Chargeback Guide

13 December 2018

TB

Summary of Changes, 13 December 2018

The following are changes with the most recent publication of this document.

Description of Change	Where to Look
Incorporated the changes announced in "AN 2025—Mastercard Rebranding of the Recurring Payment Cancellation Service" that included rebranding the Recurring Payment Cancellation Service to the Payment Cancellation Service. DE 72 (Data Record Text) was not changed.	Throughout
Chapter 2—Dual Message System Chargebacks	
Incorporated the changes announced in "AN 1674—Dispute Resolution Initiative—Revised Dispute Processing and Chargeback Rules" that included: • Remove conditions under chargeback reason 4837 (No Cardholder Authorization), which had allowed an acquirer to provide brand new information of merchant name or date as a potential remedy to this chargeback. This applies when the merchant information is a complete mismatch between authorization and clearing. • Require cardholder letter or email as supporting documentation in first chargebacks for chargeback reason code 4863 (Cardholder Does Not Recognize). Documentation must be a direct result of cardholder communication. Expedited Dispute Resolution forms will not be allowed.	Throughout

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Description of Change	Where to Look
• Require cardholder letter, email or Expedited Dispute Form in first chargebacks for Cardholder Disputes reason codes involving Digital Goods and Recurring Payment transactions. For Digital Goods, require cardholder documentation (cardholder letter, email, or Expedited Dispute Form) to support the reason for the dispute. For canceled Recurring Payments, require documentation (cardholder letter, email, Expedited Billing Dispute Form) in the first chargeback even if there was a previous chargeback with the same PAN and merchant combination disputing a canceled recurring payment. The documentation may be either new documentation or the documentation provided in the referenced previous chargeback. • Require cardholder dispute documentation (for example, cardholder's final bill/receipt) in the first chargeback for reason code 4834/4831 Point of Interaction (POI) Error Family—Incorrect Transaction Amount/Transaction Amount Differs. • Remove Rule violations for "SecureCode (outside of a rejected chargeback)," "Counterfeit Goods," and "Timeframe Extension" from pre-compliance and compliance case filing reasons from Chapter 5 of the *Chargeback Guide*. • Require pre-compliance prior to escalation as a compliance case for ALL applicable compliance filing reasons, cases, products and/or transaction types (excluding Fee Collection dispute situations). • Reduce pre-compliance and compliance case filing timeframes from 180 days to 120 days from the central site processing date/violation date or 45 days from the chargeback rejects date/fee collection date.	

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Description of Change	Where to Look
Incorporated the changes announced in "AN 1677—Revised Standards—Questionable Merchant Activity Chargebacks" that included removing certain restrictions from chargeback reason code 4849 that will allow issuers to exercise their chargeback rights resulting directly from a Mastercard compliance determination.	Fraud-related Chargebacks > Questionable Merchant Activity
Chapter 3—Single Message System Chargebacks	
Incorporated the changes announced in "AN 2044—Revised Standards—ATM Chip Liability Shift" that included expanding the domestic and intraregional ATM chip liability shift to include the remaining non-participating countries in the Asia/Pacific Region (excluding China, Japan, and Taiwan at the domestic level).	Chargeback Reason Codes > Chip Liability Shift > Issuer Chargeback > Chip Liability Shift Program for Domestic and Intraregional Transactions
Chapter 5—Compliance Case Filing	
Incorporated the changes announced in "AN 1677—Revised Standards—Questionable Merchant Activity Chargebacks" that included removing certain restrictions from chargeback reason code 4849 that will allow issuers to exercise their chargeback rights resulting directly from a Mastercard compliance determination.	Time Frames and Requirements > Improper Identification of a Merchant as Mastercard SecureCode-enabled
Chapter 6—Mastercard Merchant Presented QR	
Incorporated the changes announced in "AN 1708—New Process and Revised Standards—Mastercard Merchant Presented QR Dispute Resolution Process for MasterCom Case Filing—Update" that included: • Incorporated the branding name change from Masterpass QR to Mastercard Merchant Presented QR. • Updated the Standards to include Nigeria-specific time frames within the attached Revised Standards—Mastercard Merchant Presented QR Dispute Resolution Process for MasterCom Case Filing—Update document.	Throughout

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Description of Change	Where to Look
Appendix F—Transaction Identification Requirements	
Incorporated the changes announced in "AN 2151—Revised Standards—Guidance for Customers Regarding Mastercard Biometric Card" that included information on identifying when successful biometric cardholder verification occurred.	Mastercard Biometric Card Program Transactions

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Chapter 1 General Information

This chapter provides a high level overview of the single and dual message system chargeback cycles as well as arbitration and compliance.

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Single and Dual Message Systems

The Single Message System (formerly known as the Mastercard® Debit Switch [MDS]) processes authorization, clearing, and settlement in a single message. Refer to the *Single Message System Specifications* and the *Single Message Transaction Manager User Guide* for detailed information.

The Dual Message System processes authorization messages through the Authorization Platform and clearing/settlement messages through the Global Clearing Management System (GCMS). GCMS uses messages in the Integrated Product Messages (IPM) format. Refer to the *Global Clearing Management System Reference Manual* for detailed information on how to process messages, currency conversion, and edits. Refer to the *IPM Clearing Formats* for message formats and data requirements.

Definitions

The terms "Customer" and "Standards" as used in this guide have the meaning set forth in the Definitions chapter of *Mastercard Rules*.

Chargeback Cycles and Arbitration Case Filing

The following table provides an overview of the chargeback cycles and arbitration case filing for the Single and Dual Message Systems. Detailed information can be found in the Single Message System Chargebacks, Dual Message System Chargebacks, and Arbitration Case Filing chapters.

In the European Economic Area (EEA), the chargeback rules apply to all disputed transactions regardless of the processor. Please refer to your chosen processor's documentation for processing instructions and for equivalent data elements to those referenced in this guide.

Overview of the Single and Dual Message System Chargeback Cycles and Arbitration Case Filing

First Presentment	The first presentment occurs when the acquirer submits transaction data through the Single or Dual Message System to the issuer for posting to the cardholder's account.	
	Single Message	**Dual Message**
	In the Single Message System, this is a Presentment/0210 message.	In the Dual Message System, this is a First Presentment/1240 message.

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Chargeback

The issuer may initiate a chargeback when the circumstances of the transaction meet the requirement of a chargeback reason code described in the Single Message System Chargebacks or Dual Message System Chargebacks chapters.

A chargeback may be for the total transaction amount or a lesser amount. Additionally, one clearing transaction may have multiple chargebacks for partial amounts. The total amount being charged back must not exceed the total transaction amount.

Upon reissuing a Mastercard, Debit Mastercard, or Maestro card with the same primary account number (PAN) and a new expiration date, the issuer must include the expiration date in all chargeback records.

Single Message	Dual Message
In the Single Message System, this is an Advice Reason Code/0489 message. Function codes are not used in the Single Message System, rather the issuer charges back either the full or partial amount.	In the Dual Message System, this is a First Chargeback/1442 message. When the total transaction amount is being charged back, DE 24 (Function Code) must include a value of 450 (Full Amount). When a partial amount is being charged back, DE 24 must include a value of 453 (Partial Amount).

Second Presentment

An acquirer may process a second presentment when the acquirer:

- Believes the issuer's chargeback did not fulfill the requirements of the chargeback reason code
- Can provide information that addresses the original reason for the dispute

A second presentment must be for the total chargeback amount or a lesser amount.

Single Message	Dual Message
This is an Advice Reason Code/0491 message. Function codes are not used in the Single Message System, rather the acquirer represents either the full or partial amount.	This is a Second Presentment/1240 message. When the total transaction amount is being second presented, DE 24 (Function Code) must include a value of 205 (Full Amount). When a partial amount is being second presented, DE 24 must include a value of 282 (Partial Amount).

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Arbitration Chargeback	An issuer may process an arbitration chargeback when the issuer: • Believes the acquirer's second presentment did not fulfill the requirements of the chargeback reason code • Can address the information provided by the acquirer An arbitration chargeback must be for the total second presentment amount or a lesser amount.	
	Single Message	**Dual Message**
	The Single Message System does not support an Arbitration Chargeback.	In the Dual Message System, this is an Arbitration Chargeback/1442 message. Arbitration chargebacks are not supported for Maestro and Cirrus transactions occurring on the Dual Message System. When the total transaction amount is being charged back, DE 24 (Function Code) must include a value of 451 (Full Amount). When a partial amount is being charged back, DE 24 must include a value of 454 (Partial Amount).
Arbitration Case Filing	After the chargeback cycles have been completed, a dispute may be escalated to an arbitration case. An arbitration case is filed with Mastercard and Mastercard will determine responsibility for the dispute. An arbitration case filing must be for the total second presentment amount or a lesser amount.	
	Single Message	**Dual Message**
	In the Single Message System, the issuer may file an arbitration case.	In the Dual Message System, the acquirer may file an arbitration case.

Compliance Case Filing

A compliance case may be filed by either an issuer or an acquirer when:

- A message reason code doesn't exist to address the dispute
- A rule has been violated
- A financial loss has been documented as a direct result of the rule violation

Refer to the Compliance Case Filing chapter for detailed information.

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Reversals

In the Single Message System (SMS), a chargeback and a second presentment may be reversed as described in the Single Message Systems Chargebacks chapter.

In the Dual Message System (DMS), a first chargeback, second presentment, and arbitration chargeback may be reversed as described in the *Global Clearing Management System Reference Manual*.

Rights and Obligations

The following applies in addition to the rights and obligations described in the Standards:

- An issuer is limited to one chargeback per presented transaction amount within the time frame applicable for the chargeback reason code. The transaction amount may be charged back one time by the issuer, either as a full amount, a partial amount, or multiple partial amounts not to exceed the original clearing message amount.
- An acquirer must not process a new first presentment for the same transaction after receiving a chargeback with the exception of a "POI Currency Conversion" dispute under the Dual Message System Point-of-Interaction Error chargeback (message reason code 4834).

  The "POI Currency Conversion" exception is available when the chargeback is valid and the acquirer accepts the chargeback. The acquirer may process a new First Presentment/1240 message with the correct transaction currency. 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 "Late Presentment" chargeback.
- 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 allow a cardholder to be credited twice because of a chargeback processed by the issuer and a refund processed by the merchant.

Hardship Variances

A hardship variance is considered when a natural disaster causes severe operational difficulties. A hardship variance removes the GCMS time frame edits for all message reason codes, arbitration case filings, and compliance case filings for a specific time period. Removing the time frame edits means that GCMS will not reject a message solely because the message was sent after the time frame for the cycle. All other requirements of the reason code, arbitration case filing, and compliance case filing continue to apply. Refer to the *Global Clearing Management System Reference Manual* and *IPM Clearing Formats* for additional information.

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Related Documentation

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*
- *Global Clearing Management System 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*

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Chapter 2 Dual Message System Chargebacks

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

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Overview

Chargebacks fall into four categories:

- Authorization
- Cardholder disputes
- Fraud
- Point-of-Interaction Error

Authorization-related Chargeback

This section provides information in handling an authorization-related chargeback.

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

An authorization-related chargeback may be submitted when one of the following occurred:

- Authorization was required but not obtained.
- The primary account number (PAN) does not exist.
- The authorization chargeback protection time period had expired for the presentment (meaning 7 days for final or undefined authorizations and 30 days for preauthorizations) and one of the following:
  - For a transaction occurring at a merchant located in the Europe Region, the account was permanently closed before the chargeback was processed
  - For a transaction occurring at a merchant located in any other region, the issuer deemed the account not to be in good standing (a "statused" account) before filing the chargeback
- A card-not-present authorization 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 decline 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.

An authorization-related chargeback must not be submitted for any of the following:

- A properly identified Emergency Cash Advance transaction. A properly identified Emergency Cash Advance transaction contains a value of "Emergency Cash Advance" in DE 43 (Card Acceptor Name/Location) of the First Presentment/1240 message.
- A properly identified contactless transit aggregated transaction when all of the following occurred:
  - An Authorization Request/0100 message was generated for the transaction.

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  - 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 Amounts.
  - There were 14 calendar days or less between the date of the first contactless tap and the date the First Presentment/1240 message was generated.
- A magnetic stripe-read in-flight Transaction, including magnetic stripe mode contactless, whether at an attended POS terminal or a Cardholder-Activated Terminal 4 device (CAT4), occurring in Taiwan, under the floor limit of TWD 8,000 for Transactions dated before 1 April 2019. Floor limit Standards are provided in Chapter 5 of the *Quick Reference Booklet*.

Supporting Documents. Supporting Documents must be in English or accompanied by an English translation unless both the issuer and the acquirer share a common language. Supporting Documents must provide sufficient detail to enable all parties to understand the nature of the dispute or rebuttal. Mastercard will determine whether the Supporting Documents contain sufficient detail.

Supporting Documents must be provided using the MasterCom application.

Although Supporting Documents can be entered into MasterCom at any time before the next cycle is processed, Supporting Documents must be entered into the MasterCom system within eight calendar days of generating a chargeback or second presentment requiring Supporting Documents to avoid liability for the disputed transaction solely for failing to provide Supporting Documents (codes 2002 or 4901).

The cardholder email, cardholder letter, and/or cardholder message (including through a password-protected website) must come directly from the cardholder or, in the case of a commercial card, the corporate entity. A completed Dispute Resolution Form must be the direct result of a conversation with the cardholder.

Chargeback

The tables in this section detail the conditions under which an authorization-related chargeback may be processed.

Required Authorization Not Obtained

Chargeback Condition. Both of the following:

- Authorization was required
- Authorization was not properly obtained.

Time Frame. 90 calendar days

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Message Reason Code. One of the following:

- 4808 (Authorization-related Chargeback) for Dual Message System transactions
- 08 (Authorization-related Chargeback) for Debit Mastercard transactions processed on the Single Message System

The following message reason codes may continue to be used, however, they will eventually be eliminated:

- 4807 (Warning Bulletin) and 4812 (Account Number Not on File) for Dual Message System transactions
- 07 (Warning Bulletin) and 12 (Account Not on File) for Debit Mastercard transactions processed on the Single Message System

Supporting Documents. None

DE 72 (Data Record). None

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Notes.

Multiple Authorizations Records. A transaction may have multiple authorization records. Additionally, several airline ticket transactions may be combined into one authorization record.

Multiple Clearing Records. Multiple clearing records may have been or will be submitted in connection with a single approved authorization.

10% Tolerance to Accommodate Currency Conversion Rates. This chargeback is not available for transactions that were converted to a different currency and the cleared transaction amount exceeds the authorized transaction amount by less than 10%. This tolerance allows for different currency conversion rates that could have been applicable on the authorization and clearing dates.

15% Tolerance. The 15% tolerance does not apply to any transaction occurring on or after 14 October 2016.

20% Tolerance. The 20% tolerance for gratuities does not apply to the following types of transactions occurring on or after 14 October 2016:

- Chip/PIN transactions
- Contactless transactions
- Card-not-present transactions (see below for a variation relating to U.S. region domestic restaurant transactions)
- Transactions for which the authorization was not coded as a pre-authorization

A 20% tolerance for gratuities will continue to apply to any other transaction types.

20% Tolerance. U.S. Region Domestic Card-not-present Restaurant Transactions Occurring on or after 13 October 2017. A 20% tolerance for gratuities will apply to card-not-present transactions conducted on or after 13 October 2017 with a U.S. region-issued card at a U.S. region merchant and identified with either of the following MCCs:

- MCC 5812 (Eating Places, Restaurants)
- MCC 5814 (Fast Food Restaurants)

20% Tolerances—Partial Approval. This tolerance does not apply when both of the following occurred:

- The Authorization Request/0100 message contained a value of 1 (Merchant terminal supports receipt of partial approvals) in DE 48 (Additional Data—Private Use), subelement 61 (POS Data, Extended Condition Codes), subfield 1 (Partial Approval Terminal Support Indicator).
- The Authorization Response/0110 message contained a value of 10 (Partial Approval) in DE 39 (Response Code) and a partial approval amount in DE 6 (Amount, Cardholder Billing).

Contactless Transit Aggregated Transaction. When the transaction amount of a properly identified contactless transit aggregated transaction exceeds the contactless transit aggregated transaction CVM limit amount, 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). The issuer cannot charge back an automated fuel dispenser transaction effected in the U.S. region with:

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- 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 (Fuel Dispenser, Automated) 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.
- 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 (Fuel Dispenser, Automated) 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.

Expired Chargeback Protection Period

Chargeback Condition. One of the following:

- The transaction occurred at a merchant located in the Europe region and the issuer permanently closed the account before processing the chargeback.
- The transaction occurred at a merchant located in any other region and the issuer deems the account not to be in good standing (a "statused" account) before processing the chargeback.

And one of the following:

- The authorization was identified as a preauthorization (DE 61 [Point-of-Service (POS) Data], subfield 7 (POS Transaction Status) contains a value of 4 [Preauthorized request]) and the transaction was presented more than 30 calendar days after the latest authorization approval date.
- The authorization was not identified as a preauthorization and the transaction was presented more than seven calendar days after the authorization approval date.

The above time frames do not apply to properly identified acquirer-financed or merchant-financed preauthorized installment billing payments or contactless transit aggregated or transit debt recovery transactions.

Time Frame. 90 calendar days

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Message Reason Code. One of the following:

- 4808 for Dual Message System transactions
- 08 for Debit Mastercard transactions processed on the Single Message System

The following message reason codes may continue to be used, however, they will eventually be eliminated:

- 4807 (Warning Bulletin) and 4812 (Account Number Not on File) for Dual Message System transactions
- 07 (Warning Bulletin) and 12 (Account Not on File) for Debit Mastercard transactions processed on the Single Message System

Supporting Documents. None

DE 72 (Data Record). None

Notes. This chargeback is not available for the following transactions:

- Properly identified acquirer-financed or merchant-financed preauthorized installment payments.
- Properly identified Mastercard contactless transit aggregated or transit debt recovery transactions.

Multiple Authorization Requests

Chargeback Condition. A Card-Not-Present authorization was declined by the issuer and subsequently approved in Stand-In or X-Code.

Time Frame. 90 calendar days

Message Reason Code. One of the following:

- 4808 for Dual Message System transactions
- 08 for Debit Mastercard transactions processed on the Single Message System

The following message reason codes may continue to be used, however, they will eventually be eliminated:

- 4807 (Warning Bulletin) and 4812 (Account Number Not on File) for Dual Message System transactions
- 07 (Warning Bulletin) and 12 (Account Not on File) for Debit Mastercard transactions processed on the Single Message System

Supporting Documents. None

DE 72 (Data Record). Optionally: MULTIPLE AUTH REQUESTS

Notes. None

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CAT 3 Device

Chargeback 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 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 transaction 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.
4. The PAN was listed in the applicable Local Stoplist or Electronic Warning Bulletin File on the date of the transaction.
5. The PAN was expired or not yet valid
6. The transaction occurred in the Europe region with a card that had a service code of X2X (Positive Online Authorization Required).

