAFE), whether or not the transaction results in a fraud-related chargeback. MasterCard may assess up to USD 1,000 per chargeback for every transaction that generated a fraud-related chargeback and was not reported to SAFE in accordance with the reporting requirements set forth in the *SAFE Products User Guide*. All information provided to SAFE must be accurate, complete, and reported in accordance with fraud reporting categories that MasterCard may establish from time to time.

Prompt reporting of fraud-related transactions helps to identify questionable merchant activity more quickly and protects the customer's chargeback rights. Some chargeback reasons have a prerequisite to report the transaction to SAFE prior to charging back the transaction. See the specific chargeback reason within this Guide for details.

Supporting Documentation. For message reason codes 4837, 4840, 4870, and 4871, the chargeback must be accompanied by supporting documentation as detailed in the Supporting Documentation section. The documentation must originate from the authorized cardholder or a signed declaration by the authorized cardholder stating that the cardholder did not make or authorize the transaction. The issuer may use the *Expedited Billing Resolution Process (Fraud) Form* only if the MasterCard card account is closed. Before processing the chargeback with the form, the issuer must block the account on its host, list the account number on the MasterCard Stand-in Account File with a "capture card" response until card expiration, and report the transaction to SAFE. The transaction must be reported to SAFE in accordance with the *SAFE Products User Guide*.

Fraud Notification Service (FNS) Authorization Approval after the FNS Date. An issuer must not use a fraud-related message reason code if the issuer approved the transaction after submitting two or more chargebacks involving the same MasterCard card account (for this purpose, "account" means primary account number [PAN], or PAN and expiration date) for any of the following message reason codes: 4837, 4870, or 4871. Message reason code 4863 first chargebacks will be included in the FNS count once the FNS fraud chargeback count is two or greater.

©1988–2015 MasterCard. Proprietary. All rights reserved.

FNS Counter Exceeds 25 Fraud-Related Chargebacks. An issuer must not use a fraud-related message reason code if the issuer submitted more than 25 chargebacks in aggregate involving the same account (as defined above) for message reason codes 4837, 4870, or 4871. Message reason code 4863 first chargebacks will be included in the FNS count once the FNS fraud chargeback count is two or greater.

Digital Secure Remote Payment Transactions. An issuer must not use message reason code 4837, 4849, 4870, or 4871 to charge back a Digital Secure Remote Payment (DSRP) transaction, or any subsequent transaction for a related partial shipment or recurring payment. Refer to Appendix F for Digital Secure Remote Payment transaction identification requirements. Refer to section 12.2.1 of the *Security Rules and Procedures* regarding the requirement for an issuer to report any Digital Secure Remote Payment transaction identified as fraudulent to SAFE using SAFE reason code 05 (Account Takeover Fraud).

3.4 MasterCard *SecureCode* and Universal Cardholder Authentication Field (UCAF) Liability Shift Program

A MasterCard region that previously implemented an intraregional merchant-only liability shift may agree to require issuers in that region to implement MasterCard® *SecureCode*™.

In addition, all Asia/Pacific region customers that participate as issuers in another international cardholder authentication program must certify that they have enabled their cardholder's and their e-commerce merchants for MasterCard *SecureCode*.

Global MasterCard *SecureCode* Liability Shift

MasterCard has implemented a global liability shift program under message reason codes 4837, 4849, and 4863 for e-commerce transactions when all of the following conditions occur:

- The merchant is UCAF-enabled.
- The issuer provided the UCAF data for that transaction.
- All other e-commerce Authorization Request/0100 message requirements were satisfied.
- The Authorization Request Response/0110 message reflected the issuer's approval of the transaction.

The global liability shift program under message reason codes 4837, 4849, and 4863 also applies to Mobile Remote Payment transactions when all of the following conditions occur:

- The issuer provided the UCAF data for that transaction.
- All other e-commerce Authorization Request/0100 message and clearing requirements were satisfied, and the UCAF collection indicator in DE 48 (Additional Data), subelement 42 (Electronic Commerce Indicator) is set to **2**.
- The Authorization Request Response/0110 message reflected the issuer's or issuer agent's approval of the transaction.

Processing procedures and applicable remedies for e-commerce transactions processed under the global liability shift program for message reason codes 4837, 4849, and 4863 are found in

©1988–2015 MasterCard. Proprietary. All rights reserved.

sections Message Reason Code 4837—No Cardholder Authorization, Message Reason Code 4849—Questionable Merchant Activity, and Message Reason Code 4863—Cardholder Does Not Recognize—Potential Fraud. For information about Mobile Remote Payment transactions, see Chapter 18, MasterCard Mobile Rules of the *MasterCard Rules*.

Merchant-only Liability Shifts for Intraregional Transactions

Some MasterCard regions have implemented intraregional liability shift programs under message reason codes 4837 and 4863 for e-commerce transactions when the merchant supports MasterCard *SecureCode*.

Asia/Pacific, Latin America and the Caribbean, and Middle East/Africa Regions

The liability for e-commerce transactions shifts from the acquirer to the issuer for message reason codes 4837 and 4863 intraregional chargebacks in the Asia/Pacific, Latin America and the Caribbean, and Middle East/Africa (MEA) regions when:

- The merchant is UCAF-enabled.
- All other e-commerce Authorization Request/0100 message requirements were satisfied.
- The Authorization Request Response/0110 message reflected the issuer's approval of the transaction.

Europe Region

Unless the UCAF contains the static AAV assigned by MasterCard, the liability for e-commerce transactions shifts from the acquirer to the issuer for message reason codes 4837 and 4863 intraregional chargebacks in the Europe region when:

- The merchant is UCAF-enabled.
- All other e-commerce Authorization Request/0100 message requirements were satisfied.
- The Authorization Request Response/0110 message reflected the issuer's approval of the transaction.

MasterPass Transactions

To support the growth of MasterPass-initiated payments in selected countries in Central and Eastern Europe (European countries listed in the table below), MasterPass supports a liability shift that does not require the use of SecureCode authentication. This MasterPass liability shift may be optionally applied to transactions involving a MasterCard branded card account when the transaction is initiated by a MasterPass Wallet. This MasterPass liability shift may only be applied when all conditions and all operational and coding requirements listed below are adhered to.

Conditions

1. The card must be issued in one of the countries listed in the table below.
2. The card acceptor must be in one of the countries listed in the table below.
3. The MasterPass wallet that initiates the transaction must be registered to operate in one of the countries listed in the table below.

©1988–2015 MasterCard. Proprietary. All rights reserved.

4. The transaction amount must not exceed the maximum transaction amount shown in the table below for the country of the card Issuer.
5. The transaction must be initiated through the use of the MasterPass Advanced Check-out Service.
6. The MasterPass Wallet that initiates the transaction must have successfully obtained MasterPass certification for strong cardholder authentication and such certification must remain valid at the time the transaction is initiated.
7. The transaction must be an e-commerce transaction.

Operational and Coding Requirements

1. The MasterPass Wallet that initiated the transaction must generate and provide the MasterPass Switch (via the relevant APIs) with the correct value and AAV necessary to enable the authorization to be coded by the Card Acceptor as follows (note that the MasterPass Switch will pass-on the values provided by the MasterPass Wallet to the Card Acceptor):
   - Data Element 48 (Additional Data – Private Use) Sub-Element 42 (Electronic Commerce Indicators), Position 1 to contain a value of "2".
   - Data Element 48 (Additional Data – Private Use) Sub-Element 42 (Electronic Commerce Indicators), Position 2 to contain a value of "2".
   - Data Element 48 (Additional Data – Private Use) Sub-Element 42 (Electronic Commerce Indicators), Position 3 to contain a value of "5".
   - Data Element 48 (Additional Data – Private Use), Sub-Element 43 (Universal Cardholder Authentication Field) must contain the static AAV corresponding to the Issuer country in the table below.
2. The Acquirer must ensure that:
   - The data elements of the authorization request are coded as described above and that their values correspond to the values provided by the MasterPass Switch to the Card Acceptor as part of the MasterPass Check-out process.
   - Data Element 48 (Additional Data—Private Use), Sub-Element 26 (Wallet Program Data), Subfield 1 (Wallet Identifier) of the authorization request contains the Wallet Identifier that identifies the MasterPass Wallet used to initiate the transaction and that this Wallet Identifier corresponds to the Wallet Identifier provided by the MasterPass Switch to the Card Acceptor as part of the MasterPass Check-out process.
   - The authorization request must include a value of 5 (Electronic order) in Data Element 61 (Point-of-Service (POS) Data) Sub-Element 4 (POS Cardholder Presence) and a value of 6 (Authorized Level 6 CAT: Electronic commerce) in Data Element 61 (Point-of-Service (POS) Data) Sub-Element 10 (Cardholder-Activated Terminal Level).
   - The coding of the clearing presentment must correctly reflect the above authorization coding.

MasterCard issuers in the countries where the MasterPass liability shift applies must support the coding possibilities mentioned in the requirements above and must treat such transactions —when correctly coded—as if they had been successfully authenticated using SecureCode. More specifically, the issuer will be liable for such transactions when they are fraudulent

©1988–2015 MasterCard. Proprietary. All rights reserved.

transactions or potentially fraudulent transactions and will not be allowed to chargeback these transactions under the following chargeback messages reason codes:

- Reason Code 4837—No Cardholder Authorization
- Reason Code 4863—Cardholder Does Not Recognize—Potential Fraud

As an exception to the Selective Authorization rule in the MasterCard Rules, Issuers may systematically decline authorization requests containing one of the static AAVs listed in the table below when such authorization requests do not contain a properly coded MasterPass Wallet Identifier or when the Transaction does not meet other relevant conditions for the proper use of such static AAV.

Countries where the MasterPass Liability Shift applies and their respective Static AAVs

Country	Static AAV (for country of the card Issuer)	Maximum transaction amount (for country of the card Issuer) in EUR
Albania	9999ALBMASTERPASS	250
Austria	9999AUTMASTERPASS	250
Bosnia	9999BIHMASTERPASS	250
Bulgaria	9999BGRMASTERPASS	250
Croatia	9999HRVMASTERPASS	250
Czech Republic	9999CZEMASTERPASS	250
Hungary	9999HUNMASTERPASS	250
Israel	9999ISRMASTERPASS	250
Kosovo	9999QZZMASTERPASS	250
Macedonia	9999MKDMASTERPASS	250
Montenegro	9999MNEMASTERPASS	250
Poland	9999POLMASTERPASS	250
Romania	9999ROMMASTERPASS	250
Serbia	9999SRBMASTERPASS	250
Slovakia	9999SVKMASTERPASS	250
Slovenia	9999SVNMASTERPASS	250

©1988–2015 MasterCard. Proprietary. All rights reserved.

Canada and U.S. Regions

The liability for e-commerce transactions shifts from the acquirer to the issuer for message reason codes 4837 and 4863 intraregional chargebacks in the Canada and U.S. regions when:

- The merchant is UCAF-enabled.
- All other e-commerce Authorization Request/0100 message requirements were satisfied.
- The Authorization Request Response/0110 message reflected the issuer's approval of the transaction.
- The card is not a commercial card, including, without limitation, MasterCard® BusinessCard™, MasterCard® Executive BusinessCard™, Debit MasterCard® BusinessCard™, MasterCard Corporate Card™, MasterCard Corporate Executive Card®, MasterCard Corporate Purchasing Card™, MasterCard Corporate Fleet Card™, MasterCard Corporate Multi-Card™, World MasterCard for Business™, World Elite MasterCard for Business™, MasterCard Corporate World™, MasterCard Corporate World Elite™. MasterCard Professional Card™, MasterCard Small Business Multi Card™, MasterCard Government Commercial Card™, and MasterCard Public Sector Commercial Card™.

Global Merchant-only Liability Shift for Interregional Transactions

MasterCard has implemented a global merchant-only liability shift for interregional transactions. In the case of an interregional e-commerce transaction between customers located in different regions, liability shifts from the acquirer to the issuer for a message reason code 4837 or 4863 chargeback when:

- The merchant is UCAF-enabled.
- All other e-commerce Authorization Request/0100 message requirements were satisfied.
- The Authorization Request Response/0110 message reflected the issuer's approval of the transaction.

This liability shift does not apply if the UCAF submitted by a Europe region merchant contains the MasterCard-assigned static Accountholder Authentication Value (AAV).

3.4.1 Improper Use of Message Reason Code 4837

For intraregional e-commerce transactions in the Asia/Pacific, Europe, Latin America and the Caribbean, and MEA regions, and interregional e-commerce transactions for customers located in different regions, the issuer may not use this message reason code if the following occur.

- The issuer or its agent authorized the transaction for which the UCAF collection indicator in DE 48 (Additional Data—Private Use), subelement 42 (Electronic Commerce Indicators) is **set to 1 or 2**.
- All other e-commerce Authorization Request/0100 message requirements were satisfied.

For intraregional e-commerce transactions in the Canada and U.S. regions, the issuer may not use this message reason code if:

- The issuer or its agent authorized the transaction for which the UCAF collection indicator in DE 48 (Additional Data), subelement 42 (Electronic Commerce Indicator) is **either**:

©1988–2015 MasterCard. Proprietary. All rights reserved.

– Set to **1** and the card is not a commercial card, including, without limitation, MasterCard BusinessCard Card, MasterCard Executive BusinessCard Card, Debit MasterCard BusinessCard Card, MasterCard Corporate Card, MasterCard Corporate Executive Card, MasterCard Corporate Purchasing Card, MasterCard Corporate Fleet Card, MasterCard Corporate Multi Card, World MasterCard for Business, World Elite MasterCard for Business, MasterCard Corporate World, MasterCard Corporate World Elite, MasterCard Professional Card, MasterCard Small Business Multi Card. MasterCard Government Commercial Card, and MasterCard Public Sector Commercial Card; or
– Set to **2**

and

- All other e-commerce Authorization Request/0100 message requirements were satisfied.

3.4.2 Proper Use for Acquirer's Second Presentment

The following conditions represent valid remedies or options that the acquirer can use to process a second presentment for message reason code 4837.

For intraregional e-commerce transactions occurring in the Asia/Pacific, Europe, Latin America and the Caribbean, and Middle East/Africa regions, see Intraregional Liability Shifts (Asia/Pacific, Europe, Latin America and the Caribbean, and MEA regions. For intraregional e-commerce transactions occurring in the Canada and U.S. regions, see Intraregional Liability Shifts (Canada region and U.S. region). For interregional e-commerce transactions occurring between customers located in different regions under the merchant-only interregional liability shift for MasterCard *SecureCode* transactions, see Global Interregional Merchant-only Liability Shift.

Intraregional Liability Shifts (Asia/Pacific, Europe, Latin America and the Caribbean, and MEA regions)

Intraregional Liability Shifts (Asia/Pacific, Europe, Latin America and the Caribbean, and MEA regions)	
IPM Second Presentment Message Reason Code	**2008** Issuer Authorized the Transaction
Second Presentment Condition	The acquirer can document that the transaction was approved and the merchant was UCAF-enabled. (DE 48, subelement 42 contained a UCAF collection Indicator value of **1** or **2** in the Authorization/0100 message). All of the required e-commerce indicators were provided in the Authorization Request/0100 message.
Supporting Documents	None
DE 72 (Data Record)	AUTH MMDDYY/NNNNNN SL n

©1988–2015 MasterCard. Proprietary. All rights reserved.

Intraregional Liability Shifts (Asia/Pacific, Europe, Latin America and the Caribbean, and MEA regions)	
Notes	Replace **MMDDYY** with the date the issuer authorized the transaction. Replace **NNNNNN** with the authorization approval code. Replace **n** of SL n with the value contained in DE 48, subelement 42, position 3 of the authorization message.

Intraregional Liability Shifts (Canada region and U.S. region)

Intraregional Liability Shifts (Canada region and U.S. region)	
IPM Second Presentment Message Reason Code	**2008** Issuer Authorized the Transaction
Second Presentment Condition	The acquirer can document all of the following: • The authorization request for the disputed transaction was approved by the issuer or its service provider. • The UCAF collection indicator (DE 48, subelement 42, position 3) in the Authorization Request/0100 message contained either: – A value of 1 and the card was not a commercial card, or – A value of 2. • All of the required e-commerce indicators were provided in the Authorization Request/0100 message.
Supporting Documents	None
DE 72 (Data Record)	AUTH MMDDYY/NNNNNN SL n
Notes	Replace **MMDDYY** with the date the issuer authorized the transaction. Replace **NNNNNN** with the authorization approval code. Replace **n** of SL n with the value contained in DE 48, subelement 42, position 3 of the authorization message. Commercial cards are exempt from the intraregional MasterCard *SecureCode* merchant-only liability shifts in the Canada and U.S. regions, as described in section 3.4.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Global Interregional Merchant-only Liability Shift

Global Interregional Merchant-only Liability Shift	
IPM Second Presentment Message Reason Code	**2008** Issuer Authorized the Transaction
Second Presentment Condition	The acquirer can document all of the following: • The transaction occurred between customers located in different regions. • The authorization request for the disputed transaction was approved by the issuer or its service provider. • The UCAF collection indicator (DE 48, subelement 42, position 3) contained the value of **1** in the Authorization/0100 message. • All of the required e-commerce indicators were provided in the Authorization Request/0100 message.
Supporting Documents	None
DE 72 (Data Record)	AUTH MMDDYY/NNNNNN SL 1
Notes	Replace **MMDDYY** with the date the issuer authorized the transaction. Replace **NNNNNN** with the authorization approval code.

3.4.3 Improper Use of Message Reason Code 4863

For intraregional e-commerce transactions in the Europe, Latin America and the Caribbean, Asia/Pacific, and MEA regions, and interregional e-commerce transactions for customers located in different regions, the issuer may not use this message reason code if the following occur.

- The issuer or its agent authorized the transaction for which the UCAF collection indicator in DE 48 (Additional Data—Private Use), subelement 42 (Electronic Commerce Indicators) is **set to 1 or 2**.
- All other e-commerce Authorization Request/0100 message requirements were satisfied.

For intraregional e-commerce transactions in the Canada and U.S. regions, the issuer may not use this message reason code if:

- The issuer or its agent authorized the transaction for which the UCAF collection indicator in DE 48 (Additional Data), subelement 42 (Electronic Commerce Indicator) is **either**:
  - Set to **1** and the card is not a commercial card, including, without limitation, MasterCard BusinessCard Card, MasterCard Executive BusinessCard Card, Debit

©1988–2015 MasterCard. Proprietary. All rights reserved.

MasterCard BusinessCard Card, MasterCard Corporate Card, MasterCard Corporate Executive Card, MasterCard Corporate Purchasing Card, MasterCard Corporate Fleet Card, MasterCard Corporate Multi-Card, World MasterCard for Business, World Elite MasterCard for Business, MasterCard Corporate World, MasterCard Corporate World Elite, MasterCard Professional Card, MasterCard Small Business Multi Card, MasterCard Government Commercial Card, and MasterCard Public Sector commercial Card; or

– Set to **2**

And

- All other e-commerce Authorization Request/0100 message requirements were satisfied.

3.4.4 Proper Use for Acquirer's Second Presentment

The following conditions represent valid remedies or options that the acquirer can use to process a second presentment for message reason code 4863.

For intraregional e-commerce transactions occurring in the Europe, Asia/Pacific, Latin America and the Caribbean, and MEA regions, see Intraregional Liability Shifts [Asia/Pacific, Europe, Latin America and the Caribbean, and MEA regions]). For intraregional e-commerce transactions occurring in the Canada and U.S. regions, see Intraregional Merchant-only Liability Shifts [Canada region and U.S. region]). For interregional e-commerce transactions occurring between customers located in different regions under the merchant-only intraregional liability shift for MasterCard *SecureCode* transactions, see Global Interregional Merchant-only Liability Shift.

Intraregional Liability Shifts (Asia/Pacific, Europe, Latin America and the Caribbean, and MEA regions)

Intraregional Liability Shifts (Asia/Pacific, Europe, Latin America and the Caribbean, and MEA regions)	
IPM Second Presentment Message Reason Code	**2008** Issuer Authorized the Transactions
Second Presentment Condition	The acquirer can document that the transaction was approved and that the merchant was UCAF-enabled. (DE 48, subelement 42 contained a UCAF Status Indicator of **1 or 2**). All of the required e-commerce indicators were provided in the Authorization Request/0100 message.
Supporting Documents	None
DE 72 (Data Record)	AUTH MMDDYY/NNNNNN SL n.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Intraregional Liability Shifts (Asia/Pacific, Europe, Latin America and the Caribbean, and MEA regions)	
Notes	Replace **MMDDYY** with the date the issuer authorized the transaction. Replace **NNNNNN** with the authorization approval code. Replace **n** of SL n with the value contained in DE 48, subelement 42, position 3 of the authorization message.

Intraregional Merchant-only Liability Shifts (Canada region and U.S. region)

Intraregional Merchant-only Liability Shifts (Canada region and U.S. region)	
IPM Second Presentment Message Reason Code	**2008** Issuer Authorized the Transaction
Second Presentment Condition	The acquirer can document all of the following: • The transaction occurred between customers located in different regions. • The card was not a commercial card. • The authorization request for the disputed transaction was approved by the issuer or its service provider. • The UCAF collection indicator. (DE 48, subelement 42, position 3) contained the value of **1** in the Authorization/0100 message. • All of the required e-commerce indicators were provided in the Authorization Request/0100 message.
Supporting Documents	None
DE 72 (Data Record)	AUTH MMDDYY/NNNNNN SL n.
Notes	Replace **MMDDYY** with the date the issuer authorized the transaction. Replace **NNNNNN** with the authorization approval code. Commercial cards are exempt from the global interregional MasterCard *SecureCode* merchant-only liability shift, as described in section 3.4.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Global Interregional Merchant-only Liability Shift

Global Interregional Merchant-only Liability Shift	
IPM Second Presentment Message Reason Code	**2008** Issuer Authorized the Transaction
Second Presentment Condition	The acquirer can document all of the following: • The transaction occurred between customers located in different regions. • The authorization request for the disputed transaction was approved by the issuer or its service provider. • The UCAF collection indicator. (DE 48, subelement 42, position 3) contained the value of **1** in the Authorization/0100 message. • All of the required e-commerce indicators were provided in the Authorization Request/0100 message.
Supporting Documents	None
DE 72 (Data Record)	AUTH MMDDYY/NNNNNN SL 1.
Notes	Replace **MMDDYY** with the date the issuer authorized the transaction. Replace **NNNNNN** with the authorization approval code.

3.4.5 Intracountry Acquirer Domain Mobile Remote Payment Transactions

For a chargeback rule applicable only to intracountry Acquirer Domain MasterCard Mobile Remote Payment transactions in Croatia, Cyprus, Czech Republic, Hungary, Slovakia, and Slovenia, refer to the *MasterCard Mobile Intracountry Liability Shift: Guidelines and Requirements* (available upon request to MMRP_Europe@mastercard.com).

3.5 Chip Liability Shifts

EMV chip technology can provide a more secure alternative to non-chip technology for reducing counterfeit-fraud transactions, and if PIN is used as the cardholder verification method (CVM), lost, stolen, and never-received-issue (NRI) fraudulent transactions.

Therefore, certain countries and MasterCard regions have decided to migrate to the EMV chip platform, and some have also decided to require or are considering requiring PIN as the preferred CVM.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Many of these same countries and regions have instituted a chip liability shift for domestic and intraregional MasterCard transactions to protect customers that have made the early investment in EMV chip.

Chip liability shift means that when a counterfeit, fraud transaction occurs in a country or region that has migrated to the EMV chip card platform, the liability for the transaction will shift to the non–chip-compliant party.

In addition, if PIN is the preferred or required CVM in a country or MasterCard region, the liability for lost, stolen, and never-received cards resulting in fraudulent MasterCard transactions when one customer is not yet able to support chip/PIN transactions will be borne by that customer.

A chip liability shift in...	Applicable to...	Has been in effect since or will take effect on...
Asia/Pacific region	Intraregional and domestic transactions	1 January 2006
Brazil	Domestic transactions	1 August 2015
Canada region	All intraregional and domestic transactions except transactions at automated fuel dispensers (MCC 5542) located in Canada (Not applicable to MasterCard contactless transactions under the CVM limit amount)	31 March 2011
	Automated fuel dispenser transactions (MCC 5542)	31 December 2012
Colombia	Domestic transactions	1 October 2008
Europe region	Intraregional and domestic transactions	1 January 2005
Latin America and the Caribbean region	Intraregional transactions	1 January 2005
All other Latin America and the Caribbean region countries except Argentina and Uruguay	Domestic transactions	17 October 2014
Argentina and Uruguay	Domestic transactions	16 October 2015
South Africa	Domestic transactions	1 January 2005
Middle East/Africa region	Intraregional and domestic transactions	1 January 2006

©1988–2015 MasterCard. Proprietary. All rights reserved.

A chip liability shift in...	Applicable to...	Has been in effect since or will take effect on...
United States region	All intraregional and domestic transactions except transactions at automated fuel dispensers (MCC 5542) located in the U.S.	1 October 2015
	Automated fuel dispenser transactions (MCC 5542)	1 October 2017
Venezuela	Domestic transactions	1 July 2009

Chip Pin Liability Shifts

A chip/PIN liability shift in…	Applicable to...	Has been in effect since or will take effect on…
Canada region	All intraregional and domestic transactions except transactions at automated fuel dispensers (MCC 5542) located in Canada	31 March 2011
	Automated fuel dispenser transactions (MCC 5542)	31 December 2012
Europe region	Intraregional and domestic transactions	1 January 2005
United States region	All intraregional and domestic transactions except transactions at automated fuel dispensers (MCC 5542) located in the U.S.	1 October 2015
	Automated fuel dispenser transactions (MCC 5542)	1 October 2017

3.5.1 Levels of Participation

There are two levels of chip liability shift participation.

- **Level 1—Chip Liability Shift (Counterfeit Fraud)**
  - Issuers assume counterfeit fraud-related liability if a non-EMV chip card is presented at a hybrid POS terminal.
  - Acquirers assume counterfeit fraud-related liability if an EMV chip card is presented at a non-hybrid POS terminal.
- **Level 2—Chip/PIN Liability Shift (Lost/Stolen/Never-received-issue Fraud)**

©1988–2015 MasterCard. Proprietary. All rights reserved.

- Issuers assume lost, stolen, and never-received issue (NRI) fraud-related liability unless a card is a hybrid PIN-preferring card used at a terminal that is not a hybrid PIN-capable POS terminal or where the PIN pad is not present or not working.
- Acquirers assume lost, stolen, and never-received-issue fraud-related liability if a hybrid PIN-preferring card is used at a terminal that is not a hybrid PIN-capable POS terminal or where the PIN pad is not present or not working.
- A country or region cannot participate at Level 2 without first or concurrently participating at Level 1.

3.5.2 Global Chip Liability Shift Program

A country or MasterCard region that has instituted a domestic or intraregional chip or chip/PIN liability shift may participate in the Global Chip Liability Shift Program for interregional transactions.

The following countries and regions participate in the Global Chip Liability Shift Program for interregional MasterCard POS transactions.

Level 1 (Chip Liability Shift) Participation

Level 1 (Chip Liability Shift) Participation		
In this region…	**The following countries and territories participate…**	**Effective for MasterCard POS transactions dated on or after...**
Asia/Pacific region	All	Currently in effect
Canada region	All	Currently in effect
Europe region	All	Currently in effect
Latin America and the Caribbean region	All	Currently in effect
Middle East/Africa region	All	Currently in effect
United States region	All	1 October 2015 for all POS transactions except transactions at automated fuel dispensers (MCC 5542) located in the U.S.
		1 October 2017 for automated fuel dispenser (MCC 5542) transactions

©1988–2015 MasterCard. Proprietary. All rights reserved.

Level 2 (Chip/PIN Liability Shift) Participation

Level 2 (Chip/PIN Liability Shift) Participation		
In this region…	**The following countries and territories participate…**	**Effective for MasterCard POS transactions dated on or after...**
Canada region	All	Currently in effect
Europe region	All	Currently in effect
United States region	All	1 October 2015 for all POS transactions except transactions at automated fuel dispensers (MCC 5542) located in the U.S.
		1 October 2017 for automated fuel dispenser (MCC 5542) transactions

3.5.3 Reason Codes and Chargeback Rights

Chip technology does not introduce new chargeback reasons, except with respect to chip or chip/PIN liability shifts as described in this section and in Chapter 3, MasterCard Message Reason Codes—Dual Message System Transactions.

Otherwise, customers may initiate a chargeback for exactly the same reasons, and using exactly the same procedures, as those for magnetic stripe transactions.

Customers participating in domestic or global chip or chip/PIN liability shifts or the interregional Chip Liability Shift Program may use the following message reason codes to chargeback counterfeit fraud or lost, stolen, or never received card fraud transactions.

Issuer may use this chargeback message reason code…	If transaction involved…	And both parties participate in a…
4870 (Chip Liability Shift)	Counterfeit fraud	Chip liability shift
4871 (Chip/PIN Liability Shift)	Lost, stolen, or never-received-as-issued (NRI) fraud	Chip/PIN liability shift

Acquirer may use this second presentment message reason code…	And both parties participate in a…
2870 (Chip Liability Shift)	Chip liability shift

©1988–2015 MasterCard. Proprietary. All rights reserved.

Acquirer may use this second presentment message reason code…	And both parties participate in a…
2871 (Chip/PIN Liability Shift)	Chip/PIN liability shift

NOTE:

The issuer may invoke the chip and the chip/PIN liability shift only with the first chargeback under message reason code 4870 and 4871.

Acquirers may use message reason code 2870 (Chip Liability Shift) to invoke the chip liability shift as a final remedy to a chargeback initiated under message reason codes 4837 (No Cardholder Authorization).

Acquirers must use message reason code 2871 (Chip/PIN Liability Shift) to indicate that a chip/PIN liability shift is the reason for the second presentment in response to message reason code 4837 (No Cardholder Authorization).

An arbitration chargeback is **not allowed** if the second presentment under message reason code 2870 or 2871 was valid.

Acquirers continue to have the right to submit second presentments for chargebacks initiated using the message reason codes listed above for any of the following situations:

- The issuer initiated an invalid chargeback.
- The acquirer already issued a credit.
- The acquirer has new information that was unknown to the issuer before the original chargeback (for example, a new merchant name, or different transaction date).

To remedy a chargeback initiated under message reason code 4870 when the chip liability shift does not apply or to remedy a chargeback initiated under message reason code 4871 when the chip/PIN liability shift does not apply, the acquirer must use message reason code 2713 (Invalid Chargeback).

Any country or region that participates in the Global Chip Liability Shift Program for interregional transactions must implement a domestic or intraregional chip liability shift using the same reason codes as the Global Chip Liability Shift Program before they can participate in the program.

3.5.3.1 Data Record Text

If the first chargeback was initiated under the Global Chip Liability Shift Program (using message reason code 4870 or 4871) but the transaction was ineligible, the acquirer's Second

©1988–2015 MasterCard. Proprietary. All rights reserved.

Presentment should use message reason code 2713 (Invalid Chargeback) and include in DE 72 (Data Record) the message CHIP LIABILITY NA or CHIP/PIN LIABILITY NA.

3.5.4 Participation

MasterCard will announce the effective date of participation of the country or region in a *Global Operations Bulletin.*

3.5.4.1 Voluntary Participation Criteria

Any country or region may participate in the Global Chip Liability Shift Program for interregional transactions if that country or region has completed **all** of the following.

- Stated its intention to migrate to EMV chip for its own country or region by a valid decision-making process (as defined in section Valid Decision-making Processes).
- Derived a chip liability shift program for domestic or intraregional transactions by a valid decision-making process that uses the same reason codes as the Global Chip Liability Shift Program.
- Decided to participate in the Global Chip Liability Shift Program for interregional transactions by a valid decision-making process.
- Notified MasterCard of its intent to participate in the Global Chip Liability Shift Program for interregional transactions (as defined in section Notifying MasterCard of Intent to Participate).

3.5.4.1.1 Valid Decision-making Processes

A country or region may mandate the EMV chip platform, adopt a chip or chip/PIN liability shift for domestic or intraregional transactions (or both), or participate in the Global Chip Liability Shift Program for interregional transactions at Level 1 or Level 2 as follows.

Country—By an affirmative vote of that country's customers that represents 75 percent of the currency volume of both acquiring and issuing transactions. This 75 percent currency volume comprises all MasterCard, Maestro, and Cirrus transactions.

Region—By an affirmative vote of that region's customers that represents 75 percent of the currency volume of both acquiring and issuing transactions. This 75 percent currency volume comprises all MasterCard, Maestro, and Cirrus transactions.

When a region decides to adopt a chip liability shift for domestic transactions, intraregional transactions and/or participate in the interregional Global Chip Liability Shift Program, the decision applies to each country in the region unless a country or countries are specifically included or excluded.

3.5.4.2 Mandatory Participation

MasterCard may require a country or region to implement a chip and/or chip/PIN liability shift for domestic transactions and, concurrently or subsequently, to participate in the Global Chip Liability Shift Program at Level 1 or Level 2 as described in this section.

Country—MasterCard may require a country to implement a chip and/or chip/PIN liability shift for domestic transactions and, concurrently or subsequently, to participate in the Global Chip Liability Shift Program at Level 1 or Level 2, as appropriate.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Region—MasterCard may require a region to implement a chip and/or chip/PIN liability shift for intraregional transactions (including domestic transactions) and, concurrently or subsequently, to participate in the interregional Chip Liability Shift Program at Level 1 or Level 2, as appropriate. In such event, each country in the region will be required to participate, unless a country or countries are specifically excluded.

3.5.4.3 Notifying MasterCard of Intent to Participate

If a country or region has decided, by a valid decision-making process, to adopt a chip or chip/PIN liability shift for domestic or intraregional transactions, an authorized representative of the MasterCard country or region must notify MasterCard management in writing of the decision.

If a country or region has decided, by a valid decision-making process, to participate in the Global Chip Liability Shift Program for interregional transactions, an authorized representative of the MasterCard country or region must notify MasterCard management in writing to express the country or region's intent to participate. The notification must specify the level of participation (Level 1 or Level 2, as described in section Levels of Participation) and scope, whether intraregional (for a country) or interregional with other like participants.

3.6 MasterCard CVC 2 Validation Program (U.S. Region Domestic Transactions Only)

The MasterCard CVC 2 Validation Program is valid only for transactions occurring at U.S. region merchants that involve the use of MasterCard and Debit MasterCard cards issued in the U.S. region ("Domestic Transactions"). Issuers in the U.S. region will retain chargeback rights for message reason code 4837 for transactions resulting from key-entered account information, that are processed under the card validation code 2 (CVC 2) in Lieu of Imprint Program.

When a merchant processes a key-entered face-to-face Domestic Transaction, the merchant may seek to obtain card validation code 2 (CVC 2) verification instead of a card imprint. Acquirers are allowed to remedy a message reason code 4837 (No Cardholder Authorization) chargeback by providing a printed signed terminal receipt and using CVC 2 validation (value M match) as proof of card presence in lieu of an imprint for key-entered, face-to-face transactions. This remedy is available as fallback when a magnetic stripe card cannot be read by the terminal in lieu of imprinting.

As a reminder, CVC 2 is a three-digit code algorithmically derived by the issuer based on the primary account number (PAN) and the expiration date. CVC 2 is present in a white panel adjacent to the signature panel. MasterCard Standards require that all acquirers globally transmit the CVC 2 value captured by merchants to issuers for validation.

In turn, issuers must validate the CVC 2 value and provide a valid CVC 2 response code in data element (DE) 48 (Additional Data—Private Use), subelement 87 (Card Validation Code Result) of the Authorization Request Response/0110 or Financial Transaction Request Response/0210 message. Acquirers are then required to provide the CVC 2 response code to merchants.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Restricted MCCs. The following MCCs may not use CVC 2 in Lieu of Imprint to support card presence; therefore, merchants processing under the following MCCs must provide a manual card imprint on a signed sales slip to remedy a chargeback for message reason code 4837:

- 4829—Money Transfer—Merchant
- 6010—Manual Cash Disbursements—Customer Financial Institution
- 6050—Quasi Cash—Customer Financial Institution
- 6051—Quasi Cash—Merchant
- 6540—POI Funding Transactions (Excluding MoneySend)
- 7801—Internet Gambling
- 7802—Government Licensed Horse/Dog Racing
- 7995—Gambling Transactions
- 9405—Intra-Government Purchases—Government Only
- 9754—Gambling—Horse Racing, Dog Racing, Non-Sports Intrastate Internet Gambling

3.7 Errors in Processing or Procedure

The following message reason codes generally apply to errors in processing or procedure.

- **4802**—Requested/Required Information Illegible or Missing
- **4831**—Transaction Amount Differs
- **4834**—Duplicate Processing
- **4842**—Late Presentment
- **4846**—Correct Transaction Currency Code Not Provided
- **4850**—Installment Billing Dispute
- **4863**—Cardholder Does Not Recognize—Potential Fraud

Before using one of the above message reason codes, issuers should consider the following:

- The merchant or acquirer may have realized that there was an error and processed a credit to the cardholder's account.
- A transaction that appears to have been duplicated actually may be two legitimate transactions.
- A transaction may be processed late (more than seven calendar days from the original transaction date). The cardholder still is responsible for payment if it is a legitimate transaction. (The issuer can charge back the transaction if the cardholder account number is permanently closed.)
- Chargebacks are available to the issuer for MasterCard transactions in which any value usable for gambling is purchased at any gambling merchant. However, for all MasterCard transactions issuers have no chargeback rights related to the use of these chips or value, unspent chips or value, or on any winnings resulting from use of such chips or value.

Refer to Chapter 2, Retrieval Requests and Fulfillments—MasterCard Dual Message System Transactions for information about retrieval request and fulfillments.

©1988–2015 MasterCard. Proprietary. All rights reserved.

MasterCard Central Site edits will reject chargebacks for message reason code 4802 for the following reasons:

- The issuer did not submit a retrieval request.
- The issuer accepted the retrieval request fulfillment through the MasterCom® electronic imaging system.
- The issuer rejected the image, and MasterCom Image Review ruled in favor of the acquirer.
- The retrieval request date is more than 120 calendar days plus a ten-calendar day grace period from the Julian date in DE 31 (Acquirer Reference Data).
- The issuer processes the chargeback more than 60 (120 for intra-European and inter-European transactions) calendar days from the Central Site Business Date of the Retrieval Request/1644-603 message.

NOTE: The Julian Date is the day of the year in YDDD format. The year (Y) is the last number of the year, for example, 8 for 2008. The day (DDD) is expressed as a three-position number, with a range of 001–366. For example:

001—1 January

140—20 May (non-leap year)

141—20 May (leap year)

This date is the Julian processing date that the acquirer assigned to the First Presentment/1240. It is presented in DE 31.

3.8 Progressive Handling Fees

The Progressive Handling Fee program applies only to non–face-to-face transactions excluding Cardholder-activated Terminal (CAT) Level 2 transactions.

NOTE: Progressive handling fees do not apply to intra-European and inter-European transactions.

3.8.1 Progressive Handling Fee Overview

Customers may process a handling fee in conjunction with message reason codes 4807 or 4808 as follows solely for all non–face-to-face transactions except CAT Level 2 transactions.

The handling fee, identified with the correct message reason code, compensates the customer for the cost of processing one of the following, or for the cost of reversing an invalid handling fee (using message reason code 7627):

- First chargeback (message reason code 7622)
- Second presentment (message reason code 7623)
- Arbitration chargeback (message reason code 7624)

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.8.1.1 Issuer Use of Message Reason Code 7622

The issuer may collect a USD 25 handling fee when processing a chargeback by submitting an IPM Fee Collection/1740-700 message with message reason code 7622. The issuer must process its handling fee within five calendar days of the Central Site Business Date of the chargeback.

3.8.1.2 Acquirer Use of Message Reason Code 7623

The acquirer may collect a handling fee when processing a second presentment by submitting an IPM Fee Collection/1740-700 message with message reason code 7623, except when either of the following occur.

- The acquirer is collecting a handling fee for the same transaction using an IPM Fee Collection/1740-700 message with message reason code 7627.
- The second presentment contains corrected or previously omitted information that remedies the chargeback. (Such information may include, but is not limited to, a transaction date, merchant location, or authorization code.)

The amount of the handling fee is USD 50 plus the amount of the handling fee that the issuer previously collected for the chargeback, if any. The acquirer must process its handling fee within 15 calendar days of the Central Site Business Date of the second presentment. MasterCard will determine responsibility for the progressive handling fee if the chargeback is filed as an arbitration case.

3.8.1.3 Issuer Use of Message Reason Code 7624

The issuer may collect a handling fee when processing an arbitration chargeback that disputes the validity of the information provided by the acquirer with the second presentment.

The issuer may collect the handling fee by submitting an IPM Fee Collection/1740-700 message with message reason code 7624. The amount of the handling fee is USD 50 plus the amount of any handling fee that the acquirer previously collected, whether for the second presentment, or to reverse the handling fee previously collected by the issuer for the chargeback, or both. The amount of the fee is restricted to USD 50 if the acquirer did not collect any handling fee associated with the second presentment. The issuer must process its handling fee within 15 calendar days of the Central Site Business Date of the arbitration chargeback. MasterCard will determine responsibility for the progressive handling fee if the chargeback is filed as an arbitration case.

3.8.1.4 Acquirer Use of Message Reason Code 7627—No MAC Provided

If the issuer collected a handling fee using an IPM Fee Collection/1740-700 message with message reason code 7622, but the transaction was a recurring payment transaction and the issuer's decline response did not include an associated Merchant Advice Code (MAC) as described below, the acquirer may collect a handling fee of USD 25 plus the amount that the issuer previously collected for the chargeback by submitting an IPM Fee Collection/1740-700 message with message reason code 7627.

The acquirer must process the handling fee within 15 calendar days of receiving the IPM Fee Collection/1740-700 message with message reason code 7622. In the IPM Fee Collection/1740-700 message with message reason code 7627, the acquirer must include in DE 72 (Data

©1988–2015 MasterCard. Proprietary. All rights reserved.

Record) the information it received in DE 72 (Data Record) of the original message with message reason code 7622 and the code "NO MAC."

Message reason code 7627 applies because an issuer is not entitled to a handling fee if its response to a recurring payment authorization request, other than an approval that was properly identified, did not include a Merchant Advice Code.

The conditions below must be satisfied for an acquirer to collect the handling fee for "NO MAC" as described above:

- The authorization request was identified properly (DE 61, subfield 4 = 4 [Standing Order/ Recurring Transaction]).
- The issuer's decline response did not include an associated MAC (DE 48, subelement 84) of 01, 02, or 03. (This does not include X-Code or Stand-In declines).
- The clearing message was identified as a recurring transaction (DE 22 [Cardholder Present Data], subfield 5 value 4 [Cardholder not present; standing (recurring) transaction]).

3.8.1.5 Acquirer Use of Message Reason Code 7627—Face-to-Face or CAT Level 2 Transaction

If the acquirer receives a handling fee in an IPM Fee Collection/1740-700 message with message reason code 7622, but the transaction was either a face-to-face transaction or a CAT Level 2 transaction, the acquirer may collect a handling fee of USD 25 plus the amount that the issuer collected by submitting an IPM Fee Collection/1740-700 message with message reason code 7627.

The acquirer must process the handling fee within 15 calendar days of receiving the IPM Fee Collection/1740-700 message with message reason code 7622. In the IPM Fee Collection/ 1740-700 message with message reason code 7627, the acquirer must include in DE 72 (Data Record) the information it received in DE 72 of the original message with message reason code 7622 and the code **F2F** for a face-to-face transaction or the code **CT2** for a CAT Level 2 transaction.

Message reason code 7627 applies because an issuer is not entitled to a handling fee for a face-to-face transaction or CAT Level 2 transaction. The acquirer must provide the values listed in the table below in the First Presentment/1240 message to collect the handling fee as described above.

For this type of transaction...	Provide these values in the First Presentment/1240 message...
A face-to-face transaction	In DE 22 (Point of Service Data Code): Value of **1** (Attended Terminal) in subfield 4 (Terminal Operating Environment) Value of **0** (Cardholder Present) in subfield 5 (Cardholder Present Data) Value of **1** (Card Present) in subfield 6 (Card Present Data)
A CAT Level 2 transaction	Value of **CT2** in PDS 0023 (Terminal Type)

©1988–2015 MasterCard. Proprietary. All rights reserved.

The **F2F or CT2** handling fee compensates the acquirer for the issuer's invalid handling fee and the cost of processing its reversal.

The acquirer cannot submit an IPM Fee Collection/1740-700 message with message reason code 7627 if the original presentment was not properly identified as a face-to-face transaction or CAT Level 2 transaction. However, if the acquirer can remedy the chargeback, then the acquirer can collect the progressive handling fee associated with the second presentment using message reason code 7623.

3.8.1.6 Required Fields in Fee Collection Messages

Customers must include the following fields in every Fee Collection/1740-700 message in which DE 25 (Message Reason Code) contains a value of 7622, 7623, 7624, or 7627.

- DE 2 (Primary Account Number)
- DE 31 (Acquirer Reference Data)
- DE 72 (Data Record)
- DE 73 (Date, Action)

If any of the data elements described above are missing, incomplete, or invalid, the receiving customer may return a Fee Collection/1740-700 message for the same amount originally received using the following:

- The original message reason code
- Applicable function code of 780 (Fee Collection Return), 781 (Fee Collection Resubmission), or 782 (Fee Collection Arbitration Return)

Customers must retain the information provided in DE 72 (Data Record) from the original Fee Collection/1740-700 message. Customers must use the remaining positions to describe the reason they are returning the Fee Collection/1740-700 message.

Reasons for returning a Fee Collection/1740 message may include:

- Primary Account Number (PAN) Missing
- Acquirer Reference Data Missing
- Data Record Missing
- Data Record Not Formatted Correctly
- Date Action Missing
- Fee Collection Time Frame Exceeded
- Incorrect Fee Amount

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.9 Intra-European and Inter-European Dispute Administration Fee (MasterCard POS)

For intra-European and inter-European transactions, a Dispute Administration Fee (DAF) will be automatically generated for each chargeback, second presentment and arbitration chargeback by MasterCard via the MasterCard Consolidated Billing System.

The fees will be credited to the sender and debited from the receiver of the respective chargeback cycle as follows:

- First chargeback: The issuer is credited 15 EUR and the acquirer is debited 15 EUR.
- Second presentment: The acquirer is credited 30 EUR (15 EUR net) and the issuer is debited 30 EUR (15 EUR net).
- Arbitration chargeback: The issuer is credited 45 EUR (30 EUR net) and the acquirer is debited 45 EUR (30 EUR net).

In the event that an arbitration (or pre-arbitration) case is filed at the end of the cycles, the acquirer will be allowed to collect 60 EUR from the issuer (30 EUR net) if the acquirer is favored, within 45 days of the ruling decision or acceptance by the issuer. This fee may be collected by the favored acquirer using a miscellaneous fee collection message 1740-700 message with reason code 7606. DE 72 (Data Record) of the fee collection message must contain the "6-digit case ID—collection of DAF."

The DAF does not apply when the transaction is coded with MCC 5499, 5735, 5815, 5816, 7311, or 7399.

Should the fee be debited unduly, meaning the acquirer collects the DAF with a second presentment after processing a credit to the cardholder, the fee can be collected by the impacted party using the miscellaneous fee collection message 1740-700 with reason code 7606. This fee collection message should be sent within 45 days after the dispute message was sent which unduly triggered the DAF. DE 72 (Data Record) of the fee collection message must contain the "10-digit chargeback reference number—collection of DAF."

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.10 Chargeback Message Reason Codes

The following sections present a summary of processing requirements.

3.10.1 First Chargeback: MTI 1442

This table presents processing requirements for First Chargebacks.

Function Code 450 (Full)/453 (Partial)					
Chargeback Message Reason Codes		**Documentation Required**	**Retrieval Request Required**	**Time Frame**	**Section No.**
4802	Requested/Required Item Illegible or Missing	No	Yes	60	3.11 Message Reason Code 4802—Requested/Required Information Illegible or Missing
4807	Warning Bulletin File	No	No	45	3.12 Message Reason Code 4807—Warning Bulletin File
4808	Requested/Required Authorization Not Obtained	No	No	90	3.13 Message Reason Code 4808—Requested/Required Authorization Not Obtained
4812	Account Number Not on File	No	No	45	3.14 Message Reason Code 4812—Account Number Not on File
4831	Transaction Amount Differs	Sometimes	No	120	3.15 Message Reason Code 4831—Transaction Amount Differs
4834	Duplicate Processing	No	No	120	3.16 Message Reason Code 4834—Duplicate Processing
4837	No Cardholder Authorization	Yes	No	120	3.17 Message Reason Code 4837—No Cardholder Authorization
4840	Fraudulent Processing of Transactions	Yes	No	120	3.18 Message Reason Code 4840—Fraudulent Processing of Transactions
4841	Canceled Recurring or Digital Goods Transactions	Sometimes	No	120	3.19 Message Reason Code 4841—Canceled Recurring or Digital Goods Transactions
4842	Late Presentment	No	No	120	3.20 Message Reason Code 4842—Late Presentment
4846	Correct Transaction Currency Code Not Provided	Sometimes	No	120	3.21 Message Reason Code 4846—Correct Transaction Currency Code Not Provided

©1988–2015 MasterCard. Proprietary. All rights reserved.

Function Code 450 (Full)/453 (Partial)					
Chargeback Message Reason Codes		**Documentation Required**	**Retrieval Request Required**	**Time Frame**	**Section No.**
4849	Questionable Merchant Activity	No	No	120	3.22 Message Reason Code 4849—Questionable Merchant Activity
4850	Installment Billing Dispute	Sometimes	No	120	3.23 Message Reason Code 4850—Installment Billing Dispute (Brazil Only)
4853	Cardholder Dispute	Yes	No	120	3.24 Message Reason Code 4853—Cardholder Dispute
4854	Cardholder Dispute—Not Elsewhere Classified (U.S. Region Only)	Yes	No	120	3.25 Message Reason Code 4854 Cardholder Dispute—Not Elsewhere Classified (U.S. Region Only)
4855	Goods or Services Not Provided	Yes	No	120	3.26 Message Reason Code 4855—Goods or Services Not Provided
4859	Addendum, No-show, or ATM Dispute[1]	Yes	No	120	3.27 Message Reason Code 4859—Addendum, No-show, or ATM Dispute
4860	Credit Not Processed	Sometimes	No	120	3.28 Message Reason Code 4860—Credit Not Processed
4863	Cardholder Does Not Recognize—Potential Fraud	Sometimes	No	120	3.29 Message Reason Code 4863—Cardholder Does not Recognize—Potential Fraud
4870	Chip Liability Shift	Yes	No	120	3.30 Message Reason Code 4870—Chip Liability Shift
4871	Chip/PIN Liability Shift	Yes	No	120	3.31 Message Reason Code 4871—Chip/PIN Liability Shift
4999	Domestic Chargeback Dispute **(Europe region Only)**	Yes	No	120	3.32 Message Reason Code 4999—Domestic Chargeback Dispute (Europe Region Only)

[1] 4859 Services Not Rendered "RS" Reasons:

- RS 3 = ATM dispute
- RS 5 = Guaranteed no-show
- RS 7 = Addendum Dispute

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.10.2 Second Presentment: MTI 1240

This table presents processing requirements for Second Presentment.

Function Code 205 (Full)/282 (Partial)

Technical Return

Technical Return	
2001	Invalid Acquirer Reference Data; documentation was neither required nor received.
2004	Invalid Acquirer Reference Data on chargeback; documentation was received.

Documentation Return

Documentation Return	
2002	Nonreceipt of required documentation to support chargeback
2709	Documentation received was illegible.
2710	Scanning error—unrelated documents or partial scan

Substance Return

Substance Return	
2003	Correct transaction date provided
2005	Correct merchant location/description provided Issuer authorized transaction
2008	Issuer authorized transaction
2011	Credit previously issued
2700	See Corresponding Documentation/Chargeback Remedied
2701	Duplicate Chargeback
2702	Past Chargeback Time Limit
2703	Requested transaction document provided (requires hardship variance)
2704	Invalid Data Record Text
2705	Correct MCC provided
2706	Authorization advised suspicious

©1988–2015 MasterCard. Proprietary. All rights reserved.

Substance Return	
2707	No authorization request required or attempted
2708	Account was not listed on the applicable Electronic Warning Bulletin as of the transaction date
2713	Invalid Chargeback
2870	Chip Liability Shift
2871	Chip/PIN Liability Shift

3.10.3 Arbitration Chargeback: MTI 1442

This table presents processing requirements for Arbitration Chargeback.

Function Code: 451 (Full); 454 (Partial)

Refer to Arbitration Chargeback/1442 IPM (Function Codes 451 or 454) Message Reason Code Usage for additional message reason codes.

Technical Return

Technical Return	
4905	Invalid Acquirer Reference Data on Second Presentment/1240 (required documentation) Must be used when Message 2001 is received from the acquirer
4908	Invalid Acquirer Reference Data on Second Presentment/1240 (required documentation) Must be used when Message 2004 is received from the acquirer

Documentation Return

Documentation Return	
4901	Required documentation not received to support previous Second Presentment/1240.
4902	Documentation received was illegible.
4903	Scanning error—Unrelated documents or partial scan.
4904	Reserved

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.10.4 Second Presentment/1240 IPM (Function Codes 205 or 282) Message Reason Code Usage

This section lists definitions for the Second Presentment/1240 IPM message reason codes.

Second Presentment/1240 IPM Message Reason Code Definitions	
Message Reason Code	**Definition**
2001—Invalid Acquirer Reference Data; Documentation was Received or was Not Required	The acquirer must use this message reason code to notify the issuer that the combination of Primary Account Number and Acquirer Reference Data on the chargeback message does not match the information contained in the first presentment, and that documentation sent by the issuer was received or that no documentation was required to be sent.
2002—Non-receipt of Required Documentation to Support Chargeback	An acquirer must use this message reason code when documentation that is required to support the chargeback is not received. Acquirers must wait a minimum of eight calendar days from the first chargeback before using this message reason code. The acquirer may use this message reason code between days 9 and 45. The successful processing of a second presentment for this message reason code will block any attempt by the issuer to process an arbitration chargeback if the message reason code used during the first chargeback always requires documentation to support the chargeback. The acquirer must accept documentation received more than eight calendar days after processing the first chargeback as long as the acquirer has not yet processed a second presentment for this message reason code as of the time the documentation is received.
2003—Correct Transaction Date Provided	Acquirers must use this message reason code in cases where the chargeback may be remedied by providing the correct transaction date. For example, a first chargeback for message reason code 4807 (Warning Bulletin File) may be remedied if the transaction date for the first presentment was incorrect, and the acquirer may provide the correct transaction date and show that the account was not listed in the applicable Electronic Warning Bulletin.
2004—Invalid Acquirer Reference Data on Chargeback; Documentation was Received	The acquirer must use this message reason code to notify the issuer that the combination of Acquirer Reference Data/Primary Account Number on the chargeback message does not match the information contained in the first presentment and that documentation that was received to support the issuer's first chargeback.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Second Presentment/1240 IPM Message Reason Code Definitions	
Message Reason Code	**Definition**
2005—Corrected Merchant Location/Description Provided	The acquirer must use this message reason code when it can remedy the first chargeback by providing new information in the form of a different merchant name or location. For example, to remedy a chargeback for message reason code 4808 (Requested/Required Authorization Not Obtained), an acquirer provides information confirming that the merchant's location is different from the location that appeared on the first presentment of the transaction. The new location may reveal that a different floor limit applies to the transaction and that authorization was not required, therefore remedying an issuer's initial chargeback.
2008—Issuer Authorized the Transaction	The acquirer must use this message reason code when it can remedy the first chargeback by providing information showing that the transaction was properly authorized by the issuer, its agent, or MasterCard. For example, an acquirer may remedy a chargeback for message reason code 4807 (Warning Bulletin File) if it can show that the transaction was authorized when the card was presented to the merchant for payment (for example, check-in for hotel stay).
2011—Credit Previously Issued	The acquirer must use this message reason code when it can remedy the first chargeback by showing that the merchant issued a credit to the cardholder's account. The Data Record must contain the date of the credit and, optionally, the Acquirer's Reference Data (ARD) of the credit.
2700—See Corresponding Documentation/Chargeback Remedied	An acquirer must use this message reason code when the remedy to the chargeback is included within the documentation supporting the second presentment, and no other message reason code is applicable to describe the remedy. For example, if the only remedy the acquirer has to a first chargeback for message reason code 4837 is providing a signed and imprinted TID, the acquirer must use this message reason code. If the second presentment is better described using another message reason then the message reason code that best describes the remedy must be used (for example, 2011 Credit Previously Issued). When using 2700, the documentation indicator must be 1 (Documentation Provided).
2701—Duplicate Chargeback	The acquirer must use this message reason code to remedy situations where the issuer has processed a first chargeback for the same transaction more than once.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Second Presentment/1240 IPM Message Reason Code Definitions	
Message Reason Code	**Definition**
2702—Past Chargeback Time Limit	The acquirer must use this message reason code when the issuer's first chargeback is processed past the time limit allowed for the chargeback.
2703—Requested Transaction Documentation Provided (Hardship Variance)	The acquirer must use this message reason code when processing a second presentment within the guidelines of a Hardship Variance that has been approved by MasterCard. A Hardship Variance may be granted in case of a natural disaster, and must be applied for by the acquirer, and approved by MasterCard. Refer to GCMS Support of Time Frames for additional information regarding hardship variances.
2704—Invalid Data Record Text	The acquirer must use this message reason code when information that is required to appear in the first chargeback's Data Record as stated in this guide, and the required message text (DE 72 [Data Record]) is missing or incomplete and the lack of such information renders the chargeback invalid. For example, the issuer processes a first chargeback for message reason code 4834 (Duplicate Processing) without including the Acquirer's Reference Data of the first transaction in the chargeback's Data Record. Without that information, the acquirer is unable to investigate the case properly, and therefore, the chargeback would become invalid.
2705—Correct MCC Provided	The acquirer must use this message reason code when remedying a chargeback by showing that the merchant business code (MCC) assigned to the merchant is different from the MCC appearing on the first presentment. For example, the acquirer may remedy a chargeback for message reason code 4808 (Requested/Required Authorization Not Obtained) by showing that the merchant belongs to a category for which the merchant is not required to request authorization for the transaction amount.
2706—Authorization Advised Suspicious	The acquirer must use this message reason code as described in the Suspicious Transaction table in section Proper Use for Acquirer's Second Presentment.
2707—No Authorization Required or Attempted	The acquirer must use this message reason code when the transaction amount was below the applicable floor limit, and the merchant did not request an authorization.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Second Presentment/1240 IPM Message Reason Code Definitions	
Message Reason Code	**Definition**
2708—Account was Not Listed on the Applicable Electronic Warning Bulletin as of the Transaction Date	The acquirer must use this message reason code to remedy chargebacks for message reason code 4807 when the acquirer's investigation reveals that the issuer had not included the account number in the applicable Electronic Warning Bulletin as of the date the card was first presented to the merchant for payment.
2709—Documentation Received was Illegible	The acquirer must use this message reason code only when information that is relevant to the first chargeback is illegible to the point where it cannot be established that the first chargeback is valid. Acquirers must make every attempt to qualify the documentation before using this message reason code. If an arbitration case is filed as the result of the chargeback, and staff can validate that the documentation is legible, it will be determined that the acquirer processed an invalid second presentment.
2710—Scanning Error—Unrelated Documents or Partial Scan	This message reason code deals solely with the quality of the MasterCom scan of the documentation. **Do not use this message reason code if the substance of the documentation received shows that the issuer processed an invalid first chargeback.** The acquirer must use this message reason code when the first chargeback documentation does not correspond to the transaction being charged back (for example, the documentation concerns a different transaction) or when the documentation is incomplete because of a scanning error. For example, the documentation provided is a partial scan with missing information, or it relates to another card or to another transaction.
2713—Invalid Chargeback	The acquirer may use this message reason code when the first chargeback does not meet the prerequisites for that message reason code stated in this guide. For example, an issuer processes a chargeback for message reason code 4837 (No Cardholder Authorization), with a cardholder letter alleging nonreceipt of merchandise. Since message reason code 4837 does not address issues related to nonreceipt of merchandise, the issuer's first chargeback was invalid, it does not meet the prerequisites of message reason code 4837, which require the chargeback to include a cardholder letter stating that the transaction was not authorized. Acquirers must use care when using this message reason code; this message reason code is technical in nature and does not always address the true nature of the dispute.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Second Presentment/1240 IPM Message Reason Code Definitions	
Message Reason Code	**Definition**
2870—Chip Liability Shift	The acquirer must use this message reason code to invoke the chip liability shift in response and as a final remedy to a first chargeback submitted under message reason code 4837. If the second presentment message reason code 2870 is valid, the issuer is prohibited from pursuing the dispute with an arbitration chargeback. Refer to Chip Liability Shifts in this guide for more information about the Global Chip Liability Shift Program.
2871—Chip/PIN Liability Shift	The acquirer may use this message reason code to invoke the chip/PIN liability shift in response and as a final remedy to a first chargeback submitted under message reason code 4837. If the second presentment message reason code 2871 is valid, the issuer is prohibited from pursuing the dispute with an arbitration chargeback. Refer to Chip Liability Shifts in this guide for more information about the Global Chip Liability Shift Program.

3.10.5 Arbitration Chargeback/1442 IPM (Function Codes 451 or 454) Message Reason Code Usage

This section lists definitions for the Arbitration Chargeback/1442 IPM message reason codes.

Arbitration Chargeback/1442 IPM Message Reason Codes	
Message Reason Code	**Definition**
48NN—Select Reason Codes Apply	48NN is an abbreviation that applies to the arbitration chargeback (cycle 3) showing one of two conditions: • The issuer continues the arbitration chargeback for the same message reason code as the original chargeback because the acquirer either failed to remedy the first chargeback or the issuer is providing progressive documentation (when appropriate) and the same message reason code used with the first chargeback still applies. • The second presentment documentation provides new information that remedies the original chargeback, but based on the second presentment, the issuer finds that a new and valid chargeback reason is applicable to the case. In such case, the issuer must change the message reason code to the new and valid chargeback reason with the processing of the arbitration chargeback (cycle 3).

©1988–2015 MasterCard. Proprietary. All rights reserved.

Arbitration Chargeback/1442 IPM Message Reason Codes	
Message Reason Code	**Definition**
4802	Requested information illegible or missing
4807	Warning Bulletin File
4808	Requested/required authorization not obtained
4812	Account number not on file
4831	Transaction amount differs
4834	Duplicate processing
4837	No cardholder authorization
4840	Fraudulent processing of transaction
4841	Canceled Recurring or Digital Goods Transactions
4842	Late presentment
4846	Correct transaction currency code was not provided
4849	Questionable merchant activity
4850	Installment Billing Dispute
4853	Cardholder Dispute—Defective/Not as described
4854	Cardholder dispute not elsewhere classified **(U.S. only)**
4855	Goods or Services Not Provided
4859	Addendum, No-show, or ATM Dispute
4860	Credit not processed
4863	Cardholder Does Not Recognize—Potential Fraud
4870	Chip Liability Shift
4871	Chip/PIN Liability Shift

©1988–2015 MasterCard. Proprietary. All rights reserved.

Arbitration Chargeback/1442 IPM Message Reason Codes	
Message Reason Code	**Definition**
4901—Required Documentation Not Received to Support Second Presentment	The issuer must use this message reason code when documentation that is required to support the second presentment is not received within eight calendar days of the second presentment. The issuer may use this message reason code between days 9 and 45 after the second presentment. The successful processing of an arbitration chargeback for this message reason code will forfeit the acquirer's right to send the case to arbitration. Documentation received more than eight calendar days after processing the second presentment must be accepted by the issuer, as long as the issuer has not yet processed an arbitration chargeback as of the time the documentation is received.
4902—Documentation Received was Illegible	The issuer must use this message reason code only when information that is relevant to the second presentment is illegible to the point where it cannot be established that the second presentment is valid. Issuers must make every attempt to try to qualify the documentation before using this message reason code. If staff can validate that the documentation is sufficiently legible to remedy the chargeback, the issuer will have processed an invalid arbitration chargeback.
4903—Scanning error—Unrelated Documents or Partial Scan	This message reason code deals solely with the quality of the MasterCom scan of the documentation. **Do not use this message reason code if the substance of the documentation received shows that the acquirer processed an invalid second presentment.** The issuer must use this message reason code when the second presentment documentation does not correspond to the transaction being charged back (for example, the documentation concerns a totally different transaction) or when the documentation is incomplete because of a scanning error. For example, a partial scan of a larger document or the documentation relates to another card or to another transaction.
4905—Invalid Acquirer's Reference Data; Documentation Not Received or not Required	The issuer must use this message reason code in response to a second presentment using message reason code 2001. Refer to Arbitration Chargeback for more information about this message reason code.
4908—Invalid Acquirer's Reference Data; Documentation Received	The issuer must use this message reason code in response to a second presentment using message reason code 2004. Refer to Arbitration Chargeback for more information about this message reason code.

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.11 Message Reason Code 4802—Requested/Required Information Illegible or Missing

The following sections describe the proper and improper use of message reason code 4802.

3.11.1 Proper Use of Message Reason Code 4802

The issuer may charge back the amount of the requested item using message reason code 4802 only with Image Review approval.

Refer to Image Review Guidelines for Rejecting Fulfillments for more information on image review guidelines for rejecting fulfillments.

3.11.2 Improper Use of Message Reason Code 4802

The issuer may not use this message reason code for the following types of transactions.

- The retrieval request is submitted more than 120 calendar days after the Central Site Business Date of the original transaction.
- The transaction was a chip/PIN transaction where DE 55 and related data was provided in the First Presentment/1240 message.
- For transactions dated prior to 19 October 2013, a properly identified and authorized QPS or Contactless transaction equal to or less than the CVM Limit found in Appendix C. For QPS or Contactless transactions dated on or after 19 October 2013, Appendix C will identify transactions which do not require a signature.
- The transaction was a MasterCard Commercial Payments Account transaction. A MasterCard Commercial Payments Account transaction occurs when PDS 0002 (GCMS Product Identifier) was MAP (MasterCard Commercial Payments Account) in the First Presentment/1240 message.
- **Brazil only**—The transaction was a MasterCard Agro Card transaction occurring in Brazil with a MasterCard Agro Card issued in Brazil. A MasterCard Agro Card transaction occurs when PDS 0002 (GCMS Product Identifier) was MLF (MasterCard Agro Card) in the First Presentment/1240 message.
- **Requesting TID.** It is not a prerequisite to request a TID except for message reason code 4802. Consequently, it may be considered an improper delay in establishing the chargeback reason if it is determined that the requested TID was not required to determine the new message reason code.

3.11.3 Specific Programs Using Message Reason Code 4802

These programs use message reason code 4802.

MasterCard Electronic Card. Refer to MasterCard Electronic for chargeback processing procedures for a MasterCard Electronic card.

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.11.4 Proper Use for Issuer's First Chargeback

The conditions shown below represent a valid option that the issuer may choose to process a first chargeback for message reason code 4802.

Time Frame	60 calendar days from the Central Site Business Date of the Retrieval Request 1644–603 message
Retrieval Request	Yes
Supporting Documents	None
DE 72 (Data Record)	ILCDXX
Notes	Replace XX with one of the following codes which specifies the missing or illegible information: • **01**—Account Number (a truncated account number on an electronically generated TID does not missing or illegible information) • **02**—Transaction Date • **03**—Amount • **04**—Invalid substitute draft • **05**—Merchant name, merchant location, or both • **06**—Other (specify in DE 72 [Data Record])

3.11.5 Proper Use for Acquirer's Second Presentment

The conditions shown below represent valid options that the acquirer may choose to process a second presentment for message reason code 4802.

Copy of TID	
IPM Second Presentment Message Reason Code	**2700** See Corresponding Documentation/Chargeback Remedied
Second Presentment Condition	The acquirer provides one of the following: • Information that was previously missing or illegible • A legible and complete copy of the TID
Supporting Documents	Copy of TID or invoice as appropriate
DE 72 (Data Record)	None
Notes	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.11.5.1 Additional Remedies

In addition to the codes in the previous section, acquirers can use the following second presentment message reason codes to submit a Second Presentment/1240 for message reason code 4802.

- **2011**—Credit issued
- **2701**—Duplicate chargeback
- **2702**—Past chargeback time limit
- **2713**—Invalid chargeback

3.11.6 Arbitration Chargeback

The issuer may initiate an arbitration chargeback if it does not receive a legible or complete TID.

However, the issuer must provide documentation with the arbitration chargeback to verify that it incurred or anticipates financial loss resulting from the missing or illegible information. The issuer cannot rely on the rule violation itself to justify the chargeback. To process an arbitration chargeback, the issuer must submit an Arbitration Chargeback/1442 message with message reason 4902 (Documentation Received was Illegible).

Changing Chargeback Message Reason Code 4802 to a Different Chargeback Message Reason. If an issuer receives a legible copy of the TID through a second presentment and, after viewing the document for the first time, determines that it has another right of chargeback for a different reason, the issuer must use the following procedure:

1. Issue a new First Chargeback/1442 message with a different message reason.
2. Submit the new chargeback within 45 calendar days of the second presentment or within the remaining allowable time frame for the new chargeback reason, whichever is greater.

IPM Arbitration Chargeback Message Reason Code	**4902** Requested/Required Information Illegible or Missing
Arbitration Chargeback Details	No legible or complete TID received.
Supporting Documents	Proof of financial loss attributed to the missing or illegible information.
DE 72 (Data Record)	None
Notes	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.11.7 Arbitration Case Filing

Refer to Processing Arbitration Chargebacks (Arbitration Chargeback/1442 Message) for the standard procedure. Refer to Chapter 5, Arbitration Procedures for Arbitration Case examples.

3.12 Message Reason Code 4807—Warning Bulletin File

NOTE:

MasterCard combined chargeback message reason codes 4807—Warning Bulletin and 4812—Account Number Not On File with chargeback message reason code 4808—Request/Required Authorization Not Obtained. Chargeback message reason code 4808 has been renamed 4808—Authorization-Related Chargeback.

Chargeback message reason code 4808 now contains the conditions and requirements previously included in message reason codes 4807, 4808, and 4812.

An issuer may use 4807, 4808, or 4812 as the message reason code for any chargeback submitted under the new authorization-related chargeback message reason code. However, 4807 and 4812 will eventually be eliminated as valid message reason codes.

3.13 Message Reason Code 4808—Authorization-related Chargeback

NOTE:

MasterCard combined chargeback message reason codes 4807—Warning Bulletin and 4812—Account Number Not On File with chargeback message reason code 4808—Request/Required Authorization Not Obtained. Chargeback message reason code 4808 has been renamed 4808—Authorization-Related Chargeback.

Chargeback message reason code 4808 now contains the conditions and requirements previously included in message reason codes 4807, 4808 and 4812.

An issuer may use 4807, 4808, or 4812 as the message reason code for any chargeback submitted under the new authorization-related chargeback message reason code. However, 4807 and 4812 will eventually be eliminated as valid message reason codes.

The issuer must attempt to honor the transaction before exercising this chargeback right.

3.13.1 Proper Use of Message Reason Code 4808

The issuer may use this chargeback when, after reviewing section 3.2 of the *Chargeback Guide,* the issuer determines an authorization was not obtained as required for a transaction processed through the clearing system.

A transaction is subject to chargeback when an authorization was not performed and one of the following circumstances apply:

©1988–2015 MasterCard. Proprietary. All rights reserved.

- An authorization was required but was not obtained from the issuer or its agent, or through Stand-In processing or X-Code.
- An account number was listed on the Electronic Warning Bulletin on the date of the transaction.
- The account number does not match any account number on the issuer's file.
- The transaction was face-to-face, card-read or key-entered, occurred at a location with a POS device that had both online and magnetic stripe-read capability.
- The transaction was non–face-to-face.
- A magnetic stripe-read transaction was performed at a POI terminal located in the Europe region with at least magnetic stripe reading capability, the card had a service code of X2X (Positive Online Authorization Only). This includes any CAT 3 transaction regardless of the transaction amount.
- The transaction amount exceeded the floor limit established by MasterCard in effect at the time of purchase.
- The transaction amount exceeded the chip floor limit established by MasterCard in effect at the time of purchase, and the transaction was not authorized online by the issuer or the issuer's agent.
- The card was expired at the time of the transaction.
- The issuer receives a card-not-present transaction that was declined by the issuer and subsequently approved through Stand-In processing or X-Code with an approval response as specified in the *Authorization Manual* with the following exceptions:
  - The issuer generated a declined response that included a value of 02 (Cannot approve at this time, try again later) in DE 48 (Additional Data—Private Use), subelement 84 (Merchant Advice Code).
  - The issuer generated an approval response after previously declining the transaction.
  - The merchant can prove that the cardholder initiated the authorization request.
- The transaction occurred in Europe and the authorization expired as per section 3.2 of the Chargeback Guide. The account must be closed when invoking an expired authorization.

3.13.2 Improper Use of Message Reason Code 4808

The issuer must not use this message reason code for the following types of transactions.

- A valid chip transaction where DE 55 and related data was provided in the First Presentment/1240 message showing the TC authorizing the transaction or alternatively showing the ARQC if an online authorization was also approved by the issuer.
- Non-fixed card or non-face-to-face acceptor location transactions if the account number was listed only in one or more subregions of the Electronic Warning Bulletin on the transaction date.
- Properly identified Emergency Cash Disbursement transactions
- A transaction authorized by the issuer, its agent, or through Stand-In processing or X-Code up to the amount authorized, or for any protected amount equal to or under the protection limit.
- **Brazil only**—The transaction was a MasterCard Agro Card transaction occurring in Brazil with a MasterCard Agro Card issued in Brazil and the account number was either listed in

©1988–2015 MasterCard. Proprietary. All rights reserved.

the warning bulletin file or was not on file. A MasterCard Agro Card transaction occurs when PDS 0002 (GCMS Product Identifier) was MLF (MasterCard Agro Card) in the First Presentment/1240 message.

3.13.3 Proper Use for Issuer's First Chargeback

The conditions shown below represent valid options that the issuer may choose to process a first chargeback for the authorization-related chargeback.

Authorization-Related Chargeback

Authorization-related Chargeback	
Condition	A transaction was processed without a required authorization
Time Frame	90 calendar days
Retrieval Request	No
Supporting Documents	None
DE 72 (Data Record)	One of the following: 1. For international transactions or for international transactions that were converted to a different currency: TRANS CUR $$$$ $$$$ MCFL $$$$$$$ and optionally, MCC NNNN 2. For a magnetic stripe-read transaction involving a card with service code X2X that was performed at a POI terminal located in the Europe region: SC X2X 3. For any declined transaction: AUTHORIZATION DECLINED MMDDYY 4. For any card that was expired or not yet valid or for which the expiration date on file for the account number was not valid on the transaction date, and the merchant did not obtain an authorization: CARD NOT VALID OR EXPIRED 5. When the account number is listed on an applicable Warning Bulletin and the transaction was processed without authorization. One of the following: – R X – R X S NN 6. None

©1988–2015 MasterCard. Proprietary. All rights reserved.

Authorization-related Chargeback	
Notes	1. Replace TRANS CUR **$$$$$$$$** with the amount of the transaction currency. Replace MCFL **$$$$$$$** with the MasterCard floor limit. Optionally, replace **NNNN** with the Merchant Category Code (MCC) of the transaction. 2. Replace **MMDDYY** with the date the authorization request was declined. 3. For R X, replace X with the one character Electronic Warning Bulletin Region code in which the card is listed. For S NN, replace NN with the two character subregional code in which the account number was listed.

Multiple Authorization Request

Multiple Authorization Requests	
Condition	A Card-Not-Present transaction declined by the issuer and subsequently approved in Stand-In or X-Code
Time Frame	90 calendar days
Retrieval Request	No
Supporting Documents	None
DE 72 (Data Record)	Optionally: MULTIPLE AUTH REQUESTS
Notes	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

CAT 3 Devices

CAT 3 Devices	
Condition	One of the following: 1. The transaction **was not** identified with one of the following MCCs: – 4784—Bridges and Road Fees, Tolls – 5499—Miscellaneous Food Stores—Convenience Stores, Markets, Specialty Stores (solely for Contactless-only Transactions) – 7523—Automobile Parking Lots and Garages – 7542—Car Washes 2. The transaction was identified with one of the above MCCs and the transaction amount was greater than one of the following: a. The CVM Limit as published in Appendix C (CVM Limit and Contactless Ceiling Limit Amounts) for contactless-only CAT 3 devices. b. HKD 500 for domestic Hong Kong CAT 3 transactions identified with MCC 7523 (Automobile Parking Lots and Garages). c. EUR 50 for CAT 3 transactions occurring in Europe. d. USD 40, or its local currency equivalent, for all other CAT 3 transactions. 3. Effective for transactions dated on or after 13 October 2017, the transaction was a magnetic stripe transaction identified with one of the MCCs listed in bullet 1.
Time Frame	90 calendar days
Retrieval Request	No
Supporting Documents	None
DE 72 (Data Record)	One of the following: • CAT 3 • CAT LEVEL 3 EXCEEDS CVM LIMIT • CAT LEVEL 3 EXCEEDS USD 40 • CAT LEVEL 3 EXCEEDS EURO 50

©1988–2015 MasterCard. Proprietary. All rights reserved.

CAT 3 Devices	
Notes	Multiple transactions may be submitted in a batch. The batch option is only available, at the PAN level, when the merchant name and its acquirer are the same within the batch. In addition to the "Conditions" section of this table, CAT 3 transactions may be batched when: 1. The card used in the transactions was expired or not yet valid; 2. The transactions occurred at a CAT 3 device located in the Europe region with a card that had a service code of X2X (Positive Online Authorization Required); or 3. The account number of the card used in the transactions was listed in the Tollway Stoplist or Electronic Warning Bulletin file on the date of the transaction for the region or sub-region in which the transaction was acquired. Each transaction in the batch must be less than or equal to USD 25 or the local currency equivalent. The total amount of all transactions in the batch must not exceed USD 250 or the local currency equivalent. When batching multiple transactions, indicate "CAT 3 MULTIPLE TRANS NNN" in the Data Record and replace **NNN** with the number of transactions in the batch and provide documentation showing each Acquirer Reference Data (ARD) and transaction amount included in the batch.

3.13.4 Proper Use for Acquirer's Second Presentment

The conditions shown below represent valid options that the acquirer may choose to process a second presentment for an authorization-related chargeback.

Issuer Authorized the Transaction

Issuer Authorized the Transaction	
IPM Second Presentment Message Reason Code	**2008** Issuer Authorized Transaction
Second Presentment Condition	The acquirer or merchant can provide the authorization response code and date of the authorization for the cleared transaction.
Supporting Documents	None
DE 72 (Data Record)	Authorization Date MMDDYY NNNNNN

©1988–2015 MasterCard. Proprietary. All rights reserved.

Issuer Authorized the Transaction	
Notes	Replace **MMDDYY** with the date the issuer authorized the transaction. Replace **NNNNNN** with the actual authorization response code provided by the issuer, its agent or MasterCard On-Behalf for the cleared transaction.

Multiple Authorization Requests

Multiple Authorization Requests	
IPM Second Presentment Message Reason Code	**2008** Issuer Authorized Transaction
Second Presentment Condition	One of the following: 1. The issuer generated decline response included a value of 02 (Cannot approve at this time, try again later) in DE 48 (Additional Data—Private Use), subelement 84 (Merchant Advice Code). 2. The issuer generated an approval response after previously declining the transaction. 3. The merchant can prove that the cardholder initiated the authorization request.
Supporting Documents	One of the following corresponding to the Second Presentment Condition: 1. None 2. None 3. Documentation supporting the merchant's claim.
DE 72 (Data Record)	None
Notes	None

Authorization Not Required

Authorization Not Required	
IPM Second Presentment Message Reason Code	**2707** No authorization request required or attempted

©1988–2015 MasterCard. Proprietary. All rights reserved.

