

MasterCard®

Downgrading MasterCard SecureCode Transactions without an Account Holder Authentication Value

Effective **November 8, 2016**, MasterCard will downgrade MasterCard SecureCode transactions to non-SecureCode transactions when acquirers are unable to clearly demonstrate that the cardholder has actually been authenticated or that an authentication attempt has been made.

Today, merchants benefit from both the chargeback liability shift as well as interchange whenever they submit an E-Commerce transaction for cardholder authentication. During this process, authentication information passed from merchants and acquirers to issuers is sometimes inaccurate.

Many merchants and acquirers are unable to clearly demonstrate they actually authenticated or attempted to authenticate the cardholder. In these cases, issuers that approve those transactions are still held liable for chargebacks.

As a result MasterCard will introduce an edit that will ensure that the information being passed is accurate, and will downgrade transactions where the information is not correct.

New Product to Support Humanitarian Organization Solutions

In the instance of unexpected disasters, aid organizations are the first responders, providing critically needed supplies and resources to assist populations in returning to normal circumstances. Today, aid organizations deliver support in different forms: in-kind goods such as food and water, cash, or paper or digital vouchers. All of these forms have proven to be time consuming, costly, and difficult to track.

Aid organizations have increasing requirements to distribute aid via electronic payment channels in order to make aid distribution faster and more efficient. In order to distribute cash based aid via prepaid product channels, aid organizations will need to work with licensed issuers.

As a result, effective **October 14, 2016**, MasterCard will introduce two new MasterCard prepaid products to help humanitarian aid organizations deliver assistance more cost effectively and digitally. Only licensed customers can be issuers of these products, not the humanitarian aid organizations themselves.

As a result the following new interchange programs and rates will be introduced:

MasterCard Fee Program	Rate
Interregional Humanitarian Standard Interchange	1.65% +USD 0.00
Intraregional Humanitarian Standard Interchange	1.65% + USD 0.00