Time Frame. 90 calendar days

Message Reason Code. One of the following:

- 4808 for Dual Message System transactions
- 08 for Debit Mastercard transactions processed on the Single Message System

The following message reason codes may continue to be used, however, they will eventually be eliminated:

- 4807 (Warning Bulletin) and 4812 (Account Number Not on File) for Dual Message System transactions
- 07 (Warning Bulletin) and 12 (Account Not on File) for Debit Mastercard transactions processed on the Single Message System

Supporting Documents. For batched chargebacks: A list of the ARDs and the amount of each transaction.

For all other chargebacks: None

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DE 72 (Data Record). For Local Stoplist or Electronic Warning Bulletin File, one of the following:

- R X
- R X S NN

For batched chargebacks: CAT 3 MULTIPLE TRANS NNN

For Europe region cards with X2X service code: SC X2X

For all others one of the following:

- CAT 3
- CAT LEVEL 3

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Notes

Batching CAT 3 Device Transactions

Multiple disputed transactions may be combined into one chargeback, this is called batching. The batching option is only available when the PAN, merchant name and acquirer are the same for all transactions within the batch.

Each individual disputed transaction included in the batch must be within the chargeback time frame.

The chargeback must be processed using an ARD from one of the disputed transaction included the batch.

The chargeback must be processed for the total amount of all the disputed transactions included in the batch.

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.

For CAT 3 MULTIPLE TRANS NNN, replace **NNN** with the number of transactions in the batch.

Local Stoplist or Electronic Warning Bulletin File

For R X, replace X with the one character Electronic Warning Bulletin Region code in which the PAN is listed.

For S NN, replace NN with the two character subregional code in which the PAN was listed.

- **Unknown Transaction Date.** When the issuer cannot determine the transaction date from DE 12 (Date and Time, Local Transaction), the issuer may assume the transaction date is within 15 calendar days before the Central Site Business Date.
- **Unknown Face-to-Face Merchant Location.** When the issuer cannot determine the merchant location from DE 43 (Merchant Name/Location), subfield 5 (State, Province, or Region Code), the issuer may reference any region of the Electronic Warning Bulletin File that listed the PAN on the date of the transaction in DE 72.
- **Unknown Non-Face-to-Face and Non-Fixed Merchant Location.** For non–face-to-face or non-fixed merchant location transactions, the issuer may reference any regional Electronic Warning Bulletin File that listed the PAN on the date of the transaction in DE 72.
- **Subregional.** An issuer must use both the merchant location (DE 43) and the merchant category code (DE 26 [Merchant Business Code (MCC)]) to determine whether the PAN was listed in the applicable subregional Electronic Warning Bulletin File.

For information on the Local Stoplist or Electronic Warning Bulletin File refer to the *Account Management System User Manual*.

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Second Presentment

The tables in this section detail the conditions under which a second presentment in response to an authorization-related chargeback may be processed.

PAN Mismatch. The Primary Account Number (PAN) in chargeback supporting documentation may differ from the PAN included by the acquirer in the clearing record. As a result, a difference in PANs must not be the sole reason for an acquirer's second presentment.

Required Authorization Obtained

Second Presentment Condition. The transaction was authorized and presented within the applicable Chargeback Protection Period.

Time Frame. Within 45 calendar days of the chargeback settlement date

IPM Second Presentment Message Reason Code. One of the following:

- 2008 (Issuer Authorized Transaction) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Supporting Documents. None

DE 72 (Data Record)

When online authorized: AUTHORIZATION DATE MMDDYY NNNNNN

When offline EMV authorized and DE 55 not previously provided in the First Presentment/1240 message: DE 55 PROVIDED

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.

Offline Approved EMV Transaction

When DE 55 was provided in the First Presentment/1240 message respond with IPM Second Presentment Message Reason Code 2713-Invalid Chargeback.

When DE 55 was not provided in the First Presentment/1240-200 message, DE 55 must be provided in the Second Presentment Presentment/1240-205 message.

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Expired Chargeback Protection Period

Second Presentment Condition. One of the following:

1. The transaction was properly identified in authorization as a preauthorization (DE 61, subfield 7 = 4), the transaction was presented within 30 calendar days of the preauthorization approval date, and was not reversed.
2. The transaction was not properly identified in authorization as a preauthorization, the transaction was presented within seven calendar days of the authorization approval date, and was not reversed.
3. The transaction was properly identified in authorization as acquirer-financed or merchant-financed installment payment.
4. The transaction was properly identified in authorization as a Mastercard Contactless transit aggregated or transit debt recovery transaction.
5. The transaction occurred at:
   a. A Europe region merchant location and the issuer has not permanently closed the account
   b. A merchant located in any other region and the issuer has not "statused" the account (that is, the issuer considered the account to be in good standing at the time of the chargeback)

Time Frame. Within 45 calendar days of the chargeback settlement date.

IPM Second Presentment Message Reason Code. One of the following:

- 2713 (Invalid Chargeback) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Supporting Documents. None

DE 72 (Data Record). One of the following corresponding to the **Second Presentment Condition**:

1. PREAUTH MMDDYY
2. AUTH MMDDYY
3. INSTALLMENT
4. TRANSIT
5. Either:
   a. ACCOUNT NOT CLOSED
   b. ACCOUNT NOT STATUSED

Notes. When the transaction authorization was identified as a preauthorization, use **PREAUTH**.

When the transaction authorization was not identified as a preauthorization, use **AUTH**.

Replace **MMDDYY** with the approval date of the disputed transaction.

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Multiple Authorization Requests

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. For a card-not-present transaction, the merchant can prove that the cardholder resubmitted the online order.

Time Frame.Within 45 calendar days of the chargeback settlement date

IPM Second Presentment Message Reason Code. One of the following:

- 2008 (Issuer Authorized Transaction) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

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

One Authorization with Multiple Clearing Records

Second Presentment Condition. Both of the following:

- One of the following indicators was present in DE 25 (Message Reason Code) of the First Presentment/1240 message
  - 1403 (Previously approved authorization—partial amount, multi-clearing)
  - 1404 (Previously approved authorization—partial amount, final clearing)
- The total of all clearing records submitted in connection with the approved authorization did not exceed the approved amount

Time Frame. Within 45 calendar days of the chargeback settlement date

IPM Second Presentment Message Reason Code. One of the following:

- 2713 (Invalid Chargeback) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

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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.

When the transaction authorization was identified as a preauthorization, use **PREAUTH**.

When the transaction authorization was not identified as a preauthorization, use **AUTH**.

Replace **MMDDYY** with the approval date of the disputed transaction.

CAT 3 Device or In-Flight Transaction Occurring in Taiwan

Second Presentment Condition. The PAN was not listed in the applicable Local Stoplist or Electronic Warning Bulletin File on the date of the transaction and one of the following:

- The transaction was properly identified in clearing as a CAT 3 terminal and the transaction amount was equal to or less than the applicable maximum transaction amount.
- The Transaction was properly identified in clearing as an In-Flight Transaction (whether at an attended POS terminal or a Cardholder-Activated Terminal [CAT] 4 device) occurring in Taiwan and the Transaction amount is equal to or less than TWD 8,000

Time Frame. Within 45 calendar days of the chargeback settlement date

IPM Second Presentment Message Reason Code. One of the following:

- 2707 (No authorization request required or attempted) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Supporting Documents. None

DE 72 (Data Record). Optionally: **CAT 3** or **In-Flight** corresponding to the Second Presentment Condition

Notes

Effective for transactions dated on or after 13 October 2017, this second presentment is not available for any magnetic stripe transaction identified as occurring at a CAT 3 device.

Effective for Transactions occurring in Taiwan dated on or after 1 April 2019, this second presentment is not available for any magnetic stripe Transaction identified as an In-Flight Transaction (whether at an attended POS terminal or a Cardholder-Activated Terminal [CAT] 4 device).

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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. One of the following:

- 2011 (Credit Previously Issued) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Supporting Documents. None

DE 72 (Data Record). MMDDYY NNNNNNNNNNNNNNNNNNNNNN

Notes

Replace **MMDDYY** with the date of the credit transaction.

Optionally, replace **NNNNNNNNNNNNNNNNNNNNNN** with the Acquirer Reference Data (ARD) of the credit transaction.

Additional Second Presentment Options

IPM Second Presentment Message Reason Codes and Second Presentment Conditions. One of the following:

- One of the following for Dual Message System transactions:
  - **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.
  - **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.
  - **2701**—Duplicate Chargeback

    The issuer processed a first chargeback for the same transaction more than once.

    Mastercard recommends that the acquirer provides the processing date and chargeback reference number of the original chargeback with its second presentment.
  - **2702**—Past Chargeback Time Limit

    The issuer's first chargeback is processed past the time frame specified for the chargeback.
  - **2713**—Invalid Chargeback

    The first chargeback does not meet the prerequisites for the message reason code.
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

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Time Frame. Within 45 calendar days of the chargeback settlement date

Supporting Documents. None

DE 72 (Data Record). None

Notes. Not available for ATM transactions.

Arbitration Chargeback

The tables in this section detail the conditions under which an arbitration chargeback in response to an acquirer's second presentment may be processed.

General Arbitration Chargeback

Arbitration Chargeback Condition. The issuer continues to dispute the transaction.

When 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.

Time Frame. Within 45 calendar days of the second presentment settlement date

IPM Arbitration Chargeback Message Reason Code. One of the following:

- **4808** Authorization-related Chargeback
- **48XX**

Supporting Documents. None

DE 72 (Data Record). None

Notes. Replace **48XX** with the valid chargeback message reason code.

Acquirer Reference Data (ARD) Does Not Match or is Invalid

Arbitration Chargeback Condition. One of the following:

1. When the issuer's first chargeback didn't include the ARD present in the first presentment, the issuer must provide the correct ARD.
2. When the issuer's first chargeback included the ARD present in the first chargeback, the issuer must provide a copy of the first presentment as Supporting Documentation.

Time Frame. Within 45 calendar days of the second presentment settlement date

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IPM Arbitration Chargeback Message Reason Code. One of the following corresponding to the Arbitration Chargeback Condition:

1. When the second presentment used message reason code **2001**: **4905**—Invalid Acquirer Reference Data; Documentation was Not Received or Not Required
2. When the second presentment used message reason code **2004**: **4908**—Invalid Acquirer Reference Data; Documentation Received

Supporting Documents. One of the following corresponding to the Arbitration Chargeback Condition:

1. None
2. A copy of the first presentment showing the ARD

DE 72 (Data Record). CORRECT REFERENCE NUMBER SUPPLIED

Notes. None

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 presentment before using this message reason code.

   An issuer can generate an arbitration chargeback with message reason code 4901 nine calendar days from the second presentment and before the acquirer sends the supporting documentation. The Mastercard Dispute Resolution staff will find the acquirer responsible when 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 the Mastercard Dispute Resolution 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.

Time Frame. Within 45 calendar days of the second presentment settlement date

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Supporting Documents. None
DE 72 (Data Record). None
Notes. None

Cardholder Dispute Chargeback

This section provides information in handling a cardholder dispute chargeback. Use of the cardholder dispute chargeback requires that the cardholder engaged in the transaction.

A Cardholder Dispute chargeback may be submitted 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 time frame, regardless of the contractual terms
- Credit posted as a purchase

A Cardholder Dispute chargeback must not be submitted 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. When an issuer's attempt to collect the difference directly from the acquirer proves unsuccessful, the issuer should contact Global Customer Service.

Chargebacks are available to the issuer for transactions in which any value is purchased for gambling, investment or similar purposes. However, issuers have no chargeback rights related

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to the use of these chips or value, unspent chips, or withdrawal of such value, or on any winnings, gains or losses resulting from the use of such chips or value.

Staged Digital Wallet. A transaction to fund a Staged Digital Wallet may be charged back if the funds did not appear in the Staged Digital Wallet. Chargeback rights are not available for any subsequent purchase of goods or service from a Staged Digital Wallet. Staged Digital Wallet transactions are identified with a wallet identifier in DE 48 (Additional Data—Private Use), subelement 26 (Wallet Program Data) Subfield 1—Wallet Identifier and in PDS 0207—Wallet Identifier of the First Presentment/1240 Message.

Supporting Documents. Supporting Documents must be in English or accompanied by an English translation unless both the issuer and the acquirer share a common language. Supporting Documents must provide sufficient detail to enable all parties to understand the nature of the dispute or rebuttal. Mastercard will determine whether the Supporting Documents contain sufficient detail.

Supporting Documents must be provided using the MasterCom application.

Although Supporting Documents can be entered into MasterCom at any time before the next cycle is processed, Supporting Documents must be entered into the MasterCom system within eight calendar days of generating a chargeback or second presentment requiring Supporting Documents to avoid liability for the disputed transaction solely for failing to provide Supporting Documents (codes 2002 or 4901).

The cardholder email, cardholder letter, and/or cardholder message (including through a password-protected website) must come directly from the cardholder or, in the case of a commercial card, the corporate entity. A completed Dispute Resolution Form must be the direct result of a conversation with the cardholder.

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Chargeback

The tables in this section detail the conditions under which a Cardholder Dispute chargeback may be processed.

Goods or Services Were Either 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

  Merchant contact is optional when the cardholder is a corporate entity with a contractual relationship with the merchant and the transaction is for an amount in excess of what is specified in the contract. In such event the chargeback may be only for the amount of the excessive charge.
- 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.

Time Frame. One of the following:

- 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.

Message Reason Code. One of the following:

- 4853 (Cardholder Dispute) for Dual Message System transactions
- 53 (Cardholder Dispute—Defective/Not as Described) for Debit Mastercard transactions processed on the Single Message System

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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.

When the cardholder is a corporate entity with a contractual relationship with the merchant and the transaction is for an amount in excess of what is specified in the contract, the contract must be provided when the merchant wasn't contacted in an effort to resolve the dispute.

Optionally, documentation from an expert or professional that supports the cardholder's dispute about the level of quality or misrepresentation.

Optionally, 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.

Goods or Services Not Provided

Chargeback Condition. One of the following:

- The cardholder contacted the issuer claiming both of the following:
  - The cardholder engaged in the transaction.
  - The purchased goods or services were not received.
- Travel services arranged through an online travel agency or tour operator were not received and the travel agency or tour operator is no longer in business.

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Time Frame.

- In cases involving delayed delivery of goods or services **and** the delivery or performance date was **not** specified by the merchant: the issuer must wait 30 calendar days from the transaction date before submitting a chargeback and not to exceed 120 calendar days from the transaction settlement date.

  However, the issuer may charge back the transaction immediately (and not wait the 30 calendar days) upon learning the merchant will not provide the goods or services because, for example, for the merchant is no longer in business.
- In cases involving delayed delivery of goods or services **and** the delivery or performance date was specified by the merchant **and** the latest anticipated delivery or performance date was specified by the merchant has passed: within 120 calendar days of the latest anticipated delivery or performance date specified by the merchant.

  However, the issuer may charge back the transaction immediately (and not wait until the latest anticipated delivery or performance date has passed) upon learning the merchant will not provide the goods or services because, for example, for the merchant is no longer in business.
- In cases involving interruption of ongoing services, within 120 calendar days of 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.
- In all other cases: 120 calendar days from the transaction settlement date.

Message Reason Code. One of the following:

- 4853 (Cardholder Dispute) for Dual Message System transactions
- 53 (Cardholder Dispute—Defective/Not as Described) for Debit Mastercard transactions processed on the Single Message System

The following message reason codes may continue to be used, however, they will eventually be eliminated:

- 4855 (Goods or Services Not Provided) for Dual Message System transactions
- 55 (Non-receipt of Merchandise) for Debit Mastercard transactions processed on the Single Message System

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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

For disputes involving a transaction performed by an online travel agency or tour operator that is no longer in business at the time of the chargeback: an email, letter, or completed *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) provided by the individual or corporate entity requesting the travel arrangements from the online travel agency or tour operator that includes all of the following:

- A description of the 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

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Notes

This chargeback 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.

When 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 chargeback 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 when 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.

  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 when the cardholder declined to purchase insurance, along with documentation that shows that the merchant shipped the merchandise.

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Failed Travel Merchant—Intra-EEA and Domestic European Transactions Only

Chargeback Condition.

For Intra-EEA and domestic European Transactions, when the cardholder contacted the issuer claiming a travel service has not, or will not, be provided, and when the merchant is seeking protection from creditors, insolvent, bankrupt or in liquidation, at least one of the following conditions must be met:

1. The travel service was covered by a bonding authority or similar scheme according to local law, and one of the following:
   - The cardholder (or traveler) requested reimbursement from the bonding authority or similar scheme and did not receive it, or the claim was declined.
   - For Swedish Domestic Transactions: no additional requirement. The cardholder (or traveler) is not obligated to request reimbursement from a bonding authority or similar scheme prior to the issuer raising a chargeback. The cardholder (or traveler) does not need to request reimbursement from the bonding authority or similar scheme if the merchant, bonding authority or similar scheme publicly states that the bond is insufficient prior to the chargeback.
2. The travel service was not covered by a bonding authority or similar scheme according to local law, or neither the issuer nor the cardholder after reasonable effort can determine whether the travel service was covered by a bonding authority or similar scheme according to local law.

Time Frame. One of the following:

1. Maximum 150 calendar days from the latest expected service date, whether the bonding authority or similar scheme responded or not. The issuer must wait at least 30 calendar days from the date the request was sent prior to processing a chargeback, unless a negative response was received, in which case, the chargeback may be processed upon receipt of the negative reply.

   The following exceptions apply:

   - For German Domestic Transactions: Maximum 240 calendar days from the latest expected service date, whether the bonding authority or similar scheme responded or not. The issuer must wait at least 60 calendar days from the date the request was sent prior to processing a chargeback, unless a negative response was received, in which case, the chargeback may be processed upon receipt of the negative reply.
   - For Polish Domestic Transactions: Maximum 540 calendar days from the Central Site Business Date, whether the bonding authority or similar scheme responded or not. The issuer must wait at least 60 calendar days from the date the request was sent prior to processing a chargeback, unless a negative response was received, in which case, the chargeback may be processed upon receipt of the negative reply.
   - For Swedish Domestic Transactions: Maximum 120 calendar days from the latest expected service date.
2. Maximum 120 calendar days after from the expected service date.

   In all cases, the issuer does not have to wait for the latest expected service date before processing the chargeback. A chargeback may be processed immediately upon learning the travel services will not be provided to the cardholder (or traveler). The issuer is still obliged to meet all other applicable chargeback requirements, such as a request for reimbursement from the bonding authority or similar scheme.

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Message Reason Code.

4853 (Cardholder Dispute—Defective/Not as Described) for Dual Message System transactions

The following message reason codes may continue to be used, however, it will eventually be replaced by 4853:

- 4855 (Goods or Services Not Provided) for Dual Message System transactions
- 4859 (German Domestic Rule - Card Acceptor Unwilling or Unable to Render Services) for Dual Message System transactions

Supporting Documents.