Authorization Not Required	
Second Presentment Condition	One of the following: 1. The account number was identical to the account number originally presented, and the card's expiration date confirms the card was valid on the day of the transaction. 2. The transaction was identified in clearing as a CAT 3 terminal, and authorization was not required equal to or under the CAT3 authorization limit.
Supporting Documents	One of the following corresponding to the Second Presentment Condition: 1. A copy of imprinted TID. If read electronically as noted below, the truncated PAN must match to the PAN in the original clearing. For card-read transactions that occurred at POI terminals that were not authorized via the MasterCard Network, the acquirer must provide sufficient documentation to establish the card's presence; for example, the acquirer's internal authorization log, electronic data capture log, or magnetic stripe reading (MSR) or hybrid terminal printer certification. The acquirer must explain clearly all such documentation in content and in usage. 2. None
DE 72 (Data Record)	None
Notes	If the chargeback is the result of a keying error, but the account number still check digit verifies according to the Lühn Formula, the acquirer must process the transaction as a new presentment using the correct cardholder account number, provided applicable procedures and time limits are observed.

Multiple Clearing Records

Multiple Clearing Records	
IPM Second Presentment Message Reason Code	**2713** Invalid Chargeback

©1988–2015 MasterCard. Proprietary. All rights reserved.

Multiple Clearing Records	
Second Presentment Condition	The acquirer used one of the following indicators in DE 25 (Message Reason Code) of the First Presentment/1240 message, and the total of all clearing records submitted in connection with the approved authorization did not exceed the approved amount: • **1403** (Previously approved authorization—partial amount, multi-clearing); or • **1404** (Previously approved authorization—partial amount, final clearing).
Supporting Documents	None
DE 72 (Data Record)	One of the following, as applicable: • PREAUTH MMDDYY 1403 • AUTH MMDDYY 1403 • PREAUTH MMDDYY 1404 • AUTH MMDDYY 1404
Notes	If the transaction authorization was identified as a preauthorization, use **PREAUTH**. If the transaction authorization was not identified as a preauthorization, use **AUTH**. Replace MMDDYY with the approval date of the disputed transaction.

3.13.4.1 Additional Remedies

In addition to the codes in the previous section, acquirers may use the following second presentment message reason codes to submit a Second Presentment/1240 for message reason code 4808.

- **2001**—Invalid Acquirer Reference Data on chargeback; no documentation required or provided
- **2011**—Credit previously issued
- **2700**—Chargeback remedied. See corresponding documentation.
- **2701**—Duplicate Chargeback
- **2702**—Past Chargeback Time Limit

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.13.5 Arbitration Chargeback

If the first chargeback was valid and the acquirer failed to remedy the dispute properly, the issuer may continue the chargeback with the same message reason code originally processed (4808).

The issuer will have chargeback rights if examination of the documentation reveals a new valid chargeback reason. If the situation requires a different message reason, the issuer must process the arbitration chargeback using the appropriate message reason code.

The issuer may use the following additional message reason codes to submit an arbitration chargeback:

- **48xx**—New and valid chargeback reason
- **4901**—Required Documentation was not Received to Support Prior Second Presentment/1240
- **4902**—Documentation received was Illegible
- **4903**—Scanning Error—Unrelated Documents or Partial Scan

3.13.6 Arbitration Case Filing

Refer to Processing Arbitration Chargebacks (Arbitration Chargeback/1442 Message) for the standard procedure. Refer to Chapter 5, Arbitration Procedures for Arbitration Case examples.

3.13.7 Handling Fees

Refer to Progressive Handling Fees for the standard procedure.

3.14 Message Reason Code 4812—Account Number Not on File

NOTE:

MasterCard combined chargeback message reason codes 4807—Warning Bulletin and 4812—Account Number Not On File with chargeback message reason code 4808—Request/Required Authorization Not Obtained. Chargeback message reason code 4808 has been renamed 4808—Authorization-Related Chargeback.

Chargeback message reason code 4808 now contains the conditions and requirements previously included in message reason codes 4807, 4808, and 4812.

An issuer may use 4807, 4808, or 4812 as the message reason code for any chargeback submitted under the new authorization-related chargeback message reason code. However, 4807 and 4812 will eventually be eliminated as valid message reason codes.

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.15 Message Reason Code 4831—Transaction Amount Differs

The issuer should use message reason code 4831 if the cardholder states that he or she was billed an incorrect amount.

3.15.1 Proper Use of Message Reason Code 4831

The billing discrepancy could be for one of the following reasons.

- The merchant's addition error that resulted in an incorrect total on the TID or other documentation.
- The merchant increased the transaction amount without the cardholder's permission.
- For a card-activated phone transaction, the transaction amount does not reflect the call duration. For example, the cardholder claims he or she talked on the phone for five minutes but was billed for 10 minutes.
- The imprinted amount or printed amount on the TID was processed instead of the correct transaction amount as evidenced by other information on the TID or documentation.
- The cardholder paid for goods or services by other means (for example, with a different card or via bank transfer).
- The merchant processed a credit (instead of a reversal) to correct an error which resulted in the cardholder experiencing a currency exchange loss.

Except for Unreasonable Amount and card-activated phone transaction disputes, the issuer must submit the First Chargeback/1442 message for the amount of the billing discrepancy only. The issuer should use Function Code 453 (Partial Amount), if applicable.

Documentation to Support Dispute. Although documentation to support or corroborate the cardholder's dispute is not required with the first chargeback, in the event the merchant provides documentation to challenge the dispute, documentation supporting the cardholder's dispute may be required with the arbitration chargeback.

Charges for Loss, Theft, or Damages. The issuer may be able to address improperly applied charges for loss, theft, or damage using message reason code 4831 if the merchant debits the cardholder for such charges in the same billing amount that includes the underlying initial service.

Message reason code 4859 RS7 should be used for disputed addendum charges related to **loss, theft, or damage,** as well as for any disputed addendum charge where the cardholder does not agree with the additional items charged to his or her account.

Unreasonable Amount (For intra-EEA transactions only). Issuers in European Economic Area (EEA) countries may use this message reason code if the cardholder alleges that the amount of the authorized transaction for the purchase of goods or services was unreasonable, and all of the following conditions are met:

- The exact transaction amount was not specified at the time the cardholder engaged in the transaction, and

©1988–2015 MasterCard. Proprietary. All rights reserved.

- The transaction amount exceeded what the cardholder could reasonably have expected, taking into account the cardholder's previous spending pattern, the conditions of the cardholder agreement and the relevant circumstances of the case.

Alternate Payment via Travel Vouchers. For payment to a third party (such as a travel agent) to purchase a voucher or the like representing payment to the merchant, the issuer must provide a cardholder letter stating that the merchant accepted the voucher.

A cardholder may claim that payment was made using a travel voucher or similar instrument; however, the travel agent may not have paid the merchant. The merchant's acceptance of the travel voucher prohibits a subsequent charge for the same goods or services.

The issuer may consider using message reason code 4853—Cardholder Dispute against the acquirer of the travel agent, if the cardholder paid for the travel voucher using a MasterCard card, and the travel agent did not pay the merchant. The 120-day time frame is calculated from the date of the second charge.

3.15.2 Improper Use of Message Reason Code 4831

The following is an improper use of Message Reason Code 4831.

Face-to-Face Verbal Price Agreements. Issuers cannot use message reason code 4831 for verbal agreements between a cardholder and a merchant if the agreement is not referenced on the TID or other related documents.

3.15.3 Specific Programs Using Message Reason Code 4831

MasterCard Electronic Card. Refer to MasterCard Electronic for chargeback processing procedures for a MasterCard Electronic card.

3.15.4 Proper Use for Issuer's First Chargeback

The conditions shown below represent valid options that the issuer may choose to process a first chargeback for message reason code 4831.

Time Frame	120 calendar days
Retrieval Request	No

©1988–2015 MasterCard. Proprietary. All rights reserved.

Supporting Documents	One of the following: • Cardholder letter, email, or completed *Dispute Resolution Form—Point-of-Interaction (POI) Errors* (Form 1240) or *Expedited Billing Dispute Resolution Process* (Form 407) • Cardholder letter, email, *Dispute Resolution Form— Point-of-Interaction (POI) Errors* (Form 1240), or completed Expedited Billing Dispute Resolution Process Form indicating that an unreasonable amount was charged (**For intra-EEA transactions only**). • For card-activated phone transactions: If the transaction amount is USD 25 or greater, a cardholder letter, email, or completed *Dispute Resolution Form—Point-of-Interaction (POI) Errors* (Form 1240) or *Expedited Billing Dispute Resolution Process* (Form 407) is required. If charging back multiple transactions in a batch, provide documentation showing each ARD and transaction amount included in the batch. • If payment was made by an alternate payment method, provide a cardholder letter, email, or form that states that the same goods or services debited to the cardholder's account were paid for in some other manner. It is expected that the documentation will detail the specific alternate method of payment and date. **NOTE: MasterCard strongly suggests the issuer obtain proof prior to the arbitration chargeback supporting the alternate means of payment.**
DE 72 (Data Record)	For unreasonable amount disputes: • UNREASONABLE AMOUNT For multiple card-activated phone transactions: MULTIPLE TELEPHONE TRANSACTIONS NNN • None for all other disputes
Notes	A card-activated phone transaction is identified by the presence of "TEL" in DE 43, followed by the phone number dialed and the call duration in minutes. Replace NNN with the number of transactions.

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.15.5 Proper Use for Acquirer's Second Presentment

The conditions shown below represent valid remedies or options that the acquirer can use to process a second presentment for message reason code 4831.

Payment by Other Means

Payment by Other Means	
IPM Second Presentment Message Reason Code	**2700** See Corresponding Documentation/Chargeback Remedied
Second Presentment Condition	The merchant provides an explanation.
Supporting Documents	The appropriate merchant explanation and documentation.
DE 72 (Data Record)	None
Notes	None

Correct Transaction Amount

Correct Transaction Amount	
IPM Second Presentment Message Reason Code	**2700** See Corresponding Documentation/Chargeback Remedied
Second Presentment Condition	The TID shows that the amount was processed correctly. (For example, there was no error in addition, or the "total" amount on the TID was properly submitted to GCMS.)
Supporting Documents	Copy of the TID
DE 72 (Data Record)	None
Notes	Not available for unreasonable amount disputes.

Increased Transaction Amount

Increased Transaction Amount	
IPM Second Presentment Message Reason Code	**2700** See Corresponding Documentation/Chargeback Remedied

©1988–2015 MasterCard. Proprietary. All rights reserved.

Increased Transaction Amount	
Second Presentment Condition	The merchant can provide documentation that validates the increased debit to the cardholder's account.
Supporting Documents	Documentation to support that the cardholder is responsible for the disputed amount; for example, charges that the cardholder authorized were not included on the hotel/motel folio at time of checkout or after the return of the vehicle rental.
DE 72 (Data Record)	None
Notes	Not available for unreasonable amount disputes.

Unreasonable Amount (Intra-EEA Transactions Only)

Unreasonable Amount (Intra-EEA Transactions Only)	
IPM Second Presentment Message Reason Code	**2700** See Corresponding Documentation/Chargeback Remedied
Second Presentment Condition	The merchant can provide documentation showing the cardholder agreed to an amount range as reasonable, and the transaction amount did not exceed this amount range.
Supporting Documents	Documentation supporting the merchant's claim that the cardholder agreed to a reasonable amount range; for example: • An itemized price list signed by the cardholder and an itemized transaction receipt showing that the transaction amount was calculated on the basis of this price list; or • The cardholder's written agreement to a recurring payment arrangement with the merchant, in which a maximum amount for each payment was specified.
DE 72 (Data Record)	None
Notes	None

3.15.5.1 Additional Remedies

Acquirers can use the following second presentment message reason codes to submit a Second Presentment/1240 for message reason code 4831.

- **2002**—Nonreceipt of required documentation to support chargeback
- **2004**—Invalid Acquirer Reference Data on chargeback; documentation was received
- **2011**—Credit previously issued
- **2701**—Duplicate Chargeback

©1988–2015 MasterCard. Proprietary. All rights reserved.

- **2702**—Past Chargeback Time Limit
- **2709**—Documentation received was illegible
- **2710**—Scanning error—unrelated documents or partial scan
- **2713**—Invalid Chargeback

3.15.6 Arbitration Chargeback

If the first chargeback was valid and the acquirer failed to remedy the dispute properly, the issuer may continue the chargeback with the same message reason code originally processed (4831).

The issuer will have chargeback rights if examination of the documentation reveals a new valid chargeback reason. If the situation requires a different message reason, the issuer should process the arbitration chargeback using the appropriate message reason code.

Non–Face-to-Face Price Differences. Issuers may use this message reason code in situations when the cardholder has printed confirmation of price that differs from the billed amount.

Transaction Amount Differs	
IPM Arbitration Chargeback Message Reason Code	**4831** Transaction amount differs
Arbitration Chargeback Details	The cardholder continues to dispute the transaction.
Supporting Documents	Progressive documentation from the cardholder and evidence supporting the cardholder's dispute rebutting any merchant explanation.
DE 72 (Data Record)	None
Notes	None

The issuer may use the following additional message reason codes to submit an arbitration chargeback:

- **48xx**—New valid message reason code
- **4901**—Required documentation not received to support prior Second Presentment/1240
- **4902**—Documentation received was illegible
- **4903**—Scanning error—unrelated documents or partial scan
- **4908**—Invalid Acquirer Reference Data on Second Presentment/1240 (2004); documentation was received

Refer to Processing Arbitration Chargebacks (Arbitration Chargeback/1442 Message) for the standard processing procedure.

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.15.7 Arbitration Case Filing

Refer to Processing Arbitration Chargebacks (Arbitration Chargeback/1442 Message) for the standard procedure. Refer to Chapter 5, Arbitration Procedures for Arbitration Case examples.

3.16 Message Reason Code 4834—Duplicate Processing

The following sections describe the proper and improper use for message reason code 4834.

3.16.1 Proper Use for Using Message Reason Code 4834

This message reason code may be used if the cardholder or the issuer determines that the same transaction was processed more than once.

To demonstrate without investigation that the transaction is a duplicate, the merchant name and location, transaction source currency amount, ticket number (if provided), and transaction date must be the same.

If, as a result of an investigation (such as a retrieval request, second presentment, and so forth), the documentation confirms that duplication occurred, the issuer may process this chargeback based on its investigation.

The issuer is required to initiate the chargeback using the ARD of the duplicate record, and enter the ARD (23-digit reference data) of the first transaction in DE 72 (Data Record). The first transaction then becomes ineligible for processing under message reason code 4834. The issuer must always provide two sets of acquirer reference data even if they are the same or the dispute involves two different acquirers.

Transactions With Converted Currency. Issuers should be aware that duplicate transactions outside the U.S. region do not necessarily have identical transaction amounts because of the currency exchange rates. However, the original transaction currency amount must be the same.

Transactions with Ticket Numbers. Issuers must review transactions presented with ticket numbers closely. If the ticket numbers are different, the transactions are not considered duplicates, although the merchant locations, transaction amounts, and transaction dates may be the same.

Different Transaction Data. When transaction data is different, consider using other chargeback message reason codes including 4831, 4840, or 4837 to address the dispute. The chargeback must meet the requirements for the applicable message reason code.

Credit for Duplication. In the event that there are two debits that are mirror images and a credit for the same amount on the cardholder's statement before the chargeback, issuers are advised to confirm with the cardholder whether the credit was for goods or services that were subsequently returned or canceled and credited. If there was no return or cancellation, the credit applies to the duplication.

ATM Transactions Processed Using Message Reason Code 4834.

©1988–2015 MasterCard. Proprietary. All rights reserved.

- MasterCard recommends that issuers charge both ATM transactions back individually under this message reason code. This will allow for each second presentment to provide the information necessary to remedy the dispute by showing each individual transaction that was completed.
- Since ATM transactions are authorized using a PIN, MasterCard strongly recommends that before using this message reason code, issuers verify their authorization records to ensure that they are not charging back two separate transactions that were authorized individually using a PIN. The issuer would be correct in using this message reason code if both authorization numbers are the same.
- Europe customers, refer to Appendix A, Chargebacks—MasterCard Europe ATM Transactions (MasterCard, Maestro, and Cirrus) for information about chargeback processing procedures for intra-European and inter-European MasterCard ATM transactions and interregional MasterCard ATM transactions.

3.16.2 Specific Programs Using Message Reason Code 4834

MasterCard Electronic Card. Refer to MasterCard Electronic for chargeback processing procedures for a MasterCard Electronic card.

3.16.3 Proper Use for Issuer's First Chargeback

The conditions shown below represent valid options that the issuer may choose to process a first chargeback for message reason code 4834.

Time Frame	120 calendar days
Retrieval Request	No
Supporting Documents	None
DE 72 (Data Record)	FIRST REF NNNNNNNNNNNNNNNNNNNNNN
Notes	Replace **NNNNNNNNNNNNNNNNNNNNNN** with the acquirer reference data (ARD) of the first transaction.

Cash Dispense Dispute—ATM Only

Cash Dispense Dispute—ATM Only	
Chargeback Condition	The cardholder contacted the issuer alleging that some or all of the funds debited from the cardholder's account as the result of an ATM withdrawal were not dispensed.
Time Frame	Between 5 and 120 calendar days from the transaction settlement date
Supporting Documents	None
DE 72 (Data Record)	RS3

©1988–2015 MasterCard. Proprietary. All rights reserved.

Cash Dispense Dispute—ATM Only	
Notes	This chargeback is not available for fraud. The issuer may chargeback only the disputed amount. When a chargeback is for the full amount of the original transaction, any ATM access fee may be included in the chargeback amount. **European Issuers and Acquirers**. Refer to *Appendix A, Chargebacks—MasterCard Europe ATM Transactions (MasterCard, Maestro, and Cirrus)* for more information about chargeback processing procedures for intra-European and inter-European MasterCard ATM transactions and interregional MasterCard ATM transactions.

3.16.4 Proper Use for Acquirer's Second Presentment

The conditions shown below represent valid options that the acquirer may choose to process a second presentment for message reason code 4834.

Duplicate Transactions Processed through Two Different Acquirers. When the acquirer is providing documentation to substantiate two separate transactions by providing two different TIDs, the second presentment must include both TIDs even if the merchant had processed one of the transactions with a different acquirer.

PIN Transaction

PIN Transaction	
IPM Second Presentment Message Reason Code	**2008** Issuer authorized transaction
Second Presentment Condition	The acquirer can substantiate that a PIN was present in the Authorization Request/0100 message for both transactions.
Supporting Documents	None
DE 72 (Data Record)	PIN MMDDYY NNNNNN MMDDYY NNNNNN
Notes	Replace **MMDDYY** with the date the transaction was authorized. Replace **NNNNNN** with the authorization approval code

©1988–2015 MasterCard. Proprietary. All rights reserved.

Credit Previously Issued

Credit Previously Issued	
IPM Second Presentment Message Reason Code	**2011** Credit previously issued
Second Presentment Condition	The acquirer can provide documentation that a credit was issued and processed to the cardholder's account, correcting the duplication.
Supporting Documents	None
DE 72 (Data Record)	CRED MMDDYY NNNNNNNNNNNNNNNNNNNNN
Notes	Replace **MMDDYY** with the date a credit was issued to the cardholder. Optionally, replace **NNNNNNNNNNNNNNNNNNNNN** with the acquirer reference data (ARD).

Two Different TIDs—ATM Only

Two Different TIDs—ATM Only	
IPM Second Presentment Message Reason Code	**2700** See Corresponding Documentation/Chargeback Remedied
Second Presentment Condition	Documentation that verifies the disbursement of funds.
Supporting Documents	Refer to Chapter 4, Single Message System, Message Reason Code 17, Acquirer Representment. Europe customers refer to Appendix A, Chargebacks—MasterCard Europe ATM Transactions (MasterCard, Maestro, and Cirrus).
DE 72 (Data Record)	None
Notes	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

Two Different TIDs—Non-ATM

Two Different TIDs—Non-ATM	
IPM Second Presentment Message Reason Code	**2700** See Corresponding Documentation/Chargeback Remedied
Second Presentment Condition	The acquirer can provide documentation to support two separate transactions by providing two different TIDs with the same cardholder account number.
Supporting Documents	Copies of two different TIDs
DE 72 (Data Record)	None
Notes	None

Invalid Message Text

Invalid Message Text	
IPM Second Presentment Message Reason Code	**2704** Invalid data record text
Second Presentment Condition	The issuer did not include two sets of acquirer reference data with the original chargeback.
Supporting Documents	None
DE 72 (Data Record)	ARD NOT PROVIDED
Notes	Not available for ATM transactions.

Cash Dispense Dispute – ATM Only

Cash Dispense Dispute – ATM Only	
Second Presentment Condition	The acquirer can provide evidence that the funds were correctly dispensed.
Time Frame	Within 45 calendar days of the chargeback settlement date.
IPM Second Presentment Message Reason Code	2700 See Corresponding Documentation/Chargeback Remedied.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Cash Dispense Dispute – ATM Only	
Supporting Documents	Supporting documentation must be provided within 10 calendar days of the representment settlement date. The supporting documentation must come from the ATM or PIN-based In-branch journal and, at minimum, must include: • Transaction amount • Transaction type • Transaction date and time • Account accessed • Primary account number read from Track 2 of the magnetic stripe or from the chip • ATM or PIN-based In-branch Terminal number • Transaction trace • The ATM or PIN-based In-branch Terminal financial activity that occurred immediately before and after the disputed Transaction.
DE 72 (Data Record)	All of the following: • RS3 • Chargeback contact's name • Chargeback contact's telephone number • Chargeback contact's fax number
Notes	Supporting documentation must be in English or accompanied by an English translation. In addition to the Supporting Documentation, the acquirer may provide a transaction report. When provided, the transaction report must be accompanied by an explanation describing each element of the report and its definition in English. If applicable, domestic rules must be provided with Supporting Documentation.

3.16.4.1 Additional Remedies

Acquirers can use the following second presentment message reason codes to submit a Second Presentment/1240 for message reason code 4834.

- **2001**—Invalid Acquirer Reference Data on chargeback; no documentation required or provided
- **2701**—Duplicate Chargeback
- **2702**—Past Chargeback Time Limit

©1988–2015 MasterCard. Proprietary. All rights reserved.

- **2713**—Invalid Chargeback[2]

3.16.5 Arbitration Chargeback

If the first chargeback was valid and the acquirer failed to remedy the dispute properly, the issuer may continue the chargeback with the same message reason code originally processed (4834).

The issuer will have chargeback rights if examination of the documentation reveals a new valid chargeback reason. If the situation requires a different message reason, the issuer must process the arbitration chargeback using the appropriate message reason code.

Arbitration Chargebacks are not allowed for ATM disputes.

IPM Arbitration Chargeback Message Reason Code	**4834** Duplicate processing
Arbitration Chargeback Details	The second presentment failed to remedy the chargeback.
Supporting Documents	Sometimes
DE 72 (Data Record)	Reason for the return
Notes	**Credit Issued.** If the second presentment indicates that credit was issued to correct the duplication, the issuer may continue the chargeback only when the cardholder confirms that the credit applies to another transaction. This confirmation needs to be provided with a progressive letter detailing why the credit referenced by the second presentment does not apply to the transaction being charged back.

The issuer may use the following additional message reason codes to submit an arbitration chargeback:

- **48xx**—New valid message reason code
- **4901**—Required documentation not received to support prior Second Presentment/1240
- **4902**—Documentation received was illegible
- **4903**—Scanning error—unrelated documents or partial scan
- **4905**—Invalid Acquirer Reference Data on Second Presentment/1240 (2001); documentation was received or was not required

Refer to Processing Arbitration Chargebacks (Arbitration Chargeback/1442 Message) for the standard procedure.

[2] Not available for ATM transactions.

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.16.6 Arbitration Case Filing

Refer to Processing Arbitration Chargebacks (Arbitration Chargeback/1442 Message) for the standard procedure. Refer to Chapter 5, Arbitration Procedures for Arbitration Case examples.

Cash Dispense Dispute—ATM Only. Refer to 4.6.2.4 Arbitration Case Filing for requirements.

3.17 Message Reason Code 4837—No Cardholder Authorization

The following sections provide information on the proper and improper use of message reason code 4837.

3.17.1 Proper Use of Message Reason Code 4837

The issuer may use message reason code 4837 if the cardholder states that neither he, she, nor anyone authorized by him or her engaged in the transaction.

Key-entered Account Information (non-electronic). Issuers may chargeback transactions resulting from key-entered account information, including transactions processed under the card validation code 2 (CVC 2) in Lieu of Imprint Program, and any Card Not Present (CNP) transactions and transactions occurring at an unattended terminal, including Cardholder Activated Terminals (CATs), unless otherwise specified in this reason code.

Aggregated Contactless Transit Transactions. The issuer may use message reason code 4837 to chargeback an Aggregated Contactless Transit transaction that cleared for an aggregated amount above the applicable CVM Limit. The issuer must submit the chargeback only for the disputed amount. If the cardholder disputes only a part of the transaction amount, the issuer must submit the First Chargeback/1442 message with a Function Code of 453 (Partial Amount).

Expired or Not Yet Valid Card. The issuer may use message reason code 4837 if a fraudulent transaction occurred on a card that was not yet valid or expired, or if the expiration date on file for the account number was not valid on the transaction date, and the merchant did not obtain an authorization.

SAFE. The issuer must report the transaction to SAFE, in accordance with the reporting requirements set forth in the *SAFE Products User Guide*.

Non-Counterfeit CAT 2. The issuer can use message reason code 4837 for non-counterfeit transactions occurring at a cardholder-activated terminal (CAT) that was properly identified as a CAT Level 2 in the authorization messages and clearing records.

- Before processing the chargeback, the issuer must block the account on its host and list the cardholder account number on the MasterCard Stand-in Account File with a "capture card" response until card expiration.
- The cardholder letter alleging that the transaction is fraudulent also must state, or the issuer must otherwise certify by means of a separate document accompanying the cardholder letter, that the card was lost or stolen at the time of the transaction. A letter that indicates that the transaction resulted from Never Received Issue (NRI) fraud is

©1988–2015 MasterCard. Proprietary. All rights reserved.

considered to be lost or stolen if the letter or additional documentation accompanying the chargeback substantiates that the NRI card was the card used for the disputed transaction.

Voided Cards. The issuer also may charge back a transaction involving a once valid voided card with an issuer certification letter instead of a written cardholder complaint if:

- The transaction was identified in the clearing record as a face-to-face transaction, and
- The issuer certifies in writing that the unexpired account number identified in the transaction record was not outstanding on the transaction date because the physical card was recovered, destroyed, or both.

Use of Expedited Billing Dispute Resolution Process (Fraud) Form. The *Expedited Billing Dispute Resolution Process (Fraud) Form* may be used in lieu of the cardholder letter or cardholder affidavit of alleged fraud if the MasterCard card account is closed. Before processing the chargeback, the issuer must block the account on its host, list the account number on the MasterCard Stand-in Account File with a "capture card" response until card expiration. The transaction must be reported to SAFE in accordance with the *SAFE Products User Guide*.

Installment Billing Payments. The issuer may use message reason code 4837 to charge back the first installment submitted under a domestic installment payment arrangement for a fraud-related reason. In order to keep the integrity of the Fraud Notification Service chargeback counters, the issuer must use message reason code 4850—Installment Billing Dispute to charge back any subsequent installment payments corresponding to the same transaction. The issuer must provide the original message reason code 4837 Chargeback Reference Number in the Data Record of any subsequent first chargeback for the same transaction submitted using message reason code 4850. The issuer must also abide by this procedure if the first chargeback was submitted using a message reason code other than message reason code 4837 and an arbitration chargeback was subsequently processed using message reason code 4837.

Subsequent Installments Charged Back After Chargeback of the First Installment for Message Reason Code 4837	
Time Frame	120 calendar days
Retrieval Request	No
Supporting Documents	None
DE 72 (Data Record)	4837 CB REF NNNNNNN
Notes	Replace NNNNNNN with the first chargeback reference number.

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.17.2 Improper Use of Message Reason Code 4837

The issuer may not use this message reason code for the following types of transactions.

- A Digital Secure Remote Payment (DSRP) transaction or any subsequent transaction for a related partial shipment or recurring payment. Refer to Appendix F for Digital Secure Remote Payment transaction identification requirements.
- The authorization for the disputed face-to-face transaction occurred at an attended terminal where the data was card-read. For example, DE 61 (Point-of-Service [POS] Data), subfield 1 (POS Terminal Attendance) is equal to 0 (Attended Terminal) and DE 22—Point-of-Service (POS) Entry Mode, Subfield 1—POS Terminal PAN Entry Mode is equal to 90-PAN auto-entry via magnetic stripe. DE 35 (Track 2 Data) or (DE 45 (Track 1 Data) shows the track data was read from the data encoded on the card and transmitted within the authorization request.
- **Authorization Approval after the FNS Date.** The issuer approved the transaction after submitting two or more chargebacks involving the same MasterCard card account (for this purpose, "account" means primary account number [PAN] and expiration date) for any of the following message reason codes: 4837, 4870, or 4871. Message reason code 4863 first chargebacks will be included in the FNS count once the FNS fraud chargeback count is two or greater.
- **FNS Counter Exceeds 25 Fraud-Related Chargebacks.** The issuer submitted more than 25 chargebacks in aggregate involving the same account (as defined above) for message reason codes 4837, 4870, or 4871. Message reason code 4863 first chargebacks will be included in the FNS count once the FNS fraud chargeback count is two or greater.
- Emergency cash disbursements or emergency travelers check refunds.
- ATM transactions.
- Transactions that occurred at a cardholder-activated terminal (CAT) that were properly identified in the authorization messages and clearing records as CAT Level 1 (where a PIN is required) or when properly identified in the clearing records as CAT Level 3.
- Counterfeit card transactions that occurred at a CAT Level 2 where the acquirer transmitted the full unedited card-read data in the Authorization Request/0100 message and obtained an authorization approval or valid transaction certificate.
- Transactions resulting from an account takeover and subsequently reported to SAFE as such. An account takeover occurs when the transaction posts to an account that was fraudulently taken over from the authorized cardholder that opened the account.
- Addendum Disputes. A disputed transaction that is a subsequent separate addendum transaction appended to a previous valid transaction involving the same merchant. The issuer must process a chargeback for message reason code 4853—Cardholder Dispute if the cardholder acknowledges participation in the original transaction.
- Transactions under the MasterCard *SecureCode* and Universal Cardholder Authentication Field liability shift program, if:
  - The merchant is Universal Cardholder Authentication Field (UCAF)-enabled,
  - The issuer provided the UCAF for that transaction,
  - All other e-commerce Authorization Request/0100 message requirements were satisfied, and

©1988–2015 MasterCard. Proprietary. All rights reserved.

  - The Authorization Request Response/0110 message reflected the issuer's approval of the transaction.

- The transaction was a MasterCard Commercial Payments Account transaction. A MasterCard Commercial Payments Account transaction occurs when PDS 0002 (GCMS Product Identifier) was MAP (MasterCard Commercial Payments Account) in the First Presentment/1240 message.
- An e-commerce transaction that was less than or equal to USD 25 (or the local currency equivalent) for the purchase of digital goods resulted because the merchant did not offer purchasing control settings to the cardholder. Refer to Message Reason Code 4853—Cardholder Dispute regarding chargeback requirements for such transactions.
- **Brazil only**—The transaction was a MasterCard Agro Card transaction occurring in Brazil with a MasterCard Agro Card issued in Brazil. A MasterCard Agro Card transaction occurs when PDS 0002 (GCMS Product Identifier) was MLF (MasterCard Agro Card) in the First Presentment/1240 message.

3.17.3 Specific Programs Using Message Reason Code 4837

MasterCard Electronic Card. Refer to MasterCard Electronic for chargeback processing procedures for a MasterCard Electronic card.

3.17.4 Proper Use for Issuer's First Chargeback

The conditions shown below represent valid options that the issuer can use to process a first chargeback for message reason code 4837.

No Cardholder Authorization

No Cardholder Authorization	
Time Frame	120 calendar days
Retrieval Request	No
Supporting Documents	One of the following: • Cardholder letter • Electronic mail message • Written complaint from a company or government agency representative on behalf of a corporate card cardholder when the company or government agency no longer employs the authorized cardholder • Completed *Expedited Billing Dispute Resolution Process Form for Fraud* (Form 412)
DE 72 (Data Record)	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

No Cardholder Authorization	
Notes	The *Expedited Billing Dispute Resolution Process (Fraud) form* may be used only if the MasterCard card account is closed. Before processing the chargeback, the issuer must block the account on its host, list account number on the MasterCard Stand-in Account File with a "capture card" response until card expiration, and report the transaction to SAFE. **Non-counterfeit CAT 2** The cardholder letter, email, or form must state, or the issuer must separately document, that the card was lost or stolen at the time of the transaction. Documentation is not required for a card-activated phone transaction of less than USD 25. A card-activated phone transaction is identified by the presence of "TEL" in DE 43, followed by the phone number dialed and the call duration in minutes.

Batching Multiple Transactions

Batching Multiple Transactions	
Time Frame	120 calendar days
Retrieval Request	No
Supporting Documents	Both of the following: • One of the following except with respect to card-activated phone transactions of less than USD 25: – Cardholder letter – Electronic mail message – Written complaint from a company or government agency representative on behalf of a corporate card cardholder must state when the company or government agency no longer employs the authorized cardholder and the issuer has closed the account. – If the MasterCard card account is closed, a completed *Expedited Billing Dispute Resolution Process (Fraud) form* • List of Acquirer Reference Data (ARD)
DE 72 (Data Record)	MULTIPLE TRANSACTIONS NNN

©1988–2015 MasterCard. Proprietary. All rights reserved.

Batching Multiple Transactions	
Notes	Replace **NNN** with number of transactions If the dispute involves multiple, unauthorized, card-activated phone charges (MCC 4813 or 4814), computer network or information service charges (MCC 4816), or audiotext or videotext charges (MCC 5967) from the same merchant and acquirer to a single cardholder account number, the issuer may combine the transactions in question into a single First Chargeback/1442 message. The issuer must include a list of the ARDs involved and the amount of each disputed transaction in the accompanying chargeback documentation. A copy of a cardholder's statement will satisfy this requirement if the items are identified and the statement reflects the ARD that was provided in the First Presentment/1240 message. Chargeback amount must be processed for the total of the batch. A card-activated phone transaction is identified by the presence of "TEL" in DE 43, followed by the phone number dialed and the call duration in minutes.

Voided Cards

Voided Cards	
Time Frame	120 calendar days
Retrieval Request	No
Supporting Documents	Issuer certification letter
DE 72 (Data Record)	NO SUCH CARD
Notes	None

3.17.5 Proper Use for Acquirer's Second Presentment

The conditions shown below represent valid remedies or options that the acquirer can use to process a second presentment for message reason code 4837.

Resolving Chargeback Resulting from Account Number Keying Errors. If an acquirer determines that the disputed transaction resulted from a keying error, the acquirer must resubmit the transaction as a new First Presentment/1240 message (assuming that the error is corrected). If the acquirer submits a new first presentment, the issuer and acquirer both must observe applicable procedures and time periods.

Authorization Approval after the FNS Date. An acquirer may process a second presentment if the issuer approved the transaction after submitting two or more chargebacks

©1988–2015 MasterCard. Proprietary. All rights reserved.

involving the same MasterCard card account (for this purpose, "account" means primary account number [PAN], or PAN and expiration date) for any of the following message reason codes: 4837, 4870, or 4871. Message reason code 4863 first chargebacks will be included in the FNS count once the FNS fraud chargeback count is two or greater.

The Fraud Notification Service (FNS) alerts the acquirer in the event that the issuer has submitted two or more chargebacks involving the same MasterCard card account for any of the message reason codes listed immediately above. FNS places the date on which the issuer submitted the second such fraud-related chargeback in PDS 0200 (Fraud Notification Date), subfield 1 (Fraud Notification Service Date) of the First Chargeback/1442 message. If PDS 0200 subfield 1 is present and contains a date value that is earlier than the authorization approval date of the disputed transaction, the acquirer may process a second presentment as described in the table, **Two or More Previous Fraud-related Chargebacks**.

FNS Counter Exceeds 25 Fraud-Related Chargebacks. An acquirer may process a second presentment if the issuer submitted more than 25 chargebacks in aggregate involving the same account (as defined above) for message reason codes 4837, 4870, or 4871. Message reason code 4863 first chargebacks will be included in the FNS count once the FNS fraud chargeback count is two or greater.

The FNS provides the acquirer with the aggregate number of fraud-related chargebacks submitted by the issuer involving the same account. FNS places the aggregate chargeback count in PDS 0200, subfield 2 (Fraud Notification Service Chargeback Counter) of the First Chargeback/1442 message. As described in the **Fraud-related Chargeback Counter Exceeds Threshold** table, the acquirer may process a second presentment if PDS 0200, subfield 2 is present and contains a chargeback counter value that **exceeds 25** (a value of 26 or more).

Installment Billing Payments. Message reason code 4837 may only be used to charge back the first installment submitted under a domestic installment payment arrangement for a fraud-related reason. Any subsequent installments of the same transaction must be submitted with message reason code 4850—Installment Billing Dispute. The acquirer may process a second presentment for any subsequent installment of the same transaction charged back for message reason code 4837 if:

- The issuer used message reason code 4837 to charge back the first installment, and
- The Fraud Notification Service counter shows a value of 26 or higher.

Two or More Previous Fraud-related Chargebacks

Two or More Previous Fraud-related Chargebacks	
IPM Second Presentment Message Reason Code	**2713** Invalid Chargeback

©1988–2015 MasterCard. Proprietary. All rights reserved.

Two or More Previous Fraud-related Chargebacks	
Second Presentment Condition	The issuer previously charged back two or more transactions involving the same MasterCard card account prior to the authorization approval date of the disputed transaction for any of the following message reason codes: 4837, 4863, 4870, or 4871.
Supporting Documents	None
DE 72 (Data Record)	One of the following: • FNS • NN MMDDYY NN MMDDYY AUTH MMDDYY
Notes	The following applies to the use of DE 72 (Data Record): • Use **FNS** when the authorization approval date of the disputed transaction is later than the date value provided by the Fraud Notification Service in PDS 0200, subfield 1 of the First Chargeback/1442 message. • Use **NN MMDDYY** for a previous chargeback by replacing **NN** with the last two digits of the message reason code and **MMDDYY** with the Central Site Business Date. For **AUTH MMDDYY**, replace **MMDDYY** with the authorization approval date of the disputed transaction.

Fraud-related Chargeback Counter Exceeds Threshold

Fraud-related Chargeback Counter Exceeds Threshold	
IPM Second Presentment Message Reason Code	**2713** Invalid Chargeback
Second Presentment Condition	The issuer previously charged back more than 25 transactions involving the same account for any of the following message reason codes: 4837, 4863, 4870, or 4871.
Supporting Documents	None
DE 72 (Data Record)	FNS COUNT NN
Notes	Replace **NN** with the chargeback count value provided by the Fraud Notification Service in PDS 0200, subfield 2 of the First Chargeback/1442 message. The chargeback count value must be 26 or greater.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Contactless Transaction Unattended Terminals

Contactless Transaction Unattended Terminals	
IPM Second Presentment Message Reason Code	**2008** Issuer Authorized Transaction
Second Presentment Condition	For a contactless transaction equal to or less than the applicable CVM limit. Refer to Appendix C for the CVM limits.
Supporting Documents	None
DE 72 (Data Record)	CONTACTLESS NNNNNN MMDDYY
Notes	Replace **MMDDYY** with the date the transaction was authorized. Replace **NNNNNN** with the authorization approval code.

PIN Transaction

PIN Transaction	
IPM Second Presentment Message Reason Code	**2008** Issuer Authorized Transaction
Second Presentment Condition	The acquirer can substantiate that a PIN was present in the Authorization Request/0100 message.
Supporting Documents	None
DE 72 (Data Record)	PIN MMDDYY NNNNNN
Notes	Replace **MMDDYY** with the date the transaction was authorized. Replace **NNNNNN** with the authorization approval code. This remedy does not apply to intraregional contactless transactions occurring in the Canada region.

©1988–2015 MasterCard. Proprietary. All rights reserved.

MasterCard *SecureCode* SL2 (Global Liability Shift)

MasterCard *SecureCode* SL2 (Global Liability Shift)	
IPM Second Presentment Message Reason Code	**2008** Issuer authorized transaction
Second Presentment Condition	The acquirer can show both of the following: • The transaction approved by the issuer contained the value in the UCAF that the issuer or its agent provided and DE 48, subelement 42 had a UCAF collection indicator value of 2. • All of the required e-commerce indicators were provided in the Authorization Request/0100 message.
Supporting Documents	None
DE 72 (Data Record)	AUTH MMDDYY/NNNNNN SL 2
Notes	Replace **MMDDYY** with the date the transaction was authorized. Replace **NNNNNN** with the authorization approval code. Refer to the *Customer Interface Specification* for the data element values that satisfy Authorization Request/0100 message requirements for a valid UCAF transaction.

MasterCard *SecureCode* SL1 (Merchant-only Liability Shift)

MasterCard *SecureCode* SL1 (Merchant-only Liability Shift)	
IPM Second Presentment Message Reason Code	**2008** Issuer authorized transaction
Second Presentment Condition	The acquirer can show both of the following: • The transaction approved by the issuer had a UCAF collection indicator of 1 or 5 (DE 48, subelement 42), and • All of the required e-commerce indicators were provided in the Authorization Request/0100 message.
Supporting Documents	None
DE 72 (Data Record)	AUTH MMDDYY/NNNN NN SL 1

©1988–2015 MasterCard. Proprietary. All rights reserved.

MasterCard *SecureCode* SL1 (Merchant-only Liability Shift)	
Notes	Replace **MMDDYY** with the date the authorization request message containing a value of 1 or 5 in DE48, subfield 42, position 3 was approved. **This value cannot be used as a valid remedy for Canada intraregional or U.S. intraregional commercial card transactions.** Refer to section MasterCard *SecureCode* and Universal Cardholder Authentication Field (UCAF) Liability Shift Program for more information. Refer to the *Customer Interface Specification* for the data element values that satisfy Authorization Request/0100 message requirements for a valid UCAF transaction.

Account Takeover

Account Takeover	
IPM Second Presentment Message Reason Code	**2700** See Corresponding Documentation/Chargeback Remedied
Second Presentment Condition	The acquirer can prove that the transaction resulted from an account takeover.
Supporting Documents	Documentation that supports the second presentment by proving that the transaction resulted from an account takeover. For example: • The Acquirer Loss File report (AF739010-BB)—provided through the MasterCard Network or MasterCard File Express and must be requested by submitting the *SAFE Optional Report Selection (Form 362)* found in Forms on MasterCard Connect™. • The SAFE Acquirer Transaction Data report—available to all acquirers registered for the Fraud Reporter tool on MasterCard Connect. Detailed descriptions and processing specifications for the Acquirer Loss File report and the Acquirer Transaction Data report can be found in the *SAFE Products User Guide*. • A statement from the authorized cardholder confirming that the account was in fact taken over and that fraud subsequently occurred.
DE 72 (Data Record)	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

Account Takeover	
Notes	None

Acquirer Identified Addendum

Acquirer Identified Addendum	
IPM Second Presentment Message Reason Code	**2700** See Corresponding Documentation/Chargeback Remedied
Second Presentment Condition	The acquirer can substantiate that the addendum transaction is the cardholder's responsibility.
Supporting Documents	Provide documentation to establish the addendum transaction.
DE 72 (Data Record)	None
Notes	Acquirers may remedy the dispute with documentation substantiating the cardholder has participated in the original transaction and documentation to establish the cardholder is responsible for the addendum transaction. The acquirer also must include documentation substantiating that the cardholder is responsible for the disputed amount if the amount represents final audit charges not included in the original hotel/motel or vehicle cardholder billing. For example, after the cardholder initially is billed for a vehicle rental, the cardholder is billed for a separate additional amount that represents unpaid parking tickets. The cardholder claims that he or she did not authorize the transaction for the parking tickets. The merchant should include, with the second presentment, information about the violations showing that they were issued during the period that the vehicle was rented by the cardholder, as well as the rental agreement with proof of card presence and signature authorizing such charges.

Address Verification Service (AVS) Transaction

Address Verification Service (AVS) Transaction	
IPM Second Presentment Message Reason Code	**2700** See Corresponding Documentation/Chargeback Remedied

©1988–2015 MasterCard. Proprietary. All rights reserved.

Address Verification Service (AVS) Transaction	
Second Presentment Condition	The acquirer must: • Indicate in the documentation there was a positive Address Verification Service (AVS) response of **X** or **Y**, and • Provide documentation showing that the address to which the merchandise was sent is the same as the AVS-confirmed address.
Supporting Documents	Both of the following • Indicate AVS response **X** or **Y** • Documentation that shows the merchandise was sent to the AVS-confirmed billing address
DE 72 (Data Record)	None
Notes	None

Compelling Evidence for Airline Transactions

Compelling Evidence for Airline Transactions	
IPM Second Presentment Message Reason Code	**2700** See Corresponding Documentation/Chargeback Remedied
Second Presentment Condition	For non-face-to-face airline transactions only.
Supporting Documents	At least one of the following documents and, if necessary, accompanied by an explanation thereof: • Flight ticket or boarding pass showing the passenger's name • Flight manifest showing the passenger's name • Additional transactions connected with the disputed flight, such as upgrades, excess baggage charges, and in-flight purchases • Passenger identification documentation showing a link to the cardholder • Credits of frequent flyer miles for the flight, showing connection to the cardholder • Proof of receipt of the flight ticket at the cardholder's billing address
DE 72 (Data Record)	COMP EVID
Notes	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

Compelling Evidence for Recurring Transactions

Compelling Evidence for Recurring Transactions	
IPM Second Presentment Message Reason Code	**2700** Chargeback remedied. See corresponding documentation.
Second Presentment Condition	For non–face-to-face recurring transactions only.
Supporting Documents	A merchant statement documenting all of the following: • Description of the goods or services being provided the transaction was recurring by providing the start date of the recurring transaction and, if used, one of the following: – *SecureCode* was used to initiate the original transaction. – If card validation code 2 (CVC 2) was provided in the Authorization Request/0100 message and the Card Validation Code Result (DE 48, subelement 87) had a value of M in the Authorization Response/0110 message. • More than one transaction was processed by providing the date(s) of previous transaction(s). • Previous transactions were not disputed.
DE 72 (Data Record)	COMP EVID
Notes	None

Compelling Evidence for E-commerce and MO/TO Transactions

Compelling Evidence for E-commerce and MO/TO Transactions	
IPM Second Presentment Message Reason Code	**2700** Chargeback remedied. See corresponding documentation.
Second Presentment Condition	For e-commerce, mail order, and telephone order transactions only.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Compelling Evidence for E-commerce and MO/TO Transactions	
Supporting Documents	At least one of the following documents, accompanied by an explanation thereof if necessary: • A receipt, work order, or other document signed by the cardholder substantiating that the goods or services were received by the cardholder (common terms include "will call" and "in-store pickup") • The cardholder's written confirmation of registration to receive electronic delivery of goods or services • Copies of written correspondence exchanged between the merchant and the cardholder (such as letter, email, or fax) showing that the cardholder participated in the transaction. • A merchant statement documenting all of the following if, after completing an authenticated e-commerce transaction, the merchant obtained authorization for a related transaction involving a partial shipment or the payment of a balance due: – The initial transaction was a Digital Secure Remote Payment (DSRP) transaction or was SecureCode-initiated; – Description of the goods or services purchased in the initial transaction; – Date and authorization approval code for the initial transaction; and – The initial transaction was not disputed. • When a merchant requires a cardholder to register prior to completing a purchase, the merchant must provide documentation confirming the cardholder or authorized user is registered to purchase goods with a password and must provide one or more of the following documentation: – The cardholder or authorized user completed other undisputed purchases prior to, or after, the alleged fraudulent transaction – The cardholder or authorized user completed the disputed transaction from a registered device and IP address – Details of the purchase – Signed proof of delivery – Email addresses to support digital download delivery – The cardholder or authorized user registered the disputed goods or services. For example, registration for purposes of warranty or future software updates. – The disputed goods or services were used – A fully enabled SecureCode transaction was used to register a PAN for future transactions

©1988–2015 MasterCard. Proprietary. All rights reserved.

Compelling Evidence for E-commerce and MO/TO Transactions	
DE 72 (Data Record)	COMP EVID
Notes	This second presentment right does not apply when the cardholder purchased as a guest. A merchant's ability to register a cardholder to make purchases does not, in and of itself, provide a second presentment right. A partial shipment may occur when an item ordered by the cardholder was unavailable at the time of the initial transaction. A balance may be due when the cardholder agrees to pay in installments, or to pay a deposit upon placing the order and the balance upon delivery of the goods (a "delayed delivery"). Refer to Appendix F for Digital Secure Remote Payment (DSRP) transaction identification requirements.

Guaranteed Reservation Service (No-show)

Guaranteed Reservation Service (No-show)	
IPM Second Presentment Message Reason Code	**2700** See Corresponding Documentation/Chargeback Remedied
Second Presentment Condition	The acquirer can substantiate that the transaction was the result of Guaranteed Reservation Service, a "no-show."
Supporting Documents	Documentation establishing that the merchant obtained the cardholder's account number, name present on the card, and the confirmation number provided at the time the reservation was made.
DE 72 (Data Record)	None

Proof of Card Presence and Signature for Non-card-read Transactions

Proof of Card Presence and Signature for Non-card-read Transactions	
IPM Second Presentment Message Reason Code	**2700** See Corresponding Documentation/Chargeback Remedied

©1988–2015 MasterCard. Proprietary. All rights reserved.

Proof of Card Presence and Signature for Non-card-read Transactions	
Second Presentment Condition	The card data was not electronically derived. The acquirer can provide documentation substantiating the card's presence and providing the cardholder's signature. All account numbers appearing on the TID must match the account number in the original presentment.
Supporting Documents	One of the following: 1. Documentation with a manually-embossed card imprint matching the account number in the First Chargeback/1442 message and cardholder signature or evidence of other valid cardholder verification method (CVM) authorizing the use of the MasterCard account number to settle the account. 2. For transactions that were not authorized via the MasterCard Network a printed, signed terminal receipt and proof that the transaction occurred at an attended POI terminal that read and captured the account number from the card's magnetic stripe. Examples of documentation include: – Acquirer's authorization log – Electronic Data Capture (EDC) log – Magnetic stripe reading (MSR) terminal or hybrid terminal printer certification 3. For vehicle-assigned MasterCard Corporate Fleet Card transactions that are not card-read, proof of card presence. Proof of signature is not required for chargebacks processed on transactions properly completed using the vehicle-assigned Corporate Fleet Card. This provision does not apply to any other type of transaction. 4. For a chip transaction, the acquirer must have provided DE 55 and related data, in the First Presentment/1240 or Authorization Request/0100 message. DE 55 must be provided in the first presentment and the authorization request (when applicable). 5. If the transaction involves loss, theft, or damage, the acquirer must provide proof of card presence and signature or other CVM, specifically for the addendum billing for loss, theft, or damages. 6. Other appropriate documentation. For example, a hotel/motel bill or vehicle rental agreement that includes a card imprint and a signature authorizing the use of the MasterCard card to settle the account.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Proof of Card Presence and Signature for Non-card-read Transactions	
DE 72 (Data Record)	One of the following corresponding to the documentation requirements: 1. None 2. None 3. None 4. CHIP TRANSACTION 5. None 6. None
Notes	This remedy does not apply to intraregional contactless transactions occurring in the Canada region.

CVC 2 Validation Program (U.S. Region Domestic Transactions Only)

CVC 2 Validation Program (U.S. Domestic Transactions Only)	
IPM Second Presentment Message Reason Code	**2700** Chargeback remedied. See corresponding documentation.
Second Presentment Condition	All of the following: • The acquirer can provide the cardholder's signature on the printed terminal receipt. • The acquirer can document that the merchant received authorization for the related transaction amount or greater from the issuer, its agent, or MasterCard on behalf of the issuer. • The acquirer can document that the Authorization Request Response/0110 message for the related transaction contained a value of M (Valid CVC 2) in DE 48 (Additional Data—Private Use), subelement 87 (Card Validation Code Result). • The acquirer can document that the related transaction was properly identified as a face-to-face key-entered transaction. This remedy is available only if the merchant could not process a card-read transaction.
Supporting Documents	A printed, signed terminal receipt.
DE 72 (Data Record)	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

CVC 2 Validation Program (U.S. Domestic Transactions Only)	
Notes	**A properly identified face-to-face key-entered transaction occurs when the following values are present in the Authorization Request/0100 message.**

Data Element	Subfield	Value
DE 22 (Point-of-Service [POS] Entry Mode)	Subfield 1 (POS Terminal PAN Entry Mode)	01 (PAN manual entry)
DE 61 (Point-of-Service [POS] Data)	Subfield 1 (POS Terminal Attendance)	0 (Attended Terminal)
	Subfield 4 (POS Cardholder Presence)	0 (Cardholder present)
	Subfield 5 (POS Card Presence)	0 (Card present)
	Subfield 10 (Cardholder-activated Terminal Level)	0 (Not a CAT transaction)
	Subfield 13 (POS Country Code)	840 (United States)

Invalid Chargeback

Invalid Chargeback	
IPM Second Presentment Message Reason Code	**2713** Invalid Chargeback
Second Presentment Condition	The issuer's chargeback was invalid. For example, the issuer submitted documentation that failed to support the chargeback.
Supporting Documents	None
DE 72 (Data Record)	Reason for the return
Notes	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

Chip Liability Shift

Chip Liability Shift	
IPM Second Presentment Message Reason Code	**2870** Chip Liability Shift
Second Presentment Condition	The transaction was between customers that participate in the appropriate Chip Liability Shift Program, occurred at a hybrid terminal, and was initiated with a non-EMV chip card. This is a final remedy.
Supporting Documents	One of the following: 1. Documentation to substantiate card presence and PIN or signature as a cardholder verification method (CVM) and which includes a card imprint matching the account number in the First Chargeback/ 1442 message and cardholder signature or evidence of other valid cardholder verification method (CVM) authorizing the use of the MasterCard account number to settle the account. 2. None, if the issuer provided a cardholder letter with the chargeback for a signature-based transaction that obtained an authorization using the MasterCard Network and that occurred at an attended hybrid terminal that read and transmitted the account number from the card's magnetic stripe. 3. None, if issuer provided an *Expedited Billing Dispute Resolution Process (Fraud)* form with the chargeback for a transaction that obtained an authorization using the MasterCard Network and that occurred at an attended hybrid terminal that read and transmitted the account number from the card's magnetic stripe.
DE 72 (Data Record)	One of the following corresponding to the documentation requirements: 1. None 2. AUTH MMDDYY NNNNNN 3. AUTH MMDDYY NNNNNN
Notes	Replace MMDDYY with the date the transaction was authorized. Replace NNNNNN with the authorization approval code. This remedy does not apply to intraregional contactless transactions occurring in the Canada region.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Chip/PIN Liability Shift

Chip/PIN Liability Shift	
IPM Second Presentment Message Reason Code	**2871** Chip/PIN Liability Shift
Second Presentment Condition	A transaction between customers that participate in the Global Chip Liability Shift Program Level 2 and the acquirer can show that the transaction occurred at a hybrid terminal equipped with a PIN pad, while the card was not PIN-preferring. This is a final remedy.
Supporting Documents	DE 55 must be provided in the first presentment or authorization record.
DE 72 (Data Record)	If applicable, AUTH MMDDYY NNNNNN
Notes	Replace MMDDYY with the date the transaction was authorized. Replace NNNNNN with the authorization approval code. This remedy does not apply to intraregional contactless transactions occurring in the Canada region.

3.17.6 Improper Use for Acquirer's Second Presentment

The conditions shown below represent improper acquirer processing of a second presentment for message reason code 4837.

CAT 3. If the device was not properly identified as a CAT 3 in the First Presentment/1240 message, the acquirer cannot remedy the chargeback.

3.17.7 Arbitration Chargeback

If the first chargeback was valid and the acquirer failed to remedy the dispute properly, the issuer may continue the chargeback with the same message reason code originally processed (4837).

The issuer will have chargeback rights if examination of the documentation reveals a new valid chargeback reason. If the situation requires a different message reason, the issuer must process the arbitration chargeback using the appropriate message reason code.

Progressive Documentation. A progressive cardholder letter may be required with the arbitration chargeback in response to new information (regarding transaction date, merchant name, or location) or rebutting any merchant explanation provided with the second presentment.

©1988–2015 MasterCard. Proprietary. All rights reserved.

If the MasterCard card account is closed, a completed *Expedited Billing Dispute Resolution Process (Fraud) form* may be submitted based on a discussion with the cardholder, in lieu of the progressive cardholder letter. Before processing the arbitration chargeback with the form, the issuer must block the account on its host, list the account number on the MasterCard Stand-in Account File with a "capture card" response until card expiration, and report the transaction to SAFE. The progressive cardholder letter or form must be dated after the second presentment. A progressive cardholder letter or form is not required if all of the following conditions apply:

- The MasterCard card account is closed,
- The original cardholder letter or form specified the date on which the last legitimate transaction performed by the authorized cardholder occurred, and
- The disputed transaction was authorized by the issuer or its agent after that date.

Addendum Disputes

Addendum Disputes	
IPM Arbitration Chargeback Message Reason Code	**4837** No cardholder authorization
Arbitration Chargeback Details	An issuer may continue an arbitration chargeback for addendum disputes under this message reason code when one of the following occur: • **The original transaction was fraudulent** and the acquirer did not provide proof of card presence and the original signed rental agreement or hotel folio. • **The charge is for loss, theft, or damages** and the acquirer failed to provide proof of card presence and signature or other cardholder verification method (CVM) specific to the transaction for loss, theft, or damages.
Supporting Documents	When the original transaction was fraudulent and the acquirer failed to provide proof of card presence and signature or CVM; a progressive cardholder letter that specifically identifies that the original transaction also was fraudulent must be provided.
DE 72 (Data Record)	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

Addendum Disputes	
Notes	**For charges of loss, theft, or damages** where the acquirer failed to provide proof of card presence and signature, or other cardholder verification method (CVM). The arbitration chargeback may be processed without a progressive cardholder letter or form. **For charges other than loss, theft, or damages,** once the issuer is made aware that the disputed transaction is a subsequent separate addendum, the transaction that was appended to a previous valid transaction involving the same merchant, the issuer must change the message reason code to 4859, RS7.

Address Verification Service (AVS) Transaction

Address Verification Service (AVS) Transaction	
IPM Arbitration Chargeback Message Reason Code	**4837** No cardholder authorization
Arbitration Chargeback Details	One of the following: 1. **Confirmed AVS.** The cardholder continues to dispute an AVS-confirmed transaction. The issuer certifies that the AVS confirmed address belonged to the legitimate cardholder at the time of the Dual Message System authorization. This confirms that the account was not subject to account takeover. 2. **Invalid AVS Remedy.** The issuer had reviewed the AVS information from the second presentment and contests that a positive AVS was given or that the merchandise was sent to the AVS-confirmed address.
Supporting Documents	One of the following 1. Confirmed AVS – Progressive cardholder letter, as required – Progressive written complaint from a company or government agency representative on behalf of a corporate card cardholder when the company or government agency no longer employs the authorized cardholder and the issuer has closed the account. 2. No cardholder letter required.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Address Verification Service (AVS) Transaction	
DE 72 (Data Record)	One of the following: 1. CONFIRMED AVS 2. INVALID AVS REMEDY
Notes	**CONFIRMED AVS.** An affirmation that the issuer has confirmed that the AVS sent in the Authorization Request/0100 message matched the authorized cardholder billing address. The documentation provided to support a confirmed AVS response may be, but is not limited to, proof of a positive AVS response X or Y, exact match ZIP5, exact match ZIP9, or exact match along with documentation that shows the merchandise was sent to the "AVS-confirmed" billing address. If the issuer sees any one of these AVS responses and contests this information, the issuer should confirm the AVS response before processing the arbitration chargeback. **INVALID AVS REMEDY.** The issuer also may process an arbitration chargeback if it continues to dispute that the merchandise was shipped to an "AVS-confirmed" billing address. The issuer must process the arbitration chargeback using message reason code 4837 and indicate the reason for the return in the data record of the arbitration chargeback (for example, INVALID AVS REMEDY).

Compelling Evidence

Compelling Evidence	
IPM Arbitration Chargeback Message Reason Code	**4837** No cardholder authorization
Arbitration Chargeback Details	The cardholder reviews the information provided in the second presentment and reasserts fraud.
Supporting Documents	Progressive cardholder letter specifically refuting the documentation received from the merchant in the second presentment.
DE 72 (Data Record)	None
Notes	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

Guaranteed Reservation Service (No-show)

Guaranteed Reservation Service (No-show)	
IPM Arbitration Chargeback Message Reason Code	**4837** No cardholder authorization
Arbitration Chargeback Details	The issuer or cardholder continues to dispute a Guaranteed Reservation Service "no-show" transaction.
Supporting Documents	One of the following: • A statement by the issuer, provided by any means, stating that information provided by the merchant is not accurate and, in particular, which information is not accurate (for example, incorrect cardholder name or incorrect cardholder address). • A progressive letter from the cardholder, dated after the second presentment, to reconfirm the cardholder's dispute.
DE 72 (Data Record)	None
Notes	None

Invalid Proof of Card Presence and Signature

Invalid Proof of Card Presence and Signature	
IPM Arbitration Chargeback Message Reason Code	**4837** No cardholder authorization
Arbitration Chargeback Details	The issuer determines that the acquirer did not provide documentation substantiating the card's presence and providing a cardholder's signature.
Supporting Documents	None
DE 72 (Data Record)	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

Invalid Proof of Card Presence and Signature	
Notes	Issuers may not use 4837 when the authorization for the disputed transactions occurred at an attended terminal where the card data was card-read. If the account number(s) appearing on the TID does not match the electronic record, then the chargeback may continue without progressive documentation. The issuer does not have the right to process an arbitration chargeback for lack of signature if the transaction involved a properly processed vehicle-assigned MasterCard Corporate Fleet Card transaction.

MasterCard *SecureCode* Merchant-only Liability Shift not Applicable

MasterCard *SecureCode* Merchant-only Liability Shift not Applicable	
IPM Arbitration Chargeback Message Reason Code	**4837** No cardholder authorization
Arbitration Chargeback Details	The issuer can demonstrate that the transaction was performed using a commercial card.
Supporting Documents	None
DE 72 (Data Record)	UCAF COMMERCIAL CARD
Notes	Commercial cards are exempt from the Canada intraregional and U.S. intraregional MasterCard *SecureCode* Merchant-only Liability Shift as described in MasterCard *SecureCode* and Universal Cardholder Authentication Field (UCAF) Liability Shift Program.

3.17.7.1 Additional Remedies

The issuer may use the following additional message reason codes to submit an arbitration chargeback for message reason code 4837.

- **48xx**—New valid chargeback reason
- **4901**—Required documentation not received to support prior Second Presentment/1240
- **4902**—Documentation received was illegible
- **4903**—Scanning error—unrelated documents or partial scan
- **4908**—Invalid Acquirer Reference Data on Second Presentment/1240 (2004); documentation was received.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Refer to Processing Arbitration Chargebacks (Arbitration Chargeback/1442 Message) for the standard procedure.

3.17.8 Arbitration Case Filing

Refer to Processing Arbitration Chargebacks (Arbitration Chargeback/1442 Message) for the standard procedure. Refer to Chapter 5, Arbitration Procedures for Arbitration Case examples.

3.18 Message Reason Code 4840—Fraudulent Processing of Transactions

The following sections describe the proper and improper use of message reason code 4840.

3.18.1 Proper Use of Message Reason Code 4840

This message reason code can be used if the cardholder states the following in a letter.

- The cardholder or anyone authorized by the cardholder was still in possession and control of all valid cards at the time of the transaction, and
- The cardholder admits to at least one legitimate face-to-face transaction, on the same card at a given merchant location, but denies making one or more additional face-to-face transactions at that same merchant location.

The chargeback must reflect the entire amount of the transaction in question.

Use of Expedited Billing Dispute Resolution Process (Fraud) Form. The *Expedited Billing Dispute Resolution Process Form for Fraud* (Form 412) may be used in lieu of the cardholder letter or cardholder affidavit of alleged fraud if the MasterCard card account is closed. Before processing the chargeback, the issuer must block the account on its host, list the account number on the MasterCard Stand-in Account File with a "capture card" response until card expiration, and report the transaction to SAFE.

SAFE Reporting. The issuer must report the transaction to SAFE if fraud was committed. These situations may not stop at one transaction, and if enough issuers file similar fraud claims, the merchant can be placed in the Questionable Merchant Activity category and listed in a *Global Security Bulletin*. At that point, an issuer can charge back a transaction retroactively under message reason code 4849, Questionable Merchant Activity.

Transactions Processed through Two Different Acquirers. An issuer may process a chargeback for message reason code 4840 if the dispute involves two different acquirers and the merchant descriptions are the same. All other requirements of the chargeback reason must be met.

Example—Chargeback Message Reason Code 4840. The following scenario presents a situation when message reason code 4840 would apply.

A cardholder gives his or her card to a gas or petrol station attendant who walks away to imprint it but also makes several additional imprints of the card. After the cardholder drives away, the attendant completes and deposits the other sales slips and takes the equivalent

©1988–2015 MasterCard. Proprietary. All rights reserved.

amount of cash from the register. The cardholder subsequently is billed for several unauthorized transactions from this one merchant.

3.18.2 Improper Use of Message Reason Code 4840

The issuer **may not** use this message reason code for the following types of transactions.

- **Non–face-to-face Transactions.**
- **Addendum Disputes.** Issuers must not use this chargeback message reason code if the issuer is made aware that the disputed transaction is a subsequent separate addendum transaction that was appended to a previous valid transaction involving the same merchant. The issuer must process a chargeback for message reason code 4859 RS7 (Addendum Dispute) if the cardholder acknowledges participation in the original transaction.
- The transaction was a MasterCard Commercial Payments Account transaction. A MasterCard Commercial Payments Account transaction occurs when PDS 0002 (GCMS Product Identifier) was MAP (MasterCard Commercial Payments Account) in the First Presentment/1240 message.
- **Brazil only**—The transaction was a MasterCard Agro Card transaction occurring in Brazil with a MasterCard Agro Card issued in Brazil. A MasterCard Agro Card transaction occurs when PDS 0002 (GCMS Product Identifier) was MLF (MasterCard Agro Card) in the First Presentment/1240 message.

3.18.3 Specific Programs Using Message Reason Code 4840

MasterCard Electronic Card. Refer to MasterCard Electronic for chargeback processing procedures for a MasterCard Electronic card.

3.18.4 Proper Use for Issuer's First Chargeback

The conditions shown below represent valid options that the issuer can use to process a first chargeback for message reason code 4840.

Fraudulent Processing of Transaction	
Time Frame	120 calendar days
Retrieval Request	No
Supporting Documents	The issuer must support this chargeback with a cardholder letter, completed *Expedited Billing Dispute Resolution Process Form for Fraud* (Form 412), or an email message from the cardholder.
DE 72 (Data Record)	NNNNNNNNNNNNNNNNNNNNNN

©1988–2015 MasterCard. Proprietary. All rights reserved.

Fraudulent Processing of Transaction	
Notes	Replace **NNNNNNNNNNNNNNNNNNNNNNN** with the acquirer reference data (ARD) of the genuine transaction. If the valid transaction was not posted, the cardholder must state that the legitimate transaction has not posted in the supporting chargeback documentation. The *Expedited Billing Dispute Resolution Process Form for Fraud* (Form 412) may be used if the MasterCard card account is closed. Before processing the chargeback using this form, the issuer must block the account on its host; list the account number on the MasterCard Stand in Account File with a "capture card" response until card expiration, and report the transaction to SAFE.

3.18.5 Proper Use for Acquirer's Second Presentment

The following conditions represent valid options that the acquirer may choose to process a second presentment for message reason code 4840.

Addendum Disputes—Second Presentments. Acquirers may remedy the dispute with documentation substantiating the cardholder has participated in the original transaction and documentation to establish the cardholder is responsible for the addendum transaction. Suggested documentation is proof of card presence and signature for the original transaction as well as documentation to support that the addendum transaction is the cardholder's responsibility. Once the issuer is made aware that the disputed transaction is a subsequent separate addendum transaction that was appended to a previous valid transaction involving the same merchant, the issuer must change the message reason code to 4859 RS7.

Example—Chargeback Message Reason Code 4840 Remedy. The following example illustrates a possible remedy.

A department store can show, using the times and descriptions printed on terminal receipts or on the authorization logs, that the cardholder made one transaction in the sportswear department at 09:00 and the second transaction in the jewelry department at 12:30. The difference between the times may indicate either that the cardholder made both transactions or that the card was out of the cardholder's possession.

PIN Transaction

PIN Transaction	
IPM Second Presentment Message Reason Code	**2008** Issuer authorized transaction

©1988–2015 MasterCard. Proprietary. All rights reserved.

PIN Transaction	
Second Presentment Condition	Both of the following: • The acquirer can substantiate that a PIN was present in the Authorization Request/0100 message for at least one transaction. • The acquirer can provide a letter of explanation from the merchant.
Supporting Documents	Both of the following: • A merchant explanation • The acquirer must provide the sales slips or POI-generated receipts for any non-PIN transaction.
DE 72 (Data Record)	PIN MMDDYY NNNNNN
Notes	Replace **MMDDYY** with the date the transaction was authorized of the valid posted transaction. Replace **NNNNNN** with the Dual Message System Authorization Number of the valid posted transaction.

Credit Previously Issued

Credit Previously Issued	
IPM Second Presentment Message Reason Code	**2011** Credit previously issued
Second Presentment Condition	None
Supporting Documents	None
DE 72 (Data Record)	Date of credit, and optionally the credit ARD.
Notes	None

Two Separate Transactions

Two Separate Transactions	
IPM Second Presentment Message Reason Code	**2700** See Corresponding Documentation/Chargeback Remedied

©1988–2015 MasterCard. Proprietary. All rights reserved.

Two Separate Transactions	
Second Presentment Condition	The acquirer can document that two separate transactions occurred.
Supporting Documents	Both of the following as applicable: • The legitimate and unauthorized sales slips or POI terminal-generated receipts. • A merchant explanation, if the TID does not provide sufficient information to allow the cardholder to identify the transaction.
DE 72 (Data Record)	None
Notes	The TID may provide sufficient information to allow the cardholder to identify the transaction.

Duplicate Chargeback

Duplicate Chargeback	
IPM Second Presentment Message Reason Code	**2701** Duplicate Chargeback
Second Presentment Condition	None
Supporting Documents	None
DE 72 (Data Record)	First chargeback reference number and date of original chargeback.
Notes	None

Data Record did not Contain the Valid ARD

Data Record did not Contain the Valid ARD	
IPM Second Presentment Message Reason Code	**2704** Invalid data record text
Second Presentment Condition	Data record did not contain the valid ARD if a valid sale posted.
Supporting Documents	None
DE 72 (Data Record)	None
Notes	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.18.6 Arbitration Chargeback

If the first chargeback was valid and the acquirer failed to remedy the dispute properly, the issuer may continue the chargeback with the same message reason code originally processed (4840).

The issuer will have chargeback rights if examination of the documentation reveals a new valid chargeback reason. If the situation requires a different message reason, the issuer must process the arbitration chargeback using the appropriate message reason code.

IPM Arbitration Chargeback Message Reason Code	**4840** Fraudulent processing of transactions
Arbitration Chargeback Details	The cardholder continues to dispute the transaction.
Supporting Documents	Progressive documentation from the cardholder disputing the transaction and rebutting any merchant explanation. The progressive cardholder letter must be dated after the second presentment.
DE 72 (Data Record)	Reason for the return
Notes	If the MasterCard card account is closed, the *Expedited Billing Dispute Resolution Process (Fraud) form* may be used in lieu of the cardholder letter. Before processing the arbitration chargeback, the issuer must block the account on its host, list the account number on the MasterCard Stand-in Account File with a "capture card" response until card expiration, and report the transaction to SAFE.

The issuer may use the following additional message reason codes to submit an arbitration chargeback:

- **48xx**—New valid message reason code
- **4901**—Required documentation not received to support prior Second Presentment/1240
- **4902**—Documentation received was illegible
- **4903**—Scanning error—unrelated documents or partial scan
- **4908**—Invalid Acquirer Reference Data on Second Presentment/1240 (2004); documentation was received

Refer to Processing Arbitration Chargebacks (Arbitration Chargeback/1442 Message) for the standard procedure.

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.18.7 Arbitration Case Filing

Refer to Processing Arbitration Chargebacks (Arbitration Chargeback/1442 Message) for the standard procedure. Refer to Chapter 5, Arbitration Procedures for Arbitration Case examples.

3.19 Message Reason Code 4841—Canceled Recurring or Digital Goods Transactions

The following chargeback message reason codes have been combined under 4853.

- 4841—Canceled Recurring and Digital Goods Transactions
- 4853—Cardholder Dispute—Defective Merchandise/Not as Described
- 4855—Goods or services not provided
- 4859—Addendum and No-show
- 4860—Credit Not Processed

Chargeback message reason code 4853 has been renamed 4853—Cardholder Dispute.

All of the conditions and requirements previously included in message reason codes 4841, 4853, 4855, 4859, and 4860 are now included in this revised code.

Message reason codes 4841, 4853, 4855, 4859, and 4860 may continue to be used. However, 4841, 4855, 4859, and 4860 will eventually be eliminated as valid message reason codes.

3.20 Message Reason Code 4842—Late Presentment

The following sections describe the proper and improper use of message reason code 4842.

3.20.1 Proper Use of Message Reason Code 4842

The issuer may use message reason code 4842 if the account is permanently closed and the Central Site Business Date meets one of the following criteria.

- More than seven calendar days after the transaction date and the transaction was completed with electronically recorded card information (whether card-read or key-entered) or
- More than 30 calendar days (14 calendar days for intra-United States transactions) after the transaction date, and:
  - The transaction was completed with manually recorded card information (whether imprinted or handwritten) or
  - The acquirer's presentment was delayed due to the merchant's delay in submitting the transaction, as permitted under Chapter 3, Transaction Records of the *Transaction Processing Rules*, or a national bank holiday of at least four consecutive days prevented the acquirer from receiving a card-read or key-entered transaction within the applicable seven-calendar-day time frame.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Refer to Additional Processing Notes for information on presentment time frames applicable to transactions previously charged back under message reason code 4846.

The issuer may use the following values to determine whether a transaction has been completed with electronically or manually recorded card information.

In this type of message...	IF a transaction is completed with manually recorded card information, THEN...	IF a transaction is completed with electronically recorded card information, THEN...
First Presentment/1240 message	DE 22, subfield 7 (POS Terminal PAN Entry Mode) contains a value of one of the following: • **1** (manual input; no terminal) • **0** (unspecified; data unavailable)	DE 22, subfield 7 contains any other valid value
Financial Transaction Advice/0220 (Debit MasterCard force post) message	DE 22, subfield 1 (Card Data: Input Mode) contains a value of one of the following: • **01** (PAN manual entry) • **00** (PAN entry mode unknown)	DE 22, subfield 1 contains any other valid value

A Payment Transaction must be presented in clearing within one business day of the authorization date. Therefore, the issuer may submit a chargeback for a Payment Transaction using message reason code 4842 before the seven calendar day presentment time frame normally required for this message reason code.

The issuer must use good-faith efforts to collect the transaction amount from the cardholder before it exercises this chargeback right. The issuer cannot submit a chargeback for message reason code 4842 if the account is in good standing.

A contactless transit transaction must be presented in clearing within 14 calendar days of the authorization date. Therefore, the issuer may submit a chargeback for a contactless transit transaction using message reason code 4842 before the 30-calendar day presentment time frame normally required for this message reason code.

3.20.2 Improper Use of Message Reason Code 4842

The issuer **may not** use this message reason code for the following types of transactions.

- An installment payment if the clearing record contained authorization information associated with the original approved authorization request associated with an installment billing arrangement and was presented in accordance with the agreed installment payment time frames.

©1988–2015 MasterCard. Proprietary. All rights reserved.

- The transaction was a MasterCard Commercial Payments Account transaction. A MasterCard Commercial Payments Account transaction occurs when PDS 0002 (GCMS Product Identifier) was MAP (MasterCard Commercial Payments Account) in the First Presentment/1240 message.
- **Brazil only**—The transaction was a MasterCard Agro Card transaction occurring in Brazil with a MasterCard Agro Card issued in Brazil. A MasterCard Agro Card transaction occurs when PDS 0002 (GCMS Product Identifier) was MLF (MasterCard Agro Card) in the First Presentment/1240 message.

3.20.3 Specific Programs Using Message Reason Code 4842

MasterCard Electronic Card. Refer to MasterCard Electronic for chargeback processing procedures for a MasterCard Electronic card.

3.20.4 Proper Use for Issuer's First Chargeback

The conditions shown below represent valid options that the issuer can use to process a first chargeback for message reason code 4842.

Time Frame	120 calendar days
Retrieval Request	No
Supporting Documents	None
DE 72 (Data Record)	None
Notes	None

3.20.5 Proper Use for Acquirer's Second Presentment

The conditions shown below represent valid options that the acquirer may choose to process a second presentment for message reason code 4842.

An acquirer that uses these remedies and makes the appropriate statements in DE 72 (Data Record) is stating that it has a copy of the TID, that it reviewed the TID, and that it verified the correct information. If any of these conditions cannot be met, the acquirer cannot remedy the chargeback.

Correct Transaction Date

Correct Transaction Date	
IPM Second Presentment Message Reason Code	**2003** Correct transaction date provided

©1988–2015 MasterCard. Proprietary. All rights reserved.

Correct Transaction Date	
Second Presentment Condition	The acquirer provides the correct transaction date that is within applicable time limit set forth in section Time Frame for First Presentment.
Supporting Documents	None
DE 72 (Data Record)	CORRECT TRANS DATE MMDDYY
Notes	Replace **MMDDYY** with the correct date of the transaction.

Account Not Permanently Closed

Account Not Permanently Closed	
IPM Second Presentment Message Reason Code	**2713** Invalid Chargeback
Second Presentment Condition	The acquirer may prove that the account is not permanently closed after the chargeback was processed.
Supporting Documents	None
DE 72 (Data Record)	AUTH MMDDYY NNNNNN
Notes	Replace **MMDDYY** with the date the issuer authorized the transaction. Replace **NNNNNN** with the authorization approval code.

Delayed Presentment

Delayed Presentment	
IPM Second Presentment Message Reason Code	**2713** Invalid Chargeback
Second Presentment Condition	The acquirer delayed presentment due to: 1. The merchant's delay in submitting the transaction, as permitted under Chapter 3, Transaction Records of the *Transaction Processing Rules*; or 2. A national bank holiday of at least four consecutive days prevented the acquirer from receiving the transaction within the applicable seven-calendar-day time frame.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Delayed Presentment	
Supporting Documents	1. None 2. Official documentation from the banking regulator or other authority showing the dates of the national bank holiday.
DE 72 (Data Record)	DELAYED PRESENTMENT
Notes	None

3.20.5.1 Additional Remedies

Acquirers can use the following additional second presentment message reason codes to submit a Second Presentment/1240 for message reason code 4842.

- **2001**—Invalid Acquirer Reference Data on chargeback; no documentation required or provided
- **2011**—Credit previously issued
- **2701**—Duplicate Chargeback
- **2702**—Past Chargeback Time Limit
- **2713**—Invalid Chargeback

3.20.6 Arbitration Chargeback

If the first chargeback was valid and the acquirer failed to remedy the dispute properly, the issuer may continue the chargeback with the same message reason code originally processed (4842).

The issuer will have chargeback rights if examination of the documentation reveals a new valid chargeback reason. If the situation requires a different message reason, the issuer must process the arbitration chargeback using the appropriate message reason code.

The issuer may use the following additional message reason codes to submit an arbitration chargeback:

- **48xx**—New valid message reason code
- **4905**—Invalid Acquirer Reference Data on Second Presentment/1240 (2001); documentation was received or was not required

Refer to Processing Arbitration Chargebacks (Arbitration Chargeback/1442 Message) for the standard procedure.

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.20.7 Arbitration Case Filing

Refer to Processing Arbitration Chargebacks (Arbitration Chargeback/1442 Message) for the standard procedure. Refer to Chapter 5, Arbitration Procedures for Arbitration Case examples.

3.20.8 Additional Processing Notes

The following sections contain additional processing notes for the issuer, acquirer, or both.