Cardholder email, letter, message or completed *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) must include all 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 travel services purchased. For example, for flights: relevant airlines, flight numbers, origin/destination details, dates/times, passenger names, ticket/confirmation numbers, and so on.
- If Chargeback Condition 1 is applicable (except Swedish Domestic Transactions): evidence of the bonding authority or similar scheme's response to the cardholder's (or traveler's) claim, or proof of bond insufficiency. If the cardholder (or traveler) requested reimbursement and did not receive a response, then a copy of the request for reimbursement. A detailed cardholder (or traveler) explanation is permitted if such documentation is not available.

DE 72 (Data Record). None

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Notes.

When the transaction is neither Intra-EEA nor domestic European, the applicable global rules apply, namely Cardholder Dispute - Services Not Provided (reason code 4853). Bonding authority requirements do not apply to such chargebacks.

If partial travel services have already been provided, the chargeback amount should be prorated to reflect only the travel services not provided. If the cardholder (or traveler) has received partial reimbursement from a bonding authority or similar scheme, the chargeback should also be prorated to reflect the reimbursement.

If the acquirer provides specific evidence of bond coverage in a second presentment, the issuer must instruct the cardholder (or traveler) to request reimbursement prior to an arbitration chargeback. The arbitration chargeback is permitted if the reimbursement claim is declined or there is no reimbursement after 30 calendar days from the date the request was sent. The reimbursement request does not extend the arbitration chargeback timeframe, so the issuer should make a good-faith effort to determine bond coverage prior to the initial chargeback.

For the avoidance of doubt, Mastercard does not consider the following the equivalent of a bonding authority or similar scheme: 1) reimbursement that an issuer is legally required to provide to their cardholder, 2) a cardholder's (or traveler's) personal or corporate travel insurance policy, and/or 3) legally required compensation already paid or due to the cardholder (or traveler) by the merchant that is separate from the purchase price. This list is not exhaustive.

If the travel service was paid for by a travel agency or tour operator as the cardholder, a cardholder (or traveler) request for reimbursement from a bonding authority or similar scheme is still required if a bond exists.

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.

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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?
3. When 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? When 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

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Message Reason Code. One of the following:

- 4853 (Cardholder Dispute) for Dual Message System transactions
- 53 (Cardholder Dispute—Defective/Not as Described) for Debit Mastercard transactions processed on the Single Message System

The following message reason codes may continue to be used, however, they will eventually be eliminated:

- 4841 (Canceled Recurring or Digital Goods Transactions) for Dual Message System transactions
- 41 (Canceled Recurring Transaction) for Debit Mastercard transactions processed on the Single Message System

Supporting Documents. Cardholder email, letter, message or completed *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) describing the cardholder's purchase control complaint in sufficient detail to enable all parties to understand the dispute.

In addition, for batched chargebacks: A list of the ARDs and the amount of each disputed transaction.

DE 72 (Data Record). DIGITAL GOODS.

For batched chargebacks: **DIGITAL GOODS NNN**

Notes. Replace **NNN** with the number of items being charged back.

This chargeback is not available for fraud disputes.

Batching Digital Goods Transactions

Multiple disputed transactions may be combined into one chargeback message, this is called batching. The batching option is only available when the PAN, merchant name and acquirer are the same for all of the disputed transactions being included in the batch.

Each individual disputed transaction included in the batch must be within the chargeback time frame.

The chargeback must be processed using an ARD from one of the disputed transaction included the batch.

The chargeback must be processed for the total amount of all the disputed transactions included in the batch.

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.

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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

Time Frame. One of the following:

- 120 calendar days from the transaction date for a VAT credit.
- Between 15 and 120 calendar days from the date on the credit documentation, or the date the service was canceled, or the goods were returned.

  When 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.

  When the credit documentation is dated, the 120-day chargeback time frame counts the date on the credit documentation as day zero.

  When 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.

  When the cardholder letter is undated, the chargeback time frame counts the receipt date of the documentation by the issuer as day zero.
- 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

Message Reason Code. One of the following:

- 4853 (Cardholder Dispute) for Dual Message System transactions
- 53 (Cardholder Dispute—Defective/Not as Described) for Debit Mastercard transactions processed on the Single Message System

The following message reason codes may continue to be used, however, they will eventually be eliminated:

- 4860 (Credit Not Processed) for Dual Message System transactions
- 60 (Credit Not Processed) for Debit Mastercard transactions processed on the Single Message System

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Supporting Documents. One of the following:

- 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
- Merchant documentation to support a credit is due to the cardholder
- Proof of an improperly disclosed in-store credit and cardholder explanation

DE 72 (Data Record). For improperly disclosed partial credit only:

NNNNNNNNNNNNNNNNNNNNNNNN

Notes

Replace **NNNNNNNNNNNNNNNNNNNNNNNN** 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 as described in the *Transaction Processing Rules*, section 3.11 Specific Terms of Transaction. Failure to disclose a refund policy will result in the merchant's requirement to accept the goods for return and issue a credit.

When 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."

Counterfeit Goods

"Counterfeit" means that the goods were not produced by an authorized manufacturer of the goods and therefore infringe on intellectual property rights.

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

Message Reason Code. One of the following:

- 4853 (Cardholder Dispute) for Dual Message System transactions
- 53 (Cardholder Dispute— Defective/Not as Described) for Debit Mastercard transactions processed on the Single Message System

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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). Optionally: COUNTERFEIT

Notes. None

Cardholder Dispute of a Recurring Transaction

A recurring transaction allows for continuous billing without a specified end date.

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.

Message Reason Code. One of the following:

- 4853 (Cardholder Dispute) for Dual Message System transactions
- 53 (Cardholder Dispute—Defective/Not as Described) for Debit Mastercard transactions processed on the Single Message System

The following message reason codes may continue to be used, however, they will eventually be eliminated:

- 4841 (Canceled Recurring or Digital Goods Transactions) for Dual Message System transactions
- 41 (Canceled Recurring Transaction) for Debit Mastercard transactions processed on the Single Message System

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.

In addition for batched chargebacks, a list of the ARDs and the amount of each disputed transaction.

DE 72 (Data Record). **MULTIPLE TRANSACTIONS NNN**.

Required for batched chargebacks as described below in Notes. The issuer must replace **NNN** with the number of items being charged back.

Data record optional for all other chargebacks.

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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

Multiple disputed transactions may be combined into one chargeback message, this is called batching. The batching option is only available when the PAN, merchant name and acquirer are the same for all of the disputed transactions being included in the batch.

All of the disputed transactions must be encoded with either MCC 4816 or 5967

Each individual dispute transaction included in the batch must be within the chargeback time frame.

The chargeback must be processed using an ARD from one of the disputed transaction included the batch.

The chargeback must be processed for the total amount of all the disputed transactions included in the batch.

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

Chargeback Condition. One of the following:

1. The issuer listed the account in the Payment Cancellation Service (PCS) prior to the disputed transaction occurring.
2. The issuer previously charged back a disputed recurring transaction with the same PAN 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.

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Message Reason Code. One of the following:

- 4853 (Cardholder Dispute) for Dual Message System transactions
- 53 (Cardholder Dispute—Defective/Not as Described) for Debit Mastercard transactions processed on the Single Message System

The following message reason codes may continue to be used, however, they will eventually be eliminated:

- 4841 (Canceled Recurring or Digital Goods Transactions) for Dual Message System transactions
- 41 (Canceled Recurring Transaction) for Debit Mastercard transactions processed on the Single Message System

Supporting Documents. One of the following correspond to the **Chargeback Condition**:

1. None
2. One of the following:
   - A new cardholder letter, email, message, or *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) stating that the merchant was notified of the cancellation before the disputed transaction.
   - The original cardholder letter, email, message, or *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) from the original chargeback disputing a recurring transaction stating that the merchant was notified of the cancellation before the disputed transaction.
3. Issuer certification letter stating that the merchant was notified of the cancellation before the disputed transaction.

DE 72 (Data Record). One of the following correspond to the **Chargeback Condition**:

1. RPCS MMDDYY
2. CB MMDDYY ARD XXXXXXXXXXXXXXXXXXXXXXX
3. None

Notes. One of the following correspond to the **Chargeback Condition**:

1. Replace **MMDDYY** with the date the PAN was listed in the Payment Cancellation Service (PCS).
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

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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.

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.

  Merchant contact is optional when the cardholder is a corporate entity with a contractual relationship with the merchant and the transaction is for an amount in excess of what is specified in the contract. In such event the chargeback may be only for the amount of the excessive charge.

Time Frame. 120 calendar days of the Central Site Business Date of the disputed subsequent transaction.

Message Reason Code. One of the following:

- 4853 (Cardholder Dispute) for Dual Message System transactions
- 53 (Cardholder Dispute—Defective/Not as Described) for Debit Mastercard transactions processed on the Single Message System

The following message reason codes may continue to be used, however, they will eventually be eliminated:

- 4859 (Addendum, No-show, or ATM Dispute) for Dual Message System transactions
- 59 (Services Not Rendered) for Debit Mastercard transactions processed on the Single Message System

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. "Sufficient detail" includes:

- 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.

  Merchant contact is optional when the cardholder is a corporate entity with a contractual relationship with the merchant and the transaction is for an amount in excess of what is specified in the contract. In such event the chargeback may be only for the amount of the excessive charge.

When the cardholder is a corporate entity with a contractual relationship with the merchant and the transaction is for an amount in excess of what is specified in the contract, the contract must be provided when the merchant wasn't contacted in an effort to resolve the dispute.

DE 72 (Data Record). None

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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 transaction was completed as described in the *Transaction Processing Rules*, section 3.12 Charges for Loss, Theft, or Damage—Mastercard POS Transactions Only.

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.

"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.

Message Reason Code. One of the following:

- 4853 (Cardholder Dispute) for Dual Message System transactions
- 53 (Cardholder Dispute—Defective/Not as Described) for Debit Mastercard transactions processed on the Single Message System

The following message reason codes may continue to be used, however, they will eventually be eliminated:

- 4859 (Addendum, No-show, or ATM Dispute) for Dual Message System transactions
- 59 (Services Not Rendered) for Debit Mastercard transactions processed on the Single Message System

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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. When available, cancellation number
2. The issuer must provide the ARD of the transactions that represent the actual use of the accommodations. When 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

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

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.

Message Reason Code. One of the following:

- 4853 (Cardholder Dispute) for Dual Message System transactions
- 53 (Cardholder Dispute—Defective/Not as Described) for Debit Mastercard transactions processed on the Single Message System

The following message reason codes may continue to be used, however, they will eventually be eliminated:

- 4855 (Goods or Services Not Provided) for Dual Message System transactions
- 55 (Non-receipt of Merchandise) for Debit Mastercard transactions processed on the Single Message System

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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

Timeshares

Chargeback Condition. The cardholder contacted the issuer claiming that the cardholder canceled the timeshare or similar provision of services within the Mastercard time frame, regardless of the contractual terms.

Time Frame. 120 calendar days from the cancellation date.

Message Reason Code. One of the following:

- 4853 (Cardholder Dispute) for Dual Message System transactions
- 53 (Cardholder Dispute—Defective/Not as Described) for Debit Mastercard transactions processed on the Single Message System

The following message reason codes may continue to be used, however, they will eventually be eliminated:

- 4860 (Credit Not Processed) for Dual Message System transactions
- 60 (Credit Not Processed) for Debit Mastercard transactions processed on the Single Message System

Retrieval Request. No

Supporting Documents. A cardholder letter, email, message, or *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) is required when 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

Chargeback Condition. The cardholder contacted the issuer claiming that the cardholder account has been inaccurately posted with a debit instead of a credit.

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Time Frame. 120 calendar days from the transaction settlement date.

Message Reason Code. One of the following:

- 4853 (Cardholder Dispute) for Dual Message System transactions
- 53 (Cardholder Dispute—Defective/Not as Described) for Debit Mastercard transactions processed on the Single Message System

The following message reason codes may continue to be used, however, they will eventually be eliminated:

- 4860 (Credit Not Processed) for Dual Message System transactions
- 60 (Credit Not Processed) for Debit Mastercard transactions processed on the Single Message System

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.

Second Presentment

The tables in this section detail the conditions under which a second presentment in response to a Cardholder Dispute chargeback may be processed.

PAN Mismatch. The Primary Account Number (PAN) in chargeback supporting documentation may differ from the PAN included by the acquirer in the clearing record. As a result, a difference in PANs must not be the sole reason for an acquirer's 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. One of the following:

- 2700 (See Corresponding Documentation/Chargeback Remedied) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

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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 the transaction was completed as described in the *Transaction Processing Rules*, section 3.12 Charges for Loss, Theft, or Damage—Mastercard POS Transactions Only.

When the Second Presentment is in response to a First Chargeback for **Credit Not Processed**, the acquirer must provide documentation that proper disclosure was made in accordance with the *Transaction Processing Rules*, section 3.11 Specific Terms of a Transaction.

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.

Failed Travel Merchant—Intra-EEA and Domestic European Transactions Only

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) for Dual Message System transactions.

Supporting Documents. One of the following:

- Proof that the cardholder (or traveler) received reimbursement from the merchant, a bonding authority or similar scheme according to local law.
- The merchant's explanation and documentation showing that the travel services paid for will be provided or were available to the cardholder (or traveler).
- The merchant's explanation and documentation, specifically documenting that the travel services are covered by a bonding authority or similar scheme according to local law and that the cardholder (or traveler) has recourse to collect reimbursement. Instructions on how to request reimbursement must be provided. An acquirer statement that a bonding authority or similar scheme exists is not sufficient by itself. This remedy is not applicable to Swedish Domestic Transactions.

DE 72 (Data Record). None.

Notes. A merchant or acquirer statement that the cardholder never contacted the bonding authority or similar scheme to request reimbursement is not a valid basis for a second presentment.

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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. One of the following:

- 2700 (See Corresponding Documentation/Chargeback Remedied) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Supporting Documents. Documentation to support that the chargeback is remedied or invalid (for example, website screen images).

DE 72 (Data Record). None

Notes. None

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. One of the following:

- 2011 (Credit Previously Issued) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

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

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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

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 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).

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Additional Second Presentment Options

IPM Second Presentment Message Reason Codes and Second Presentment Conditions. One of the following:

- One of the following for Dual Message System transactions:
  - 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.
  - 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.
  - 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.
  - 2701—Duplicate Chargeback

    The issuer processed a first chargeback for the same transaction more than once.

    Mastercard recommends that the acquirer provides the processing date and chargeback reference number of the original chargeback with its second presentment.
  - 2702—Past Chargeback Time Limit

    The issuer's first chargeback is processed past the time frame specified for the chargeback.
  - 2704—Invalid Data Record Text

    Text required to appear in the first chargeback's DE 72 (Data Record) is missing or incomplete.
  - 2709—Documentation Received was Illegible Supporting documentation is illegible.

    The acquirer's second presentment will be considered invalid should Mastercard Dispute Resolution Management staff determine that the supporting documentation is legible during an arbitration case filing.
  - 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.
  - 2713—Invalid Chargeback

    The first chargeback does not meet the prerequisites for the message reason code.
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Time Frame. Within 45 calendar days of the chargeback settlement date.

Supporting Documents. None

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DE 72 (Data Record). None

Notes. None

Arbitration Chargeback

The tables in this section detail the conditions under which an arbitration chargeback in response to a second presentment may be processed.

General Arbitration Chargeback

Arbitration Chargeback Condition. The cardholder continues to dispute the transaction.

When 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)

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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:** When 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 when 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:** When 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 cardholder 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 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).

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  - 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 a "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.

Failed Travel Merchant—Intra-EEA and Domestic European Transactions Only

Arbitration Chargeback Condition. The Cardholder continues to dispute the Transaction

Time Frame. Within 45 calendar days of the second presentment settlement date.

IPM Arbitration Chargeback Message Reason Code.

4853 (Cardholder Dispute-Defective/Not as Described) for Dual Message System transactions.

The following message reason codes may continue to be used, however, they will eventually be replaced by 4853:

- 4855 (Goods or Services Not Provided) for Dual Message System transactions
- 4859 (German Domestic Rule - Card Acceptor Unwilling or Unable to Render Services) for Dual Message System transactions

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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.

When the Acquirer fulfilled the requirements for a valid second presentment, in particular by documenting that the travel services were covered by a bonding authority or similar scheme according to local law, then evidence of the bonding authority or similar scheme's response to the Cardholder's (or traveler's) claim, or proof of bond insufficiency must be provided. If the Cardholder (or traveler) requested reimbursement and did not receive a response after 30 calendar days from the date the request was sent, then a copy of the request for reimbursement must be provided. A detailed Cardholder (or traveler) explanation is permitted if such documentation is not available.

DE 72 (Data Record). None.

Notes. A request for reimbursement from a bonding authority or similar scheme is not required for Swedish domestic transactions.

Acquirer Reference Data (ARD) Does Not Match or is Invalid

Arbitration Chargeback Condition. One of the following:

1. When the issuer's first chargeback didn't include the ARD present in the first presentment, the issuer must provide the correct ARD.
2. When the issuer's first chargeback included the ARD present in the first chargeback, the issuer must provide a copy of the first presentment as Supporting Documentation.

Time Frame. Within 45 calendar days of the second presentment settlement date

IPM Arbitration Chargeback Message Reason Code. One of the following corresponding to the Arbitration Chargeback Condition:

1. When the second presentment used message reason code **2001**: **4905**—Invalid Acquirer Reference Data; Documentation was Not Received or Not Required
2. When the second presentment used message reason code **2004**: **4908**—Invalid Acquirer Reference Data; Documentation Received

Supporting Documents. One of the following corresponding to the Arbitration Chargeback Condition:

1. None
2. A copy of the first presentment showing the ARD

DE 72 (Data Record). CORRECT REFERENCE NUMBER SUPPLIED

Notes. None

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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 presentment before using this message reason code.

   An issuer can generate an arbitration chargeback with message reason code 4901 nine calendar days from the second presentment and before the acquirer sends the supporting documentation.

   Mastercard Dispute Resolution Management staff will find the acquirer responsible when 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 Mastercard Dispute Resolution Management 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.

Time Frame. Within 45 calendar days of the second presentment settlement date.

Supporting Documents. None

DE 72 (Data Record). None

Notes. None

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
- **4863**—Cardholder Does Not Recognize—Potential Fraud
- **4870**—Chip Liability Shift
- **4871**—Chip Liability Shift—Lost/Stolen/Never Received Issue (NRI) Fraud

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No Cardholder Authorization

This section provides information in handling a dispute when the cardholder states that the cardholder did not engage in the transaction.