Approved Late Presentment Transaction. Proof of authorization will not remedy a chargeback if the authorization or transaction date is more than the applicable number of calendar days from the Central Site Business Date.

Determining the Transaction Date for T&E Transactions. For merchants that provide a service and accept a MasterCard card to begin the service but cannot bill the cardholder until completion of the service (for example, vehicle rental and hotel merchants), MasterCard will consider the date of the transaction as the date that the services were completed. For vehicle rental merchants, the transaction date would be the date that the vehicle was returned to the rental agency. Traffic violations must be presented within 30 calendar days of receipt of the notification from the local traffic authorities. For hotel merchants, the transaction date would be the date that the cardholder checked out of the hotel.

Potential Compliance Violation if Chargeback is not Available. If a chargeback right does not exist under message reason code 4842 (for example, the cardholder account is not closed) and the late presentment of a transaction resulted in a fluctuation of currency and as a result, the issuer sustains a financial loss, it may be addressed as a compliance case. See Chapter 3, Transaction Records of the *Transaction Processing Rules*.

For example, a cardholder made a purchase on 1 January while on an overseas vacation. If the acquirer processed the transaction in a timely manner, the conversion would have resulted in a transaction of USD 100. However, the acquirer did not process the transaction until 1 March. At that time, it was converted to USD 280. The issuer can file a compliance case for USD 180 (the difference between the two amounts).

Transaction Date. DE 12 (Date and Time, Local Transaction) identifies the transaction date in a First Presentment/1240 message.

NOTE:

DE 13 (Date, Local Transaction) identifies the transaction date in a Financial Transaction Advice/0220 (Debit MasterCard force post) message.

Conflicting Data. In the event the issuer is able to confirm conflicting data between the authorization and clearing messages, such as when the authorization indicates manual recording of data and the clearing indicates electronic recording of data, MasterCard will apply the time frame of 30 calendar days to this message reason code.

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.21 Message Reason Code 4846—Correct Transaction Currency Code Not Provided

The following sections describe the proper and improper use for message reason code 4846.

3.21.1 Proper Use of Message Reason Code 4846

The issuer may charge back under this message reason code if one of the following circumstances occurs.

- The acquirer did not transmit the correct transaction currency code (DE 49) for the currency in which the transaction was completed.
- The transaction occurred in a dual currency environment, and a transaction currency is not specified on the TID.
- The transaction amount is provided in a different currency for information purposes and this currency is incorrectly processed as the transaction currency.
- POI currency conversion disputes in the following circumstances:
  - The cardholder states that he or she was not given the opportunity to choose the desired currency in which the transaction was completed or did not agree to the currency of the transaction, or
  - POI currency conversion took place into a currency that is not the cardholder's billing currency, or
  - POI currency conversion took place when the goods or services were priced in the cardholder's billing currency, or
  - POI currency conversion took place when cash was disbursed in the cardholder's billing currency.

No Specified Currency on TID. If no currency indicator is specified on the transaction receipt, the currency which is legal tender in the country where the transaction took place is the original transaction currency

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.21.2 Improper Use for Message Reason Code 4846

Issuers cannot use this message reason code to address **verbal agreements** of transaction currency between a cardholder and a merchant.

3.21.3 Specific Programs Using Message Reason Code 4846

MasterCard Electronic Card. Refer to MasterCard Electronic for chargeback processing procedures for a MasterCard Electronic card.

3.21.4 Proper Use for Issuer's First Chargeback

The conditions shown below represent valid options that the issuer can use to process a first chargeback for message reason code 4846.

Incorrect Transaction Currency Code Transmitted

Incorrect Transaction Currency Code Transmitted	
Time Frame	120 calendar days
Retrieval Request	No
Supporting Documents	None
DE 72 (Data Record)	None
Notes	The acquirer transmitted the incorrect currency code. This chargeback must be for the full amount.

POI Currency Conversion

POI Currency Conversion	
Time Frame	120 calendar days
Retrieval Request	No
Supporting Documents	Cardholder letter or completed *Dispute Resolution Form—Point-of-Interaction (POI) Errors* (Form 1240) or *Expedited Billing Dispute Resolution Process* (Form 430)
DE 72 (Data Record)	POI CURRENCY CONVERSION
Notes	The cardholder was not given the opportunity to choose the currency or did not agree to the currency. This chargeback must be for the full amount.

©1988–2015 MasterCard. Proprietary. All rights reserved.

POI Currency Conversion—Incorrect Cardholder Currency

POI Currency Conversion—Incorrect Cardholder Currency	
Time Frame	120 calendar days
Retrieval Request	No
Supporting Documents	None
DE 72 (Data Record)	INCORRECT CARDHOLDER CURRENCY
Notes	This chargeback option may be used for the following types of disputes involving POI currency conversion: • The transaction was converted into a currency that is not the cardholder's billing currency, or • The cardholder billing currency is the same as the currency in which the good/services are priced, or • The cash was dispensed in the cardholder's billing currency The chargeback may be for a partial amount representing the amount resulting from the double conversion, excluding any amount related to the issuer's conversion of the transaction.

3.21.5 Proper Use for Acquirer's Second Presentment

The conditions shown below represent valid options that the acquirer can use to process a second presentment for message reason code 4846.

Resolving Chargebacks Resulting from the use of Incorrect Currency. If the chargeback is valid, the acquirer should process the transaction as a First Presentment/1240 message with the correct transaction currency. The new presentment must be processed electronically within 30 calendar days of the Central Site Business Date of the first chargeback in order for the acquirer to be protected from a chargeback under message reason code 4842 (Late Presentment).

Processing the new presentment in the above manner will ensure that the issuer's chargeback rights and time frames are protected, and the issuer will re-bill the cardholder for the correct transaction amount.

NOTE:

For POI currency conversion disputes, the acquirer is prohibited from using the second presentment to dispute the validity of the cardholder's claim regarding the selection of or non-agreement to the currency.

Resolving Chargebacks Related to POI Currency Conversion. The contents of the TID are taken into account only in determining whether POI currency conversion has taken place on a

©1988–2015 MasterCard. Proprietary. All rights reserved.

transaction. They neither prove nor disprove the cardholder's agreement to the conversion. If the chargeback is for the full amount and is valid, the acquirer should process the transaction as a First Presentment/1240 message in the currency in which goods or services were priced or in which cash was disbursed. The new presentment must be processed within 30 calendar days of the Central Site Business Date of the first chargeback in order for the acquirer to be protected from a chargeback under message reason code 4842 (Late Presentment).

IPM Second Presentment Message Reason Code	**2700** See Corresponding Documentation/Chargeback Remedied
Second Presentment Condition	The acquirer determines that the chargeback was invalid because the correct transaction amount and currency code were provided. In a dual currency environment, the merchant specified a currency indicator on the TID.
Supporting Documents	Documentation proving the correct currency was provided or specified
DE 72 (Data Record)	None
Notes	This remedy is not applicable for POI currency conversion disputes.

3.21.5.1 Additional Remedies

Acquirers can use the following second presentment message reason codes to submit a Second Presentment/1240 for chargeback message reason 4846.

- **2001**—Invalid Acquirer Reference Data on chargeback; no documentation required or provided
- **2002**—Non-receipt of Required Documentation to Support Chargeback
- **2011**—Credit previously issued
- **2701**—Duplicate Chargeback
- **2702**—Past Chargeback Time Limit
- **2710**—Scanning error—unrelated documents or partial scan
- **2713**—Invalid Chargeback

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.21.6 Arbitration Chargeback

If the first chargeback was valid and the acquirer failed to remedy the dispute properly, the issuer may continue the chargeback with the same message reason code originally processed (4846).

The issuer will have chargeback rights if examination of the documentation reveals a new valid chargeback reason. If the situation requires a different message reason, the issuer must process the arbitration chargeback using the appropriate message reason code.

The issuer may use the following additional message reason codes to submit an arbitration chargeback:

- **48xx**—New valid message reason code
- **4901**—Required documentation not received to support prior Second Presentment/1240
- **4902**—Documentation received was illegible
- **4903**—Scanning error—unrelated documents or partial scan
- **4905**—Invalid Acquirer Reference Data on Second Presentment/1240; documentation was received or was not required

Refer to Processing Arbitration Chargebacks (Arbitration Chargeback/1442 Message) for the standard procedure.

3.22.7 Arbitration Case Filing

Refer to Processing Arbitration Chargebacks (Arbitration Chargeback/1442) for the standard procedure. Refer to Chapter 5, Arbitration Procedures for Arbitration Case examples.

3.21.8 Additional Processing Notes

This section provides additional Processing Notes for message reason code 4846.

Applicable Currency Conversion Date. When the original presentment occurs, MasterCard uses the conversion rate in effect at the time of the Central Site Business Date.

Location of Currency Type on TID. The currency type is obtained from the "Total Amount" portion of the TID.

3.22 Message Reason Code 4849—Questionable Merchant Activity

The following sections describe the proper and improper use of message reason code 4849.

3.22.1 Proper Use of Message Reason Code 4849

Issuers can use this chargeback only if the acquirer processed a transaction for a merchant that later was listed in a MasterCard *Global Security Bulletin* for violating the following.

- The Global Merchant Audit Program (GMAP), described in section 8.2 of the *Security Rules and Procedures* manual.
- The Questionable Merchant Audit Program (QMAP), described in section 8.4 of the *Security Rules and Procedures* manual.

©1988–2015 MasterCard. Proprietary. All rights reserved.

- Before using this chargeback, the issuer must have reported the transaction to SAFE in accordance with the reporting requirements set forth in the *SAFE Products User Guide*.

3.22.1.1 Transaction Eligibility

MasterCard provides chargeback rights to the issuer under this message reason code when the following occur.

- The acquirer name, acquirer ID, merchant name, and merchant location are listed in the *Global Security Bulletin* under the GMAP. Each transaction charged back must have occurred during the published chargeback period, and the issuer must have properly reported the transaction to SAFE with one of the following fraud type codes:
- **00** = Lost Fraud
- **01** = Stolen Fraud
- **04** = Counterfeit Card Fraud
- **06** = Card Not Present Fraud
- **07** = Multiple Imprint Fraud
- The acquirer name, acquirer ID, merchant name, and merchant location are listed in the *Global Security Bulletin* under the QMAP. Each transaction must have occurred within the chargeback period published in the *Global Security Bulletin*. The issuer must have properly reported the transaction to SAFE. All fraud type codes are eligible.
- If the issuer determines that the UCAF data that the acquirer provided in the Authorization Request/0100 message is not identical to the UCAF data that the issuer provided for that transaction, the issuer's right of chargeback under this reason code is preserved.

3.22.1.2 Time Frame for Issuer's Chargeback

The issuer can charge back to the acquirer any fraudulent transactions that occurred at a merchant location listed in the *Global Security Bulletin* during the chargeback period specified in the *Global Security Bulletin*.

The chargebacks must be submitted no later than 120 calendar days after the *Global Security Bulletin* publication date that first listed the merchant location (the *Global Security Bulletin* publication date is counted as the first day of the 120-day calculation) or within 120 calendar days of the Central Site Business Date of the transactions.

In addition to the above, for eligible fraudulent transactions affected by a *Global Security Bulletin* that retracts chargeback permission, the issuer may submit chargebacks until the publication date of the *Global Security Bulletin* stating that the acquirer of the merchant no longer is required to accept chargebacks under this message reason code.

3.22.2 Improper Use of Message Reason Code 4849

The issuer may not use this message reason code in the following situations.

- A Digital Secure Remote Payment (DSRP) transaction or any subsequent transaction for a related partial shipment or recurring payment. Refer to Appendix F for Digital Secure Remote Payment transaction identification requirements.
- Chip/PIN transactions where the transaction certificate and related data were provided in DE 55 of the First Presentment/1240 message.

©1988–2015 MasterCard. Proprietary. All rights reserved.

- The issuer did not properly report the transaction to SAFE within the applicable time frame in accordance with Chapter 1 of the *Complete SAFE Manual*.
- The transaction reported to SAFE is not a fraud type eligible for chargeback under the applicable program. Refer to Transaction Eligibility for a description of eligible types under each program.
- The MasterCard *SecureCode* global liability shift for e-commerce transactions is in effect, and **all** of the following conditions occur:
  - The merchant is MasterCard® *SecureCode*™ Universal Cardholder Authentication Field (UCAF™)-enabled.
  - The issuer provided the UCAF data for that transaction.
  - All other e-commerce Authorization Request/0100 message requirements were satisfied.
  - The Authorization Request Response/0110 message reflected the issuer's approval of the transaction.
- Both the issuer and acquirer are located in a country or region in which an intracountry or intraregional chip liability shift or the interregional Chip Liability Shift Program (Level 1) is in effect and the transaction was all of the following:
  - Processed at a hybrid terminal.
  - Reported to SAFE as counterfeit fraud.
  - Identified properly as either a chip transaction in the clearing record or a magnetic stripe transaction in the Authorization Request/0100 message was approved by the issuer.
- Under GMAP, issuers may not use message reason code 4849 if the transaction was reported to SAFE with a fraud type code of Never Received Issue (02), Fraudulent Application (03), Account Takeover Fraud (05), or Bust-out Collusive Merchant (51).
- The transaction was a MasterCard Commercial Payments Account transaction. A MasterCard Commercial Payments Account transaction occurs when PDS 0002 (GCMS Product Identifier) was MAP (MasterCard Commercial Payments Account) in the First Presentment/1240 message.
- **Brazil only**—The transaction was a MasterCard Agro Card transaction occurring in Brazil with a MasterCard Agro Card issued in Brazil. A MasterCard Agro Card transaction occurs when PDS 0002 (GCMS Product Identifier) was MLF (MasterCard Agro Card) in the First Presentment/1240 message.

3.22.3 Specific Programs Using Message Reason Code 4849

MasterCard Electronic Card. Refer to MasterCard Electronic for chargeback processing procedures for a MasterCard® Electronic Card.

3.22.4 Proper Use for Issuer's First Chargeback

The conditions shown below represent valid options that the issuer can use to process a first chargeback for message reason code 4849.

Time Frame	120 calendar days from the *Global Security Bulletin* publication date, or if applicable, within 120 calendar days of the Central Site Business Date of the transaction

©1988–2015 MasterCard. Proprietary. All rights reserved.

Retrieval Request	No
Supporting Documents	None
DE 72 (Data Record)	PROGRAM XXXXXX BULLETIN NO. NNN
Notes	Replace XXXXX with the MasterCard Fraud Control Program abbreviation corresponding to the MasterCard Fraud Control Program identified in the *Global Security Bulletin*:

MasterCard Fraud Control Program Name/Abbreviation
Global Merchant Audit Program / GMAP
Questionable Merchant Audit Program / QMAP

Replace **NNN** with the applicable *Global Security Bulletin* number.

The *Global Security Bulletin* number is a three-digit number in which the last digit of the year is represented by the first digit of the Bulletin number, and the second and third digits represent the *Global Security Bulletin* month. (For example, *Global Security Bulletin* No. 6, 1 June 2012 would be shown as 206.)

3.22.5 Proper Use for Acquirer's Second Presentment

The conditions shown below represent valid options that the acquirer can use to process a second presentment for message reason code 4849.

MasterCard *SecureCode* Global Liability Shifts

MasterCard *SecureCode* Global Liability Shifts	
IPM Second Presentment Message Reason Code	**2008** Issuer Authorized the Transaction.
Second Presentment Condition	The acquirer can show both of the following: • The transaction approved by the issuer contained a valid Accountholder Authentication Value (AAV) in the UCAF that the issuer or its service provider provided (DE 48, subelement 43). • All of the required e-commerce indicators were provided in the Authorization Request/0100 message and the clearing record.
Supporting Documents	None
DE 72 (Data Record)	AUTH MMDDYY/NNNNNN

©1988–2015 MasterCard. Proprietary. All rights reserved.

MasterCard *SecureCode* Global Liability Shifts	
Notes	**MMDDYY** = Authorization date **NNNNNN** = Authorization approval code

Chip Transaction Reported to SAFE

Chip Transaction Reported to SAFE	
IPM Second Presentment Message Reason Code	**2700** See Corresponding Documentation/Chargeback Remedied
Second Presentment Condition	The acquirer can demonstrate that the intraregional transaction was reported to SAFE as counterfeit fraud and occurred at a hybrid terminal (except for the U.S. region).
Supporting Documents	None, if providing data record text (DE 72). Documentation that supports the second presentment from the Acquirer's Loss Data File, the Acquirer Loss Data Report (AF739010-BB), or the Acquirer Transaction Data Report via Fraud Reporter.
DE 72 (Data Record)	CHIP TERMINAL DE 22, subfield 1, value = 5, C, D, E, or M
Notes	None

Improper SAFE Reporting

Improper SAFE Reporting	
IPM Second Presentment Message Reason Code	**2713** Invalid Chargeback
Second Presentment Condition	The acquirer can show that the issuer did not properly report the transaction to SAFE within the applicable time frame specified in the *Security Rules and Procedures* manual.
Supporting Documents	None
DE 72 (Data Record)	IMPROPER SAFE REPORTING
Notes	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

Ineligible Fraud

Ineligible Fraud	
IPM Second Presentment Message Reason Code	**2713** Invalid Chargeback
Second Presentment Condition	The acquirer can show that the fraud type of the transaction is not eligible for chargeback under the GMAP.
Supporting Documents	None
DE 72 (Data Record)	FRAUD TYPE
Notes	None

Not Listed in MasterCard Global Security Bulletin

Not listed in MasterCard Global Security Bulletin	
IPM Second Presentment Message Reason Code	**2713** Invalid Chargeback
Second Presentment Condition	The acquirer can support its assertion that either of the following: • The merchant in question was not listed in the MasterCard *Global Security Bulletin*. • The transaction did not occur within the period specified.
Supporting Documents	None
DE 72 (Data Record)	MERCHANT NOT LISTED INVALID TRANSACTION DATE
Notes	None

3.22.5.1 Additional Remedies

Acquirers can use the following second presentment message reason codes to submit a Second Presentment/1240 for chargeback message reason 4849.

- **2001**—Invalid Acquirer Reference Data on chargeback; no documentation required or provided
- **2011**—Credit previously issued
- **2701**—Duplicate Chargeback
- **2702**—Past Chargeback Time Limit

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.22.6 Arbitration Chargeback

If the first chargeback was valid and the acquirer failed to remedy the dispute properly, the issuer may continue the chargeback with the same message reason code originally processed (4849).

The issuer will have chargeback rights if examination of the documentation reveals a new valid chargeback reason. If the situation requires a different message reason, the issuer must process the arbitration chargeback using the appropriate message reason code.

MasterCard *SecureCode* SL2 (Global Liability Shift)	
IPM Arbitration Chargeback Message Reason Code	**4849** Questionable Merchant Activity
Arbitration Chargeback Details	The issuer can demonstrate that the value contained in the UCAF data (DE 48, subelement 43) within the Authorization Request/0100 message is not identical to the value that the issuer or its service provider provided for the authorization.
Supporting Documents	A copy of a system log supporting the issuer's claim of a discrepancy between the UCAF data (DE 48, subelement 43) in the Authorization Request/100 message and the AAV.
DE 72 (Data Record)	INVALID UCAF
Notes	None

The issuer may use the following additional message reason codes to submit an arbitration chargeback:

- **48xx**—New valid message reason code
- **4905**—Invalid Acquirer Reference Data on Second Presentment/1240 (2001); documentation was received or was not required

Refer to Processing Arbitration Chargebacks (Arbitration Chargeback/1442 Message) for the standard procedure.

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.22.7 Arbitration Case Filing

Refer to Processing Arbitration Chargebacks (Arbitration Chargeback/1442 Message) for the standard procedure. Refer to Chapter 5, Arbitration Procedures for Arbitration Case examples.

3.22.8 Additional Processing Notes

The following section contains additional processing notes for the issuer, acquirer, or both.

SAFE Reporting. The acquirer can check its Acquirer's Loss Data File, Acquirer Loss Data report (AF739010-BB), or Acquirer Transaction Data Report via Fraud Reporter to confirm that the issuer reported the transaction to SAFE or that the transaction resulted from a fraudulent application, account takeover, Never Received Issue (NRI), or counterfeit card (counterfeit fraud type applies only when the POI terminal was a hybrid terminal).

The Acquirer Loss Data File and the Acquirer Loss Data report are optional and must be requested by submitting the *System to Avoid Fraud Effectively (SAFE) Optional Report Selection Form* (Form 362). This form can be found in the Forms section of the Library on MasterCard Connect™.

Detailed descriptions and specifications for processing the Acquirer Loss Data File and the Transaction Detail report can be found in the *SAFE Products User Guide*.

The Acquirer Transaction Data Report is available to all acquirers registered for the Fraud Reporter tool, available using MasterCard Connect.

Retroactive Chargeback. A new first chargeback is allowed under this message reason code if a previous chargeback was not successful and all requirements under this message reason code have been met.

3.23 Message Reason Code 4850—Installment Billing Dispute (Participating Countries Only)

Chargeback rules on this subject appear in the "Domestic Chargeback" chapter.

3.24 Message Reason Code 4853—Cardholder Dispute

The following chargeback message reason codes have been combined under 4853.

- 4841—Canceled Recurring and Digital Goods Transactions
- 4853—Cardholder Dispute—Defective Merchandise/Not as Described
- 4855—Goods or services not provided
- 4859—Addendum and No-show
- 4860—Credit Not Processed

Chargeback message reason code 4853 has been renamed 4853—Cardholder Dispute.

All of the conditions and requirements previously included in message reason codes 4841, 4853, 4855, 4859, and 4860 are now included in this revised code.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Message reason codes 4841, 4853, 4855, 4859, and 4860 may continue to be used. However, 4841, 4855, 4859, and 4860 will eventually be eliminated as valid message reason codes.

The issuer may use message reason code 4853 when the cardholder contacted the issuer alleging one of the following:

- Goods or services were either not as described or defective, including shipped merchandise was received damaged or not suitable for its intended purpose as well as the merchant didn't honor the terms and conditions of a contract
- Goods or services were not provided
- Digital goods were purchased totaling USD 25 or less and did not have adequate purchase controls
- Credit not processed
- Counterfeit goods alleged to be authentic were purchased
- Recurring transaction canceled prior to billing
- Addendum dispute or "no-show" hotel charge was billed
- Purchase transaction did not complete
- Timeshare agreement or similar service provision was canceled within MasterCard timeframe
- Credit posted as a purchase

An issuer must not submit a chargeback using this message reason code for any of the following:

- Payment Transactions and MoneySend Payment Transactions
- The cash back amount or any portion of the cash back amount.
- MasterCard Commercial Payments Account transaction. A MasterCard Commercial Payments Account transaction occurs when PDS 0002 (GCMS Product Identifier) was MAP (MasterCard Commercial Payments Account) in the First Presentment/1240 message.
- Failure to credit shipping or handling charges for buyer's remorse cancellations or returns.
- A retail sale processed as a cash disbursement. Customers must accept these transactions and collect the difference in the interchange fee and cash directly from the acquirer. If an issuer's attempt to collect the difference directly from the acquirer proves unsuccessful, the issuer should contact Global Customer Service.

The chargeback, second presentment, and arbitration chargeback requirements for the above are described in the following sections.

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.24.1 Issuer's First Chargeback

The tables shown below detail the requirements for this message reason code.

Not as Described or Defective

Not as Described or Defective	
Chargeback Condition	The cardholder contacted the issuer claiming all of the following: • The cardholder engaged in the transaction • The cardholder contacted the merchant, or attempted to contact the merchant, to resolve the dispute • The merchant refused to adjust the price, repair or replace the goods or other things of value, or issue a credit • For disputes involving goods: The cardholder returned the goods or informed the merchant the goods were available for pickup And one of the following: • When delivered from the merchant, the goods arrived broken or could not be used for the intended purpose. • Goods and services did not conform to their description. Examples include, but are not limited to: – The cardholder claims that the quality or workmanship of the product is not as described. – The cardholder claims that the specified color, size, or quantity is not as described. • The merchant did not honor the terms and conditions of the contract with the cardholder including, but not limited to, 100 percent money back guarantee, written promises, or return policy.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Not as Described or Defective	
Time Frame	One of the following: • 120 calendar days from the transaction settlement date or the delivery date of the goods or services • 120 days from when the services ceased with a maximum of 540 calendar days from the transaction settlement date for issues of interruption of ongoing services • Between 15 and 120 calendar dates from the transaction settlement date • Between 15 and 120 calendar dates from the delivery/cancellation date of the goods or services.
Supporting Documents	Cardholder email, letter, message or completed *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) describing the cardholder's complaint in sufficient detail to enable all parties to understand the dispute. Optionally, one or more of the following: • Documentation from an expert or professional that supports the cardholder's dispute about the level of quality or misrepresentation. • Documentation that supports the cardholder's dispute including, but not limited to, the original receipt, invoice, work order, brochure, contract, or appraisal.
DE 72 (Data Record)	None
Notes	This chargeback is not available when proper disclosure of the conditions of the goods is made at the time of the sale, such as when goods are sold in "as is" condition.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Good or Services Not Provided

Goods or Services Not Provided	
Chargeback Condition	The cardholder contacted the issuer claiming both of the following: • The cardholder engaged in the transaction. • The cardholder or his/her authorized representative did not receive the goods or services.
Time Frame	One of the following: • 120 calendar days from the settlement date • The issuer must wait 30 calendar days from the transaction date before submitting a chargeback when the delivery or performance date was not specified. If waiting the 30 calendar days would cause the issuer to exceed the 120 calendar day timeframe, the issuer may chargeback the transaction earlier than 30 calendar days. • In cases involving delayed delivery of goods or services, 120 calendar days from the latest anticipated date that the goods or services were to be provided. • In cases involving interruption of ongoing services, 120 calendar days from the date the cardholder becomes aware that the service ceased. A chargeback must not be processed after 540 calendar days from the Central Site Business Date of the first presentment. • In cases involving the purchase of a merchant-branded prepaid gift card without an expiration date printed on the card and that merchant subsequently goes out of business, 540 calendar days from the Central Site Business Date of the first presentment. • In cases involving the purchase of a merchant-branded prepaid gift card with an expiration date printed on the card and that merchant subsequently goes out of business, 120 calendar days from the expiration date printed on the card.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Goods or Services Not Provided	
Supporting Documents	Cardholder email, letter, message or completed *Dispute Resolution Form-Cardholder Dispute Chargeback* (Form 1221) must include both of the following: • A description of the cardholder's complaint in sufficient detail to enable all parties to understand the dispute • A reasonably specific description of the goods/services purchased
DE 72 (Data Record)	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

Goods or Services Not Provided	
Notes	This reason code applies when the cardholder receives an empty box or a box containing worthless items, such as a brick or a stack of paper. **Interruption of ongoing services** The issuer must only charge back an amount representing the services not received by the cardholder. If an end date was not defined, then the issuer must calculate the prorated amount based upon 18 months. For example, the cardholder purchased a lifetime membership for USD 1,000. The merchant goes out of business after three months. The amount to be charged back is USD 833 (USD 1,000 divided by 18 months = USD 55 per month. 18 months minus 3 months = 15. USD 55 * 15 = USD 833.) **This reason code does not apply when**: • The cardholder has taken possession of the merchandise from the merchant and subsequently makes arrangements to have the merchandise shipped by a third party. • The goods are being held in customs for unpaid duty or customs fees. The cardholder is obligated to pay the appropriate fees. • The merchant delivered the merchandise and the cardholder refused to accept delivery. • The cardholder signed a waiver absolving the merchant from responsibility if the merchandise is not received. For example: A cardholder purchases vases and arranges with the merchant to have the vases shipped to the United States. At the time of purchase, the cardholder signs a waiver form that states: "PROOF OF DISPATCH OF THE MERCHANDISE WILL BIND THE CARDHOLDER." The vases never arrive, and the cardholder contacts the merchant. The merchant provides documentation to show that the merchandise was shipped. By signing the waiver, the cardholder absolved the merchant of liability for merchandise that the cardholder did not receive. • The cardholder declined insurance.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Goods or Services Not Provided	
	For example: The merchant provides the cardholder with an opportunity to purchase insurance on the merchandise to be delivered. Normally, such insurance stipulates that the cardholder must initiate claims that limit the merchant responsibility to the presenting documentation that verifies shipment or dispatch. The merchant should provide a signed waiver of liability obtained from the cardholder if the cardholder declined to purchase insurance, along with documentation that shows that the merchant shipped the merchandise.

Good or Services Not Provided—European Transactions for Travel Services

Good or Services Not Provided—European Transactions for Travel Services	
Chargeback Condition	The cardholder contacted the issuer claiming all of the following: • A travel service has not, or will not, be provided due to insolvency • The travel service was covered by a bonding authority, insurance or consumer protection scheme according to local law • The issuer must instruct the cardholder to claim reimbursement from the bonding authority, insurance or consumer protection scheme • The cardholder requested reimbursement from the bonding authority, insurance or consumer protection scheme within 120 calendar days from the expected service date and one of the following: – The claim was declined – The cardholder did not receive a reply within 30 calendar days • The transaction was one of the following: – A domestic Europe transaction – An Intra-EEA (European Economic Area) transaction if the bonding authority, insurance or similar consumer protection scheme covers intra-EEA transactions

©1988–2015 MasterCard. Proprietary. All rights reserved.

Good or Services Not Provided—European Transactions for Travel Services	
Time Frame	Both of the following: • 120 calendar days after the expected service date • 30 days of the cardholder's request for reimbursement The timeframe must not exceed 150 days from the expected service date, whether the bonding authority, insurance or consumer protection scheme responded or not.
Supporting Documents	One of the following: • Cardholder email, letter, message or completed *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) describing the bonding authority, insurance or consumer protection scheme response to the cardholder's claim. • Other evidence of the bonding authority, insurance or consumer protection scheme response to the cardholder's claim.
DE 72 (Data Record)	None
Notes	The countries included in the EEA can be found in the *MasterCard Rules*, Chapter 12—Europe Region, Definitions.

Digital Goods Purchase of USD 25 or Less

Digital goods are goods that are stored, delivered, and used in electronic format, such as, by way of example but not limitation, books, newspapers, magazines, music, games, game pieces, and software (excludes gift cards).

The delivery of digital goods purchased in a transaction may occur on a one-time or subscription basis.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Digital Goods Purchase	
Chargeback Condition	The cardholder contacted the issuer alleging both of the following: • Digital goods were purchased in an e-commerce transaction that was less than or equal to USD 25 (or the local currency equivalent) • The merchant did not offer the cardholder purchase control settings. In addition, all of the following: • The cardholder's account is not closed • The cardholder's account is in good standing with no associated fraudulent transactions • The issuer must determine, based on a challenge of the cardholder, that prior to the date(s) of the disputed transaction(s), the cardholder had provided card information to the merchant in order to establish an account that could be used for future digital goods purchases, but the merchant did not offer or establish the following minimum purchase controls in connection with the use of that account: – The option, enabled as a default setting, for the cardholder to disable all digital goods purchases; – The time period during which a digital goods purchase can be made on the cardholder's account with the merchant (the "account open" period) must not exceed 15 minutes from the time at which the cardholder enters account authentication credentials; and – Allowing the cardholder to confirm or to cancel the clearly displayed total transaction amount of each pending digital goods purchase before completion of the transaction. The issuer is advised to ask the following questions when challenging the cardholder and to educate the cardholder on the use of purchase control settings: 1. Was the cardholder given the option to disable all digital goods purchases on the account? 2. Did the cardholder agree (such as by checking a box) to permit digital goods purchases to be made without the entry of a password or other form of authentication?

©1988–2015 MasterCard. Proprietary. All rights reserved.

Digital Goods Purchase	
	3. If the cardholder was required to enter authentication credentials to use the account, was the cardholder prompted to re-enter the credentials after a period of inactivity? If known, did that period exceed 15 minutes? 4. Did the merchant site afford the cardholder the option to confirm or to cancel each purchase? 5. Did the cardholder receive notification (such as via email, text, or other means) promptly after each purchase was completed?
Time Frame	Within 120 calendar days of the transaction settlement date
Supporting Documents	None If multiple transactions are being charged back, include a list of the individual items in the batch (ARD and amounts). The batch option is only available when the merchant name and its acquirer are the same within the batch. The total amount of all items in the batch must not exceed USD 250 (or the local currency equivalent).
DE 72 (Data Record)	**DIGITAL GOODS** For multiple transactions charged back using a single chargeback record: **DIGITAL GOODS NNN**
Notes	Replace **NNN** with the number of items being charged back.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Credit Not Processed

Credit Not Processed	
Chargeback Condition	The cardholder contacted the issuer claiming one of the following: • The merchant failed to disclose its refund policy at the time of the transaction and is unwilling to accept a return or cancellation of goods or services • The merchant has not responded to the return or the cancellation of goods or services • The merchant posted a credit for a reduced amount without proper disclosure • The merchant failed to issue a Value Added Tax (VAT) credit

©1988–2015 MasterCard. Proprietary. All rights reserved.

Credit Not Processed	
Time Frame	One of the following: • The issuer can immediately charge back the transaction upon receiving one of the following forms of credit documentation: – A letter from the merchant advising the issuer to obtain credit using a chargeback – Proof of an improperly disclosed in-store credit – A TID voided by the merchant • 120 calendar days from the day the service was canceled or the goods were returned. – If the credit documentation is dated, the 120-day chargeback time frame counts the date on the credit documentation as day zero. – If the credit documentation is undated, the 120-day time frame counts the date on the cardholder letter, email, message, or *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) as day zero. If the cardholder letter is undated, the chargeback time frame counts the receipt date of the documentation by the issuer as day zero. • 120 calendar days from the transaction date for a VAT credit • The issuer must wait 15 calendar days from one of the following: – The date on the credit documentation – The date goods were returned – The date services were canceled If waiting the 15 calendar days would cause the issuer to exceed the 120 calendar day time frame, the issuer may chargeback the transaction earlier than 15 calendar days.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Credit Not Processed	
Supporting Documents	A cardholder letter, email, message, or *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) describing the cardholder's complaint in sufficient detail to enable all parties to understand the dispute. A cardholder letter, email, message, or *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) is not required if the documentation includes a TID voided by the merchant or other merchant documentation to support a credit is due to the cardholder.
DE 72 (Data Record)	For improperly disclosed partial credit only: **NNNNNNNNNNNNNNNNNNNNNN**
Notes	Replace **NNNNNNNNNNNNNNNNNNNNNN** with the acquirer reference data (ARD) of the credit transaction. **Proper Disclosure** Merchants that are unwilling to accept buyer's remorse returns and cancellations or that want to have special terms including (but not limited to) restocking fees or in-store credits, must disclose these terms at the time of the transaction. The cardholder must be informed of the refund policy prior to completion of the transaction at the point of interaction. Failure to disclose a refund policy will result in the merchant's requirement to accept the goods for return and issue a credit. If the merchant informed the cardholder of its refund policy at the time of purchase, the cardholder must abide by that policy. For example, the cardholder's sales slip clearly indicates that the refund policy is "in-store credit only" or "no refunds."

©1988–2015 MasterCard. Proprietary. All rights reserved.

Counterfeit Goods

"Counterfeit" means that the goods were not produced by an authorized manufacturer of the goods and therefore infringe on intellectual property rights.

Counterfeit Goods	
Chargeback Condition	The cardholder contacted the issuer claiming both of the following: • The cardholder engaged in the transaction. • The cardholder claims that the goods were purported to be genuine, but were counterfeit.
Time Frame	One of the following: • 120 calendar days from the Central Site Business • When the transaction involved delayed delivery: 120 calendar days from the date the goods and services were received
Supporting Documents	A cardholder letter, email, message or completed *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) describing the cardholder's complaint in sufficient detail to enable all parties to understand the dispute and the disposition of the goods. Examples of disposition include but are not limited to: • The goods are in the possession of a governmental agency, such as customs • The goods are in the possession of the cardholder • The cardholder discarded the goods • The cardholder returned the goods to the merchant
DE 72 (Data Record)	None
Notes	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

Cardholder Dispute of a Recurring Transaction

A recurring transaction allows for continuous billing without a specified end date.

Cardholder Dispute of a Recurring Transaction	
Chargeback Condition	The cardholder contacted the issuer claiming one of the following: • The cardholder notified the merchant to cancel the recurring transaction and the merchant continued to bill the cardholder. • The cardholder was not aware that the cardholder was agreeing to a recurring transaction.
Time Frame	Within 120 calendar days of the transaction settlement date.
Supporting Documents	A cardholder letter, email, message, or completed *Dispute Resolution Form-Cardholder Dispute Chargeback* (Form 1221) describing the cardholder's complaint in sufficient detail to enable all parties to understand the dispute.
DE 72 (Data Record)	Required for Batching as described below in Notes below. Optional for all other chargebacks.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Cardholder Dispute of a Recurring Transaction	
Notes	**Proper Disclosure of Terms and Conditions** Terms and conditions for recurring transactions must be clearly detailed to the cardholder. Recurring transaction terms and conditions must be separate and distinct from general terms and conditions of sale **Batching MCC 4816 or 5967 Transactions** An issuer may only combine multiple disputed transactions in one chargeback when both of the following: • The merchant name and its acquirer are the same for all of the disputed transactions • All of the disputed transactions are encoded with either MCC 4816 or 5967 The issuer must include: • A list of the disputed transactions, including the Acquirer Reference Data (ARD) and amount of each disputed transaction. • The following text in DE 72: MULTIPLE TRANSACTIONS NNN The issuer must replace NNN with the number of items being charged back.

Issuer Dispute of a Recurring Transaction

Issuer Dispute of a Recurring Transaction	
Chargeback Condition	One of the following 1. The issuer listed the account in the Recurring Payment Cancellation Service (RPCS) prior to the disputed transaction occurring. 2. The issuer previously charged back a disputed recurring transaction with the same account number and merchant 3. The issuer previously notified the merchant or acquirer to cancel the recurring transaction prior to the disputed transaction occurring.
Time Frame	Within 120 calendar days of the transaction settlement date

©1988–2015 MasterCard. Proprietary. All rights reserved.

Issuer Dispute of a Recurring Transaction	
Supporting Documents	One of the following correspond to the **Chargeback Condition**: 1. None 2. None 3. Issuer letter or *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) stating that the merchant was notified of the cancellation before the disputed transaction. 4. Issuer letter or Dispute form stating that the merchant failed to clearly detail the recurring terms and conditions from the general conditions of sale.
DE 72 (Data Record)	One of the following correspond to the **Chargeback Condition**: 1. RPCS MMDDYY 2. CB MMDDYY ARD XXXXXXXXXXXXXXXXXXXXXXX 3. None 4. None
Notes	One of the following correspond to the **Chargeback Condition**: 1. Replace **MMDDYY** with the date the account number was listed in the Recurring Payment Cancellation Service (RPCS). 2. Replace **MMDDYY** with the date of the original chargeback for Cardholder Dispute of a Recurring Transaction (refer to the previous table) which contained the cardholder's letter, email, message or completed *Dispute Resolution Form* describing the cardholder's dispute. Replace **XXXXXXXXXXXXXXXXXXXXXXX** with the acquirer reference data (ARD) of the original chargeback for Cardholder Dispute of a Recurring Transaction (refer to the previous table) which contained the cardholder's letter, email, message or completed *Dispute Resolution Form* describing the cardholder's dispute. 3. None

©1988–2015 MasterCard. Proprietary. All rights reserved.

Addendum Dispute

An addendum dispute is the dispute of a separate transaction that occurs after a valid transaction involving the same merchant and the same cardholder.

Addendum Dispute	
Chargeback Condition	The cardholder contacted the issuer claiming all of the following: • The cardholder engaged in a valid transaction with the merchant. • A subsequent transaction occurred with that same merchant without the cardholder's consent. • The cardholder contacted the merchant, or attempted to contact the merchant, to resolve the dispute.
Time Frame	120 calendar days of the Central Site Business Date of the disputed subsequent transaction.
Supporting Documents	A cardholder letter, email, message, or completed *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) describing the cardholder's complaint in sufficient detail to enable all parties to understand the dispute.
DE 72 (Data Record)	None
Notes	The right to charge back the disputed amount is not dependent on the method of payment for the original transaction. For example, the cardholder may have paid cash for the accepted transaction, but the disputed subsequent transaction was applied to the MasterCard card because the cardholder presented the MasterCard card to the merchant to guarantee the service. A cardholder is not responsible for a charge representing loss, theft, or damage unless the cardholder agreed to be billed after being informed of such charges. Cardholders are responsible for valid addendum charges. Examples include, but are not limited to: meals that were signed for by the cardholder but not included in the final hotel folio or for parking tickets/ traffic fines issued while the vehicle was in the cardholder's possession.

©1988–2015 MasterCard. Proprietary. All rights reserved.

"No-Show" Hotel Charge

"No-Show" Hotel Charge	
Chargeback Condition	The cardholder contacted the issuer to dispute a "no-show" hotel charge from a merchant that participates in the MasterCard Guaranteed Reservations Service (described in Appendix E, Lodging Merchant Services) and alleged one of the following: 1. The cardholder canceled the reservation 2. The cardholder used the accommodations 3. The merchant provided alternate accommodations. For example, the cardholder arrived at the hotel and no room was available. Although the hotel arranged for accommodations at another hotel, the merchant billed the cardholder in error. 4. The "no-show" charge differed from the rate quoted to the cardholder. Under these circumstances, only the difference between the two charges can be charged back. 5. The merchant did not advise the cardholder that the merchant would charge a "no-show" fee.
Time Frame	120 calendar days within the Central Site Business Date.
Supporting Documents	A cardholder letter, email, message, or completed *Dispute Resolution Form-Cardholder Dispute Chargeback* (Form 1221) and one of the following corresponding to the *Chargeback Condition*: 1. If available, cancellation number 2. The issuer must provide the ARD of the transactions that represent the actual use of the accommodations. If the cardholder used the accommodations but did not use his or her credit card for payment, the issuer must provide verification of the alternate form of payment, such as a cash receipt or canceled check. 3. No additional documentation is required 4. No additional documentation is required 5. No additional documentation is required

©1988–2015 MasterCard. Proprietary. All rights reserved.

"No-Show" Hotel Charge	
DE 72 (Data Record)	When the "no-show" charge differed from the rate quoted to the cardholder, one of the following: • NO SHOW XXX NNNN • RS5 XXX NNNN
Notes	When the "no-show" charge differed from the rate quoted to the cardholder, the issuer must: • Replace XXX with the three-digit ISO currency code of the transaction currency in which the rate was quoted • Replace NNNN with the rate quoted expressed in that currency

Transaction Did Not Complete

Transaction Did Not Complete	
Chargeback Condition	The cardholder contacted the issuer claiming all of the following: • The cardholder engaged in the transaction • The cardholder claims the disputed transaction failed to complete • The cardholder did not use the goods or services
Time Frame	120 calendar days from the transaction settlement date.
Supporting Documents	Cardholder email, letter, message or completed *Dispute Resolution Form-Cardholder Dispute Chargeback* (Form 1221) describing the cardholder's complaint in sufficient detail to enable all parties to understand the dispute.
DE 72 (Data Record)	None
Notes	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

Timeshares

Timeshares	
Chargeback Condition	The cardholder contacted the issuer claiming that the cardholder canceled the timeshare or similar provision of services.
Time Frame	120 calendar days from the cancellation date
Retrieval Request	No
Supporting Documents	A cardholder letter, email, message, or *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) is required if the cardholder made a transaction for a timeshare or any similar provision of services and canceled the agreement within • 90 calendar days of the agreement date for intra-European and inter-European transactions • 14 calendar days of the agreement date for all other transactions
DE 72 (Data Record)	TIMESHARE
Notes	None

Credit Posted as a Purchase

Credit Posted as a Purchase	
Chargeback Condition	The cardholder contacted the issuer claiming that the cardholder account has been inaccurately posted with a debit instead of a credit.
Time Frame	120 calendar days from the transaction settlement date
Supporting Documents	None
DE 72 (Data Record)	None
Notes	The chargeback amount can be up to twice the original transaction amount to offset the error. The issuer should then correctly credit the cardholder's account.

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.24.2 Acquirer's Second Presentment

General Second Presentment

General Second Presentment	
Second Presentment Condition	The acquirer can provide evidence in response to the cardholder's claims.
Time Frame	Within 45 calendar days of the chargeback settlement date
IPM Second Presentment Message Reason Code	**2700** See Corresponding Documentation/Chargeback Remedied
Supporting Documents	The merchant's explanation and documentation. When the Second Presentment is in response to a First Chargeback for an **Addendum Dispute** the acquirer must provide proof of card presence and CVM for the separate transaction representing loss, theft, or damage.
DE 72 (Data Record)	None
Notes	A merchant or acquirer statement that the cardholder never contacted the merchant to cancel the recurring transaction is not a valid second presentment.

Good or Services Not Provided – European Transactions for Travel Services

Good or Services Not Provided – European Transactions for Travel Services	
Second Presentment Condition	The acquirer can provide evidence in response to the cardholder's claims.
Time Frame	Within 45 calendar days of the chargeback settlement date
IPM Second Presentment Message Reason Code	2700 See Corresponding Documentation/Chargeback Remedied

©1988–2015 MasterCard. Proprietary. All rights reserved.

Good or Services Not Provided – European Transactions for Travel Services	
Supporting Documents	The merchant's explanation and documentation, specifically evidence that the services were covered by a bonding authority, insurance or consumer protection scheme. An acquirer statement that such a scheme exists is not sufficient.
DE 72 (Data Record)	None
Notes	None.

Digital Goods Purchase of USD 25 or Less

Digital Goods Purchase of USD 25 or Less	
Second Presentment Condition	The acquirer can substantiate that the merchant offered at least the following minimum purchase controls at the time of the transaction or transactions (in the case of multiple transactions charged back in a batch). • The option, enabled as a default setting, for the cardholder to disable all digital goods purchases; • The time period during which a digital goods purchase can be made on the cardholder's account with the merchant (the "account open" period) must not exceed 15 minutes from the time at which the cardholder enters account authentication credentials; and • Allowing the cardholder to confirm or to cancel the clearly displayed total transaction amount of each pending digital goods purchase before completion of the transaction.
Time Frame	Within 45 calendar days of the chargeback settlement date
IPM Second Presentment Message Reason Code	**2700** See Corresponding Documentation/Chargeback Remedied
Supporting Documents	Documentation to support that the chargeback is remedied or invalid (for example, website screen images).
DE 72 (Data Record)	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

Digital Goods Purchase of USD 25 or Less	
Notes	None

Credit Previously Issued

Credit Previously Issued	
Second Presentment Condition	The merchant issued a credit to the cardholder's account.
Time Frame	Within 45 calendar days of the chargeback settlement date
IPM Second Presentment Message Reason Code	**2011** Credit Previously Issued
Supporting Documents	For Intra-European and Inter-European transactions, one of the following: 1. When the credit was processed to the cardholder's MasterCard account: None 2. When the credit was processed by other means: Compelling evidence showing the credit was processed. For all other transactions: None
DE 72 (Data Record)	For Intra-European and Inter-European transactions, one of the following corresponding to the Supporting Documents: 1. CRED MMDDYY ARD 2. CREDIT MMDDYY XXXXXXXXXXXX For all other transactions: MMDDYY ARD

©1988–2015 MasterCard. Proprietary. All rights reserved.

Credit Previously Issued	
Notes	This second presentment is not available for ATM transactions. Replace **MMDDYY** with the date of the credit transaction. Optionally, replace **ARD** with the Acquirer's Reference Data (ARD) of the credit transaction. Replace **XXXXXXXXXXXX** with the means by which the credit was processed. Examples include, but are not limited to: bank transfer, store credit, check. **An Inter-European Transaction is defined as:** A Transaction completed using a Card issued in a country or territory listed in Single European Payments Area (SEPA) at a Terminal located in a country or territory listed in Non-Single European Payments Area (Non-SEPA) or Transaction completed using a Card issued in a country or territory listed in Non-Single European Payments Area (Non-SEPA) at a Terminal located in a country or territory listed in Single European Payments Area (SEPA).

©1988–2015 MasterCard. Proprietary. All rights reserved.

Additional Second Presentment Options

©1988–2015 MasterCard. Proprietary. All rights reserved.

Additional Second Presentment Options	
IPM Second Presentment Message Reason Codes and Second Presentment Conditions	One of the following: 1. 2001—Invalid Acquirer Reference Data; Documentation was Received or was Not Required The combination of Primary Account Number and Acquirer Reference Data contained in the chargeback record does not match the information contained in the first presentment record. 2. 2002—Non-receipt of Required Documentation to Support Chargeback Required supporting documentation not received. An acquirer must wait a minimum of eight calendar days from the first chargeback before using this message reason code. MasterCard will block the Arbitration Chargeback when an acquirer second presents with message reason code 2002 after eight calendar days from the first chargeback and before the issuer sends the supporting documentation. The acquirer must accept supporting documentation as long as the acquirer has not processed a second presentment. 3. 2004—Invalid Acquirer Reference Data on Chargeback; Documentation was Received The combination of Primary Account Number and Acquirer Reference Data contained in the chargeback record does not match the information contained in the first presentment record. 4. 2701—Duplicate Chargeback The issuer processed a first chargeback for the same transaction more than once. 5. 2702—Past Chargeback Time Limit The issuer's first chargeback is processed past the time frame specified for the chargeback. 6. 2704—Invalid Data Record Text Text required to appear in the first chargeback's DE 72 (Data Record) is missing or incomplete. 7. 2709—Documentation Received was Illegible Supporting documentation is illegible. The acquirer's second presentment will be considered invalid should staff determine that the supporting documentation is legible during an arbitration case filing.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Additional Second Presentment Options	
	8. 2710—Scanning Error—Unrelated Documents or Partial Scan Supporting documentation does not correspond to the transaction being charged back (for example, the documentation concerns a different transaction) or is incomplete. 9. 2713—Invalid Chargeback The first chargeback does not meet the prerequisites for the message reason code.
Time Frame	Within 45 calendar days of the chargeback settlement date
Supporting Documents	None
DE 72 (Data Record)	None
Notes	None

3.24.3 Issuer's Arbitration Chargeback

The tables shown below detail the requirements of the arbitration chargeback for this message reason code.

General Arbitration Chargeback	
Arbitration Chargeback Condition	The cardholder continues to dispute the transaction. If the merchant's explanation remedied the original chargeback condition but that information allowed the issuer to determine a new chargeback condition exists, then the issuer may continue the chargeback by processing the arbitration chargeback using the requirements of the new chargeback condition. For example, the first chargeback was for merchandise not received, the second presentment includes proof that delivery occurred after the first chargeback was processed, the cardholder now claims that the merchandise arrived damaged. The arbitration chargeback must meet the conditions for **Goods or Services were either Not as Described or Defective**.
Time Frame	Within 45 calendar days of the second presentment settlement date
IPM Arbitration Chargeback Message Reason Code	**4853** Cardholder Dispute

©1988–2015 MasterCard. Proprietary. All rights reserved.

General Arbitration Chargeback	
Supporting Documents	A new cardholder letter, email, message, or *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) dated after the second presentment and specifically addressing the merchant's explanation. In addition: • **For disputes involving Good or Services were Not as Described or Defective:** If not provided with the first chargeback, documentation from an expert or professional that supports the cardholder's dispute about the level of quality or misrepresentation may be required if the validity of the dispute is challenged by the merchant. Other documentation necessary to support the validity of the dispute may include, but is not limited to, the original receipt, invoice, work order, brochure, contract, or appraisal. • **For disputes involving Counterfeit:** If not provided with the first chargeback, one of the following: – Documentation provided by a person purporting to be the owner or authorized representative of the owner of intellectual property rights for the goods purported to be counterfeit (which documentation may be available from a website) substantiating that the goods purchased are counterfeit; or – Documentation substantiating that the merchant that sold the purported counterfeit goods was closed by a governmental agency for selling counterfeit goods now purported by the chargeback to be counterfeit; or – Documentation from a bona fide expert substantiating that the disputed goods are counterfeit, which documentation is on the expert's letterhead or validated by other information demonstrating that the opinion expressed is that of an expert. Additionally, MasterCard requests that the issuer report the cardholder's allegation of an intellectual property rights infringement with an email to: ipinquiries@mastercard.com • **For disputes involving Credit Not Processed:** When the original cardholder letter, email, message, or *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) included in the first chargeback states that the cardholder returned the merchandise and the merchant denies receiving the merchandise in the second presentment, the issuer must then obtain proof that the merchandise was returned to and received by the merchant to accompany the arbitration chargeback. • **For disputes involving Goods or Services Were Not Provided:** One of the following: – When the second presentment documentation includes a signed delivery receipt, the new cardholder letter, email, message, or completed *Dispute Resolution Form—Cardholder*

©1988–2015 MasterCard. Proprietary. All rights reserved.

General Arbitration Chargeback	
	Dispute Chargeback (Form 1221) must state the signature on the delivery receipt is not the cardholder's signature or the signature of any person authorized by the cardholder. When the second presentment documentation stated that paper airline tickets were issued, the new cardholder letter, email, message or completed *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) must explain the disposition of the paper airline tickets by clearly stating that the airline tickets are no longer in the cardholder's possession and how the airline tickets were disposed (for example, the airline tickets were discarded, destroyed, returned to the issuer, returned to the travel agency, or disposed in some other manner). – None, when all of the following: – The dispute was not for paper airline tickets – The second presentment documentation included a delivery receipt dated before the original cardholder letter – The delivery receipt was not signed by the cardholder, or a person authorized by the cardholder. • **For disputes involving an Addendum Dispute or "No-show" Hotel Charge:** When the original cardholder letter, email, message, or completed *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) included in the first chargeback did not include a cancellation number and the acquirer processed a second presentment that states one the following: – The hotel has a formal Guaranteed Reservation Program that includes the issuance of confirmation and cancellation numbers. – The hotel has no record of the cancellation. The cardholder must provide proof of merchant contact within the cancellation time frame required by the Guaranteed Reservation Service program (such as a copy of a phone bill indicating that a call was made to the merchant before 18:00 [merchant's local time] on the date of the reservation).
DE 72 (Data Record)	None
Notes	The new cardholder letter, email, message or completed *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) must be dated after the second presentment and must specifically address the rebuttal provided with the second presentment.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Additional Arbitration Chargeback Options

Additional Arbitration Chargeback Options	
IPM Arbitration Chargeback Message Reason Codes and Arbitration Chargeback Conditions	One of the following: 1. 4901—Required Documentation Not Received to Support Second Presentment Required supporting documentation was not received. An issuer must wait a minimum of eight calendar days from the second presentation before using this message reason code. An issuer can generate an arbitration chargeback with message reason code 4901 eight calendar days from the second presentment and before the acquirer sends the supporting documentation. Staff will find the acquirer responsible if the acquirer files an arbitration case. The issuer must accept supporting documentation as long as the issuer has not processed an arbitration chargeback. 2. 4902—Documentation Received was Illegible Supporting documentation is illegible. The issuer's arbitration chargeback will be considered invalid should staff determine that the supporting documentation is legible during an arbitration case filing. 3. 4903—Scanning error—Unrelated Documents or Partial Scan Supporting documentation does not correspond to the transaction being charged back (for example, the documentation concerns a different transaction) or is incomplete. 4. 4905—Invalid Acquirer Reference Data; Documentation was Not Received or Not Required The combination of Primary Account Number and Acquirer Reference Data contained in the chargeback record does not match the information contained in the first presentment record. This message reason code is limited to a second presentment using message reason code 2001. 5. 4908—Invalid Acquirer Reference Data; Documentation Received The combination of Primary Account Number and Acquirer Reference Data contained in the chargeback record does not match the information contained in the first presentment record. This message reason code is limited to a second presentment using message reason code 2004.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Additional Arbitration Chargeback Options	
Time Frame	Within 45 calendar days of the second presentment settlement date
Supporting Documents	None
DE 72 (Data Record)	None
Notes	None

3.25 Message Reason Code 4854—Cardholder Dispute—Not Elsewhere Classified (U.S. Region Only)

Chargeback rules on this subject appear in the "Domestic Chargeback" appendix.

3.26 Message Reason Code 4855—Goods or Services Not Provided

The following chargeback message reason codes have been combined under 4853.

- 4841—Canceled Recurring and Digital Goods Transactions
- 4853—Cardholder Dispute—Defective Merchandise/Not as Described
- 4855—Goods or services not provided
- 4859—Addendum and No-show
- 4860—Credit Not Processed

Chargeback message reason code 4853 has been renamed 4853—Cardholder Dispute.

All of the conditions and requirements previously included in message reason codes 4841, 4853, 4855, 4859, and 4860 are now included in this revised code.

Message reason codes 4841, 4853, 4855, 4859, and 4860 may continue to be used. However, 4841, 4855, 4859, and 4860 will eventually be eliminated as valid message reason codes.

3.27 Message Reason Code 4859—Addendum, No-show, or ATM Dispute

The following sections describe the proper and improper use of message reason code 4859.

- 4841—Canceled Recurring and Digital Goods Transactions
- 4853—Cardholder Dispute—Defective Merchandise/Not as Described
- 4855—Goods or services not provided

©1988–2015 MasterCard. Proprietary. All rights reserved.

- 4859—Addendum and No-show
- 4860—Credit Not Processed

Chargeback message reason code 4853 has been renamed 4853—Cardholder Dispute.

All of the conditions and requirements previously included in message reason codes 4841, 4853, 4855, 4859, and 4860 are now included in this revised code.

Message reason codes 4841, 4853, 4855, 4859, and 4860 may continue to be used. However, 4841, 4855, 4859, and 4860 will eventually be eliminated as valid message reason codes.

3.28 Message Reason Code 4860—Credit Not Processed

The following chargeback message reason codes have been combined under 4853.

- 4841—Canceled Recurring and Digital Goods Transactions
- 4853—Cardholder Dispute—Defective Merchandise/Not as Described
- 4855—Goods or services not provided
- 4859—Addendum and No-show
- 4860—Credit Not Processed

Chargeback message reason code 4853 has been renamed 4853—Cardholder Dispute.

All of the conditions and requirements previously included in message reason codes 4841, 4853, 4855, 4859, and 4860 are now included in this revised code.

Message reason codes 4841, 4853, 4855, 4859, and 4860 may continue to be used. However, 4841, 4855, 4859, and 4860 will eventually be eliminated as valid message reason codes.

3.29 Message Reason Code 4863—Cardholder Does Not Recognize—Potential Fraud

The following sections describe the proper and improper use for message reason code 4863.

3.29.1 Proper Use of Message Reason Code 4863

The issuer may use message reason code 4863 for all non–face-to-face (Card Not Present) transactions if the following occur.

- The cardholder claims that he or she does not recognize the transaction appearing on the cardholder statement, and
- The issuer made a good-faith effort to identify the transaction for the cardholder. (For example, the issuer confirmed that the cardholder contacted or attempted to contact the merchant for transaction identification.)

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.29.2 Improper Use of Message Reason Code 4863

The issuer may not use this message reason code in the following situations.

- A Digital Secure Remote Payment (DSRP) transaction or any subsequent transaction for a related partial shipment or recurring payment. Refer to Appendix F for Digital Secure Remote Payment transaction identification requirements.
- **Authorization Approval after the FNS Date.**The issuer approved the transaction after submitting two or more chargebacks involving the same MasterCard card account (for this purpose, "account" means primary account number [PAN], or PAN and expiration date) for any of the following message reason codes: 4837, 4870, or 4871. Message reason code 4863 first chargebacks will be included in the FNS count once the FNS fraud chargeback count is two or greater.
- **FNS Counter Exceeds 25 Fraud-Related Chargebacks.** The issuer submitted more than 25 chargebacks in aggregate involving the same account (as defined above) for message reason codes 4837, 4870, or 4871. Message reason code 4863 first chargebacks will be included in the FNS count once the FNS fraud chargeback count is two or greater.
- Transactions posted to an account when the card was lost/stolen
- ATM Transactions
- Transactions that occurred at a cardholder-activated terminal (CAT) that were properly identified in the authorization messages and clearing records as CAT 1, CAT 2, or when properly identified in the clearing records as CAT 3.
- Properly identified "no-show" hotel or motel transactions. Refer to Proper Use for Issuer's First Chargeback for RS5 for options.
- Emergency cash disbursements or emergency travelers check refunds.
- Transaction posting to an account when the cardholder states that a transaction is unauthorized.
- If the merchant is Universal Cardholder Authentication Field (UCAF)-enabled, the issuer provided the UCAF for that transaction, all other e-commerce Authorization Request/0100 message requirements were satisfied, and the Authorization Request Response/0110 message reflected the issuer's approval of the transaction.
- **Addendum Disputes.** Issuers must not use this chargeback message reason code if the issuer is made aware that the disputed transaction is a subsequent separate addendum transaction that was appended to a previous valid transaction involving the same merchant. The issuer must process a chargeback for message reason code 4859 RS7 (Addendum Dispute) if the cardholder acknowledges participation in the original transaction.
- The transaction was a MasterCard Commercial Payments Account transaction. A MasterCard Commercial Payments Account transaction occurs when PDS 0002 (GCMS Product Identifier) was MAP (MasterCard Commercial Payments Account) in the First Presentment/1240 message.
- **Brazil only**—The transaction was a MasterCard Agro Card transaction occurring in Brazil with a MasterCard Agro Card issued in Brazil. A MasterCard Agro Card transaction occurs when PDS 0002 (GCMS Product Identifier) was MLF (MasterCard Agro Card) in the First Presentment/1240 message.

©1988–2015 MasterCard. Proprietary. All rights reserved.

If the following values are in the Authorization Request/0100 message

If the following values are in the Authorization Request/0100 message		
Data Element	**Subfield**	**Value**
DE 22 (Point-of-Service [POS] Entry Mode)	Subfield 1 (POS Terminal PAN Entry Mode)	One of the following • **02**—PAN auto-entry via magnetic stripe—Track data is not required. (The acquirer is not qualified to use value 90 so MasterCard replaced value 90 or 91 with value 02. • **05**—PAN auto-entry via chip • **07**—PAN auto-entry via contactless M/Chip • **79**—A hybrid terminal with an online connection to the acquirer failed in sending a chip fallback transaction (in which DE 22, subfield 1 = 80) to the issuer. A hybrid terminal with no online connection to the acquirer failed to read the chip card. • **80**—Chip card at chip-capable terminal was unable to process transaction using data on the chip; therefore, the terminal defaulted to the magnetic stripe-read PAN. • **90**—PAN auto-entry via magnetic stripe—The full track data has been read from the data encoded on the card. • **91**—PAN auto-entry via contactless magnetic stripe—The full track data has been read from the data on the card.

If the following values are in the First Presentment/1240 message

If the following values are in the First Presentment/1240 message		
DE 22 (Point of Service Data Code)	Subfield 4 (Terminal Operating Environment)	Equal to 1 or 3
	Subfield 5 (Cardholder Present Data)	Equal to 0
	Subfield 6 (Card Present Data)	Equal to 1 (DE 22 only)

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.29.3 Specific Programs Using Message Reason Code 4863

MasterCard Electronic Card. Refer to section MasterCard Electronic for chargeback processing procedures for a MasterCard Electronic card.

3.29.4 Proper Use for Issuer's First Chargeback

The following conditions represent valid options that the issuer may choose to process a first chargeback for message reason code 4863.

Cardholder Does Not Recognize

Cardholder Does Not Recognize	
Time Frame	120 calendar days
Retrieval Request	No
Supporting Documents	If charging back multiple transactions to a single acquirer (and a single merchant), include a list of the individual items in the batch (ARDs and amounts).
DE 72 (Data Record)	For multiple transactions charged back using a single chargeback message: MULTIPLE TRANSACTIONS NNN
Notes	Replace **NNN** with the number of items being charged back.

Cardholder Does Not Recognize—Intra-European and Inter-European Transactions

Cardholder Does Not Recognize—Intra-European and Inter-European Transactions	
Time Frame	120 calendar days
Retrieval Request	No
Supporting Documents	Cardholder documentation clearly stating that the cardholder does not recognize the transaction and has made every effort to identify the transaction with the issuer and/or the merchant. If charging back multiple transactions to a single acquirer (and a single merchant), include a list of the individual items in the batch (ARDs and amounts).
DE 72 (Data Record)	For multiple transactions charged back using a single chargeback message: MULTIPLE TRANSACTIONS NNN
Notes	Replace **NNN** with the number of items being charged back.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Conflicting Data. In the event the issuer is able to confirm conflicting data between the authorization and clearing messages, where the authorization indicates non–face-to-face and the clearing indicates face-to-face or the authorization indicates face-to-face and the clearing indicates non–face-to-face, the issuer may use this chargeback message reason code. A value of "01" in DE 22 (Point-of-Service [POS] Entry Mode) Subfield 1 (POS Terminal PAN Entry Mode) of the Authorization Request/0100 message does not confirm that the transaction is non-face-to-face unless supported by other non-face-to-face data elements within the authorization and clearing messages.

3.29.5 Proper Use for Acquirer's Second Presentment

The conditions shown represent valid options that the acquirer may choose to process a second presentment for message reason code 4863.

In the event the transaction is face-to-face via the clearing data the acquirer must consider the authorization data as well. If any card present data is conflicting, acquirers are required to produce a signed Transaction information document (TID) with proof of card presence.

Authorization Approval After the FNS Date. An acquirer may process a second presentment if the issuer approved the transaction after submitting two or more chargebacks involving the same MasterCard card account (for this purpose, "account" means primary account number [PAN], or PAN and expiration date) for any of the following message reason codes: 4837, 4870, or 4871. Message reason code 4863 first chargebacks will be included in the FNS count once the FNS fraud chargeback count is two or greater.

FNS alerts the acquirer in the event that the issuer has submitted two or more chargebacks involving the same MasterCard card account for any of the message reason codes listed immediately above. FNS places the date on which the issuer submitted the second such fraud-related chargeback in PDS 0200 (Fraud Notification Date), subfield 1 (Fraud Notification Service Date), of the First Chargeback/1442 message. If PDS 0200, subfield 1 is present and contains a date value that is earlier than the authorization approval date of the disputed transaction, the acquirer may process a second presentment as described in table Two or More Previous Fraud-related Chargebacks below.

FNS Counter Exceeds 25 Fraud-Related Chargebacks. An acquirer may process a second presentment if the issuer submitted more than 25 chargebacks in aggregate involving the same account (as defined above) for message reason codes 4837, 4870, or 4871. Message reason code 4863 first chargebacks will be included in the FNS count once the FNS fraud chargeback count is two or greater.

The FNS provides the acquirer with the total number of fraud-related chargebacks submitted by the issuer involving the same account. FNS places the total chargeback count in PDS 0200, subfield 2 (Fraud Notification Service Chargeback Counter) of the First Chargeback/1442 message. As described in the Fraud-related Chargeback Counter Exceeds Threshold table, the acquirer may process a second presentment if PDS 0200, subfield 2 is present and contains a chargeback counter value that **exceeds 25** (a value of 26 or more).

©1988–2015 MasterCard. Proprietary. All rights reserved.

Two or More Previous Fraud-related Chargebacks

Two or More Previous Fraud-related Chargebacks	
IPM Second Presentment Message Reason Code	**2713** Invalid Chargeback
Second Presentment Condition	The issuer previously charged back two or more transactions involving the same MasterCard card account prior to the authorization approval date of the disputed transaction for any of the following message reason codes: 4837, 4863, 4870 or 4871.
Supporting Documents	None
DE 72 (Data Record)	One of the following: • FNS • NN MMDDYY NN MMDDYY AUTH MMDDYY
Notes	The following applies to the use of DE 72 (Data Record): • Use **FNS** when the authorization approval date of the disputed transaction is later than the date value provided by the Fraud Notification Service in PDS 0200, subfield 1 of the First Chargeback/1442 message • Use **NN MMDDYY** for a previous chargeback by replacing **NN** with the last two digits of the message reason code and **MMDDYY** with the Central Site Business Date. For **AUTH MMDDYY**, replace **MMDDYY** with the authorization approval date of the disputed transaction.

Fraud-related Chargeback Counter Exceeds Threshold

Fraud-related Chargeback Counter Exceeds Threshold	
IPM Second Presentment Message Reason Code	**2713** Invalid Chargeback
Second Presentment Condition	The issuer previously charged back more than 25 transactions involving the same account for any of the following message reason codes: 4837, 4863, 4870 or 4871.
Supporting Documents	None
DE 72 (Data Record)	FNS COUNT NN

©1988–2015 MasterCard. Proprietary. All rights reserved.

Fraud-related Chargeback Counter Exceeds Threshold	
Notes	Replace **NN** with the chargeback count value provided by the Fraud Notification Service in PDS 0200, subfield 2 of the First Chargeback/1442 message. The chargeback count value must be 26 or greater.

MasterCard *SecureCode* SL2 (Global Liability Shift)

MasterCard *SecureCode* SL2 (Global Liability Shift)	
IPM Second Presentment Message Reason Code	**2008** Issuer authorized transaction.
Second Presentment Condition	The acquirer can show that: • The transaction approved by the issuer contained the value in the UCAF that the issuer or its agent provided (DE 48, subelement 42 had a UCAF collection indicator value of 2). • All of the required e-commerce indicators were provided in the Authorization Request/0100 message and the clearing record.
Supporting Documents	None
DE 72 (Data Record)	AUTH MMDDYY/NNNNNN SL 2
Notes	Replace **MMDDYY** with the date the transaction was authorized. Replace **NNNNNN** with the authorization approval code **2** of SL 2 = DE 48 s42 f3 of the authorization message showing a value of 2. Refer to the *Customer Interface Specification* for the data element values that satisfy Authorization Request/0100 message requirements for a valid UCAF transaction.

Additional Information

Additional Information	
IPM Second Presentment Message Reason Code	**2700** See Corresponding Documentation/Chargeback Remedied

©1988–2015 MasterCard. Proprietary. All rights reserved.

Additional Information	
Second Presentment Condition	The acquirer can provide additional information, not contained in the authorization or clearing message that would help to identify the transaction. Additional information includes one or more of the following: • A description of the merchandise or services. • The original transaction amount if the disputed transaction represents partial shipment. • "Ship to" address (if applicable).
Supporting Documents	Documentation that would further identify the transaction.
DE 72 (Data Record)	None
Notes	None

Address Verification Service (AVS)

Address Verification Service (AVS)	
IPM Second Presentment Message Reason Code	**2700** See Corresponding Documentation/Chargeback Remedied
Second Presentment Condition	The acquirer can provide documentation that it received a positive Address Verification Service (AVS) response of X (address match with nine-digit ZIP code) or Y for the transaction and documentation showing that the address to which the merchandise was sent is the same as the AVS confirmed address.
Supporting Documents	All of the following: • Documentation of positive AVS response X or Y. • Documentation that shows the merchandise was sent to the AVS-confirmed billing address. The acquirer must provide additional information, not contained in the authorization or clearing message that would help to identify the transaction. Additional information includes one or more of the following: • A description of the merchandise or services. • The original transaction amount if the disputed transaction represents partial shipment. • "Ship to" address (if applicable).

©1988–2015 MasterCard. Proprietary. All rights reserved.

Address Verification Service (AVS)	
DE 72 (Data Record)	None
Notes	None

No Conflicting Information in Authorization and Clearing Message

No Conflicting Information in Authorization and Clearing Message	
IPM Second Presentment Message Reason Code	**2713** Invalid Chargeback
Second Presentment Condition	The transaction took place in a face-to-face environment as detailed by the authorization and clearing messages.
Supporting Documents	None
DE 72 (Data Record)	None
Notes	None

Conflicting Information in Authorization and Clearing Message

Conflicting Information in Authorization and Clearing Message	
IPM Second Presentment Message Reason Code	**2713** Invalid chargeback.
Second Presentment Condition	DE 22 (Point of Service [POS] Entry Mode of the authorization message and DE 22 (Point of Service Data Code) of the clearing messages do not match in a Face-to-Face transaction.
Supporting Documents	Proof of card presence and cardholder signature.
DE 72 (Data Record)	None
Notes	In the event that the transaction is identified as a face-to-face transaction in the clearing data, the acquirer must consider the authorization data as well. If any card-present data is conflicting, the acquirer must produce a signed transaction information document (TID) with proof of card presence.

©1988–2015 MasterCard. Proprietary. All rights reserved.

MasterCard *SecureCode* SL1 (Merchant-only Liability Shift)

MasterCard *SecureCode* SL1 (Merchant-only Liability Shift)	
IPM Second Presentment Message Reason Code	**2008** Issuer authorized transaction
Second Presentment Condition	The acquirer can show both of the following: • The transaction approved by the issuer had a UCAF collection indicator of 1 (DE48, subelement 42, position 3), and • All of the required e-commerce indicators were provided in the Authorization Request/0100 message.
Supporting Documents	None
DE 72 (Data Record)	AUTH MMDDYY/NNNNNN SL 1
Notes	Replace **MMDDYY** with the date the authorization request message containing a value of 1* in DE 48, subfield 42 was approved. Replace **NNNNNN** with the authorization approval code. **This value cannot be used as a valid remedy for Canada intraregional or U.S. intraregional commercial card transactions.** Refer to section MasterCard *SecureCode* and Universal Cardholder Authentication Field (UCAF) Liability Shift Program for more information. Refer to the *Customer Interface Specification* for the data element values that satisfy Authorization Request/0100 message requirements for a valid UCAF transaction.

3.29.5.1 Additional Remedies

Acquirers can use the following second presentment message reason codes to submit a Second Presentment/1240 for message reason code 4863.

- **2001**—Invalid Acquirer Reference Data on chargeback; documentation was provided or not required
- **2011**—Credit previously issued
- **2701**—Duplicate Chargeback
- **2702**—Past Chargeback Time Limit

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.29.6 Arbitration Chargeback

If the first chargeback was valid and the acquirer failed to remedy the dispute properly, the issuer may continue the chargeback with the same message reason code originally processed (4863).

The issuer will have chargeback rights if examination of the documentation reveals a new valid chargeback reason. If the situation requires a different message reason, the issuer must process the arbitration chargeback using the appropriate message reason code.

NOTE:

If it is determined that the transaction occurred as a result of fraud, the issuer must report the transaction to SAFE in accordance with the reporting requirements set forth in the *SAFE Products User Guide*.

Issuers may submit an arbitration chargeback for the following reasons:

- **RS 1**—The information provided by the acquirer on second presentment is not new information
- **RS 4**—Invalid UCAF transaction
- **RS 5**—The merchant was UCAF-enabled, but the card was a commercial card.

An issuer must change to message reason code 4837 if the cardholder claims that the transaction is fraudulent.

An issuer must change to message reason code 4859 RS7 when all of the following apply:

- The disputed transaction is a subsequent separate addendum transaction.
- The transaction is appended to a previous valid transaction involving the same merchant.
- The cardholder acknowledges participation in the original transaction regardless of the originating payment type.

Not New Information

Not New Information	
IPM Arbitration Chargeback Message Reason Code	**4863** Cardholder Does Not Recognize—Potential Fraud
Arbitration Chargeback Details	The issuer asserts that the information provided on the second presentment was not new information.
Supporting Documents	None
DE 72 (Data Record)	RS 1
Notes	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

UCAF Value Discrepancy

UCAF Value Discrepancy	
IPM Arbitration Chargeback Message Reason Code	**4863** Cardholder Does Not Recognize—Potential Fraud
Arbitration Chargeback Details	The issuer can demonstrate that the value contained in the UCAF within the Authorization Request/0100 message is not identical to the value that the issuer or its service provider provided for that transaction.
Supporting Documents	A copy of the system log supporting the issuer's claim of a discrepancy between the transaction's UCAF value generated by the issuer or its service provider and the value presented in the UCAF field at the time of the authorization.
DE 72 (Data Record)	RS 4
Notes	None

Merchant-only MasterCard *SecureCode* Liability Shift not Applicable

Merchant-only MasterCard *SecureCode* Liability Shift not Applicable	
IPM Arbitration Chargeback Message Reason Code	**4863** Cardholder Does Not Recognize—Potential Fraud
Arbitration Chargeback Details	The issuer can demonstrate that the transaction was performed using a commercial card.
Supporting Documents	None
DE 72 (Data Record)	RS 5
Notes	Commercial cards are exempt from the Canada intraregional and U.S. intraregional MasterCard *SecureCode* merchant-only liability shifts, as described in MasterCard *SecureCode* and Universal Cardholder Authentication Field (UCAF) Liability Shift Program.

The issuer may use the following additional message reason codes to submit an arbitration chargeback:

- **48xx**—New valid chargeback reason
- **4901**—Required documentation not received to support previous Second Presentment/1240

©1988–2015 MasterCard. Proprietary. All rights reserved.

- **4902**—Documentation received was illegible
- **4903**—Scanning error—unrelated documents or partial scan
- **4905**—Invalid Acquirer Reference Data on Second Presentment/1240 (2001); documentation was received
- **4908**—Invalid Acquirer Reference Data on Second Presentment/1240 (2004); documentation was received

Refer to section Processing Arbitration Chargebacks (Arbitration Chargeback/1442 Message) for the standard procedure.

3.29.7 Arbitration Case Filing

Refer to Processing Arbitration Chargebacks (Arbitration Chargeback/1442 Message) for the standard procedure. Refer to Chapter 5, Arbitration Procedures for Arbitration Case examples.

3.30 Message Reason Code 4870—Chip Liability Shift

The following sections describe the proper and improper use of message reason code 4870.

3.30.1 Proper Use of Message Reason Code 4870

The issuer may use message reason code 4870 for a first chargeback if the following apply.

- The issuer received a cardholder letter stating that neither he, she, or anyone authorized by him or her engaged in the transaction.
- Both the issuer and the acquirer are located in a country or region that has adopted a domestic or intraregional chip liability shift, or that participates in the Global Chip Liability Shift Program for interregional transactions at Level 1 (Chip Liability Shift for Counterfeit Fraud).
- A fraudulent transaction resulted from the use of a counterfeit card at a non-hybrid terminal, or a fraudulent transaction occurred at a hybrid terminal but DE 55 was not present in the Authorization Request/0100 or Financial Transaction Request/0200 message
- The validly-issued card was an EMV chip card.

Before using this chargeback, the issuer must report the transaction to SAFE as counterfeit in accordance with the *SAFE Products User Guide*.

Voided Cards. The issuer may also charge back a transaction involving a once valid voided card with an issuer certification letter instead of a written cardholder complaint if:

- The transaction was identified in the clearing record as a face-to-face transaction.
- The issuer certifies in writing that the unexpired account number identified in the transaction record was not outstanding on the transaction date because all physical cards were recovered, destroyed, or both.

Use of *Expedited Billing Dispute Resolution Process (Fraud) Form*. The *Expedited Billing Dispute Resolution Process (Fraud) Form* may be used in lieu of the cardholder letter or cardholder affidavit of alleged fraud if the MasterCard card account is closed. Before processing the chargeback, the issuer must block the account on its host, list the account

©1988–2015 MasterCard. Proprietary. All rights reserved.

number on the MasterCard Stand-in Account File with a "capture card" response until card expiration, and report the transaction to SAFE.

3.30.2 Improper Use of Message Reason Code 4870

The issuer may not use this message reason code when the following occur.