A No Cardholder Authorization chargeback must not be processed for any of the following:

- **Face-to-face card-read transactions.** A face-to-face transaction at an attended terminal with card-read (not key-entered) account information.
- **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, 4840, 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 15 Fraud-Related Chargebacks.** The issuer submitted more than 15 chargebacks in aggregate involving the same account (as defined above) for message reason codes 4837, 4840, 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.** An addendum dispute is the dispute of a separate transaction that occurs after a valid transaction involving the same merchant and the same cardholder. The issuer must process a chargeback for message reason code 4853—Cardholder Dispute when the cardholder acknowledges participation in the original transaction.
- **Properly identified Mastercard SecureCode, Masterpass by Mastercard, and Digital Secure Remote Payment (DSRP) transactions** (including any subsequent transaction related to the original DSRP transaction, such as a partial shipment or recurring payment) identified in authorization (DE 48, subelement 42 [Electronic Commerce Indicators], subfield, 1 (Electronic Commerce Security Level Indicator and UCAF Collection Indicator), positions 1, 2, and 3) with the values of 211, 212, 215, 221, 222, 225, 241, 242, 245, 911, 912, or 915.
- **Mastercard Commercial Payments Account.** 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.

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- **Digital Goods.** 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 when the cardholder created an account with the merchant.

  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).

  Refer to Message Reason Code 4853—Cardholder Dispute regarding chargeback requirements for non-fraud digital goods 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.
- **Taiwan only**—The transaction was chip-initiated domestic transaction occurring at a cardholder-activated terminal (CAT) that was properly identified as a CAT Level 2 in Taiwan under one of the below MCCs
  - 4011—Railroads – Freight
  - 4111—Transportation – Suburban and Local Commuter Passenger, including Ferries
  - 4225—Public Warehousing-Farm Products Refrigerated Goods, Household Goods, and Storage
  - 5399—Miscellaneous General Merchandise
  - 5411—Grocery Stores and Supermarkets
  - 5422—Freezer and Locker Meat Provisioners
  - 5542—Automated Fuel Dispensers
  - 5812—Eating Places and Restaurants
  - 5814—Fast Food Restaurants
  - 5999—Miscellaneous and Specialty Retail Stores
  - 7011—Lodging- Hotels, Motels, and Resorts
  - 7012—Timeshares
  - 7210—Laundry, Cleaning, and Garment Services
  - 7278—Buying and Shopping Services and Clubs
  - 7512—Automobile Rental Agency
  - 7523—Parking Lots and Garages
  - 7832—Motion Picture Theaters
  - 8062—Hospitals
  - 9402—Postal Services- Government Only
- **Bangladesh only**—The transaction was a Mastercard Corporate Purchasing Card (MCP) transaction occurring in Bangladesh with a Mastercard MCP card issued in Bangladesh. A Mastercard MCP card transaction occurs when PDS 0002 (GCMS Product Identifier) was MCP (Mastercard Corporate Purchasing Card) in the First Presentment/1240 message when the value of the transaction is equal to or greater than BDT 100,000.

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- **India only**—The transaction was a Mastercard Corporate Purchasing Card (MCP) transaction occurring in India with a Mastercard MCP card issued in India. A Mastercard MCP card transaction occurs when PDS 0002 (GCMS Product Identifier) was MCP (Mastercard Corporate Purchasing Card) in the First Presentment/1240 message when the value of the transaction is equal to or greater than INR 100,000.
- **Sri Lanka only**—The transaction was a Mastercard Corporate Purchasing Card (MCP) transaction occurring in Sri Lanka with a Mastercard MCP card issued in Sri Lanka. A Mastercard MCP card transaction occurs when PDS 0002 (GCMS Product Identifier) was MCP (Mastercard Corporate Purchasing Card) in the First Presentment/1240 message when the value of the transaction is equal to or greater than LKR 200,000.
- **Corporate Purchasing Department Account Program** transactions.
- **Mastercard Biometric Card**—The transaction occurred with a Mastercard Biometric Card and biometric Cardholder authentication was successful. Refer to Appendix F for Mastercard Biometric Card Program transaction identification information.

Supporting Documents. Supporting Documents must be in English or accompanied by an English translation unless both the issuer and the acquirer share a common language. Supporting Documents must provide sufficient detail to enable all parties to understand the nature of the dispute or rebuttal. Mastercard will determine whether the Supporting Documents contain sufficient detail.

Supporting Documents must be provided using the MasterCom application. Any action received in MasterCom must be responded to in MasterCom.

Although Supporting Documents can be entered into MasterCom at any time before the next cycle is processed, Supporting Documents must be entered into the MasterCom system within eight calendar days of generating a chargeback or second presentment requiring Supporting Documents to avoid liability for the disputed transaction solely for failing to provide Supporting Documents (codes 2002 or 4901).

The cardholder email, cardholder letter, and/or cardholder message (including through a password-protected website) must come directly from the cardholder or, in the case of a commercial card, the corporate entity. A completed Dispute Resolution Form must be the direct result of a conversation with the cardholder.

Chargeback

The tables in this section detail the conditions under which an issuer may process a first chargeback under the No Cardholder Authorization chargeback.

No Cardholder Authorization

Chargeback Condition. The cardholder contacted the issuer claiming that the cardholder did not authorize the transaction.
Time Frame. 120 calendar days

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Message Reason Code. One of the following:

- 4837 (No Cardholder Authorization) for Dual Message System transactions
- 37 (No Cardholder Authorization) for Debit Mastercard transactions processed on the Single Message System

Supporting Documents. One of the following:

- Cardholder email, letter, message or completed *Dispute Resolution Form-Fraud* (Form 0412) stating that the cardholder did not authorize the transaction.
- 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

In addition, for batched chargebacks: A list of the ARDs and the amount of each transaction.

DE 72 (Data Record). For batched chargebacks: **MULTIPLE TRANSACTIONS NNN**

For all other chargebacks: None

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Notes

SAFE Reporting

The transaction must be reported to SAFE as required in the *SAFE Products User Guide*.

***Dispute Resolution Form-Fraud* (Form 0412)**

The *Dispute Resolution Form-Fraud* (Form 0412) form may only be used when all of the following occur before processing the chargeback:

- The Mastercard card account is closed
- The issuer blocked the account on its host
- The issuer listed the account number on the Mastercard Stand-in Account File with a "capture card" response until card expiration
- Report the transaction to SAFE

CAT 2 Transactions

This chargeback is not available for counterfeit transactions occurring at a cardholder-activated terminal (CAT) that was properly identified as a CAT Level 2 in the authorization and clearing messages.

The chargeback is also not available for chip-initiated domestic transactions occurring at a cardholder-activated terminal (CAT) that was properly identified as a CAT Level 2 in Taiwan under one of the below MCCs.

- 4011—Railroads – Freight
- 4111—Transportation – Suburban and Local Commuter Passenger, including Ferries
- 4225—Public Warehousing-Farm Products Refrigerated Goods, Household Goods, and Storage
- 5399—Miscellaneous General Merchandise
- 5411—Grocery Stores and Supermarkets
- 5422—Freezer and Locker Meat Provisioners
- 5542—Automated Fuel Dispensers
- 5812—Eating Places and Restaurants 5814—Fast Food Restaurants
- 5999—Miscellaneous and Specialty Retail Stores
- 7011—Lodging- Hotels, Motels, and Resorts
- 7012—Timeshares
- 7210—Laundry, Cleaning, and Garment Services
- 7278—Buying and Shopping Services and Clubs
- 7512—Automobile Rental Agency
- 7523—Parking Lots and Garages
- 7832—Motion Picture Theaters
- 8062—Hospitals
- 9402—Postal Services- Government Only

This chargeback is available for lost, stolen, never received (NRI) contact and contactless transactions when all of the following occurs:

- Before processing the chargeback, the issuer must block the account on its host and list the primary account number (PAN) on the Mastercard Stand-in Account File with a "capture card"

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response until card expiration or for contactless transactions involving a Mastercard token, the issuer must deactivate the token.

- The cardholder email, letter, message or completed *Dispute Resolution Form—Fraud* (Form 0412) 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, stolen, or never received (NRI) at the time of the transaction.

Aggregated Contactless Transit Transactions

The issuer may only charge back the disputed amount of an Aggregated Contactless Transit transaction when the Aggregated Contactless Transit transaction cleared for an amount above the applicable CVM Limit.

Domestic Installment Billing

This chargeback may be used 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.

Batching MCC 4813, 4814, 4816 or 5967 Transactions

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) transactions may be combined into one chargeback message, this is called batching. The batching option is only available when the PAN, merchant name and acquirer are the same for all of the disputed transactions being included in the batch.

Each individual disputed transaction included in the batch must be within the chargeback time frame.

The chargeback must be processed using an ARD from one of the disputed transaction included the batch.

The chargeback must be processed for the total amount of all the disputed transactions included in the batch.

Replace **NNN** with number of transactions

Second Presentment

The tables in this section detail the conditions under which a second presentment in response to a No Cardholder Authorization chargeback may be processed.

CAT 3. When the disputed transaction occurred at a CAT 3 device, the terminal must have been properly identified as a CAT 3 device in the First Presentment/1240 message in order for the acquirer to second present.

PAN Mismatch. The Primary Account Number (PAN) in chargeback supporting documentation may differ from the PAN included by the acquirer in the clearing record. As a result, a difference in PANs must not be the sole reason for an acquirer's second presentment.

New Information. New information regarding the merchant name and/or transaction date is not a valid second presentment.

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Two or More Previous Fraud-related Chargebacks

Second Presentment Condition. 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 message reason codes 4837, 4840, 4870, and/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.

This condition has been met when PDS 0200 (Fraud Counter), subfield 1 (Fraud NTF Date) of the First Chargeback/1442 message is present and contains a date value that is earlier than the authorization approval date of the disputed transaction.

IPM Second Presentment Message Reason Code. One of the following:

- 2713 (Invalid Chargeback) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Time Frame. Within 45 calendar days of the chargeback settlement date

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 (Fraud Counter), subfield 1 (Fraud NTF Date) 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 of the previous chargeback. For **AUTH MMDDYY**, replace **MMDDYY** with the authorization approval date of the disputed transaction.

Fraud-related Chargeback Counter Exceeds Threshold

Second Presentment Condition. The issuer submitted more than 15 chargebacks involving the same card account (for this purpose, "account" means primary account number [PAN], or PAN and expiration date) for message reason codes 4837, 4840, 4870, and/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.

This condition has been met when PDS 0200 (Fraud Counter), subfield 1 (Fraud NTF Date) of the First Chargeback/1442 message is present and contains a date value that is earlier than the authorization approval date of the disputed transaction.

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IPM Second Presentment Message Reason Code. One of the following:

- 2713 (Invalid Chargeback) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Time Frame. Within 45 calendar days of the chargeback settlement date

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 16 or greater.

Contactless Transaction Unattended Terminals

Second Presentment Condition. The transaction was a contactless transaction equal to or less than the applicable CVM limit.

Refer to Appendix C for the CVM limits.

IPM Second Presentment Message Reason Code. One of the following:

- 2008 (Issuer Authorized Transaction) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Time Frame. Within 45 calendar days of the chargeback settlement date.

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

Second Presentment Condition. A PIN was present in the Authorization Request/0100 message.

IPM Second Presentment Message Reason Code. One of the following:

- 2008 (Issuer Authorized Transaction) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Time Frame. Within 45 calendar days of the chargeback settlement date

Supporting Documents. None

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DE 72 (Data Record). PIN MMDDYY NNNNNN

Notes

Replace **MMDDYY** with the date the transaction was authorized.

Replace **NNNNNN** with the authorization approval code.

Mastercard SecureCode SL1 (Merchant-only Liability Shift)

Second Presentment Condition. All of the following:

- All of the required e-commerce indicators were provided in the Authorization Request/0100 message.
- The Authorization Request Response/0110 message reflected the issuer's approval of the transaction.
- DE 48 (Additional Data—Private Use), subelement 42 (Electronic Commerce Indicators), subfield, 1 (Electronic Commerce Security Level Indicator and UCAF Collection Indicator), positions 1, 2, and 3) contained any of the following values of 211, 212, 215, 221, 222, 225, 241, 242, 245, 911, 912, or 915.
- **For intraregional Europe transactions:** The UCAF submitted by a Europe region merchant did **not** contain the Mastercard-assigned static Accountholder Authentication Value (AAV).

IPM Second Presentment Message Reason Code. One of the following:

- 2008 (Issuer Authorized Transaction) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Time Frame. Within 45 calendar days of the chargeback settlement date.

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 DE48, subfield 42, position 3 was approved.

Replace **NNNNNN** with the authorization approval code.

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Mastercard SecureCode SL2 (Global Liability Shift)

Second Presentment Condition. All of the following:

- All of the required e-commerce indicators were provided in the Authorization Request/0100 message.
- The Authorization Request Response/0110 message reflected the issuer's approval of the transaction.
- DE 48 (Additional Data—Private Use), subelement 42 (Electronic Commerce Indicators), subfield, 1 (Electronic Commerce Security Level Indicator and UCAF Collection Indicator), positions 1, 2, and 3) contained any of the following values of 211, 212, 215, 221, 222, 225, 241, 242, 245, 911, 912, or 915.

IPM Second Presentment Message Reason Code. One of the following:

- 2008 (Issuer Authorized Transaction) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Time Frame. Within 45 calendar days of the chargeback settlement date

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.

This second presentment applies to Mobile Remote Payment transactions. For information about Mobile Remote Payment transactions, see Chapter 18, Mastercard Mobile Rules of the *Mastercard Rules*.

Account Takeover

Second Presentment Condition. The acquirer can provide evidence that the transaction resulted from an account takeover.

IPM Second Presentment Message Reason Code. One of the following:

- 2700 (See Corresponding Documentation/Chargeback Remedied) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Time Frame. Within 45 calendar days of the chargeback settlement date.

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Supporting Documents. Documentation proving the transaction resulted from an account takeover. Examples include, but are not limited to:

- The Acquirer Loss File report. For more information, refer to the *SAFE Products User Guide*.
- The SAFE Acquirer Transaction Data report. For more information, refer to the *SAFE Products User Guide*.
- A statement from the cardholder confirming that the account was in fact taken over and that fraud subsequently occurred.

DE 72 (Data Record). None

Notes. None

Addendum Charges

Second Presentment Condition. The acquirer can substantiate that the addendum transaction is the cardholder's responsibility.

IPM Second Presentment Message Reason Code2700 (See Corresponding Documentation/ Chargeback Remedied) for Dual Message System transactions.

Time Frame. Within 45 calendar days of the chargeback settlement date.

Supporting Documents. Documentation substantiating the cardholder has participated in the original transaction and documentation to establish the cardholder is responsible for the addendum transaction. For example, the original rental agreement or hotel folio.

When the disputed amount presents charges for loss, theft, or damage: Documentation substantiating the transaction was completed as described in the *Transaction Processing Rules*, section 3.12 Charges for Loss, Theft, or Damage—Mastercard POS Transactions Only.

DE 72 (Data Record). None

Notes

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 the cardholder participated in the original transaction.

Address Verification Service (AVS) Transaction

Second Presentment Condition. Both of the following:

- The Authorization Response/0110 message included a positive Address Verification Service (AVS) response of **X** or **Y**
- The address to which the merchandise was sent was the same as the AVS-confirmed address.

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IPM Second Presentment Message Reason Code. One of the following:

- 2700 (See Corresponding Documentation/Chargeback Remedied) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Time Frame. Within 45 calendar days of the chargeback settlement date.

Supporting Documents. Both of the following:

- Indicate AVS response **X** or **Y**
- Documentation supporting the merchandise was sent to the AVS-confirmed billing address

DE 72 (Data Record). None

Notes. None

Compelling Evidence for Airline Transactions

Second Presentment Condition. The acquirer can provide specific documentation to support cardholder participation in the transaction.

This second presentment is limited to non-face-to-face airline transactions.

IPM Second Presentment Message Reason Code. One of the following:

- 2700 (See Corresponding Documentation/Chargeback Remedied) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Time Frame. Within 45 calendar days of the chargeback settlement date.

Supporting Documents. At least one of the following documents and, when necessary, an explanation:

- 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

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Compelling Evidence for Recurring Transactions

Second Presentment Condition. The acquirer can provide specific documentation to support cardholder participation in the transaction.

This second presentment is limited to non–face-to-face recurring transactions.

IPM Second Presentment Message Reason Code. One of the following:

- 2700 (See Corresponding Documentation/Chargeback Remedied) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Time Frame. Within 45 calendar days of the chargeback settlement date

Supporting Documents. All of the following:

- A description of the goods or services being provided
- The start date of the original recurring transaction
- State which, if any, of the following was used in the original transaction:
  - *SecureCode*
  - Card validation code 2 (CVC 2) and that the Authorization Response/0110 message included a value of M in DE 48, subelement 87 (Card Validation Code Result)
- One of the following:
  - The transaction was properly identified in both authorization and clearing as a recurring transaction. Refer to the Customer Interface Specification and IPM Clearing Formats for the recurring data element values.
  - Documentation proving that the transaction was recurring. Examples included but are not limited to: The merchant providing proof that the cardholder had to click to accept the recurring terms and conditions or the cardholder signed a contract agreeing to the recurring terms and conditions.

DE 72 (Data Record). COMP EVID

Notes. None

Compelling Evidence for E-commerce and MO/TO Transactions

Second Presentment Condition. The acquirer can provide specific documentation to support cardholder participation in the transaction.

This second presentment is limited to e-commerce, mail order, and telephone order transactions.

IPM Second Presentment Message Reason Code. One of the following:

- 2700 (See Corresponding Documentation/Chargeback Remedied) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

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Time Frame. Within 45 calendar days of the chargeback settlement date.

Supporting Documents. At least one of the following documents and, when necessary, an explanation:

- A receipt, work order, or other document signed by the cardholder substantiating that the goods or services were received by the cardholder (commonly referred to as "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 when, 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, DE 48, subelement 42 (Electronic Commerce Indicators), subfield 1 (Electronic Commerce Security Level Indicator and UCAF Collection Indicator), position 3 (UCAF Collection Indicator) is set to 2 in authorization, 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

DE 72 (Data Record). COMP EVID

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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")

Second Presentment Condition. The transaction was the result of a "no show" as described in the Guaranteed Reservations section of the Lodging Merchant Service appendix of this manual.

IPM Second Presentment Message Reason Code. One of the following:

- 2700 (See Corresponding Documentation/Chargeback Remedied) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Time Frame. Within 45 calendar days of the chargeback settlement date

Supporting Documents. All of the following:

- The primary account number (PAN)
- The cardholder's name present on the card
- The confirmation number provided at the time the reservation was made

DE 72 (Data Record). None

Invalid Chargeback

Second Presentment Condition The issuer's chargeback was invalid. For example, the issuer submitted documentation that failed to support the chargeback.

IPM Second Presentment Message Reason Code. One of the following:

- 2713 (Invalid Chargeback) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Time Frame. Within 45 calendar days of the chargeback settlement date.

Supporting Documents. None

DE 72 (Data Record). Reason for the second presentment

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Notes. None

Chip Liability Shift

Second Presentment Condition. All of the following:

1. The transaction was between Customers that participate in the appropriate Chip Liability Shift Program.
2. The transaction was face-to-face, occurred at an attended a hybrid terminal with card-read (not key-entered) account information.
3. The transaction was initiated with a non-EMV chip card.

This is a final remedy.

IPM Second Presentment Message Reason Code. One of the following:

- 2870 (Chip Liability Shift) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Time Frame. Within 45 calendar days of the chargeback settlement date.