- A Digital Secure Remote Payment (DSRP) transaction or any subsequent transaction for a related partial shipment or recurring payment. Refer to Appendix F for Digital Secure Remote Payment transaction identification requirements.
- **Authorization Approval after the FNS Date.** The issuer approved the transaction after submitting two or more chargebacks involving the same MasterCard card account (for this purpose, "account" means primary account number [PAN], or PAN and expiration date) for any of the following message reason codes: 4837, 4870, or 4871. Message reason code 4863 first chargebacks will be included in the FNS count once the FNS fraud chargeback count is two or greater.
- **FNS Counter Exceeds 25 Fraud-Related Chargebacks.** The issuer submitted more than 25 chargebacks in aggregate involving the same account (as defined above) for message reason codes 4837, 4870, or 4871. Message reason code 4863 first chargebacks will be included in the FNS count once the FNS fraud chargeback count is two or greater.
- A valid EMV chip transaction occurred and DE 55 and related data was provided in the Authorization Request/0100 message or Financial Transaction Request/0200 message (if online-authorized) and the First Presentment/1240 message.
- A magnetic stripe-read or key-entered transaction occurred and was properly identified as the result of technical fallback in the Authorization Request/0100 message and in the First Presentment/1240 message.
- The Authorization Request/0100 message contained a service code value other than 2xx or 6xx, either because:
  - The card was not an EMV chip card (issuers approve such transactions at their own risk).
  - A counterfeit card transaction occurred in which the service code was altered from that of the valid EMV chip card.
- The transaction was a mail order, phone order, e-commerce, or recurring payment transaction.
- Properly identified and authorized contactless transactions.
- The transaction was a MasterCard Commercial Payments Account transaction. A MasterCard Commercial Payments Account transaction occurs when PDS 0002 (GCMS Product Identifier) was MAP (MasterCard Commercial Payments Account) in the First Presentment/1240 message.
- **Brazil only**—The transaction was a MasterCard Agro Card transaction occurring in Brazil with a MasterCard Agro Card issued in Brazil. A MasterCard Agro Card transaction occurs when PDS 0002 (GCMS Product Identifier) was MLF (MasterCard Agro Card) in the First Presentment/1240 message.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Term	Definition
Technical Fallback Transaction	In a technical fallback transaction, either the chip or the merchant device (CAD) failed, as shown by the presence of: • A value of 79 or 80 is present in DE 22 (Point-of-Service [POS] Entry Mode), subfield 1 (POS Terminal PAN Entry Mode) of the Authorization Request 0100 message or: • A value of 01 in DE 22, subfield 1 of the Authorization Request/0100 message, when the authorization and clearing messages indicate that the transaction occurred at a hybrid terminal. For information about DE 22, Subfield 1 values, refer to the *Customer Interface Specification* manual.
Hybrid POS Terminal	A POS Terminal that: 1. Is capable of processing both contact chip transactions and magnetic stripe-based transactions; 2. Has the equivalent hardware, software, and configuration as a hybrid POS terminal with full EMV Level 1 and Level 2 type approval status with regard to the chip technical specifications; and 3. Has satisfactorily completed the MasterCard Terminal Integration Process (TIP) in the appropriate environment of use. A Hybrid POS Terminal is identified in transaction messages with the following values: • A value of 3, 5, 8, or 9 in DE 61 (Point-of-Service Data), subfield 11 (POS Card Data Terminal Input Capability Indicator) in the Authorization Request/0100 or Financial Transaction Request/0200 message, as described in the *Customer Interface Specification* and *Single Message System Specifications* manuals; and • A value of 5, C, D, E, or M in DE 22 (Point of Service Data Code), subfield 1 (Terminal Data: Card Data Input Capability) of the First Presentment/1240 message, as described in the *IPM Clearing Formats* manual.

3.30.3 Proper Use for Issuer's First Chargeback

The following conditions represent valid options that the issuer may choose to process a first chargeback for message reason code 4870.

The issuer may charge back a MasterCard ATM Network transaction using this message reason code only if the transaction was conducted with an EMV chip card at a magnetic stripe-reading-only ATM and both customers are located in countries or regions participating in the Chip Liability Shift for ATM transactions. Refer to Chapter 4—Single Message System Transactions message reason code 70—Chip Liability Shift. Europe region customers should refer to Appendix A, Message Reason Code 4870—Chip Liability Shift for more details.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Chip Liability Shift	
Time Frame	120 calendar days
Retrieval Request	No
Supporting Documents	One of the following: • Cardholder letter, email, message or completed *Expedited Billing Dispute Resolution Process Form for Fraud* (Form 412) stating both of the following: – Neither the cardholder nor anyone authorized by the cardholder engaged in the transaction. – The cardholder or another person authorized by the cardholder was in possession and control of all valid cards issued to the account at the time of the transaction. • Cardholder letter, email, or form stating that neither the cardholder nor anyone authorized by the cardholder engaged in the transaction and an issuer certification letter verifying counterfeit **For subsequent counterfeit transactions** occurring after the account was closed, a copy of the original cardholder letter and the issuer's written certification that the account had been closed and the date the account was closed.
DE 72 (Data Record)	None
Notes	A Cardholder letter, email, or form sent as supporting documentation must be the result of contact with the cardholder. The *Expedited Billing Dispute Resolution Process Form for Fraud* may be used if the MasterCard card account is closed. Before processing the chargeback using this form, the issuer must block the account on its host; list the account number on the MasterCard Stand-in Account File with a "capture card" response until card expiration, and report the transaction to SAFE.

3.30.4 Proper Use for Acquirer's Second Presentment

The conditions shown below represent valid options that the acquirer may choose to process a second presentment for message reason code 4870.

- The country or region in which either the acquirer or issuer is located does not have an applicable domestic or intraregional chip liability shift or participate in the interregional Chip Liability Shift Program.
- The First Presentment/1240 message contained DE 55 with the mandatory subelements.

©1988–2015 MasterCard. Proprietary. All rights reserved.

- The transaction was magnetic stripe-read or key-entered as the result of technical fallback and was properly identified as such in the Authorization Request/0100 message and in the First Presentment/1240 message.
- **Authorization Approval After the FNS Date.** An acquirer may process a second presentment if the issuer approved the transaction after submitting two or more chargebacks involving the same MasterCard card account (for this purpose, "account" means primary account number [PAN], or PAN and expiration date) for any of the following message reason codes: 4837, 4870, or 4871. Message reason code 4863 first chargebacks will be included in the FNS count once the FNS fraud chargeback count is two or greater.

  The FNS alerts the acquirer in the event that the issuer has submitted two or more chargebacks involving the same MasterCard card account for any of the message reason codes listed immediately above. FNS places the date on which the issuer submitted the second such fraud-related chargeback in PDS 0200 (Fraud Notification Date), subfield 1 (Fraud Notification Service Date) of the First Chargeback/1442 message. If PDS 0200, subfield 1 is present and contains a date value that is earlier than the authorization approval date of the disputed transaction, the acquirer may process a second presentment as described in the following table, Two or More Previous Fraud-related Chargebacks.
- **FNS Counter Exceeds 25 Fraud-Related Chargebacks.** An acquirer may process a second presentment if the issuer submitted more than 25 chargebacks in aggregate involving the same account (as defined above) for message reason codes 4837, 4870, or 4871. Message reason code 4863 first chargebacks will be included in the FNS count once the FNS fraud chargeback count is two or greater.

  The FNS provides the acquirer with the total number of fraud-related chargebacks submitted by the issuer involving the same account. FNS places the total chargeback count in PDS 0200, subfield 2 (Fraud Notification Service Chargeback Counter) of the First Chargeback/1442 message. As described in the **Fraud-related Chargeback Counter Exceeds Threshold** table, the acquirer may process a second presentment if PDS 0200, subfield 2 is present and contains a chargeback counter value that **exceeds 25** (a value of 26 or more).

Two or More Previous Fraud-related Chargebacks

Two or More Previous Fraud-related Chargebacks	
IPM Second Presentment Message Reason Code	**2713** Invalid chargeback
Second Presentment Condition	The issuer previously charged back two or more transactions involving the same MasterCard card account prior to the authorization approval date of the disputed transaction for any of the following message reason codes: 4837, 4863, 4870 or 4871.
Supporting Documents	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

Two or More Previous Fraud-related Chargebacks	
DE 72 (Data Record)	One of the following: • FNS • NN MMDDYY NN MMDDYY AUTH MMDDYY
Notes	The following applies to the use of DE 72 (Data Record): • Use FNS when the authorization approval date of the disputed transaction is later than the date value provided by the Fraud Notification Service in PDS 0200, subfield 1 of the First Chargeback/1442 message. • Use **NN MMDDYY** for a previous chargeback by replacing **NN** with the last two digits of the message reason code and **MMDDYY** with the Central Site Business Date. For **AUTH MMDDYY**, replace **MMDDYY** with the authorization approval date of the disputed transaction.

Fraud-related Chargeback Counter Exceeds Threshold

Fraud-related Chargeback Counter Exceeds Threshold	
IPM Second Presentment Message Reason Code	**2713** Invalid chargeback
Second Presentment Condition	The issuer previously charged back more than 25 transactions involving the same account for any of the following message reason codes: 4837, 4863, 4870 or 4871.
Supporting Documents	None
DE 72 (Data Record)	**FNS COUNT NN**
Notes	Replace **NN** with the chargeback count value provided by the Fraud Notification Service in PDS 0200, subfield 2 of the First Chargeback/1442 message. The chargeback count value must be 26 or greater.

Not Reported to SAFE

Not Reported to SAFE	
IPM Second Presentment Message Reason Code	**2713** Invalid chargeback

©1988–2015 MasterCard. Proprietary. All rights reserved.

Not Reported to SAFE	
Second Presentment Condition	The acquirer can show that the issuer did not properly report the transaction to SAFE on or before the chargeback date.
Supporting Documents	Documentation that supports the second presentment from the Acquirer's Loss Data File, the Acquirer Loss Data Report (AF739010-BB), or the Acquirer Transaction Data Report via Fraud Reporter.
DE 72 (Data Record)	None
Notes	None

Issuer Authorized Transaction

Issuer Authorized Transaction	
IPM Second Presentment Message Reason Code	**2008** Issuer authorized the transaction.
Second Presentment Condition	The transaction was authorized online and did not involve a valid EMV chip card as evidenced by the service code in DE 35 of the Authorization Request/0100 message.
Supporting Documents	None
DE 72 (Data Record)	INV SERVICE CODE X
Notes	Where **X** is the value contained in position 1 of the three-digit service code transmitted by the card to the terminal. **X** must be a value other than **2 or 6**.

Technical Fallback

Technical Fallback	
IPM Second Presentment Message Reason Code	**2008** Issuer authorized the transaction.
Second Presentment Condition	The acquirer can prove the transaction was the result of technical fallback.
Supporting Documents	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

Technical Fallback	
DE 72 (Data Record)	TECHNICAL FALLBACK MMDDYY NNNNN
Notes	Replace MMDDYY with the date the issuer authorized the transaction. Replace NNNNN with the authorization approval code.

Chip Transaction—No Requirement of Online Authorization

Chip Transaction—No Requirement of Online Authorization	
IPM Second Presentment Message Reason Code	**2700** See Corresponding Documentation/Chargeback Remedied
Second Presentment Condition	The acquirer can prove that the transaction was completed by reading the chip. The transaction did not require online authorization and DE 55 was provided in the First Presentment/1240 message.
Supporting Documents	None
DE 72 (Data Record)	CHIP TRANSACTION
Notes	None

DE 55 was Provided in the First Presentment/1240 Message

DE 55 was Provided in the First Presentment/1240 Message	
IPM Second Presentment Message Reason Code	**2713** Invalid chargeback
Second Presentment Condition	The acquirer can prove that the transaction was completed by reading the chip. DE 55 was provided in the First Presentment/1240 message.
Supporting Documents	None
DE 72 (Data Record)	DE 55 PREVIOUSLY PROVIDED
Notes	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

Invalid Chargeback

Invalid Chargeback	
IPM Second Presentment Message Reason Code	**2713** Invalid chargeback
Second Presentment Condition	The transaction involved an issuer or acquirer located in a country or region without an applicable domestic or intraregional chip liability shift or that does not participate in the interregional Chip Liability Shift Program.
Supporting Documents	None
DE 72 (Data Record)	CHIP LIABILITY NA
Notes	None

3.30.4.1 Additional Remedies

Acquirers can use the following second presentment message reason codes to submit a Second Presentment/1240 for message reason code 4870.

- **2002**—Non-receipt of required documentation to support chargeback
- **2004**—Invalid Acquirer Reference Data on chargeback; documentation was received
- **2011**—Credit Previously Issued
- **2701**—Duplicate chargeback
- **2702**—Past Chargeback Time Limit
- **2709**—Documentation received was illegible
- **2710**—Scanning error—unrelated documents or partial scan

3.30.5 Arbitration Chargeback

If the first chargeback was valid and the acquirer failed to remedy the dispute properly, the issuer may continue the chargeback with the same message reason code originally processed (4870).

The issuer may use the following additional message reason codes to submit an arbitration chargeback:

- **48xx**—New valid message reason code
- **4901**—Required documentation not received to support prior Second Presentment/1240
- **4902**—Documentation received was illegible
- **4903**—Scanning error—unrelated documents or partial scan
- **4905**—Invalid Acquirer Reference Data on Second Presentment/1240 (2001); documentation was received or was not required
- **4908**—Invalid Acquirer Reference Data on Second Presentment/1240 (2004); documentation was received

©1988–2015 MasterCard. Proprietary. All rights reserved.

Refer to Processing Arbitration Chargebacks (Arbitration Chargeback/1442 Message) for the standard procedure.

3.30.6 Arbitration Case Filing

Refer to Processing Arbitration Chargebacks (Arbitration Chargeback/1442 Message) for the standard procedure. Refer to Chapter 5, Arbitration Procedures for Arbitration Case examples.

3.31 Message Reason Code 4871—Chip/PIN Liability Shift

The following sections describe the proper and improper use for message reason code 4871.

3.31.1 Proper Use of Message Reason Code 4871

The issuer may use chargeback message reason code 4871 under the following conditions.

- Both the issuer and the acquirer are located in a country or region that has adopted a domestic or intraregional chip/PIN liability shift, or that participates in the Global Chip Liability Shift Program for interregional transactions at Level 2 (Chip/PIN Liability Shift).
- The validly issued card was a hybrid PIN-preferring card.
- A fraudulent transaction resulted from the use of a hybrid PIN-preferring card at:
  - a magnetic stripe-reading-only terminal (whether PIN-capable or not), or
  - a hybrid terminal not equipped with a PIN pad capable (at a minimum) of checking the PIN offline, or
  - a hybrid terminal equipped with a PIN pad capable (at a minimum) of checking the PIN offline, but DE 55 was not present in the Authorization Request/0100 message or Financial Transaction Request/0200 message, or
  - a hybrid terminal where the PIN pad is not present or not working.
- The cardholder states that:
  - Neither the cardholder nor anyone authorized by him or her engaged in the transaction, and
  - The card is no longer or has never been, in the possession of the cardholder.

Use of *Expedited Billing Dispute Resolution Process (Fraud) Form*. The *Expedited Billing Dispute Resolution Process (Fraud) Form* may be used in lieu of the cardholder letter if the MasterCard card account is closed. Before processing the chargeback, the issuer must block the account on its host, list the account number on the MasterCard Stand-in Account File with a "capture card" response until card expiration, and report the transaction to SAFE.

Before using this chargeback, the issuer must report the transaction to SAFE in accordance with the *SAFE Products User Guide*.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Term	Definition
PIN-preferring chip card, hybrid PIN-preferring card	If issued in the Asia/Pacific, Canada, Europe, Latin America and the Caribbean, or Middle East/Africa region—An EMV chip card that has been personalized so that the offline PIN CVM option appears in the card's CVM list with higher priority than the signature option. If issued in the United States region—An EMV chip card that has been personalized so that a PIN CVM option (online PIN or offline PIN) appears in the card's CVM list with a higher priority than the signature option. **NOTE: This message reason code does not apply to U.S.-issued cards until 1 October 2015 (1 October 2017 for automated fuel dispenser [MCC 5542] transactions).**
PIN-capable hybrid POS terminal	If located in the Asia/Pacific, Canada, Europe, Latin America and the Caribbean, or Middle East/Africa region—A hybrid POS terminal that is capable at a minimum of performing offline PIN verification when a PIN-preferring chip card is presented. It also may be capable of online PIN verification and, if attended, must accept signature. If located in the United States region—A hybrid POS terminal capable of performing both online and offline PIN verification when a PIN-preferring chip card is presented and which, if attended, also accepts signature. **NOTE: This message reason code does not apply to hybrid POS terminals located in the U.S. region until 1 October 2015 (1 October 2017 for automated fuel dispenser [MCC 5542] transactions).** A PIN-capable hybrid POS terminal is indicated when DE 22, subfield 2 (Terminal Data: Cardholder Authentication Capability), of the First Presentment/1240 message contains a value of 1.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Term	Definition
Hybrid POS Terminal	A POS Terminal that: 1. Is capable of processing both contact chip transactions and magnetic stripe-based transactions; 2. Has the equivalent hardware, software, and configuration as a hybrid POS terminal with full EMV Level 1 and Level 2 type approval status with regard to the chip technical specifications; and 3. Has satisfactorily completed the MasterCard Terminal Integration Process (TIP) in the appropriate environment of use. A Hybrid POS Terminal is identified in transaction messages with the following values: • A value of 3, 5, 8, or 9 in DE 61 (Point-of-Service Data), subfield 11 (POS Card Data Terminal Input Capability Indicator) in the Authorization Request/0100 or Financial Transaction Request/0200 message, as described in *Customer Interface Specification* and *Single Message System Specifications*; and • A value of 5, C, D, E, or M in DE 22 (Point of Service Data Code), subfield 1 (Terminal Data: Card Data Input Capability) of the First Presentment/1240 message, as described in *IPM Clearing Formats*.
Technical fallback transaction	In a technical fallback transaction, either the chip or the merchant device (CAD) failed, as shown by the presence of: • A value of 79 or 80 is present in DE 22 (Point-of-Service [POS] Entry Mode), subfield 1 (POS Terminal PAN Entry Mode) of the Authorization Request/0100 message or • A value of 01 in DE 22, subfield 1 of the Authorization Request/0100 message, when the authorization and clearing messages indicate that the transaction occurred at a hybrid terminal.
Valid EMV chip cards	If a transaction involves a valid EMV chip card, a value of 2 or 6 is present in position 1 of the three-digit service code in DE 35 (Track 2 Data) of the Authorization Request/0100 message.
Chip/PIN transaction	A transaction effected with a valid EMV chip card at a PIN-capable hybrid POS terminal using the chip and with offline or online PIN as the CVM
CVM fallback	A chip transaction in which a lower priority Cardholder Verification Method (CVM) is performed (for example, signature or none), because the higher priority CVM (PIN) is temporarily unavailable. CVM fallback from PIN to signature or no CVM is indicated in DE 55 (Integrated Circuit Card [ICC] System-Related Data) of the First Presentment/1240 message by data showing that in Byte 3 of the Terminal Verification Result (tag 95), any or all of bits 4, 5, or 6 were set.

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.31.2 Improper Use of Message Reason Code 4871

The issuer may not use this message reason code under the following conditions.

- A Digital Secure Remote Payment (DSRP) transaction or any subsequent transaction for a related partial shipment or recurring payment occurred. Refer to Appendix F for Digital Secure Remote Payment transaction identification requirements.
- A Mobile MasterCard Contactless M/Chip Transaction occurred at a contactless-enabled POS Terminal supporting MasterCard Contactless Reader Specification Version 3.0 (MCL 3.0) or later with a successful on-device Cardholder verification, as indicated by the data provided in "CVM Results" within DE 55. In a Mobile MasterCard Contactless M/Chip Transaction, the cardholder uses a mobile payment device enhanced with the M/Chip Mobile application.
- **Authorization Approval after the FNS Date.** The issuer approved the transaction after submitting two or more chargebacks involving the same MasterCard card account (for this purpose, "account" means primary account number [PAN], or PAN and expiration date) for any of the following message reason codes: 4837, 4870, or 4871. Message reason code 4863 first chargebacks will be included in the FNS count once the FNS fraud chargeback count is two or greater.
- **FNS Counter Exceeds 25 Fraud-Related Chargebacks.** The issuer submitted more than 25 chargebacks in aggregate involving the same account (as defined above) for message reason codes 4837, 4870, or 4871. Message reason code 4863 first chargebacks will be included in the FNS count once the FNS fraud chargeback count is two or greater.
- A valid EMV chip/PIN transaction occurred and DE 55 and related data were provided in the Authorization Request/0100 message or Financial Transaction Request/0200 message (if online-authorized) and the First Presentment/1240 message.
- A valid EMV chip transaction occurred at a PIN-capable hybrid POS terminal, and DE 55 and related data were provided in the Authorization Request/0100 message or Financial Transaction Request/0200 message (if online-authorized) and the First Presentment/1240 message.
- A magnetic stripe-read or key-entered transaction occurred and was properly identified as the result of technical fallback in the Authorization Request/0100 message and in the First Presentment/1240 message.
- The Authorization Request/0100 message contained a service code value other than 2xx or 6xx, because of one of the following:
  - The card was not an EMV chip card (issuers approve such transactions at their own risk).
  - A counterfeit card transaction occurred in which the service code was altered from that of the valid EMV chip card.
- A properly identified and authorized contactless transaction equal to or less than the CVM Limit found in Appendix C.
- The transaction was a mail order, phone order, e-commerce, or non–face-to-face recurring payment transaction.
- The transaction was a MasterCard Commercial Payments Account transaction. A MasterCard Commercial Payments Account transaction occurs when PDS 0002 (GCMS Product Identifier) was MAP (MasterCard Commercial Payments Account) in the First Presentment/1240 message.

©1988–2015 MasterCard. Proprietary. All rights reserved.

- **Brazil only**—The transaction was a MasterCard Agro Card transaction occurring in Brazil with a MasterCard Agro Card issued in Brazil. A MasterCard Agro Card transaction occurs when PDS 0002 (GCMS Product Identifier) was MLF (MasterCard Agro Card) in the First Presentment/1240 message.
- **CAT 2 and CAT 3 Transactions**—Chargebacks of CAT 2 and CAT 3 transactions are not permitted under this reason code.
- **ATM Transactions**—Chargebacks of MasterCard ATM Network transactions are not permitted under this reason code.

3.31.3 Proper Use for Issuer's First Chargeback

The following condition represents a valid option that the issuer may choose to process a first chargeback for message reason code 4871.

Chip/PIN Liability Shift	
Time Frame	120 calendar days
Retrieval Request	No
Supporting Documents	Cardholder letter, email, message or completed *Expedited Billing Dispute Resolution Process (Fraud) Form* (Form 412) stating that neither the cardholder nor anyone authorized by the cardholder engaged in the transaction and one of the following to document lost, stolen, or NRI fraud: • A statement in the cardholder letter that the card was lost, stolen, or never received. • A written issuer certification of lost stolen or NRI fraud. • A law enforcement or police report made to the issuer regarding the loss, theft, or non-receipt of the card. **For subsequent fraudulent transactions** occurring after the account was closed, a copy of the original cardholder letter and the issuer's written certification that the account had been closed and the date the account was closed.
DE 72 (Data Record)	None
Notes	A Cardholder letter or form sent as supporting documentation must be the result of contact with the cardholder. The *Expedited Billing Dispute Resolution Process (Fraud) Form* (Form 412) may be used if the MasterCard card account is closed. Before processing the chargeback using this form, the issuer must block the account on its host; list the account number on the MasterCard Stand in Account File with a "capture card" response until card expiration, and report the transaction to SAFE.

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.31.4 Proper Use for Acquirer's Second Presentment

The conditions shown below represent valid options that the acquirer may choose to process a second presentment for message reason code 4871.

An acquirer has second presentment rights under this message reason code if any of the following conditions exist:

- The country or region in which either the acquirer or issuer is located does not have an applicable intraregional chip/PIN liability shift or does not participate in the interregional Chip Liability Shift Program.
- The transaction was a valid chip/PIN transaction.
- The transaction occurred at a hybrid PIN-capable terminal and did not involve a hybrid PIN-preferring card.
- The transaction involved CVM fallback from PIN to signature or no CVM, unless transaction data in DE 55 indicates "PIN Entry Required and PIN Pad Not Present or Not Working."
- The transaction occurred at a hybrid PIN-capable terminal and was magnetic stripe-read or key-entered as the result of technical fallback and was properly identified as such in the Authorization Request/0100 message and in the First Presentment/1240 message.
- **Authorization Approval After the FNS Date.** An acquirer may process a second presentment if the issuer approved the transaction after submitting two or more chargebacks involving the same MasterCard card account (for this purpose, "account" means primary account number [PAN], or PAN and expiration date) for any of the following message reason codes: 4837, 4870, or 4871. Message reason code 4863 first chargebacks will be included in the FNS count once the FNS fraud chargeback count is two or greater.

The Fraud Notification Service (FNS) alerts the acquirer in the event that the issuer has submitted two or more chargebacks involving the same MasterCard card account for any of the message reason codes listed immediately above. FNS places the date on which the issuer submitted the second such fraud-related chargeback in PDS 0200 (Fraud Notification Date), subfield 1 (Fraud Notification Service Date) of the First Chargeback/1442 message. If PDS 0200, subfield 1 is present and contains a date value that is earlier than the authorization approval date of the disputed transaction, the acquirer may process a second presentment as described in the table, Two or More Previous Fraud-related Chargebacks.

- **FNS Counter Exceeds 25 Fraud-Related Chargebacks.** An acquirer may process a second presentment if the issuer submitted more than 25 chargebacks in aggregate involving the same account (as defined above) for message reason codes 4837, 4870, or 4871. Message reason code 4863 first chargebacks will be included in the FNS count once the FNS fraud chargeback count is two or greater.

The FNS provides the acquirer with the total number of fraud-related chargebacks submitted by the issuer involving the same account. FNS places the total chargeback count in PDS 0200, subfield 2 (Fraud Notification Service Chargeback Counter) of the First Chargeback/1442 message. As described in the Fraud-related Chargeback Counter Exceeds Threshold table, the acquirer may process a second presentment if PDS 0200, subfield 2 is present and contains a chargeback counter value that **exceeds 25** (a value of 26 or more).

©1988–2015 MasterCard. Proprietary. All rights reserved.

Two or More Previous Fraud-related Chargebacks

Two or More Previous Fraud-related Chargebacks	
IPM Second Presentment Message Reason Code	**2713** Invalid Chargeback
Second Presentment Condition	The issuer previously charged back two or more transactions involving the same MasterCard card account prior to the authorization approval date of the disputed transaction for any of the following message reason codes: 4837, 4863, 4870 or 4871.
Supporting Documents	None
DE 72 (Data Record)	One of the following: • FNS • NN MMDDYY NN MMDDYY AUTH MMDDYY
Notes	The following applies to the use of DE 72 (Data Record): • Use **FNS** when the authorization approval date of the disputed transaction is later than the date value provided by the Fraud Notification Service in PDS 0200, subfield 1 of the First Chargeback/1442 message. • Use **NN MMDDYY** for a previous chargeback by replacing **N**N with the last two digits of the message reason code and MMDDYY with the Central Site Business Date. For **AUTH MMDDYY**, replace **MMDDYY** with the authorization approval date of the disputed transaction.

Fraud-related Chargeback Counter Exceeds Threshold

Fraud-related Chargeback Counter Exceeds Threshold	
IPM Second Presentment Message Reason Code	**2713** Invalid Chargeback
Second Presentment Condition	The issuer previously charged back more than 25 transactions involving the same account for any of the following message reason codes: 4837, 4863, 4870 or 4871.
Supporting Documents	None
DE 72 (Data Record)	FNS COUNT NN

©1988–2015 MasterCard. Proprietary. All rights reserved.

Fraud-related Chargeback Counter Exceeds Threshold	
Notes	Replace **NN** with the chargeback count value provided by the Fraud Notification Service in PDS 0200, subfield 2 of the First Chargeback/1442 message. The chargeback count value must be 26 or greater.

Not Reported to SAFE

Not Reported to SAFE	
IPM Second Presentment Message Reason Code	**2713** Invalid chargeback
Second Presentment Condition	The acquirer can show that the issuer did not properly report the transaction to SAFE on or before the chargeback date.
Supporting Documents	Documentation that supports the second presentment from the Acquirer's Loss Data File, the Acquirer Loss Data Report (AF739010-BB), or the Acquirer Transaction Data Report via Fraud Reporter.
DE 72 (Data Record)	None
Notes	None

Authorized Online Transaction

Authorized Online Transaction	
IPM Second Presentment Message Reason Code	**2008** Issuer authorized the transaction.
Second Presentment Condition	Both of the following: • The transaction was authorized online. • Did not involve a valid EMV chip card as evidenced by the service code in DE 35 of the Authorization Request/0100 message.
Supporting Documents	None
DE 72 (Data Record)	INV SERVICE CODE X

©1988–2015 MasterCard. Proprietary. All rights reserved.

Authorized Online Transaction	
Notes	Where **X** is the value contained in position 1of the three-digit service code transmitted by the card to the terminal. **X** must be a value other than **2 or 6**.

Technical Fallback

Technical Fallback	
IPM Second Presentment Message Reason Code	**2008** Issuer authorized the transaction.
Second Presentment Condition	The acquirer can prove the transaction was the result of technical fallback at a PIN-capable terminal.
Supporting Documents	None
DE 72 (Data Record)	TECHNICAL FALLBACK
Notes	None

Valid Chip/PIN Transaction

Valid Chip/PIN Transaction	
IPM Second Presentment Message Reason Code	**2008** Issuer authorized transaction.
Second Presentment Condition	The acquirer can prove that a valid chip/PIN transaction occurred in which the PIN was either: 1. Verified offline by the chip 2. Present in the Authorization Request/0100 message and verified online by the issuer.
Supporting Documents	DE 55 and mandatory subelements
DE 72 (Data Record)	One of the following corresponding to the Second Presentment condition: 1. OFFLINE PIN 2. PIN MMDDYY NNNNNN

©1988–2015 MasterCard. Proprietary. All rights reserved.

Valid Chip/PIN Transaction	
Notes	Where MMDDYY is the authorization date and NNNNNN is the authorization approval code.

DE 55 was Provided in First Presentment/1240 Message

DE 55 was Provided in First Presentment/1240 Message	
IPM Second Presentment Message Reason Code	**2713** Invalid chargeback
Second Presentment Condition	DE 55 was provided in the First Presentment/1240 message and one of the following: • The acquirer can prove that the transaction was completed with chip and PIN. • Completed with chip while the card was not PIN-preferring • The result of CVM fallback
Supporting Documents	None
DE 72 (Data Record)	DE 55 PREVIOUSLY PROVIDED
Notes	None

Invalid Chargeback

Invalid Chargeback	
IPM Second Presentment Message Reason Code	**2713** Invalid chargeback
Second Presentment Condition	The transaction involved an issuer or acquirer located in a country or region without an applicable intraregional chip/PIN liability shift or that does not participate in the interregional Chip Liability Shift Program at Level 2.
Supporting Documents	None
DE 72 (Data Record)	CHIP LIABILITY NA
Notes	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.31.5 Arbitration Chargeback

If the first chargeback was valid and the acquirer failed to remedy the dispute properly, the issuer may continue the chargeback with the same message reason code originally processed (4871).

The issuer may use the following additional message reason codes to submit an arbitration chargeback.

- **48xx**—New valid chargeback reason
- **4901**—Required documentation not received to support prior Second Presentment/1240
- **4902**—Documentation received was illegible
- **4903**—Scanning error—unrelated documents or partial scan
- **4905**—Invalid Acquirer Reference Data on Second Presentment/1240 (2001); documentation was received or was not required
- **4908**—Invalid Acquirer Reference Data on Second Presentment/1240 (2004); documentation was received

Refer to Processing Second Presentment/1240 Messages for the standard procedure.

3.31.6 Arbitration Case Filing

Refer to Processing Arbitration Chargebacks (Arbitration Chargeback/1442 Message) for the standard procedure. Refer to Chapter 5, Arbitration Procedures for Arbitration Case examples.

3.32 Message Reason Code 4999—Domestic Chargeback Dispute (Europe Region Only)

Issuers **only** may use message reason code 4999 in the case of a centrally acquired domestic transaction, or a domestic transaction processed through the MasterCard Network, where a chargeback is available according to the applicable domestic rule, but cannot be processed under a different message reason code.

3.32.1 Requirements for Issuer's First Chargeback, Acquirer's Second Presentment, and Issuer's Arbitration Chargeback

Members must follow the requirements for the applicable domestic chargeback rules. The applicable domestic chargeback reason code must be provided.

3.32.2 Improper Use of Message Reason Code 4999

The issuer **may not** use this reason code when the transaction was a MasterCard Commercial Payments Account transaction. A MasterCard Commercial Payments Account transaction occurs when PDS 0002 (GCMS Product Identifier) was MAP (MasterCard Commercial Payments Account) in the First Presentment/1240 message.

3.32.3 Arbitration Case Filing

Arbitration of these disputes will be handled domestically.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Chapter 4 Single Message System Transactions

This chapter contains information about chargeback processing for the Single Message System.

4.1 Overview..... 260
4.2 Exception Transaction Types..... 260
4.3 Supporting Documentation..... 260
4.4 Arbitration Case Filing..... 260
4.5 Acquirer Adjustment Reason Codes..... 261
4.5.1 Message Reason Code 06—Correction of a Representment..... 261
4.5.1.1 Acquirer Correction..... 261
4.5.1.2 Issuer Chargeback..... 262
4.5.1.3 Arbitration Case Filing..... 262
4.5.2 Message Reason Code 10—Correct a Terminal Malfunction..... 262
4.5.2.1 Acquirer Correction..... 262
4.5.2.2 Issuer Chargeback..... 264
4.5.2.3 Arbitration Case Filing..... 264
4.5.3 Message Reason Code 20—Returned Item (U.S. Shared Deposits Only)..... 264
4.5.4 Message Reason Code 24—Empty Deposit Envelope (U.S. Shared Deposits Only)..... 264
4.5.5 Message Reason Code 25—Error in Addition (U.S. Shared Deposits Only)..... 264
4.5.6 Message Reason Code 26—Error in Settlement (U.S. Shared Deposits Only)..... 264
4.5.7 Message Reason Code 27—Customer Keyed Wrong Amount (U.S. Shared Deposits Only)..... 264
4.5.8 Message Reason Code 28—Non-Cash Item Deposited (U.S. Shared Deposits Only)..... 264
4.5.9 Message Reason Code 29—Foreign/Counterfeit Currency Deposited (U.S. Shared Deposits Only)..... 264
4.5.10 Message Reason Code 85—Adjustment Reversal..... 264
4.5.10.1 Acquirer Adjustment..... 264
4.5.10.2 Issuer Chargeback..... 265
4.5.10.3 Arbitration Case Filing..... 265
4.6 Chargeback Reason Codes..... 265
4.6.1 Message Reason Code 03—Correction of a Chargeback..... 266
4.6.1.1 Issuer Correction..... 266
4.6.1.2 Acquirer Respresentment..... 267
4.6.1.3 Arbitration Case Filing..... 267
4.6.2 Message Reason Code 17—Cash Dispute-ATM Only..... 267
4.6.2.1 Issuer Chargeback..... 267
4.6.2.2 Acquirer Representment (Second Presentment)..... 267

©1988–2015 MasterCard. Proprietary. All rights reserved.

4.6.2.3 MasterCard Automated Reversal....268
4.6.2.4 Arbitration Case Filing....269
4.6.3 Message Reason Code 30—Cardholder Disputed Amount (U.S. Shared Deposits Only)..270
4.6.4 Message Reason Code 53—Defective/Not as Described—Intra-U.S. Region and U.S. Territories Only....270
4.6.5 Message Reason Code 70—Chip Liability Shift....270
4.6.5.1 Issuer Chargeback....270
4.6.5.2 Improper Use for Issuer Chargeback....276
4.6.5.3 Acquirer Representment (Second Presentment)....277
4.6.5.4 Arbitration Case Filing....278
4.6.6 Message Reason Code 71—Transaction Amount Differs....279
4.6.6.1 Issuer Chargeback....279
4.6.6.2 Acquirer Representment (Second Presentment)....279
4.6.6.3 MasterCard Automated Reversal....280
4.6.6.4 Arbitration Case Filing....280
4.6.7 Message Reason Code 73—Duplicate Transaction....281
4.6.7.1 Issuer Chargeback....281
4.6.7.2 Acquirer Representment (Second Presentment)....282
4.6.7.3 MasterCard Automated Reversal....282
4.6.7.4 Arbitration Case Filing....282
4.6.8 Message Reason Code 74—No Cardholder Authorization....284
4.6.8.1 Issuer Chargeback....284
4.6.8.2 Acquirer Representment (Second Presentment)....285
4.6.8.3 MasterCard Automated Reversal....286
4.6.8.4 Arbitration Case Filing....286
4.6.9 Message Reason Code 75—Credit Not Received....287
4.6.9.1 Issuer Chargeback....287
4.6.9.2 Acquirer Representment (Second Presentment)....287
4.6.9.3 MasterCard Automated Reversal....288
4.6.9.4 Arbitration Case Filing....288
4.6.10 Message Reason Code 79—Goods or Services Not Provided....290
4.6.10.1 Issuer Chargeback....290
4.6.10.2 Acquirer Representment (Second Presentment)....291
4.6.10.3 MasterCard Automated Reversal....291
4.6.10.4 Arbitration Case Filing....292
4.6.11 Message Reason Code 80—Late Presentment....293
4.6.11.1 Issuer Chargeback....293
4.6.11.2 Acquirer Representment (Second Presentment)....293
4.6.11.3 MasterCard Automated Reversal....294

©1988–2015 MasterCard. Proprietary. All rights reserved.

4.6.11.4 Arbitration Case Filing..... 294
4.6.12 Message Reason Code 95—Invalid Adjustment—Account Closed..... 295
4.6.12.1 Issuer Chargeback..... 295
4.6.12.2 Acquirer Representment (Second Presentment)..... 295
4.6.12.3 Arbitration Case Filing..... 295
4.6.13 Message Reason Code 96—Invalid Adjustment—Insufficient Funds..... 295
4.6.13.1 Issuer Chargeback..... 295
4.6.13.2 Acquirer Representment (Second Presentment)..... 296
4.6.13.3 Arbitration Case Filing..... 296

©1988–2015 MasterCard. Proprietary. All rights reserved.

4.1 Overview

The Single Message System (formerly known as the MasterCard® Debit Switch [MDS]) processes financial transactions. Authorization, clearing, and settlement occur in a single message.

This section contains information about exception processing of financial transactions processed on the Single Message System. Exception processing occurs:

- When an acquirer determines an error has been made, the acquirer can correct the error through an adjustment. An issuer may have the option of a chargeback.
- When the issuer determines a transaction may be invalid, the issuer may return the transaction to the acquirer as a chargeback.

The Single Message System will process a reversal transaction for the amount of the exception which will transfer the disputed funds between the two parties.

Issuers and acquirers that are connected to the Single Message System process exceptions using the Single Message Transaction Manager. Refer to the *Single Message Transaction Manager User Guide* for information.

4.2 Exception Transaction Types

Customers must support the following types of exceptions:

- Adjustment performed by the acquirer
- Chargeback and Correction of a Chargeback performed by the issuer
- Representment (also known as "second presentment") and Correction of Representation performed by the acquirer

4.3 Supporting Documentation

For procedures to process supporting documentation, refer to MasterCard Connect™>**Publications**>**Library**>**MasterCom System**.

4.4 Arbitration Case Filing

If the chargeback was valid and the acquirer failed to remedy the dispute properly, the issuer may file an arbitration case.

A customer with access to the Case Filing application will receive the ruling letter through the Case Filing application. An issuer that does not have access to the Case Filing application will receive the ruling letter via fax to the number provided on the *Dispute Resolution Case Filing*

©1988–2015 MasterCard. Proprietary. All rights reserved.

Form (Form 682). An acquirer that does not have access to the Case Filing application will receive the ruling letter via fax number provided electronically with the representment.

Refer to the individual reason codes for requirements.

For the procedure and requirements applicable to appeal an arbitration case, refer to 5.8 Arbitration or Compliance Case Appeals.

4.5 Acquirer Adjustment Reason Codes

The following message reason codes are available for an acquirer to perform Single Message System adjustments and corrections.

Reason Code	Description
06	Correction of a Representment
10	Correction of a Terminal Malfunction
20	Returned Item (U.S. Shared Deposits Only)
24	Empty Deposit Envelope (U.S. Shared Deposits Only)
25	Error in Addition (U.S. Shared Deposits Only)
26	Error in Settlement (U.S. Shared Deposits Only)
27	Customer Keyed Wrong Amount (U.S. Shared Deposits Only)
28	Non-Cash Item Deposited (U.S. Shared Deposits Only)
29	Foreign/Counterfeit Currency Deposited (U.S. Shared Deposits Only)
85	Adjustment Reversal

4.5.1 Message Reason Code 06—Correction of a Representment

The acquirer may use message reason code 06 when the acquirer needs to correct a representment.

4.5.1.1 Acquirer Correction

The table shown below details the requirements for this adjustment message reason code.

Correction Condition	The acquirer is reversing a representment, thereby canceling the original representment.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Time Frame	Between 1 and 10 calendar days after the representment settlement date.
Adjustment Message Reason Code	06
Supporting Documents	None
Additional Information	None
Notes	The acquirer has the option of submitting a new representment. However, the required representment documentation must be provided within 10 calendar days of the original representment date. The Single Message Transaction Manager only allows one correction per representment. If the acquirer determines an error occurred with the corrected representment, the acquirer must submit the *MDS Exception Item Processing Request* (Form 500) with a Single Message Transaction Manager screen print of the Adjustment History window within 10 calendar days of the original representment settlement date.

4.5.1.2 Issuer Chargeback

An issuer chargeback is not available for this message reason code.

4.5.1.3 Arbitration Case Filing

An arbitration case filing is not available as a chargeback or representment is not valid for this message reason code.

4.5.2 Message Reason Code 10—Correct a Terminal Malfunction

The acquirer may use this message reason code to correct a terminal malfunction.

4.5.2.1 Acquirer Correction

The table shown below details the requirements for this adjustment message reason code.

Correction Condition	The acquirer is correcting a terminal malfunction.
Time Frame	For **debit** adjustments, between 1 and 45 calendar days after the transaction settlement date. For **credit** adjustments, between 1 and 120 calendar days after the transaction settlement date.
Adjustment Message Reason Code	10
Supporting Documents	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

Additional Information	None
Notes	For ATM transactions: When an adjustment is for the full amount of the original transaction, any ATM access fee must be included in the adjustment amount. An Issuer must accept a **debit** adjustment providing the adjustment was processed within 10 calendar days of the settlement date of the original transaction. An Issuer must accept a **credit** adjustment, regardless of the time frame. Single Message Transaction Manager only allows one correction per adjustment. If the acquirer determines an error occurred with the corrected adjustment, the acquirer must submit the *MDS Exception Item Processing Request* (Form 500) with a Single Message Transaction Manager screen print of the Adjustment History window within 10 calendar days of the original adjustment settlement date.

If the acquirer determines an error occurred with processing this message reason code 10, the acquirer may process a message reason code 85–Adjustment Reversal.

After performing a message reason code 85–Adjustment Reversal the acquirer has the option of submitting a new adjustment message reason code 10.

©1988–2015 MasterCard. Proprietary. All rights reserved.

4.5.2.2 Issuer Chargeback

Refer to the individual chargeback message reason codes in section 4.6 for chargeback requirements.

4.5.2.3 Arbitration Case Filing

Refer to the individual chargeback message reason codes in section 4.6 for arbitration case filing requirements.

4.5.3 Message Reason Code 20—Returned Item (U.S. Shared Deposits Only)

Chargeback rules on this subject appear in the "Domestic Chargeback" appendix.

4.5.4 Message Reason Code 24—Empty Deposit Envelope (U.S. Shared Deposits Only)

Chargeback rules on this subject appear in the "Domestic Chargeback" appendix.

4.5.5 Message Reason Code 25—Error in Addition (U.S. Shared Deposits Only)

Chargeback rules on this subject appear in the "Domestic Chargeback" appendix.

4.5.6 Message Reason Code 26—Error in Settlement (U.S. Shared Deposits Only)

Chargeback rules on this subject appear in the "Domestic Chargeback" appendix.

4.5.7 Message Reason Code 27—Customer Keyed Wrong Amount (U.S. Shared Deposits Only)

Chargeback rules on this subject appear in the "Domestic Chargeback" appendix.

4.5.8 Message Reason Code 28—Non-Cash Item Deposited (U.S. Shared Deposits Only)

Chargeback rules on this subject appear in the "Domestic Chargeback" appendix.

4.5.9 Message Reason Code 29—Foreign/Counterfeit Currency Deposited (U.S. Shared Deposits Only)

Chargeback rules on this subject appear in the "Domestic Chargeback" appendix.

4.5.10 Message Reason Code 85—Adjustment Reversal

The acquirer may use this message reason code to reverse an adjustment.

4.5.10.1 Acquirer Adjustment

The table shown below details the requirements for this adjustment message reason code.

Adjustment Condition	The acquirer is reversing an adjustment.
Time Frame	Between 1 and 10 calendar days after the original adjustment settlement date.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Adjustment Message Reason Code	85
Supporting Documents	None
Additional Information	Optional
Notes	The Single Message Transaction Manager only allows one correction per adjustment. If the acquirer determines an error occurred with the corrected adjustment, the acquirer must submit the *MDS Exception Item Processing Request* (Form 500) with a Single Message Transaction Manager screen print of the Adjustment History window within 10 days of the original adjustment.

4.5.10.2 Issuer Chargeback

An issuer chargeback is not available for this message reason code.

4.5.10.3 Arbitration Case Filing

An arbitration case filing is not available as a chargeback or representment is not valid for this message reason code.

4.6 Chargeback Reason Codes

The following message reason codes are available for an issuer to perform Single Message System chargebacks and corrections.

Reason Code	Description
03	Correction of a Chargeback
17	Cash Dispute-ATM Only
30	Cardholder Disputed Amount (U.S. Shared Deposits Only)
70	Chip Liability Shift
71	Transaction Amount Differs
73	Duplicate Transaction
74	No Cardholder Authorization
75	Credit Not Received
79	Goods or Services Not Provided

©1988–2015 MasterCard. Proprietary. All rights reserved.

Reason Code	Description
80	Late Presentment
95	Invalid Adjustment: Account Closed
96	Invalid Adjustment: Insufficient Funds

4.6.1 Message Reason Code 03—Correction of a Chargeback

The issuer may use this message reason code to reverse a chargeback.

4.6.1.1 Issuer Correction

The table shown below details the requirements for this chargeback message reason code.

Correction Condition	The issuer is reversing a chargeback.
Time Frame	Between 1 and 10 calendar days after the chargeback settlement date.
Adjustment Message Reason Code	03
Supporting Documents	None
Additional Information	None
Notes	The issuer has the option of submitting a new chargeback. The Single Message Transaction Manager only allows one correction per chargeback. If the issuer determines an error occurred with the corrected chargeback, the issuer must submit the *MDS Exception Item Processing Request* (Form 500) with a Single Message Transaction Manager screen print of the Adjustment History window within 10 calendar days of the original chargeback settlement date.

©1988–2015 MasterCard. Proprietary. All rights reserved.

4.6.1.2 Acquirer Respresentment

An acquirer representment is not available for this message reason code.

4.6.1.3 Arbitration Case Filing

An arbitration case filing is not available as a representment is not valid for this message reason code.

4.6.2 Message Reason Code 17—Cash Dispute-ATM Only

The issuer may use message reason code 17 to dispute an ATM cash withdrawal.

4.6.2.1 Issuer Chargeback

The table shown below details the requirements for this message reason code.

Chargeback Condition	The cardholder contacted the issuer alleging that some or all of the funds debited from the cardholder's account as the result of an ATM withdrawal were not dispensed.
Time Frame	Between 5 and 120 calendar days from the transaction settlement date
Chargeback Message Reason Code	17
Supporting Documents	None
Notes	The issuer may chargeback only the disputed amount. This chargeback must not be used for fraud disputes. When a chargeback is for the full amount of the original transaction, any ATM access fee may be included in the chargeback amount.

4.6.2.2 Acquirer Representment (Second Presentment)

The table shown below details the requirements of the second presentment for this message reason code.

Second Presentment Condition	The acquirer can provide evidence that the funds were correctly dispensed.
Time Frame	45 calendar days from the chargeback settlement date
Second Presentment Message Reason Code	13

©1988–2015 MasterCard. Proprietary. All rights reserved.

Supporting Documents	Supporting documentation must be provided within 10 calendar days of the representment settlement date. The supporting documentation must come from the ATM or PIN-based In-branch journal and, at minimum, must include: • Transaction amount • Transaction type • Transaction date and time • Account accessed • Primary account number read from Track 2 of the magnetic stripe or from the chip • ATM or PIN-based In-branch Terminal number • Transaction trace • The ATM or PIN-based In-branch Terminal financial activity that occurred immediately before and after the disputed transaction.
Notes	Supporting documentation must be in English or accompanied by an English translation. In addition to the supporting documentation, the acquirer may provide a transaction report. When provided, the transaction report must be accompanied by an explanation describing each element of the report and its definition in English. If applicable, domestic rules must be provided with supporting documentation.

4.6.2.3 MasterCard Automated Reversal

The table shown below details the automated reversal process.

MasterCard Automated Reversal Condition	Both of the following: • Acquirer representment supporting documentation was not provided via MasterCom within 10 calendar days of the representment settlement date. • Both the issuer and the acquirer are **not** in Europe
Time Frame	11 calendars days from the representment settlement date
MasterCard Automated Reversal Message Reason Code	19
Supporting Documents	None
Notes	MasterCard will credit the issuer and debit the acquirer.

©1988–2015 MasterCard. Proprietary. All rights reserved.

4.6.2.4 Arbitration Case Filing

The table shown below details the requirements of the arbitration case filing for this message reason code.

Arbitration Case Filing Condition	One of the following: • The issuer failed to receive representment document and the representment was not reversed • Representment documentation is illegible • Representment documentation is invalid
Time Frame	45 calendar days from the representment settlement date
Supporting Documents	All of the following: • A completed *Dispute Resolution Case Filing Form* (Form 682) • Second presentment supporting documentation as provided by the acquirer
Notes	If applicable, domestic rules must be provided. **MasterCom Pro Users:** An arbitration case must be entered on-line via the MasterCom Pro Case Filing application. **MasterCom Hosted Users:** An arbitration case must be submitted to the Dispute Resolution Management Case Filing Hub Site via email to case_entry@mastercard.com. The issuer must include "ATM Dispute NUMBER" in the subject line. The issuer must replace "NUMBER" with a number determined by the issuer; the number must be different for each case submitted. MasterCard strongly recommends password protecting the files attached to the email. When the file is password protected, the issuer must provide the password for the files in a second email with "ATM Dispute NUMBER." The subject line "ATM Dispute NUMBER" is used to link the two emails.

©1988–2015 MasterCard. Proprietary. All rights reserved.

4.6.3 Message Reason Code 30—Cardholder Disputed Amount (U.S. Shared Deposits Only)

Chargeback rules on this subject appear in the "Domestic Chargeback" appendix.

4.6.4 Message Reason Code 53—Defective/Not as Described—Intra-U.S. Region and U.S. Territories Only

Chargeback rules on this subject appear in the "Domestic Chargeback" appendix.

4.6.5 Message Reason Code 70—Chip Liability Shift

The issuer may use message reason code 70 when the cardholder disputed an unauthorized transaction performed with an EMV chip card.

4.6.5.1 Issuer Chargeback

The table shown below details the requirements for this message reason code.

Counterfeit Fraud

Counterfeit Fraud	
Chargeback Condition	All of the following: • The cardholder contacted the issuer alleging that the transaction was fraudulent. • Both the issuer and the acquirer are located in a country or region that has adopted a domestic or intraregional chip liability shift, or that participates in the Global Chip Liability Shift Program for interregional transactions as shown in the below tables. • The transaction was conducted with a counterfeit card at a magnetic stripe reading-only ATM or POS terminal. • The validly issued card was a hybrid card. • The fraudulent transaction must be reported to SAFE on or before the date the chargeback is processed.
Time Frame	For Maestro ATM transactions: Between 5 and 90 calendar days from the transaction settlement date. For all other transactions: Between 5 and 120 calendar days from the transaction settlement date.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Counterfeit Fraud	
Supporting Documents	One of the following: • Cardholder letter, email, message or completed *Expedited Billing Dispute Resolution Process* (Fraud) (Form 1189) stating both of the following: - – Neither the cardholder nor anyone authorized by the cardholder engaged in the transaction. – The cardholder or another person authorized by the cardholder was in possession and control of all valid cards issued to the account at the time of the transaction. • Cardholder letter, email, message or *Expedited Billing Dispute Resolution Process (Fraud)* (Form 1189) stating that neither the cardholder nor anyone authorized by the cardholder engaged in the transaction and an issuer certification letter verifying counterfeit. **For subsequent counterfeit transactions** occurring after the account was closed, a copy of the original cardholder letter, email, message or completed *Expedited Billing Dispute Resolution Process (Fraud)* (Form 1189) and the issuer's written certification stating the date the account was closed.
Notes	Supporting documentation must be in English or accompanied by an English translation. Supporting documentation must be provided within 10 calendar days of the chargeback settlement date. A completed *Expedited Billing Dispute Resolution Process (Fraud)* (Form 1189) must be the result of contact with the cardholder.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Lost, Stolen, or Never Received Fraud

Lost, Stolen, or Never Received Fraud	
Chargeback Condition	All of the following: • The cardholder contacted the issuer alleging that the transaction was fraudulent. • Both the issuer and the acquirer are located in a country or region that has adopted a domestic or intraregional chip liability shift, or that participates in the Global Chip Liability Shift Program for interregional transactions as shown in the below tables. • The transaction was conducted at a magnetic stripe reading-only POS terminal without PIN as CVM. • The transaction was conducted with a hybrid card. • The fraudulent transaction must be reported to SAFE on or before the date the chargeback is processed.
Time Frame	For Maestro ATM transactions: Between 5 and 90 calendar days from the transaction settlement date. For all other transactions: Between 5 and 120 calendar days from the transaction settlement date.
Supporting Documents	• Cardholder letter, email, message or completed *Expedited Billing Dispute Resolution Process (Fraud)* (Form 1189) stating: – Neither the cardholder nor anyone authorized by the cardholder engaged in the transaction. – The card was lost, stolen, or never received at the time of the transaction. • Cardholder letter, email, message or completed *Expedited Billing Dispute Resolution Process (Fraud)* (Form 1189) stating that neither the cardholder nor anyone authorized by the cardholder engaged in the transaction and an issuer certification letter that the card was lost, stolen, or never received at the time of the transaction.
Notes	Supporting documentation must be in English or accompanied by an English translation. Supporting documentation must be provided within 10 calendar days of the chargeback settlement date. A completed *Expedited Billing Dispute Resolution Process (Fraud)* (Form 1189) must be the result of contact with the cardholder.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Chip Liability Shift Program for Domestic and Intraregional Transactions

The following table identifies the effective dates for the Chip Liability Shift for Domestic and Intraregional Transactions.

Chip Liability Shift Program for Domestic and Intraregional Transactions	
A chip liability shift in...	**Effective for transactions dated on or after…**
Domestic Programs	
Australia	13 April 2012 for MasterCard ATM transactions
Bangladesh	16 October 2015 for ATM transactions
Bhutan	16 October 2015 for ATM transactions
Canada	• 31 March 2011 for ATM transactions • 31 December 2015 for Maestro POS transactions
Europe region (all countries in region)	1 January 2005 for all transactions
India	20 October 2017 for ATM transactions
Latin America and the Caribbean	
Argentina	16 October 2015 for all transactions
Brazil	1 March 2008 for all transactions
Colombia	1 October 2008 for all transactions
Uruguay	16 October 2015 for all transactions
Venezuela	1 July 2009 for all transactions
All other countries and territories	17 October 2014 for all transactions
Maldives	16 October 2015 for ATM transactions
Nepal	20 October 2017 for ATM transactions
New Zealand	13 April 2012 for MasterCard ATM transactions
Sri Lanka	16 October 2015 for ATM transactions
United States region (consisting of the United States)	• 1 October 2015 for all POS transactions except automated fuel dispenser transactions (MCC 5542) • 21 October 2016 for ATM transactions • 1 October 2017 for automated fuel dispenser transactions (MCC 5542)
Intraregional Programs	
Asia Pacific region—For the following countries and territories only:	

©1988–2015 MasterCard. Proprietary. All rights reserved.

Chip Liability Shift Program for Domestic and Intraregional Transactions	
A chip liability shift in...	**Effective for transactions dated on or after...**
Australia, Christmas Island, Cocos (Keeling) Islands, Cook Islands, New Zealand, Niue, Norfolk Island, and Tokelau	13 April 2012 for MasterCard ATM transactions
Bangladesh, Bhutan, Maldives, and Sri Lanka	16 October 2015
India and Nepal	20 October 2017
Europe region	1 January 2005 for all transactions
Latin America and the Caribbean region	1 January 2005 for all transactions
Intercountry Programs	
Germany and United States Germany and Puerto Rico Germany and U.S. Virgin Islands	1 January 2015 through 20 October 2016 for Debit MasterCard ATM transactions

Chip Liability Shift Program for Interregional Transactions

The following table identifies the effective dates for the Chip Liability Shift for interregional transactions.

Chip Liability Shift Program for Interregional Transactions		
In this region...	**The following countries and territories participate...**	**Effective for transactions dated on or after...**
Asia/Pacific	All	Currently in effect for Maestro POS transactions
	Australia and New Zealand	31 December 2015 (MasterCard ATM transactions)
	Bangladesh, Bhutan, Maldives, and Sri Lanka	16 October 2015 for ATM transactions
	India and Nepal	20 October 2017 for ATM transactions
	Indonesia	1 January 2016 (Maestro ATM transactions)

©1988–2015 MasterCard. Proprietary. All rights reserved.

Chip Liability Shift Program for Interregional Transactions		
In this region…	**The following countries and territories participate…**	**Effective for transactions dated on or after…**
	All other countries and territories	19 April 2013 (Maestro ATM transactions)
	All other countries and territories	20 October 2017 (MasterCard and Cirrus ATM transactions)
Canada	All	• 31 December 2015 for Maestro POS transactions • Currently in effect for ATM transactions
Europe	All	Currently in effect for all transactions
Latin America and the Caribbean	All	Currently in effect for Maestro POS transactions
	Mexico	1 September 2014 for all transactions
	Puerto Rico and U.S. Virgin Islands	• 19 April 2013 for Maestro ATM transactions • 21 October 2016 for MasterCard and Cirrus ATM transactions
	All other countries and territories	• 18 October 2013 for MasterCard ATM transactions • Currently in effect for Maestro and Cirrus ATM transactions
Middle East/Africa	All	Currently in effect for all transactions
United States	All	• 19 April 2013 for Maestro ATM transactions • 1 October 2015 for all Maestro POS transactions except automated fuel dispenser transactions (MCC 5542) • 21 October 2016 for MasterCard and Cirrus ATM transactions • 1 October 2017 for Maestro POS automated fuel dispenser transactions (MCC 5542)

©1988–2015 MasterCard. Proprietary. All rights reserved.

4.6.5.2 Improper Use for Issuer Chargeback

The issuer must not initiate a chargeback using reason code 70 if one of the following:

- Fraud Notification Service alert
  - The issuer approved the transaction after submitting two or more chargebacks involving the same card account (for this purpose, "account" means Primary Account Number (PAN), or PAN and expiration date) for reason code 70 or 74.
  - The issuer submitted more than 25 chargebacks involving the same account (as defined above) for reason code 70 or 74.
- The issuer is currently listed in the *Global Security Bulletin* as limited to seven chargebacks involving the same card account (for this purpose, 'account" means PAN, or PAN and expiration date) for reason code 70 or 74, and the issuer has already met or exceeded this amount for the account in question.
- The transaction was a properly identified contactless transaction.
- A Digital Secure Remote Payment (DSRP) transaction or any subsequent transaction for related partial shipment or recurring payment. Refer to Appendix F for Digital Secure Remote Payment transaction identification requirements.
- Effective 1 October 2015 (1 October 2017 for automated fuel dispenser [MCC 5542] transactions), for United States issuers only—A U.S. issuer must not initiate a chargeback for lost, stolen, or never received card fraud if a chip transaction occurred with signature as the CVM outside of the U.S. region at a hybrid POS terminal supporting offline PIN as the only PIN CVM, with a U.S.-issued chip card personalized with online PIN as the only PIN CVM.
- Technical fallback occurred.

Term	Definition
Technical Fallback Transaction	In a technical fallback transaction, either the chip or the Hybrid POS Terminal failed, as shown by the presence of a value of 01, 79, or 80 in DE 22 (Point-of-Service Entry Mode), subfield 1 (POS Terminal PAN Entry Mode) in the Financial Transaction Request/0200 message and authorized online. Refer to the *Single Message System Specifications* manual for Data Element values.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Term	Definition
Hybrid POS Terminal	A POS Terminal that: 1. Is capable of processing both contact chip transactions and magnetic stripe-based transactions; 2. Has the equivalent hardware, software, and configuration as a hybrid POS terminal with full EMV Level 1 and Level 2 type approval status with regard to the chip technical specifications; and 3. Has satisfactorily completed the MasterCard Terminal Integration Process (TIP) in the appropriate environment of use. A Hybrid POS Terminal is identified with a value of 3, 5, 8, or 9 in DE 61 (Point-of-Service Data), subfield 11 (POS Card Data Terminal Input Capability Indicator) in the Financial Transaction Request/0200 message, as described in the *Single Message System Specifications* manual.

4.6.5.3 Acquirer Representment (Second Presentment)

The table shown below details the requirements of the second presentment for this message reason code.

Second Presentment Condition	One of the following: • The card is not a hybrid card (meaning the service code is not 2xx or 6xx) • The issuer previously charged back two or more transactions involving the same card account prior to the authorization approval date of the disputed transaction for reason code 70 or 74 • The issuer previously charged back more than 25 transactions involving the same card account for reason code 70 or 74 • The issuer did not properly report the transaction to SAFE on or before the chargeback date • A hybrid card was used at a hybrid POS terminal and the transaction was properly identified as fallback • The transaction involved an issuer or acquirer located in a country or region without an applicable domestic or intraregional Chip Liability Shift or that does not participate in the Global Chip Liability Shift for interregional transactions • On the chargeback date, the issuer was listed in the *Global Security Bulletin* as limited to seven chargebacks involving the same card account for reason code 70 or 74 and the FNS chargeback counter value exceeds seven • The chargeback was invalid.
Time Frame	45 calendar days from the chargeback settlement date

©1988–2015 MasterCard. Proprietary. All rights reserved.

Second Presentment Message Reason Code	13
Supporting Documents	An explanation and documentation supporting the Second Presentment Condition.
Notes	Supporting documentation must be in English or accompanied by an English translation. Supporting documentation must be provided within 10 calendar days of the chargeback settlement date.

4.6.5.4 Arbitration Case Filing

The following tables detail the requirements for this message reason code.

Arbitration Case Filing Condition	The acquirer failed to remedy the dispute.
Time Frame	45 calendar days from the representment settlement date
Supporting Documents	Both of the following: • A completed *Dispute Resolution Case Filing Form* (Form 682) • Second presentment supporting documentation as provided by the acquirer
Notes	**MasterCom Pro Users:** An arbitration case must be entered on-line via the MasterCom Pro Case Filing application. **MasterCom Hosted Users:** For an ATM transaction: • The arbitration case must be submitted to the Dispute Resolution Management Case Filing Hub Site via email to case_entry@mastercard.com. • The issuer must include "ATM Dispute NUMBER" in the subject line. The issuer must replace "NUMBER" with a number determined by the issuer; the number must be different for each case submitted. • MasterCard strongly recommends password protecting the files attached to the email. When the file is password protected, the issuer must provide the password for the files in a second email with "ATM Dispute NUMBER." The subject line "ATM Dispute NUMBER" is used to link the two emails.

©1988–2015 MasterCard. Proprietary. All rights reserved.

4.6.6 Message Reason Code 71—Transaction Amount Differs

The issuer may use message reason code 71 when the cardholder contacted the issuer alleging that the cardholder was billed an incorrect amount.

4.6.6.1 Issuer Chargeback

The table shown below details the requirements for this message reason code.

Chargeback Condition	The billing discrepancy could be for one of the following reasons: • The merchant's addition error that resulted in an incorrect total on the TID or other documentation. • The merchant increased the transaction amount without the cardholder's permission. • The imprinted amount or printed amount on the TID was processed instead of the correct transaction amount as evidenced by other information on the TID or documentation. • The cardholder paid for goods or services by other means. "Other means" may include the same card.
Time Frame	Between 5 and 120 calendar days from the transaction settlement date
Chargeback Message Reason Code	71
Supporting Documents	None
Notes	The issuer may chargeback only the disputed amount.

4.6.6.2 Acquirer Representment (Second Presentment)

The table shown below details the requirements of the second presentment for this message reason code.

Second Presentment Condition	One of the following: • The acquirer can provide evidence that the amount debited from the cardholder's account was correct. • The chargeback was invalid.
Time Frame	45 calendar days from the chargeback settlement date
Second Presentment Message Reason Code	13
Supporting Documents	The merchant's explanation and documentation supporting the Second Presentment Condition.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Notes	Supporting documentation must be in English or accompanied by an English translation.

4.6.6.3 MasterCard Automated Reversal

The table shown below details the automated reversal process.

MasterCard Automated Reversal Condition	Both of the following: • Acquirer representment supporting documentation was not provided via MasterCom within 10 calendar days of the representment settlement date. • Both the issuer and the acquirer are **not** in Europe
Time Frame	11 calendars days from the representment settlement date
MasterCard Automated Reversal Message Reason Code	19
Supporting Documents	None
Notes	MasterCard will credit the issuer and debit the acquirer.

4.6.6.4 Arbitration Case Filing

The following table details the requirements for this message reason code.

Arbitration Case Filing Condition	The acquirer failed to remedy the dispute.
Time Frame	45 calendar days from the representment settlement date
Supporting Documents	All of the following: • A completed *Dispute Resolution Case Filing Form* (Form 682) • The cardholder letter, email, message or completed *Expedited Billing Dispute Resolution Process Form* (Form 1186) stating the cardholder's account has been debited for one of the following: – An amount that is different from the original purchase amount – An incorrect amount when the merchant accepted an alternative form of payment to complete the transaction • Documentation supporting the cardholder's claim • Second presentment supporting documentation as provided by the acquirer

©1988–2015 MasterCard. Proprietary. All rights reserved.

Notes	Supporting documentation must be in English or accompanied by an English translation. A completed *Expedited Billing Dispute Resolution Process (Fraud)* (Form 1189) must be the result of contact with the cardholder. **MasterCom Pro Users:** An arbitration case must be entered on-line via the MasterCom Pro Case Filing application. **MasterCom Hosted Users:** An arbitration case must be submitted to the Dispute Resolution Management Case Filing Hub Site via fax to 1-636-722-7215.

4.6.7 Message Reason Code 73—Duplicate Transaction

The issuer may use reason code 73 when the cardholder contacted the issuer alleging that the cardholder's account has been debited more than once for the same transaction.

4.6.7.1 Issuer Chargeback

The table shown below details the requirements for this message reason code.

Chargeback Condition	An issuer can determine that the transaction is a duplicate when the ATM or POS terminal number, transaction amount, transaction date, and **authorization response code** are identical for the transactions in question.
Time Frame	Between 5 and 120 calendar days from the transaction settlement date
Chargeback Message Reason Code	73
Supporting Documents	None
Notes	MasterCard strongly recommends the issuer use message reason code 17–Cash Disputes–ATM Only for ATM transactions. MasterCard strongly recommends the issuer use message reason code 71–Disputed Amount for Maestro POS transactions to charge back the transaction as paid by other means. "Other means" may include the same card.

©1988–2015 MasterCard. Proprietary. All rights reserved.

4.6.7.2 Acquirer Representment (Second Presentment)

The table shown below details the requirements of the second presentment for this message reason code.

Second Presentment Condition	One of the following: • The acquirer can provide evidence to support two separate transactions, or proof that a credit was issued. • The chargeback was invalid.
Time Frame	45 calendar days from the transaction settlement date
Second Presentment Message Reason Code	13
Supporting Documents	The merchant's explanation and documentation supporting the Second Presentment Condition.
Notes	Supporting documentation must be in English or accompanied by an English translation.

4.6.7.3 MasterCard Automated Reversal

The table shown below details the automated reversal process.

MasterCard Automated Reversal Condition	Both of the following: • Acquirer representment supporting documentation was not provided via MasterCom within 10 calendar days of the representment settlement date. • Both the issuer and the acquirer are **not** in Europe
Time Frame	11 calendars days from the representment settlement date
MasterCard Automated Reversal Message Reason Code	19
Supporting Documents	None
Notes	MasterCard will credit the issuer and debit the acquirer.

4.6.7.4 Arbitration Case Filing

The following table details the requirements for this message reason code.

Arbitration Case Filing Condition	The acquirer failed to remedy the dispute.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Time Frame	45 calendar days from the representment settlement date
Supporting Documents	All of the following: • A completed *Dispute Resolution Case Filing Form* (Form 682) • A cardholder letter, email, message rebutting the merchant's explanation • If applicable, documentation supporting the cardholder's claim • Second presentment supporting documentation as provided by the acquirer
Notes	Supporting documentation must be in English or accompanied by an English translation. **MasterCom Pro Users:** An arbitration case must be entered on-line via the MasterCom Pro Case Filing application. **MasterCom Hosted Users:** An arbitration case must be submitted to the Dispute Resolution Management Case Filing Hub Site via fax to 1-636-722-7215.

©1988–2015 MasterCard. Proprietary. All rights reserved.

4.6.8 Message Reason Code 74—No Cardholder Authorization

The issuer may use reason code 74 when the cardholder contacted the issuer alleging that the cardholder did not participate in or authorize the transaction.

4.6.8.1 Issuer Chargeback

The table shown below details the requirements for this message reason code.

Chargeback Condition	One of the following: • The transaction is a contactless transaction that exceeds the applicable contactless CVM limit and was completed without successful online PIN verification or on-device cardholder verification. • The UCAF collection indicator in DE 48 (Additional Data), subelement 42 (Electronic Commerce Indicators), Subfield 1 (Electronic Commerce Security Level Indicator and UCAF Collection Indicator, position 3 (UCAF Collection Indicator) contains a value of zero. • The UCAF data in DE 48 (Additional Data), subelement 43 (Static AAV for Maestro or MasterCard Advance Registration Program), position 1 contained a value of 3 (Transaction processed under the Maestro Advance Registration Program). • The Remote Payments Program Type value in DE 48 (Additional Data), subelement 48 (Mobile Program Indicators), subfield 1 (Remote Payments Program Type Identifier) contains a value of 2 (Acquirer domain). • The transaction is an intra-Brazil contactless magnetic stripe transaction that exceeds BRL 50 and online PIN was not the CVM. DE 22 (Point of Service Entry Mode), subfield 1 (POS Terminal PAN Entry Mode) contained a value of 91 and DE 61 (Point of Service [POS] Data), subfield 11 (POS Card Data Terminal Input Capability Indicator) contained a value of 3 or 4.
Time Frame	Between 5 and 120 calendar days from the transaction settlement date
Chargeback Message Reason Code	74
Supporting Documents	None
Notes	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

4.6.8.2 Acquirer Representment (Second Presentment)

The table shown below details the requirements of the second presentment for this message reason code.

Second Presentment Condition	One of the following conditions is met: • The transaction was approved and PIN was the CVM • Fraud Notification Service (FNS): The issuer previously charged back two or more transactions involving the same card account prior to the authorization approval date of the disputed transaction for reason code 70 or 74 • FNS: The issuer previously charged back more than 25 transactions involving the same card account for reason code 70 or 74 • The issuer did not properly report the transaction to SAFE on or before the chargeback date • On the chargeback date, the issuer was listed in the *Global Security Bulletin* as limited to seven chargebacks involving the same card account for reason code 70 or 74 and the FNS chargeback counter value exceeds seven. • The merchant was located in a signature waiver country as defined in the *Transaction Processing Rules* manual, chapter 3—Acceptance Procedures, section Merchant Acceptance Procedures, subsection Maestro Cardholder Verification-PIN and Signature Requirements and can provide a cardholder signed transaction receipt. • A Digital Secure Remote Payment (DSRP) transaction or any subsequent transaction for related partial shipment or recurring payment occurred. Refer to Appendix F for Digital Secure Remote Payment transaction identification requirements. • The acquirer determines the chargeback is otherwise invalid.
Time Frame	45 calendar days from the chargeback settlement date
Second Presentment Message Reason Code	13
Supporting Documents	The merchant's explanation and documentation supporting the Second Presentment Condition.
Notes	Supporting documentation must be in English or accompanied by an English translation.

©1988–2015 MasterCard. Proprietary. All rights reserved.

4.6.8.3 MasterCard Automated Reversal

The table shown below details the automated reversal process.

MasterCard Automated Reversal Condition	Both of the following: • Acquirer representment supporting documentation was not provided via MasterCom within 10 calendar days of the representment settlement date. • Both the issuer and the acquirer are **not** in Europe
Time Frame	11 calendars days from the representment settlement date
MasterCard Automated Reversal Message Reason Code	19
Supporting Documents	None
Notes	MasterCard will credit the issuer and debit the acquirer.

4.6.8.4 Arbitration Case Filing

The following table details the requirements for this message reason code.

Arbitration Case Filing Condition	The acquirer failed to remedy the dispute.
Time Frame	45 calendar days from the representment settlement date
Supporting Documents	All of the following: • A completed *Dispute Resolution Case Filing Form* (Form 682) • The cardholder letter, email, message or completed *Expedited Billing Dispute Resolution Process Form* (Form 1189) stating the cardholder did not participate in or authorize the transaction. • Second presentment supporting documentation as provided by the acquirer
Notes	Supporting documentation must be in English or accompanied by an English translation. A completed *Expedited Billing Dispute Resolution Process (Fraud)* (Form 1189) must be the result of contact with the cardholder. **MasterCom Pro Users:** An arbitration case must be entered on-line via the MasterCom Pro Case Filing application. **MasterCom Hosted Users:** An arbitration case must be submitted to the Dispute Resolution Management Case Filing Hub Site via fax to 1-636-722-7215.

©1988–2015 MasterCard. Proprietary. All rights reserved.

4.6.9 Message Reason Code 75—Credit Not Received

The issuer may use reason code 75 to dispute one of the following:

- An account was not credited.
- An account was debited instead of credited.

4.6.9.1 Issuer Chargeback

The table shown below details the requirements for this message reason code.

Chargeback Condition	The cardholder contacted the issuer alleging that the cardholder's account was not credited for a refund from a merchant or was inaccurately debited instead of credited.
Time Frame	Between 5 and 120 calendar days from the transaction settlement date The 120 calendar days begin on one of the following: • The date the service was canceled or the goods were returned. • The date on the credit documentation. • The date on the cardholder letter when the credit documentation was undated. • The date the issuer receives an undated cardholder letter. • The date the Timeshare was canceled.
Chargeback Message Reason Code	75
Supporting Documents	None
Notes	This chargeback should be for the amount of the refund, or when the account is debited instead of credited, twice the amount of the refund.

4.6.9.2 Acquirer Representment (Second Presentment)

The table shown below details the requirements of the second presentment for this message reason code.

Second Presentment Condition	The acquirer can provide evidence to support one of the following: • The credit was processed to the cardholder's account. • The timeshare cancellation occurred more than 14 calendar days from the timeshare agreement date. • The transaction was correctly processed. • The chargeback was invalid.
Time Frame	45 calendar days from the chargeback settlement date

©1988–2015 MasterCard. Proprietary. All rights reserved.

Second Presentment Message Reason Code	13
Supporting Documents	The merchant's explanation and documentation supporting the Second Presentment Condition.
Notes	Supporting documentation must be in English or accompanied by an English translation.

4.6.9.3 MasterCard Automated Reversal

The table shown below details the automated reversal process.

MasterCard Automated Reversal Condition	Both of the following: • Acquirer representment supporting documentation was not provided via MasterCom within 10 calendar days of the representment settlement date. • Both the issuer and the acquirer are **not** in Europe
Time Frame	11 calendars days from the representment settlement date
MasterCard Automated Reversal Message Reason Code	19
Supporting Documents	None
Notes	MasterCard will credit the issuer and debit the acquirer.

4.6.9.4 Arbitration Case Filing

The following table details the requirements for this message reason code.

Arbitration Case Filing Condition	The acquirer failed to remedy the dispute.
Time Frame	45 calendar days from the representment settlement date

©1988–2015 MasterCard. Proprietary. All rights reserved.

Supporting Documents	All of the following: • A completed *Dispute Resolution Case Filing Form* (Form 682) • The cardholder letter, email, message or completed *Expedited Billing Dispute Resolution Process Form* (Form 1187) stating one of the following: – The cardholder's account has not been credited for a refund from a merchant – The cardholder's account has not been credited for a canceled timeshare agreement and the cancellation occurred within 14 days of the timeshare agreement date – The cardholder's account has been inaccurately debited instead of credited • A cardholder letter, email, message or completed *Expedited Billing Dispute Resolution Process Form* (Form 1187) is **not required** if the cardholder's documentation is one of the following: – A credit slip – Credit advice – TID voided by the merchant – Merchant letter advisement to obtain credit from the issuer via chargeback • Documentation supporting the cardholder's claim • Second presentment supporting documentation as provided by the acquirer
Notes	Supporting documentation must be in English or accompanied by an English translation. A completed *Expedited Billing Dispute Resolution Process (Fraud)* (Form 1187) must be the result of contact with the cardholder. **MasterCom Pro Users:** An arbitration case must be entered on-line via the MasterCom Pro Case Filing application. **MasterCom Hosted Users:** An arbitration case must be submitted to the Dispute Resolution Management Case Filing Hub Site via fax to 1-636-722-7215.

©1988–2015 MasterCard. Proprietary. All rights reserved.

4.6.10 Message Reason Code 79—Goods or Services Not Provided

The issuer may use reason code 79 when the cardholder claims goods or services were not received.

4.6.10.1 Issuer Chargeback

The table shown below details the requirements for this message reason code.

Chargeback Condition	The cardholder contacted the issuer alleging the cardholder's account has been debited for goods or services that were to be shipped, delivered or otherwise provided and were not received by the expected delivery date.
Time Frame	Between 5 and 120 calendar days from the transaction settlement date or the date the goods or services were to be provided. One of the following conditions must be met before processing the chargeback: • When the date the goods or services were to be provided as agreed upon by the merchant and the cardholder has passed. • When a specific delivery date is not provided, the issuer must wait 30 calendar days from the transaction settlement date. • When the determination has been made that the merchant will not provide the goods or services because, for example, the merchant is no longer in business. • When the cardholder canceled the order for goods or services, the goods or services were not provided, and the cardholder did not receive a credit. After 120 calendar days from the transaction settlement date or the date the goods or services were to be provided, the issuer may file a precompliance, followed by a compliance case (if applicable), when a system limitation prevents a valid chargeback.
Chargeback Message Reason Code	79
Supporting Documents	None
Notes	The issuer may chargeback only the disputed amount. This message reason code must not be used when the merchant was willing and able to provide the goods or services and the cardholder refused to accept the goods or services.

©1988–2015 MasterCard. Proprietary. All rights reserved.

4.6.10.2 Acquirer Representment (Second Presentment)

The table shown below details the requirements of the second presentment for this message reason code.

Second Presentment Condition	The acquirer can provide evidence to support one of the following: • The goods or services were provided. • The merchant was willing and able to provide the goods or services and the cardholder refused to accept the goods or services. • The merchant and the cardholder agreed to provide the goods or services at a later date. • The chargeback was invalid.
Time Frame	45 calendar days from the chargeback settlement date
Second Presentment Message Reason Code	13
Supporting Documents	The merchant's explanation and documentation supporting the Second Presentment Condition.
Notes	Supporting documentation must be in English or accompanied by an English translation.

4.6.10.3 MasterCard Automated Reversal

The table shown below details the automated reversal process.

MasterCard Automated Reversal Condition	Both of the following: • Acquirer representment supporting documentation was not provided via MasterCom within 10 calendar days of the representment settlement date. • Both the issuer and the acquirer are **not** in Europe
Time Frame	11 calendars days from the representment settlement date
MasterCard Automated Reversal Message Reason Code	19
Supporting Documents	None
Notes	MasterCard will credit the issuer and debit the acquirer.

©1988–2015 MasterCard. Proprietary. All rights reserved.

4.6.10.4 Arbitration Case Filing

The following table details the requirements for this message reason code.

Arbitration Case Filing Condition	The acquirer failed to remedy the dispute.
Time Frame	45 calendar days from the representment settlement date
Supporting Documents	All of the following: • A completed *Dispute Resolution Case Filing Form* (Form 682) • The cardholder letter, email, message or completed *Expedited Billing Dispute Resolution Process Form* (Form 1188) stating all of the following: – The cardholder engaged in the transaction – The date the goods or services were to be provided as agreed upon by the merchant and the cardholder. – Description of the goods or services the cardholder expected to receive. – For electronic commerce transactions where the issuer authorized the transaction and the merchant was UCAF-enabled (DE 48, subelement 42 contained a UCAF Collection Indicator value of 1 or 2 in the Authorization Request/0100 message), documentation must include a statement that the cardholder engaged in the transaction and a reasonably specific description of the goods or services purchased. MasterCard will determine whether the documentation presented for the chargeback cycle contains sufficient detail. – If applicable, the reason the cardholder believes the merchant will not provide the goods or services. – If applicable, the cardholder canceled the order for goods or services, the goods or services were not provided, and the cardholder did not receive a credit. • Documentation supporting the cardholder's claim • Second presentment supporting documentation as provided by the acquirer
Notes	Supporting documentation must be in English or accompanied by an English translation. A completed *Expedited Billing Dispute Resolution Process (Fraud)* (Form 1188) must be the result of contact with the cardholder. **MasterCom Pro Users:** An arbitration case must be entered on-line via the MasterCom Pro Case Filing application. **MasterCom Hosted Users:** An arbitration case must be submitted to the Dispute Resolution Management Case Filing Hub Site via fax to 1-636-722-7215.

©1988–2015 MasterCard. Proprietary. All rights reserved.

4.6.11 Message Reason Code 80—Late Presentment

An issuer may use reason code 80 if the transaction was authorized offline by the chip and submitted into clearing more than seven calendar days after the transaction date.

4.6.11.1 Issuer Chargeback

The table shown below details the requirements for this message reason code.

Chargeback Condition	The issuer must use good-faith efforts to collect the transaction amount from the cardholder before the issuer exercises this chargeback. The issuer may use reason code 80 if all of the following conditions are met: • The transaction was authorized offline by the chip. • The transaction was submitted into clearing more than seven calendar days after the transaction date. • The cardholder's account is closed or the cardholder's account does not contain sufficient funds to cover the transaction amount.
Time Frame	Between 5 and 120 calendar days from the transaction settlement date
Chargeback Message Reason Code	80
Supporting Documents	None
Notes	None

4.6.11.2 Acquirer Representment (Second Presentment)

The table shown below details the requirements of the second presentment for this message reason code.

Second Presentment Condition	The acquirer can provide evidence to support one of the following: • The transaction date is within the seven-calendar-day time limit. • The cardholder's account is open. • The chargeback was invalid.
Time Frame	45 calendar days from the chargeback settlement date
Second Presentment Message Reason Code	13
Supporting Documents	The merchant's explanation and documentation supporting the Second Presentment Condition.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Notes	Supporting documentation must be in English or accompanied by an English translation.

4.6.11.3 MasterCard Automated Reversal

The table shown below details the automated reversal process.

MasterCard Automated Reversal Condition	Both of the following: • Acquirer representment supporting documentation was not provided via MasterCom within 10 calendar days of the representment settlement date. • Both the issuer and the acquirer are **not** in Europe
Time Frame	11 calendars days from the representment settlement date
MasterCard Automated Reversal Message Reason Code	19
Supporting Documents	None
Notes	MasterCard will credit the issuer and debit the acquirer.

4.6.11.4 Arbitration Case Filing

The following table details the requirements for this message reason code.

Arbitration Case Filing Condition	The acquirer failed to remedy the dispute.
Time Frame	45 calendar days from the representment settlement date
Documentation Requirements	All of the following: • A completed *Dispute Resolution Case Filing Form* (Form 682) • Second presentment supporting documentation as provided by the acquirer
Notes	Supporting documentation must be in English or accompanied by an English translation. **MasterCom Pro Users:** An arbitration case must be entered on-line via the MasterCom Pro Case Filing application. **MasterCom Hosted Users:** An arbitration case must be submitted to the Dispute Resolution Management Case Filing Hub Site via fax to 1-636-722-7215.

©1988–2015 MasterCard. Proprietary. All rights reserved.

4.6.12 Message Reason Code 95—Invalid Adjustment—Account Closed

An issuer may use message reason code 95 to chargeback an invalid adjustment when the account is closed.

4.6.12.1 Issuer Chargeback

The table shown below details the requirements for this chargeback message reason code.

Chargeback Condition	Both of the following: • The account is closed. • The acquirer's adjustment must have been processed between 11 and 45 calendar days after the transaction settlement date.
Time Frame	Between 1 and 20 calendar days after the adjustment settlement date.
Chargeback Message Reason Code	95
Supporting Documents	None
Additional Information	Optional
Notes	None

4.6.12.2 Acquirer Representment (Second Presentment)

Representment is not available for this message reason code.

4.6.12.3 Arbitration Case Filing

An arbitration case filing is not available as a representment is not valid for this message reason code.

4.6.13 Message Reason Code 96—Invalid Adjustment—Insufficient Funds

An issuer may use message reason code 96 to chargeback an invalid adjustment when the account has insufficient funds.

4.6.13.1 Issuer Chargeback

The table shown below details the requirements for this chargeback message reason code.

Chargeback Condition	Both of the following: • The account does not have sufficient funds. • The acquirer's adjustment must have been processed between 11 and 45 calendar days after the transaction settlement date.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Time Frame	Between 1 and 20 calendar days after the adjustment settlement date.
Chargeback Message Reason Code	96
Supporting Documents	None
Additional Information	Optional
Notes	None

4.6.13.2 Acquirer Representment (Second Presentment)

Representment is not available for this message reason code.

4.6.13.3 Arbitration Case Filing

An arbitration case filing is not available as a representment is not valid for this message reason code.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Chapter 5 Arbitration Procedures

This chapter provides the procedures that customers must follow to file an arbitration case. It also provides examples to illustrate various arbitration cases.

Overview..... 299
5.1 Time Frames..... 299
5.2 Filing Procedures..... 299
5.2.1 Arbitration Case Filing Using the MasterCom Pro Electronic Case Filing Application..... 300
5.2.2 Arbitration Case Filing Submitted Using the Dispute Resolution Management MasterCom Hosted (Read-Only) Case Filing Application..... 300
5.2.3 Submitting a Case with Multiple Chargebacks..... 302
5.2.4 Installment Billing..... 302
5.3 Withdrawals or Acceptances..... 302
5.4 MasterCard Review Process..... 303
5.5 Fees and Assessments..... 304
5.6 Arbitration Case Examples (For MasterCard Dual Message System Transactions Only)..... 305
5.6.1 Example 1—First Chargeback Past the Allowable Time..... 305
5.6.2 Example 2—Progressive Documentation for "Cardholder Disputes" Chargebacks..... 306
5.6.3 Example 3—Second Presentment Documentation..... 306
5.6.4 Example 4—Improper Disclosure—4853—Cardholder Dispute..... 307
5.6.5 Example 5—Additional Remedies for Chargeback Message Reason Code 4853—Cardholder Dispute..... 308
5.6.6 Example 6—Message Reason Code 4853—Cardholder Dispute (Available for Value-Added Tax [VAT] Disputes)..... 308
5.6.7 Example 7—Message Reason Code 4837—No Cardholder Authorization..... 309
5.6.8 Example 8—Additional Documentation Allowed in Arbitration Case..... 309
5.6.9 Example 9—Time Frame Extension (Applicable to Disputes for Message Reason 4853—Cardholder Dispute)..... 310
5.6.10 Example 10—Prorated Chargeback Period for Interrupted Services..... 310
5.6.10.1 How to Prorate the Chargeback Amount..... 311
5.6.11 Example 11—Validation of the Transaction Certificate..... 312
5.6.12 Example 12—Message Reason Code 4853—Cardholder Dispute..... 312
5.6.13 Example 13—Message Reason Code 4863—Cardholder Does Not Recognize—Potential Fraud..... 313
5.6.14 Conclusion..... 314
5.7 Intra-European and Inter-European Domestic Disputes..... 314
5.8 Arbitration or Compliance Case Appeals..... 315
5.8.1 Times for Filing an Appeal..... 315

©1988–2015 MasterCard. Proprietary. All rights reserved.

5.8.2 Filing Procedure....315
5.8.3 Notice to Other Parties....316
5.8.4 Filing Fee....316
5.8.5 Resolution of Appeal....316

©1988–2015 MasterCard. Proprietary. All rights reserved.

Overview

The following is an overview of the MasterCard arbitration procedures for dual and single message case filings.

For MasterCard Dual Message System transactions, if an acquirer believes that an issuer has processed an invalid arbitration chargeback, the acquirer may file an arbitration case with MasterCard. The arbitration case filing must be submitted in U.S. currency (USD) (or in EUR for intra-European and inter-European, GBP for U.K. Domestic transactions, and RUB for Russian Domestic transactions) for a disputed amount equal to or less than the arbitration chargeback. If the arbitration case involves a MasterCard rule violation, the case submission must specify the rule allegedly being violated.

NOTE: Global and regional rules on this section applicable to the Europe region appear in Appendix A, Chargebacks—MasterCard Europe ATM Transactions (MasterCard, Maestro, and Cirrus) and Appendix B, Chargebacks—Maestro POS Transactions.

5.1 Time Frames

For MasterCard Dual Message System transactions, the filing customer must file the arbitration case within 45 calendar days from the Central Site Business Date of the arbitration chargeback.

5.2 Filing Procedures

Arbitration cases may be filed using one of the following methods.

- **MasterCom Pro Users**—Submit the case online through the MasterCom Pro Case Filing application. Refer to the *MasterCom Pro User Guide* available on MasterCard Connect™ for case filing procedures.
- **MasterCom Hosted Users**—Print and complete the *Dispute Resolution Management Case Filing Form* (Form 682) located in the MasterCom Hosted Case Filing (read-only) application or found in the Forms section of MasterCard Connect. Fax or email the completed form and supporting case documentation as a single fax or file to the Dispute Resolution Management (DRM) case filing hub site. When emailing, password protect the file attached to the email. When the file is password protected, the issuer must provide the password for the file in a second email. The subject line is used to link the two emails. The fax or email date received date will be considered the filing date. Refer to the *MasterCom Hosted Guide* available on MasterCard Connect for case filing procedures.

©1988–2015 MasterCard. Proprietary. All rights reserved.

5.2.1 Arbitration Case Filing Using the MasterCom Pro Electronic Case Filing Application

Customers must have access to the MasterCom system and the MasterCom Pro case filing application to file and action (accept, reject, escalate and withdraw) arbitration cases electronically online via the application.

The filing customer must submit the arbitration case using the MasterCom Pro electronic case filing application available through MasterCard Connect™. The customer should type any comments or information concerning the case in the **Memo** field on the screen and scan any additional documentation into the system.

Unless specifically requested by MasterCard staff, the filing customer is not required to provide supporting chargeback documentation that was sent previously during the chargeback cycles. When the issuer's chargeback reference data number is entered into the designated field in the case filing application, the case filing application retains the supporting documentation exchanged during each of the chargeback cycles.

It is the customer's responsibility to review the case to determine that the chargeback supporting documentation and information is present and correct before the filing customer submits the case into the MasterCom Pro application. The application will send the arbitration case to MasterCard and to the filed-against customer for review. A customer with access to the MasterCom case filing application will receive the case online through the case filing application.

Daily review of case filings in the MasterCom Pro Case Filing application is the responsibility of the customer. The customer must verify its case submissions and other case actions have been correctly entered, review responses to the cases and view cases filed both by and against the ICA.

A case involving an ATM or Maestro transaction submitted using MasterCom Pro must include a properly completed *Dispute Resolution Case Filing Form* (Form 682).

Please refer to the Case Filing Procedures for Arbitration found in the *MasterCom Pro User Guide* for complete instructions on filing a dual or single message arbitration case. A case that is improperly submitted will be declined for review.

Once a filing customer chooses to use the electronic case filing system for a specific case, it **must not** file the same case manually via the Dispute Resolution Management (DRM) case filing hub site.

5.2.2 Arbitration Case Filing Submitted Using the Dispute Resolution Management MasterCom Hosted (Read-Only) Case Filing Application

Customers with access to the MasterCom Hosted (read-only) Case Filing Application may view cases on-line, but must file an arbitration case via fax or email using the Dispute Resolution Management (DRM) case filing hub site. The MasterCom Hosted Case Filing application provides the necessary electronic forms for the customer to submit new case filings, provide rebuttals, and to withdraw or accept a case.

©1988–2015 MasterCard. Proprietary. All rights reserved.

The filing customer must submit the case via fax at 1-636-722-7215 or email a password protected PDF file to case_entry@mastercard.com. The case submission must include the following:

- A properly completed *Dispute Resolution Case Filing Form* (Form 682) printed from the MasterCom Hosted Case Filing Application or MasterCard Connect.
- A narrative description of the dispute, indicating the sequence of events in chronological order.
- Any supporting documents necessary to file the case. The filing customer is not required to provide supporting chargeback documentation previously sent during the chargeback cycles, unless specifically requested by MasterCard staff.

Upon receipt of the fax or the email case submission, MasterCard will scan the case filing into the case filing application. An issuer or acquirer with access to the MasterCom Pro or Hosted (read-only) case filing applications will receive the case online through the case filing application.

The filing customer is responsible to review all data for accuracy and must notify the Dispute Resolution Management hub site immediately in case of a discrepancy.

The case will be entered using the information provided on the case filing form. The case will not be entered and it will be returned to the customer if the information is incomplete or incorrect. The customer may resubmit after correcting the error if it is still within the applicable filing time frame. Errors or omissions of a case submission must be reported to the DRM hub site as soon as possible (not to exceed 10 business days from submission date for missing cases) or entry (for accuracy issues).

Daily review of case filings in the read-only MasterCom Case Filing application is the responsibility of the customer. The customer must verify its case submissions have been entered, review responses to the cases and view cases filed both by and against the ICA. In the Case Filing Sender or Receiver view, all cases which have not been ruled will appear, as well as any withdrawn, accepted, ruled on, filed in error, or declined cases for only 30 days from the final status change. MasterCard will not send fax or email notifications of cases filed, rulings or case updates to the customer.

The customer must use the applicable electronic forms available in MasterCom Hosted Case Filing application to submit and respond to cases. The application provides forms for escalations, rejections, rebuttals, and to withdraw or accept a case. Users will simply access the appropriate form in the Case Filing application for the required action. Users may then type the information into the form, print the form, and attach any required supporting documentation. The MasterCard DRM Case Filing Hub site will not accept submissions or updates with improper forms. The completed form, as well as any supporting documentation, must either be faxed to +1 636 722-7215 or sent by email to case_entry@mastercard.com at the MasterCard DRM Case Filing Hub Site.

Please refer to the Case Filing Procedures for Arbitration found in the *MasterCom Hosted Guide* for complete instructions on filing a dual or single message arbitration case. A case that is improperly submitted will be declined for review.

©1988–2015 MasterCard. Proprietary. All rights reserved.

5.2.3 Submitting a Case with Multiple Chargebacks

The acquirer may file, at its option, multiple chargebacks within the same case filing.

However, unless otherwise specified by MasterCard, all the chargebacks included in the single case filing must involve the same acquirer, issuer, cardholder, and merchant, as well as the same message reason code. The case filing must be submitted for the total of the chargebacks included in the case filing or the applicable disputed amount. The functionality to include multiple chargebacks within the same arbitration case filing is not available when submitting a member mediation (pre-arbitration) case in the Case Filing application.

5.2.4 Installment Billing

An arbitration case for a transaction billed in accordance with an installment billing arrangement, as described in section Installment Billing (Valid for Domestic Transactions in Participating Countries Only), may be filed for a partial or the full number of installments or for a partial or the full amount of the transaction, depending on the chargeback message reason code and reason for filing. Documentation to support the amount of the case filing must have been provided during the proper chargeback cycle. When ruling, MasterCard will take into account the amount filed.

5.3 Withdrawals or Acceptances

A customer that requests to withdraw or accept the case before MasterCard issues a ruling is responsible for the filing fee and a withdrawal fee.

A customer that requests to withdraw or accept the case before MasterCard issues a ruling is responsible for the USD 150 (EUR 150[3]) filing fee and a USD 150 (EUR 150[4]) withdrawal fee. MasterCard will process the funds for the filing fee and the withdrawal fee to the appropriate customers as billing events though the MasterCard Consolidated Billing System (MCBS). MasterCard will generate Global Clearing Management System (GCMS) "On-Behalf" Fee Collection/1740 messages using message reason code 7800 to debit and credit the disputed amount to the appropriate customers.

Additionally, the filing customer may return any improper progressive handling fees processed in conjunction with the dispute as a Fee Collection/1740 message with function code 700 and message reason code 7603 within 45 days of the receipt of withdrawal. In the data record text, the customer must enter "Per your acceptance of case # XXXXX" (XXXXX = MasterCard case number).

A customer using the MasterCom Pro case filing application that wants to withdraw or accept the case before a ruling must withdraw or accept the case using the case filing application.

A customer using the MasterCom Hosted case filing (read-only) application that wants to withdraw or accept a case before a ruling must press the "Withdraw" or "Accept" button within the application, a form will return. Type any information to be added the case on the

[3] EUR amounts apply to intra-European and inter-European cases only.
[4] EUR amounts apply to intra-European and inter-European cases only.

©1988–2015 MasterCard. Proprietary. All rights reserved.

form and submit the form via fax or email to the DRM case filing hub site. The customer must allow processing time and the case will be updated for verification.

5.4 MasterCard Review Process

When MasterCard receives an arbitration case for review, it will notify the customers involved in the arbitration case via the MasterCom Pro or Hosted Case Filing (read-only) applications.

MasterCard must receive any rebuttal or additional information concerning the case within the applicable waiting period for the case filing. MasterCard will not rule on the case until after the waiting period has elapsed, unless the filed-against customer advises MasterCard that it does not want to accept responsibility for the disputed amount. A customer using the MasterCom Pro case filing application must respond, if needed, within 10 days using the case filing application. A customer that has access to the MasterCom Hosted (read-only) case filing application must fax or email its response using the form printed from the case application, if needed, within eight days to the DRM hub site to allow for processing of the response. The appropriate form must also include any additional documentation or information as needed to support the response.

MasterCard will then review the documentation and decide whether it can accept the case for ruling. MasterCard will decline an arbitration case if the filing customer did not follow all filing requirements, including the following reasons:

- The case has insufficient documentation to enable MasterCard to rule on the case and assign responsibility for the disputed amount.
- The customer filed the case beyond the appropriate filing period. Refer to Time Frames for details.
- The documentation supplied is not in English or accompanied by an English translation.

NOTE:

Customers that have cases declined for any of the above reasons will be subject to a debit of the filing fee and any other applicable fees.

The acquirer is allowed to provide new documentation at the time of the case filing to:

- Remedy the new chargeback reason with the submission of the arbitration case filing. At that time, the issuer may choose either to accept responsibility for the transaction amount and contact Dispute Resolution Management regarding fees or to challenge the new information as necessary within the arbitration case filing process.
- Dispute information provided for the first time in the arbitration chargeback.

©1988–2015 MasterCard. Proprietary. All rights reserved.

NOTE:

An issuer that accepts a case based on new information may request a credit of any Case Filing Fee. Upon acceptance of the case, the issuer must inform staff of the acceptance by sending an email message to dispute_resolution@mastercard.com with the case number and the reason for the request to credit the fees.

All customers that have cases filed against them must immediately review case documentation to ensure that all the information is correct and complete. If it is not correct and complete, the customer must provide notification to MasterCard within the applicable eight or 10-day waiting period. The lack of written or electronic notification will constitute acceptance by the filed-against customer to proceed with the case ruling process. An issuer will be able to respond to any new information at any time until the case decision is issued.

When ruling on a case, MasterCard will consider the technical merits of the case, the substance of the case, previous case rulings, and implications to the MasterCard brand. Below are two examples:

- The issuer initiated the first chargeback past the time frame allowed for the message reason code. In this case, the ruling will not be in favor of the issuer. Refer to 5.6.1 Example 1—First Chargeback Past the Allowable Time for an example.
- The issuer submitted the chargeback with the wrong message reason code. In this case, the ruling will not be in favor of the issuer.

MasterCard will issue a ruling and notify all parties using the MasterCom Case Filing applications following the conclusion of its investigation. Customers with access to the MasterCom Pro or Hosted (read-only) case filing application may review the decision online.

5.5 Fees and Assessments

When MasterCard issues a ruling on an arbitration case, it will assess a USD 250 (EUR 250) administrative fee against the customer found responsible for the case.

The administrative fee is in addition to the USD 150 (EUR 150[5]) filing fee. The administrative fee is not assessed if the case is accepted or withdrawn before the issuance of a ruling. All applicable assessments occur after the case is ruled.

MasterCard will assess a technical fee of USD 100 (EUR 100) per violation against any customer found to have been in violation of the dispute processing rules. Violations that result in technical fees include but are not limited to the following examples:

- Persisting with an invalid chargeback.
- Submitting an invalid second presentment.
- Submitting an invalid documentation indicator code.
- Processing a chargeback cycle past the time limit.

[5] EUR amounts apply to intra-European and inter-European cases only.

©1988–2015 MasterCard. Proprietary. All rights reserved.

NOTE:

An arbitration case ruling could be in favor of a customer, but that customer still could be assessed a technical fee. For example, if the customer used an invalid documentation indicator code, it could be assessed a technical fee.

MasterCard will assess the filing fee, administrative fee, and any technical fees, for the case through MCBS as billing events.

If MasterCard rules for the filing customer, MasterCard will credit the disputed amount to the filing customer and will debit the disputed amount to the filed-against customer by generating GCMS "On-Behalf" Fee Collection/1740 messages using message reason code 7800.

In the arbitration decision, MasterCard may determine responsibility for any improper progressive handling fees. MasterCard will give permission for the customer to return any improper progressive handling fees processed in conjunction with the dispute as a Fee Collection/1740 message with function code 700 and message reason code 7603. The customer must process the Fee Collection/1740 message within 45 days of the ruling and place in the data record text of the Fee Collection message, "Per favorable decision of case #XXXXX" (XXXXX = MasterCard case number).

The proceeds of assessments levied under the above procedure are added to the general funds of MasterCard.

5.6 Arbitration Case Examples (For MasterCard Dual Message System Transactions Only)

Issuers and acquirers may find the examples in this section helpful in deciding whether to proceed to arbitration to resolve a dispute.

5.6.1 Example 1—First Chargeback Past the Allowable Time

The following is an example of a First Chargeback past the allowable time.

1. On 1 January, an issuer receives a transaction record for posting to one of its cardholders' accounts. In reviewing the account, the issuer determines that the account number was listed on the Warning Bulletin at the time of the transaction.
2. The issuer submits a chargeback using message reason code 4808—Authorization Related Chargeback, on 18 April. On 27 April, the acquirer submits a second presentment advising the issuer that its chargeback was beyond the allowable time frame.
3. Subsequently, the issuer initiates an arbitration chargeback on 4 May still maintaining that the account number was listed on the appropriate Warning Bulletin and that the acquirer should therefore accept responsibility.
4. On 9 June, the acquirer submits an arbitration case to MasterCard seeking resolution.
5. In this particular case, MasterCard would rule in favor of the acquirer because the issuer processed the initial chargeback beyond the allowable time frame. MasterCard also may

©1988–2015 MasterCard. Proprietary. All rights reserved.

assess the issuer technical penalties for processing the chargeback past the time limit and for persisting with an invalid arbitration chargeback. This philosophy applies to all chargeback message reason codes.

5.6.2 Example 2—Progressive Documentation for "Cardholder Disputes" Chargebacks

The following example provides prerequisites for cardholder disputes chargebacks.

1. On 20 October 2013, an issuer initiates a chargeback for message reason code 4853—Cardholder Dispute—Defective/Not as Described, with only a cardholder letter as chargeback supporting documentation. In the letter, the cardholder stated that he had his radiator replaced in his vehicle. The cardholder asserted that the merchant must have improperly installed the radiator because the vehicle was still overheating. The cardholder also stated that he had contacted the merchant and given the merchant an opportunity to correct the problem, but the merchant refused to credit or assist the cardholder. The cardholder letter documented that the cardholder had tendered return of the auto part.
2. The acquirer submitted a second presentment with a merchant rebuttal. The merchant said the cardholder's problems were not the result of any of the parts or services provided by the merchant. The merchant said that cardholder's vehicle was still overheating because the cardholder had declined to have new radiator hoses installed in the vehicle as part of the repair. The merchant stated that there was a leak in one of the old hoses causing the vehicle to overheat. The merchant included a copy of the original repair invoice with the rebuttal showing that a new radiator had been installed but that the cardholder had declined to have the old radiator hoses replaced.
3. The issuer continued its dispute with a progressive cardholder letter. The arbitration chargeback included no other documentation that addressed the merchant's rebuttal or that supported the cardholder's allegations about the quality of the merchant's repairs.
4. Eventually, the acquirer submits an arbitration case to MasterCard.

MasterCard would rule in favor of the acquirer in this case. MasterCard would hold the issuer liable for the transaction. The issuer also may be subject to additional technical fines for persisting with an invalid arbitration chargeback.

Issuers are strongly advised to obtain documentation from the cardholder that supports their original chargebacks, as this documentation will be required if the merchant provides documentation to remedy the chargeback. Issuers will only be able to continue the dispute process when cardholder documentation contradicts the merchant's documentation or if the second presentment is determined to be invalid.

5.6.3 Example 3—Second Presentment Documentation

Acquirers may dispute the merits of a cardholder's claim as long as they supply the proper supporting documentation. However, acquirers should be aware that cardholders might still dispute the additional documentation supplied.

The following example clarifies the MasterCard position involving these particular disputes.

1. An issuer initiates a chargeback for message reason code 4831, Transaction Amount Differs, and supplies an email message from the cardholder as supporting documentation.

©1988–2015 MasterCard. Proprietary. All rights reserved.

In the email message, the cardholder stated that the amount debited to the card had been previously paid using a different card.

2. When the acquirer receives the chargeback, it submits a second presentment without contacting its merchant, stating that the first chargeback did not include proof of alternate payment.
3. The issuer continued its dispute without progressive documentation stating that the acquirer had failed to remedy the original chargeback.

The dispute evolved into an arbitration case.

In this example, MasterCard would rule in favor of the issuer because the first chargeback was valid. The acquirer failed to provide a rebuttal from the merchant that addressed the cardholder's dispute and substantiated that the cardholder had not previously paid for the same transaction in some other manner.

In response to chargebacks, acquirers should provide merchant rebuttals and other supporting documentation that addresses the cardholder's dispute and substantiates that the amounts debited to the account are proper.

5.6.4 Example 4—Improper Disclosure—4853—Cardholder Dispute

1. An issuer initiated a chargeback for message reason code 4853—Cardholder Dispute. In a letter, the cardholder stated that he had attempted to return merchandise to a merchant, but the merchant was unwilling to accept the return. The cardholder stated that it was never disclosed to him at the point of interaction that "all sales were final" or that there would be no returns or credits.
2. The acquirer submitted a second presentment with a merchant rebuttal stating that the merchant was not willing to accept the merchandise for return. The second presentment had no other documentation.
3. The issuer continued the dispute as an arbitration chargeback without progressive documentation stating the second presentment was invalid.

In this example, MasterCard would rule in favor of the issuer because of the merchant's inability to provide a document signed by the cardholder at the time of the transaction agreeing to a refund policy with its second presentment. With transactions dated on or after 18 October 2013, merchants that are unwilling to accept buyer's remorse returns and cancellations or that want to have special terms including (but not limited to) restocking fees or in-store credits, must disclose these terms at the time of the sale. The cardholder must be informed of the Refund Policy prior to completion of the sale at the Point of Interaction. Failure to disclose a Refund Policy will result in the merchant's requirement to accept the goods for return and issue a MasterCard credit. Details concerning the terms and how to disclose are contained in Chapter 3, Returned Products and Canceled Services of the *Transaction Processing Rules*.

©1988–2015 MasterCard. Proprietary. All rights reserved.

5.6.5 Example 5—Additional Remedies for Chargeback Message Reason Code 4853—Cardholder Dispute

An acquirer receives a chargeback for message reason code 4853—Cardholder Dispute.

To remedy this chargeback, the acquirer attempts to retrieve or obtain documentation that will verify receipt of merchandise by the cardholder.

Subsequently, the customer finds it impossible to locate this information because of export laws, geographic limitations, shipping regulations, or similar reasons. Consequently, the acquirer is unable to initiate a second presentment to remedy the chargeback.

The requirements for a second presentment to a chargeback for goods or services not received are very specific. The rule states, "only if the acquirer can provide proof that the cardholder or a person authorized by the cardholder received the merchandise." However, on past occasions, MasterCard has accepted the following two additional remedies or methods as verification:

- The merchant provides a disclaimer, signed by the cardholder at the time of purchase, which removes the merchant's liability for merchandise not received. This disclaimer is contingent on supporting documentation provided by the merchant that verifies the shipment or dispatch of the merchandise.
- The merchant provides the cardholder with an opportunity to purchase insurance on the merchandise. Such insurance would normally stipulate that the cardholder must initiate the claim and would limit merchant responsibility to providing documentation that verifies shipment or dispatch. If the cardholder declined to purchase insurance, the merchant should obtain a waiver of liability signed by the cardholder.

In the opinion of MasterCard, these two scenarios would provide an effective amount of protection to any merchant that operates under the unfavorable conditions previously mentioned.

5.6.6 Example 6—Message Reason Code 4853—Cardholder Dispute (Available for Value-Added Tax [VAT] Disputes)

In response to a cardholder letter, an issuer initiates a chargeback for message reason code 4853—Cardholder Dispute. The issuer provides a copy of the export slip as documentation to verify the cardholder's claim for credit.

After reviewing the chargeback and supporting documentation, the acquirer determines that the cardholder did not present the export slip to the proper customs authorities upon his or her exit from the country. Consequently, the cardholder did not receive the required customs stamp to allow the merchant to process the expected credit amount to the cardholder. The acquirer, therefore, submits a second presentment to the issuer because the chargeback was invalid.

Customers should reconsider that, from an issuer's standpoint, export slips such as the one provided in this example are unacceptable as "credit advices" unless the customs or export authorities of the country in question properly authorized and stamped the slip. In the absence of this information, the issuer cannot provide a valid advice of credit and should not, therefore, initiate a chargeback of this nature.

©1988–2015 MasterCard. Proprietary. All rights reserved.

5.6.7 Example 7—Message Reason Code 4837—No Cardholder Authorization

An issuer receives a call from a cardholder that states that he or she did not authorize a transaction appearing on the billing statement.

A review of the authorization approval message for the disputed transaction showed that the transaction was a face to face transaction and that the transaction had occurred at an attended terminal where the card data was electronically derived. The track data from the card was read.

1. The issuer received the appropriate cardholder letter and initiated a chargeback for message reason code 4837—No Cardholder Authorization.
2. The acquirer processed a second presentment using message reason code 2713 (Invalid Chargeback) without documentation or any message in data element (DE) 72 (Data Record).
3. The issuer processed an arbitration chargeback stating that a signed slip was not provided as supporting documentation with the second presentment.

The acquirer submitted the case to MasterCard for arbitration.

In this case, MasterCard would rule in favor of the acquirer because the issuer's first chargeback is invalid.

Message reason code 4837 (No Cardholder Authorization) is improper when the authorization information confirms the data was card-read at an attended terminal with the card and the cardholder present. For offline EMV chip transactions, where data element (DE) 55 (Integrated Circuit Card [ICC] System-Related Data) is present and confirms card presence, MasterCard authorization is not required. When account data is electronically derived at an attended terminal and the issuer approves the authorization request, first chargebacks for message reason code 4837 will be considered invalid. "Card-read" is defined in relation to this message reason code as the merchant's attended terminal capturing account data including (but not limited) to the Primary Account Number directly from the magnetic stripe, Chip, or contactless chip of the card or payment device.

5.6.8 Example 8—Additional Documentation Allowed in Arbitration Case

1. An issuer initiates a chargeback for message reason code 4853—Cardholder Dispute based on the cardholder's assertion that they had requested the merchant to cancel the purchase and they had not received goods.
2. The merchant provided proof of dispatch with the second presentment with unsigned proof of delivery.
3. The arbitration chargeback indicated that the cardholder still had not received the goods.
4. The arbitration case filing provided an email asking the cardholder if they recognize the person who signed for the goods along with signed proof of delivery. The cardholder's response was yes, it was their son who happened to be at their house when the parcel was delivered. They continue to say the merchant knew they would still be traveling until December so they didn't expect delivery (or the charge) in October.
5. The issuer responded to the case filing saying this documentation could not be considered outside of the chargeback cycles even though their cardholder admits in receiving the goods.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Under the circumstances described in this example, MasterCard would rule in favor of the acquirer as the new information would be considered as it documented that the issuer's arbitration chargeback was improper and/or remedied.

5.6.9 Example 9—Time Frame Extension (Applicable to Disputes for Message Reason 4853—Cardholder Dispute)

On 5 January, the cardholder purchased merchandise that was to be delivered to his residence. The cardholder's invoice does not show a delivery date, but the cardholder stated that the delivery was to be within two months of the transaction date.

After two months, the cardholder contacted the merchant about the shipment. The merchant told the cardholder that the order was not ready for delivery and then asked the cardholder to wait another two months. The cardholder wanted the merchandise and agreed to wait.

After the next two months elapsed, the cardholder called the merchant again. The merchant told the cardholder that it would be at least another 30 days before the goods would be ready for delivery. The cardholder decided not to wait any longer and requested a credit from the merchant. The merchant refused to issue a credit.

The issuer processed a chargeback for message reason code 4853—Cardholder Dispute, even though no specified delivery date was documented and the cardholder letter was dated 127 days after the Central Site Business Date. Subsequently, the acquirer filed an arbitration case contending that the issuer submitted the chargeback beyond the allowable time frame.

Under the circumstances described in this example, MasterCard would rule in favor of the issuer. The cardholder was willing to wait the requested time and should not be penalized for wanting to receive the merchandise by allowing the merchant extra time to deliver the goods.

The message reason code 4853 requirements state that the chargeback may not be processed until the specified delivery date has passed. As long as the chargeback is processed within 120 calendar days of the last anticipated delivery date, this chargeback would be considered valid. Because the cardholder waited for delivery as the merchant instructed, MasterCard would consider the date given verbally to the cardholder to be the specified delivery date.

The acquirer's right to process a second presentment refuting that the chargeback was processed within the required time frame might include, but is not limited to:

- Proof that the merchant delivered the merchandise, or that the merchant attempted to deliver the merchandise and the cardholder refused the delivery.
- Documentation that would establish that the merchant did not state that it would send the merchandise to the cardholder within the alleged time frame defined in the cardholder letter.

5.6.10 Example 10—Prorated Chargeback Period for Interrupted Services

This example describes a complaint that a cardholder paid for a service but received only a portion of the promised service.

A cardholder joined a health club with a lifetime membership. Fifteen months into the contract, the health club closed without warning. The cardholder contacted his or her issuer

©1988–2015 MasterCard. Proprietary. All rights reserved.

and complained that he or she paid for a lifetime service but received only a portion of the promised service.

The issuer initiated a chargeback using message reason code 4853—Cardholder Dispute for the full amount of the transaction. The acquirer initiated a second presentment stating that the chargeback amount was excessive. The issuer continued to charge back for the full amount stating that the merchant promised services for a lifetime.

Both the issuer and acquirer are responsible for calculating the proper amount eligible for the dispute, based on the formula in section How to Prorate the Chargeback Amount and must process a chargeback or second presentment only for the amount derived from the formula.

If the cardholder letter or merchant rebuttal fails to provide sufficient information to allow staff to prorate the amount, MasterCard will hold the issuer responsible if the cardholder received any services from the merchant. In the circumstances described above, MasterCard will prorate the amount of the chargeback by using the details in the chargeback support documentation (prorating details are provided below). Based on the result, MasterCard will assign the appropriate responsibility for the dispute to the issuer and acquirer.

The issuer will assume all fees associated with an arbitration case filing because the customer improperly adjusted or failed to adjust the arbitration chargeback.

This step requires the acquirer to file an arbitration case to resolve the dispute. MasterCard will assign technical fines to both the issuer and the acquirer for failure to process the proper amount within the chargeback cycles.

5.6.10.1 How to Prorate the Chargeback Amount

Customers should prorate the chargeback amount by converting the period of a contract from years to months. Complete the following steps:

Procedure

1. Multiply the number of years by 12 to determine the length of the contract in months.
2. Divide the amount of the transaction by the number of months for which the contract is in force. The result is the price per month.
3. Multiply the number of months of service the cardholder received by the price per month. This calculation provides the transaction amount for which the issuer is responsible.
4. Subtract the amount for which the cardholder is responsible from the total transaction amount. This step will result in the proper prorated chargeback amount.

What to do next

If the period of the services is not specific (for example, a lifetime contract), divide the transaction amount by 18 months, representing the maximum chargeback time frame. This calculation will provide the issuer with the monthly cost of the service. The issuer then will follow steps 3 and 4 to determine the chargeback amount.

By following this schedule for prorating the chargeback amount, MasterCard will process the chargeback for the proper amount.

©1988–2015 MasterCard. Proprietary. All rights reserved.

5.6.11 Example 11—Validation of the Transaction Certificate

In this example, upon receipt of the second presentment, the issuer determines that the transaction certificate submitted by the acquirer is not valid.

The acquirer submits a chip transaction certificate and related data in an attempt to remedy a chargeback as specified in Chapter 3, MasterCard Message Reason Codes—Dual Message System Transactions. However, upon receipt of the second presentment, the issuer determines that the transaction certificate submitted by the acquirer is not valid.

MasterCard would arbitrate in favor of the issuer if the issuer can demonstrate that the transaction certificate submitted by the acquirer does not correspond to what the issuer calculated on the basis of the related data. The issuer's supporting documentation must be in the form of a report, signed by the issuer's principal contact, supporting the issuer's claim of a discrepancy between the issuer calculated transaction certificate and the transaction certificate presented by the acquirer.

5.6.12 Example 12—Message Reason Code 4853—Cardholder Dispute

The following examples may be helpful when deciding whether a valid chargeback right exists under reason code 4853. These examples intend to serve as guides only.

Shipped Goods Received Broken or Unsuitable. A cardholder orders flowers by phone and requests delivery of the flowers on Valentine's Day, 14 February. The merchant agrees to the delivery date, but delivers the flowers on 15 February. The cardholder contacts the merchant to request a credit and to arrange the return of the flowers. The merchant says the flowers were delivered (although late) and will not accept the return or refund the purchase. In this case, the issuer can initiate a chargeback using reason code 4853 because the merchant agreed to fulfill the order on a specific date (14 February).

A cardholder orders a dining room set (one table and six chairs) and has them delivered, but two of the chairs arrive damaged. Assuming the cardholder is unable to work out the problem with the merchant, this example presents two possible scenarios. If the cardholder attempts to return all of the merchandise, the entire purchase can be charged back because the set is incomplete. Alternatively, the cardholder may want to keep the table and four chairs and return the two damaged chairs. If the dispute is not resolved, only the price of the two chairs can be charged back. If a partial amount is charged back, refer to First Chargeback Amount (DE 4 [Amount, Transaction]) for processing details.

Quality. The cardholder goes to a mechanic for vehicle repairs. The invoice states "repair transmission." The cardholder picks up the vehicle from the merchant and continues to experience the same problem. The cardholder promptly returns to the merchant. The merchant states that there is nothing wrong with the vehicle and refuses to resolve the cardholder's dispute. Subsequently, the cardholder takes the vehicle to another licensed, qualified mechanic who states that the merchant repaired the transmission incorrectly.

To charge back under message reason code 4853, the cardholder must have tried to resolve the dispute with the merchant. A cardholder letter with sufficient detail to enable all parties to understand the nature of the dispute must support the chargeback. In addition, the cardholder's letter must state that the cardholder returned to the first mechanic to try to have

©1988–2015 MasterCard. Proprietary. All rights reserved.

the transmission repaired properly and if applicable, had tendered any return of any new parts.

In response to the chargeback, the merchant states in the second presentment rebuttal that the repair was done correctly and that the parts installed in the vehicle were not faulty. The merchant states the cardholder had picked up the vehicle and drove away from his repair shop.

The issuer must provide a merchant description of the goods and services as well as expert corroborating documentation with its arbitration chargeback if the merchant challenges the validity of the cardholder's allegations concerning the quality of the repairs. For example, If not provided with the first chargeback, the issuer must provide the repair invoice and a statement from another licensed, qualified mechanic confirming that the merchant incorrectly repaired the transmission.

Misrepresentation. The cardholder purchased a laser printer in a face-to-face transaction and received an invoice from the merchant that states that the printer is compatible with a particular operating system. When the cardholder sets up the printer, it is not compatible. The cardholder attempts to return the printer to the merchant and the merchant refuses either to replace it or to accept its return. The cardholder then contacts the laser printer manufacturer, which confirms in writing that the laser printer is not compatible with the computer make and model identified on the invoice. A cardholder letter with sufficient detail to enable all parties to understand the nature of the dispute must support the chargeback. If the merchant challenges the misrepresentation, the statement from the manufacturer that the printer was not compatible with the particular operating system would serve as supporting documentation for the arbitration chargeback under reason code 4853.

Non–face-to-face Transaction. A cardholder purchased a computer over the phone. The merchant tells the cardholder that the computer has 4 gigabytes of memory. When the computer arrived, the invoice stated that the computer had only 2 gigabytes of memory. The cardholder contacted the merchant and the merchant refuses to accept the return of the computer or to take any other action to resolve the cardholder's dispute. In this case, invoice confirms the mischaracterization of the computer's promised memory capabilities.

Services. A cardholder hires a plumber to open a clogged drain. The merchant does the work and tells the cardholder that the drain is unclogged, but an hour after the merchant leaves, the drain clogs again. The cardholder notifies the merchant, but the merchant refuses to return and fix the problem. The cardholder then calls another plumber, who unclogs the drain and gives the cardholder an invoice stating that first merchant failed to perform the job properly. The issuer would charge back the entire amount because the merchant did not provide the service described to the cardholder.

5.6.13 Example 13—Message Reason Code 4863—Cardholder Does Not Recognize —Potential Fraud

An issuer received notification from its cardholder claiming that he or she did not recognize a transaction dated 1 October appearing on his or her billing statement.

The issuer provided additional details to the cardholder about the purchase using the transaction's merchant business code and asked the cardholder to contact the merchant for

©1988–2015 MasterCard. Proprietary. All rights reserved.

more information. Later, on 31 October, the cardholder wrote a letter to the issuer stating that the transaction was unauthorized. On 12 November, the issuer processed a chargeback for message reason code 4863—Cardholder Does Not Recognize—Potential Fraud.

The acquirer provided a mail order substitute draft showing a "shipped to address" with its second presentment in an attempt to provide additional information concerning the transaction. Because the cardholder claimed the transaction was fraudulent, the issuer processed an arbitration chargeback for message reason code 4837—No Cardholder Authorization. The issuer provided the cardholder letter dated 31 October which stated that the transaction was unauthorized. The acquirer filed the dispute with MasterCard as an arbitration case.

Under the circumstances described in this example, MasterCard would rule in favor of the acquirer, as the first chargeback was improper.

One of the conditions for processing a chargeback for message reason code 4863 (Cardholder Does Not Recognize—Potential Fraud) is that the disputed transaction is "unrecognized" by the cardholder. Subsequent documentation provided with the issuer's arbitration chargeback substantiated that at the time the first chargeback was processed, the issuer was aware that the cardholder was stating that the transaction was "unauthorized." Therefore, the first chargeback was not in accordance with the requirements for message reason code 4863. Staff may consider subsequent contradictory documentation provided with arbitration chargeback in determining the validity of the first chargeback.

5.6.14 Conclusion

The MasterCard Arbitration Department is aware of the many variables encountered in the review and resolution of disputes, such as those described in the examples in this section.

MasterCard provides these examples as guidelines to help customers determine the validity of potential disputes to avoid submitting unnecessary chargebacks, second presentments, and arbitration cases.

5.7 Intra-European and Inter-European Domestic Disputes

The following sections provide information on intra-European and inter-European disputes.

5.7.1 Definition

A domestic dispute is a disagreement between two or more customers concerning a transaction effected under one of the brands within the country where they are established, pertaining exclusively to intracountry matters, such as but not limited to clearing or settlement of transactions made in local currency.

5.7.2 Arbitration

If two or more customers are opposed in a domestic dispute (as defined above), they have full recourse to the exclusive arbitration of MasterCard, in accordance with one of the following conditions:

©1988–2015 MasterCard. Proprietary. All rights reserved.

- All customers involved in the domestic dispute have expressly designated, MasterCard as arbitrator.
- All customers involved in a domestic dispute agreed to be bound by the Standards concerning the matter of the dispute.
- The customers involved in a domestic dispute have no agreement to regulate their relationship, did not stipulate either a procedure for resolution of disputes, or rules applicable to the matter of the dispute, in the agreement or rules which regulate their relationship or there is no such agreement or rules and at least one customer requests MasterCard to arbitrate the dispute. A solution must be sought through bilateral discussion between the customers involved, before investigating such arbitration request.

MasterCard will arbitrate according to any agreement between the parties, but where there is no such agreement or the agreement is silent or unclear in the opinion of MasterCard Europe, MasterCard will arbitrate in accordance with the Standards. The decision of MasterCard is binding on both parties.

5.7.3 Arbitration Procedure

The arbitration procedure defined for international disputes will apply for domestic disputes.

5.8 Arbitration or Compliance Case Appeals

A Customer that is a named party in an arbitration or compliance case may submit a written request ("notice of appeal") to MasterCard to review the original decision disposing of all claims. If a Customer files a notice of appeal before rendition of a final decision, the appeal shall be subject to dismissal. MasterCard will not consider a notice of appeal that does not comply with these rules or is otherwise unsuitable.

The Chief Franchise Integrity Officer of MasterCard will review each appeal that is properly filed. When filing an appeal, a Customer may provide documentation supporting an overturn of the original decision. However, no new facts will be considered in an appeal unless and then only to the extent requested by the Chief Franchise Integrity Officer (or his or her designee).

5.8.1 Times for Filing an Appeal

The notice of appeal must be postmarked no later than 45 calendar days after the date of the original MasterCard decision disposing of all claims.

5.8.2 Filing Procedure

A notice of appeal must be submitted and signed by the Customer's principal contact as detailed Member Info—MasterCard or Member Information—Cirrus/Maestro on MasterCard Connect™.

Each case must be addressed as follows:

MasterCard International, Incorporated

©1988–2015 MasterCard. Proprietary. All rights reserved.

ATTN: Chief Franchise Integrity Officer

2000 Purchase Street

Purchase, NY 10577–2509

USA

A copy of the appeal must also be sent to:

MasterCard International, Incorporated

Vice President, Dispute Resolution Management

2200 MasterCard Boulevard

O'Fallon, MO 63368-7263

USA

5.8.3 Notice to Other Parties

A Customer must contemporaneously serve a copy of the notice of appeal upon all named parties in the dispute. Service on a party must be by a manner at least as expeditious as the manner used to file the notice of appeal with MasterCard. A Customer must submit proof of service certifying the date and manner of service and the names of persons served.

5.8.4 Filing Fee

Upon filing a notice of appeal, a Customer must pay MasterCard all required fees. MasterCard will assess a non-refundable USD 500 fee (or EUR 500 fee for intra-European and inter-European disputes) to consider and act on a request for review of an appeal.

5.8.5 Resolution of Appeal

When a Customer appeals an arbitration or compliance case decision, the Chief Franchise Integrity Officer may take such action as he or she deems necessary or appropriate or may elect not to act.

The Chief Franchise Integrity Officer may delegate authority to act or not to act with respect to any particular appeal matter or type of appeal matter. If the Chief Franchise Integrity Officer or his or her designee elects to conduct further inquiry into the matter, each Customer must cooperate promptly and fully. If the Chief Franchise Integrity Officer 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.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Chapter 6 Compliance Procedures

This chapter provides the procedures that customers must follow to file a dual and single message compliance case. It also provides examples to illustrate various compliance cases.

Overview 319
6.1 Time Frames 321
6.1.1 Inaccurate Clearing Data That Restricts Chargeback Cycles 322
6.1.1.1 Improper UCAF Data 323
6.1.1.2 Improper Identification of a Merchant as MasterCard *SecureCode*-enabled 323
6.1.1.3 Improper Chargeback Data 324
6.1.1.4 Filing a Counterfeit Goods Compliance Case 324
6.1.1.5 Documentation for a Counterfeit Goods Compliance Case 325
6.1.2 Fraud-related Documentation Requirement 325
6.1.3 Invalid Maestro Chargebacks 325
6.2 Processing a Pre-compliance Case 326
6.2.1 Submitting a Pre-compliance Case Using the MasterCom Pro Electronic Case Filing Application 326
6.2.2 Submitting a Pre-compliance Case Using the MasterCom Hosted (Read-only) Case Filing Application 327
6.3 Payment of Pre-compliance Case 328
6.3.1 Payment of Pre-compliance Processed Using the MasterCom Electronic Case Filing System or the Dispute Resolution Management Hub Site 328
6.4 Compliance Case Filing 328
6.4.1 MoneySend Payment Transactions 328
6.4.2 Filing a Compliance Case Using the MasterCom Pro Electronic Case Filing Application 329
6.4.3 Filing a Compliance Case through the MasterCom Hosted (Read-Only) Case Filing Application 329
6.5 MasterCard Review Process 330
6.6 Withdrawals or Acceptances 331
6.7 Fees and Assessments 332
6.8 Compliance Case Appeals 332
6.9 MasterCom Compliance Policy 332
6.10 Examples of Rules Violations 333
6.10.1 Failure to Compare Signatures (Chapter 3, MasterCard Cardholder Verification—PIN and Signature Requirements, *Transaction Processing Rules*) 333
6.10.2 Multiple TIDs and Partial Payment (Chapter 3, Multiple Transactions and Partial Payment, *Transaction Processing Rules*) 334

©1988–2015 MasterCard. Proprietary. All rights reserved.

6.10.3 Returned Merchandise, Adjustments, Credits, and Other Specific Terms of a Transaction (Chapter 3, Returned Products and Canceled Services, *Transaction Processing Rules*)....334
6.10.4 Acquirer's Obligation to Provide a Transaction Information Document (TID) (Chargeback Guide—Section 2.2)....334
6.11 Missing, Invalid, or Inaccurate Authorization Data....335
6.12 Discriminatory Practices....335

©1988–2015 MasterCard. Proprietary. All rights reserved.

Overview

The customer may file a compliance case when all of the following conditions have been met.

- A customer, whether directly or indirectly, has violated any of the *MasterCard Rules* or operating regulations.
- No chargeback reason code will remedy the violation.
- A customer sent a pre-compliance letter to the other customer a minimum of 30 calendar days before filing the case with MasterCard to give the customer an opportunity to correct the situation, and this effort was unsuccessful. The customer must send the pre-compliance correspondence, citing the specific technical violation as well as documenting the incurred or potential financial loss. The pre-compliance correspondence must be sent using the MasterCom Pro electronic case filing application or the Dispute Resolution Management case filing hub site. (The exceptions to these conditions are shown in the chart in section Time Frames.)
- The filing customer can document a financial loss because of the violation and not simply assert a violation as a basis for filing the case. In other words, the loss could have been avoided if the other customer or affiliate had followed the rules.
- The customer files the compliance case for the correct disputed amount in U.S. currency (USD), for intra-European and inter-European cases in Euros (EUR), UK-domestic cases in British Pounds (GBP), and Russian domestic cases in Rubles (RUB) with MasterCard within the applicable time frame.

In addition to the above:

Daily review of pre-compliance and compliance case filings in the MasterCom Case Filing application is the responsibility of the customer. The customer must verify its case submissions have been properly entered, and that case escalations, as well as other case actions (for example: acceptances, withdrawals, rebuttals) have been properly processed in the application. The customer must review cases filed both by and against the ICA.

Errors or omissions of a case submission must be reported to the DRM hub site as soon as possible (not to exceed 10 business days from submission date for missing cases) or entry (for accuracy issues). A case that is improperly submitted will be either declined for review or not entered by the DRM Hub site. The customer may resubmit the case after correcting the error if it is still within the applicable filing time frame.

A case involving an ATM or Maestro transaction submitted using MasterCom Pro must include a properly completed *Dispute Resolution Case Filing Form* (Form 682).

In cases where cardholder documentation is required, a signed cardholder letter or the *Expedited Billing Dispute Form—Precompliance/Compliance* (Form 1185), may support a compliance case. This form is not available for the following compliance case reasons:

- Failure to provide a TID: *Chargeback Guide*, section 2.2—Acquirer's Obligation to Provide a Transaction Information Document (TID)
- Failure to compare signatures, *Transaction Processing Rules*, Chapter 3—MasterCard Cardholder Verification—PIN and Signature Requirements

©1988–2015 MasterCard. Proprietary. All rights reserved.

An issuer may file a compliance case for cardholder disputes related to the cash back portion of an intracountry cash back with or without purchase transaction conducted in India or South Africa.

An issuer not located in the U.S. region may file a compliance case when the Brand-level Surcharge or Product-level Surcharge amount was not properly calculated, not permitted, not properly disclosed at the POI or on the TID, or not properly refunded by a merchant located in the United States region, American Samoa, Guam, Northern Mariana Islands, Puerto Rico or the U.S. Virgin Islands.

An issuer located in the U.S. region may file a compliance case when the Brand-level Surcharge or Product-level Surcharge amount was not properly calculated, not permitted, not properly disclosed at the POI or on the TID, or not properly refunded by a merchant located in American Samoa, Guam, Northern Mariana Islands, Puerto Rico, or the U.S. Virgin Islands.

NOTE: For information about the Brand-level Surcharge or Product-level Surcharge, refer to Rule 5.11.2, "Charges to Cardholders" in Chapter 15, "Additional U.S. Region and U.S. Territory Rules," of the *MasterCard Rules* manual.

An issuer may file a compliance case for a MasterCard® MoneySend™ Payment Transaction under the following circumstances:

- The recipient cardholder does not collect the funds within 30 calendar days of the authorization.
- The recipient cardholder's account is not valid.
- The recipient cardholder refuses to accept the funds or
- The issuer identifies anti-money laundering (AML) concerns after authorizing the MoneySend Payment Transaction.

An issuer or acquirer may file a compliance case to recover funds if the filed-against party has been unjustly enriched, to the detriment of the filing party. For example:

- An issuer may file a compliance case for unspent funds against an acquirer whose merchant deactivated a gift or prepaid card purchased fraudulently with a MasterCard card.
- An acquirer may file a compliance case against an issuer when the acquirer failed to second present and the merchant processed a refund for the same transaction.

©1988–2015 MasterCard. Proprietary. All rights reserved.

6.1 Time Frames

The following table shows the time frames for submitting compliance cases under the various categories.

Description	Time Frame
Issuer's obligation to provide the cardholder's written affidavit of fraud when required for legal reasons	Within 90 calendar days of the date on which the merchant notified the acquirer or the acquirer otherwise became aware that the cardholder letter is required for legal reasons.
Cases involving transactions where the Central Site Business Date is considered the date of violation	Within 180 calendar days of the Central Site Business Date of the transaction
Acquirer's obligation to provide the transaction information document (TID)	Within 180 calendar days of the Central Site Business Date of the electronic retrieval request
Customer's failure to list a merchant on the MasterCard MATCH™ system	Within 180 calendar days of the date of the violation or, if beyond 180 calendar days, 45 calendar days from the date the violation was, or should have been, detected Refer to Chapter 11 of the *Security Rules and Procedures* manual for more information about the MATCH™ system.
Improper return and submission of a Fee Collection/1740 message	Within 45 calendar days of the final resubmission. A pre-compliance letter is not required.
MasterCom Image Review decision	Within 45 calendar days of the decision date A pre-compliance letter is not required.
Violations initially addressed using a message reason code where the violation is not detected until after the normal compliance time frame has elapsed	Within 45 calendar days from the date the issuer knew, or should have known, that no message reason code would remedy the violation A pre-compliance letter is required.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Description	Time Frame
With the exception of section Improper Identification of a Merchant as MasterCard *SecureCode*-enabled, violations of any section of Inaccurate Clearing Data That Restricts Chargeback Cycles for inaccurate clearing data restricting a chargeback or second presentment	For an issuer, the time frame established for first chargebacks under the applicable message reason code or, if the issuer's chargeback was rejected because of inaccurate clearing data, the greater of • The first chargeback time frame • 45 calendar days from the date that the chargeback was rejected For an acquirer, 45 calendar days from the date that the second presentment was rejected. A pre-compliance letter is not required.
Cases involving a MoneySend Payment Transaction	Within 45 calendar days: • Of the authorization of the MoneySend Payment Transaction, in cases where the recipient cardholder account is not valid, or in cases in which the receiving issuer identifies AML concerns after the authorization; or • Following the 30-day period in which the cardholder did not collect the funds; or • Of the date the cardholder refused the funds.
All other cases	Within 180 calendar days of the violation

6.1.1 Inaccurate Clearing Data That Restricts Chargeback Cycles

An issuer or acquirer may file a compliance case when the clearing data presented in the First Presentment/1240 message or any subsequent chargeback cycle was inaccurate, causing a valid chargeback cycle (first chargeback, second presentment, or arbitration chargeback) to be rejected or unprocessed.

As used herein, "inaccurate" means data that does not accurately reflect the conditions that were present at the point of interaction at the time a transaction occurred or that does not match data provided in the original presentment. The issuer or acquirer must document, to the satisfaction of MasterCard, that the chargeback cycle would have been valid had the clearing data been accurate and that the filing is not based solely on missing, inaccurate, or improper data. As with any other compliance case filing, a customer may not file a compliance case if a dispute right exists and the chargeback cycle has been or could be processed without a rejection.

Documentation requirements to support a compliance case filing for sections Improper UCAF Data and Improper Identification of a Merchant as MasterCard *SecureCode*-enabled will be dependent on the data causing the chargeback to reject in the MasterCard clearing system. Refer to the following sections to identify the documentation required for the dispute.

©1988–2015 MasterCard. Proprietary. All rights reserved.

6.1.1.1 Improper UCAF Data

This section refers only to chargebacks qualifying for message reason codes.

- **4837**—No Cardholder Authorization
- **4863**—Cardholder Does Not Recognize—Potential Fraud
- **4849**—Questionable Merchant Activity (full UCAF data only)

Documentation to support this compliance case must include, but is not limited to, the following:

- An issuer's letter detailing the valid chargeback right that existed and showing either the GCMS rejection or identification of the data elements alleged to be incorrectly processed, restricting the use of the chargeback.
- A cardholder letter to support the restricted chargeback, if applicable.
- The authorization date, authorized amount and response code for the transaction associated with this compliance filing (authorization logs are not required as only authorizations occurring within the MasterCard Network will be considered for this compliance.)
- The Central Site Business Date of the First Presentment/1240 message for the transaction being disputed.

NOTE:

All decisions about clearing data integrity compliance cases are final and may not be appealed to the Corporate Secretary.

6.1.1.2 Improper Identification of a Merchant as MasterCard *SecureCode*-enabled

This section refers only to chargebacks qualifying for message reason codes.

- **4837**—No Cardholder Authorization
- **4863**—Cardholder Does Not Recognize—Potential Fraud

NOTE:

The time frame for submitting a compliance case under section 6.1.1.2 is 180 calendar days from the Central Site Business Date of the oldest transaction in the compliance case. A pre-compliance letter is required.

This section refers to situations in which an issuer provides documentation to support its claim that a merchant is improperly identified in authorization messages and clearing records as MasterCard® *SecureCode*™-enabled, and that as a result of the misidentification, otherwise valid chargebacks for message reason code 4837 or 4863 could not be processed.

At a minimum, documentation to support this compliance case must include all of the following:

- An issuer's letter detailing the valid chargeback right that existed and showing either the GCMS reject or identification of the data elements alleged to be incorrectly processed, restricting the use of the chargeback

©1988–2015 MasterCard. Proprietary. All rights reserved.

- A cardholder letter to support the restricted chargeback, if applicable
- Sufficient information to locate the authorization message associated with the compliance filing (Authorization logs are not required as only authorizations occurring within the MasterCard Network will be considered for this compliance.)
- Sufficient information to locate the clearing message associated with the compliance filing

In addition to the above documentation, the issuer also must present documentation clearly establishing its claim that the merchant was not using MasterCard *SecureCode* technology or was not properly registered with MasterCard *SecureCode*. The compliance filing citing the alleged violation may not be based on a single occurrence. The case filing must establish a pattern, to the satisfaction of MasterCard, that the merchant was not using MasterCard *SecureCode* technology or was not properly registered with MasterCard *SecureCode* for all its transactions during the alleged period. Suggested documentation includes (but is not limited to) one or more of the following:

- Screenprints from a MasterCard *SecureCode* transaction originated by the issuer verifying that the merchant did not provide a MasterCard *SecureCode* pop-up during payment
- A letter or other documentation from the acquirer or merchant confirming that MasterCard *SecureCode* is not being used
- Other sufficient documentation that corroborates the compliance case that the merchant was not MasterCard *SecureCode*-enabled at the time of multiple disputed transactions

Upon receipt of the pre-compliance letter, the acquirer or merchant must be able to

- Document that fully-enabled MasterCard *SecureCode* transactions occurred within the time period detailed by the issuer and that the merchant remains MasterCard *SecureCode*-enabled, or
- Provide documentation from a vendor or MasterCard *SecureCode* provider verifying that the merchant was MasterCard *SecureCode*-enabled during the time period of the transactions and remains MasterCard *SecureCode*-enabled

6.1.1.3 Improper Chargeback Data

An acquirer may file a compliance case when improper data provided in the First Chargeback/1442 message causes the acquirer's second presentment to reject in the MasterCard clearing system.

The acquirer must specify the data elements causing the reject and provide the valid values as submitted in the First Presentment/1240 message. The acquirer must also provide a valid remedy to the chargeback, as set forth in the applicable message reason code in Chapter 3, MasterCard Message Reason Codes—Dual Message System Transactions.

6.1.1.4 Filing a Counterfeit Goods Compliance Case

A customer may file a compliance case if it believes that another customer has violated any section of the Rules for which there is no remedy via the chargeback processing cycles, and if it has suffered a financial loss as a direct result of this rule violation.

If such a situation occurs, the customer must either present the case to the Dispute Resolution Management Department within the relevant time limit, or accept the loss.

©1988–2015 MasterCard. Proprietary. All rights reserved.

6.1.1.5 Documentation for a Counterfeit Goods Compliance Case

The issuer's documentation must include all of the following.

1. Details regarding the nature of the dispute, including a description of why the Cardholder believes that the goods are counterfeit and an explanation of the Cardholder's disposition of the goods. Examples of a Cardholder's disposition of the goods include the following:
   a. The goods are in the possession of a governmental agency, such as customs;
   b. The goods are in the possession of the Cardholder
   c. The Cardholder discarded the goods;
   d. The Cardholder returned the goods to the merchant.
2. One of the following:
   a. Documentation provided by a person purporting to be the owner or authorized representative of the owner of intellectual property rights for the goods purported to be counterfeit (which documentation may be available from a Web site) substantiating that the goods purchased are counterfeit; or
   b. Documentation substantiating that the merchant that sold the purported counterfeit goods was closed by a governmental agency for selling counterfeit goods now purported by the compliance case to be counterfeit; or
   c. Documentation from a bona fide expert substantiating that the disputed goods are counterfeit, which documentation is on the expert's letterhead or validated by other information demonstrating that the opinion expressed is that of an expert.

   To respond successfully to the counterfeit goods compliance case filing, the acquirer must provide documentation that the goods were not counterfeit.

If such a situation occurs, the customer must either present the case to the Dispute Resolution Management Department within the relevant time limit, or accept the loss.

6.1.2 Fraud-related Documentation Requirement

An acquirer may use a pre-compliance letter to request that an issuer provide the cardholder's written affidavit of fraud in response to a judicial request, law enforcement investigation, or other legal action, or as required by applicable law or regulation. If the issuer fails to provide the requested documentation, the acquirer may file a compliance case citing a violation of section 1.15, Supporting Documentation.

Documentation to support this compliance case must include evidence (such as a court order or subpoena) or the acquirer's certification as to the legal reason for which the Cardholder's written affidavit of fraud is required.

6.1.3 Invalid Maestro Chargebacks

An issuer must not submit a chargeback of a Maestro transaction if:

- With respect to an ATM transaction, the issuer is currently listed in the *Global Security Bulletin* as ineligible to participate in the Global Chip Liability Shift Program for interregional Maestro ATM transactions.
- The issuer is currently listed in the *Global Security Bulletin* as limited to seven chargebacks for reason code 70, 74, 4837, or 4870 involving the same Maestro card account (for this

©1988–2015 MasterCard. Proprietary. All rights reserved.

purpose, "account" means PAN, or PAN and expiration date), and the issuer has already met or exceeded this amount for the account in question.

An acquirer that receives an invalid Maestro chargeback from a listed issuer may choose to direct file a compliance case without sending a pre-compliance letter to the issuer, as an alternative to representing the chargeback. The issuer is not permitted to further dispute any such representment or direct file compliance case.

6.2 Processing a Pre-compliance Case

The procedures for processing a pre-compliance case are described in the following sections.

Every submitted pre-compliance case must include all pertinent documentation to support the violation, as well as proof of financial loss.

MasterCom Pro Users: Refer to the *MasterCom Pro Users Guide* available on MasterCard Connect for case filing procedures for single and dual message transactions.

MasterCom Hosted Users: Refer to the *MasterCom Hosted Guide* available on MasterCard Connect for case filing procedures for single and dual message transactions.

Every submitted MoneySend™ Payment Transaction pre-compliance case must include all pertinent documentation to support the pre-compliance case.

6.2.1 Submitting a Pre-compliance Case Using the MasterCom Pro Electronic Case Filing Application

Customers must have access to the MasterCom system and the MasterCom Pro case filing application to process a pre-compliance item electronically. The filing customer must submit the pre-compliance case using the MasterCom case filing application available through MasterCard Connect™.

The filing customer must scan in all pertinent documentation to support the rule violation and the resulting financial loss and should type any comments or information concerning the case in the memo fields on the screen. The system will send the pre-compliance case to MasterCard and the filed-against customer. A filed-against customer will receive the case online through the case filing application.

Within 30 days, if the filed-against customer uses the MasterCom Pro case filing software, the filed-against customer will review the transaction information and associated documents and will either accept or reject (decline) the pre-compliance case online using the software.

If the filed-against customer uses the MasterCom Hosted (read-only) case filing application, it must complete and submit the applicable form printed from the case filing application to either accept or reject (decline) the case. The printed completed form as well as any supporting documentation must be either faxed or emailed within 25 days of receipt of the case to the DRM hub site.

©1988–2015 MasterCard. Proprietary. All rights reserved.

6.2.2 Submitting a Pre-compliance Case Using the MasterCom Hosted (Read-only) Case Filing Application

Issuers and acquirers with access to the MasterCom Hosted (read-only) Case Filing Application may view cases online but must submit a pre-compliance case using the Dispute Resolution Management (DRM) hub site.

A customer must file a case by pressing the "Create Case" button, completing the form that appears. The customer must fax or email the completed form and supporting case documentation as a single fax or file to the Dispute Resolution Management (DRM) case filing hub site. When emailing, password protect the file attached to the email. When the file is password protected, the issuer must provide the password for the file in a second email. The subject line is used to link the two emails. The fax or email date received date will be considered the filing date. Refer to the *MasterCom Hosted Guide* available on MasterCard Connect for case filing procedures.

The filing customer must submit the case via fax at 1-636-722-7215 or password protected email to case_entry@mastercard.com and will include the following:

- A properly completed *Dispute Resolution Case Filing Form* (Form 682) citing the rule violation and all pertinent documentation to support the violation and resulting financial loss.

Upon receipt of the case submission, if properly completed, MasterCard will:

- Scan the pre-compliance case into the case filing application.
- An issuer or acquirer may view the case online through the MasterCom case filing application.
- The filing customer is responsible to review all data for accuracy and must notify the Dispute Resolution Management hub site immediately in case of a discrepancy. The case will be entered using the information on the case filing form. The case will not be entered and it will be returned to the customer if the information is incomplete or incorrect. The customer may resubmit after correcting the error if it is still within the applicable filing time frame. Errors or omissions of a case submission must be reported to the DRM hub site as soon as possible (not to exceed 10 business days from submission date for missing cases) or entry (for accuracy issues).

Within 30 days, if the filed-against customer uses the MasterCom Pro case filing application, the filed-against customer will review the transaction information and associated documents and will either accept or reject (decline) the pre-compliance item online using the case filing application. If the filed-against customer uses the MasterCom Hosted (read-only) case filing application it must complete and submit the applicable form printed from the case filing application to either accept or reject (decline) the case. The printed completed form as well as any supporting documents must be either faxed or emailed within 25 days to the DRM Hub site. The customer must allow processing time and the case will be updated for verification.

©1988–2015 MasterCard. Proprietary. All rights reserved.

6.3 Payment of Pre-compliance Case

The procedures for payment of a pre-compliance case are described in the following sections.

6.3.1 Payment of Pre-compliance Processed Using the MasterCom Electronic Case Filing System or the Dispute Resolution Management Hub Site

MasterCard will automatically move funds for accepted pre-compliance cases submitted through the MasterCom Electronic Case Filing system or the Dispute Resolution Management (DRM) case filing hub site.

Customers should no longer generate a Global Clearing Management System (GCMS) Fee Collection/1740 message to exchange debits and credits resulting from pre-compliance disputes accepted by the receiving customer.

MasterCard will generate a Global Clearing Management System (GCMS) "On-Behalf" Fee Collection/1740 message using message reason code 7800 for the disputed amount to exchange the debits and credits for the pre-compliance dispute if the item is accepted by the receiving customer. Any other fees associated with the case will be processed using the MasterCard Consolidated Billing System (MCBS) as a billing event.

6.4 Compliance Case Filing

If the rule violation cited requires a pre-compliance case, and the pre-compliance case was unable to resolve the dispute between the sender and receiver, or the MoneySend Payment Transaction pre-compliance case was unable to resolve the dispute between the sender and receiver the sender may escalate the pre-compliance case to compliance case status.

MasterCom Pro Users: Refer to the *MasterCom Pro Users Guide* available on MasterCard Connect for case filing procedures to escalate a pre-compliance case.

MasterCom Hosted Users: Refer to the *MasterCom Hosted Guide* available on MasterCard Connect for case filing procedures to escalate a pre-compliance case.

Certain rule violations are permitted to bypass the pre-compliance stage and may be filed directly by the sender. Refer to Time Frames for the applicable time frames.

NOTE:

Every submitted compliance case must include all pertinent documentation to support the violation, as well as proof of financial loss.

6.4.1 MoneySend Payment Transactions

The issuer may file the compliance case no earlier than two Central Site business days and no later than 45 calendar days after approval of the MoneySend Payment Transaction authorization request, if the issuer does not receive a clearing record within one Central Site business day of the authorization approval date. A Central Site business day is any day on

©1988–2015 MasterCard. Proprietary. All rights reserved.

which GCMS processes clearing data, as set forth in "Processing and Delivery of Clearing Files" in Chapter 2 of the *GCMS Reference Manual*.

The pre-compliance documentation must include:

- The authorization request approval date; and
- The transaction amount indicated in the authorization request message.

An amount of up to four percent of the transaction amount may also be included, in common currency (USD, Euro, or Pound Sterling), to compensate the issuer for the expense of advancing funds to the cardholder.

If the pre-compliance case is in the MasterCom Electronic Case Filing Application, and the filed-against customer uses the MasterCom Pro Case Filing Application, the filed-against customer must accept or reject the pre-compliance case within 10 calendar days of the application.

If the filed-against customer uses the MasterCom Hosted (read-only) Case Filing Application, the customer must complete and submit the applicable form printed from the case filing application to either accept or reject (decline) the case. The printed completed form as well as any supporting documents must be either faxed or emailed within 10 days to the DRM Hub site. The customer must allow processing time and the case will be updated for verification.

6.4.2 Filing a Compliance Case Using the MasterCom Pro Electronic Case Filing Application

Customers must have access to the MasterCom system and the case filing application to file cases electronically. The filing customer should submit the compliance case filing using the case filing application available through MasterCard Connect™.

After the pre-compliance case has been rejected by the filed-against customer, or if after 30 days the system automatically rejected the item, the filing customer may submit the item as a compliance case by selecting **Escalate** on the case filing screen. The system will send the compliance case to MasterCard and to the filed-against customer for review through the case filing application.

6.4.3 Filing a Compliance Case through the MasterCom Hosted (Read-Only) Case Filing Application

Issuers and acquirers with access to the MasterCom Hosted (read-only) Case Filing Application may escalate a previously submitted pre-compliance case or when applicable, direct file a compliance case using the DRM Hub Site.

After the pre-compliance case has been rejected by the filed-against customer, or if after 30 days the Case Filing Application automatically rejected the item, the filing customer may choose to escalate the item as a compliance case (see Time Frames).

To submit a direct file compliance case using the DRM hub site, the filing customer must submit the case via fax at 1-636-722-7215 or password protected email at case_entry@mastercard.com. The fax or email date will be considered the filing date. Documentation will include:

©1988–2015 MasterCard. Proprietary. All rights reserved.

- A properly completed *Dispute Resolution Case Filing Form* (Form 682)
- A narrative description of the dispute, indicating the sequence of events in chronological order
- Any supporting documents necessary to file the case

Upon receipt of the fax or email, MasterCard will:

- Scan the case filing into the case filing application.
- Provide notification of the case filing to the filing and filed against parties via the case filing applications.
- The filing customer is responsible to review all data for accuracy and must notify the Dispute Resolution Management hub site immediately in case of a discrepancy.

See Time Frames.

6.5 MasterCard Review Process

When MasterCard receives a compliance case, it will notify the customers involved in the case.

Customers will receive the notification through the MasterCom Case Filing application.

MasterCard must receive any rebuttal or additional information concerning the case within the applicable waiting period of the case filing. MasterCard will not rule on the case until after the waiting period has elapsed, unless the filed-against customer advises MasterCard that it does not want to accept responsibility for the disputed amount. A customer using the MasterCom Pro electronic case filing application must respond, if needed, within 10 calendar days using the case filing application. A customer that has access to the MasterCom Hosted (read-only) case filing application must fax or email its response, if needed. The customer must complete and submit the applicable form printed from the case filing application to either accept or reject (decline) the case. The printed completed form as well as any supporting documents must be either faxed or emailed within eight days to the DRM Hub site. The customer must allow processing time and the case will be updated for verification.

MasterCard will then review the documentation and will decide whether it can accept the case for ruling. MasterCard will decline a compliance case if the filing customer did not follow all filing requirements, including the following reasons:

- The case has insufficient documentation to enable MasterCard to rule on the case.
- The customer did not make a pre-compliance effort in a timely manner. The customer filed the case beyond the appropriate filing period. (Refer to Time Frames for details.)
- The documentation supplied is not in English or is not accompanied by an English translation.
- The customer improperly filed the case. This includes, but is not limited to, filing a case against an incorrect customer, filing for an incorrect amount, or submitting one case with multiple unrelated chargebacks. For example, different cardholders, merchants, or message reason codes.

©1988–2015 MasterCard. Proprietary. All rights reserved.

NOTE:

Cases declined for any of the above reasons will be subject to a debit of the USD 150 filing fee and all other applicable fees.

If MasterCard accepts a case for review, each party will be given the opportunity to submit any documentation that it feels is appropriate for consideration.

The customer must send any additional documentation, including the case number assigned to the case, to MasterCard within the applicable time frame.

All customers that have cases filed against them must immediately review the documentation to ensure that all the information is correct and complete. The lack of written or electronic notification to the contrary will constitute acceptance by the filed-against customer to proceed with the ruling process.

MasterCard will issue a ruling and notify all parties following the conclusion of its investigation. Customers with access to the MasterCom Pro or Hosted case filing application may review the decision online.

Refer to Fees and Assessments for fee collection or payment information.

6.6 Withdrawals or Acceptances

A customer that requests to withdraw or accept the case before MasterCard issues a ruling may be found responsible for the filing fee.

MasterCard will process the funds for the filing fee and withdrawal fee for the compliance case filing to the appropriate customers as billing events through MCBS. MasterCard will generate GCMS "On-Behalf" Fee Collection/1740 messages using message reason code 7800 to debit and credit the disputed amount to the appropriate customers.

A customer using the case filing application that wants to withdraw or accept the case before a ruling must withdraw or accept the case using the case filing application. A customer that has access to the MasterCom Hosted case filing application and wants to withdraw or accept a case before a ruling must print and complete the applicable form from the application. It must fax or email the acceptance or withdrawal request to the DRM hub site.

NOTE:

MasterCard may assess applicable technical assessments and other applicable fees against either customer involved in the compliance filing, even if the case is withdrawn.

©1988–2015 MasterCard. Proprietary. All rights reserved.

6.7 Fees and Assessments

When MasterCard issues a ruling on a compliance case, it will notify all parties.

When MasterCard issues a ruling on a compliance case, it will notify all parties and assess a USD 250 (EUR 250[6]) administrative fee against the customer found responsible for the case. The customer that loses the case also is responsible for the USD 150 (EUR 150) filing fee.

MasterCard will assess the filing fee, administrative fee, and any applicable technical fines or fees for the case through MCBS as billing events.

If MasterCard rules for the filing customer, MasterCard will credit the disputed amount to the filing customer and will debit the disputed amount to the filed-against customer as GCMS "On-Behalf" Fee Collection/1740 messages using message reason code 7800.

Refer to the *MasterCom Pro User Guide* or the *MasterCom Hosted Guide* for information about the fees related to MasterCom case filing processing.

6.8 Compliance Case Appeals

Refer to Arbitration or Compliance Case Appeals for standard requirements and procedures.

NOTE:

Compliance decisions are final and binding for cases in which data integrity of the Authorization Request/0100 message data elements is the basis for filing a case. Customers may not appeal such decisions to the Corporate Secretary.

6.9 MasterCom Compliance Policy

MasterCard compliance procedures apply to all MasterCom Image Review transactions. The customer must follow these procedures to file a compliance case involving a MasterCom Image Review decision.

- Before a customer considers filing a compliance case, it must first submit evidence that a financial loss did occur or will occur as a result of the MasterCom Image Review decision. The customer cannot cite the MasterCom Image Review decision itself as the sole reason for considering compliance proceedings.
- The customer must file any case involving a MasterCom Image Review decision or dispute within 45 calendar days from the decision date.
- If the case is filed by the DRM hub site, it must be signed by the principal contact, the compliance contact, or the authorized signer as designated by the principal contact.

[6] EUR amounts apply to intra-European and inter-European cases only.

©1988–2015 MasterCard. Proprietary. All rights reserved.

- A customer having access to the case filing application should submit the case and supporting documentation using the case filing application. A customer not having access to the case filing application may submit the case and supporting documentation to the DRM case filing hub site at 1-636-722-7215.

Customers should direct any questions or comments regarding MasterCom Image Review or excessive rejects to MasterCom Customer Support.

6.10 Examples of Rules Violations

This section briefly describes compliance filing requirements for specific MasterCard rules violations.

6.10.1 Failure to Compare Signatures (Chapter 3, MasterCard Cardholder Verification—PIN and Signature Requirements, *Transaction Processing Rules*)

Before filing a compliance case citing a violation of Chapter 3, MasterCard Cardholder Verification—PIN and Signature Requirements, *Transaction Processing Rules*, all of the following criteria must have been satisfied and all of the following documentation must be provided with the case.

- The card must have been reported lost or stolen to the issuer. (The customer must supply a copy of an affidavit or cardholder letter to support the issuer's loss.)
- The issuer must have recovered the cards that was reported lost or stolen. If more than one card was issued to the account, the issuer must have recovered all cards. If only one card was issued, the issuer must state that in the supporting documentation. All cards do not have to be recovered and presented if a unique identifying character is embossed on the card in question and was imprinted on the slip.
- The customer must include legible copies of both the front and back of the cards and legible copies of the slips in question as part of the documentation with the case.
- The signature panel on the card must be intact without any indication of an attempt to alter it.
- The signature on the slip and the signature on the card do not appear to match. For example, the signature would not match if the signature panel is signed "Jan H. Hanley" and the sales slip is signed "Bob Hanley" or "F. Hanley." The signature would be acceptable if signed "Jan H. Hanley," "J.H. Hanley," or "Jan Hanley." In addition, the signature would be acceptable if a title such as Mr., Mrs., or Dr., is missing or is included.
- No complaint citing a violation of Chapter 3, MasterCard Cardholder Verification—PIN and Signature Requirements, *Transaction Processing Rules*, may be filed for any transaction in which a personal identification number (PIN) has been presented in the authorization message or validated offline by an integrated circuit card (ICC).