Supporting Documents. None.

DE 72 (Data Record). AUTH **MMDDYY NNNNNN**

Notes

Replace **MMDDYY** with the date the transaction was authorized.

Replace **NNNNNN** with the authorization approval code.

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.

IPM Second Presentment Message Reason Code. One of the following:

- 2871 (Chip/PIN Liability Shift) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Time Frame. Within 45 calendar days of the chargeback settlement date.

Supporting Documents. DE 55 must be provided in the first presentment or authorization record.

DE 72 (Data Record). When applicable, AUTH MMDDYY NNNNNN

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Notes

Replace **MMDDYY** with the date the transaction was authorized.

Replace **NNNNNN** with the authorization approval code.

Credit Previously Issued

Second Presentment Condition. The merchant issued a credit to the cardholder's account.

IPM Second Presentment Message Reason Code. One of the following:

- 2011 (Credit Previously Issued) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Time Frame. Within 45 calendar days of the chargeback settlement date.

Supporting Documents. None

DE 72 (Data Record). MMDDYY NNNNNNNNNNNNNNNNNNNNNN

Notes

Replace **MMDDYY** with the date of the credit transaction.

Optionally, replace **NNNNNNNNNNNNNNNNNNNNNN** with the Acquirer Reference Data (ARD) of the credit transaction.

Additional Second Presentment Options

IPM Second Presentment Message Reason Codes And Second Presentment Conditions. One of the following:

- One of the following for Dual Message System transactions:
  - 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.
  - 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.
  - 2702—Past Chargeback Time Limit

    The issuer's first chargeback was processed past the time frame specified for the chargeback.
  - 2704—Invalid Data Record Text

    Text required to appear in the first chargeback's DE 72 (Data Record) is missing or incomplete.
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Time Frame. Within 45 calendar days of the chargeback settlement date.

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Supporting Documents. None

DE 72 (Data Record). None

Notes. None

Arbitration Chargeback

This section details the conditions under which an arbitration chargeback in response to a second presentment may be processed.

New Location Information Provided in the Second Presentment

Arbitration Chargeback Condition. Both of the following:

- New information regarding the merchant location was provided in the second presentment
- The cardholder continues to claim that the cardholder did not authorize the transaction.

IPM Arbitration Chargeback Message Reason Code. 4837 (No cardholder authorization)

Time Frame. Within 45 calendar days of the second presentment settlement date.

Supporting Documents. One of the following:

- A new cardholder letter, email, or message dated after the second presentment specifically addressing the new information.
- When the Mastercard card account is closed, a completed *Dispute Resolution Form-Fraud* (Form 0412) form dated after the second presentment and based on a discussion with the cardholder.
- A new cardholder letter, email, message or *Dispute Resolution Form-Fraud* (Form 0412) form is not required when all of the following:
  - The Mastercard card account is closed
  - The original cardholder letter, email, message or *Dispute Resolution Form-Fraud* (Form 0412) form specified the date on which the last legitimate transaction performed by the authorized cardholder occurred
  - The disputed transaction was approved after that date

DE 72 (Data Record). None

Notes. Before processing the arbitration chargeback with the *Dispute Resolution Form-Fraud* (Form 0412) 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.

New Information. New information regarding the merchant name and/or transaction date is not a valid second presentment.

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Addendum Disputes

Arbitration Chargeback Condition. One of the following:

- **When the original transaction was fraudulent:** The acquirer did not provide proof of card presence for the original transaction and the original rental agreement or hotel folio
- **When the charge is for loss, theft, or damage:** The acquirer failed to provide proof of the transaction was completed as described in the *Transaction Processing Rules*, section 3.8 Charges for Loss, Theft, or Damage.

IPM Arbitration Chargeback Message Reason Code. 4837 (No cardholder authorization)

Time Frame. Within 45 calendar days of the second presentment settlement date.

Supporting Documents. *When the original transaction was fraudulent* and the acquirer failed to provide proof of card presence: A new cardholder letter, completed *Dispute Resolution Form-Fraud* (Form 0412), email, or message dated after the second presentment and specifically including both of the following:

- Addresses the merchant's explanation
- Identifies that the original transaction also was fraudulent

For charges of loss, theft, or damages where the acquirer failed to provide proof of card presence: None

DE 72 (Data Record). None

Notes. When, as a result of information provided in the second presentment, the issuer learns that the disputed transaction is an Addendum Transaction involving the same merchant, the issuer must change the message reason code to 4853-Cardholder Dispute Chargeback, Addendum Dispute.

Address Verification Service (AVS) Transaction

Arbitration Chargeback Condition. One of the following:

1. Both of the following:
   - The cardholder continues to dispute an AVS-confirmed transaction.
   - The issuer confirmed that the AVS-confirmed address belonged to the legitimate cardholder at the time of the authorization.
2. The issuer reviewed the AVS information from the second presentment and one of the following:
   - Denies that a positive AVS was given
   - Denies the merchandise was sent to the AVS-confirmed address.

IPM Arbitration Chargeback Message Reason Code 4837 (No cardholder authorization

Time Frame. Within 45 calendar days of the second presentment settlement date.

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Supporting Documents. One of the following corresponding to the Arbitration Chargeback Condition:

1. One of the following:
   - A new cardholder letter, email message, or *Dispute Resolution Form-Fraud* (Form 0412) dated after the second presentment in which the cardholder continues to assert that the cardholder did not authorize the transaction.
   - A new cardholder letter, email, message, or *Dispute Resolution Form-Fraud* (Form 0412) dated after the second presentment 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. None

DE 72 (Data Record). One of the following corresponding to the Arbitration Chargeback Condition:

1. CONFIRMED AVS
2. INVALID AVS REMEDY

Notes. None

Compelling Evidence

Arbitration Chargeback Condition. The cardholder reviewed the information provided in the second presentment and reasserts fraud.

IPM Arbitration Chargeback Message Reason Code 4837 (No cardholder authorization)

Time Frame. Within 45 calendar days of the second presentment settlement date.

Supporting Documents. One of the following:

- A new cardholder letter, email, or message dated after the second presentment specifically refuting the documentation received from the merchant in the second presentment.
- When the Mastercard card account is closed, a completed *Dispute Resolution Form-Fraud* (Form 0412) form dated after the second presentment and, based on a discussion with the cardholder, specifically refuting the documentation received from the merchant in the second presentment.

DE 72 (Data Record). None

Notes. An arbitration chargeback is not available when SecureCode was used to initiate the transaction.

Guaranteed Reservation Service (“No-show”)

Arbitration Chargeback Condition. The issuer or cardholder continues to dispute a Guaranteed Reservation Service (“no-show”) transaction.

IPM Arbitration Chargeback Message Reason Code. 4837 (No cardholder authorization)

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Time Frame. Within 45 calendar days of the second presentment settlement date.

Supporting Documents. One of the following:

- A statement (or DE 72 text) by the issuer 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 new cardholder letter, email, or message dated after the second presentment, to reconfirm the cardholder's dispute.
- When the Mastercard card account is closed, a completed *Dispute Resolution Form-Fraud* (Form 0412) form dated after the second presentment and based on a discussion with the cardholder.

DE 72 (Data Record). None

Notes. None

Acquirer Reference Data (ARD) Does Not Match or is Invalid

Arbitration Chargeback Condition. One of the following:

1. When the issuer's first chargeback didn't include the ARD present in the first presentment, the issuer must provide the correct ARD.
2. When the issuer's first chargeback included the ARD present in the first chargeback, the issuer must provide a copy of the first presentment as Supporting Documentation.

Time Frame. Within 45 calendar days of the second presentment settlement date

IPM Arbitration Chargeback Message Reason Code. One of the following corresponding to the Arbitration Chargeback Condition:

1. When the second presentment used message reason code **2001**: **4905**—Invalid Acquirer Reference Data; Documentation was Not Received or Not Required
2. When the second presentment used message reason code **2004**: **4908**—Invalid Acquirer Reference Data; Documentation Received

Supporting Documents. One of the following corresponding to the Arbitration Chargeback Condition:

1. None
2. A copy of the first presentment showing the ARD

DE 72 (Data Record). CORRECT REFERENCE NUMBER SUPPLIED

Notes. None

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Additional Arbitration Chargeback Options

IPM Arbitration Chargeback Message Reason Codes and Arbitration Chargeback Conditions. One of the following:

- 48XX—New valid chargeback reason

  When 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.

  When the first chargeback was processed as 4837-No Cardholder Authorization, an issuer is prohibited from processing an arbitration chargeback using 4870-Chip Liability Shift or 4871-Chip Liability Shift—Lost/Stolen/Never Received Issue (NRI) Fraud .
- 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 presentment before using this message reason code.

  An issuer can generate an arbitration chargeback with message reason code 4901 nine calendar days from the second presentment and before the acquirer sends the supporting documentation.

  Mastercard Dispute Resolution Management staff will find the acquirer responsible when the acquirer files an arbitration case.

  The issuer must accept supporting documentation as long as the issuer has not processed an arbitration chargeback.
- 4902—Documentation Received was Illegible Supporting documentation is illegible.

  The issuer's arbitration chargeback will be considered invalid should Mastercard Dispute Resolution Management staff determine that the supporting documentation is legible during an arbitration case filing.
- 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.

Time Frame. Within 45 calendar days of the second presentment settlement date.

Supporting Documents. None

DE 72 (Data Record). None

Notes. None

Fraudulent Processing of Transactions

This section provides information for an issuer and acquirer in handling a dispute regarding the fraudulent processing of transaction(s).

The issuer may use this chargeback when the cardholder contacted the issuer alleging all of the following:

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- The cardholder was still in possession and control of all valid cards at the time of the transaction
- The cardholder admits to at least one legitimate face-to-face transaction
- The cardholder denies making one or more additional face-to-face transactions at that same merchant location

The transactions being denied by the cardholder must have occurred within 15 minutes of the legitimate face-to-face transaction.

An issuer must not submit a chargeback using this message reason code for any of the following:

- **Non–face-to-face Transactions.**
- **Addendum Disputes.** An addendum dispute is the dispute of a separate transaction that occurs after a valid transaction involving the same merchant and the same cardholder. The issuer must process a chargeback for message reason code 4853—Cardholder Dispute when the cardholder acknowledges participation in the original transaction.
- **Mastercard Commercial Payments Account.** 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 Agro 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.
- **FNS Counter Exceeds 15 Fraud-Related Chargebacks**. The issuer submitted more than 15 chargebacks in aggregate involving the same account (as defined above) for message reason codes 4837, 4840, 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.
- **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, 4840, 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.
- **Bangladesh only**—The transaction was a Mastercard Corporate Purchasing Card (MCP) transaction occurring in Bangladesh with a Mastercard MCP card issued in Bangladesh. A Mastercard MCP card transaction occurs when PDS 0002 (GCMS Product Identifier) was MCP (Mastercard Corporate Purchasing Card) in the First Presentment/1240 message when the value of the transaction is equal to or greater than BDT 100,000.
- **India only**—The transaction was a Mastercard Corporate Purchasing Card (MCP) transaction occurring in India with a Mastercard MCP card issued in India. A Mastercard MCP card transaction occurs when PDS 0002 (GCMS Product Identifier) was MCP (Mastercard Corporate Purchasing Card) in the First Presentment/1240 message when the value of the transaction is equal to or greater than INR 100,000.

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- **Sri Lanka only**—The transaction was a Mastercard Corporate Purchasing Card (MCP) transaction occurring in Sri Lanka with a Mastercard MCP card issued in Sri Lanka. A Mastercard MCP card transaction occurs when PDS 0002 (GCMS Product Identifier) was MCP (Mastercard Corporate Purchasing Card) in the First Presentment/1240 message when the value of the transaction is equal to or greater than LKR 200,000.
- **Corporate Purchasing Department Account Program** transactions.
- **Mastercard Biometric Card**—The transaction occurred with a Mastercard Biometric Card and biometric Cardholder authentication was successful. Refer to Appendix F for Mastercard Biometric Card Program transaction identification information.

Supporting Documents. Supporting Documents must be in English or accompanied by an English translation unless both the issuer and the acquirer share a common language. Supporting Documents must provide sufficient detail to enable all parties to understand the nature of the dispute or rebuttal. Mastercard will determine whether the Supporting Documents contain sufficient detail.

Supporting Documents are required, the documentation must be provided using the MasterCom application.

Although Supporting Documents can be entered into MasterCom at any time before the next cycle is processed, Supporting Documents must be entered into the MasterCom system within eight calendar days of generating a chargeback or second presentment requiring Supporting Documents to avoid liability for the disputed transaction solely for failing to provide Supporting Documents (codes 2002 or 4901).

The cardholder email, cardholder letter, and/or cardholder message (including through a password-protected website) must come directly from the cardholder or, in the case of a commercial card, the corporate entity. A completed Dispute Resolution Form must be the direct result of a conversation with the cardholder.

First Chargeback

The table in this section details the conditions under which an issuer may process a first chargeback under the Fraudulent Processing of Transactions chargeback.

Fraudulent Processing of a Transaction(s)

Chargeback Condition The cardholder contacted the issuer alleging all of the following: • The cardholder was still in possession and control of all valid cards at the time of the transaction • The cardholder admits to at least one legitimate face-to-face transaction • The cardholder denies making one or more additional face-to-face transactions at that same merchant location • The transactions being denied by the cardholder must have occurred within 15 minutes of the legitimate face-to-face transaction.
Time Frame. 120 calendar days

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Message Reason Code. One of the following:

- 4840 (Fraudulent Processing of Transactions) for Dual Message System transactions
- 40 (Fraudulent Processing of Transactions) for Debit Mastercard transactions processed on the Single Message System

Supporting Documents. Cardholder email, letter, message or completed *Dispute Resolution Process Form for Fraud* (Form 0412) stating all of the following:

- The cardholder was still in possession and control of all valid cards at the time of the transaction
- The cardholder admits to at least one legitimate face-to-face transaction
- The cardholder denies making one or more additional face-to-face transactions at that same merchant location

DE 72 (Data Record). NNNNNNNNNNNNNNNNNNNNNNN

Notes

SAFE Reporting

The transaction must be reported to SAFE as required in the *SAFE Products User Guide*.

Replace **NNNNNNNNNNNNNNNNNNNNNNN** with the Acquirer Reference Data (ARD) of the legitimate face-to-face transaction.

Legitimate Face-to-Face Transaction has not Posted. When the legitimate face-to-face transaction has not posted to the cardholder's account, the cardholder's Supporting Document must state that the legitimate face-to-face has not posted to the cardholder's account.

***Dispute Resolution Form-Fraud* (Form 0412).** The *Dispute Resolution Form-Fraud* (Form 0412) may only be used instead of the cardholder email, letter, or message when the card account is closed (for this purpose, "account" means primary account number [PAN], or PAN and expiration date). 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.

Transactions Processed through Two Different Acquirers. This chargeback may be used when the transactions involve the same merchant and two different acquirers.

Second Presentment

The tables in this section detail the conditions under which an acquirer may process a second presentment in response to a Fraudulent Processing of Transactions chargeback.

PAN Mismatch. The Primary Account Number (PAN) in chargeback supporting documentation may differ from the PAN included by the acquirer in the clearing record. As a result, a difference in PANs must not be the sole reason for an acquirer's second presentment.

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Two or More Previous Fraud-related Chargebacks

Second Presentment Condition. 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 message reason codes 4837, 4840, 4870, and/or 4871.

IPM Second Presentment Message Reason Code. One of the following:

- 2713 (Invalid Chargeback) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Time Frame. Within 45 calendar days of the chargeback settlement date

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 (Fraud Counter), subfield 1 (Fraud NTF Date) 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 of the chargeback. For **AUTH MMDDYY**, replace **MMDDYY** with the authorization approval date of the disputed transaction.

Fraud-related Chargeback Counter Exceeds Threshold

Second Presentment Condition. The issuer submitted more than 15 chargebacks involving the same card account (for this purpose, "account" means primary account number [PAN], or PAN and expiration date) for message reason codes 4837, 4840,4870, and/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. This condition has been met when PDS 0200 (Fraud Counter), subfield 2 (Fraud Notification Service Chargeback Counter) of the First Chargeback/1442 message is present and contains a chargeback counter value that exceeds 15 (a value of 16 or more).

IPM Second Presentment Message Reason Code. One of the following:

- 2713 (Invalid Chargeback) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Time Frame. Within 45 calendar days of the chargeback settlement date.

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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 must be 16 or greater.

Two Separate Transactions

Second Presentment Condition. The acquirer can document that two separate, legitimate, face-to-face transactions occurred.

IPM Second Presentment Message Reason Code. One of the following:

- 2700 (See Corresponding Documentation/Chargeback Remedied) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Time Frame. Within 45 calendar days of the chargeback settlement date.

Supporting Documents. The TID for both transactions

When the TID does not provide sufficient information to allow the cardholder to identify the transaction, the merchant must include an explanation to help the cardholder identify the transaction.

DE 72 (Data Record). None

Notes. None

PIN Transactions

Second Presentment Condition. PIN was present in the Authorization Request/0100 message for one or both transactions.

IPM Second Presentment Message Reason Code. One of the following:

- 2008 (Issuer authorized transaction) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Time Frame. Within 45 calendar days of the chargeback settlement date.

Supporting Documents. Both of the following:

- A merchant explanation
- When one of the transactions did not use PIN, the TID for the non-PIN transaction.

DE 72 (Data Record). PIN MMDDYY NNNNNN

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Notes

Replace **MMDDYY** with the authorization date of the valid posted transaction.

Replace **NNNNNN** with the authorization approval code.

Credit Previously Issued

Second Presentment Condition. The merchant issued a credit to the cardholder's account.

IPM Second Presentment Message Reason Code. One of the following:

- 2011 (Credit previously issued) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Time Frame. Within 45 calendar days of the chargeback settlement date.

Supporting Documents. None

DE 72 (Data Record). MMDDYY NNNNNNNNNNNNNNNNNNNNNN

Notes

Replace **MMDDYY** with the date of the credit transaction.

Optionally, replace **NNNNNNNNNNNNNNNNNNNNNN** with the Acquirer Reference Data (ARD) of the credit transaction.

Duplicate Chargeback

Second Presentment Condition. The issuer processed a first chargeback for the same transaction more than once.

IPM Second Presentment Message Reason Code. One of the following:

- 2701 (Duplicate Chargeback) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Supporting Documents. None

DE 72 (Data Record). NNNNNNNNNN MMDDYY

Notes

Replace **NNNNNNNNNN** with the original first chargeback reference number.

Replace **MMDDYY** with the date of the original first chargeback.

Mastercard recommends that the acquirer provides the processing date and chargeback reference number of the original chargeback with its second presentment.

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Addendum Transaction

Second Presentment Condition. The acquirer can substantiate that the addendum transaction is the cardholder's responsibility.

IPM Second Presentment Message Reason Code. One of the following:

- 2700 (See corresponding Documentation/Chargeback Remedied) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Time Frame. Within 45 calendar days of the chargeback settlement date.