©1988–2015 MasterCard. Proprietary. All rights reserved.

6.10.2 Multiple TIDs and Partial Payment (Chapter 3, Multiple Transactions and Partial Payment, *Transaction Processing Rules*)

Cases involving these types of violations should include sufficient evidence to establish that the merchant circumvented the proper authorization or processing procedure at the point of interaction.

For example, the customer should include the following:

- Authorization logs and copies of TIDs clearly showing that the merchant did not properly authorize the transaction.
- Proof that the merchant split into multiple transactions the cost of goods or services that should have been on one TID.

The case also should include proof that the customer incurred a financial loss because of this improper procedure.

6.10.3 Returned Merchandise, Adjustments, Credits, and Other Specific Terms of a Transaction (Chapter 3, Returned Products and Canceled Services, *Transaction Processing Rules*)

These rules include the proper disclosure of a merchant's return policy and any special terms for the transaction (such as late delivery charges, final sale, in-store credit, custom order, and restocking fees).

When a chargeback right is not available, cases involving these types of violations should include any related documentation to support the dispute. For example, cases involving a credit not being processed should include, in addition to any other pertinent documentation, a cardholder letter explaining that he or she returned the goods or canceled the services, but the merchant failed to process a credit properly in accordance with the rules, and as a result, a financial loss occurred.

6.10.4 Acquirer's Obligation to Provide a Transaction Information Document (TID) (Chargeback Guide—Section 2.2)

Documentation should include retrieval request information, other pertinent documentation, and sufficient documentation to prove a financial loss occurred because the acquirer failed to provide the TID.

For example:

- The issuer supplied a judicial request for the TID to substantiate the collection of a debt.
- The issuer supplied a copy of the national law (and a translation if needed) requiring the issuer to provide a copy of the transaction receipt to the cardholder upon request, along with the cardholder letter containing the request.

©1988–2015 MasterCard. Proprietary. All rights reserved.

6.11 Missing, Invalid, or Inaccurate Authorization Data

A customer may file a compliance case when one or more of the mandatory data elements in the Authorization Request/0100 message are missing.

Additionally, the customer may file a case if any of the mandatory or optional data elements supplied in the authorization message are invalid or inaccurate and, as a result, the issuer incurred a financial loss.

The issuer must prove, to the satisfaction of MasterCard, that it would not have suffered the financial loss had the mandatory authorization data been present, valid, and accurate and that the filing was not based solely on the data being missing, invalid, or inaccurate.

As with any compliance case filings, a customer may not file a compliance case if a chargeback remedy is available.

The issuer must include, but is not limited to, the following documentation:

- The specific authorization data asserted to be missing, invalid, or inaccurate
- Documentation to confirm that the authorization data, as received, misrepresented the nature of the transaction
- Substantiation of why the missing, invalid, or inaccurate authorization data resulted in the transaction being authorized, and why the transaction would not have been authorized if complete, valid, and accurate data had been received

NOTE:

Compliance decisions are final and binding for authorization data integrity cases and the customer may not appeal such decisions to the Corporate Secretary.

6.12 Discriminatory Practices

The following examples are some of the violations that are categorized as Discriminatory Practices.

5.8.4—Additional Cardholder Identification	When a merchant asks for additional information from a cardholder not necessary to complete the transaction (such as name, address, phone number, or additional identification)
5.11.2—Charges to Cardholders	Surcharges (For example, a merchant adds a fee to the purchase price when a MasterCard card is used for payment.)

©1988–2015 MasterCard. Proprietary. All rights reserved.

5.11.3—Minimum/ Maximum Transaction Amount Prohibited	Transaction minimums and maximums (For example, a merchant states that it will not accept a MasterCard card for payment for less than or greater than a certain amount.)

©1988–2015 MasterCard. Proprietary. All rights reserved.

Appendix A Chargebacks—MasterCard Europe ATM Transactions (MasterCard, Maestro, and Cirrus)

This appendix contains the rules and procedures for processing interregional, inter-European, and intra-European MasterCard, Maestro, and Cirrus and PIN-based in-branch terminal exception transactions. ***The information contained in this appendix is only used by Europe region issuers and acquirers.***

Overview..... 339
A.1 Clearing..... 339
A.2 Processing Cycles..... 339
A.2.1 Processing Cycle for ATM Transactions..... 339
A.2.2 Presentment..... 340
A.2.2.1 Reversals..... 340
A.2.3 Chargebacks and Second Presentments..... 341
A.2.3.1 Chargebacks..... 341
A.2.3.2 Second Presentment..... 341
A.2.3.3 Intra-European Dispute Administration Fee (ATM)..... 342
A.2.4 Chip Transactions..... 343
A.3 Message Reason Codes..... 343
A.3.1 Message Reason Code 4804—Multiple Processing..... 344
A.3.1.1 Proper Use of Message Reason Code 4804..... 344
A.3.1.2 Improper Use of Second Presentment..... 344
A.3.2 Message Reason Code 4808—Transaction Not Authorized..... 344
A.3.2.1 Proper Use of Message Reason Code 4808..... 344
A.3.2.2 Proper Use for Issuer's First Chargeback..... 345
A.3.2.3 Proper Use for Acquirer's Second Presentment..... 345
A.3.3 Message Reason Code 4809—Transaction Not Reconciled..... 346
A.3.3.1 Proper Use of Message Reason Code 4809..... 346
A.3.3.2 Improper Use of Acquirer's Second Presentment..... 347
A.3.4 Message Reason Code 4811—Stale Transaction..... 347
A.3.4.1 Proper Use of Message Reason Code 4811..... 347
A.3.4.2 Improper Use of Acquirer's Second Presentment..... 347
A.3.5 Message Reason Code 4834—Duplicate Processing of Transaction..... 347
A.3.5.1 Proper Use of Message Reason Code 4834..... 347
A.3.5.2 Proper Use for Issuer's First Chargeback..... 347
A.3.5.3 Proper Use for Acquirer's Second Presentment..... 348

©1988–2015 MasterCard. Proprietary. All rights reserved.

A.3.6 Message Reason Code 4842—Late Presentment....350
A.3.6.1 Proper Use of Message Reason Code 4842....350
A.3.6.2 Proper Use for Issuer's First Chargeback....350
A.3.6.3 Improper Use for Issuer's First Chargeback....350
A.3.6.4 Proper Use for Acquirer's Second Presentment....350
A.3.7 Message Reason Code 4846—Currency Errors....351
A.3.7.1 Proper Use of Message Reason Code 4846....351
A.3.7.2 Proper Use for Issuer's First Chargeback....351
A.3.7.3 Proper Use for Acquirer's Second Presentment....352
A.3.7.4 Improper Use for Acquirer's Second Presentment....353
A.3.7.5 Proper Use for New Presentments....353
A.3.8 Message Reason Code 4859—ATM Dispute....353
A.3.8.1 Proper Use of Message Reason Code 4859....353
A.3.8.2 Proper Use for Issuer's First Chargeback....353
A.3.8.3 Proper Use For Acquirer's Second Presentment....354
A.3.9 Message Reason Code 4870—Chip Liability Shift....356
A.3.9.1 Proper Use of Message Reason Code 4870....356
A.3.9.2 Improper Use of Message Reason Code 4870....357
A.3.9.3 Proper Use for Issuer's First Chargeback....358
A.3.9.4 Proper Use for Acquirer's Second Presentment....358
A.3.10 Message Reason Code 4880—Late Presentment....361
A.3.10.1 Proper Use of Intra-European or Inter-European Message Reason Code 4880....361
A.3.10.2 Improper Use for Issuer's First Chargeback....361
A.3.10.3 Proper Use for Acquirer's Second Presentment....361
A.4 Settlement of Disputes....361
A.4.1 When to File an Arbitration Case....361
A.4.2 When to File a Compliance Case....362
A.4.2.1 Example of a Compliance Case for Missing, Invalid, or Inaccurate Authorization Data....362
A.4.3 Time Frames for Filing....363
A.4.4 Arbitration Filing Procedures....363
A.4.5 Compliance Filing Procedures....363
A.4.5.1 Intra-European and Inter-European Filing Procedures....363
A.4.5.2 Interregional Compliance Filing Procedures....364
A.4.5.3 Compliance Review Procedure....364
A.4.5.4 Non-acceptance of a Case....365
A.4.5.5 Withdrawal of a Case....365
A.4.5.6 Compliance Fees....365
A.4.6 Compliance Case Appeals....365

©1988–2015 MasterCard. Proprietary. All rights reserved.

Overview

This appendix contains the rules and procedures for processing both interregional and intra-European MasterCard, Maestro, and Cirrus ATM and PIN-based in-branch terminal exception transactions.

A.1 Clearing

All MasterCard Europe customers holding MasterCard, Maestro, and Cirrus licenses (participants) must use and comply with the Integrated Product Message (IPM) format and support the full clearing cycle.

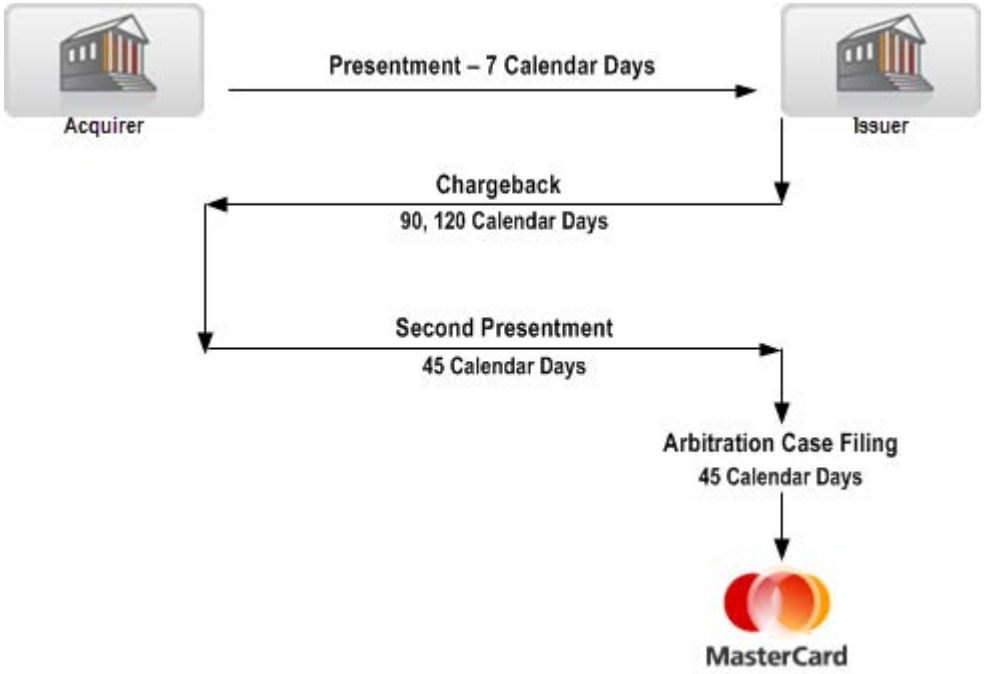
A.2 Processing Cycles

The following sections contain information about the Processing Cycles.

A.2.1 Processing Cycle for ATM Transactions

This image presents the Exception processing cycle for ATM transactions.

Exception Processing Cycle for ATM Transactions



©1988–2015 MasterCard. Proprietary. All rights reserved.

Processing Cycle	Time Frame
Presentment	The acquirer must send the presentment within seven calendar days of the transaction date.
Chargeback	A chargeback for reason code 4870 (Chip Liability Shift) for a Maestro ATM transaction must be submitted within 90 calendar days from the settlement date or central site processing date of the disputed transaction. All other chargebacks must be submitted within 120 calendar days.
Second Presentment	The acquirer must send the second presentment within 45 calendar days of the Central Site Business Date of the chargeback.
Arbitration Case	The issuer must submit the Arbitration Case to MasterCard within 45 calendar days of the second presentment Central Site Business Date.

A.2.2 Presentment

A transaction taking place at the ATM or PIN-based in-branch terminal is presented to the issuer electronically using Global Clearing Management System (GCMS).

Interregional transactions made outside Europe with European cards will be presented to Europe issuers by the MasterCard Single Message System using GCMS in USD.

The clearing presentment should be created by the acquirer as soon as possible and sent within seven calendar days of the transaction date. Transactions that are not presented within this time frame may be subject to chargebacks under message reason code 4842 (Late Presentment), 4880 (Late Presentment) for Maestro ATM transactions,or 4811 (Stale Transactions).

For all transactions presented between 46 calendar days and one year from the transaction date, the acquirer will be charged a fee that will be transferred in full to the issuer.

A.2.2.1 Reversals

Whenever an acquirer identifies a partially completed transaction, or a not-completed transaction or an error in the presentment of a transaction, it must process a reversal covered by a Financial Message Reversal.

This can be a reversal for the transaction amount of the presentment (full reversal) or for a partial amount (partial reversal). This procedure must be used when a full or partial reversal in the authorization flow was received after presentment of the transaction. There is no time limit for the acquirer to issue a reversal.

Presentment must be for the full amount of the original transaction, in the currency of the original transaction, and may be altered only by a full or partial reversal:

- **A full reversal:** If a previously authorized transaction is fully reversed (for example, valid authorization request and response, and the corresponding reversal request and response messages are received) within the same clearing cycle, the transaction shall not appear in the clearing file.

©1988–2015 MasterCard. Proprietary. All rights reserved.

- **A partial reversal:** If a previously authorized transaction is partially reversed (for example, valid authorization request and response, and the corresponding reversal request and response messages are received) within the same clearing cycle, the transaction shall appear in the clearing file with the corrected transaction amount.

A.2.3 Chargebacks and Second Presentments

The following sections contain information about chargebacks and second presentments.

A.2.3.1 Chargebacks

A chargeback may be initiated if the issuer determines that the transaction was presented in violation of the Rules and that a specific reason is available.

Refer to Message Reason Codes. An acquirer must accept the resultant liability unless it can satisfy the conditions for second presentment.

All chargebacks that are processed using GCMS must be processed electronically by the issuer to the acquirer using the chargeback message as defined in the *IPM Clearing Formats* manual.

The issuer must send the chargeback within 90 or 120 calendar days of the Central Site Business Date for intra-European and inter-European transactions and of the switch settlement date for interregional transactions.

No provisions are made to settle any losses/gains resulting from exchange rate differences or funding costs.

All message reason codes in this appendix are allowed for ATM and for PIN-based in-branch terminal transactions completed with magnetic stripe or chip technology unless otherwise stated.

A.2.3.1.1 Supporting Documentation for a Chargeback

No supporting documentation is required when submitting a chargeback, unless otherwise stated under the specific message reason code. However, issuers should be able to justify any chargeback initiated.

When a cardholder letter is required, the issuer must provide an electronic message or a signed declaration by the authorized cardholder explaining the reason for the dispute. Supporting documentation, completed in English, or accompanied by an English translation, must be submitted within 10 days of the chargeback processing date via MasterCom. For disputes between two customers that share a common language, it is sufficient if the documentation is translated into English at arbitration stage.

A.2.3.2 Second Presentment

A second presentment may be processed by the acquirer if either of the following apply.

- Additional information can be provided to remedy the original defect that led to the chargeback.
- The chargeback is believed to be invalid.

The second presentment must be electronically processed by the acquirer to the issuer using the second presentment message as defined in *IPM Clearing Formats*.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Second presentments must be submitted within 45 calendar days of the Central Site Business Date of the chargeback for intra-European and inter-European transactions and of the chargeback settlement date for interregional transactions.

The second presentment may not be for an amount in excess of the issuer's chargeback but may be for the same or a lesser amount.

No provisions are made to settle any losses/gains resulting from exchange rate differences or funding costs.

The second presentment DE 72 (Data Record) must contain the contact name, phone, and fax numbers for second presentments for all interregional ATM message reason codes.

The requirements that must be met before an acquirer can second present a transaction, and the supporting documentation required are provided under each message reason code.

For intra-European and inter-European transactions other, general second presentment message reason codes may apply, such as:

- 2713—Invalid Chargeback
- 2702—Past Chargeback Time Limit
- 2011—Credit Previously Issued

Refer to Second Presentment/1240 IPM (Function codes 205 or 282) Message Reason Code Usage for more message reason codes.

Supporting documentation, completed in English or accompanied by an English translation, must be submitted at the time the second presentment is processed.

All supporting documentation must be provided through MasterCom.

Refer to Settlement of Disputes for arbitration proceedings.

A.2.3.3 Intra-European Dispute Administration Fee (ATM)

For intra-European and transactions, a Dispute Administration Fee (DAF) will be automatically generated for each chargeback and second presentment by MasterCard via the MasterCard Consolidated Billing System.

The fees will be credited to the sender and debited from the receiver of the respective chargeback cycle as follows:

- First chargeback: The issuer is credited 15 EUR and the acquirer is debited 15 EUR.
- Second presentment: The acquirer is credited 30 EUR (15 EUR net) and the issuer is debited 30 EUR (15 EUR net).

In the event that an arbitration or pre-arbitration case is filed after the second presentment, the issuer will be allowed to collect 45 EUR from the acquirer (30 EUR net) if the issuer is favored, within 45 days of the ruling decision or acceptance by the acquirer. This fee may be collected by the favored issuer using a miscellaneous fee collection message 1740-700 message with reason code 7606. DE 72 (Data Record) of the fee collection message must contain the "6-digit case ID—collection of DAF."

©1988–2015 MasterCard. Proprietary. All rights reserved.

The DAF does not apply when the transaction is coded with MCC 5499, 5735, 5815, 5816, 7311, or 7399.

Should the fee be debited unduly, for example, the acquirer collects the DAF with a second presentment after processing a credit to the cardholder, the full amount of the unduly debited fee can be collected by the impacted party using the miscellaneous fee collection message 1740-700 with reason code 7606. This fee collection message should be sent within 45 days after the dispute message was sent which unduly triggered the DAF. DE 72 (Data Record) of the fee collection message must contain the "10-digit chargeback reference number—collection of DAF."

A.2.4 Chip Transactions

The production of a transaction cryptogram and related data elements for each chip transaction introduces new information, which can help determine the actual circumstances of a transaction and thus assist in determining issuer and acquirer liabilities.

Cryptograms must be provided to issuers in the original presentment or must be made available to issuers if needed for subsequent inquiries.

However, the cryptogram in itself does not constitute a guarantee of payment to the acquirer. The lack of a cryptogram or an invalid cryptogram does not provide an automatic right of chargeback to the issuer.

DE 55 must be present in the First Presentment/1240 message. If the acquirer does not supply correct data in DE 55 of the First Presentment/1240 message, the issuer may collect a handling fee of EUR 25.

A.3 Message Reason Codes

The following message reason codes are allowed for ATM and for PIN-based in-branch terminal transactions completed with magnetic stripe or chip technology unless otherwise stated.

Reason Code	Description	Section
4808[7]	Transaction Not Authorized	A.3.2 Message Reason Code 4808—Transaction Not Authorized
4834	Duplicate Processing of Transaction	A.3.5 Message Reason Code 4834—Duplicate Processing of Transaction
4842	Late Presentment (MasterCard and Cirrus only)	A.3.6 Message Reason Code 4842—Late Presentment

[7] Not available for interregional ATM transactions.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Reason Code	Description	Section
4846	Currency Errors	A.3.7 Message Reason Code 4846—Currency Errors
4859	ATM Dispute	A.3.8 Message Reason Code 4859—ATM Dispute
4870	Chip Liability Shift	A.3.9 Message Reason Code 4870—Chip Liability Shift
4880	Late Presentment (Maestro only)	A.3.10 Message Reason Code 4880—Late Presentment

In addition to the above chargeback reasons, the following message reason codes may be used by MasterCard to automatically chargeback interregional transactions.

Reason Code	Description	Section
4804	Multiple Processing	A.3.1 Message Reason Code 4804—Multiple Processing
4809	Transaction not reconciled	A.3.3 Message Reason Code 4809—Transaction Not Reconciled
4811	Stale Transaction	A.3.4 Message Reason Code 4811—Stale Transaction

A.3.1 Message Reason Code 4804—Multiple Processing

The following sections describe the proper and improper use of message reason code 4804.

A.3.1.1 Proper Use of Message Reason Code 4804

MasterCard uses this reason code to automatically charge back any interregional transaction between a Europe acquirer and a non-Europe issuer if a previous presentment had already been matched to the pending file.

A.3.1.2 Improper Use of Second Presentment

Second presentments are not permitted. The acquirer may rectify the transaction details and submit a correct new first presentment.

A.3.2 Message Reason Code 4808—Transaction Not Authorized

The issuer must attempt to honor the transaction before exercising this chargeback right.

The following sections describe the proper and improper use of message reason code 4808.

A.3.2.1 Proper Use of Message Reason Code 4808

The issuer receives a complaint from the cardholder or it has determined that an intra-European transaction presented has not been properly authorized.

One of the following:

- The issuer or his agent has never received an authorization request.

©1988–2015 MasterCard. Proprietary. All rights reserved.

- The issuer or his agent has declined the authorization request.
- The amount processed is higher than the authorized amount.

This message reason code may be used for a chip transaction if it has not been authorized online by the issuer.

Expired Payment Guarantee—The issuer may also use this message reason code if the transaction was presented more than seven calendar days after the authorization approval date and the issuer has permanently closed the account before filing the chargeback.

A.3.2.2 Proper Use for Issuer's First Chargeback

The condition shown below represents a valid option that the issuer may choose to process a first chargeback for message reason code 4808.

Time Frame	120 days
Supporting Documents	None
DE 72 (Data Record)	None
Notes	The full amount should be charged back, except when the processed amount is higher than the authorized amount. In this case the difference between both amounts may be charged back.

A.3.2.3 Proper Use for Acquirer's Second Presentment

The condition shown below represents a valid option that the acquirer may choose to process a second presentment for message reason code 4808.

Other message codes may apply; refer to A.2.3.2 Second Presentment for more details.

Expired Payment Guarantee

Expired Payment Guarantee	
IPM Second Presentment Message Reason Code	**2713** Invalid Chargeback
Second Presentment Condition	• The transaction was presented within seven calendar days of the pre-authorization or authorization approval date, and the pre-authorization or authorization was not reversed, or • The issuer has not permanently closed the account.
Supporting Documents	None
DE 72 (Data Record)	PREAUTH MMDDYY or AUTH MMDDYY or ACCOUNT NOT CLOSED

©1988–2015 MasterCard. Proprietary. All rights reserved.

Expired Payment Guarantee	
Notes	If the transaction authorization was identified as a pre-authorization, use **PREAUTH**. If the transaction authorization was not identified as a pre-authorization, use **AUTH**. Replace **MMDDYY** with the approval date of the disputed transaction.

Transaction Authorized

Transaction Authorized	
IPM Second Presentment Message Reason Code	**2008** Transaction Authorized
Second Presentment Condition	The acquirer can substantiate that the transaction was approved.
Supporting Documents	None
DE 72 (Data Record)	**MMDDYY NNNNNN**
Notes	Replace **MMDDYY** with the date the issuer authorized the transaction. Replace **NNNNNN** with the authorization approval code.

Other message codes may apply; refer to A.2.3.2 Second Presentment for more details.

A.3.3 Message Reason Code 4809—Transaction Not Reconciled

The following sections describe the proper and improper use of message reason code 4809.

A.3.3.1 Proper Use of Message Reason Code 4809

MasterCard uses this reason code to automatically charge back any interregional transaction between a Europe acquirer and a non-Europe issuer in the following situation.

MasterCard was unable to reconcile the clearing presentment with the authorization details of a transaction and has determined that there is a discrepancy between the reference of the authorization request and the clearing presentment.

©1988–2015 MasterCard. Proprietary. All rights reserved.

A.3.3.2 Improper Use of Acquirer's Second Presentment

Second presentments are not permitted. The acquirer may rectify the transaction details and submit a correct new first presentment.

A.3.4 Message Reason Code 4811—Stale Transaction

The following sections describe the proper and improper use of message reason code 4811.

A.3.4.1 Proper Use of Message Reason Code 4811

MasterCard uses this reason code to automatically charge back any interregional transaction between a Europe acquirer and a non-Europe issuer presented more than 120 calendar days after the transaction date.

A.3.4.2 Improper Use of Acquirer's Second Presentment

Second presentments are not permitted under this reason code.

A.3.5 Message Reason Code 4834—Duplicate Processing of Transaction

The following sections describe the proper and improper use of message reason code 4834.

A.3.5.1 Proper Use of Message Reason Code 4834

The issuer or the cardholder determines that a transaction has been submitted in duplicate. A transaction is considered duplicate if the terminal ID, the transaction amount, the date and the time of the transaction are the same.

A.3.5.2 Proper Use for Issuer's First Chargeback

The conditions shown below represent valid options that the issuer may choose to process a first chargeback for message reason code 4834.

Time Frame	120 days
Supporting Documents	None
DE 72 (Data Record)	FIRST REF NNNNNNNNNNNNNNNNNNNNNN
Notes	Replace **NNNNNNNNNNNNNNNNNNNNNN** with the acquirer reference data (ARD) of the first transaction.

Interregional Transactions	
Time Frame	120 days
Supporting Documents	None
DE 72 (Data Record)	None
Notes	The issuer must charge back both transactions.

©1988–2015 MasterCard. Proprietary. All rights reserved.

A.3.5.3 Proper Use for Acquirer's Second Presentment

The conditions shown below represent valid options that the acquirer may choose to process a second presentment for message reason code 4834.

Other message codes may apply; refer to A.2.3.2 Second Presentment for more details.

Transaction Authorized (For Intra-European and Inter-European Transactions Only)

Transaction Authorized (For Intra-European and Inter-European Transactions Only)	
IPM Second Presentment Message Reason Code	**2008** Transaction Authorized
Second Presentment Condition	The acquirer can substantiate that both transactions are valid and were authorized by PIN.
Supporting Documents	None
DE 72 (Data Record)	PIN MMDDYY NNNNNN, PIN MMDDYY NNNNNN
Notes	**Applies to intra-European and inter-European transactions only** Replace **MMDDYY** with the date the issuer authorized the transaction. Replace **NNNNNN** with the authorization approval code of both transactions.

Credit Previously Issued (For Intra-European and Inter-EuropeanTransactions Only)

Credit Previously Issued (For Intra-European and Inter-EuropeanTransactions Only)	
IPM Second Presentment Message Reason Code	**2011** Credit Previously Issued
Second Presentment Condition	The acquirer can substantiate that a credit was processed.
Supporting Documents	None
DE 72 (Data Record)	Credit MMDDYY ARD NNNNNNNNNNNNNNNNNNNNNNNN

©1988–2015 MasterCard. Proprietary. All rights reserved.

Credit Previously Issued (For Intra-European and Inter-EuropeanTransactions Only)	
Notes	**Applies to intra-European and inter-European transactions only** Replace **MMDDYY** with the date the issuer sent the credit or reversal and optionally replace **NNNNNNNNNNNNNNNNNNNNNN** with the ARD.

Chargeback Remedied

Chargeback Remedied	
IPM Second Presentment Message Reason Code	**2700** See Corresponding Documentation/Chargeback Remedied
Second Presentment Condition	The acquirer can substantiate that both transactions were valid.
Supporting Documents	Documentation indicating two separate transactions.
DE 72 (Data Record)	None
Notes	For interregional transactions where no ARD was mentioned in the Data Record of the chargeback, the acquirer must provide documentation substantiating each transaction that was charged back.

Invalid Data Record

Invalid Data Record	
IPM Second Presentment Message Reason Code	**2704** Invalid Data Record Text
Second Presentment Condition	The chargeback is invalid because the issuer failed to provide the original ARD in DE 72.
Supporting Documents	None
DE 72 (Data Record)	None
Notes	**Applies to intra-European and inter-European transactions only**

Other message codes may apply; refer to A.2.3.2 Second Presentment for more details.

©1988–2015 MasterCard. Proprietary. All rights reserved.

A.3.6 Message Reason Code 4842—Late Presentment

The following sections describe the proper and improper use of message reason code 4842.

A.3.6.1 Proper Use of Message Reason Code 4842

This message reason code is used when an intra-European and inter-European transaction was presented more than seven calendar days after the transaction date and the account is permanently closed.

Reason Code 4842 applies only to Cirrus and MasterCard transactions. For Maestro transactions, refer to A.3.10 Message Reason Code 4880—Late Presentment (Maestro).

A.3.6.2 Proper Use for Issuer's First Chargeback

The issuer must use good-faith efforts to collect the transaction amount from the cardholder before exercising this chargeback right.

A.3.6.3 Improper Use for Issuer's First Chargeback

The issuer cannot submit a chargeback for message reason code 4842 if the account is in good standing.

A.3.6.4 Proper Use for Acquirer's Second Presentment

The conditions shown below represent valid options that the acquirer may choose to process a second presentment for message reason code 4842.

Other message codes may apply; refer to A.2.3.2 Second Presentment for more details.

Correct Transaction Date Provided

Correct Transaction Date Provided	
IPM Second Presentment Message Reason Code	**2003** Correct Transaction Date Provided
Second Presentment Condition	The acquirer can show that the chargeback was invalid or can substantiate that the transaction date was not more than seven calendar days prior to the central processing date of the presentment.
Supporting Documents	None
DE 72 (Data Record)	MMDDYY
Notes	Replace **MMDDYY** with the correct transaction date

©1988–2015 MasterCard. Proprietary. All rights reserved.

Account not Permanently Closed

Account not Permanently Closed	
IPM Second Presentment Message Reason Code	**2713** Invalid Chargeback
Second Presentment Condition	The acquirer can show that the account is not permanently closed.
Supporting Documents	None
DE 72 (Data Record)	MMDDYY
Notes	Replace **MMDDYY** with the authorization date and code obtained after the chargeback date.

Other message codes may apply; refer to A.2.3.2 Second Presentment for more details.

A.3.7 Message Reason Code 4846—Currency Errors

The following sections describe the proper and improper use of message reason code 4846.

A.3.7.1 Proper Use of Message Reason Code 4846

This reason code may be used only for intra-European and inter-European transactions when Point-of-interaction (POI) currency conversion was applied in the following circumstances:

- The cardholder states that he or she was not given the opportunity to choose the desired currency in which the transaction was completed or did not agree to the currency of the transaction, or
- POI currency conversion took place into a currency that is not the cardholder's billing currency, or
- POI currency conversion took place when the cash was dispensed in the cardholder's billing currency.

A.3.7.2 Proper Use for Issuer's First Chargeback

The following conditions represent valid options that the issuer may choose to process a first chargeback for message reason code 4846.

POI Currency Conversion

POI Currency Conversion	
Time Frame	120 Calendar days
Retrieval Request	No
Supporting Documents	Cardholder dispute letter
DE 72 (Data Record)	POI CURRENCY CONVERSION

©1988–2015 MasterCard. Proprietary. All rights reserved.

POI Currency Conversion	
Notes	The chargeback must be for the full amount of the transaction

POI Currency Conversion—Incorrect Cardholder Currency

POI Currency Conversion—Incorrect Cardholder Currency	
Time Frame	120 Calendar days
Retrieval Request	No
Supporting Documents	To document the currency and amount billed to the cardholder supply one of the following: • The cardholder's billing statement or • The issuer's internal transaction record
DE 72 (Data Record)	INCORRECT CARDHOLDER CURRENCY
Notes	For the following types of disputes involving POI currency conversion: • The transaction was converted into a currency that is not the cardholder's billing currency, or • The cardholder billing currency is the same as the currency in which the goods/services are priced, or • The cash was dispensed in the cardholder's billing currency. The chargeback may be for a partial amount representing the amount resulting from the double conversion, excluding any amount related to the issuer's conversion of the transaction.

A.3.7.3 Proper Use for Acquirer's Second Presentment

The following condition represents a valid option that the acquirer may choose to process a second presentment for message reason code 4846.

IPM Second Presentment Message Reason Code	**2700** See Corresponding Documentation/Chargeback Remedied
Second Presentment Condition	The acquirer determines that the chargeback was invalid because the correct transaction amount and currency code were provided. In a dual currency environment, the merchant specified a currency indicator on the TID.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Supporting Documents	Documentation proving the correct currency was provided or specified.
DE 72 (Data Record)	None
Notes	This remedy is not applicable for POI currency conversion disputes.

Other message codes may apply; refer to A.2.3.2 Second Presentment for more details.

A.3.7.4 Improper Use for Acquirer's Second Presentment

The acquirer is prohibited from using the second presentment to argue the validity of the cardholder's claim regarding the selection of or non-agreement to the currency.

The contents of the transaction receipt are considered only in determining whether POI currency conversion has occurred on a transaction. They neither prove nor disprove the cardholder's agreement to the conversion.

For POI currency conversion disputes where the full amount was charged back, the acquirer should resubmit the transaction in the currency dispensed if the chargeback is valid.

A.3.7.5 Proper Use for New Presentments

If the chargeback is valid and if the full amount was charged back, the acquirer should process the transaction as a First Presentment/1240 message in the currency dispensed.

The new presentment must be processed within 30 days of the Central Site Business Date of the first chargeback for the acquirer to be protected from a chargeback under message reason code 4842—Late Presentment.

When converting the new transaction to the cardholder's billing currency, the acquirer should apply the conversion rate that was in effect on the date of the original transaction.

A.3.8 Message Reason Code 4859—ATM Dispute

The following sections describe the proper use of message reason code 4859.

A.3.8.1 Proper Use of Message Reason Code 4859

The issuer receives a cardholder complaint advising that the cardholder did not receive, or received only in part, funds charged to his or her account as a result of an automated cash disbursement.

A.3.8.2 Proper Use for Issuer's First Chargeback

The condition shown below represents a valid option that the issuer may choose to process a first chargeback for message reason code 4859.

Time Frame	120 days
Supporting Documents	None
DE 72 (Data Record)	RS3

©1988–2015 MasterCard. Proprietary. All rights reserved.

Notes	None

A.3.8.3 Proper Use For Acquirer's Second Presentment

The condition shown below represents a valid option that the acquirer may choose to process a second presentment for message reason code 4859.

Disbursement of Funds to Cardholder	
IPM Second Presentment Message Reason Code	**2700** Chargeback Remedied
Second Presentment Condition	The acquirer can provide documentation verifying the disbursement of funds to the cardholder.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Disbursement of Funds to Cardholder	
Supporting Documents	A legible copy of either the ATM audit tape or an internal transaction report from the acquirer. The ATM audit tape or the transaction report must show any terminal financial activity that occurred immediately before and after the disputed transaction. The internal transaction report from the acquirer is to be used only when the ATM did not produce an audit tape. Data on the transaction report must come from the ATM journal and not from the clearing system. A transaction report must contain sufficient information to enable the issuer to determine the amount of funds that were disbursed by the ATM. If required for clarity, the transaction report must be accompanied by a key that shows the different elements of the report and their definitions. At minimum, the audit tape or transaction report must include: • Primary Account Number read from track 2 of the magnetic stripe or from the chip (DE 2) • Transaction type and account accessed (DE 3) • Transaction amount in local currency (DE 4) • Transaction trace or System Trace Audit Number (DE 11) • Transaction date and time (DE 12) • Terminal ID (DE 41) • Terminal status (only required in case of partial or no dispense) • Error report (only required in case of partial or no dispense). The documentation may also show: – Terminal's response to the last command received from the Interchange System – Retract indicator – Bill counts for each canister If bill counts are present in the documentation, the acquirer must state the denomination of the bills that were dispensed from each canister.
DE 72 (Data Record)	RS3 and provide chargeback contact's name, phone and fax number.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Disbursement of Funds to Cardholder	
Notes	The Data Elements (DE) referred to above should contain the same information that would be included in the 0100/Authorization Request and 1240/First Presentment messages. If provided in a different format from the MasterCard Network or IPM, a key would be required to explain each field. Reasonable evidence of a successful disbursement of funds must be provided in the documentation supplied.

Other message codes may apply; refer to A.2.3.2 Second Presentment for more details.

A.3.9 Message Reason Code 4870—Chip Liability Shift

The following sections describe the proper and improper use of message reason code 4870.

A.3.9.1 Proper Use of Message Reason Code 4870

The Chip Liability Program allows participating customers to charge back fraudulent magnetic stripe transactions resulting from counterfeit fraud.

This message reason code applies to intra-European and inter-European ATM transactions and to transactions in which one customer is located in the Europe region and the other customer is located in a participating country or territory in another region.

The following countries and regions participate in the Global Chip Liability Shift Program for interregional MasterCard, Maestro, and Cirrus ATM transactions.

Global Chip Liability Shift Program for Interregional ATM Transactions

In this region…	The following countries and territories participate…	Effective for ATM transactions dated on or after…
Asia Pacific region	Australia and New Zealand	31 December 2015 (MasterCard)
	Bangladesh, Bhutan, Maldives, and Sri Lanka	16 October 2015 (all brands)
	India and Nepal	20 October 2017 (all brands)
	Indonesia	1 January 2016 (Maestro only)
	All other countries and territories	19 April 2013 (Maestro only)
	All other countries and territories	20 October 2017 (MasterCard and Cirrus)
Canada region	All	Currently in effect (all brands)
Europe region	All	Currently in effect (all brands)

©1988–2015 MasterCard. Proprietary. All rights reserved.

Global Chip Liability Shift Program for Interregional ATM Transactions		
In this region…	**The following countries and territories participate…**	**Effective for ATM transactions dated on or after…**
Latin America and the Caribbean region	Mexico	1 September 2014 (all brands)
	Puerto Rico and U.S. Virgin Islands	19 April 2013 (Maestro only) 21 October 2016 (Cirrus and MasterCard)
	All other countries and territories	18 October 2013 (MasterCard) Currently in effect (Maestro and Cirrus)
Middle East/Africa region	All	Currently in effect (all brands)
United States region	All	19 April 2013 (Maestro only) 21 October 2016 (Cirrus and MasterCard)

The issuer may initiate a chargeback using message reason code 4870 for counterfeit fraud when:

- The issuer receives a cardholder letter alleging that the transaction was fraudulent, and that the cardholder was in possession of his or her card at the time of the transaction or the issuer certifies by means of a different document accompanying the cardholder's letter that this is a case of counterfeit fraud. The issuer must provide this documentation.
- The transaction was conducted with a hybrid counterfeit card at a magnetic stripe reading-only ATM and the validly issued card (if any) was a hybrid card.
- The transaction that occurred on the counterfeit card was reported to SAFE on or before the date the chargeback was processed.

A.3.9.2 Improper Use of Message Reason Code 4870

The issuer must not initiate a chargeback using message reason code 4870 if:

- A hybrid card is used at a hybrid terminal.
- A fallback from chip to magnetic stripe technology occurs and the transaction is properly identified in the authorization and clearing records with POS entry mode 80 (DE 22).
- **Authorization Approval after the FNS Date.**The issuer approved the transaction after submitting two or more chargebacks involving the same MasterCard, Maestro, or Cirrus card account (for this purpose, "account" means primary account number [PAN], or PAN and, if present, expiration date) for any of the following message reason codes: 4837, 4870, or 4871. Message reason code 4863 first chargebacks will be included in the FNS count once the FNS fraud chargeback count is two or greater.

©1988–2015 MasterCard. Proprietary. All rights reserved.

- **FNS Counter Exceeds 25 Fraud-Related Chargebacks.** The issuer submitted more than 25 chargebacks in aggregate involving the same MasterCard, Maestro, or Cirrus account (as defined above) for message reason codes 4837, 4870, or 4871. Message reason code 4863 first chargebacks will be included in the FNS count once the FNS fraud chargeback count is two or greater.
- The issuer is currently listed in the *Global Security Bulletin* as ineligible to participate in the Global Chip Liability Shift Program for interregional Maestro ATM transactions.
- The issuer is currently listed in the *Global Security Bulletin* as limited to seven chargebacks for reason code 4837 or 4870 involving the same Maestro card account (for this purpose, "account" means PAN, or PAN and expiration date), and the issuer has already met or exceeded this amount for the account in question.

NOTE:

Technical Fallback is not permitted for intra-European and inter-European ATM transactions, and the issuer has a compliance right in cases of counterfeit fraud. Refer to Chapter 7 of the *Transaction Processing Rules*.

A.3.9.3 Proper Use for Issuer's First Chargeback

The condition shown below represents a valid option that the issuer may choose to process a first chargeback for message reason code 4870.

Time Frame	120 days for MasterCard and Cirrus, 90 days for Maestro
Retrieval Request	No
Supporting Documents	Cardholder Documentation
DE 72 (Data Record)	None
Notes	None

A.3.9.4 Proper Use for Acquirer's Second Presentment

The condition shown below represents a valid option that the acquirer may choose to process a second presentment for message reason code 4870.

Other message codes may apply; refer to A.2.3.2 Second Presentment for more details.

Chargeback Invalid

Chargeback Invalid	
IPM Second Presentment Message Reason Code	**2713** Chargeback invalid

©1988–2015 MasterCard. Proprietary. All rights reserved.

Chargeback Invalid	
Second Presentment Condition	The acquirer can show that the liability shift does not apply as: 1. The card involved was not a hybrid card according to the service code (DE 35) in the authorization request (that is, the value of the first position was not a 2 or 6). 2. The transaction was completed with chip. 3. The chargeback was otherwise invalid (for example, the terminal was hybrid).
Supporting Documents	• Intra-European and inter-European transactions—None • Interregional transactions—The acquirer must provide documentation showing that the chargeback was invalid.
DE 72 (Data Record)	Applies to intra-European and inter-European transactions only: 1. TRX Chip Liability Shift NA 2. Chip Transaction 3. Reason for return
Notes	None

Issuer Listed in *Global Security Bulletin*

Issuer Listed in *Global Security Bulletin*	
IPM Second Presentment Message Reason Code	**2713** Invalid Chargeback
Second Presentment Condition	The acquirer can show that on the chargeback date, the issuer was listed in the *Global Security Bulletin* as: 1. Ineligible to participate in the Global Chip Liability Shift Program for interregional Maestro ATM transactions; or 2. Limited to seven chargebacks for reason code 70 or 74 involving the same Maestro card account, and the transaction charged back contains an FNS counter value that is greater than seven (a value of eight or more).
Supporting Documents	None
DE 72 (Data Record)	1. **ISSUER LISTED GSB NNN CLS INELIG** 2. **ISSUER LISTED GSB NNN FNS EXCEEDED**

©1988–2015 MasterCard. Proprietary. All rights reserved.

Issuer Listed in *Global Security Bulletin*	
Notes	Replace NNN with the applicable *Global Security Bulletin* number. The *Global Security Bulletin* number is a three-digit number in which the last digit of the year is represented by the first digit of the Bulletin number, and the second and third digits represent the *Global Security Bulletin* month. (For example, bulletin number 6 (June) in the year 2014 is shown as NNN = 406.)

Fraud-related Chargeback Counter Exceeds Threshold

Fraud-related Chargeback Counter Exceeds Threshold	
IPM Second Presentment Message Reason Code	**2713** Invalid Chargeback
Second Presentment Condition	The issuer previously charged back more than 25 transactions involving the same account for any of the following message reason codes: 4837, 4863, 4870, or 4871.
Supporting Documents	None
DE 72 (Data Record)	None
Notes	The Fraud Notification Service (FNS) provides the acquirer with the total number of fraud-related chargebacks submitted by the issuer involving the same account. FNS places the total chargeback count in the Fraud Notification Service Chargeback Counter subfield within the Fraud Notification Information field of the chargeback message. The acquirer may process a representment if this field is present and the chargeback counter value exceeds 25 (a value of 26 or more).

Other message codes may apply; refer to A.2.3.2 Second Presentment for more details.

©1988–2015 MasterCard. Proprietary. All rights reserved.

A.3.10 Message Reason Code 4880—Late Presentment

The following sections describe the proper and improper use of message reason code 4880.

A.3.10.1 Proper Use of Intra-European or Inter-European Message Reason Code 4880

An intra-European or inter-European ATM transaction is presented more than seven calendar days after the transaction date and the account is permanently closed.

A.3.10.2 Improper Use for Issuer's First Chargeback

The issuer must use good-faith efforts to collect the transaction amount from the cardholder before exercising this chargeback right.

The issuer cannot submit a chargeback for message reason code 4880 if the account is in good standing.

A.3.10.3 Proper Use for Acquirer's Second Presentment

The conditions shown below represent valid options that the acquirer may choose to process a second presentment for message reason code 4880.

Correct Transaction Date Provided	
IPM Second Presentment Message Reason Code	**2003** Correct transaction date provided
Second Presentment Condition	The acquirer can substantiate that the transaction date was not more than seven calendar days before the Central Site processing date of the presentment.
Supporting Documents	Transaction printout
DE 72 (Data Record)	Correct transaction date
Notes	Other message codes may apply; refer to A.2.3.2 Second Presentment for more details.

A.4 Settlement of Disputes

This section provides customers with the arbitration and compliance processing procedures.

A.4.1 When to File an Arbitration Case

The following sections contain information about filing an arbitration case.

When both customers have exhausted their chargeback rights under the allowable processing cycles, the issuer may file for arbitration within 45 calendar days of the central processing date of the second presentment if either of the following apply.

©1988–2015 MasterCard. Proprietary. All rights reserved.

- The issuer believes the acquirer's second presentment is invalid.
- The issuer did not receive documentation required from the acquirer within 10 calendar days of the central processing date of the second presentment.

The arbitration case may be for the same full amount of the second presentment or less.

A.4.2 When to File a Compliance Case

A customer may file a compliance case against another customer because of a rule violation of the MasterCard rules if the following conditions are met.

- A chargeback right does not exist.
- The customer has suffered a financial loss directly due to the rule violation in question.

Invalid Maestro Chargebacks

An issuer must not submit a chargeback of a Maestro transaction if:

- With respect to an ATM transaction, the issuer is currently listed in the *Global Security Bulletin* as ineligible to participate in the Global Chip Liability Shift Program for interregional Maestro ATM transactions.
- The issuer is currently listed in the Global Security Bulletin as limited to seven chargebacks for reason code 70, 74, 4837, or 4870 involving the same Maestro card account (for this purpose, "account" means PAN, or PAN and expiration date), and the issuer has already met or exceeded this amount for the account in question.
- An acquirer that receives an invalid Maestro chargeback from a listed issuer may choose to direct file a compliance case without sending a pre-compliance letter to the issuer, as an alternative to representing the chargeback. The issuer is not permitted to further dispute any such representment or direct file compliance case.

A.4.2.1 Example of a Compliance Case for Missing, Invalid, or Inaccurate Authorization Data

A customer may file a compliance case when one or more of the mandatory data elements in the Authorization Request/0100 message are missing.

Additionally, the customer may file a case if any of the mandatory or optional data elements supplied in the authorization message are invalid or inaccurate, and as a result, the issuer incurred a financial loss.

The issuer must prove to the satisfaction of MasterCard that it would not have suffered the financial loss if the mandatory authorization data had been present, valid, and accurate, and that the filing was not based solely on the data being missing, invalid, or inaccurate.

Documentation to support this compliance case must include, but is not limited to, the following:

- The authorization message in its entirety as received through the MasterCard Network
- The specific authorization data asserted to be missing, invalid, or inaccurate
- Documentation to confirm that the authorization data, as received, misrepresented the nature of the transaction

©1988–2015 MasterCard. Proprietary. All rights reserved.

- Proof that the missing, invalid, or inaccurate authorization data received resulted in the transaction being authorized, and why the transaction would not have been authorized if complete, valid, and accurate data had been received
- A letter signed by the issuer's principal contact or auditor certifying that proper authorization procedures were employed at the time the authorization request was received. The letter also must state that if the issuer had received the full, valid, and accurate data from the acquirer through the authorization message, the issuer would not have suffered a financial loss. If, at the time of the authorization request, the card used in the transaction was lost, stolen, or used without the authorized cardholder's consent, the issuer's principal contact or auditor must certify that the issuer was unaware of this condition at the time of the authorization request.

A.4.3 Time Frames for Filing

The following describes the time frames for filing an Intra-European or inter-European arbitration case or compliance case.

Arbitration Case—An arbitration case must be submitted within 45 days from the Central Site Processing date of the second presentment.

Compliance Case—A compliance case must be filed within 180 days from the violation date.

A.4.4 Arbitration Filing Procedures

Intra-European and Inter-European cases may be filed directly in MasterCom Case Filing or using the Case Filing Hub Site.

If not present electronically, legible copies of all relevant documentation, together with copies of electronic records, must be scanned into the case filing application. For more details, refer to 6.2 Filing Procedures in this guide.

For interregional cases refer to Chapter 4—Single Message System Transactions, Message Reason Code 17—Cash Dispute—ATM Only, Arbitration Case Filing, Message Reason Code 70—Chip Liability Shift, Arbitration Case Filing.

A.4.5 Compliance Filing Procedures

The following sections contain information about intra-European and inter-European and interregional Compliance Filing procedures.

A.4.5.1 Intra-European and Inter-European Filing Procedures

Compliance cases may be filed directly in the MasterCom Electronic Case Filing Application or using the Case Filing Hub Site.

If not present electronically, legible copies of all relevant documentation, together with copies of electronic records, must be scanned into the case filing application.

For more details, refer to 6.4 Compliance Case Filing Procedures in this guide.

©1988–2015 MasterCard. Proprietary. All rights reserved.

A.4.5.1.1 Pre-compliance

Before filing a compliance case, the filing customer must file a pre-compliance case in an attempt to resolve the dispute.

The pre-compliance case must allow the other participant at least 30 calendar days to respond before the compliance case is filed. Every submitted pre-compliance case must include all pertinent documentation to support the violation, as well as proof of financial loss.

A.4.5.2 Interregional Compliance Filing Procedures

To file a case, the following forms should be used.

Compliance Case—*Dispute Resolution Case Filing Form* (Form 682) that identifies whether the submission is a pre-compliance attempt or (an escalation to) a compliance case.

For instructions on accessing the required form, refer to Appendix G, Forms.

MasterCom Pro Users: A compliance case must be entered on-line via the MasterCom Pro Case Filing application.

MasterCom Hosted Users: The completed Compliance case form must be faxed to Dispute Resolution Management at 1-636-722-7215. The fax date will be considered the filing date.

A.4.5.2.1 Required Documentation

The Compliance Filing Case form must be accompanied by a thorough description of the circumstances of the case, in chronological order.

Legible copies of all relevant documentation, together with paper copies of electronic records, must be included. All documentation must be written in English or translated into English and be accompanied by the document in the original language. All compliance cases must be signed by the principal contact or the compliance contact of the filing customer.

A.4.5.2.2 Pre-compliance

Before filing a compliance case, the filing customer must file a pre-compliance in an attempt to resolve the dispute.

The pre-compliance must allow the other customer at least 30 calendar days to respond before the compliance case is filed. Every submitted pre-compliance case must include all pertinent documentation to support the violation, as well as proof of financial loss. The pre-compliance case may be sent in the form of a "pre-compliance letter," or the filing customer may complete the *Dispute Resolution Case Filing Form* (Form 682) as the pre-compliance case.

MasterCom Pro Users: A pre-compliance case must be entered on-line via the MasterCom Pro Case Filing application.

MasterCom Hosted Users: The pre-compliance case must be submitted via fax to 1-636-722-7215.

A.4.5.3 Compliance Review Procedure

Compliance cases will be reviewed by Dispute Management in accordance with the rules in effect on the date of the transaction, unless otherwise stated.

Upon receipt, Dispute Resolution Management will fax an acknowledgement to both customers. The filed-against customer has 10 calendar days from the date of the

©1988–2015 MasterCard. Proprietary. All rights reserved.

acknowledgement to respond and provide legible copies of any supporting documentation to Dispute Resolution Management. The response must be sent by fax.

Dispute Resolution Management will make its ruling according to timely information received from each customer and other relevant information. Documentation required as outlined in this appendix, which was not provided to the customer concerned within the time frames described above, will not be considered by Dispute Resolution Management.

Both parties will be advised in writing of the Dispute Resolution Management's decision.

A.4.5.4 Non-acceptance of a Case

Following a preliminary examination of the case, Dispute Resolution Management will decide whether it can accept the case for ruling.

A compliance case will be declined if the filing customer did not follow the filing requirements, including, but not limited to the following:

- The filing customer has not submitted the documentation required in accordance with the rules or otherwise requested by the reviewing body.
- The filing form and all documentation neither are in English nor are accompanied by an English translation.
- The case was filed after the time frames specified above.
- The pre-compliance attempt was not made in accordance with the rules (applicable only for compliance cases).

If a case is not accepted for any of the above reasons, the reviewing body will retain the filing fee. The filing customer may resubmit a case that has been declined for ruling if it can correct the deficiency that caused the case to be declined within the applicable filing time frames. A new filing fee will apply.

A.4.5.5 Withdrawal of a Case

Either customer can accept responsibility for the disputed amount before Dispute Resolution Management has reached a decision.

If a written acknowledgement is received before Dispute Resolution Management has made its decision, both customers will be advised accordingly, and the case will be withdrawn. Staff will assess the filing fee and a withdrawal fee to the customer accepting responsibility.

A.4.5.6 Compliance Fees

The customer found liable for the disputed transaction will be responsible for the filing fee and an administration fee.

In addition to the foregoing, a participant also will be charged for each technical violation of established procedures. MasterCard may assess applicable technical fees against either customer involved in the arbitration or compliance case, even if the case was ruled in the customer's favor.

A.4.6 Compliance Case Appeals

For the procedure and requirements applicable to appeals of intra-European and inter-European compliance cases refer to Arbitration or Compliance Case Appeals.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Appendix B Chargebacks—Maestro POS Transactions

This appendix describes the procedures for processing Maestro POS exception transactions. ***The information contained in this appendix is for Europe region customers only.***

Overview 370
B.1 Exception Item Processing 371
B.1.1 Exception Transaction Types 371
B.1.2 Reversals 371
B.1.3 Retrieval Requests 371
B.1.3.1 Acquirer Requirements 371
B.1.4 Chip Transactions 372
B.1.5 Chargebacks 372
B.1.5.1 Chargeback Procedures 372
B.1.5.2 Supporting Documentation for a Chargeback 372
B.1.6 Second Presentment Procedures 373
B.1.6.1 Supporting Documentation for a Second Presentment 373
B.2 Message Reason Codes for Interregional Transactions 374
B.2.1 Interregional Message Reason Code 4802—Documentation Not Legible on Retrieval Request 375
B.2.1.1. Proper Use of Interregional Message Reason Code 4802 375
B.2.2 Interregional Message Reason Code 4804—Transaction Multiple Processing 375
B.2.2.1 Proper Use of Interregional Message Reason Code 4804 375
B.2.2.2 Improper Use for Acquirer's Second Presentment 375
B.2.3 Interregional Message Reason Code 4809—Transaction Not Reconciled 375
B.2.3.1 Proper Use of Interregional Message Reason Code 4809 375
B.2.3.2 Improper Use for Acquirer's Second Presentment 376
B.2.4 Interregional Message Reason Code 4811—Stale Transaction 376
B.2.4.1 Proper Use of Interregional Message Reason Code 4811 376
B.2.4.2 Improper Use of Acquirer's Second Presentment 376
B.2.5 Interregional Message Reason Code 4831—Disputed Amount 376
B.2.5.1 Proper Use of Interregional Message Reason Code 4831 376
B.2.5.2 Proper Use for Issuer's First Chargeback 376
B.2.5.3 Proper Use for Acquirer's Second Presentment 376
B.2.6 Interregional Message Reason Code 4834—Duplicate Transaction 377
B.2.6.1 Proper Use of Interregional Message Reason Code 4834 377
B.2.6.2 Proper Use for Issuer's First Chargeback 377
B.2.6.3 Proper Use for Acquirer's Second Presentment 377

©1988–2015 MasterCard. Proprietary. All rights reserved.

B.2.7 Interregional Message Reason Code 4837—No Cardholder Authorization.....377
B.2.7.1 Proper Use of Interregional Message Reason Code 4837.....378
B.2.7.2 Improper Use of Interregional Message Reason Code 4837.....378
B.2.7.3 Proper Use for Acquirer's Second Presentment.....378
B.2.8 Interregional Message Reason Code 4855—Goods or Services Not Delivered.....380
B.2.8.1 Proper Use of Interregional Message Reason Code 4855.....380
B.2.8.2 Improper Use for Issuer's First Chargeback.....381
B.2.8.3 Proper Use for Acquirer's Second Presentment.....381
B.2.9 Interregional Message Reason Code 4860—Credit Not Received.....381
B.2.9.1 Proper Use of Interregional Message Reason Code 4860.....381
B.2.9.2 Proper Use for Issuer's First Chargeback.....381
B.2.9.3 Proper Use for Acquirer's Second Presentment.....381
B.2.10 Interregional Message Reason Code 4870—Chip Liability Shift.....382
B.2.10.1 Proper Use of Interregional Message Reason Code 4870.....382
B.2.10.2 Improper Use of Interregional Message Reason Code 4870.....383
B.2.10.3 Proper Use for Acquirer's Second Presentment.....384
B.2.11 Interregional Message Reason Code 4880—Late Presentment.....386
B.2.11.1 Proper Use of Interregional Message Reason Code 4880.....386
B.2.11.2 Proper Use for Acquirer's Second Presentment.....386
B.3 Message Reason Codes for Intra-European and Inter-European Transactions.....387
B.3.1 Intra-European Message Reason Code 4802—Non-Fulfillment of Request: Illegible Copy.....389
B.3.1.1 Proper Use of Intra-European Message Reason Code 4802.....389
B.3.1.2 Proper Use for Issuer's First Chargeback.....389
B.3.1.3 Proper Use for Acquirer's Second Presentment.....389
B.3.1.4 New Chargeback.....389
B.3.2 Intra-European Message Reason Code 4808—Transaction Not Authorized.....389
B.3.2.1 Proper Use of Intra-European Message Reason Code 4808.....390
B.3.2.2 Improper Use of Intra-European Message Reason Code 4808.....390
B.3.2.3 Proper Use for Issuer's First Chargeback.....390
B.3.2.4 Proper Use for Acquirer's Second Presentment.....390
B.3.2.5 Improper Use for Acquirer's Second Presentment.....392
B.3.3 Intra-European Message Reason Code 4831—Disputed Amount.....392
B.3.3.1 Proper Use of Intra-European Message Reason Code 4831.....392
B.3.3.2 Proper Use for Issuer's First Chargeback.....393
B.3.3.3 Proper Use for Acquirer's Second Presentment.....394
B.3.4 Intra-European Message Reason Code 4834—Duplicate Processing of Transaction.....395
B.3.4.1 Proper Use of Intra-European Message Reason Code 4834.....395
B.3.4.2 Proper Use for Issuer's First Chargeback.....395

©1988–2015 MasterCard. Proprietary. All rights reserved.

B.3.4.3 Proper Use for Acquirer's Second Presentment..... 395
B.3.5 Intra-European Message Reason Code 4837—No Cardholder Authorization.....397
MasterPass Transactions.....397
B.3.5.1 Proper Use of Intra-European Message Reason Code 4837..... 398
B.3.5.2 Improper Use of Intra-European Message Reason Code 4837..... 398
B.3.5.3 Proper Use for Issuer's First Chargeback..... 399
B.3.5.4 Proper Use for Acquirer's Second Presentment..... 399
B.3.5.5 Improper Use for Acquirer's Second Presentment.....402
B.3.6 Intra-European Message Reason Code 4841—Canceled Recurring or Digital Goods Transactions..... 402
B.3.6.1 Proper Use of Intra-European Message Reason Code 4841..... 402
B.3.6.2 Proper Use for Issuer's First Chargeback..... 404
B.3.6.3 Proper Use for Acquirer's Second Presentment.....407
B.3.6.4 Improper Use for Acquirer's Second Presentment..... 409
B.3.7 Intra-European Message Reason Code 4846—Currency Errors.....409
B.3.7.1 Proper Use of Intra-European Message Reason Code 4846..... 409
B.3.7.2 Proper Use for Issuer's First Chargeback..... 409
B.3.7.3 Proper Use for Acquirer's Second Presentment..... 411
B.3.7.4 Improper Use for Acquirer's Second Presentment..... 411
B 3.7.5 Proper Use for New Presentments.....411
B.3.8 Intra-European Message Reason Code 4855—Goods or Services Not Provided..... 412
B.3.8.1 Proper Use of Intra-European Message Reason Code 4855..... 412
B.3.8.2 Improper Use for Issuer's First Chargeback..... 413
B.3.8.3 Proper Use for Acquirer's Second Presentment..... 413
B.3.9 Intra-European Message Reason Code 4860—Credit Not Received.....413
B.3.9.1 Proper Use of Intra-European Message Reason Code 4860..... 413
B.3.9.2 Improper Use of Intra-European Message Reason Code 4860..... 415
B.3.9.3 Proper Use for Issuer's First Chargeback..... 415
B.3.9.4 Proper Use for Acquirer's Second Presentment..... 417
B.3.9.5 Reason Code 4860—Arbitration Case Filing.....419
B.3.10 Intra-European Message Reason Code 4870—Chip Liability Shift..... 420
B.3.10.1 Proper Use for Intra-European Message Reason Code 4870..... 420
B.3.10.2 Improper Use of Intra-European Message Reason Code 4870..... 420
B.3.10.3 Proper Use for Issuer's First Chargeback..... 421
B.3.10.4 Proper Use for Acquirer's Second Presentment..... 421
B.3.11 Intra-European Message Reason Code 4880—Late Presentment.....424
B.3.11.1 Proper Use of Intra-European Message Reason Code 4880..... 424
B.3.11.2 Improper Use for Issuer's First Chargeback..... 424
B.3.11.3 Proper Use for Acquirer's Second Presentment..... 424

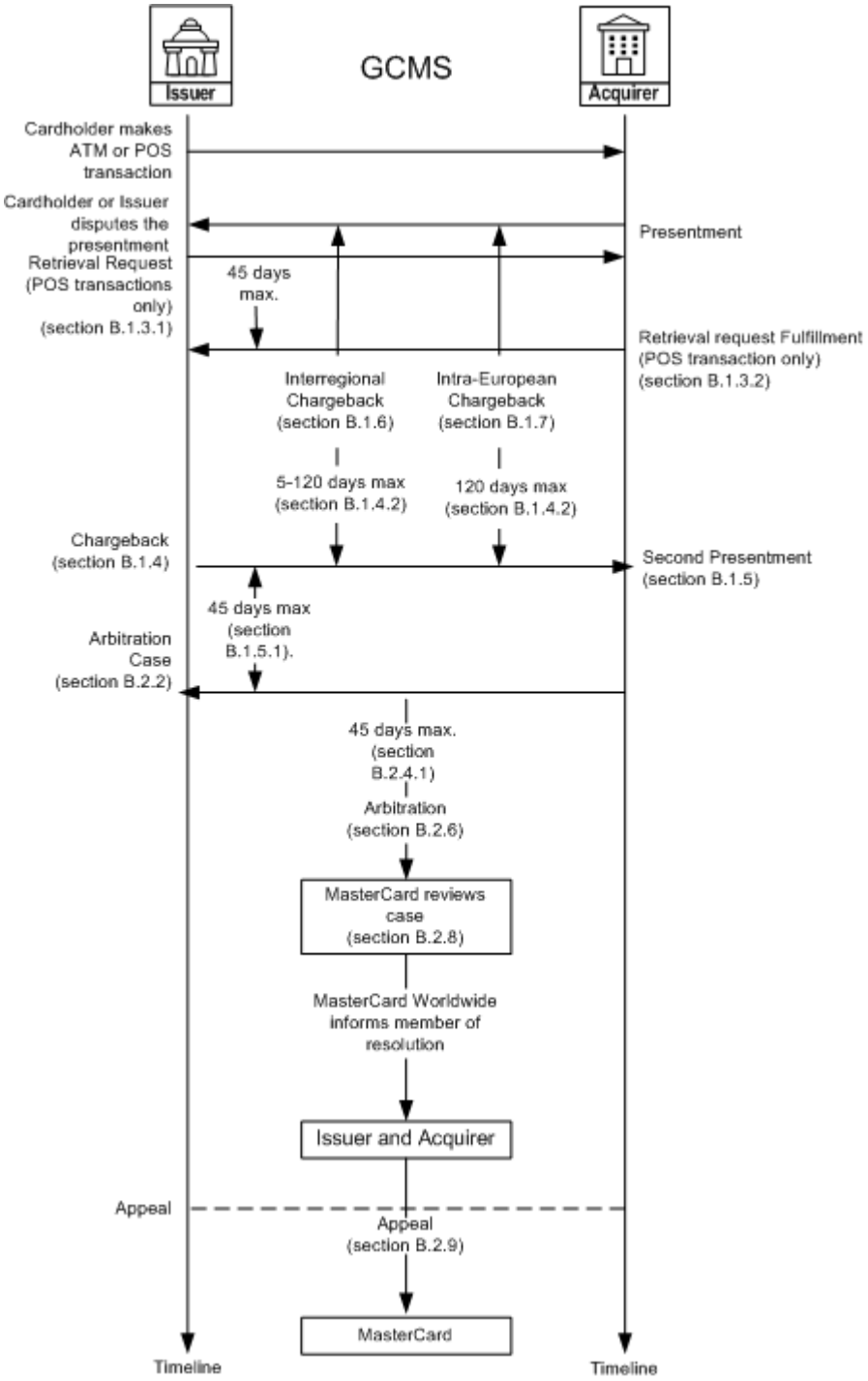
©1988–2015 MasterCard. Proprietary. All rights reserved.

B.4 Settlement of Disputes....425
B.4.1 When to File an Arbitration Case....425
B.4.2 When to File a Compliance Case....425
B.4.3 Time Frames for Filing....426
B.4.4 Arbitration and Compliance Filing Procedures....426
B.4.4.1 Intra-European and Inter-European Disputes....426
B.4.4.2 Interregional Disputes....427
B.4.5 Arbitration or Compliance Case Appeals....429
B.5 Domestic Chargeback Rules....429
B.5.1 Additional Rules Applicable to Domestic Transactions in Ireland, Turkey, and France....429
B.5.1.1 Proper Use of Message Reason Code 4837....429
B.5.1.2 Improper Use of Message Reason Code 4837....429
B.5.1.3 Proper Use for Acquirer's Second Presentment....430
B.5.1.4 Arbitration Case Filing....430

©1988–2015 MasterCard. Proprietary. All rights reserved.

Overview

This graphic presents the chargeback processing cycle.



©1988–2015 MasterCard. Proprietary. All rights reserved.

Presentment	The acquirer must send the presentment within seven (7) calendar days of the transaction date. If an acquirer does not submit an interregional transaction presentment within 120 days of the transaction date, GCMS will automatically reject the transaction and process a credit adjustment for the transaction amount to the issuer.
Chargeback	The issuer must send the chargeback within 120 calendar days of the transaction's central processing date.
Second Presentment	The acquirer must send the second presentment within 45 calendar days of the central processing date of the chargeback.
Arbitration Case	The issuer must submit the Arbitration Case to MasterCard within 45 calendar days of the second presentment central processing date.

B.1 Exception Item Processing

The following sections provide information on Exception Item Processing.

B.1.1 Exception Transaction Types

Each customer must support the following point-of-sale (POS) exception transaction types.

- Retrieval request/request for documentation
- First chargeback
- Second presentment

B.1.2 Reversals

Europe uses a dual message system to process authorization messages and clearing messages (using Global Clearing Management System [GCMS]).

Therefore, whenever an acquirer identifies an error in the presentment of a transaction, a "reversal" (either full or partial) will be generated. There is no time limit for the acquirer to issue a reversal.

B.1.3 Retrieval Requests

An issuer may initiate a retrieval request for an intra-European or inter-European transaction after receiving a cardholder request or for fraud investigation.

B.1.3.1 Acquirer Requirements

The acquirer must fulfill a retrieval request within 30 calendar days of the retrieval request processing date by providing the issuer with a legible copy of the requested documentation through the MasterCom® electronic imaging system.

For e-commerce transactions, the acquirer must provide order information obtained from the merchant and the merchant's contact address and phone number.

©1988–2015 MasterCard. Proprietary. All rights reserved.

B.1.4 Chip Transactions

The production of a transaction cryptogram and related data elements for each chip transaction introduces new information, which can help determine the actual circumstances of a transaction and thus assist in determining issuer and acquirer liabilities.

Cryptograms must be provided to issuers in the original presentment or must be made available to issuers via retrieval request fulfillments if needed for subsequent inquiries.

However, the cryptogram in itself does not constitute a guarantee of payment to the acquirer. Nor does the lack of a cryptogram or an invalid cryptogram provide an automatic right of chargeback to the issuer.

B.1.5 Chargebacks

All message reason codes in this appendix are allowed for any type of Maestro POS transaction unless otherwise stated under the message reason code. Such transactions include the following.

- Magnetic stripe or chip read transactions
- Signature, PIN or non-PIN based transactions
- Mail order/Telephone order (MO/TO) transactions (where permitted)

When using message reason codes 4855 and 4860 to submit a chargeback of a purchase with cash back transaction, the issuer may charge back only the purchase amount or a portion thereof, using Function Code of 453 (Partial Amount) in the First Chargeback/1442 message. An issuer must not charge back the cash back amount or any portion thereof under any of these message reason codes.

B.1.5.1 Chargeback Procedures

A chargeback may be initiated if the issuer determines that the transaction was presented in violation of the rules and that a specific reason is available as detailed in section B.2 Message Reason Codes for Interregional Transactions, and B.3 for Intra-European and Inter-European Transactions of this appendix.

A chargeback must be submitted within 120 calendar days from the Central Site Processing date for the full transaction amount, unless otherwise specified in the appropriate message reason codes. An acquirer must accept the resultant liability unless it can satisfy the conditions for second presentment.

B.1.5.2 Supporting Documentation for a Chargeback

No supporting documentation is required when submitting a chargeback, unless otherwise stated under the specific message reason code. However, issuers should be able to justify any chargeback initiated.

When a cardholder letter is required, the issuer must provide a cardholder letter, electronic message, completed *Dispute Resolution Form* or *Expedited Billing Dispute Resolution Process Form*, or a signed declaration by the authorized cardholder explaining the reason for the dispute.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Supporting documentation, completed in English, or accompanied by an English translation, must be submitted within 10 days of the chargeback processing date using MasterCom.

For disputes between two customers that share a common language, it is sufficient if the documentation is translated into English at arbitration stage.

The issuer may use the *Expedited Billing Resolution Process (Fraud) Form* only if the Maestro card account is closed. Before processing the chargeback with the form, the issuer must block the account on its host and report the transaction to SAFE. The issuer must supply the cardholder's affidavit of fraud when requested by the acquirer pursuant to a judicial request or similar legal action.

B.1.6 Second Presentment Procedures

An acquirer must use its best efforts to investigate each chargeback received for validity and either accept the charge or process a second presentment.

The second presentment may not be for an amount in excess of the issuer's chargeback but may be for the same or a lesser amount.

No provisions are made to settle any losses or gains resulting from exchange rate differences or funding costs.

Second presentments must be submitted within 45 calendar days from the chargeback processing date. The requirements that must be met before an acquirer can second present a transaction, and the supporting documentation required, are provided under each message reason code.

For intra-European transactions and inter-European other general second presentment message reason codes may apply, such as:

- 2713—Invalid Chargeback
- 2702—Past Chargeback Time Limit Issued
- 2011—Credit Previously Issued

Refer to Second Presentment/1240 IPM (Function Codes 205 or 282) Message Reason Code Usage for a complete list of second presentment message reason codes.

After the acquirer has processed the second presentment, the issuer has no more chargeback rights; arbitration chargebacks are not permitted.

If the issuer considers the second presentment to be invalid, it may proceed to arbitration as outlined in section B.

B.1.6.1 Supporting Documentation for a Second Presentment

When required under the reason code, supporting documentation, completed in English, or accompanied by an English translation, must be submitted within 10 days of the second presentment processing date using MasterCom.

For disputes between two customers that share a common language, it is sufficient if the documentation is translated into English at arbitration stage.

©1988–2015 MasterCard. Proprietary. All rights reserved.

For interregional transactions, the acquirer must supply supporting documentation with every second presentment, substantiating the reason for the second presentment.

B.2 Message Reason Codes for Interregional Transactions

The following message reason codes are applicable to interregional POS, e-commerce, PIN-based in-branch, and Maestro® contactless transactions unless otherwise indicated under the message reason code.

Chargeback Reason	Europe Members Use Reason Code	Members Outside Europe Use Reason Code	PIN-based?	Signature?
Documentation Not Legible on Retrieval Request	4802[8]	78	Yes	Yes
Disputed Amount	4831	71	Yes	Yes
Duplicate Transaction	4834	73	Yes	Yes
No Cardholder Authorization	4837	74	N/A	Yes
Goods or Services Not Provided	4855	79	Yes	N/A
Credit Not Received	4860	75	Yes	Yes
Chip Liability Shift[9]	4870	70	Yes	Yes
Chip Transaction—Late Presentment	4880	80	Yes	No

In addition to the above chargeback reasons, the following chargeback reason codes may be used by MasterCard to automatically chargeback interregional transactions.

Chargeback Reason	Reason Code	PIN-based?	Signature?
Multiple Processing	4804	Yes	Yes
Transaction not reconciled	4809	Yes	Yes
Stale Transaction	4811	Yes	Yes

[8] Not supported for interregional transactions.
[9] According to schedule of countries joining the Chip Liability Shift as published in the *Global Operations Bulletins*.

©1988–2015 MasterCard. Proprietary. All rights reserved.

B.2.1 Interregional Message Reason Code 4802—Documentation Not Legible on Retrieval Request

The following sections describe the proper and improper use of message reason code 4802.

B.2.1.1. Proper Use of Interregional Message Reason Code 4802

This message reason code is not currently supported in the MasterCard Single Message System.

Message reason code 4802 is not applicable for properly presented Maestro contactless transactions.

B.2.2 Interregional Message Reason Code 4804—Transaction Multiple Processing

The following sections describe the proper and improper use of message reason code 4804.

B.2.2.1 Proper Use of Interregional Message Reason Code 4804

MasterCard uses this reason code to automatically charge back any interregional transaction between a Europe acquirer and a non-Europe issuer if a previous presentment had already been matched to the pending file.

B.2.2.2 Improper Use for Acquirer's Second Presentment

Second presentments are not permitted. The acquirer may rectify the transaction details and submit a correct new first presentment.

B.2.3 Interregional Message Reason Code 4809—Transaction Not Reconciled

The following sections describe the proper and improper use of message reason code 4809.

B.2.3.1 Proper Use of Interregional Message Reason Code 4809

MasterCard uses this reason code to automatically charge back any interregional transaction between a Europe acquirer and a non-Europe issuer in the following situation.

MasterCard was unable to reconcile the clearing presentment with the authorization details of a transaction, because of a discrepancy between the authorization request and the clearing presentment.

©1988–2015 MasterCard. Proprietary. All rights reserved.

B.2.3.2 Improper Use for Acquirer's Second Presentment

Second presentments are not permitted. The acquirer may rectify the transaction details and submit a correct new first presentment.

B.2.4 Interregional Message Reason Code 4811—Stale Transaction

The following sections describe the proper and improper use of message reason code 4811.

B.2.4.1 Proper Use of Interregional Message Reason Code 4811

MasterCard uses this reason code to automatically charge back any interregional transaction between a Europe acquirer and a non-Europe issuer presented more than 120 calendar days after the transaction date.

B.2.4.2 Improper Use of Acquirer's Second Presentment

Second presentments are not permitted for message reason code 4811.

B.2.5 Interregional Message Reason Code 4831—Disputed Amount

The following sections describe the proper and improper use of message reason code 4831.

B.2.5.1 Proper Use of Interregional Message Reason Code 4831

This message reason code is used **only** for the following transactions.

- e-commerce
- Maestro contactless
- Point-of-Sale (POS)

Issuer's may use this message reason code when cardholder's account has been debited for an amount that is higher than the original purchase amount or debited for an incorrect amount when the merchant accepted an alternative form of payment to complete the transaction.

B.2.5.2 Proper Use for Issuer's First Chargeback

The issuer may chargeback only the amount of the disputed difference.

B.2.5.3 Proper Use for Acquirer's Second Presentment

The condition shown below represents a valid option that the acquirer may choose to process a second presentment for message reason code 4831.

Chargeback Remedied	
IPM Second Presentment Message Reason Code	**2700** Chargeback remedied
Second Presentment Condition	The transaction was correctly processed.
Supporting Documents	Documentation proving that the transaction was correctly processed.
DE 72 (Data Record)	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

Chargeback Remedied	
Notes	None

B.2.6 Interregional Message Reason Code 4834—Duplicate Transaction

The following sections describe the proper and improper use of message reason code 4834.

B.2.6.1 Proper Use of Interregional Message Reason Code 4834

A cardholder's account has been debited more than once for a single transaction.

To demonstrate that the transaction is a duplicate, the POS terminal transaction amount and the date and time of the transaction must be the same for the transactions in question.

B.2.6.2 Proper Use for Issuer's First Chargeback

For duplicated interregional transactions, the issuer must charge back both transactions.

B.2.6.3 Proper Use for Acquirer's Second Presentment

The condition shown below represents a valid option that the acquirer may choose to process a second presentment for message reason code 4834.

Chargeback Remedied	
IPM Second Presentment Message Reason Code	**2700** Chargeback remedied
Second Presentment Condition	The acquirer can show that two separate transactions occurred.
Supporting Documents	Documentation supporting two separate transactions or proof that a credit was issued.
DE 72 (Data Record)	None
Notes	None

B.2.7 Interregional Message Reason Code 4837—No Cardholder Authorization

The following sections describe the proper and improper use of message reason code 4837.

Neither the length of time between authorization approval and transaction presentment, nor the partial or full reversal of an approved authorization, have any effect upon the protection that an authentication occurring during authorization provides against fraud-related chargebacks (for example, MasterCard *SecureCode* authentication, chip validation, and/or PIN verification).

©1988–2015 MasterCard. Proprietary. All rights reserved.

B.2.7.1 Proper Use of Interregional Message Reason Code 4837

This message reason code is applicable as follows.

- The transaction is a contactless transaction that exceeds the applicable contactless CVM limit and was completed without successful online PIN verification or on-device cardholder verification.
- The UCAF collection indicator in DE 48 (Additional Data), subelement 42 (Electronic Commerce Indicators), Subfield 1 (Electronic Commerce Security Level Indicator and UCAF Collection Indicator, position 3 (UCAF Collection Indicator) contains a value of zero.
- The UCAF data in DE 48 (Additional Data), subelement 43 (Static AAV for Maestro or MasterCard Advance Registration Program), position 1 contained a value of 3 (Transaction processed under the Maestro Advance Registration Program).
- The Remote Payments Program Type value in DE 48 (Additional Data), subelement 48 (Mobile Program Indicators), subfield 1 (Remote Payments Program Type Identifier) contains a value of 2 (Acquirer domain).

B.2.7.2 Improper Use of Interregional Message Reason Code 4837

This chargeback may not be used in the following situations.

- A Digital Secure Remote Payment (DSRP) transaction or any subsequent transaction for a related partial shipment or recurring payment occurred. Refer to Appendix F for Digital Secure Remote Payment transaction identification requirements.
- When the transaction was completed at an EMV terminal which was properly identified in the authorization and the clearing record, except for fraudulent parking garage and tollway magnetic stripe transactions completed without CVM
- For contactless transactions completed with successful PIN verification
- The issuer approved the transaction after submitting two or more chargebacks involving the same Maestro card account (for this purpose, "account" means primary account number [PAN], or PAN and expiration date) for message reason code 4837 or 4870.
- The issuer submitted more than 25 chargebacks involving the same account (as defined above) for message reason code 4837 or 4870.
- The issuer is currently listed in the *Global Security Bulletin* as limited to seven chargebacks for reason code 4837 or 4870 involving the same Maestro card account (for this purpose, "account" means PAN, or PAN and expiration date), and the issuer has already met or exceeded this amount for the account in question.

B.2.7.3 Proper Use for Acquirer's Second Presentment

The conditions shown below represent valid options that the acquirer may choose to process a second presentment for message reason code 4837.

Invalid Chargeback

Invalid Chargeback	
IPM Second Presentment Message Reason Code	**2713** Invalid chargeback

©1988–2015 MasterCard. Proprietary. All rights reserved.