Supporting Documents. Documentation substantiating the cardholder participated in the original transaction and documentation to establish the cardholder is responsible for the addendum transaction.

Suggested documentation is proof of card presence for the original transaction as well as documentation to support that the addendum transaction is the cardholder's responsibility.

DE 72 (Data Record). None

Notes. None

Additional Second Presentment Options

IPM Second Presentment Message Reason Codes And Second Presentment Conditions. One of the following:

- One of the following for Dual Message System transactions:
  - 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.
  - 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.
  - 2702—Past Chargeback Time Limit

    The issuer's first chargeback was processed past the time frame specified for the chargeback.
  - 2704—Invalid Data Record Text

    Text required to appear in the first chargeback's DE 72 (Data Record) is missing or incomplete.
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Time Frame. Within 45 calendar days of the chargeback settlement date.

Supporting Documents. None

DE 72 (Data Record). None

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Notes. None

Arbitration Chargeback

The tables in this section detail the conditions under which an issuer may process an arbitration chargeback in response to an acquirer's second presentment.

General Arbitration Chargeback

Arbitration Chargeback Condition. The cardholder continues to dispute the transaction.

IPM Arbitration Chargeback Message Reason Code. 4840 (Fraudulent processing of transactions)

Time Frame. Within 45 calendar days of the second presentment settlement date.

Supporting Documents. One of the following:

- A new cardholder letter, email, or message dated after the second presentment specifically addressing the new information.
- When the Mastercard card account is closed, a completed *Dispute Resolution Form-Fraud* (Form 0412) form dated after the second presentment and based on a discussion with the cardholder.

NOTE: A new cardholder letter, email, or message or *Dispute Resolution Form-Fraud (Form 0412)* form is not required when all of the following:

- **The Mastercard card account is closed.**
- **The original cardholder letter, email, message or *Dispute Resolution Form-Fraud* (Form 0412) form specified the date on which the last legitimate transaction performed by the authorized cardholder occurred.**
- **The disputed transaction was approved after that date.**

DE 72 (Data Record). None

Notes. Before processing the arbitration chargeback with the *Dispute Resolution Form-Fraud* (Form 0412) 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.

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Additional Arbitration Chargeback Options

IPM Arbitration Chargeback Message Reason Codes and Arbitration Chargeback Conditions. One of the following:

- 48XX—New valid chargeback reason

  When 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.

  When the first chargeback was processed as 4840-Fraudulent Processing of Transactions, an issuer is prohibited from processing an arbitration chargeback using 4870-Chip Liability Shift or 4871-Chip Liability Shift—Lost/Stolen/Never Received Issue (NRI) Fraud.
- 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 presentment before using this message reason code.

  An issuer can generate an arbitration chargeback with message reason code 4901 nine calendar days from the second presentment and before the acquirer sends the supporting documentation.

  Mastercard Dispute Resolution Management staff will find the acquirer responsible when the acquirer files an arbitration case.

  The issuer must accept supporting documentation as long as the issuer has not processed an arbitration chargeback.
- 4902—Documentation Received was Illegible Supporting documentation is illegible.

  The issuer's arbitration chargeback will be considered invalid should Mastercard Dispute Resolution Management staff determine that the supporting documentation is legible during an arbitration case filing.
- 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.
- 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.

Time Frame. Within 45 calendar days of the second presentment settlement date.

Supporting Documents. None

DE 72 (Data Record). None

Notes. None

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Questionable Merchant Activity

This section provides information for an issuer and acquirer in handling a dispute when a merchant is listed in the GMAP or QMAP or liable for coercion claims.

The issuer may use this chargeback when one of the following occurred:

- The merchant is listed in a Mastercard Announcement for violating the Global Merchant Audit Program (GMAP). Refer to section 8.2 of the *Security Rules and Procedures* manual for more information about the GMAP.
- The merchant is listed in a Mastercard Announcement for violating the Questionable Merchant Audit Program (QMAP). Refer to section 8.4 of the *Security Rules and Procedures* manual for more information about the QMAP.
- The merchant is determined by Mastercard as violating Rule 3.7, "Integrity of Brand and Network", for claims of coercion.

  For purposes of this message reason code, coercion means the cardholder or the cardholder's immediate family member is threatened with physical harm or the unlawful taking of property when the cardholder refuses to complete the transaction.

The issuer may not use this message reason code in the following situations.

- The merchant was determined by Mastercard to have not violated Rule 3.7.
- The issuer did not receive a noncompliance confirmation letter for a coercive transaction.
- The issuer did not properly report the transaction to SAFE within the applicable time frame in accordance with the *SAFE Products User Guide*.
- The transaction reported to SAFE is not a fraud type eligible for chargeback under the applicable program.
- Under GMAP, issuers may not use message reason code 4849 when 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.
- **Bangladesh only**—The transaction was a Mastercard Corporate Purchasing Card (MCP) transaction occurring in Bangladesh with a Mastercard MCP card issued in Bangladesh. A Mastercard MCP card transaction occurs when PDS 0002 (GCMS Product Identifier) was MCP (Mastercard Corporate Purchasing Card) in the First Presentment/1240 message when the value of the transaction is equal to or greater than BDT 100,000.
- **India only**—The transaction was a Mastercard Corporate Purchasing Card (MCP) transaction occurring in India with a Mastercard MCP card issued in India. A Mastercard MCP card transaction occurs when PDS 0002 (GCMS Product Identifier) was MCP

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(Mastercard Corporate Purchasing Card) in the First Presentment/1240 message when the value of the transaction is equal to or greater than INR 100,000.

- **Sri Lanka only**—The transaction was a Mastercard Corporate Purchasing Card (MCP) transaction occurring in Sri Lanka with a Mastercard MCP card issued in Sri Lanka. A Mastercard MCP card transaction occurs when PDS 0002 (GCMS Product Identifier) was MCP (Mastercard Corporate Purchasing Card) in the First Presentment/1240 message when the value of the transaction is equal to or greater than LKR 200,000.

Supporting Documents. Supporting Documents must be in English or accompanied by an English translation unless both the issuer and the acquirer share a common language. Supporting Documents must provide sufficient detail to enable all parties to understand the nature of the dispute or rebuttal. Mastercard will determine whether the Supporting Documents contain sufficient detail.

Supporting Documents must be provided using the MasterCom application.

Although Supporting Documents can be entered into MasterCom at any time before the next cycle is processed, Supporting Documents must be entered into the MasterCom system within eight calendar days of generating a chargeback or second presentment requiring Supporting Documents to avoid liability for the disputed transaction solely for failing to provide Supporting Documents (codes 2002 or 4901).

The cardholder email, cardholder letter, and/or cardholder message (including through a password-protected website) must come directly from the cardholder or, in the case of a commercial card, the corporate entity. A completed Dispute Resolution Form must be the direct result of a conversation with the cardholder.

First Chargeback

The tables in this section detail the conditions under which an issuer may process a first chargeback under the Questionable Merchant Activity chargeback.

Global Merchant Audit Program (GMAP)

Chargeback Condition. All of the following:

- The acquirer name, acquirer ID, merchant name, and merchant location are listed in a Mastercard Announcement under the QMAP.
- Each transaction charged back must have occurred during the published chargeback period.
- 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

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Time Frame. One of the following:

- Within 120 calendar days after the Mastercard Announcement publication date that first listed the merchant location.

  The Mastercard Announcement publication date is counted as the first day of the 120-day calculation.

- 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 Mastercard Announcement that retracts chargeback permission, the issuer may submit chargebacks until the publication date of the Mastercard Announcement stating that the acquirer of the merchant no longer is required to accept chargebacks under this message reason code.

Message Reason Code. One of the following:

- 4849 (Questionable Merchant Activity) for Dual Message System transactions
- 49 (Questionable Merchant Activity) for Debit Mastercard transactions processed on the Single Message System

Supporting Documents. None

DE 72 (Data Record). PROGRAM GMAP BULLETIN NO. NNNN

Notes

Replace **NNNN** with the applicable Mastercard Announcement number.

A new first chargeback is allowed under this message reason code when a previous chargeback was not successful and all requirements under this message reason code have been met.

Questionable Merchant Audit Program (QMAP)

Chargeback Condition. All of the following:

- The acquirer name, acquirer ID, merchant name, and merchant location are listed in a Mastercard Announcement under the GMAP.
- Each transaction charged back must have occurred during the published chargeback period.
- The issuer must have properly reported the transaction to SAFE. All fraud type codes are eligible.

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Time Frame. One of the following:

- Within 120 calendar days after the Mastercard Announcement publication date that first listed the merchant location.

  The Mastercard Announcement publication date is counted as the first day of the 120-day calculation.
- 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 Mastercard Announcement that retracts chargeback permission, the issuer may submit chargebacks until the publication date of the Mastercard Announcement stating that the acquirer of the merchant no longer is required to accept chargebacks under this message reason code.

Supporting Documents. None

DE 72 (Data Record). PROGRAM QMAP BULLETIN NO. NNNN

Notes

Replace **NNNN** with the applicable Mastercard Announcement number.

A new first chargeback is allowed under this message reason code when a previous chargeback was not successful and all requirements under this message reason code have been met.

Mastercard Rule 3.7 Violation for Coercion Claim

Chargeback Condition. Both of the following:

- Mastercard has confirmed that the merchant violated Rule 3.7 at least two times within the case scope period cited in the noncompliance confirmation letter.
- The issuer must have properly reported the transaction to SAFE with one of the following fraud type codes:
  - 00 = Lost Fraud
  - 01 = Stolen Fraud

Time Frame Within 30 calendar days from the date of the noncompliance confirmation letter.

Supporting Documents. A copy of the noncompliance confirmation letter from Mastercard that the acquirer's merchant violated Rule 3.7 two or more times based on coercive transactions within the case scope period.

DE 72 (Data Record). BRAM CASE NO. NNNNN

Notes

Replace **NNNNN** with the Business Risk Assessment and Mitigation (BRAM) program case number stated in the noncompliance confirmation letter from Mastercard.

A new first chargeback is allowed under this message reason code when a previous chargeback was not successful and all requirements under this message reason code have been met.

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Second Presentment

The tables in this section detail the conditions under which an acquirer may process a second presentment in response to a Questionable Merchant Activity chargeback.

PAN Mismatch. The Primary Account Number (PAN) in chargeback supporting documentation may differ from the PAN included by the acquirer in the clearing record. As a result, a difference in PANs must not be the sole reason for an acquirer's second presentment.

Not Considered in Violation of Mastercard Rule 3.7 for Coercion Claim

Second Presentment Condition. One of the following:

1. The merchant did not violate Mastercard Rule 3.7 due to coercion as determined by Mastercard.
2. The issuer did not include the noncompliance confirmation letter from Mastercard as Supporting Documents.

IPM Second Presentment Message Reason Code. 2713 (Invalid Chargeback)

Time Frame. Within 45 calendar days of the chargeback settlement date.

Supporting Documents. One of the following corresponding to the Second Presentment Condition:

1. A copy of the letter from Mastercard that its investigation of the merchant was closed without a finding of violation of Mastercard Rule 3.7.
2. None

DE 72 (Data Record). One of the following corresponding to the **Second Presentment Condition**:

1. MERCHANT NOT IN VIOLATION
2. MISSING CONFIRMATION LETTER

Notes. None

Late First Chargeback Submission

Second Presentment Condition. The issuer submitted the first chargeback more than 30 days after the date of the noncompliance confirmation letter from Mastercard for claims of coercion.

IPM Second Presentment Message Reason Code. 2713 (Invalid Chargeback)

Time Frame. Within 45 calendar days of the chargeback settlement date.

Supporting Documents. None

DE 72 (Data Record). LATE SUBMISSION

Notes. None

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Improper SAFE Reporting

Second Presentment Condition. The transaction was not properly reported to SAFE on or before the chargeback date. Mastercard allows three days from the reporting date for SAFE processing. Mastercard considers the SAFE reporting within time when the transaction reporting date in SAFE is within three days of the chargeback date.

IPM Second Presentment Message Reason Code. 2713 (Invalid Chargeback)

Time Frame. Within 45 calendar days of the chargeback settlement date.

Supporting Documents. None

DE 72 (Data Record). IMPROPER SAFE REPORTING

Notes. None

Ineligible Fraud

Second Presentment Condition. The fraud type under which the transaction was reported in SAFE is not eligible for chargeback.

IPM Second Presentment Message Reason Code. 2713 (Invalid Chargeback)

Time Frame. Within 45 calendar days of the chargeback settlement date.

Supporting Documents. None

DE 72 (Data Record). FRAUD TYPE

Notes. None

Not Listed in Mastercard Announcement

Second Presentment Condition. One of the following:

1. The merchant in question was not listed in a Mastercard Announcement.
2. The transaction did not occur within the period specified.

IPM Second Presentment Message Reason Code. 2713 (Invalid Chargeback)

Time Frame. Within 45 calendar days of the chargeback settlement date.

Supporting Documents. None

DE 72 (Data Record). One of the following corresponding to the Second Presentment Condition:

1. MERCHANT NOT LISTED
2. INVALID TRANSACTION DATE

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Notes. None

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. None

DE 72 (Data Record). MMDDYY NNNNNNNNNNNNNNNNNNNNNN

Notes. Replace **MMDDYY** with the date of the credit transaction. Optionally, replace **NNNNNNNNNNNNNNNNNNNNNN** with the Acquirer Reference Data (ARD) of the credit transaction.

Additional Second Presentment Options

IPM Second Presentment Message Reason Codes And Second Presentment Conditions. One of the following:

- One of the following for Dual Message System transactions:
  - **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 did not match the information contained in the first presentment record.
  - **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.
  - **2701**—Duplicate Chargeback

    The issuer processed a first chargeback for the same transaction more than once.

    Mastercard recommends that the acquirer provides the processing date and chargeback reference number of the original chargeback with its second presentment.
  - **2702**—Past Chargeback Time Limit

    The issuer's first chargeback was processed past the time frame specified for the chargeback.
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Time Frame Within 45 calendar days of the chargeback settlement date.

Supporting Documents. None

DE 72 (Data Record). None

Notes. None

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Arbitration Chargeback

The tables in this section detail the conditions under which an issuer may process an arbitration chargeback in response to an acquirer's second presentment.

Acquirer Reference Data (ARD) Does Not Match or is Invalid

Arbitration Chargeback Condition. One of the following:

1. When the issuer's first chargeback didn't include the ARD present in the first presentment, the issuer must provide the correct ARD.
2. When the issuer's first chargeback included the ARD present in the first chargeback, the issuer must provide a copy of the first presentment as Supporting Documentation.

Time Frame. Within 45 calendar days of the second presentment settlement date

IPM Arbitration Chargeback Message Reason Code. One of the following corresponding to the Arbitration Chargeback Condition:

1. When the second presentment used message reason code **2001**: **4905**—Invalid Acquirer Reference Data; Documentation was Not Received or Not Required
2. When the second presentment used message reason code **2004**: **4908**—Invalid Acquirer Reference Data; Documentation Received

Supporting Documents. One of the following corresponding to the Arbitration Chargeback Condition:

1. None
2. A copy of the first presentment showing the ARD

DE 72 (Data Record). CORRECT REFERENCE NUMBER SUPPLIED

Notes. None

Cardholder Does Not Recognize

This section provides information for an issuer and acquirer in handling a dispute when the cardholder claims he or she doesn't recognize the non-face-to-face transaction appearing on the cardholder's account.

A non-face-to-face transaction occurs when the card, the cardholder, and/or the merchant representative are not all present at the time of the transaction. Mail order, telephone order, cardholder-activated terminal (CAT), electronic commerce (e-commerce), and recurring payment transactions are examples of non–face-to-face transactions.

The issuer may use this chargeback when all of the following occurred:

- The cardholder contacted the issuer claiming the cardholder doesn't recognize the transaction appearing on the cardholder's account.
- The issuer made a good-faith effort to identify the transaction for the cardholder.

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- The transaction being questioned by the cardholder was a non-face-to-face transaction. This includes when the authorization and clearing messages conflict on identifying the transaction as non-face-to-face; meaning:
  - 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

NOTE: By itself, a value of 01 (PAN manual entry) in DE 22 (Point-of-Service [POS] Entry Mode) Subfield 1 (POS Terminal PAN Entry Mode) of the Authorization Request/0100 message does not definitely identify a transaction as non-face-to-face. Data elements 61 (Point-of-Service {POS} Data) of the Authorization Request/0100 and DE 22 (Point of Service [POS] Entry Mode) of the First Presentment/1240 message should also be reviewed.

The issuer must not use this chargeback for any of the following:

- **The cardholder states the transaction is unauthorized**. The issuer must use chargeback reason code 4837-No Cardholder Authorization.
- **A face-to-face transaction**. A face-to-face transaction is typically identified in an Authorization Request/0100 message with:

Data Element	Subfield	Value
61 (Point-of-Service [POS] Data)	1 (POS Terminal Attendance)	0 (Attended Terminal)
	4 (POS Cardholder Presence)	0 (Cardholder present)
	5 (POS Card Presence)	0 (Card present)

A face-to-face transaction is typically identified in a First Presentment/1240 messages including:

Data Element	Subfield	Value
22 (Point of Service [POS] Entry Mode)	4 (Terminal Operating Environment)	One of the following: – 1 (On card acceptor premises; attended terminal) – 3 (Off card acceptor premises; attended)
	5 (Cardholder Present Data)	0 (Cardholder present)
	6 (Card Present Data)	1 (Card present)

- **The cardholder states the card used to perform the transaction was lost/stolen**
- **An ATM transaction**
- **A transaction that occurred at a properly identified cardholder-activated terminal (CAT) 1, 2 or 3 device**

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- **Authorization Approval after the FNS Date.** 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 any of the following message reason codes: 4837, 4840, 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 15 Fraud-Related Chargebacks.** The issuer submitted more than 15 chargebacks in aggregate involving the same account (as defined above) for message reason codes 4837, 4840, 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.
- **Properly identified "no-show" lodging transactions**.
- **Emergency cash disbursements or emergency travelers check refunds**.
- **Properly identified Mastercard SecureCode, Masterpass by Mastercard, and Digital Secure Remote Payment (DSRP) transactions** (including any subsequent transaction related to the original DSRP transaction, such as a partial shipment or recurring payment) identified in authorization (DE 48, subelement 42 [Electronic Commerce Indicators], subfield 1 (Electronic Commerce Security Level Indicator and UCAF Collection Indicator), positions 1, 2, and 3) with the values of 211, 212, 215, 221, 222, 225, 241, 242, 245, 911, 912, or 915.
- **Addendum Disputes.** An addendum dispute is the dispute of a separate transaction that occurs after a valid transaction involving the same merchant and the same cardholder. The issuer must process a chargeback for message reason code 4853—Cardholder Dispute when 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.
- **Bangladesh only**—The transaction was a Mastercard Corporate Purchasing Card (MCP) transaction occurring in Bangladesh with a Mastercard MCP card issued in Bangladesh. A Mastercard MCP card transaction occurs when PDS 0002 (GCMS Product Identifier) was MCP (Mastercard Corporate Purchasing Card) in the First Presentment/1240 message when the value of the transaction is equal to or greater than BDT 100,000.
- **India only**—The transaction was a Mastercard Corporate Purchasing Card (MCP) transaction occurring in India with a Mastercard MCP card issued in India. A Mastercard MCP card transaction occurs when PDS 0002 (GCMS Product Identifier) was MCP (Mastercard Corporate Purchasing Card) in the First Presentment/1240 message when the value of the transaction is equal to or greater than INR 100,000.
- **Sri Lanka only**—The transaction was a Mastercard Corporate Purchasing Card (MCP) transaction occurring in Sri Lanka with a Mastercard MCP card issued in Sri Lanka. A Mastercard MCP card transaction occurs when PDS 0002 (GCMS Product Identifier) was

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MCP (Mastercard Corporate Purchasing Card) in the First Presentment/1240 message when the value of the transaction is equal to or greater than LKR 200,000.

- **Corporate Purchasing Department Account Program** transactions.
- **Mastercard Biometric Card**—The transaction occurred with a Mastercard Biometric Card and biometric Cardholder authentication was successful. Refer to Appendix F for Mastercard Biometric Card Program transaction identification information.

Supporting Documents. Supporting Documents must be in English or accompanied by an English translation unless both the issuer and the acquirer share a common language. Supporting Documents must provide sufficient detail to enable all parties to understand the nature of the dispute or rebuttal. Mastercard will determine whether the Supporting Documents contain sufficient detail.

Supporting Documents must be provided using the MasterCom application.

Although Supporting Documents can be entered into MasterCom at any time before the next cycle is processed, Supporting Documents must be entered into the MasterCom system within eight calendar days of generating a chargeback or second presentment requiring Supporting Documents to avoid liability for the disputed transaction solely for failing to provide Supporting Documents (codes 2002 or 4901).

The cardholder email, cardholder letter, and/or cardholder message (including through a password-protected website) must come directly from the cardholder or, in the case of a commercial card, the corporate entity.

An Expedited Dispute Resolution Form is not allowed.

First Chargeback

The table in this section details the conditions under which an issuer may process a first chargeback under the Cardholder Doesn't Recognize chargeback.

Cardholder Does Not Recognize

Chargeback Condition. All of the following: • The cardholder contacted the issuer claiming the cardholder doesn't recognize the transaction appearing on the cardholder's account. • The transaction being questioned by the cardholder was a non-face-to-face transaction. • The issuer made a good-faith effort to identify the transaction for the cardholder.
Time Frame. 120 calendar days
Message Reason Code. One of the following: • 4863 (Cardholder Does Not Recognize—Potential Fraud) for Dual Message System transactions • 63 (Cardholder Does Not Recognize—Potential Fraud) for Debit Mastercard transactions processed on the Single Message System

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Supporting Documents. Cardholder letter, email, or message 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.

An Expedited Dispute Resolution Form is not allowed.

In addition, for batched chargebacks: A list of the ARDs and the amount of each disputed transaction.

DE 72 (Data Record). For batched chargebacks: MULTIPLE TRANSACTIONS NNN

For all other chargebacks: None

Notes.

Batching 4863 Chargebacks

Multiple disputed transactions may be combined into one chargeback message, this is called batching. The batching option is only available when the PAN, merchant name and acquirer are the same for all of the transactions being included in the batch.

Each individual transaction included in the batch must be within the chargeback time frame.

The chargeback must be processed using an ARD from one of the disputed transaction included the batch.

The chargeback must be processed for the total amount of all the disputed transactions included in the batch.

Replace **NNN** with the number of transactions being charged back.

Second Presentment

The tables in this section detail the conditions under which an acquirer may process a second presentment in response to a Cardholder Does Not Recognize chargeback.

PAN Mismatch. The Primary Account Number (PAN) in chargeback supporting documentation may differ from the PAN included by the acquirer in the clearing record. As a result, a difference in PANs must not be the sole reason for an acquirer's second presentment.

Two or More Previous Fraud-related Chargebacks

Second Presentment Condition. 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 message reason codes 4837, 4840, 4870, and/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.

This condition has been met when PDS 0200 (Fraud Counter), subfield 1 (Fraud NTF Date) of the First Chargeback/1442 message is present and contains a date value that is earlier than the authorization approval date of the disputed transaction.

IPM Second Presentment Message Reason Code. 2713 (Invalid Chargeback)

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Time Frame. Within 45 calendar days of the chargeback settlement date.

Supporting Documents. None

DE 72 (Data Record). One of the following:

1. FNS
2. NN MMDDYY NN MMDDYY AUTH MMDDYY

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, subfield 1 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 replacing **MMDDYY** with the Central Site Business Date of the previous chargeback. For **AUTH MMDDYY**, replace **MMDDYY** with the authorization approval date of the disputed transaction.

Fraud-related Chargeback Counter Exceeds Threshold

Second Presentment Condition. The issuer submitted more than 15 chargebacks involving the same account card account (for this purpose, "account" means primary account number [PAN], or PAN and expiration date) for message reason codes 4837, 4840, 4870, and/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.

This condition has been met when PDS 0200 (Fraud Counter), subfield 2 (Fraud Notification Service Chargeback Counter) of the First Chargeback/1442 message is present and contains a chargeback counter value that **exceeds 15** (a value of 16 or more).

Time Frame. Within 45 calendar days of the chargeback settlement date.

IPM Second Presentment Message Reason Code. 2713 (Invalid Chargeback)

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 16 or greater.

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New Information to Identify the Transaction

Second Presentment Condition. The acquirer can provide new information, not already contained in the authorization or clearing messages, which would help to identify the transaction.

Additional information includes, but is not limited to, the following:

- A description of the merchandise or services.
- The original transaction amount when the disputed transaction represents partial shipment.
- "Ship to" address (when applicable).

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 that would further identify the transaction.

DE 72 (Data Record). None

Notes. None

Address Verification Service (AVS)

Second Presentment Condition. The acquirer can provide documentation that the acquirer 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.

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. 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 when the disputed transaction represents partial shipment.
- "Ship to" address (when applicable).

DE 72 (Data Record). None

Notes. None

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Face-to-Face Transaction

Second Presentment Condition. The transaction was properly and consistently identified as face-to-face in both the authorization and clearing messages.

Time Frame. Within 45 calendar days of the chargeback settlement date

IPM Second Presentment Message Reason Code. 2713 (Invalid Chargeback)

Supporting Documents. None

DE 72 (Data Record). None

Notes. None

Conflicting Information in Authorization and Clearing Messages

Second Presentment Condition. Both of the following:

- The authorization and clearing messages conflict on identifying the transaction as non-face-to-face or face-to-face
- The transaction was face-to-face

Time Frame Within 45 calendar days of the chargeback settlement date

IPM Second Presentment Message Reason Code. 2713 (Invalid chargeback)

Supporting Documents. Proof of card presence.

DE 72 (Data Record). None

Notes. None

Mastercard SecureCode SL1 (Merchant-only Liability Shift)

Second Presentment Condition. All of the following:

- All of the required e-commerce indicators were provided in the Authorization Request/0100 message.
- The Authorization Request Response/0110 message reflected the issuer's approval of the transaction.
- DE 48 (Additional Data—Private Use), subelement 42 (Electronic Commerce Indicators), subfield 1 (Electronic Commerce Security Level Indicator and UCAF Collection Indicator), positions 1, 2, and 3) contained any of the following values of 211, 212, 215, 221, 222, 225, 241, 242, 245, 911, 912, or 915.
- **For intraregional Europe transactions:** The UCAF submitted by a Europe region merchant did **not** contain the Mastercard-assigned static Accountholder Authentication Value (AAV).

Time Frame. Within 45 calendar days of the chargeback settlement date

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IPM Second Presentment Message Reason Code. 2008 (Issuer authorized transaction)

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, position 3 was approved.

Replace **NNNNNN** with the authorization approval code.

Mastercard SecureCode SL2 (Global Liability Shift)

Second Presentment Condition. All of the following:

- All of the required e-commerce indicators were provided in the Authorization Request/0100 message. The Authorization Request Response/0110 message reflected the issuer's approval of the transaction.
- DE 48 (Additional Data—Private Use), subelement 42 (Electronic Commerce Indicators), subfield 1 (Electronic Commerce Security Level Indicator and UCAF Collection Indicator), positions 1, 2, and 3) contained any of the following values of 211, 212, 215, 221, 222, 225, 241, 242, 245, 911, 912, or 915.

Time Frame. Within 45 calendar days of the chargeback settlement date.

IPM Second Presentment Message Reason Code. 2008 (Issuer authorized transaction)

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.

This second presentment applies to Mobile Remote Payment transactions. For information about Mobile Remote Payment transactions, see Chapter 18, Mastercard Mobile Rules of the *Mastercard Rules*.

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)

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Supporting Documents. None

DE 72 (Data Record). MMDDYY NNNNNNNNNNNNNNNNNNNNNNN

Notes

Replace **MMDDYY** with the date of the credit transaction.

Optionally, replace **NNNNNNNNNNNNNNNNNNNNNNN** with the Acquirer Reference Data (ARD) of the credit transaction.

Additional Second Presentment Options

IPM Second Presentment Message Reason Codes And Second Presentment Conditions. One of the following:

- One of the following for Dual Message System transactions:
  - 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.
  - 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.
  - 2701—Duplicate Chargeback

    The issuer processed a first chargeback for the same transaction more than once.

    Mastercard recommends that the acquirer provides the processing date and chargeback reference number of the original chargeback with its second presentment.
  - 2702—Past Chargeback Time Limit

    The issuer's first chargeback is processed past the time frame specified for the chargeback.
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Time Frame. Within 45 calendar days of the chargeback settlement date.

Supporting Documents. None

DE 72 (Data Record). None

Notes. None

Arbitration Chargeback

The tables in this section detail the conditions under which an issuer may process an arbitration chargeback in response to an acquirer's second presentment.

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New Information Not Provided

Arbitration Chargeback Condition. The issuer asserts that the information provided in the second presentment to assist the cardholder in identifying the transaction was not new information.

Time Frame. Within 45 calendar days of the second presentment settlement date.

IPM Arbitration Chargeback Message Reason Code. 4863 (Cardholder Does Not Recognize—Potential Fraud)

Supporting Documents. None

DE 72 (Data Record). RS 1

Notes. None

UCAF Value Discrepancy

Arbitration Chargeback Condition. The value contained in the UCAF within the Authorization Request/0100 message is not identical to the value in the Authorization Response/0110 message.

Time Frame. Within 45 calendar days of the second presentment settlement date.

IPM Arbitration Chargeback Message Reason Code. 4863 (Cardholder Does Not Recognize—Potential Fraud)

Supporting Documents. None

DE 72 (Data Record). RS 4

Notes. None

Acquirer Reference Data (ARD) Does Not Match or is Invalid

Arbitration Chargeback Condition. One of the following:

1. When the issuer's first chargeback didn't include the ARD present in the first presentment, the issuer must provide the correct ARD.
2. When the issuer's first chargeback included the ARD present in the first chargeback, the issuer must provide a copy of the first presentment as Supporting Documentation.

Time Frame. Within 45 calendar days of the second presentment settlement date

IPM Arbitration Chargeback Message Reason Code. One of the following corresponding to the Arbitration Chargeback Condition:

1. When the second presentment used message reason code **2001**: **4905**—Invalid Acquirer Reference Data; Documentation was Not Received or Not Required
2. When the second presentment used message reason code **2004**: **4908**—Invalid Acquirer Reference Data; Documentation Received

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Supporting Documents. One of the following corresponding to the Arbitration Chargeback Condition:

1. None
2. A copy of the first presentment showing the ARD

DE 72 (Data Record). CORRECT REFERENCE NUMBER SUPPLIED

Notes. None

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Additional Arbitration Chargeback Options

IPM Arbitration Chargeback Message Reason Codes and Arbitration Chargeback Conditions. One of the following:

- **48XX**—New valid chargeback reason

  When 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.

  When new information was provided in the Second Presentment, the issuer must not continue with an arbitration chargeback for Cardholder Does Not Recognize (4863). The new information will either allow the cardholder to recognize the transaction (and then another chargeback may be applicable) or the cardholder won't recognize the transaction (and then another fraud chargeback may be applicable).

  When the first chargeback was processed as 4863-Cardholder Does Not Recognize, an issuer is prohibited from processing an arbitration chargeback using 4870-Chip Liability Shift or 4871-Chip Liability Shift—Lost/Stolen/Never Received Issue (NRI) Fraud.
- **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 presentment before using this message reason code.

  An issuer can generate an arbitration chargeback with message reason code 4901 nine calendar days from the second presentment and before the acquirer sends the supporting documentation. Mastercard Dispute Resolution staff will find the acquirer responsible when the acquirer files an arbitration case.

  The issuer must accept supporting documentation as long as the issuer has not processed an arbitration chargeback.
- **4902**—Documentation Received was Illegible

  Supporting documentation is illegible. The issuer's arbitration chargeback will be considered invalid should Mastercard Dispute Resolution staff determine that the supporting documentation is legible during an arbitration case filing.
- **4903**—Scanning error—Unrelated Documents or Partial Scan

  Supporting documentation doesn't correspond to the transaction being charged back (for example, the documentation concerns a different transaction) or is incomplete.

Time Frame. Within 45 calendar days of the second presentment settlement date.

Supporting Documents. None

DE 72 (Data Record). None

Notes. None

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Chip Liability Shift

This section provides information for an issuer and acquirer in handling a dispute when all of the following:

- The cardholder states that the cardholder did not authorize the transaction.
- Both the issuer and the acquirer are located in a country or region participating in a domestic, intraregional, or interregional chip liability shift as shown in the below table.
- One of the following:
  - A fraudulent transaction resulted from the use of a counterfeit card at a non-hybrid terminal
  - 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.
- The transaction was reported to SAFE as counterfeit in accordance with the *SAFE Products User Guide* prior to processing the chargeback. Mastercard allows three days from the reporting date for SAFE processing. Mastercard considers the SAFE reporting within time when the transaction reporting date in SAFE is within three days of the chargeback date.

Chip Liability Shift Participation

A chip liability shift in...	Applicable to...	Has been in effect since or will take effect on...
Asia/Pacific region	Interregional transactions	15 April 2011
	Intraregional transactions	1 January 2006
	Domestic transactions	1 January 2006
Canada region	Interregional transactions	15 April 2011
	Intraregional/domestic transactions:	
	• Excluding transactions at automated fuel dispensers (MCC 5542)	31 March 2011
	• Including transactions at automated fuel dispensers (MCC 5542)	31 December 2012
Europe region	Interregional transactions	13 April 2007
	Intraregional transactions	1 January 2005
	Domestic transactions	1 January 2005

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A chip liability shift in...	Applicable to...	Has been in effect since or will take effect on...
Latin America and the Caribbean (LAC) region	Interregional transactions	12 October 2012
	Intraregional transactions	1 January 2005
	Domestic transactions:	
	• Argentina	16 October 2015
	• Brazil	1 August 2015
	• Colombia	1 October 2008
	• Uruguay	16 October 2015
	• Venezuela	1 July 2009
	• All other LAC countries	17 October 2014
Middle East/Africa (MEA) region	Interregional transactions	15 April 2011
	Intraregional transactions	1 January 2006
	Domestic transactions:	
	• South Africa	1 January 2005
	• All other MEA countries	1 January 2006

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A chip liability shift in...	Applicable to...	Has been in effect since or will take effect on...
United States region	Interregional transactions:	
	• Excluding transactions at automated fuel dispensers (MCC 5542)	1 October 2015
	• Including transactions at automated fuel dispensers (MCC 5542)	1 October 2017
	Intraregional/domestic transactions:	
	• Excluding transactions at automated fuel dispensers (MCC 5542)	1 October 2015
	• Including transactions at automated fuel dispensers (MCC 5542)	1 October 2020

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, 4840, 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 15 Fraud-Related Chargebacks.** The issuer submitted more than 15 chargebacks in aggregate involving the same account (as defined above) for message reason codes 4837, 4840, 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 (when 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 in DE 35 (Track 2 Data) or DE 45 (Track 1 Data)**, either because:

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  - 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.
- **Bangladesh only**—The transaction was a Mastercard Corporate Purchasing Card (MCP) transaction occurring in Bangladesh with a Mastercard MCP card issued in Bangladesh. A Mastercard MCP card transaction occurs when PDS 0002 (GCMS Product Identifier) was MCP (Mastercard Corporate Purchasing Card) in the First Presentment/1240 message when the value of the transaction is equal to or greater than BDT 100,000.
- **India only**—The transaction was a Mastercard Corporate Purchasing Card (MCP) transaction occurring in India with a Mastercard MCP card issued in India. A Mastercard MCP card transaction occurs when PDS 0002 (GCMS Product Identifier) was MCP (Mastercard Corporate Purchasing Card) in the First Presentment/1240 message when the value of the transaction is equal to or greater than INR 100,000.
- **Sri Lanka only**—The transaction was a Mastercard Corporate Purchasing Card (MCP) transaction occurring in Sri Lanka with a Mastercard MCP card issued in Sri Lanka. A Mastercard MCP card transaction occurs when PDS 0002 (GCMS Product Identifier) was MCP (Mastercard Corporate Purchasing Card) in the First Presentment/1240 message when the value of the transaction is equal to or greater than LKR 200,000.
- **Mastercard Biometric Card**—The transaction occurred with a Mastercard Biometric Card and biometric Cardholder authentication was successful. Refer to Appendix F for Mastercard Biometric Card Program transaction identification information.

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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.

Supporting Documents. Supporting Documents must be in English or accompanied by an English translation unless both the issuer and the acquirer share a common language. Supporting Documents must provide sufficient detail to enable all parties to understand the nature of the dispute or rebuttal. Mastercard will determine whether the Supporting Documents contain sufficient detail.

Supporting Documents must be provided using the MasterCom application.

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Although Supporting Documents can be entered into MasterCom at any time before the next cycle is processed, Supporting Documents must be entered into the MasterCom system within eight calendar days of generating a chargeback or second presentment requiring Supporting Documents to avoid liability for the disputed transaction solely for failing to provide Supporting Documents (codes 2002 or 4901).

The cardholder email, cardholder letter, and/or cardholder message (including through a password-protected website) must come directly from the cardholder or, in the case of a commercial card, the corporate entity. A completed Dispute Resolution Form must be the direct result of a conversation with the cardholder.

Chargeback

The tables in this section detail the conditions under which a first chargeback under the Chip Liability Shift chargeback may be processed.

The issuer may charge back a Mastercard ATM Network transaction using this message reason code only when 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 the Single Message System Chargebacks chapter, 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.

Chip Liability Shift

Chargeback Condition. All of the following:

- The cardholder contacted the issuer claiming that the cardholder did not authorize the transaction.
- Both the issuer and the acquirer are located in a country or region participating in a domestic, intraregional, or interregional chip liability shift as shown in the Chip Liability Shift Participation table (earlier in this section).
- One of the following:
  - A fraudulent transaction resulted from the use of a counterfeit card at a non-hybrid terminal
  - 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.
- The transaction was reported to SAFE as counterfeit in accordance with the *SAFE Products User Guide* prior to processing the chargeback.