Invalid Chargeback	
Second Presentment Condition	The chargeback did not meet the requirements as stipulated under section Proper Use of Interregional Message Reason Code 4837.
Supporting Documents	Copy of the authorization record
DE 72 (Data Record)	None
Notes	None

Two or More Previous Fraud-related Chargebacks

Two or More Previous Fraud-related Chargebacks	
IPM Second Presentment Message Reason Code	**2713** Invalid chargeback
Second Presentment Condition	The issuer previously charged back two or more transactions involving the same Maestro card account before the authorization approval date of the disputed transaction for message reason code 4837 or 4870.
Supporting Documents	None
DE 72 (Data Record)	None
Notes	The Fraud Notification Service (FNS) alerts the acquirer in the event that the issuer has submitted two or more chargebacks involving the same account for reason code 4837 or 4870. FNS places the date on which the issuer submitted the second such fraud-related chargeback in the Fraud Notification Service Date subfield within the Fraud Notification Information field of the chargeback message. If this field is present and contains a date value that is earlier than the authorization approval date of the disputed transaction, the acquirer may process a second presentment.

Fraud-related Chargeback Counter Exceeds Threshold

Fraud-related Chargeback Counter Exceeds Threshold	
IPM Second Presentment Message Reason Code	**2713** Invalid chargeback

©1988–2015 MasterCard. Proprietary. All rights reserved.

Fraud-related Chargeback Counter Exceeds Threshold	
Second Presentment Condition	The issuer previously charged back more than 25 transactions involving the same account for message reason code 4837 or 4870.
Supporting Documents	None
DE 72 (Data Record)	None
Notes	The Fraud Notification Service (FNS) provides the acquirer with the total number of fraud-related chargebacks submitted by the issuer involving the same account. FNS places the total chargeback count in the Fraud Notification Service Chargeback Counter subfield within the Fraud Notification Information field of the chargeback message. The acquirer may process a representment if this field is present and the chargeback counter value exceeds 25 (a value of 26 or more).

B.2.8 Interregional Message Reason Code 4855—Goods or Services Not Delivered

The following sections describe the proper and improper use of message reason code 4855.

B.2.8.1 Proper Use of Interregional Message Reason Code 4855

This message reason code applies **only** to the following transactions.

- e-commerce
- Point-of-Sale (POS)

The cardholder's account has been debited for a transaction, but the cardholder or his or her authorized representative did not receive the goods or services that were to be shipped, delivered, or otherwise provided by the expected delivery date.

The issuer must wait until the specified delivery date has passed before charging back. If no delivery date is specified, the issuer must wait 30 calendar days after the transaction date before charging back. The 120-day chargeback time frame is calculated from the latest anticipated date that the goods or services were to be provided. If no such date is provided, the chargeback must be processed within 120 days of the Central Site Processing date.

The issuer may charge back the transaction before the specified delivery date if it is established that the merchant will not provide the goods or services because, for example, it is no longer in business.

©1988–2015 MasterCard. Proprietary. All rights reserved.

B.2.8.2 Improper Use for Issuer's First Chargeback

This chargeback does not cover situations where the goods or services provided by the merchant do not meet the customer's expectations.

B.2.8.3 Proper Use for Acquirer's Second Presentment

The condition shown below represents a valid option that the acquirer may choose to process a second presentment for message reason code 4855.

Chargeback Remedied	
IPM Second Presentment Message Reason Code	**2700** Chargeback remedied
Second Presentment Condition	The acquirer can show that goods or services were received by the cardholder.
Supporting Documents	Documentation showing that goods or services were received by the cardholder.
DE 72 (Data Record)	None
Notes	None

B.2.9 Interregional Message Reason Code 4860—Credit Not Received

The following sections describe the proper and improper use of message reason code 4860.

B.2.9.1 Proper Use of Interregional Message Reason Code 4860

This message reason code applied **only** to POS and e-commerce transactions.

The issuer may use message reason code 4860 if a cardholder's account is not credited for a refund from a merchant or is inaccurately debited instead of credited because of an incorrect transaction code.

B.2.9.2 Proper Use for Issuer's First Chargeback

This chargeback should be for the full amount of the refund, or in the case of an inaccurate debit, twice the original transaction amount to offset the error.

B.2.9.3 Proper Use for Acquirer's Second Presentment

The condition shown below represents a valid option that the acquirer may choose to process a second presentment for message reason code 4860.

Credit Issued	
IPM Second Presentment Message Reason Code	**2011** Credit issued

©1988–2015 MasterCard. Proprietary. All rights reserved.

Credit Issued	
Second Presentment Condition	The acquirer can show that a credit was processed.
Supporting Documents	Documentation showing the date the credit was processed to the cardholder's account, and the reference number of that transaction.
DE 72 (Data Record)	None
Notes	None

B.2.10 Interregional Message Reason Code 4870—Chip Liability Shift

The following section describes the proper use of message reason code 4870.

B.2.10.1 Proper Use of Interregional Message Reason Code 4870

The issuer may initiate a chargeback using reason code 4870 if the following apply.

The issuer must receive a cardholder letter, electronic message, or complete an Expedited Billing Dispute Resolution Process Form alleging that the transaction was fraudulent, and the issuer must provide this letter.

The fraudulent transaction must be reported to SAFE on or before the date the chargeback is processed. When using the Expedited Billing Dispute Resolution Process, the Maestro card account must be closed and the transaction must have been be reported to SAFE (System to Avoid Fraud Effectively).

For **counterfeit fraud**, all of the following additional requirements must be met:

- The transaction was conducted with a counterfeit card at a magnetic stripe reading-only terminal or at a hybrid terminal but DE 55 was not present in the Authorization Request/0100 message or Financial Transaction Request/0200 message, and the validly-issued card, if any, was an EMV chip card.
- The cardholder letter, electronic message, or completed Expedited Billing Dispute Resolution Process Form must indicate that he or she was in possession of the card at the time of the transaction or the issuer certifies by means of a different document accompanying the cardholder's letter that this is a case of counterfeit.

For **lost, stolen, or never received fraud** all of the following additional requirements must be met:

- The transaction was conducted at a magnetic stripe reading-only POS terminal or at a hybrid terminal but DE 55 was not present in the Authorization Request/0100 message or Financial Transaction Request/0200 message, and the validly-issued card, if any, was an EMV chip card.
- The transaction was conducted without PIN as CVM.
- The cardholder letter, electronic message, or completed Expedited Billing Dispute Resolution Process Form must indicate that the card was lost, stolen, or never received at the time of the transaction, or the issuer can otherwise certify by means of a different document accompanying the cardholder's letter that the card was lost, stolen, or never received at the time of the transaction.

©1988–2015 MasterCard. Proprietary. All rights reserved.

NOTE: Technical Fallback—When a hybrid card is used at a hybrid terminal and fallback from chip to magnetic stripe occurs, the transaction must be properly identified with POS entry mode 80 (DE 22) and authorized online. The cardholder verification method (CVM) must be PIN, except if the transaction is acquired in a waiver country in which case signature is also a permitted CVM. If the transaction is not properly identified in the Authorization Request/0100 message and in the First Presentment/1240 message then the issuer may charge the item back under message reason code 4870.

In this region...	The following countries and territories participate…	Effective for Maestro POS transactions dated on or after...
Asia/Pacific region	All	Currently in effect
Canada region	All	31 December 2015
Latin America and the Caribbean region	All	Currently in effect
Middle East/Africa region	All	Currently in effect
United States region	All	1 October 2015 for all **except** automated fuel dispenser transactions (MCC 5542)
		1 October 2017 for automated fuel dispenser transactions (MCC 5542)

B.2.10.2 Improper Use of Interregional Message Reason Code 4870

This code may not be used for properly identified contactless transactions.

The issuer must not use message reason code 4870 if:

- The issuer approved the transaction after submitting two or more chargebacks involving the same Maestro card account (for this purpose, "account" means primary account number [PAN], or PAN and expiration date) for reason codes 4837 or 4870.
- The issuer submitted more than 25 chargebacks involving the same account (as defined above) for message reason code 4837 or 4870.
- Properly identified and authorized contactless transactions
- The issuer is currently listed in the *Global Security Bulletin* as limited to seven chargebacks for reason code 4837 or 4870 involving the same Maestro card account (for this purpose, "account" means PAN, or PAN and expiration date), and the issuer has already met or exceeded this amount for the account in question.

©1988–2015 MasterCard. Proprietary. All rights reserved.

B.2.10.3 Proper Use for Acquirer's Second Presentment

The conditions shown below represent valid options that the acquirer may choose to process a second presentment for message reason code 4870.

Invalid Chargeback

The conditions shown below represent valid options that the acquirer may choose to process a second presentment for message reason code 4870.

Invalid Chargeback	
IPM Second Presentment Message Reason Code	**2713** Invalid Chargeback
Second Presentment Condition	The acquirer can show that the liability shift does not apply as: • The terminal was a hybrid terminal • The transaction was not reported to SAFE on or before the Central Site Business Date of the chargeback, or • The transaction was authorized online and did not involve a hybrid card; that is, the first value in the service code (DE 35) was not 2 or 6 and therefore did not indicate a hybrid card.
Supporting Documents	Documentation showing how the chargeback was invalid.
DE 72 (Data Record)	None
Notes	The acquirer must always provide supporting documentation when second presenting interregional transactions. It is not sufficient to enter a message in DE 72.

Two or More Previous Fraud-related Chargebacks

Two or More Previous Fraud-related Chargebacks	
IPM Second Presentment Message Reason Code	**2713** Invalid Chargeback
Second Presentment Condition	The issuer previously charged back two or more transactions involving the same Maestro card account before the authorization approval date of the disputed transaction for message reason code 4837 or 4870.
Supporting Documents	None
DE 72 (Data Record)	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

Two or More Previous Fraud-related Chargebacks	
Notes	The Fraud Notification Service (FNS) alerts the acquirer in the event that the issuer has submitted two or more chargebacks involving the same account for reason code 4837 or 4870. FNS places the date on which the issuer submitted the second such fraud-related chargeback in the Fraud Notification Service Date subfield within the Fraud Notification Information of the chargeback message. If this field is present and contains a date value that is earlier than the authorization approval date of the disputed transaction, the acquirer may process a second presentment.

Fraud-related Chargeback Counter Exceeds Threshold

Fraud-related Chargeback Counter Exceeds Threshold	
IPM Second Presentment Message Reason Code	**2713** Invalid Chargeback
Second Presentment Condition	The issuer previously charged back more than 25 transactions involving the same account for message reason code 4837 or 4870.
Supporting Documents	None
DE 72 (Data Record)	None
Notes	The Fraud Notification Service (FNS) provides the acquirer with the total number of fraud-related chargebacks submitted by the issuer involving the same account. FNS places the total chargeback count in the Fraud Notification Service Chargeback Counter subfield within the Fraud Notification Information field of the chargeback message. The acquirer may process a representment if this field is present and the chargeback counter value exceeds 25 (a value of 26 or more).

Issuer Listed in *Global Security Bulletin*

Issuer Listed in *Global Security Bulletin*	
IPM Second Presentment Message Reason Code	**2713** Invalid Chargeback

©1988–2015 MasterCard. Proprietary. All rights reserved.

Issuer Listed in *Global Security Bulletin*	
Second Presentment Condition	The acquirer can show that on the chargeback date, the issuer was listed in the *Global Security Bulletin* as: Limited to seven chargebacks for reason code 4837 or 4870 involving the same Maestro card account and the transaction charge back contains an FNS counter value that is greater than seven (a value of eight or more).
Supporting Documents	None
DE 72 (Data Record)	**ISSUER LISTED GSB NNN FNS EXCEEDED**
Notes	Replace NNN with the applicable *Global Security Bulletin* number. The *Global Security Bulletin* number is a three-digit number in which the last digit of the year is represented by the first digit of the Bulletin number, and the second and third digits represent the *Global Security Bulletin* month. (For example, bulletin number 6 (June) in the year 2014 is shown as NNN = 406.)

B.2.11 Interregional Message Reason Code 4880—Late Presentment

The following sections describe the proper and improper use of message reason code 4880.

B.2.11.1 Proper Use of Interregional Message Reason Code 4880

This message reason code applies **only** to chip-read and PIN-based POS and Maestro contactless transactions.

An issuer may use reason code 4880 if the transaction is submitted into clearing more than seven calendar days after the transaction date and the cardholder's account is either closed or does not contain sufficient funds to cover the transaction amount.

In order to use message reason code 4880, an issuer must have used good-faith efforts to collect the transaction amount from the cardholder's account.

An issuer will not be able to submit a chargeback under message reason code 4880 if the cardholder's account is in good standing.

B.2.11.2 Proper Use for Acquirer's Second Presentment

The condition shown below represents a valid option that the acquirer may choose to process a second presentment for message reason code 4880.

Correct Transaction Date Provided	
IPM Second Presentment Message Reason Code	**2003** Correct transaction date provided

©1988–2015 MasterCard. Proprietary. All rights reserved.

Correct Transaction Date Provided	
Second Presentment Condition	The acquirer shows that the transaction was presented within the proper time frame.
Supporting Documents	Documentation proving that the transaction was presented within the seven calendar day time limit.
DE 72 (Data Record)	None
Notes	None

B.3 Message Reason Codes for Intra-European and Inter-European Transactions

The following message reason codes are applicable to intra-European and inter-European POS, e-commerce, PIN-based in-branch, and Maestro contactless transactions unless otherwise indicated under the message reason code.

They apply to any type of Maestro transactions, such as Magnetic stripe or chip read transactions and Signature, PIN, or non-PIN based transactions, unless otherwise indicated under the message reason code.

For intra-European and inter-European transactions, a Dispute Administration Fee (DAF) will be automatically generated for each chargeback and second presentment by MasterCard via the MasterCard Consolidated Billing System.

The fees will be credited to the sender and debited from the receiver of the respective chargeback cycle as follows:

- First chargeback: The issuer is credited 15 EUR and the acquirer is debited 15 EUR.
- Second presentment: The acquirer is credited 30 EUR (15 EUR net) and the issuer is debited 30 EUR (15 EUR net).

In the event that an arbitration case is filed after the second presentment, the issuer will be allowed to collect 45 EUR from the acquirer (30 EUR net) if the issuer is favored, within 45 days of the ruling decision or acceptance by the acquirer. This fee may be collected by the favored issuer using a miscellaneous fee collection message 1740-700 message with reason code 7606. DE 72 (Data Record) of the fee collection message must contain the "6-digit case ID—collection of DAF."

The Dispute Administration Fee does not apply when the transaction is coded with MCC 5499, 5735, 5815, 5816, 7311, or 7399.

Should the fee be debited unduly, for example, the acquirer collects the DAF with a second presentment after processing a credit to the cardholder, the fee can be collected by the impacted party using the miscellaneous fee collection message 1740-700 with reason code 7606. This fee collection message should be sent within 45 days after the dispute message

©1988–2015 MasterCard. Proprietary. All rights reserved.

was sent which unduly triggered the DAF. DE 72 (Data Record) of the fee collection message must contain the "10-digit chargeback reference number—collection of DAF."

Chargeback Message Reason Codes		Documentation Required	Retrieval Request Required	Section No.
4802	Non-fulfillment of Request: Illegible copy	No	Yes	B.3.1 Intra-European Message Reason Code 4802—Non-Fulfillment of Request Illegible Copy
4808	Transaction Not Authorized	No	No	B.3.2 Intra-European Message Reason Code 4808—Transaction Not Authorized
4831	Disputed Amount	Yes	No	B.3.3 Intra-European Message Reason Code 4831—Disputed Amount
4834	Duplicate Processing of Transaction	No	No	B.3.4 Intra-European Message Reason Code 4834—Duplicate Processing of Transaction
4837	No Cardholder Authorization	Yes	No	B.3.5 Intra-European Message Reason code 4837—No Cardholder Authorization
4841	Canceled Recurring or Digital Goods Transactions	Yes	No	B.3.6 Intra-European Message Reason code 4841—Canceled Recurring or Digital Goods Transactions
4846	Currency Errors	Sometimes	No	B.3.7 Intra-European Message Reason Code 4846—Currency Errors
4855	Goods or Services not Delivered	Yes	No	B.3.8 Intra-European Message Reason Code 4855—Goods or Services Not Provided
4860	Credit not Received	Yes	No	B.3.9 Intra-European Message Reason Code 4860—Credit Not Received
4870	Chip Liability Shift	No	No	B.3.10 Intra-European Message Reason Code 4870—Chip Liability Shift
4880	Late Presentment	No	No	B.3.11 Intra-European Message Reason Code 4880—Late Presentment

©1988–2015 MasterCard. Proprietary. All rights reserved.

B.3.1 Intra-European Message Reason Code 4802—Non-Fulfillment of Request: Illegible Copy

The following sections describe the proper use of message reason code 4802.

B.3.1.1 Proper Use of Intra-European Message Reason Code 4802

This message reason code is applicable only for signature-based POS, e-commerce transactions, and Chip/PIN transactions where the transaction certificate and related data were not provided in DE 55 of the First Presentment/1240 message.

The issuer may use message reason code 4802 only when there is a justifiable reason for the cardholder not to pay the charge, or if the issuer will incur a financial loss because the acquirer did not provide a legible copy of the requested item.

B.3.1.2 Proper Use for Issuer's First Chargeback

The cardholder disputed the transaction and the item provided using MasterCom by the acquirer was not legible or did not contain all the required information.

The issuer rejected the item to Image Review within 10 calendar days of the date that the item was received, and the issuer was favored by the Image Review decision.

B.3.1.3 Proper Use for Acquirer's Second Presentment

The condition shown below represents a valid option that the acquirer may choose to process a second presentment for message reason code 4802.

Chargeback Remedied	
IPM Second Presentment Message Reason Code	**2700** Chargeback remedied
Second Presentment Condition	The acquirer provides documentation that is legible or complete, or both.
Supporting Documents	A legible and complete copy of the requested item.
DE 72 (Data Record)	None

Other message codes may apply; refer to B.1.6 Second Presentment for more details.

B.3.1.4 New Chargeback

If the issuer, on examination of the requested documentation for the first time, discovers a new chargeback reason code, a new first chargeback can be processed within 45 days of receipt of the second presentment processing date.

B.3.2 Intra-European Message Reason Code 4808—Transaction Not Authorized

The issuer must attempt to honor the transaction before exercising this chargeback right.

The following sections describe the proper and improper use of message reason code 4808.

©1988–2015 MasterCard. Proprietary. All rights reserved.

B.3.2.1 Proper Use of Intra-European Message Reason Code 4808

The issuer receives a complaint from the cardholder or otherwise determines a transaction presented has not been properly authorized.

The issuer or his agent has:

- Never received an authorization request, or
- Declined the authorization request, or
- The processed amount is higher than the authorized amount.
- The issuer received and approved a full or partial reversal request relating to a previously approved authorization request. However, the clearing file shows the transaction was processed for the original authorized amount.
- **Expired Payment Guarantee**—The issuer may also use this message reason code if the transaction was presented more than seven calendar days after the authorization approval date and the issuer has permanently closed the account before filing the chargeback. The above timeframe does not apply to properly identified Maestro contactless aggregated transit transactions.

B.3.2.2 Improper Use of Intra-European Message Reason Code 4808

The issuer may not use this message reason code for POS chip transactions that were below the applicable floor limit and authorized by the chip.

B.3.2.3 Proper Use for Issuer's First Chargeback

The condition shown below represents a valid use for issuer's first chargeback.

Time Frame	120 days
Retrieval Request	No
Supporting Documents	None
DE 72 (Data Record)	None
Notes	The full amount should be charged back, except when the processed amount is higher than the authorized amount. In this case the difference between both amounts may be charged back.

B.3.2.4 Proper Use for Acquirer's Second Presentment

The conditions shown below represent valid options that the acquirer may choose to process a second presentment for message reason code 4808.

Other message codes may apply; refer to B.1.6 Second Presentment for more details.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Transaction Authorized

Transaction Authorized	
IPM Second Presentment Message Reason Code	**2008** Transaction authorized
Second Presentment Condition	The acquirer can substantiate that the transaction was either approved: 1. Online by the issuer 2. Offline by the chip
Supporting Documents	1. None 2. None
DE 72 (Data Record)	1. TRANS AUTH MMDDYY NNNNNN 2. CHIP TRANSACTION
Notes	None

Other message codes may apply; refer to B.1.6 Second Presentment for more details.

Expired Payment Guarantee

Expired Payment Guarantee	
IPM Second Presentment Message Reason Code	**2713** Invalid Chargeback
Second Presentment Condition	• The transaction was presented within seven calendar days of the pre-authorization or authorization approval date, and the pre-authorization or authorization was not reversed, or • The transaction was a properly identified Maestro contactless aggregated transit transaction, or • The issuer has not permanently closed the account.
Supporting Documents	None
DE 72 (Data Record)	PREAUTH MMDDYY or AUTH MMDDYY or ACCOUNT NOT CLOSED

©1988–2015 MasterCard. Proprietary. All rights reserved.

Expired Payment Guarantee	
Notes	If the transaction authorization was identified as a pre-authorization, use **PREAUTH**. If the transaction authorization was not identified as a pre-authorization, use **AUTH**. Replace **MMDDYY** with the approval date of the disputed transaction. This remedy does not apply to Maestro contactless transit aggregated transit transactions.

B.3.2.5 Improper Use for Acquirer's Second Presentment

The acquirer is prohibited from using the second presentment when the PAN in the Authorization Request Response/0110 message and in the First Presentment/1240 message differs, but the acquirer should process a new first presentment.

B.3.2.5.1 Proper Use for New Presentments

If the chargeback is valid, the acquirer should process the transaction as a First Presentment/1240 message with the correct PAN. The new presentment must be processed within thirty days of the Central Site Business Date of the first chargeback for the acquirer to be protected from a chargeback under message reason code 4880—Late Presentment.

B.3.3 Intra-European Message Reason Code 4831—Disputed Amount

The following sections describe the proper use of message reason code 4831.

B.3.3.1 Proper Use of Intra-European Message Reason Code 4831

This message reason code applies to the following transactions.

- E-commerce
- Point of Sale (POS)
- MO/TO (where permitted)

The issuer may use this message reason code as follows:

- The cardholder's account has been debited for an amount that is higher than the original purchase amount.
- Unreasonable Amount (Intra-European Economic Area [EEA] transactions only). Issuers in EEA countries may use this message reason code if the cardholder alleges that the amount of an authorized transaction for the purchase of goods or services was unreasonable, and all of the following conditions are met:
  - The exact transaction amount was not specified at the time the cardholder engaged in the transaction, and
  - The transaction amount exceeded what the cardholder could reasonably have expected, taking into account the cardholder's previous spending pattern, the conditions of the cardholder agreement and the relevant circumstances of the case.
- The cardholder paid for goods or services by other means (for example, with a different card or via bank transfer).

©1988–2015 MasterCard. Proprietary. All rights reserved.

The chargeback must be accompanied by a cardholder letter, electronic message, or completed Expedited Billing Dispute Resolution Process Form identifying the disputed transaction and describing the circumstances of the dispute.

B.3.3.2 Proper Use for Issuer's First Chargeback

Billing Discrepancies The issuer must provide a copy of the cardholder's transaction receipt or similar evidence and a copy of the cardholder's written complaint.

Payment by Other Means. The issuer must provide documentation to establish alternate payment to the merchant. Examples of such documentation include:

- Proof of payment by check or bank transfer
- For a payment in cash, a cash receipt
- For a payment made using the same Maestro card, the transaction detail (for example, transaction amount and either ARD or switch serial number)
- For a payment made using a different Maestro card or another card, a card statement or transaction details; a TID showing the card details is also acceptable.

For payment to a third party (such as a travel agent) to purchase a voucher or the like representing payment to the merchant, the issuer must provide a cardholder letter, electronic message, or completed Expedited Billing Dispute Resolution Process Form stating that the voucher was accepted by the merchant and documentation to prove that the same goods or services debited to the cardholder's account were covered by the voucher. Examples of such documentation include a copy of the voucher, the itinerary prepared by the third party listing the goods and services paid for, or a receipt of payment.

Alternate Payment via Travel Vouchers. A cardholder may claim that payment was made using a travel voucher or similar instrument purchased from a travel agent. Upon accepting the travel voucher, the merchant must not process a subsequent charge for the same goods or services, even if the travel agent fails to pay the merchant.

The issuer may consider using message reason code 4855 against the acquirer of the travel agent if the cardholder paid for the travel voucher using a Maestro card, and the travel agent did not pay the merchant. The 120-day time frame is calculated from the date of the second charge.

Time Frame	120 Calendar Days
Supporting Documents	Cardholder letter, electronic message, or completed Expedited Billing Dispute Resolution Process Form indicating that: 1. the amount billed was incorrect, and provide a copy of the TID or other documentation to confirm the actual amount of the transaction as agreed to by the cardholder 2. an unreasonable amount was charged. 3. the same goods or services debited to the cardholder's account were paid for in some other manner, and provide documentation showing that payment was made by an alternate payment method.

©1988–2015 MasterCard. Proprietary. All rights reserved.

DE 72 (Data Record)	1. None 2. UNREASONABLE AMOUNT 3. None
Notes	For unreasonable amount disputes and Paid by Other Means, the chargeback may be for the full amount. For billing discrepancies, only the difference in amount may be charged back of the transaction.

B.3.3.3 Proper Use for Acquirer's Second Presentment

The condition shown below represents a valid option that the acquirer may choose to process a second presentment for message reason code 4831.

Chargeback Remedied	
IPM Second Presentment Message Reason Code	**2700** Chargeback Remedied
Second Presentment Condition	1. The acquirer can show that the transaction was correctly processed. 2. For unreasonable amount disputes, the merchant can show that the cardholder agreed to an amount range as reasonable, and the transaction amount did not exceed this amount range. 3. For **payment by other means** disputes, the merchant provides an explanation that substantiates the validity of the transaction charged.
Supporting Documents	1. Evidence that the transaction was correctly processed. 2. For unreasonable amount disputes, documentation showing that the cardholder agreed to an amount range as reasonable and that the transaction did not exceed this amount range; for example, – An itemized price list signed by the cardholder, and an itemized transaction receipt showing the transaction amount was calculated on the basis of this price list; or – The cardholder's written agreement to a recurring payment arrangement with the merchant in which a maximum amount for each payment was specified. 3. For **payment by other means** disputes, an appropriate merchant explanation and documentation showing two separate transactions.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Chargeback Remedied	
DE 72 (Data Record)	None

Other message codes may apply; refer to B.1.6 Second Presentment for more details.

B.3.4 Intra-European Message Reason Code 4834—Duplicate Processing of Transaction

The following sections describe the proper use of message reason code 4834.

B.3.4.1 Proper Use of Intra-European Message Reason Code 4834

The issuer or the cardholder determines that a transaction has been submitted in duplicate.

A transaction is considered a duplication if the terminal ID, the transaction amount in the original currency, the date, and the time of the transaction are the same.

B.3.4.2 Proper Use for Issuer's First Chargeback

The condition shown below represents a valid option that the issuer may choose to process a first chargeback for message reason code 4834.

Time Frame	120 days
Retrieval Request	No
Supporting Documents	None
DE 72 (Data Record)	FIRST ARD NNNNNNNNNNNNNNNNNNNNNN
Notes	Issuer must provide the Acquirer Reference Data (ARD) of the first transaction in DE 72.

B.3.4.3 Proper Use for Acquirer's Second Presentment

The conditions shown below represent valid options that the acquirer may choose to process a second presentment for message reason code 4834.

Other message codes may apply; refer to B.1.6 Second Presentment for more details.

Transaction Authorized

Transaction Authorized	
IPM Second Presentment Message Reason Code	**2008** Transaction authorized

©1988–2015 MasterCard. Proprietary. All rights reserved.

Transaction Authorized	
Second Presentment Condition	The acquirer can substantiate that both transactions are valid and were authorized by PIN. The authorization date and code of both transactions must be entered in DE 72 (Data Record).
Supporting Documents	None
DE 72 (Data Record)	PIN MMDDYY NNNNNN, MMDDYY NNNNNN
Notes	None

Credit Previously Issued

Credit Previously Issued	
IPM Second Presentment Message Reason Code	**2011** Credit previously issued
Second Presentment Condition	The acquirer can show that a credit was issued. The central site processing date of the credit or reversal must be provided.
Supporting Documents	None
DE 72 (Data Record)	Credit MMDDYY (and optionally the ARD (Acquirer Reference Data)
Notes	None

Chargeback Remedied

Chargeback Remedied	
IPM Second Presentment Message Reason Code	**2700** Chargeback remedied
Second Presentment Condition	The acquirer provides two separate TIDs indicating two valid transactions.
Supporting Documents	Two separate TIDs indicating two valid transactions.
DE 72 (Data Record)	None
Notes	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

Invalid Data Record

Invalid Data Record	
IPM Second Presentment Message Reason Code	**2704** Invalid Data Record Text
Second Presentment Condition	The chargeback is invalid because the issuer failed to provide the original ARD in DE 72 (Data Record).
Supporting Documents	None
DE 72 (Data Record)	None

Other message codes may apply; refer to B.1.6 Second Presentment for more details.

B.3.5 Intra-European Message Reason Code 4837—No Cardholder Authorization

The following sections describe the proper use of message reason code 4837.

Neither the length of time between authorization approval and transaction presentment, nor the partial or full reversal of an approved authorization, have any effect upon the protection that an authentication occurring during authorization provides against fraud-related chargebacks (for example, MasterCard *SecureCode* authentication, chip validation, and/or PIN verification).

MasterPass Transactions

To support the growth of MasterPass-initiated payments in selected countries in Central and Eastern Europe (European countries listed in the table Countries where the MasterPass Liability Shift applies and their respective Static AAVs), MasterPass supports a liability shift that does not require the use of SecureCode authentication.

This MasterPass liability shift may be optionally applied to transactions involving a Maestro branded card account when the transaction is initiated by a MasterPass Wallet. This MasterPass liability shift may only be applied when all conditions and all operational and coding requirements listed in the MasterPass Transactions section in 3.4 MasterCard SecureCode and Universal Cardholder Authentication Field (UCAF) Liability Shift Program are adhered to.

Maestro issuers in the countries concerned must support the coding possibilities mentioned in the operational and coding requirements listed in the section referred to above and must treat such transactions—when correctly coded—as if they had been successfully authenticated using SecureCode. More specifically, the issuer will be liable for fraudulent transactions and will not be allowed to chargeback these transactions under chargeback messages reason code 4837—No Cardholder Authorization.

As an exception to the selective authorization rule in the MasterCard Rules, issuers may systematically decline authorization requests containing one of the static AAVs listed in

©1988–2015 MasterCard. Proprietary. All rights reserved.

Countries where the MasterPass Liability Shift applies and their respective Static AAVs in the section referred to above when such authorization requests do not contain a properly coded MasterPass Wallet Identifier or when the Transaction does not meet other relevant conditions for the proper use of such static AAV.

B.3.5.1 Proper Use of Intra-European Message Reason Code 4837

This message reason code applies **only** to Non–PIN-based transactions.

The issuer is informed of a cardholder dispute such as the cardholder states that he or she has neither participated in nor authorized a transaction. The issuer receives a cardholder dispute letter, stating that the cardholder has neither participated in nor authorized a transaction. Issuers may charge back:

- All intra-European and inter-European transactions completed using signature as the CVM at magnetic stripe reading-only POS terminals
- Chip POS transactions completed without CVM
- Technical Fallback (chip to magnetic stripe) transactions performed without CVM
- E-commerce transactions for which the UCAF field (DE 48, subelement 43) of the disputed transaction contains the organization-assigned static AAV or the merchant site does not support the passing of UCAF data (DE 48, subelement 42, subfield 3 equals zero or is missing).
- Mobile remote payment transactions for which the Remote Payments Program Type value of 2 (Acquirer Domain) was present in Data Element 48, subelement 48, subfield 1 (Mobile Program Indicators), and
- Maestro contactless transactions that exceed the applicable contactless CVM limit without successful online PIN verification or on-device cardholder verification
- Parking garage and tollway transactions completed without CVM

B.3.5.2 Improper Use of Intra-European Message Reason Code 4837

This chargeback may not be used in the following situations.

- A Digital Secure Remote Payment (DSRP) transaction or any subsequent transaction for a related partial shipment or recurring payment. Refer to Appendix F for Digital Secure Remote Payment transaction identification requirements.
- When the transaction was completed at an EMV terminal which was properly identified in the authorization and the clearing record, except for fraudulent parking garage and tollway transactions completed without CVM.
- For contactless transactions completed with successful PIN verification.
- If the issuer approved the transaction after submitting two or more chargebacks involving the same Maestro card account (for this purpose, "account" means primary account number [PAN], or PAN and expiration date) for message reason code 4837 or 4870.
- The issuer submitted more than 25 chargebacks involving the same account (as defined above) for message reason code 4837 or 4870.
- The issuer is currently listed in the *Global Security Bulletin* as limited to seven chargebacks for reason code 4837 or 4870 involving the same account (as defined above), and the issuer has already met or exceeded this amount for the account in question.

©1988–2015 MasterCard. Proprietary. All rights reserved.

B.3.5.3 Proper Use for Issuer's First Chargeback

The issuer must supply the cardholder letter, electronic message, or completed Expedited Billing Dispute Resolution Process Form as supporting documentation. When using the Expedited Billing Dispute Resolution Process, the Maestro card account must be closed and the transaction must have been be reported to SAFE (System to Avoid Fraud Effectively).

All fraudulent transactions must be reported to SAFE.

Where a chargeback is being raised as a result of multiple fraudulent mobile phone prepayment transactions performed with the same card, the issuer may combine the transactions in question into a single First Chargeback/1442 message, providing supporting documentation including a schedule showing dates and amounts of each transaction.

B.3.5.4 Proper Use for Acquirer's Second Presentment

The conditions shown below represent valid options that the acquirer may choose to process a second presentment for message reason code 4837.

Previous Fraud-related Chargebacks on the Account. The Fraud Notification Service (FNS) alerts the acquirer in the event that the issuer has submitted two or more chargebacks involving the same account for reason code 4837 or 4870. FNS places the date on which the issuer submitted the second such fraud-related chargeback in PDS 0200 (FNS—Fraud Notification \ of the First Chargeback/1442 message. If PDS 0200 is present and contains a date value that is earlier than the authorization approval date of the disputed transaction, the acquirer may process a second presentment.

Other message codes may apply; refer to B.1.6 Second Presentment for more details.

Issuer Listed in *Global Security Bulletin*

Issuer Listed in *Global Security Bulletin*	
IPM Second Presentment Message Reason Code	**2713** Invalid Chargeback
Second Presentment Condition	The acquirer can show that on the chargeback date, the issuer was listed in the *Global Security Bulletin* as limited to seven chargebacks for reason code 70 or 74 involving the same Maestro card account, and the transaction charged back contains an FNS counter value that is greater than seven (a value or eight or more).
Supporting Documents	None
DE 72 (Data Record)	**ISSUER LISTED GSB NNN FNS EXCEEDED**

©1988–2015 MasterCard. Proprietary. All rights reserved.

Issuer Listed in *Global Security Bulletin*	
Notes	Replace NNN with the applicable *Global Security Bulletin* number. The *Global Security Bulletin* number is a three-digit number in which the last digit of the year is represented by the first digit of the Bulletin number, and the second and third digits represent the *Global Security Bulletin* month. (For example, bulletin number 6 (June) in the year 2014 is shown as NNN = 406.)

Transaction Authorized

Transaction Authorized	
IPM Second Presentment Message Reason Code	**2008** Transaction authorized
Second Presentment Condition	The acquirer can substantiate that the transaction was verified by PIN and approved either: 1. Online by the issuer 2. Offline by the chip
Supporting Documents	1. None 2. None
DE 72 (Data Record)	1. PIN MMDDYY NNNNNN 2. CHIP TRANSACTION
Notes	None

Chargeback Remedied

Chargeback Remedied	
IPM Second Presentment Message Reason Code	**2700** Chargeback remedied
Second Presentment Condition	The authorization record and the clearing record identified the POS terminal as being hybrid.
Supporting Documents	
DE 72 (Data Record)	Hybrid POI MMDDYY NNNNNN

©1988–2015 MasterCard. Proprietary. All rights reserved.

Chargeback Remedied	
Notes	None

Invalid Chargeback

Invalid Chargeback	
IPM Second Presentment Message Reason Code	**2713** Invalid Chargeback
Second Presentment Condition	The chargeback did not meet the requirements as stipulated under section Intra-European Message Reason code 4837—No Cardholder Authorization
Supporting Documents	None
DE 72 (Data Record)	None

Two or More Previous Fraud-related Chargebacks

Two or More Previous Fraud-related Chargebacks	
IPM Second Presentment Message Reason Code	**2713** Invalid Chargeback
Second Presentment Condition	The issuer previously charged back two or more transactions involving the same Maestro card account before the authorization approval date of the disputed transaction for message reason code 4837 or 4870.
Supporting Documents	None
DE 72 (Data Record)	One of the following: 1. FNS 2. NN MMDDYY NN MMDDYY AUTH MMDDYY

©1988–2015 MasterCard. Proprietary. All rights reserved.

Two or More Previous Fraud-related Chargebacks	
Notes	The following applies to the use of DE 72 (Data Record): 1. Use FNS when the authorization approval date of the disputed transaction is later than the date value provided by the Fraud Notification Service in PDS 0200 of the First Chargeback/1442 message. 2. Use **NN MMDDYY** for a previous chargeback by replacing **NN** with the last two digits of the message reason code and **MMDDYY** with the Central Site Business Date. For **AUTH MMDDYY**, replace **MMDDYY** with the authorization approval date of the disputed transaction.

Other message codes may apply; refer to B.1.6 Second Presentment for more details.

B.3.5.5 Improper Use for Acquirer's Second Presentment

Second presentments are not permitted for the following.

- Fraudulent parking garage and tollway transactions completed without CVM
- Fraudulent chip POS transactions completed without CVM or
- Non–PIN-based fraudulent transactions at terminals capable only of reading the magnetic stripe. In this situation, the acquirer is held responsible even though a waiver may have been granted.

B.3.6 Intra-European Message Reason Code 4841—Canceled Recurring or Digital Goods Transactions

The following sections describe the proper use of message reason code 4841.

B.3.6.1 Proper Use of Intra-European Message Reason Code 4841

This message reason code applies only to recurring payment transactions for which the UCAF field (DE 48, subelement 43) of the disputed transaction contains the Organization-assigned static AAV.

The issuer uses this message reason code if the merchant continued to bill a cardholder for a recurring transaction after:

- Receiving notification of cancellation from the cardholder or issuer, or
- The issuer listed the cardholder's account information on the Recurring Payment Cancellation Service (RPCS), or
- The cardholder was unaware of entering into a recurring transaction.

Confirm that the Transaction is a Recurring Transaction. This chargeback may be used if the issuer believes the transaction is a recurring transaction, although a value of 4 (Cardholder not present [standing order/recurring transaction]) is not present in DE 22 (Point of Service Data Code), subfield 5 (Cardholder Present Data).

©1988–2015 MasterCard. Proprietary. All rights reserved.

A recurring transaction allows for continuous billing without a specified end date. The disputed transaction must be a recurring transaction and not installment billing.

Installment transactions involve a finite number of periodic payments with a specified end date.

Examples of recurring and installment payments include the following.

- A cardholder contracted to pay EUR 250 on a monthly basis for three years for an automobile. This transaction is an installment transaction because an end date is specified.
- A cardholder contracted to pay EUR 25 on a monthly basis for membership in a health club. The contract specified that either the cardholder or the health club could cancel the contract with 30 days' notice. This transaction would qualify as a recurring transaction because an end date is not specified.
- A cardholder enrolls in automatic bill payment with his or her utility provider, whereby the cardholder enters into an agreement specifying that payments for utility services will be billed to his or her card on a monthly basis. The agreement states that the cardholder could cancel the automatic bill payments with two weeks' notice. This transaction would qualify as a recurring transaction because an end date is not specified.

Issuer May Cancel Recurring Billing. The issuer can charge back a transaction under message reason code 4841 if it notified the merchant or acquirer before the transaction date to cancel the billing on the cardholder's behalf.

Digital Goods Purchases of EUR 25 or Less. Digital goods are goods that are stored, delivered, and used in electronic format, such as, by way of example but not limitation, books, newspapers, magazines, music, games, game pieces, and software (excludes gift cards). The delivery of digital goods purchased in a transaction may occur on a one-time or subscription basis. An issuer may use message reason code 4841 to charge back an e-commerce transaction less than or equal to EUR 25 (or the local currency equivalent) for the purchase of digital goods, provided the issuer determines that the merchant did not offer the cardholder the following purchase controls:

- The option, enabled as a default setting, for the cardholder to disable all digital goods purchases;
- The time period during which a digital goods purchase can be made on the cardholder's account with the merchant (the "account open" period) must not exceed 15 minutes from the time at which the cardholder enters account authentication credentials; and
- Functionality that allows the cardholder to confirm or to cancel the clearly displayed total transaction amount of each pending digital goods purchase before completion of the transaction.

Before initiating a chargeback, the issuer must educate the cardholder on the use of purchase control settings and challenge the cardholder regarding the purchase control settings that the cardholder selected, if made available by the merchant.

©1988–2015 MasterCard. Proprietary. All rights reserved.

B.3.6.2 Proper Use for Issuer's First Chargeback

The following conditions represent valid options that the issuer can use to process a first chargeback for message reason code 4841.

Recurring Transaction Canceled Before Billing

Recurring Transaction Canceled Before Billing	
Time Frame	120 calendar days
Retrieval Request	No
Supporting Documents	Cardholder letter, electronic message, or completed Expedited Billing Dispute Resolution Process Form stating that the merchant was notified of the cancellation before the billing of the disputed transaction
DE 72 (Data Records)	Only for multiple transactions charged back using a single chargeback record: MULTIPLE TRANSACTIONS NNN
Note	If multiple transactions are being charged back, include a list of the individual items in the batch (ARD and amounts). The batch option is available only when the PAN, merchant name, and its acquirer are the same within the batch. Replace **NNN** with the number of items being charged back.

Account Listed in Recurring Payment Cancellation Service (RPCS)

Account Listed in Recurring Payment Cancellation Service (RPCS)	
Time Frame	120 calendar days
Retrieval Request	No
Supporting Documents	None
DE 72 (Data Records)	RPCS MMDDYY
Note	Replace **MMDDYY** with the date the account number was listed in the Recurring Payment Cancellation Service (RPCS).

©1988–2015 MasterCard. Proprietary. All rights reserved.

Cardholder Dispute of a Recurring Transaction

A recurring transaction allows for continuous billing without a specified end date.

Cardholder Dispute of a Recurring Transaction	
Chargeback Condition	The cardholder contacted the issuer claiming one of the following: • The cardholder notified the merchant to cancel the recurring transaction and the merchant continued to bill the cardholder. • The cardholder was not aware that the cardholder was agreeing to a recurring transaction.
Time Frame	Within 120 calendar days of the transaction settlement date.
Supporting Documents	A cardholder letter, email, message, or completed *Dispute Resolution Form-Cardholder Dispute Chargeback* (Form 1221) describing the cardholder's complaint in sufficient detail to enable all parties to understand the dispute.
DE 72 (Data Record)	Required for Batching as described below in Notes below. Optional for all other chargebacks.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Cardholder Dispute of a Recurring Transaction	
Notes	**Proper Disclosure of Terms and Conditions** Terms and conditions for recurring transactions must be clearly detailed to the cardholder. Recurring transaction terms and conditions must be separate and distinct from general terms and conditions of sale **Batching MCC 4816 or 5967 Transactions** An issuer may only combine multiple disputed transactions in one chargeback when both of the following: • The merchant name and its acquirer are the same for all of the disputed transactions • All of the disputed transactions are encoded with either MCC 4816 or 5967 The issuer must include: • A list of the disputed transactions, including the Acquirer Reference Data (ARD) and amount of each disputed transaction. • The following text in DE 72: MULTIPLE TRANSACTIONS NNN The issuer must replace NNN with the number of items being charged back.

Digital Goods

Digital Goods	
Chargeback Condition	All of the following: • Digital goods were purchased in an e-commerce transaction that was less than or equal to EUR 25 (or local currency equivalent) • The merchant did not offer the cardholder purchase control settings. • The cardholder's account is not closed and is in good standing with no associated fraudulent transactions
Time Frame	120 calendar days
Retrieval Request	No

©1988–2015 MasterCard. Proprietary. All rights reserved.

Digital Goods	
Supporting Documents	None If multiple transactions are being charged back, include a list of the individual items in the batch (ARDs and amounts). The batch option is only available when the merchant name and its acquirer are the same within the batch. The total amount of all items in the batch must not exceed EUR 250.
DE 72 (Data Record)	DIGITAL GOODS For multiple transactions charged back using a single chargeback record: DIGITAL GOODS NNN
Note	Replace **NNN** with the number of items being charged back.

Subsequent Message Reason Code 4841 Chargeback

Subsequent Message Reason Code 4841 Chargeback	
Time Frame	120 calendar days
Retrieval Request	No
Supporting Documents	None
DE 72 (Data Records)	CBMMDDYY ARD XXXXXXXXXXXXXXXXXXXXXXX
Note	The issuer can process any subsequent chargeback for this message reason code with the required DE 72 (Data Record) text. Replace **MMDDYY** with the date of the chargeback 4841 containing documentation. Replace **Xs** with the acquirer reference data (ARD) of the previous message reason code 4841 chargeback containing documentation.

B.3.6.3 Proper Use for Acquirer's Second Presentment

The conditions shown below represent valid options that the acquirer may choose to process a second presentment for message reason code 4841.

Other message codes may apply; refer to B.1.6 Second Presentment for more details.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Recurring Transactions

Recurring Transactions	
IPM Second Presentment Message Reason Code	**2700**
Second Presentment Condition	The acquirer can substantiate one of the following: • The transaction was not a recurring transaction. For example, the merchant bills the cardholder in installments. • The transaction was recurring and the cardholder failed to meet the cancellation terms of the signed contract. • The merchant can document that services are being provided to and used by the cardholder after the cancellation date. • The merchant can document that proper disclosure of entering into the recurring transaction was provided to and accepted by the cardholder.
Supporting Documents	Documentation to support that the chargeback is remedied or invalid.
DE 72 (Data Record)	None
Notes	None

Other message codes may apply; refer to B.1.6 Second Presentment for more details.

Digital Goods

Digital Goods	
IPM Second Presentment Message Reason Code	**2700** See Corresponding Documentation/Chargeback Remedied
Second Presentment Condition	The acquirer can substantiate that the merchant offered purchase controls at the time of the transaction or transactions (in the case of multiple transactions charged back in a batch)
Supporting Documents	Documentation to support that the chargeback is remedied or invalid (for example, website screen images).
DE 72 (Data Record)	None
Notes	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

B.3.6.4 Improper Use for Acquirer's Second Presentment

The acquirer must not submit a second presentment if the chargeback indicates that the cardholder canceled the recurring transaction and the merchant states that it was never contacted.

B.3.7 Intra-European Message Reason Code 4846—Currency Errors

The following sections describe the proper and improper use of message reason code 4846.

B.3.7.1 Proper Use of Intra-European Message Reason Code 4846

An incorrect amount is deducted from the cardholder's account in the following circumstances.

- The acquirer did not provide the correct transaction currency code (DE 49) for the currency in which the transaction was completed.
- The transaction amount is provided in a different currency for information purposes, and this currency is incorrectly processed as the transaction currency.
- POI currency conversion disputes:
  - The cardholder states that he or she was not given the opportunity to choose the desired currency in which the transaction was completed or did not agree to the currency of the transaction; or
  - POI currency conversion took place into a currency that is not the cardholder's billing currency; or
  - POI currency conversion took place when the goods/services were priced in the cardholder's billing currency; or
  - POI currency conversion took place when the cash was dispensed in the cardholder's billing currency.

B.3.7.2 Proper Use for Issuer's First Chargeback

The conditions below represent valid options that the issuer may choose to process a first chargeback for message reason code 4846.

Incorrect Currency Transmitted

The conditions below represent valid options that the issuer may choose to process a first chargeback for message reason code 4846.

Incorrect Currency Transmitted	
Time Frame	120 calendar days
Retrieval Request	No
Supporting Documents	None
DE 72 (Data Record)	None
Notes	The acquirer transmitted the incorrect currency code. The chargeback must be for the full amount of the transaction.

©1988–2015 MasterCard. Proprietary. All rights reserved.

POI Currency Conversion

POI Currency Conversion	
Time Frame	120 calendar days
Retrieval Request	No
Supporting Documents	Cardholder letter, electronic message, or completed Expedited Billing Dispute Resolution Process Form
DE 72 (Data Record)	POI CURRENCY CONVERSION
Notes	The cardholder was not given the opportunity to choose the currency or did not agree to the currency. The chargeback must be for the full amount of the transaction.

Currency Conversion—Incorrect Cardholder Currency

Currency Conversion—Incorrect Cardholder Currency	
Time Frame	120 calendar days
Retrieval Request	No
Supporting Documents	To document the currency and amount billed to the cardholder, supply one of the following: • The cardholder's billing statement, or • The issuer's internal transaction record.
DE 72 (Data Record)	INCORRECT CARDHOLDER CURRENCY
Notes	This chargeback option may be used for transactions for the following types of disputes involving POI currency conversion: • The transaction was converted into a currency that is not the cardholder's billing currency, or • The cardholder billing currency is the same as the currency in which the good/services are priced, or • The cash was dispensed in the cardholder's billing currency The chargeback may be for a partial amount representing the amount resulting from the double conversion, excluding any amount related to the issuer's conversion of the transaction.

©1988–2015 MasterCard. Proprietary. All rights reserved.

B.3.7.3 Proper Use for Acquirer's Second Presentment

The conditions shown below represent valid options that the acquirer may choose to process a second presentment for message reason code 4846.

Chargeback Remedied	
IPM Second Presentment Message Reason Code	**2700** See Corresponding Documentation/Chargeback remedied
Second Presentment Condition	The acquirer determines that the correct transaction amount and currency code were provided. In a dual currency environment, the merchant specified a currency indicator on the TID.
Supporting Documents	Documentation proving the correct currency was provided or specified.
DE 72 (Data Record)	None
Notes	This remedy is not applicable for POI currency conversion disputes.

Other message codes may apply; refer to B.1.6 Second Presentment for more details.

B.3.7.4 Improper Use for Acquirer's Second Presentment

The acquirer is prohibited from using the second presentment to argue the validity of the cardholder's claim regarding the selection of or non-agreement to the currency.

The contents of the transaction receipt are considered only in determining whether POI currency conversion has occurred on a transaction. They neither prove nor disprove the cardholder's agreement to the conversion.

B 3.7.5 Proper Use for New Presentments

If the chargeback is valid and if the full amount was charged back, the acquirer should process the transaction as a First Presentment/1240 message in the currency in which goods/services were priced or in the currency that was dispensed.

The new presentment must be processed within thirty days of the Central Site Business Date of the first chargeback for the acquirer to be protected from a chargeback under message reason code 4880—Late Presentment.

When converting the new transaction to the cardholder's billing currency, the issuer should apply the conversion rate that was in effect on the date of the original transaction.

©1988–2015 MasterCard. Proprietary. All rights reserved.

B.3.8 Intra-European Message Reason Code 4855—Goods or Services Not Provided

The following sections describe the proper and improper use of message reason code 4855.

B.3.8.1 Proper Use of Intra-European Message Reason Code 4855

This message reason code applies only to the following transactions.

- E-commerce
- POS
- MO/TO (where permitted)

The cardholder's account has been debited, but the cardholder or an authorized representative did not receive the goods or services that were to be shipped, delivered, or otherwise provided by the expected delivery date.

The cardholder letter, electronic message, or completed Expedited Billing Dispute Resolution Process Form must detail the goods/services that the cardholder expected to receive or that the merchant represented to have given, and this letter must accompany the chargeback.

The issuer must wait until the specified delivery date has passed before charging back. If no delivery date is specified, the issuer must wait 30 calendar days after the transaction date before charging back. The 120-day chargeback time frame is calculated from the latest anticipated date that the goods or services were to be provided. If no such date is provided, the chargeback must be processed within 120 days of the Central Site Processing date.

The issuer may charge back the transaction before the specified delivery date if it is established that the merchant will not provide the goods or services because, for example, it is no longer in business.

Transactions for Travel Services-Additional Documentation Requirement. If a travel service is not provided due to insolvency, and this service was covered by a bonding authority, insurance or consumer protection scheme according to applicable law, the issuer must instruct the cardholder to claim from the bonding authority, insurance or consumer protection scheme. A chargeback is only permitted if the cardholder requested reimbursement from the bonding authority, insurance or consumer protection scheme within 120 calendar days from the expected service date and the claim was declined.

The cardholder need not wait more than 30 calendar days for a reply. The chargeback must be processed within 120 days after the expected service date or within 30 days of the negative reply, and at the latest within 150 days from the expected service date, whether the bonding authority, insurance or consumer protection scheme responded or not. The supporting documentation must include a cardholder statement or other evidence explaining the result of the claim from the bonding authority, insurance or consumer protection scheme.

The acquirer may second present using reason code 2700 (Chargeback Remedied) and supplying evidence that the services were covered by a bonding authority, insurance or consumer protection scheme. An acquirer statement that such a scheme exists is not sufficient; evidence that the scheme did cover the specific insolvency event must be provided with the second presentment.

©1988–2015 MasterCard. Proprietary. All rights reserved.

The additional documentation requirements apply to domestic transactions in Europe. They also apply to intra-EEA transactions if the bonding authority, insurance or similar consumer protection scheme covers intra-EEA transactions.

B.3.8.2 Improper Use for Issuer's First Chargeback

This chargeback does not cover situations where the goods or services provided by the merchant do not meet the customer's expectations.

B.3.8.3 Proper Use for Acquirer's Second Presentment

The condition shown below represents a valid option that the acquirer may choose to process a second presentment for message reason code 4855.

Possible Acquirer Remedies. The acquirer can refute the chargeback if it shows proof that:

- The cardholder or a person that the cardholder authorized received the goods or services; or
- The merchant attempted to provide the goods or services but the cardholder refused them; or
- At the time of the transaction, or thereafter by agreement between the merchant and the cardholder, the merchant agreed to provide the goods or services after the date the cardholder alleges the goods or services were to be provided.

Chargeback Remedied	
IPM Second Presentment Message Reason Code	**2700** Chargeback remedied
Second Presentment Condition	The acquirer can show that the goods or services were provided.
Supporting Documents	Documentation showing that goods or services were received by the cardholder
DE 72 (Data Record)	None

Other message codes may apply; refer to section Second Presentment B.1.6 for more details.

B.3.9 Intra-European Message Reason Code 4860—Credit Not Received

The following sections describe the proper use of message reason code 4860.

B.3.9.1 Proper Use of Intra-European Message Reason Code 4860

This message reason code applies to POS, e-commerce, and (where permitted) MO/TO transactions.

The issuer may use this message reason code when it receives a cardholder letter, electronic message, or completes an Expedited Billing Dispute Resolution Process Form stating one of the following:

©1988–2015 MasterCard. Proprietary. All rights reserved.

- A merchant has not posted a credit to his or her account or that the merchant posted a credit and reduced the amount of the credit due without proper disclosure.
- A merchant accepts a cancellation of merchandise that was to be picked up at a merchant location and the cardholder did not take possession of the merchandise
- A merchant failed to provide a full credit refund for a time-share transaction or any similar provision of services after the cardholder canceled the agreement within 90 calendar days of the transaction date.
- A cardholder account has been inaccurately posted with a debit instead of a credit as a result of an incorrect transaction code or keying error. For example, the merchant posted a credit as a retail sale.

The issuer can submit a chargeback without a cardholder letter if the cardholder provides one of the following:

- A credit receipt, credit advice issued by the merchant or its agent, or a TID voided by the merchant. The documents must show an account number, an amount to be credited, and a date.
- A merchant advisement (with or without an account number, date, or amount to be credited) that instructs the issuer to charge back the transaction, if it is accompanied by documentation showing the credit due.

If the credit receipt or merchant advisement is dated, the 120-day chargeback period begins on the day the credit was issued or on the date that the goods were returned or the services were canceled. If the merchant provided the cardholder with a dated receipt or credit advice but did not post a credit to the cardholder's account, the issuer must wait 15 calendar days from the date of the credit receipt before charging back the transaction. If the cardholder did not receive a credit receipt or credit from the merchant, the issuer must wait 30 calendar days from the date of the merchandise return date or cancellation date before charging back the transaction.

For canceled timeshare transactions, the issuer must wait 15 days from the date of cancellation before charging back the transaction.

If the credit receipt or merchant advisement is undated, the 30-day waiting period is waived, and the 120-day time frame will be calculated from the date of the cardholder letter.

The cardholder letter, electronic message, or completed Expedited Billing Dispute Resolution Process Form must include one of the following statements:

- The merchant accepted the returned merchandise or the cancellation of services, and it failed to issue a credit, partial credit, or in-store credit.
- The merchant issued a credit but withheld funds without proper disclosure.
- The merchant issued an in-store credit that was not properly disclosed at the time of the sale. A copy of the in-store credit must accompany the chargeback.

The issuer can immediately charge back the transaction if it receives one of the following:

- A letter from the merchant advising the issuer to obtain credit using a chargeback
- Proof of an improperly disclosed in-store credit
- A TID voided by the merchant

©1988–2015 MasterCard. Proprietary. All rights reserved.

B.3.9.2 Improper Use of Intra-European Message Reason Code 4860

If the cardholder knows that the merchant refused to issue credit or accept merchandise for return or the cancellation of services, this chargeback would not be applicable.

B.3.9.3 Proper Use for Issuer's First Chargeback

The conditions shown below represent valid options to process a first chargeback for message reason code 4860.

Credit Not Processed

The conditions shown below represent valid options to process a first chargeback for message reason code 4860.

Credit Not Processed	
Time Frame	120 calendar days
Supporting Documents	A cardholder letter, electronic message, or completed Expedited Billing Dispute Resolution Process Form **is required** if any of the following: • The credit voucher, advisement, or advice is undated, or does not have an account number or an amount to be credited. • The cardholder never received a credit, or a properly disclosed in-store credit, and the merchant accepted returned merchandise or canceled services. • The merchant issued a partial or improper credit A cardholder letter, electronic message, or completed Expedited Billing Dispute Resolution Process Form **is not required** if the documentation includes one of the following: • A credit slip • Credit advice • TID voided by the merchant • Merchant letter advisement to obtain credit from the issuer via chargeback • Copy of an improperly disclosed in-store credit The issuer must supply the 23-digit ARD for the credit transaction in DE 72 (Data Record), if the merchant issued an improperly disclosed partial credit to the cardholder.
DE 72 (Data Record)	For improper partial credit only: NNNNNNNNNNNNNNNNNNNNNNN

©1988–2015 MasterCard. Proprietary. All rights reserved.

Credit Not Processed	
Notes	Replace NNNNNNNNNNNNNNNNNNNNN with the acquirer reference data (ARD) for the credit transaction. Merchants are **not obliged** to accept returned merchandise or the cancellation of services based on a cardholder whim or for "buyer's remorse." For example, the cardholder changed his or her mind and there is nothing wrong with the merchandise. If a merchant accepts the return of goods or the cancellation of services, the merchant must issue a credit to the cardholder's account, unless the merchant properly disclosed at the time of the transaction that other conditions would apply for a return or cancellation (such as an in-store credit or exchange only).

Timeshare

Timeshare	
Time Frame	120 calendar days
Supporting Documents	A cardholder letter, electronic message, or completed Expedited Billing Dispute Resolution Process Form stating that he or she engaged in a transaction for a timeshare or any similar provision of services and canceled the agreement within 90 calendar days of the agreement date.
DE 72 (Data Record)	TIMESHARE
Notes	An acquirer in the Europe region must ensure that a time-share merchant must provide a full credit refund when the conditions below are both met: • The transaction receipt was processed. • The cardholder canceled the transaction within 90 calendar days of the transaction date.

Credit Posted as a Purchase

Credit Posted as a Purchase	
Time Frame	120 calendar days
Supporting Documents	None
DE 72 (Data Record)	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

Credit Posted as a Purchase	
Notes	The chargeback amount must be twice the original transaction amount to offset the error.

B.3.9.4 Proper Use for Acquirer's Second Presentment

The condition shown below represents a valid option that the acquirer may choose to process a second presentment for message reason code 4860.

Other message codes may apply; refer to B.1.6 Second Presentment for more details.

Credit Issued

Credit Issued	
IPM Second Presentment Message Reason Code	**2011** Credit issued
Second Presentment Condition	The issuer can show that a credit or a reversal was processed.
Supporting Documents	None
DE 72 (Data Record)	Credit MMDDYY (and, optionally, the Acquirer Reference Data [ARD])

Cancellation or Returns

Cancellation or Returns	
IPM Second Presentment Message Reason Code	**2700** See Corresponding Documentation/Chargeback Remedied
Second Presentment Condition	Any of the following: • The merchant did not give a credit slip or other advisement to the cardholder. • The merchant denies accepting the cancellation of services or the return of the merchandise. • The merchant states the merchandise was never returned. • The merchant substantiates that the credit or cancellation policy was properly disclosed to the cardholder at the point of interaction.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Cancellation or Returns	
Supporting Documents	Merchant rebuttal For example, the merchant states that the merchandise was never returned or that the cancellation was not accepted.
DE 72 (Data Record)	None
Notes	This condition is not applicable to Timeshare transactions where the cardholder canceled the contract within 90 calendar days.

Purchase Properly Posted

Purchase Properly Posted	
IPM Second Presentment Message Reason Code	**2700** See Corresponding Documentation/Chargeback Remedied
Second Presentment Condition	The acquirer can substantiate that the merchant correctly processed the transaction.
Supporting Documents	A copy of the TID as proof that the transaction involved a retail sale rather than a credit
DE 72 (Data Record)	None

Other message codes may apply; refer to B.1.6 Second Presentment for more details.

Credit Previously Issued—Intra-European and Inter-European Transactions

The condition shown below represents a valid option that the acquirer may choose to process a second presentment for message reason code 4860.

Credit Previously Issued—Intra-European and Inter-European Transactions	
IPM Second Presentment Message Reason Code	**2011** Credit previously issued.
Second Presentment Condition	The acquirer provides the date that it processed the credit.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Credit Previously Issued—Intra-European and Inter-European Transactions	
Supporting Documents	One of the following: 1. When the credit was processed to the cardholder's Maestro account: None 2. When the credit was processed by other means: compelling evidence showing the credit was processed.
DE 72 (Data Record)	One of the following corresponding to the Supporting Documents: 1. CRED MMDDYY NNNNNNNNNNNNNNNNNNNNN 2. CREDIT MMDDYY XXXXXXXXXXXX
Notes	One of the following corresponding to the Supporting Documents: 1. Replace **MMDDYY** with the date the credit was performed. Optionally, replace **NNNNNNNNNNNNNNNNNNNNN** with the acquirer reference data (ARD). 2. Replace **MMDDYY** with the date the credit was performed. Replace **XXXXXXXXXXXX** with how the credit was processed. Examples include, but are not limited to: bank transfer, store credit, check. **An Inter-European Transaction is defined as**: A Transaction completed using a Card issued in a country or territory listed in Single European Payments Area (SEPA) at a Terminal located in a country or territory listed in Non-Single European Payments Area. Non-SEPA) or Transaction completed using a Card issued in a country or territory listed in Non-Single European Payments Area (Non-SEPA) at a Terminal located in a country or territory listed in Single European Payments Area (SEPA).

B.3.9.5 Reason Code 4860—Arbitration Case Filing

When the credit was processed by other means than a credit to the card used for the original purchase, the issuer will be allowed to pursue the dispute with an arbitration case filing with a

©1988–2015 MasterCard. Proprietary. All rights reserved.

progressive cardholder letter if the cardholder maintains the credit was not processed and the credit cannot be verified.

B.3.10 Intra-European Message Reason Code 4870—Chip Liability Shift

The following sections describe the proper use of message reason code 4870.

B.3.10.1 Proper Use for Intra-European Message Reason Code 4870

This message reason code applies **only** to POS, and PIN-based in-branch terminal transactions.

The issuer receives a cardholder letter, electronic message or completes an Expedited Billing Dispute Resolution Process Form alleging that the transaction was fraudulent, and the issuer must provide this documentation. When using the Expedited Billing Dispute Resolution Process the Maestro card account must be closed and the transaction must have been be reported to SAFE (System to Avoid Fraud Effectively).

The fraudulent transaction must be reported to SAFE on or before the date the chargeback is processed.

NOTE:

Technical Fallback—When a hybrid card is used at a hybrid terminal and fallback from chip to magnetic stripe occurs, the transaction must be properly identified with POS entry mode 80 (DE 22) and authorized online. The cardholder verification method (CVM) must be PIN, except if the transaction is acquired in a waiver country in which case signature is also a permitted CVM. If the transaction is not properly identified in the Authorization Request/0100 message and in the First Presentment/1240 message then the issuer may charge the item back under message reason code 4870.

B.3.10.2 Improper Use of Intra-European Message Reason Code 4870

The issuer may not use this message reason code when the following occur:

- A Digital Secure Remote Payment (DSRP) transaction or any subsequent transaction for a related partial shipment. Refer to Appendix F for Digital Secure Remote Payment transaction identification requirements.
- The issuer approved the transaction after submitting two or more chargebacks involving the same Maestro card account (for this purpose, "account" means PAN, or PAN and expiration date) for reason codes 4837 or 4870.
- The issuer submitted more than 25 chargebacks involving the same Maestro card account (as defined above) for message reason code 4837 or 4870.
- The issuer is currently listed in the *Global Security Bulletin* as limited to seven chargebacks for reason code 4837 or 4870 involving the same Maestro card account (as defined above), and the issuer has already met or exceeded this amount for the account in question.
- Properly identified and authorized contactless transactions

©1988–2015 MasterCard. Proprietary. All rights reserved.

B.3.10.3 Proper Use for Issuer's First Chargeback

For counterfeit fraud and lost, stolen, or never received fraud, the following additional requirements must be met.

For **counterfeit fraud**, all of the following additional requirements must be met:

- The transaction was conducted with a counterfeit card at a magnetic stripe reading-only terminal, or at a hybrid terminal but DE 55 was not present in the Authorization Request/0100 message or Financial Transaction Request/0200 message, and the validly-issued card, if any, was an EMV chip card.
- The cardholder letter, electronic message, or completed *Expedited Billing Dispute Resolution Process Form* must state that he or she was in possession of the card at the time of the transaction or the issuer certifies by means of a different document accompanying the cardholder's letter that this is a case of counterfeit.

For **lost, stolen, or never received fraud** all of the following additional requirements must be met:

- The transaction was conducted at a magnetic stripe reading-only POS terminal, or at a hybrid terminal but DE 55 was not present in the Authorization Request/0100 message or Financial Transaction Request/0200 message, and the validly-issued card, if any, was an EMV chip card.
- The transaction was conducted without PIN as CVM.
- The cardholder letter, electronic message, or completed *Expedited Billing Dispute Resolution Process Form* must state that the card was lost, stolen, or never received at the time of the transaction, or the issuer can otherwise certify by means of a different document accompanying the cardholder's letter, electronic message, or completed *Expedited Billing Dispute Resolution Process Form* that the card was lost, stolen, or never received at the time of the transaction.

B.3.10.4 Proper Use for Acquirer's Second Presentment

The conditions shown below represent valid options that the acquirer may choose to process a second presentment for message reason code 4870.

Previous Fraud-related Chargebacks on the Account. The Fraud Notification Service (FNS) alerts the acquirer in the event that the issuer has submitted two or more chargebacks involving the same account for reason code 4837 or 4870. FNS places the date on which the issuer submitted the second such fraud-related chargeback in PDS 0200 (Fraud Notification Date), subfield 1 (Fraud Notification Service Date) of the First Chargeback/1442 message. If PDS 0200 is present and contains a date value that is earlier than the authorization approval date of the disputed transaction, the acquirer may process a second presentment.

Other message codes may apply; refer to B.1.6 Second Presentment for more details.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Issuer Listed in *Global Security Bulletin*

Issuer Listed in *Global Security Bulletin*	
IPM Second Presentment Message Reason Code	**2713** Invalid Chargeback
Second Presentment Condition	The acquirer can show that on the chargeback date, the issuer was listed in the *Global Security Bulletin* as limited to seven chargebacks for reason code 70 or 74 involving the same Maestro card account, and the transaction charged back contains an FNS counter value that is greater than seven (a value or eight or more).
Supporting Documents	None
DE 72 (Data Record)	**ISSUER LISTED GSB NNN FNS EXCEEDED**
Notes	Replace NNN with the applicable *Global Security Bulletin* number. The *Global Security Bulletin* number is a three-digit number in which the last digit of the year is represented by the first digit of the Bulletin number, and the second and third digits represent the *Global Security Bulletin* month. (For example, bulletin number 6 (June) in the year 2014 is shown as NNN = 406.)

Invalid Chargeback

Invalid Chargeback	
IPM Second Presentment Message Reason Code	**2713** Invalid chargeback
Second Presentment Condition	1. The terminal was a hybrid terminal and the proper CVM was used. 2. The transaction was not reported to SAFE on or before the chargeback date
Supporting Documents	1. Evidence that the terminal was properly identified in the authorization and clearing records as a hybrid terminal and the proper CVM was used. 2. None
DE 72 (Data Record)	None
Notes	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

Transaction Authorized

Transaction Authorized	
IPM Second Presentment Message Reason Code	**2008** Transaction authorized
Second Presentment Condition	The transaction was authorized online and did not involve a hybrid card. The first value in the service code (DE 35) was not 2 or 6 and therefore did not indicate a hybrid card.
Supporting Documents	None
DE 72 (Data Record)	INV SERVICE CODE
Notes	None

Two or More Previous Fraud-related Chargebacks

Two or More Previous Fraud-related Chargebacks	
IPM Second Presentment Message Reason Code	**2713** Invalid chargeback
Second Presentment Condition	The issuer previously charged back two or more transactions involving the same Maestro card account before the authorization approval date of the disputed transaction for message reason code 4837 or 4870.
Supporting Documents	None
DE 72 (Data Record)	One of the following: 1. FNS 2. NN MMDDYY NN MMDDYY AUTH MMDDYY

©1988–2015 MasterCard. Proprietary. All rights reserved.

Two or More Previous Fraud-related Chargebacks	
Notes	The following applies to the use of DE 72 (Data Record): 1. Use **FNS** when the authorization approval date of the disputed transaction is later than the date value provided by the Fraud Notification Service in PDS 0200 of the First Chargeback/1442 message. 2. Use **NN MMDDYY** for a previous chargeback by replacing **NN** with the last two digits of the message reason code and **MMDDYY** with the Central Site Business Date. For **AUTH MMDDYY**, replace **MMDDYY** with the authorization approval date of the disputed transaction.

Other message codes may apply; refer to B.1.6 Second Presentment for more details.

B.3.11 Intra-European Message Reason Code 4880—Late Presentment

The following sections describe the proper use of message reason code 4880.

B.3.11.1 Proper Use of Intra-European Message Reason Code 4880

An intra-European transaction is presented more than seven calendar days after the transaction date and the account is permanently closed.

B.3.11.2 Improper Use for Issuer's First Chargeback

The issuer must use good-faith efforts to collect the transaction amount from the cardholder before exercising this chargeback right.

The issuer cannot submit a chargeback for message reason code 4880 if the account is in good standing.

B.3.11.3 Proper Use for Acquirer's Second Presentment

The conditions shown below represent valid options that the acquirer may choose to process a second presentment for message reason code 4880.

Correct Transaction Date Provided	
IPM Second Presentment Message Reason Code	**2003** Correct Transaction date provided
Second Presentment Condition	The acquirer can substantiate that the transaction date was not more than seven calendar days before the Central Site processing date of the presentment.
Supporting Documents	Transaction printout.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Correct Transaction Date Provided	
DE 72 (Data Record)	Correct transaction date

Other message codes may apply; refer to B.1.6 Second Presentment for more details.

B.4 Settlement of Disputes

The following sections contain information about arbitration and compliance cases.

B.4.1 When to File an Arbitration Case

An issuer may proceed directly to arbitration within 45 days from the second presentment date if it believes the acquirer's second presentment is invalid.

B.4.2 When to File a Compliance Case

A customer may file a compliance case against another customer because of a rule violation of the *MasterCard Rules* or other applicable operating regulations if the following conditions are met.

- A chargeback right does not exist.
- The customer has suffered a financial loss directly due to the rule violation in question.

Counterfeit Goods An issuer may file a compliance case for violation of section 3.7, Integrity of Brand and Network, of the *MasterCard Rules* when the cardholder engaged in the transaction, believed he or she was purchasing genuine goods, and subsequently determined the goods were counterfeit. "Counterfeit" means that the goods were not produced by an authorized manufacturer of the goods and therefore infringe on intellectual property rights.

Invalid Maestro Chargebacks

The issuer is currently listed in the Global Security Bulletin as limited to seven chargebacks for reason code 4837 or 4870 involving the same Maestro card account (for this purpose, "account" means PAN, or PAN and expiration date), and the issuer has already met or exceeded this number for the account in question.

An acquirer that receives an invalid Maestro chargeback from a listed issuer may choose to direct file a compliance case without sending a pre-compliance letter to the issuer, as an alternative to representing the chargeback. The issuer is not permitted to further dispute any such representment or direct file compliance case.

Missing, Invalid, or Inaccurate Authorization Data

A customer may file a compliance case when one or more of the mandatory data elements in the Authorization Request/0100 message are missing. Additionally, the customer may file a case if any of the mandatory or optional data elements supplied in the authorization message are invalid or inaccurate, and as a result, the issuer incurred a financial loss.

©1988–2015 MasterCard. Proprietary. All rights reserved.

The issuer must prove to the satisfaction of MasterCard that it would not have suffered the financial loss if the mandatory authorization data had been present, valid, and accurate, and that the filing was not based solely on the data being missing, invalid, or inaccurate.

Documentation to support this compliance case must include, but is not limited to, the following:

- The authorization message in its entirety as received through the MasterCard Network
- The specific authorization data asserted to be missing, invalid, or inaccurate
- Documentation to confirm that the authorization data, as received, misrepresented the nature of the transaction
- Proof that the missing, invalid, or inaccurate authorization data received resulted in the transaction being authorized, and why the transaction would not have been authorized if complete, valid, and accurate data had been received
- A letter signed by the issuer's principal contact or auditor certifying that proper authorization procedures were employed at the time the authorization request was received. The letter also must state that if the issuer had received the full, valid, and accurate data from the acquirer through the authorization message, the issuer would not have suffered a financial loss. If, at the time of the authorization request, the card used in the transaction was lost, stolen, or used without the authorized cardholder's consent, the issuer's principal contact or auditor must certify that the issuer was unaware of this condition at the time of the authorization request.

B.4.3 Time Frames for Filing

The following describes the time frames for filing an Interregional arbitration case or compliance case.

Arbitration Case—An arbitration case must be submitted within 45 days from the Central Site Processing date of the second presentment.

Compliance Case—A compliance case must be filed within 180 days from the violation date.

B.4.4 Arbitration and Compliance Filing Procedures

The following contains information on filing procedures for intra-European and inter-European and interregional disputes.

B.4.4.1 Intra-European and Inter-European Disputes

Intra-European and inter-European cases may be filed directly in the MasterCom Electronic Case Filing Application or using the Case Filing Hub Site.

If not present electronically, legible copies of all relevant documentation, together with copies of electronic records, must be scanned into the case filing application. For more details, refer to 6.2 Filing Procedures for arbitration cases or 7.4 Compliance Case Filing Procedures in this guide.

©1988–2015 MasterCard. Proprietary. All rights reserved.

B.4.4.1.1 Pre-compliance

Before filing a compliance case, the filing customer must file a pre-compliance case in an attempt to resolve the dispute.

A pre-compliance case is not necessary when the compliance case is a counterfeit goods dispute.

The pre-compliance case must allow the other participant at least 30 calendar days to respond before the compliance case is filed. Every submitted pre-compliance case must include all pertinent documentation to support the violation, as well as proof of financial loss.

B.4.4.1.2 Withdrawals, Review Process, and Arbitration and Compliance Fees

For details on withdrawals, review process, and arbitration and compliance fees, refer to the following sections.

Refer to Chapter 6 in this guide for arbitration cases or to Chapter 7 for compliance cases.

B.4.4.2 Interregional Disputes

MasterCom Pro Users: An arbitration, pre-compliance or compliance case must be entered on-line via the MasterCom Pro Case Filing application.

MasterCom Hosted Users: To file an Arbitration or Compliance case, the *Dispute Resolution Case Filing Form* (Form 682) should be completed to identify whether the submission is a pre-compliance attempt or (an escalation to) a compliance case.

For instructions on accessing the required form, refer to Appendix G, Forms.

The completed form and supporting documentation must be faxed to Dispute Resolution Management at 1-636-722-7215.

The fax date will be considered the filing date.

B.4.4.2.1 Required Documentation

The Arbitration or Compliance Filing Case form must be accompanied by a thorough description of the circumstances of the case, in chronological order.

Legible copies of all relevant documentation, together with paper copies of electronic records, must be included. All documentation must be written in English or translated into English and be accompanied by the document in the original language.

B.4.4.2.2 Pre-compliance

Before filing a compliance case, the filing customer must file a pre-compliance in an attempt to resolve the dispute.

A pre-compliance case is not necessary when the compliance case is a counterfeit goods dispute.

The pre-compliance must allow the other customer at least 30 calendar days to respond before the compliance case is filed. Every submitted pre-compliance case must include all pertinent documentation to support the violation, as well as proof of financial loss. The pre-compliance case may be sent in the form of a "pre-compliance letter," or the filing customer may complete the *Dispute Resolution Case Filing Form* (Form 682) as the pre-compliance case.

©1988–2015 MasterCard. Proprietary. All rights reserved.

MasterCom Pro Users: A pre-compliance case must be entered on-line via the MasterCom Pro Case Filing application.

MasterCom Hosted Users: The pre-compliance case must be submitted via fax to 1-636-722-7215.

B.4.4.2.3 Arbitration and Compliance Review Procedure

Arbitration and compliance cases will be reviewed by Dispute Management in accordance with the rules in effect on the date of the transaction, unless otherwise stated.

Upon receipt, Dispute Resolution Management will fax an acknowledgement to both customers. The filed-against customer has 10 calendar days from the date of the acknowledgement to respond and provide legible copies of any supporting documentation to Dispute Resolution Management. The response must be sent by fax.

Dispute Resolution Management will make its ruling according to timely information received from each customer and other relevant information. Documentation required as outlined in this appendix, which was not provided to the customer concerned within the time frames described above, will not be considered by Dispute Resolution Management.

Both parties will be advised in writing of the Dispute Resolution Management's decision.

B.4.4.2.4 Non-Acceptance of a Case

Following a preliminary examination of the case, Dispute Resolution Management will decide whether it can accept the case for ruling.

An arbitration or compliance case will be declined if the filing customer did not follow the filing requirements, including, but not limited to the following:

- The filing customer has not submitted the documentation required in accordance with the rules or otherwise requested by the reviewing body.
- The filing form and all documentation neither are in English nor are accompanied by an English translation
- The case was filed after the time frames specified above.
- The pre-compliance attempt was not made in accordance with the rules (applicable only for compliance cases).

If a case is not accepted for any of the above reasons, the reviewing body will retain the filing fee. The filing customer may resubmit a case that has been declined for ruling if it can correct the deficiency that caused the case to be declined within the applicable filing time frames. A new filing fee will apply.

B.4.4.2.5 Withdrawal of a Case

Either customer can accept responsibility for the disputed amount before Dispute Resolution Management has reached a decision.

If a written acknowledgement is received before Dispute Resolution Management has made its decision, both customers will be advised accordingly, and the case will be withdrawn. Staff will assess the filing fee and a withdrawal fee to the customer accepting responsibility.

©1988–2015 MasterCard. Proprietary. All rights reserved.

B.4.4.2.6 Arbitration and Compliance Fees

The customer found liable for the disputed transaction will be responsible for the filing fee and an administration fee.

In addition to the foregoing, a participant also will be charged for each technical violation of established procedures. MasterCard may assess applicable technical fees against either customer involved in the arbitration or compliance case, even if the case was ruled in the customer's favor.

B.4.5 Arbitration or Compliance Case Appeals

For the procedure and requirements applicable to appeals of both intra-European and inter-European and interregional arbitration and compliance cases, refer to Arbitration or Compliance Case Appeals.

B.5 Domestic Chargeback Rules

The following section describes specific rules that are applicable to domestic Maestro transactions. In addition to the international rules set by MasterCard, domestic transactions are subject to the intra-European and inter-European Maestro rules, except where there is a specific domestic rule that varies the intra-European or inter-European rule.

For a chargeback rule applicable only to intracountry Acquirer Domain MasterCard Mobile Remote Payment transactions in Croatia, Cyprus, Czech Republic, Hungary, Slovakia, and Slovenia, refer to the *MasterCard Mobile Intracountry Liability Shift: Guidelines and Requirements* (available upon request to MMRP_Europe@mastercard.com).

B.5.1 Additional Rules Applicable to Domestic Transactions in Ireland, Turkey, and France

This section contains rules applicable to Domestic Transactions in Ireland, Turkey, and France.

B.5.1.1 Proper Use of Message Reason Code 4837

This message reason code may be used for Mail Order/Telephone Order (MO/TO) Transactions.

B.5.1.2 Improper Use of Message Reason Code 4837

An Issuer may not raise a chargeback under this message reason code for a Mail Order/Telephone Order (MO/TO) Transaction where it has been provided in an authorization request with the CVC 2 on the card and the following.

- The Issuer fails to perform a check on the CVC 2; or
- The CVC 2 does not match the CVC 2 held by the Issuer.

©1988–2015 MasterCard. Proprietary. All rights reserved.

B.5.1.3 Proper Use for Acquirer's Second Presentment

The acquirer may process a second presentment following the chargeback of a MO/TO transaction by providing one of the following.

- A cardholder authority or receipt that, in either case, bears the cardholder's signature and shows correct details of the transaction, including correct details of the cardholder's card; or
- A cardholder authority that bears a copy of the cardholder's signature (such as a facsimile document); or
- An invoice quoting the cardholder's name; or
- A delivery receipt signed by the cardholder and quoting a billing address; or
- A document indicating a different merchant name than that shown in the clearing record; or
- For airline ticket purchases, a copy of the boarding pass showing the cardholder's name; or
- Details of a long-standing account/customer relationship between the merchant and the cardholder (for example, account opening information); or
- If proof of death or incapacitation on the day a transaction was performed is provided by the issuer, evidence that the transaction took place earlier than death or incapacitation.

B.5.1.4 Arbitration Case Filing

The issuer may continue the dispute providing a progressive cardholder letter, electronic message, or completed Expedited Billing Dispute Resolution Process Form refuting the documentation received from the merchant in the second presentment.

Before filing for arbitration the issuer must process a member mediation (pre-arbitration) granting the filed-against member 30 days to respond. After the 30 days have elapsed or the acquirer has rejected the pre-arbitration attempt, the issuer may escalate the case to arbitration within 75 days of the second presentment. All cases, including member mediations, must be filed in MasterCom Case Filing or using the case filing hub site.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Appendix C CVM Limit Amounts

This appendix specifies CVM limit amounts for MasterCard® Contactless, and the Quick Payment Service (QPS) program and contactless ceiling limit amounts for Maestro Contactless.

Overview..... 432
CVM Limit Amounts..... 432

©1988–2015 MasterCard. Proprietary. All rights reserved.

Overview

The following sections present information on contactless POS transaction and Quick Payment Service transaction cardholder verification method (CVM) limit amounts. See Chapters 3 and 4 of *Transaction Processing Rules* for more information.

MasterCard will populate PDS 0044 (Program Participation Indicator), subfield 2 (QPS/Contactless Chargeback Eligibility Indicator) with the value of I (Ineligible for Chargeback) in the First and Second Presentment/1240 messages for any properly identified QPS or contactless transactions equal to or less than the applicable CVM limit amount. For QPS and contactless transaction identification requirements, see Appendix F.

CVM Limit Amounts

To access the list of CVM limit amounts in a format that can be copied and pasted as needed, click the following Microsoft® Excel icon. Please note that all contactless amounts apply to both MasterCard and Maestro contactless transactions unless otherwise indicated.

This Excel file can be saved to a local drive for later use.

NOTE:

The CVM Limit Amounts spreadsheet is very large. Before printing this document, please be aware that, depending on your printer settings and paper selection, the printed spreadsheet may exceed 250 pages.

CVM Limit Amounts (in Excel format)

©1988–2015 MasterCard. Proprietary. All rights reserved.

Appendix D Domestic Chargebacks

This appendix contains domestic chargeback rules.

3.23 Message Reason Code 4850—Installment Billing Dispute (Participating Countries Only)..... 436
Proper Use of Message Reason Code 4850.....436
Improper Use of Message Reason Code 4850.....437
Proper Use of Issuer's First Chargeback..... 437
Incorrect Number of Installments..... 437
Incorrect Installment Amount.....438
Premature Processing of Installment.....438
Not an Installment Transaction.....438
Invalid Installment Acceleration.....439
Subsequent Installments Charged Back After Chargeback of First Installment for Message Reason Code 4837.....439
Proper Use for Acquirer's Second Presentment.....439
Correct Number of Installments..... 439
Correct Installment Amount.....440
Installment Not Premature..... 441
Valid Installment Acceleration..... 441
Additional Remedies..... 441
Arbitration Chargeback..... 442
Arbitration Case Filing..... 443
3.25 Message Reason Code 4854—Cardholder Dispute—Not Elsewhere Classified (U.S. Region Only).....443
3.25.1 Proper Use of Message Reason Code 4854.....443
3.25.2 Improper Use of Message Reason Code 4854.....445
3.25.3 Proper Use for Issuer's First Chargeback.....445
Disputed Surcharge..... 445
3.25.4 Proper Use for Acquirer's Second Presentment.....446
Invalid Chargeback..... 446
Disputed Surcharge..... 447
Disputed Surcharge—Incorrect Pro-rated Calculation..... 447
3.25.4.1 Additional Remedies.....448
3.25.5 Arbitration Chargeback.....448
3.25.6 Arbitration Case Filing.....449
3.25.7 Additional Processing Notes..... 449
4.5.3 Message Reason Code 20—Returned Item (U.S. Shared Deposits Only).....450

©1988–2015 MasterCard. Proprietary. All rights reserved.

4.5.3.1 Acquirer Adjustment..... 450
4.5.3.2 Issuer Chargeback..... 451
4.5.3.3 Arbitration Case Filing..... 451
4.5.4 Message Reason Code 24—Empty Deposit Envelope (U.S. Shared Deposits Only)..... 451
4.5.4.1 Acquirer Adjustment..... 451
4.5.4.2 Issuer Chargeback..... 452
4.5.4.3 Arbitration Case Filing..... 452
4.5.5 Message Reason Code 25—Error in Addition (U.S. Shared Deposits Only)..... 452
4.5.5.1 Acquirer Adjustment..... 452
4.5.5.2 Issuer Chargeback..... 453
4.5.5.3 Arbitration Case Filing..... 453
4.5.6 Message Reason Code 26—Error in Settlement (U.S. Shared Deposits Only)..... 453
4.5.6.1 Acquirer Adjustment..... 453
4.5.6.2 Issuer Chargeback..... 454
4.5.6.3 Arbitration Case Filing..... 454
4.5.7 Message Reason Code 27—Customer Keyed Wrong Amount (U.S. Shared Deposits Only). 454
4.5.7.1 Acquirer Adjustment..... 454
4.5.7.2 Issuer Chargeback..... 455
4.5.7.3 Arbitration Case Filing..... 455
4.5.8 Message Reason Code 28—Non-Cash Item Deposited (U.S. Shared Deposits Only)..... 455
4.5.8.1 Acquirer Adjustment..... 455
4.5.8.2 Issuer Chargeback..... 456
4.5.8.3 Arbitration Case Filing..... 456
4.5.9 Message Reason Code 29—Foreign/Counterfeit Currency Deposited (U.S. Shared Deposits Only)..... 456
4.5.9.1 Acquirer Adjustment..... 456
4.5.9.2 Issuer Chargeback..... 457
4.5.9.3 Arbitration Case Filing..... 457
4.6.3 Message Reason Code 30—Cardholder Disputed Amount (U.S. Shared Deposits Only)..... 457
4.6.3.1 Issuer Chargeback..... 457
4.6.3.2 Acquirer Respresentment..... 458
4.6.3.3 Arbitration Case Filing..... 458
4.6.4 Message Reason Code 53—Defective/Not as Described—Intra-U.S. Region and U.S. Territories Only..... 458
4.6.4.1 Issuer Chargeback..... 458
General Use..... 458
Counterfeit Goods..... 460
4.6.4.2 Acquirer Representment (Second Presentment)..... 460
4.6.4.3 Arbitration Case Filing..... 461

©1988–2015 MasterCard. Proprietary. All rights reserved.

General Use....461
Counterfeit Goods....462

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.23 Message Reason Code 4850—Installment Billing Dispute (Participating Countries Only)

The following sections provide information on the proper and improper use of message reason code 4850. Issuers may use this message reason code only for a dispute involving domestic transactions occurring in participating countries when installment billing has been agreed between the merchant and the cardholder, as described in the *Transaction Processing Rules* manual.

Proper Use of Message Reason Code 4850

The issuer may can use message reason code 4850 under any of the following circumstances.

- The cardholder claims that the total number of installments or the installment amounts being billed is not in accordance with the installment billing arrangement agreed with the merchant.
- An installment was billed prematurely.
- The acquirer submitted a clearing record to obtain payment from the cardholder in connection with an installment billing arrangement after the total transaction amount as reflected in the original authorization request and on the TID.
- The number of installments on the Financial Detail Addendum (Generic Detail)/1644 message differs from the number of installment authorized by the issuer on the Authorization Response/0110 message.
- The transaction is not an installment billing transaction.
- The acquirer accelerated the processing of installments without the issuer's consent.
- To charge back subsequent installments processed after the issuer charged back the first installment using message reason code 4837.

For disputes involving the full amount of the transaction, the issuer must charge back only the total amount of installments received to date. The installments may be charged back individually or batched in a single chargeback.

For disputes involving a partial amount, the issuer may individually charge back the installments received to date that represent payment of the disputed amount, or may batch all installments received to date in a single chargeback message. If the amount being charged back is less than the amount of the associated clearing records, the issuer must use a function code of 453 (Partial Amount) in the First Chargeback/1442 message.

When individual installments are being charged back, any required documentation must be provided with the first installment being charged back. As long as the documentation addresses the additional installments being charged back, the issuer does not need to provide the same documentation with each installment chargeback.

When transactions are batched, the documentation is not required to detail the number of installments batched into a single chargeback. However, any required documentation must be provided.

©1988–2015 MasterCard. Proprietary. All rights reserved.

The total amount charged back in connection with a transaction processed in installments can exceed the total amount of installments received as of the date of the first chargeback. In such case, the issuer must provide documentation to validate that a chargeback right exists for the amount charged back.

Improper Use of Message Reason Code 4850

The issuer **may not** use this message reason code when the transaction was a MasterCard Commercial Payments Account transaction. A MasterCard Commercial Payments Account transaction occurs when PDS 0002 (GCMS Product Identifier) was MAP (MasterCard Commercial Payments Account) in the First Presentment/1240 message.

- **MasterCard Electronic Card.** Refer to MasterCard Electronic for chargeback processing procedures for a MasterCard Electronic card.
- **Brazil only**—The transaction was a MasterCard Agro Card transaction occurring in Brazil with a MasterCard Agro Card issued in Brazil. A MasterCard Agro Card transaction occurs when PDS 0002 (GCMS Product Identifier) was MLF (MasterCard Agro Card) in the First Presentment/1240 message.

Proper Use of Issuer's First Chargeback

The following conditions represent valid options that the issuer can use to process a first chargeback for message reason code 4850.

The issuer must use this message reason code for any subsequent installments that are processed by the acquirer after the issuer charges back the first installment of the transaction for message reason code 4837. The issuer must provide the original message reason code 4837 Chargeback Reference Number on the Data Record of each subsequent installment chargeback.

Incorrect Number of Installments

Incorrect Number of Installments	
Time Frame	120 calendar days
Retrieval Request	No
Supporting Documents	Documentation from the cardholder substantiating the correct number of installments
DE 72 (Data Record)	CORRECT INST NN
Notes	In DE 72 (Data Record), replace NN with the correct number of installments.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Incorrect Installment Amount

Incorrect Installment Amount	
Time Frame	120 calendar days
Retrieval Request	No
Supporting Documents	Documentation from the cardholder substantiating the correct installment amount
DE 72 (Data Record)	CORRECT AMT $$$$$$$
Notes	Replace $$$$$$$ with the correct installment amount. The chargeback may only be for the difference between the correct installment amount and the actual amount billed to the cardholder.

Premature Processing of Installment

Premature Processing of Installment	
Time Frame	120 calendar days
Retrieval Request	No
Supporting Documents	Documentation from the cardholder or the issuer substantiating the correct installment frequency
DE 72 (Data Record)	PREMATURE
Notes	None

Not an Installment Transaction

Not an Installment Transaction	
Time Frame	120 calendar days
Retrieval Request	No
Supporting Documents	Documentation from the cardholder or the issuer to substantiate that the transaction is not for installment payments
DE 72 (Data Record)	NOT AN INSTALLMENT TRANS
Notes	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

Invalid Installment Acceleration

Invalid Installment Acceleration	
Time Frame	120 calendar days
Retrieval Request	No
Supporting Documents	None
DE 72 (Data Record)	INVALID ACCELERATION
Notes	None

Subsequent Installments Charged Back After Chargeback of First Installment for Message Reason Code 4837

Subsequent Installments Charged Back After Chargeback of the First Installment for Message Reason Code 4837	
Time Frame	120 calendar days
Retrieval Request	No
Supporting Documents	None
DE 72 (Data Record)	4837 CB REF NNNNNNN
Notes	Replace NNNNNNN with the first chargeback reference number.

Proper Use for Acquirer's Second Presentment

The following conditions represent valid remedies or options that the acquirer can use to process a second presentment for message reason code 4850.

Correct Number of Installments

The following conditions represent valid remedies or options that the acquirer can use to process a second presentment for message reason code 4850.

Correct Number of Installments	
IPM Second Presentment Message Reason Code	**2700** See Corresponding Documentation/Chargeback Remedied

©1988–2015 MasterCard. Proprietary. All rights reserved.

Correct Number of Installments	
Second Presentment Condition	The acquirer can substantiate that the number of installments in the Financial Detail Addendum (Generic Detail)/1644 message is the same as the number of installments agreed by the cardholder at the POI.
Supporting Documents	One of the following: • A copy of the TID or other documentation showing that the cardholder agreed to the number of installments processed, or • Proof that the acquirer corrected the discrepancy that led to the dispute
DE 72 (Data Record)	None
Notes	None

Correct Installment Amount

Correct Installment Amount	
IPM Second Presentment Message Reason Code	**2700** See Corresponding Documentation/Chargeback Remedied
Second Presentment Condition	The acquirer can substantiate that the installment amount indicated in the Financial Detail Addendum (Generic Detail)/1644 message is the same as the amount per installment agreed by the cardholder at the POI.
Supporting Documents	One of the following: • A copy of the TID or other documentation showing that the cardholder agreed to the amount processed, or • Proof that the acquirer corrected the discrepancy that led to the dispute
DE 72 (Data Record)	None
Notes	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

Installment Not Premature

Installment Not Premature	
IPM Second Presentment Message Reason Code	**2713** Invalid Chargeback
Second Presentment Condition	The acquirer can substantiate that the transaction is not an installment billing and was not processed as such in the authorization message or clearing record. For example, the transaction represents a recurring payment rather than an installment billing payment. The issuer's first chargeback claimed that the transaction was not for an installment billing, and transaction was properly identified as an Installment transaction in the Authorization Request/0100 message and the issuer approve the sale.
Supporting Documents	Documentation to support that the chargeback is invalid
DE 72 (Data Record)	None
Notes	None

Valid Installment Acceleration

Valid Installment Acceleration	
IPM Second Presentment Message Reason Code	**2713** Invalid Chargeback
Second Presentment Condition	The acquirer can provide documentation showing that the issuer requested installment acceleration for the transaction.
Supporting Documents	Documentation to support that the chargeback is invalid
DE 72 (Data Record)	None
Notes	None

Additional Remedies

Acquirers can use the following second presentment message reason codes to submit a Second Presentment/1240 for chargeback message reason 4850.

- **2002**—Non-receipt of required documentation to support chargeback

©1988–2015 MasterCard. Proprietary. All rights reserved.

- **2004**—Invalid Acquirer Reference Data on chargeback; documentation was received
- **2011**—Credit Previously Issued
- **2701**—Duplicate Chargeback
- **2702**—Past Chargeback Time Limit
- **2710**—Scanning error—unrelated documents or partial scan

Arbitration Chargeback

If the first chargeback was valid and the acquirer failed to remedy the dispute properly, the issuer may continue the chargeback with the same message reason code originally processed (4850).

The issuer will have chargeback rights if the first chargeback was valid, and examination of the documentation reveals a new valid chargeback reason. If the situation requires the use of a different message reason code, the issuer must process the arbitration chargeback using the appropriate message reason code.

Progressive Documentation. A progressive cardholder letter may be required with the arbitration chargeback in response to new information (regarding transaction date, merchant name, or location) or rebutting any merchant explanation provided with the second presentment. The progressive cardholder letter must be dated after the second presentment.

Installment Billing Dispute	
IPM Arbitration Chargeback Message Reason Code	**4850** Installment Billing Dispute
Arbitration Chargeback Details	The cardholder continues to dispute the transaction.
Supporting Documents	Progressive documentation from the cardholder disputing the new information and rebutting any merchant explanation
DE 72 (Data Record)	Reason for the return
Notes	None

The issuer may use the following additional message reason codes to submit an arbitration chargeback for message reason code 4850.

- 48xx—New valid chargeback reason
- 4901—Required documentation not received to support prior Second Presentment/1240
- 4902—Documentation received was illegible
- 4903—Scanning error—unrelated documents or partial scan
- 4908—Invalid Acquirer Reference Data on Second Presentment/1240 (2004); documentation was received.

Refer to Processing Arbitration Chargebacks (Arbitration Chargeback/1442 Message) for the standard procedure.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Arbitration Case Filing

Refer to Processing Arbitration Chargebacks (Arbitration Chargeback/1442 Message) for the standard procedure. Refer to Chapter 5, Arbitration Procedures for Arbitration Case examples.

3.25 Message Reason Code 4854—Cardholder Dispute—Not Elsewhere Classified (U.S. Region Only)

The following sections describe the proper and improper use of message reason code 4854.

3.25.1 Proper Use of Message Reason Code 4854

Issuers can use message reason code 4854 if a cardholder has made an unsuccessful good-faith effort to resolve a dispute with the merchant that involves goods or services, and the dispute reflects a claim or defense authorized against issuers or creditors according to federal, state, or local truth-in-lending laws.

NOTE:

Issuers can use this message reason code only if no other message reason code applies.

The issuer can process a chargeback within 60 calendar days after first learning of the dispute from the cardholder or within 120 calendar days of the Central Site Business Date of the transaction. If, however, the cardholder notified the issuer within the time frame of another valid message reason code but the issuer did not charge back the transaction, the issuer cannot use the time frame extension and charge back the transaction using message reason code 4854.

The issuer can use message reason code 4854 if the following conditions are met:

- The cardholder tried and failed to resolve the dispute with the merchant.
- The issuer and acquirer are located in the U.S. region.
- The transaction took place within the same state as the cardholder's billing address or within 100 miles of the cardholder's billing address. The exception to this rule concerns non–face-to-face transactions. The cardholder's current designated address is considered the location of the transaction.
- The cardholder provides documentation to support the dispute with the merchant.
- The original transaction amount exceeded USD 50.
- The issuer may charge back only the disputed amount. Further, the issuer can charge back only the portion of the disputed amount that is an unpaid balance at the time of merchant or issuer notification. If the issuer charges back a partial amount, it must submit the First Chargeback/1442 message with a Function Code of 453 (Partial Amount).
- The cardholder letter, email, *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221), or *Expedited Billing Dispute Resolution Process* (Form 410) documents the following:
  - The cardholder authorized the transaction
  - The cardholder returned or attempted to return the merchandise (if applicable)

©1988–2015 MasterCard. Proprietary. All rights reserved.

– The cardholder contacted the merchant to resolve the dispute, and the merchant refused to:

1. Adjust the price
2. Repair or replace the goods or other items of value
3. Issue a credit

Documentation to Support Dispute. Although documentation to support or corroborate the cardholder's dispute is not required with the first chargeback, in the event the merchant provides documentation to challenge the dispute, documentation supporting the cardholder's dispute may be required with the arbitration chargeback.

Merchant Contact. The cardholder must contact the merchant before initiating the dispute and the cardholder's documentation must explain the result of the conversation with the merchant.

If the cardholder cannot contact the merchant, the cardholder must state that an attempt was made to contact the merchant and that the merchant failed to respond.

For a Debit MasterCard purchase with cash back transaction, an issuer can submit this chargeback only for the purchase amount, or a portion thereof. The issuer must submit the First Chargeback/1442 message with a Function Code of 453 (Partial Amount). An issuer must not submit a chargeback for the cash back amount, or any portion thereof, using this reason code.

If the cardholder returned the merchandise, the issuer must wait 15 calendar days from the date the merchandise was returned before it can charge back the transaction. This waiting period gives the merchant an opportunity to process a credit. The only exception to this 15-day waiting period rule would be if the period would exceed the 120-calendar day (or 60-calendar day, if applicable) time frame.

If benefits under applicable local or state laws exceed Federal Reserve Regulation Z benefits, the greater benefits apply. However, the issuer must provide a copy of the applicable law with the chargeback.

Disputed Surcharge

When processing a chargeback related to a Brand-level Surcharge or Product-level Surcharge the previous requirements, except for the requirement that the issuer and acquirer are located in the U.S. region, are not applicable. An issuer can use message reason code 4854 when the Brand-level Surcharge or Product-level Surcharge amount was not properly calculated, not permitted, not properly disclosed at the POI or on the TID, or not properly refunded.

NOTE:

For information about the Brand-level Surcharge or Product-level Surcharge, refer to the *MasterCard Rules* manual, Chapter 9, "Asia/Pacific Region Rules," Rule 5.11.2, "Charges to Cardholders"; Chapter 12, "Latin America and the Caribbean Region Rules," Rule 5.11.2, "Charges to Cardholders"; and Chapter 15, "Additional U.S. Region and U.S. Territory Rules," Rule 5.11.2, "Charges to Cardholders."

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.25.2 Improper Use of Message Reason Code 4854

The issuer **may not** use this message reason code when the transaction was a MasterCard Commercial Payments Account transaction. A MasterCard Commercial Payments Account transaction occurs when PDS 0002 (GCMS Product Identifier) was MAP (MasterCard Commercial Payments Account) in the First Presentment/1240 message.

MasterCard Electronic Card. Refer to MasterCard Electronic for chargeback processing procedures for a MasterCard Electronic card.

3.25.3 Proper Use for Issuer's First Chargeback

The following condition represents a valid option that the issuer can use to process a first presentment for message reason code 4854.

Time Frame	60 calendar days after first learning about the dispute from the cardholder or within 120 calendar days of the Central Site Business Date
Retrieval Request	No
Supporting Documents	All of the following: • Cardholder letter, email, *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221), or *Expedited Billing Dispute Resolution Process* (Form 410) fulfilling the prerequisites of the chargeback and the details of the nature of the dispute. • Copy of applicable law (if applicable)
DE 72 (Data Record)	None
Notes	None

Disputed Surcharge

Disputed Surcharge	
Time Frame	Within 120 calendar days of the Central Site Business Date
Retrieval Request	No
Supporting Documents	Cardholder letter, email, *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221), or *Expedited Billing Dispute Resolution Process* (Form 410) describing the nature of the disputed surcharge.
DE 72 (Data Record)	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

Disputed Surcharge	
Notes	If the cardholder disputes only a part of the transaction amount, the issuer must prorate the Surcharge amount.

3.25.4 Proper Use for Acquirer's Second Presentment

The following conditions represent valid options that the acquirer can use to process a second presentment for message reason code 4854.

Deficiency Corrected	
IPM Second Presentment Message Reason Code	**2700** See Corresponding Documentation/Chargeback Remedied
Second Presentment Condition	The acquirer can document it corrected the deficiency that led to the chargeback.
Supporting Documents	One or both of the following: • Copy of the TID or invoice (if applicable) • Merchant's written rebuttal (if applicable)
DE 72 (Data Record)	None
Notes	None

Invalid Chargeback

Invalid Chargeback	
IPM Second Presentment Message Reason Code	**2713** Invalid chargeback
Second Presentment Condition	The acquirer substantiates that the chargeback was invalid. (For example, the necessary supporting documentation failed to support the chargeback.)
Supporting Documents	None
DE 72 (Data Record)	The reason for the invalidity
Notes	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

Disputed Surcharge

Disputed Surcharge	
IPM Second Presentment Message Reason Code	**2700** See Corresponding Documentation/Chargeback Remedied
Second Presentment Condition	The acquirer substantiates that the surcharge was correctly processed.
Supporting Documents	Documentation proving the surcharge was correctly processed.
DE 72 (Data Record)	None
Notes	None

Disputed Surcharge—Incorrect Pro-rated Calculation

Disputed Surcharge—Incorrect Pro-rated Calculation	
IPM Second Presentment Message Reason Code	**2700** See Corresponding Documentation/Chargeback Remedied
Second Presentment Condition	The acquirer substantiates that the pro-rated surcharge was incorrectly calculated by the issuer.
Supporting Documents	Documentation proving the surcharge was incorrectly calculated.
DE 72 (Data Record)	None
Notes	None

Examples—Possible Chargeback Message Reason Code 4854 Remedies. The merchant's written rebuttal may include one of the following:

- An assertion based on the documentation that the merchant corrected the deficiency that led to the chargeback or otherwise resolved the complaint. For example, the merchant repaired or replaced the merchandise.
- Proof that the chargeback was invalid because the cardholder paid the disputed amount before contacting the merchant or issuer about the dispute.
- An assertion that the chargeback was invalid because the issuer's supporting documentation was not sufficient to substantiate a claim against the merchant.

©1988–2015 MasterCard. Proprietary. All rights reserved.

3.25.4.1 Additional Remedies

Acquirers can use the following second presentment message reason codes to submit a Second Presentment/1240 for message reason code 4854.

- **2002**—Nonreceipt of required documentation to support chargeback
- **2004**—Invalid Acquirer Reference Data on chargeback; documentation was received
- **2011**—Credit previously issued
- **2700**—Chargeback remedied. See corresponding documentation.
- **2701**—Duplicate Chargeback
- **2702**—Past Chargeback Time Limit
- **2709**—Documentation received was illegible

3.25.5 Arbitration Chargeback

If the first chargeback was valid and the acquirer failed to remedy the dispute properly, the issuer may continue the chargeback with the same message reason code originally processed (4854).

The issuer will have chargeback rights if examination of the documentation reveals a new valid chargeback reason. If the situation requires a different message reason, the issuer must process the arbitration chargeback using the appropriate message reason code.

IPM Arbitration Chargeback Message Reason Code	**4854** Cardholder dispute—not elsewhere classified (U.S. region only)
Arbitration Chargeback Details	The cardholder continues to dispute the transaction.
Supporting Documents	Progressive documentation from the cardholder disputing the transaction and rebutting any merchant explanation. See Additional Processing Notes below.
DE 72 (Data Record)	Reason for the return
Notes	None

Progressive Documentation. A progressive cardholder letter may be required with the arbitration chargeback in response to new information or rebutting any merchant explanation provided with the second presentment. The progressive cardholder letter must be dated after the second presentment and specifically address the rebuttal provided with the second presentment. Refer to 1.15.1 Documentation Types for additional information.

The issuer may use the following additional message reason codes to submit an arbitration chargeback:

- **48xx**—New valid message reason code
- **4901**—Required documentation not received to support prior Second Presentment/1240

©1988–2015 MasterCard. Proprietary. All rights reserved.

- **4902**—Documentation received was illegible
- **4903**—Scanning error—Unrelated documents or partial scan
- **4908**—Invalid Acquirer Reference Data on Second Presentment/1240 (2004); documentation was received

Refer to Processing Arbitration Chargebacks (Arbitration Chargeback/1442 Message) for the standard procedure.

3.25.6 Arbitration Case Filing

Refer to Processing Arbitration Chargebacks (Arbitration Chargeback/1442 Message) for the standard procedure. Refer to Chapter 5, Arbitration Procedures for Arbitration Case examples.

3.25.7 Additional Processing Notes

The following sections contain additional processing notes for the issuer, acquirer, or both.

Calculating Unpaid Balances. As stated previously, the issuer can charge back only the unpaid balance at the time of merchant or issuer notification. The calculation is based on the accounting method of "first in/first out." In addition, when calculating the unpaid balance, the issuer can consider credits from returned merchandise along with cardholder payments.

Examples of sufficient information to verify that the disputed amount is unpaid can include cardholder statements or screen prints of payments, credits, and balances.

Documentation Corroborating the Dispute. Reason code 4854 requires documentation corroborating the cardholder's claim against the merchant with the arbitration chargeback if challenged by the merchant with the second presentment. For example, if the cardholder claims the merchant did not correctly repair his or her vehicle, the cardholder has to provide written proof from a second vehicle repair shop documenting that the original merchant provided incorrect or unnecessary repairs.

Tort Claims. Message reason code 4854 does not address torts, which are wrongful acts, damages, or injuries done willfully or negligently, such as negligence or an incorrect medical diagnosis. For example, a cardholder contracts with a painter to paint his or her living room for USD 500. The painter accidentally spills paint on the couch, causing USD 300 worth of damage. The issuer cannot use message reason code 4854 to charge back for the USD 300.

©1988–2015 MasterCard. Proprietary. All rights reserved.

4.5.3 Message Reason Code 20—Returned Item (U.S. Shared Deposits Only)

The acquirer may use this message reason code when the acquirer received a returned item or notice of non-payment for a non-negotiable item.

4.5.3.1 Acquirer Adjustment

The table shown below details the requirements for this adjustment message reason code.

Adjustment Condition	The acquirer has received a returned item or notice of non-payment for a non-negotiable item.
Time Frame	One business day following receipt of the returned item or notice of non-payment for a non-negotiable item.
Adjustment Message Reason Code	20
Supporting Documents	One of the following: • A copy of the front and back of the returned item • A copy of the notice of non-payment
Additional Information	Optional
Notes	The original returned or non-negotiable item must be sent to the issuer (the proof of completing such act rests with the acquirer) within three business days of the adjustment processing date, or, to the extent permitted under the Check Clearing for the 21st Century Act ("Check 21 Act"), 12 U.S.C. § 5001 et seq., a substitute check meeting the requirements of the Check 21 Act must be transmitted to the issuer within three business days of the adjustment processing date. The copy of the returned or non-negotiable item that is processed through the MasterCom system (the "MasterCom Copy") is not intended to qualify or meet the requirements of a substitute check under the Check 21 Act, and under no circumstances shall the acquirer or issuer treat such MasterCom Copy as a substitute check under the Check 21 Act.

©1988–2015 MasterCard. Proprietary. All rights reserved.

4.5.3.2 Issuer Chargeback

The issuer may process a chargeback using message reason code 30–Cardholder Disputed Amount (U.S. Shared Deposits Only). Refer to the individual chargeback message reason code in section 4.6 for requirements.

4.5.3.3 Arbitration Case Filing

An arbitration case filing is not available as a representment is not valid for this message reason code.

4.5.4 Message Reason Code 24—Empty Deposit Envelope (U.S. Shared Deposits Only)

The acquirer may use this message reason code when an empty deposit envelope was received.

4.5.4.1 Acquirer Adjustment

The table shown below details the requirements for this adjustment message reason code.

Adjustment Condition	The acquirer has received an empty deposit envelope.
Time Frame	Between 1 and 5 calendar days from the settlement date.
Adjustment Message Reason Code	24
Supporting Documents	None
Additional Information	Optional
Notes	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

4.5.4.2 Issuer Chargeback

The issuer may process a chargeback using message reason code 30–Cardholder Disputed Amount (U.S. Shared Deposits Only). Refer to the individual chargeback message reason code in section 4.6 for requirements.

4.5.4.3 Arbitration Case Filing

An arbitration case filing is not available as a representment is not valid for this message reason code.

4.5.5 Message Reason Code 25—Error in Addition (U.S. Shared Deposits Only)

The acquirer may use this message reason code to correct an addition error with the cardholder's deposit.

4.5.5.1 Acquirer Adjustment

The table shown below details the requirements for this adjustment message reason code.

Adjustment Condition	The acquirer is correcting an addition error with the cardholder's deposit.
Time Frame	Between 1 and 5 calendar days from the settlement date.
Adjustment Message Reason Code	25
Supporting Documents	None
Additional Information	Optional
Notes	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

4.5.5.2 Issuer Chargeback

The issuer may process a chargeback using message reason code 30–Cardholder Disputed Amount (U.S. Shared Deposits Only). Refer to the individual chargeback message reason code in section 4.6 for requirements.

4.5.5.3 Arbitration Case Filing

An arbitration case filing is not available as a representment is not valid for this message reason code.

4.5.6 Message Reason Code 26—Error in Settlement (U.S. Shared Deposits Only)

The acquirer may use this message reason code to correct a settlement error.

4.5.6.1 Acquirer Adjustment

The table shown below details the requirements for this adjustment message reason code.

Adjustment Condition	The acquirer is correcting an error settlement.
Time Frame	Between 1 and 5 calendar days from the settlement date.
Adjustment Message Reason Code	26
Supporting Documents	None
Additional Information	Optional
Notes	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

4.5.6.2 Issuer Chargeback

The issuer may process a chargeback using message reason code 30–Cardholder Disputed Amount (U.S. Shared Deposits Only). Refer to the individual chargeback message reason code in section 4.6 for requirements.

4.5.6.3 Arbitration Case Filing

An arbitration case filing is not available as a representment is not valid for this message reason code.

4.5.7 Message Reason Code 27—Customer Keyed Wrong Amount (U.S. Shared Deposits Only)

The acquirer may use this message reason code to correct a keying error with the cardholder's deposit.

4.5.7.1 Acquirer Adjustment

The table shown below details the requirements for this adjustment message reason code.

Adjustment Condition	The acquirer is correcting a keying error with the cardholder's deposit.
Time Frame	Between 1 and 5 calendar days from the settlement date.
Adjustment Message Reason Code	27
Supporting Documents	None
Additional Information	Optional
Notes	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

4.5.7.2 Issuer Chargeback

The issuer may process a chargeback using message reason code 30–Cardholder Disputed Amount (U.S. Shared Deposits Only). Refer to the individual chargeback message reason code in section 4.6 for requirements.

4.5.7.3 Arbitration Case Filing

An arbitration case filing is not available as a representment is not valid for this message reason code.

4.5.8 Message Reason Code 28—Non-Cash Item Deposited (U.S. Shared Deposits Only)

The acquirer may use this message reason code when the acquirer received a non-cash item.

4.5.8.1 Acquirer Adjustment

The table shown below details the requirements for this adjustment message reason code.

Adjustment Condition	The acquirer has received a non-cash item.
Time Frame	One business day following receipt of the non-cash item.
Adjustment Message Reason Code	28
Supporting Documents	A copy of the front and back of the non-cash item
Additional Information	Optional
Notes	The original non-cash item must be sent to the issuer (the proof of completing such act rests with the acquirer) within three business days of the adjustment processing date.

©1988–2015 MasterCard. Proprietary. All rights reserved.

4.5.8.2 Issuer Chargeback

The issuer may process a chargeback using message reason code 30–Cardholder Disputed Amount (U.S. Shared Deposits Only). Refer to the individual chargeback message reason code in section 4.6 for requirements.

4.5.8.3 Arbitration Case Filing

An arbitration case filing is not available as a representment is not valid for this message reason code.

4.5.9 Message Reason Code 29—Foreign/Counterfeit Currency Deposited (U.S. Shared Deposits Only)

The acquirer may use this message reason code when foreign currency or counterfeit currency was deposited into an ATM.

4.5.9.1 Acquirer Adjustment

The table shown below details the requirements for this adjustment message reason code.

Adjustment Condition	The acquirer is reversing a foreign or counterfeit currency deposit.
Time Frame	Between 1 and 5 calendar days from the settlement date.
Adjustment Message Reason Code	29
Supporting Documents	None
Additional Information	Optional
Notes	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

4.5.9.2 Issuer Chargeback

The issuer may process a chargeback using message reason code 30–Cardholder Disputed Amount (U.S. Shared Deposits Only). Refer to the individual chargeback message reason code in section 4.6 for requirements.

4.5.9.3 Arbitration Case Filing

An arbitration case filing is not available as a representment is not valid for this message reason code.

4.6.3 Message Reason Code 30—Cardholder Disputed Amount (U.S. Shared Deposits Only)

The issuer may use this message reason code when the Shared Deposit adjustment is invalid.

4.6.3.1 Issuer Chargeback

The table shown below details the requirements for this adjustment message reason code.

Chargeback Condition	The issuer is disputing the acquirer's adjustment of a Shared Deposit as invalid. The acquirer must have submitted the adjustment six or more calendar days after the original transaction settlement date.
Time Frame	Between 1 and 20 calendar days after the adjustment settlement date.
Chargeback Message Reason Code	30
Supporting Documents	None
Additional Information	Optional
Notes	None

©1988–2015 MasterCard. Proprietary. All rights reserved.

4.6.3.2 Acquirer Respresentment

Representment is not available for this message reason code.

4.6.3.3 Arbitration Case Filing

An arbitration case filing is not available as a representment is not valid for this message reason code.

4.6.4 Message Reason Code 53—Defective/Not as Described—Intra-U.S. Region and U.S. Territories Only

The issuer may use message reason code 53 when the cardholder contacted the issuer alleging that the goods or services received were either defective or not as described.

4.6.4.1 Issuer Chargeback

The following table details the requirements for this message reason code.

General Use

General Use	
Chargeback Condition	Both of the following: • Both the issuer and the acquirer are located in the United States, American Samoa, Guam, Northern Mariana Islands, Puerto Rico, and/or the U.S. Virgin Islands. • One of the following: – When delivered from the merchant, the goods arrived broken or could not be used for the intended purpose. – Goods and services did not conform to their description. Examples include, but are not limited to: – The cardholder states that the quality or workmanship of the product is not as described. – The cardholder states that the specified color, size, or quantity is not as described. – Terms and conditions of a contract including, but not limited to, 100 percent money back guarantee, written promises, or return policy.

©1988–2015 MasterCard. Proprietary. All rights reserved.

General Use	
Time Frame	One of the following: • Between 5 and 540 calendar days from the transaction settlement date for issues of interrupted services. • Between 5 and 120 calendar days from the transaction settlement date or the delivery date the goods or services. In addition, • **Returned Merchandise.** The issuer must wait 30 calendar days from the date the merchandise was returned before submitting a chargeback. If waiting the 30 calendar days would cause the issuer to exceed the 120 calendar day time frame, the issuer may chargeback the transaction earlier than 30 calendar days. • **Delayed Delivery.** When the date the goods or services were to be provided as agreed upon by the merchant and the cardholder has passed.
Chargeback Message Reason Code	53
Supporting Documents	Cardholder email, letter, message or completed *Expedited Billing Dispute Resolution Process* (Form 1195) stating all of the following: • The cardholder engaged in the transaction • The cardholder's description of the goods or services the cardholder expected to receive • The cardholder's description of the goods or services the cardholder actually received • The cardholder returned the goods or informed the merchant the goods were available for pickup. • The cardholder contacted the merchant to resolve the dispute, and the merchant refused to adjust the price, repair or replace the goods or other things of value, or to issue a credit.
Notes	The issuer may chargeback only the disputed amount. Supporting documentation must be in English or accompanied by an English translation. Supporting documentation must be provided within 10 calendar days of the chargeback settlement date.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Counterfeit Goods

Counterfeit Goods	
Chargeback Condition	The cardholder states that the goods were purported to be genuine, but were counterfeit. "Counterfeit" means that the goods were not produced by an authorized manufacturer of the goods and therefore infringe on intellectual property rights.
Time Frame	120 calendar days
Chargeback Message Reason Code	53
Supporting Documents	Cardholder email, letter, message or completed *Expedited Billing Dispute Resolution Process* (Form 1194) stating all of the following: • The reason the cardholder believes that the goods are counterfeit • Disposition of the goods; Examples include but are not limited to: – The goods are in the possession of a governmental agency, such as customs – The goods are in the possession of the cardholder – The cardholder discarded the goods – The cardholder returned the goods to the Merchant
Notes	Supporting documentation must be in English or accompanied by an English translation. Supporting documentation must be provided within 10 calendar days of the chargeback settlement date.

4.6.4.2 Acquirer Representment (Second Presentment)

The following table details the requirements of the second presentment for this message reason code.

Second Presentment Condition	The acquirer can provide evidence of one of the following: • The dispute was corrected or resolved. • The goods were not counterfeit. • The chargeback was invalid.
Time Frame	45 calendar days of the chargeback settlement date
Second Presentment Message Reason Code	13

©1988–2015 MasterCard. Proprietary. All rights reserved.

Supporting Documents	The merchant's explanation and documentation supporting the Second Presentment Condition.
Notes	Supporting documentation must be in English or accompanied by an English translation. Supporting documentation must be provided within 10 calendar days of the chargeback settlement date.

4.6.4.3 Arbitration Case Filing

General Use

General Use	
Arbitration Case Filing Condition	The acquirer failed to remedy the dispute.
Time Frame	45 calendar days of the representment settlement date
Documentation Requirements	All of the following: • *Dispute Resolution Case Filing Form* (Form 682) • Second presentment supporting documentation as provided by the acquirer • A new cardholder email, letter, message or completed *Expedited Billing Dispute Resolution Process* (Form 1195) rebutting the merchant's explanation • Documentation supporting the new cardholder letter which may include: – Documentation from an expert or professional that supports the cardholder's dispute about the level of quality or misrepresentation. – Other documentation necessary to support the validity of the dispute which may include, but is not limited to, the original receipt, invoice, work order, brochure, contract, or appraisal.

©1988–2015 MasterCard. Proprietary. All rights reserved.

General Use	
Notes	Supporting documentation must be in English or accompanied by an English translation. A completed *Expedited Billing Dispute Resolution Process Form* (Form 1195) must be the result of contact with the cardholder. **MasterCom Pro Users:** An arbitration case must be entered on-line via the MasterCom Pro Case Filing application. **MasterCom Hosted Users:** An arbitration case must be submitted to the Dispute Resolution Management Case Filing Hub Site via fax to 1-636-722-7215.

Counterfeit Goods

Counterfeit Goods	
Arbitration Case Filing Condition	The acquirer failed to remedy the dispute.
Time Frame	45 calendar days of the representment settlement date

©1988–2015 MasterCard. Proprietary. All rights reserved.

Counterfeit Goods	
Documentation Requirements	All of the following: • *Dispute Resolution Case Filing Form* (Form 682) • Second presentment supporting documentation as provided by the acquirer • A new cardholder email, letter, message or completed *Expedited Billing Dispute Resolution Process* (Form 1194) rebutting the merchant's explanation. • One of the following: – Documentation provided by a person purporting to be the owner or authorized representative of the owner of intellectual property rights for the goods purported to be counterfeit (which documentation may be available from a Web site) substantiating that the goods purchased are counterfeit; – Documentation substantiating that the merchant that sold the purported counterfeit goods was closed by a governmental agency for selling counterfeit goods now purported by the chargeback to be counterfeit; or – Documentation from a bona fide expert substantiating that the disputed goods are counterfeit, which documentation is on the expert's letterhead or validated by other information demonstrating that the opinion expressed is that of an expert.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Counterfeit Goods	
Notes	The issuer should send an email message to ipinquiries@mastercard.com to report the cardholder's allegation of an intellectual property rights infringement. Supporting documentation must be in English or accompanied by an English translation. A completed *Expedited Billing Dispute Resolution Process Form* (Form 1194) must be the result of contact with the cardholder. **MasterCom Pro Users:** An arbitration case must be entered on-line via the MasterCom Pro Case Filing application. **MasterCom Hosted Users:** An arbitration case must be submitted to the Dispute Resolution Management Case Filing Hub Site via fax to 1-636-722-7215.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Appendix E Lodging Merchant Services

This appendix provides Card acceptance requirements relating to the Guaranteed Reservations, and Advance Resort Deposit services.

Guaranteed Reservations..... 466
Advance Resort Deposit..... 467

©1988–2015 MasterCard. Proprietary. All rights reserved.

Guaranteed Reservations

All Lodging merchants who accept MasterCard are automatically enrolled in the Guaranteed Reservation Program. Lodging merchants are not required to process Guaranteed Reservation transactions; however, each merchant has the ability to create Guaranteed Reservation (No-Show) transactions.

When a cardholder guarantees their reservation with a MasterCard, the merchant is ensuring that a room will be available for the cardholder when the cardholder arrives at the property. Merchants have the following responsibilities when accepting a Guaranteed Reservation:

- The merchant must keep a room available until check-out time on the day following the reservation.
- When accepting the MasterCard as a guarantee, the merchant will provide the cardholder with a confirmation number for the reservation.
- The merchant must inform the cardholder of the cancellation time and conditions. Merchants may set cancellation limits up to 72 hours prior to the stay. If the cardholder makes a reservation within the merchant's cancellation period (for example, the cardholder makes a reservation 24 hours in advance when the merchant has a 48-hour cancellation requirement) the merchant agrees the default time of cancellation for that reservation will be 18:00 merchant local time.
- Merchants must accept a cancellation from the cardholder if provided prior to the agreed upon time frames. Upon acceptance of the cancellation, the merchant will provide a cancellation number.
- Cardholders who cancel beyond the cancellation policy may be billed for one night of room and tax only.
- No-Show transactions have a zero floor limit and must be authorized prior to billing.

In the event the merchant is unable to provide a room to a cardholder who guaranteed the stay with a MasterCard, the merchant must do **all** of the following:

- Not bill the cardholder a No-Show charge
- Provide the cardholder with an option to take accommodations at a lodging establishment rated equal to, or better than, the reserved property
- Ensure the cardholder is not charged more than the rate of the guaranteed stay
- Receive complimentary transportation to the new location, and
- A complimentary call if necessary for the cardholder to inform others of the new location.

Merchants billing No-Show transactions are advised to keep notation that the transaction was a No-Show in the event of a chargeback or retrieval request.

Should a cardholder dispute a No-Show charge for any reason other than as an unauthorized transaction, the merchant may support their cancellation policy and No-Show billing only with documentation verifying the cardholder received the cancellation policy and failed to adhere to it.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Advance Resort Deposit

A merchant participating in the Advance Resort Deposit service must follow these procedures:

1. Explain the terms of the advance resort deposit reservation, cancellation, and refund policies to the cardholder.
2. Request the card account and cardholder address information and confirm the room rate and location.
3. Obtain authorization from the Issuer and include on the TID the reservation confirmation number and the words "advance deposit" in place of the cardholder's signature. The merchant is recommended to note on the TID any special terms and conditions regarding its refund policy.
4. Mails a letter of confirmation, a copy of the TID (including the reservation confirmation number), and information concerning its cancellation and refund policies to the cardholder.
5. If a cardholder cancels his or her reservation in accordance with the agreed upon procedures, the merchant is obligated to cancel the reservation and issue a credit to the cardholder.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Appendix F Transaction Identification Requirements

This appendix contains requirements for transaction identification.

Transaction Date..... 469
Contactless Transactions..... 469
Contactless Transit Aggregated Transactions..... 471
Contactless-only Transactions..... 474
Quick Payment Service Transactions..... 476
Payment Transactions..... 477
Electronic Commerce Transactions..... 478
Digital Secure Remote Payment Transactions..... 479
Digital Secure Remote Payment Transactions Containing Chip Data..... 479
Digital Secure Remote Payment Transactions Containing UCAF Data..... 482
Partial Shipments Following Digital Secure Remote Payment Transactions..... 484
MasterCard Mobile Remote Payment Transactions..... 487

©1988–2015 MasterCard. Proprietary. All rights reserved.

Transaction Date

The Transaction date appearing in DE 12 (Date and Time, Local Transaction) is specified as follows.

For the following transaction…	The transaction date is the date on which…
Face-to-Face	The products or services are exchanged.
Non–Face-to-Face	The products are shipped or services performed.
Vehicle Rental	The vehicle is returned, or, if applicable, the prepayment date.
Lodging	Checkout occurred, or if applicable, the prepayment date.
No-show	The Cardholder was expected to arrive at the lodging merchant and failed to appear.
Airline/Railway	The airline or railway ticket was issued.
Cruise Line	The transportation documents were issued.
On-board Cruise Line	The passenger disembarks.
Refund	The Merchant grants a credit or price adjustment.
All In-Flight Commerce Transactions except those involving mailed purchases	The flight departs from the originating city. The Transaction date for in-flight commerce mailed purchases is the shipment date unless otherwise disclosed to the Cardholder.
MasterCard Contactless Transit Aggregated	One or more contactless taps performed with one MasterCard Account and occurring at one transit Merchant are aggregated in a First Presentment/1240 message.
Maestro Contactless Transit Aggregated	A Financial Transaction Request/0200 (or in the Europe Region, an Authorization Request/0100) message is sent for an estimated or maximum amount in connection with the use of one Maestro Account at one transit Merchant.

Contactless Transactions

The Acquirer must identify each Contactless Transaction with the following values. A Transaction must not be identified as a Contactless Transaction if the Card information is contact chip-read, magnetic stripe-read, or key-entered. In addition, a Transaction must not be identified as a Maestro Contactless Transaction if the Card information is contactless magnetic stripe-read, except in Brazil with respect to Maestro Contactless Magnetic Stripe Transactions (referred to herein as "Maestro Magstripe").

©1988–2015 MasterCard. Proprietary. All rights reserved.

Contactless Transaction Values for Authorization Request/0100 or Financial Transaction Request/0200 Messages

Data Element	Subfield	Value
22 (Point of Service [POS] Entry Mode	1 (POS Terminal PAN Entry Mode)	One of the following: • **07** (PAN auto-entry via contactless M/Chip) • **08** (PAN auto-entry via contactless M/Chip, Contactless Mapping Service applied) • **91** (PAN auto-entry via contactless magnetic stripe—the full track data had been read from the data on the card and transmitted within the authorization request in DE 35 [Track 2 Data] or DE 45 [Track 1 Data] without alteration or truncation)—**MasterCard, Maestro Magstripe only** • **92** (Contactless input, Contactless Mapping Service applied when acquirer DE 22, subfield 1=91)—**MasterCard, Maestro Magstripe only** The Acquirer sends one of the following: • **07** (PAN auto-entry via contactless M/Chip)—**EMV Mode** • **91** (PAN auto-entry via contactless magnetic stripe—the full track data had been read from the data on the card and transmitted within the authorization request in DE 35 [Track 2 Data] or DE 45 [Track 1 Data] without alteration or truncation)—**Magnetic Stripe Mode** The Issuer receives either one of the above, or one of the following: • **08** (PAN auto-entry via contactless M/Chip, Contactless Mapping Service applied)—**EMV Mode** • **82** (PAN Auto Entry via Server [issuer, acquirer, or third party vendor system])—**MasterCard Digital Enablement Service token mapping service applied** • **92** (Contactless input, Contactless Mapping Service applied when acquirer DE 22, subfield 1=91)—**Magnetic Stripe Mode**

©1988–2015 MasterCard. Proprietary. All rights reserved.

Data Element	Subfield	Value
61 (Point-of-Service [POS] Data)	11 (POS Card Data Terminal Input Capabilities)	One of the following: • **3** (Contactless M/Chip) • **4** (Contactless Magnetic Stripe)

Contactless Transaction Values for First Presentment/1240 Messages

Data Element	Subfield	Value
22 (Point of Service Data Code)	1 (Terminal Data: Card Data Capability)	One of the following: • **A** (PAN auto-entry via contactless magnetic stripe) • **M** (PAN auto-entry via contactless M/Chip)
22 (Point-of-Service Data Code)	7 (Card Data: Input Mode)	One of the following: • **A** (PAN auto-entry via contactless magnetic stripe) • **M** (PAN auto-entry via contactless M/Chip) • **N** (Contactless input, Contactless Mapping Service applied [This value is visible only to issuer; acquirers use value A or M.])

Contactless Transit Aggregated Transactions

The Acquirer must identify each Contactless transit aggregated Transaction with the following values.

Contactless Transit Aggregated Transaction Values for Authorization Request/0100 or Financial Transaction Request/0200 Messages

Data Element	Subfield	Value
18 (Merchant Type)		One of the following: • **4111** (Transportation—Suburban and Local Commuter Passenger, including Ferries) • **4131** (Bus Lines) • **4784** (Bridge and Road Fees, Tolls)

©1988–2015 MasterCard. Proprietary. All rights reserved.

Data Element	Subfield	Value
22 (Point-of-Service [POS] Entry Mode)	1 (POS Terminal PAN Entry Mode)	Any of the values shown in "Contactless Transactions Values for Authorization Request/0100 or Financial Transaction Request/0200 Messages." Please note that additionally, the value of 82 appears in Contactless debt repayment Transactions.
48 (Additional Data—Private Use)	1 (Transaction Category Code [TCC])	**X** (Airline and Other Transportation Services)
48 (Additional Data—Private Use), subelement 64 (Transit Program)	1 (Transit Transaction Type)	One of the following: • **03** (MasterCard Contactless Transit Aggregated) • **06** (Maestro Contactless Transit Aggregated)
61 (Point-of-Service [POS] Data	1 (POS Terminal Attendance)	**1** (Unattended terminal)
	3 (POS Terminal Location)	**0** (On premises of merchant facility)
	4 (POS Cardholder Presence)	**0** (Cardholder present)
	5 (POS Card Presence)	**0** (Card present)
	6 (POS Card Capture Capabilities)	**0** (Terminal/Operator has no card capture capability)
	7 (POS Transaction Status)	One of the following: • **0** (Normal request) • **4** (Pre-authorized request) Note: This value is only for Europe Region-acquired Transactions.
	10 (Cardholder-Activated Terminal Level)	**0** (Not a CAT transaction)
	11 (POS Card Data Terminal Input Capability)	One of the following: • **3** (Contactless M/Chip) • **4** (Contactless Magnetic Stripe)

©1988–2015 MasterCard. Proprietary. All rights reserved.

Contactless Transit Aggregated Transaction Values for First Presentment/1240 Messages

Data Element/PDS	Subfield	Value
22 (Point of Service Data Code)	1 (Terminal Data: Card Data Capability)	One of the following: • **A** (PAN auto-entry via contactless magnetic stripe) • **M** (PAN auto-entry via contactless M/Chip)
	3 (Terminal Data: Card Capture Capability)	**0** (No capture capability)
	4 (Terminal Operating Environment)	**2** (On merchant premises; unattended terminal)
	5 (Card Present Data)	**0** (Cardholder present)
	6 (Card Present Data)	**1** (Card present)
	7 (Card Data: Input Mode)	One of the following: • **A** (PAN auto-entry via contactless magnetic stripe) • **M** (PAN auto-entry via contactless M/Chip) • **N** (Contactless input, *Contactless* Mapping Service applied [This value is visible only to issuer; acquirers use value A or M.])
26 (Merchant Business Code [MCC])		One of the following: • **4111** (Transportation-Suburban and Local Commuter Passenger, including Ferries) • **4131** (Bus Lines) • **4784** (Bridge and Road Fees, Tolls)
PDS 0210 (Transit Transaction Type)	1 (Transit Transaction Type)	One of the following: • **03** (MasterCard Contactless Transit Aggregated) • **06** (Maestro Contactless Transit Aggregated)

©1988–2015 MasterCard. Proprietary. All rights reserved.

Contactless-only Transactions

The Acquirer must identify each Contactless-only Transaction with the following values.

Contactless-Only Transaction Values for Authorization Request/0100 or Financial Transaction Request/0200 Messages

Data Element	Subfield	Value
18 (Merchant Type)		An MCC approved to be Contactless-only as published from time to time in the *Global Operations Bulletin*.
22 (Point-of-Service [POS] Entry Mode)	1 (POS Terminal PAN Entry Mode)	Any of the values shown in "Contactless Transaction Values for Authorization Request/0100 or Financial Transaction Request/0200 Messages."
61 (Point-of-Service [POS] Data	1 (POS Terminal Attendance)	**1** (Unattended terminal)
	3 (POS Terminal Location)	One of the following: • **0** (On premises of merchant facility) • **1** (Off premises of merchant facility [merchant terminal—remote location])
	4 (POS Cardholder Presence)	**0** (Cardholder present)
	5 (POS Card Presence)	**0** (Card present)
	7 (POS Transaction Status)	**0** (Normal request)
	10 (Cardholder-Activated Terminal Level)	One of the following: • **1** (Authorized Level 1 CAT: Automated dispensing machine with PIN) • **2** (Authorized Level 2 CAT: Self-service terminal) • **3** (Authorized Level 3 CAT: Limited-amount terminal)
	11 (POS Card Data Terminal Input Capability)	One of the following: • **3** (Contactless M/Chip) • **4** (Contactless Magnetic Stripe)

©1988–2015 MasterCard. Proprietary. All rights reserved.

Contactless-Only Transaction Values for First Presentment/1240 Messages

Data Element	Subfield	Value
22 (Point of Service Data Code)	1 (Terminal Data: Card Data Capability)	One of the following: • **A** (PAN auto-entry via contactless magnetic stripe) • **M** (PAN auto-entry via contactless M/Chip)
	4 (Terminal Operating Environment)	One of the following: • **2** (On merchant premises; unattended terminal) • **4** (Off merchant premises; unattended) • **6** (Off cardholder premises; unattended)
	5 (Card Present Data)	**0** (Cardholder present)
	6 (Card Present Data)	**1** (Card present)
	7 (Card Data: Input Mode)	One of the following: • **A** (PAN auto-entry via contactless magnetic stripe) • **M** (PAN auto-entry via contactless M/Chip) • **N** (Contactless input, Contactless Mapping Service applied [This value is visible only to issuer; acquirers use value A or M.])
26 (Merchant Business Code [MCC])		An MCC approved to be contactless-only as published from time to time in the *Global Operations Bulletin*.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Quick Payment Service Transactions

The Acquirer must identify each Quick Payment Service (QPS) Transaction with the following values.

QPS Transactions Values for First Presentment/1240 Messages

Data Element	Subfield	Value
22 (Point of Service Data Code)	1 (Terminal Data: Card Data Capability)	One of the following: • **2** (Magnetic stripe reader capability) • **5** (Integrated circuit card [ICC] capability) • **A** (PAN auto-entry via contactless magnetic stripe) • **B** (Magnetic strip reader and key entry capability) • **C** (Magnetic stripe reader, ICC, and key entry capability) • **D** (Magnetic stripe reader and ICC capability) • **E** (ICC and key entry capability) • **M** (PAN auto-entry via contactless M/Chip)
	4 (Terminal Operating Environment)	• **1** (On merchant premises; attended terminal) • **3** (Off merchant premises; attended terminal)
	5 (Cardholder Present Data)	**0** (Cardholder present)
	6 (Card Present Data)	**1** (Card present)
	7 (Card Data: Input Mode)	One of the following: • **2** (Magnetic stripe reader input) • **A** (PAN auto-entry via contactless magnetic stripe) • **B** (Magnetic strip reader input; track data captured and passed unaltered) • **C** (Online Chip) • **F** (Offline Chip) • **M** (PAN auto-entry via contactless M/Chip) • **N** (Contactless input, Contactless Mapping Service applied) (This value is visible only to issuer; acquirers use value A or M.)
26 (Merchant Business Code [MCC])		An eligible Quick Payment Service (QPS) MCC.

©1988–2015 MasterCard. Proprietary. All rights reserved.

Data Element	Subfield	Value
PDS 0044 (Program Participation Indicator)	2 (QPS/Contactless Chargeback Eligibility Indicator)	**I** (Ineligible for chargeback)—Value added by MasterCard.

Payment Transactions

The Acquirer must identify each Payment Transaction, MoneySend Payment Transaction, and Gaming Payment Transaction, as applicable, with the following values.

Payment Transaction Values for Authorization Request/0100 or Financial Transaction Request/0200 Messages

Data Element	Subfield	Value
3 (Processing Code)	1 (Cardholder Transaction Type)	28
18 (Merchant Type)		One of the following: • **6532**—for a Payment Transaction processed by a Customer or its authorized agent. • **6533**—for a Payment Transaction processed by a Merchant. • **6536**—for Intracountry MoneySend Payment Transactions • **6537**—for Intercountry MoneySend Payment Transactions • **7995**—for Gaming Payment Transactions (Europe Region only) • A value specified for Payment Transactions in the applicable Customer-to-Customer intracountry, or intercountry business service arrangement, if one is in place.
48 (Additional Data—Private Use)	TCC (Transaction Category Code)	P
48 (Additional Data—Private Use)	77 (Payment Transaction Type Indicator)	Payment Transaction program type

©1988–2015 MasterCard. Proprietary. All rights reserved.

Payment Transaction Values for First Presentment/1240 Messages

Data Element	Subfield	Value
3 (Processing Code)	1 (Cardholder Transaction Type)	28
26 (Merchant Business Code)		As described for DE 18 (Merchant Type) in the Authorization Request/0100 message
48 (Additional Data—Private Use)	PDS 0043 (Program Registration ID)	Payment Transaction program type

The value used for the Payment Transaction program type must be that which best describes the purpose of the Payment Transaction.

The Acquirer also should provide either the customer service phone number in PDS 0170 (Merchant Inquiry Information), subfield 1 (Customer Service Phone Number) or the URL address in PDS 0175 (Merchant URL) in the clearing message.

A Payment Transaction Detail addendum may also be submitted with a Payment Transaction. This addendum provides the Issuer and Cardholder with enhanced data about the Merchant, the recipient of funds, and other Transaction details.

Electronic Commerce Transactions

The Acquirer must identify each electronic commerce Transaction with the following values.

Electronic Commerce Transaction Values for Authorization Request/0100 or Financial Transaction Request/0200 Messages

Data Element	Subfield	Value
22 (Point-of-Service [POS] Entry Mode)	1 (POS Terminal PAN Entry Mode)	**81** (PAN entry via e–commerce, including chip)
61 ((Point-of-Service [POS] Data)	4 (POS Cardholder Presence)	One of the following: • **4** (Standing order/recurring transactions) [If the Transaction is the first payment in a recurring payment arrangement] • **5** (Electronic order)

©1988–2015 MasterCard. Proprietary. All rights reserved.

Data Element	Subfield	Value
61 (Point-of-Service [POS] Data)	10 (CAT Level)	**6** (Electronic commerce)

Electronic Commerce Transaction Values for First Presentment/1240 Messages

Data Element	Subfield	Value
22 (Point of Service Data Code)	5 (Cardholder Present Data)	One of the following: • **4** (Cardholder not present (standing order/ recurring transactions) [If the Transaction is the first payment in a recurring payment arrangement] • **5** (Cardholder not present [electronic order])
22 (Point of Service Data Code)	7 (Card Data: Input Mode)	**S** (Electronic commerce)

Digital Secure Remote Payment Transactions

A Digital Secure Remote Payment Transaction is an electronic commerce Transaction that contains cryptographic information, in the form of either full EMV chip data passed in DE 55 or a cryptographic value derived from an M/Chip cryptogram passed in the Universal Cardholder Authentication Field (UCAF). Subsequent to the initial Digital Secure Remote Payment Transaction, a related Transaction for a partial shipment may occur, in which case cryptographic information is not passed. When a Digital Secure Remote Payment Transaction contains tokenized account information, the MasterCard Digital Enablement Service performs token mapping and cryptographic validation services.

Digital Secure Remote Payment Transactions Containing Chip Data

Authorization Request/0100 and Financial Transaction Request/0200 Messages

Data Element	Subfield/Subelement	Value

©1988–2015 MasterCard. Proprietary. All rights reserved.

22 (Point-of-Service [POS] Entry Mode)	1 (POS Terminal PAN Entry Mode)	**09** (PAN entry via electronic commerce, including remote chip)
48 (Additional Data—Private Use)	33 (PAN Mapping File Information)	Present when the MasterCard Digital Enablement Service performs token mapping.
	71 (On-behalf Services)	Present when the MasterCard Digital Enablement Service performs token mapping: Subfield 1 = **50** (MasterCard Digital Enablement Service PAN Mapping); and Subfield 2 = **C** (Conversion of Device Account Number to Funding Account Number was completed)
	71 (On-behalf Services)	Present when the MasterCard Digital Enablement Service performs cryptographic validation: • Subfield 1 = **51** (MasterCard Digital Enablement Service Chip Pre-Validation); and • Subfield 2 = **V** (Valid)
55 (Integrated Circuit Card [ICC] System-Related Data)		Contains EMV chip data. [Not received by Issuer when the MasterCard Digital Enablement Service performs cryptographic validation.]
61 (Point-of-Service [POS] Data)	3 (POS Terminal Location)	One of the following: • **2** (Off premises of card acceptor facility [cardholder terminal including home PC, mobile phone, PDA]); or • **4** (On premises of card acceptor facility [cardholder terminal including home PC, mobile phone, PDA])

©1988–2015 MasterCard. Proprietary. All rights reserved.

	4 (POS Cardholder Presence)	**5** (Electronic order [home PC, Internet, mobile phone, PDA])
	10 (Cardholder-Activated Terminal Level)	**6** (Authorized Level 6 CAT: Electronic commerce)

First Presentment/1240 Messages

Data Element	Subfield/PDS	Value
22 (Point-of-Service [POS] Data Code)	4 (Terminal Operating Environment)	One of the following: • **2** (On card acceptor premises; unattended terminal); or • **4** (Off card acceptor premises; unattended)
	5 (Cardholder Present Data)	**5** (Cardholder not present [electronic order (PC, Internet, mobile phone, or PDA)])
	7 (Card Data: Input Mode)	One of the following: • **R** (PAN Entry via electronic commerce, including remote chip); or • **O** (PAN entry via electronic commerce, including remote chip)—Received by Issuer when the MasterCard Digital Enablement Service performs token mapping
48 (Additional Data)	PDS 0023 (Terminal Type)	**CT 6** (CAT level 6 [electronic commerce transaction])
55 (Integrated Circuit Card [ICC] System-Related Data)		Contains EMV chip data. [Not received by Issuer when the MasterCard Digital Enablement Service performs cryptographic validation.]

©1988–2015 MasterCard. Proprietary. All rights reserved.

Digital Secure Remote Payment Transactions Containing UCAF Data

Authorization Request/0100 and Financial Transaction Request/0200 Messages

Data Element	Subfield/ Subelement	Value
22 (Point-of-Service [POS] Entry Mode)	1 (POS Terminal PAN Entry Mode)	One of the following: • **81** (PAN entry via electronic commerce, including chip); or • **09** (PAN entry via electronic commerce, including remote chip)—Received by Issuer when the MasterCard Digital Enablement Service performs token mapping service
48 (Additional Data—Private Use)	33 (PAN Mapping File Information)	Present when the MasterCard Digital Enablement Service performs token mapping.
	42 (Electronic Commerce Indicators), subfield 1, position 3 (UCAF Collection Indicator	All of the following (UCAF authentication occurs): Position 1 = **2** Position 2 = **1or 4** Position 3 = **2** [Not received by Issuer when the MasterCard Digital Enablement Service performs cryptographic validation.]
	43 (Universal Cardholder Authentication Field)	Contains UCAF data. [Not received by Issuer when the MasterCard Digital Enablement Service performs cryptographic validation.]

©1988–2015 MasterCard. Proprietary. All rights reserved.

	71 (On-behalf Services)	Present when the MasterCard Digital Enablement Service performs token mapping: Subfield 1 = **50** (MasterCard Digital Enablement Service PAN Mapping); and Subfield 2 = **C** (Conversion of Device Account Number to Funding Account Number was completed)
	71 (On-behalf Services)	Present when the MasterCard Digital Enablement Service performs cryptographic validation: Subfield 1 = **51** (MasterCard Digital Enablement Service Chip Pre-Validation); and Subfield 2 = **V** (Valid)
61 (Point-of-Service [POS] Data)	3 (POS Terminal Location)	One of the following: • **2** (off premises of card acceptor facility [cardholder terminal including home PC, mobile phone, PDA]); or • **4** (On premises of card acceptor facility [cardholder terminal including home PC, mobile phone, PDA])
	4 (POS Cardholder Presence)	**5** (Electronic order [home PC, Internet, mobile phone, PDA])
	10 (Cardholder-Activated Terminal Level)	**6** (Authorized Level 6 CAT: Electronic commerce)

First Presentment/1240 Messages

Data Element	Subfield/PDS	Value

©1988–2015 MasterCard. Proprietary. All rights reserved.

22 (Point-of-Service [POS] Data Code)	4 (Terminal Operating Environment)	One of the following: • **2** (On card acceptor premises; unattended terminal); or • **4** (Off card acceptor premises; unattended)
	5 (Cardholder Present Data)	**5** (Cardholder not present [electronic order (PC, Internet, mobile phone, or PDA)])
	7 (Card Data: Input Mode)	One of the following: • **S** (Electronic commerce); or • **O** (PAN entry via electronic commerce, including remote chip)—Received by Issuer when the MasterCard Digital Enablement Service performs token mapping
48 (Additional Data)	PDS 0023 (Terminal Type)	**CT 6** (CAT level 6 [electronic commerce transaction])
	PDS 0052 (Electronic Commerce Security Level Indicator	All of the following (UCAF authentication occurs): Position 1 = **2** Position 2 = **1 or 4** Position 3 = **2**

Partial Shipments Following Digital Secure Remote Payment Transactions

Authorization Request/0100 and Financial Transaction Request/0200 Messages

Data Element	Subfield/ Subelement	Value

©1988–2015 MasterCard. Proprietary. All rights reserved.

22 (Point-of-Service [POS] Entry Mode)	1 (POS Terminal PAN Entry Mode)	One of the following: • **81** (PAN entry via electronic commerce, including chip); or • **09** (PAN entry via electronic commerce, including remote chip)—Received by Issuer when the MasterCard Digital Enablement Service performs token mapping
48 (Additional Data—Private Use)	33 (PAN Mapping File Information)	Present when the MasterCard Digital Enablement Service performs token mapping.
	42 (Electronic Commerce Indicators)	All of the following (no UCAF authentication occurs): Position 1 = **2** Position 2 = **4** Position 3 = **7** [Not received by Issuer when the MasterCard Digital Enablement Service performs token mapping.]
	43 (Universal Cardholder Authentication Field)	PARTIAL SHIPMENT [Not received by Issuer when the MasterCard Digital Enablement Service performs token mapping.]

©1988–2015 MasterCard. Proprietary. All rights reserved.

	71 (On-behalf Services)	Present when the MasterCard Digital Enablement Service performs token mapping: Subfield 1 = **50** (the MasterCard Digital Enablement Service PAN Mapping); and Subfield 2 = **C** (Conversion of Device Account Number to Funding Account Number was completed) **Note:** Value 51 (MasterCard Digital Enablement Service Chip Pre-Validation) does not appear in a partial shipment.

First Presentment/1240 Messages

Data Element	Subfield/PDS	Value
22 (Point-of-Service [POS] Data Code)	4 (Terminal Operating Environment)	One of the following: • **2** (On card acceptor premises; unattended terminal); or • **4** (Off card acceptor premises; unattended)
	5 (Cardholder Present Data)	**5** (Cardholder not present [electronic order (PC, Internet, mobile phone, or PDA)])
	7 (Card Data: Input Mode)	**S** (Electronic commerce)
48 (Additional Data)	PDS 0023 (Terminal Type)	**CT 6** (CAT level 6 [electronic commerce transaction])
	PDS 0052 (Electronic Commerce Security Level Indicator	All of the following (no UCAF authentication occurs): Position 1 = **2** Position 2 = **4** Position 3 = **7**

©1988–2015 MasterCard. Proprietary. All rights reserved.

MasterCard Mobile Remote Payment Transactions

The Acquirer must identify each MasterCard Mobile Remote Payment Transaction with the following values.

MasterCard Mobile Remote Payment Transaction Values for Authorization Request/0100 or Financial Transaction Request/0200 Messages

Data Element	Subfield/Subelement	Value
22 (Point-of-Service [POS] Entry Mode)	1 (POS Terminal PAN Entry Mode)	82 (PAN auto entry via server [issuer, acquirer, or third party vendor system])
48 (Additional Data—Private Use)	1 (Remote Payments Program Type Identifier)	1 (Issuer domain) or 2 (Acquirer Domain)

MasterCard Mobile Remote Payment Transaction Values for First Presentment/1240 Messages

Data Element	Subfield/Subelement	Value
22 (Point of Service [POS] Entry Mode)	7 (Card Data: Input Mode)	T (PAN auto entry via server [issuer, acquirer, or third party vendor system])
48 (Additional Data)	1 (Remote Payments Program Data)	1 (Issuer domain) or 2 (Acquirer Domain)

©1988–2015 MasterCard. Proprietary. All rights reserved.

Appendix G Forms

This appendix contains instructions for accessing the forms that are referred to in this guide.

Accessing MasterCard Connect.....489
Referenced Forms.....490

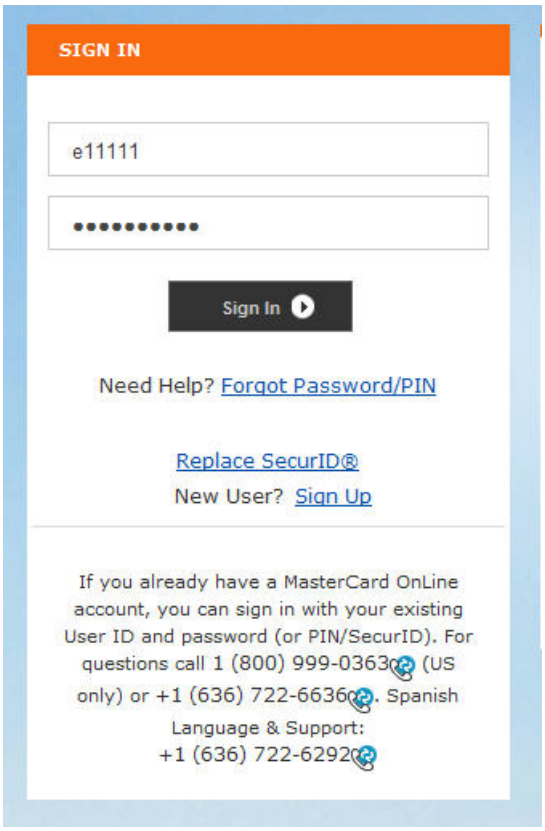
©1988–2015 MasterCard. Proprietary. All rights reserved.

Accessing MasterCard Connect

All forms associated with this *Chargeback Guide* can be located on MasterCard Connect™.

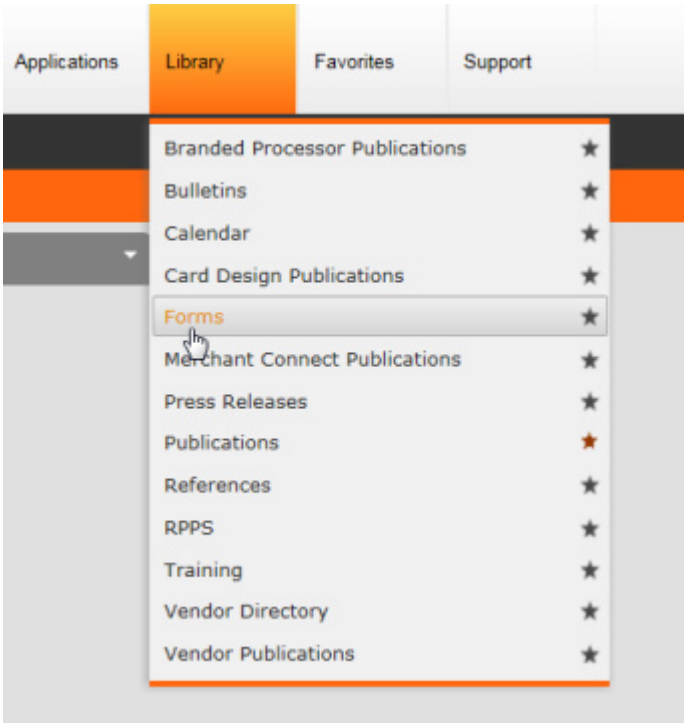
Procedure

1. Follow these steps to log on to MasterCard Connect™.
1. Log on to **MasterCard Connect**™ using your RSA SecureID® token.



2. Under the **Main Menu**, select **Library** and then click **Forms**.

©1988–2015 MasterCard. Proprietary. All rights reserved.



3. Locate the desired form in the list. Forms may also be found by sorting under the category of Clearing and Settlement.

Referenced Forms

The following forms have been referenced in this *Chargeback Guide*.

297e	*Acceptance Rules and Operating Regulations–Customer Complaint Form*
362	*SAFE Optional Report Selection*
407	*Expedited Billing for Message Reason Code 4831*
408	*Expedited Billing for Message Reason Code 4841*
408a	*Expedited Billing for Message Reason Code 4860*
409	*Expedited Billing for Message Reason Code 4853*
409c	*Expedited Billing Reason Code 4853 Counterfeit*
410	*Expedited Billing for Message Reason Code 4854*
411	*Expedited Billing for Message Reason Code 4855*
412	*Expedited Billing Dispute Resolution Process (Fraud) Form*
413	*Expedited Billing for Message Reason Code 4859*

©1988–2015 MasterCard. Proprietary. All rights reserved.

413a	*Expedited Billing for Message Reason Code 4859 (Addendum Dispute)*
415	*Expedited Billing for Message Reason Code 4850*
430	*Expedited Billing for Message Reason Code 4846*
500	*MDS Exception Item Processing Request*
564	*Representment Documentation Dispute*
682	*Dispute Resolution Case Filing Form*
798	*Electronic Debit Exception Processing Support Documentation*
1185	*Expedited Billing Dispute Resolution Process Form—Pre-Compliance/Compliance*
1186	*Expedited Billing Dispute Resolution Process Form—Maestro Reason Code 71—Disputed Amount*
1187	*Expedited Billing Dispute Resolution Process Form—Maestro Reason Code 75—Credit Not Received*
1188	*Expedited Billing Dispute Resolution Process Form—Maestro Reason Code 79—Goods or Services Not Provided*
1189	*Expedited Billing Dispute Resolution Process (Fraud) Form—Maestro Reason Codes 70 and 74*
1194	*Expedited Billing Dispute Resolution Process Form—Maestro Reason Codes 53 (Counterfeit Goods)*
1195	*Expedited Billing Dispute Resolution Process Form—Maestro Reason Codes 53*
1221	*Dispute Resolution Form—Cardholder Dispute Chargeback*
1240	*Dispute Resolution Form—Point-of-Interaction (POI) Errors (Form 1240)*

©1988–2015 MasterCard. Proprietary. All rights reserved.

Notices

Following are policies pertaining to proprietary rights, trademarks, translations, and details about the availability of additional information online.

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 document reflect the registration status of MasterCard trademarks in the United States. Please consult with the Global Customer Service 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.

Disclaimer

MasterCard makes no representations or warranties of any kind, express or implied, with respect to the contents of this document. Without limitation, MasterCard specifically disclaims all representations and warranties with respect to this document and any intellectual property rights subsisting therein or any part thereof, including but not limited to any and all implied warranties of title, non-infringement, or suitability for any purpose (whether or not MasterCard has been advised, has reason to know, or is otherwise in fact aware of any information) or achievement of any particular result. Without limitation, MasterCard specifically disclaims all representations and warranties that any practice or implementation of this document will not infringe any third party patents, copyrights, trade secrets or other rights.

Translation

A translation of any MasterCard manual, bulletin, release, or other MasterCard document into a language other than English is intended solely as a convenience to MasterCard customers. MasterCard provides any translated document to its customers "AS IS" and makes no representations or warranties of any kind with respect to the translated document, including, but not limited to, its accuracy or reliability. In no event shall MasterCard be liable for any damages resulting from reliance on any translated document. The English version of any MasterCard document will take precedence over any translated version in any legal proceeding.

Information Available Online

MasterCard provides details about the standards used for this document—including times expressed, language use, and contact information—on the Publications Support page available on MasterCard Connect™. Go to Publications Support for centralized information.

©1988–2015 MasterCard. Proprietary. All rights reserved.