Time Frame. 120 calendar days

Message Reason Code. One of the following:

- 4870 (Chip Liability Shift) for Dual Message System transactions
- 70 (Chip Liability Shift) for Debit Mastercard transactions processed on the Single Message System

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Supporting Documents. One of the following:

- Cardholder letter, email, message or completed *Dispute Resolution Form-Fraud* (Form 0412) stating both of the following:
  - The cardholder did not authorize the transaction.
  - 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 *Dispute Resolution Form-Fraud* (Form 0412) stating that the cardholder did not authorize 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 *Dispute Resolution Form-Fraud* (Form 0412) provided as Supporting Documentation must be the result of contact with the cardholder.

The *Dispute Resolution Form-Fraud* (Form 0412) may only be used when the 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.

Second Presentment

The tables in this section detail the conditions under which a second presentment in response to a Chip Liability Shift chargeback may be processed.

PAN Mismatch. The Primary Account Number (PAN) in chargeback supporting documentation may differ from the PAN included by the acquirer in the clearing record. As a result, a difference in PANs must not be the sole reason for an acquirer's second presentment.

Two or More Previous Fraud-related Chargebacks

Second Presentment Condition. 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 message reason codes 4837, 4840, 4870, and/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.

This condition has been met when PDS 0200 (Fraud Counter), subfield 1 (Fraud NTF Date) of the First Chargeback/1442 message is present and contains a date value that is earlier than the authorization approval date of the disputed transaction.

IPM Second Presentment Message Reason Code. 2713 (Invalid chargeback)

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Time frame. Within 45 calendar days of the chargeback settlement date

Supporting Documents. None

DE 72 (Data Record). One of the following:

1. FNS
2. NN MMDDYY NN MMDDYY AUTH MMDDYY

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 (Fraud Counter), subfield 1 (Fraud NTF Date) 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 of the previous chargeback. For **AUTH MMDDYY**, replace **MMDDYY** with the authorization approval date of the disputed transaction.

Fraud-related Chargeback Counter Exceeds Threshold

Second Presentment Condition. The issuer submitted more than 15 chargebacks involving the same card account (for this purpose, "account" means primary account number [PAN], or PAN and expiration date) for message reason codes 4837, 4840, 4870, and/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.

This condition has been met when PDS 0200 (Fraud Counter), subfield 2 (Fraud Notification Service Chargeback Counter) of the First Chargeback/1442 message is present and contains a chargeback counter value that **exceeds 15** (a value of 16 or more).

IPM Second Presentment Message Reason Code. 2713 (Invalid Chargeback)

Time frame. Within 45 calendar days of the chargeback settlement date

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.

Not Reported to SAFE

Second Presentment Condition. The transaction was not properly reported to SAFE on or before the chargeback date. Mastercard allows three days from the reporting date for SAFE processing. Mastercard considers the SAFE reporting within time when the transaction reporting date in SAFE is within three days of the chargeback date.

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IPM Second Presentment Message Reason Code. 2713 (Invalid chargeback)

Time Frame. Within 45 calendar days of the chargeback settlement 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

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 (Track 2 Data) or DE 45 (Track 1 Data) of the Authorization Request/0100 message.

IPM Second Presentment Message Reason Code. 2008 (Issuer authorized the transaction)

Time Frame. Within 45 calendar days of the chargeback settlement date

Supporting Documents. None

DE 72 (Data Record). INV SERVICE CODE **X**

Notes

Replace **X** with 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

Second Presentment Condition. The transaction was the result of technical fallback.

IPM Second Presentment Message Reason Code. 2008 (Issuer authorized the transaction)

Time Frame. Within 45 calendar days of the chargeback settlement date.

Supporting Documents. None

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.

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Chip Transaction— Offline Authorized

Second Presentment Condition. All of the following:

- The transaction was completed by reading the chip.
- The transaction did not require online authorization.
- DE 55 was provided in the First Presentment/1240 message.

IPM Second Presentment Message Reason Code. 2700 (See Corresponding Documentation/ Chargeback Remedied)

Time Frame. Within 45 calendar days of the chargeback settlement date.

Supporting Documents. None

DE 72 (Data Record). CHIP TRANSACTION

Notes. None

DE 55 Was Provided in the First Presentment/1240 Message

Second Presentment Condition. DE 55 was provided in the First Presentment/1240 message and one of the following:

- The transaction was completed with chip and PIN.
- The transaction was completed with chip while the card was not PIN-preferring
- The transaction was the result of CVM fallback

IPM Second Presentment Message Reason Code. 2713 (Invalid chargeback)

Time Frame. Within 45 calendar days of the chargeback settlement date

Supporting Documents. None

DE 72 (Data Record). DE 55 PREVIOUSLY PROVIDED

Notes. When the transaction was the result of CVM fallback, this second presentment is not available when the transaction data in DE 55 indicates "PIN Entry Required and PIN Pad Not Present or Not Working".

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.

IPM Second Presentment Message Reason Code. 2713 (Invalid chargeback)

Time Frame. Within 45 calendar days of the chargeback settlement date

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Supporting Documents. None

DE 72 (Data Record). CHIP LIABILITY NA

Notes. None

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. None

DE 72 (Data Record). MMDDYY NNNNNNNNNNNNNNNNNNNNNNNN

Notes

Replace **MMDDYY** with the date of the credit transaction.

Optionally, replace **NNNNNNNNNNNNNNNNNNNNNNNN** with the Acquirer Reference Data (ARD) of the credit transaction.

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Additional Second Presentment Options

IPM Second Presentment Message Reason Codes And Second Presentment Conditions. One of the following:

- One of the following for Dual Message System transactions:
  - 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.
  - 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.
  - 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.
  - 2701—Duplicate Chargeback

    The issuer processed a first chargeback for the same transaction more than once.

    Mastercard recommends that the acquirer provides the processing date and chargeback reference number of the original chargeback with its second presentment.
  - 2702—Past Chargeback Time Limit

    The issuer's first chargeback is processed past the time frame specified for the chargeback.
  - 2709—Documentation Received was Illegible Supporting documentation is illegible.

    The acquirer's second presentment will be considered invalid should Mastercard Dispute Resolution Management staff determine that the supporting documentation is legible during an arbitration case filing.
  - 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.
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Time Frame. Within 45 calendar days of the chargeback settlement date.

Supporting Documents. None

DE 72 (Data Record). None

Notes. None

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Arbitration Chargeback

This section details the conditions under which an issuer may process an arbitration chargeback in response to an acquirer's second presentment.

Acquirer Reference Data (ARD) Does Not Match or is Invalid

Arbitration Chargeback Condition. One of the following:

1. When the issuer's first chargeback didn't include the ARD present in the first presentment, the issuer must provide the correct ARD.
2. When the issuer's first chargeback included the ARD present in the first chargeback, the issuer must provide a copy of the first presentment as Supporting Documentation.

Time Frame. Within 45 calendar days of the second presentment settlement date

IPM Arbitration Chargeback Message Reason Code. One of the following corresponding to the Arbitration Chargeback Condition:

1. When the second presentment used message reason code **2001**: **4905**—Invalid Acquirer Reference Data; Documentation was Not Received or Not Required
2. When the second presentment used message reason code **2004**: **4908**—Invalid Acquirer Reference Data; Documentation Received

Supporting Documents. One of the following corresponding to the Arbitration Chargeback Condition:

1. None
2. A copy of the first presentment showing the ARD

DE 72 (Data Record). CORRECT REFERENCE NUMBER SUPPLIED

Notes. None

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Arbitration Chargeback Options

IPM Arbitration Chargeback Message Reason Codes and Arbitration Chargeback Conditions. One of the following:

- 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 presentment before using this message reason code.

  An issuer can generate an arbitration chargeback with message reason code 4901 nine calendar days from the second presentment and before the acquirer sends the supporting documentation.

  Mastercard Dispute Resolution Management staff will find the acquirer responsible when the acquirer files an arbitration case.

  The issuer must accept supporting documentation as long as the issuer has not processed an arbitration chargeback.
- 4902—Documentation Received was Illegible Supporting documentation is illegible.

  The issuer's arbitration chargeback will be considered invalid should Mastercard Dispute Resolution Management staff determine that the supporting documentation is legible during an arbitration case filing.
- 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.

Chip Liability Shift—Lost/Stolen/Never Received Issue (NRI) Fraud

This section provides information in handling a dispute when all of the following:

- The cardholder states that:
  - The cardholder did not authorize the transaction.
  - The card is no longer, or has never been, in the possession of the cardholder.
- Both the issuer and the acquirer are located in a country or region participating in a domestic, intraregional, or interregional lost/stolen/NRI fraud chip liability shift as shown in the below table.
- A fraudulent transaction resulted from the use of a hybrid PIN-preferring card at one of the following:
  - A magnetic stripe-reading-only terminal (whether PIN-capable or not).
  - For domestic Malaysia transactions only, a hybrid terminal not equipped with a PIN pad capable (at a minimum) of checking the PIN online.

    For all other transactions, a hybrid terminal not equipped with a PIN pad capable (at a minimum) of checking the PIN offline.

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  - For domestic Malaysia transactions only, a hybrid terminal equipped with a PIN pad capable (at a minimum) of checking the PIN online, but DE 55 was not present in the Authorization Request/0100 message or Financial Transaction Request/0200 message.

    For all other transactions, 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.
  - A hybrid terminal where the PIN pad is not present or not working.
- The validly issued card was a hybrid PIN-preferring card.
- A fraudulent contactless transaction exceeding the applicable CVM limit resulted from the use of a contactless-enabled hybrid PIN-preferring card or access device at a contactless-enabled POS terminal not capable (at a minimum) of performing online PIN verification, or where the PIN pad is not present or not working.

The transaction was reported to SAFE as lost/stolen/NRI in accordance with the *SAFE Products User Guide* prior to processing the chargeback. Mastercard allows three days from the reporting date for SAFE processing. Mastercard considers the SAFE reporting within time when the transaction reporting date in SAFE is within three days of the chargeback date.

Lost/Stolen/NRI Fraud Chip Liability Shift Participation

A lost/stolen/NRI fraud chip liability shift in...	Applicable to...	Has been in effect since or will take effect on...
Asia/Pacific region	Domestic transactions	
	• Malaysia	1 January 2017
Canada region	Interregional transactions	19 April 2013
	Intraregional/domestic transactions:	
	• Excluding transactions at automated fuel dispensers (MCC 5542)	31 March 2011
	• Including transactions at automated fuel dispensers (MCC 5542)	31 December 2012
Europe region	Interregional transactions	May 2007
	Intraregional transactions	1 January 2005
	Domestic transactions	1 January 2005
Latin America and the Caribbean (LAC) region	Domestic transactions	
	• Brazil	1 August 2015

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A lost/stolen/NRI fraud chip liability shift in...	Applicable to...	Has been in effect since or will take effect on...
Middle East/Africa region	Domestic, intraregional, and interregional transactions	1 July 2017
United States region	Interregional transactions	
	• Excluding transactions at automated fuel dispensers (MCC 5542)	1 October 2015
	• Including transactions at automated fuel dispensers (MCC 5542)	1 October 2017
	Intraregional/domestic transactions:	
	• Excluding transactions at automated fuel dispensers (MCC 5542)	1 October 2015
	• Including transactions at automated fuel dispensers (MCC 5542)	1 October 2020

Term	Definition
PIN-preferring chip card, hybrid PIN-preferring card	Offline PIN means the PIN is verified "offline" by the chip prior to authorization of the transaction by the issuer or the chip. Online PIN means the PIN is passed in the authorization request message and verified "online" by the issuer during authorization. When 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. When 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 2020 for automated fuel dispenser [MCC 5542] transactions).**
Contactless-enabled hybrid PIN-preferring card	An EMV chip card with contactless payment functionality that has been personalized so that the online PIN CVM option appears on the card's contactless CVM list with a higher priority than the signature option.

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Term	Definition
Contactless-enabled secure CVM-preferring access device	An access device, including any mobile payment device or contactless payment device, with contactless payment functionality that: • Has been personalized so that the online PIN CVM option appears on the CVM list with a higher priority than the signature option, and may also support on-device cardholder verification; or • Always performs on-device cardholder verification.
PIN-capable hybrid POS terminal	When 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, when attended, must support signature. When 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, when attended, also supports signature. 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.
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*.

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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 on DE 22, subfield 1 values, refer to the *Customer Interface Specification* manual.
Valid EMV chip cards	When 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) or DE 45 (Track 1 Data) of the Authorization Request/0100 message.
Contactless-enabled POS terminal	A POS terminal enabled with contactless payment functionality, including but not limited to a hybrid POS terminal or contactless-only POS terminal.
Chip/PIN transaction	Either of the following: • A contact chip 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. • A contactless transaction effected with a contactless-enabled secure CVM-preferring card or access device at a contactless-enabled POS terminal using contactless payment functionality and with online PIN or successful on-device cardholder verification 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.

The issuer may not use this message reason code under the following conditions.

- **The transaction occurred with an online PIN-preferring card and PIN data was provided** in the Authorization Request/0100 or Financial Transaction Request/0200 message.
- **The transaction occurred at a PIN-enabled hybrid POS terminal and was approved although PIN was not present due to the use of PIN bypass functionality**.

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- **A counterfeit card transaction occurred with an unaltered service code** (reason code 4870 [Chip Liability Shift—Counterfeit Fraud] should be used).
- **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 contactless transaction occurred at a contactless-enabled POS terminal** with a successful Consumer Device Cardholder Verification Method (CDCVM), as indicated by the data provided in "CVM Results" or the "Issuer Application Data" within DE 55
- **A properly identified contactless transaction occurred** and one of the following:
  - The transaction amount was equal to or less than the CVM limit (found in Appendix C)
  - The transaction amount exceeded the CVM limit and was completed with online PIN or successful on-device cardholder verification
  - The validly issued card or access device was issued with magstripe mode-only contactless functionality and did not support on-device cardholder verification, the transaction amount exceeded the CVM limit and signature was selected as the CVM.
- **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, 4840, 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 15 Fraud-Related Chargebacks.** The issuer submitted more than 15 chargebacks in aggregate involving the same account (as defined above) for message reason codes 4837, 4840, 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 (when 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.
- **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.
- **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

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when PDS 0002 (GCMS Product Identifier) was MLF (Mastercard Agro Card) in the First Presentment/1240 message.

- **Bangladesh only**—The transaction was a Mastercard Corporate Purchasing Card (MCP) transaction occurring in Bangladesh with a Mastercard MCP card issued in Bangladesh. A Mastercard MCP card transaction occurs when PDS 0002 (GCMS Product Identifier) was MCP (Mastercard Corporate Purchasing Card) in the First Presentment/1240 message when the value of the transaction is equal to or greater than BDT 100,000.
- **India only**—The transaction was a Mastercard Corporate Purchasing Card (MCP) transaction occurring in India with a Mastercard MCP card issued in India. A Mastercard MCP card transaction occurs when PDS 0002 (GCMS Product Identifier) was MCP (Mastercard Corporate Purchasing Card) in the First Presentment/1240 message when the value of the transaction is equal to or greater than INR 100,000.
- **Sri Lanka only**—The transaction was a Mastercard Corporate Purchasing Card (MCP) transaction occurring in Sri Lanka with a Mastercard MCP card issued in Sri Lanka. A Mastercard MCP card transaction occurs when PDS 0002 (GCMS Product Identifier) was MCP (Mastercard Corporate Purchasing Card) in the First Presentment/1240 message when the value of the transaction is equal to or greater than LKR 200,000.
- **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.
- **Mastercard Biometric Card**—The transaction occurred with a Mastercard Biometric Card and biometric Cardholder authentication was successful. Refer to Appendix F for Mastercard Biometric Card Program transaction identification information.

Supporting Documents. Supporting Documents must be in English or accompanied by an English translation unless both the issuer and the acquirer share a common language. Supporting Documents must provide sufficient detail to enable all parties to understand the nature of the dispute or rebuttal. Mastercard will determine whether the Supporting Documents contain sufficient detail.

Supporting Documents must be provided using the MasterCom application.

Although Supporting Documents can be entered into MasterCom at any time before the next cycle is processed, Supporting Documents must be entered into the MasterCom system within eight calendar days of generating a chargeback or second presentment requiring Supporting Documents to avoid liability for the disputed transaction solely for failing to provide Supporting Documents (codes 2002 or 4901).

The cardholder email, cardholder letter, and/or cardholder message (including through a password-protected website) must come directly from the cardholder or, in the case of a commercial card, the corporate entity. A completed Dispute Resolution Form must be the direct result of a conversation with the cardholder.

Chargeback

The table in this section details the conditions under which a Lost/Stolen/NRI Fraud Chip Liability Shift chargeback may be processed.

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Lost/Stolen/NRI Fraud Chip Liability Shift

Chargeback Condition. All of the following:

- The cardholder states that:
  - The cardholder did not authorize the transaction.
  - The card is no longer, or has never been, in the possession of the cardholder.
- Both the issuer and the acquirer are located in a country or region participating in a domestic, intraregional, or interregional chip/PIN liability shift as shown in the below table.
- A fraudulent transaction resulted from the use of a hybrid PIN-preferring card at one of the following:
  - A magnetic stripe-reading-only terminal (whether PIN-capable or not)
  - A hybrid terminal not equipped with a PIN pad capable (at a minimum) of checking the PIN offline
  - 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
  - A hybrid terminal where the PIN pad is not present or not working
- The validly issued card was a hybrid PIN-preferring card.
- The transaction was reported to SAFE as lost/stolen/NRI in accordance with the *SAFE Products User Guide* prior to processing the chargeback.

Time Frame. 120 calendar days

Message Reason Code. One of the following:

- 4871 (Lost/Stolen/NRI Fraud Chip Liability Shift) for Dual Message System transactions
- 71 (Lost/Stolen/NRI Fraud Chip Liability Shift) for Debit Mastercard transactions processed on the Single Message System

Supporting Documents. Both of the following:

1. Cardholder letter, email, message or completed *Dispute Resolution Form-Fraud* (Form 0412) stating that the cardholder did not authorize the transaction and one of the following:
   - A statement in the cardholder letter, email, message or completed *Dispute Resolution Form-Fraud* (Form 0412) 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.
2. Documentation that shows the priority sequence of cardholder verification methods (CVMs) supported by the card or issuer for the disputed transaction, from highest to lowest priority (the "CVM list").

   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

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Notes

A *Dispute Resolution Form-Fraud* (Form 0412) provided as Supporting Documentation must be the result of contact with the cardholder.

The *Dispute Resolution Form-Fraud* (Form 0412) may only be used when the 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.

Second Presentment

The tables in this section detail the conditions under which a second presentment in response to a Chip/PIN Liability Shift chargeback may be processed.

PAN Mismatch. The Primary Account Number (PAN) in chargeback supporting documentation may differ from the PAN included by the acquirer in the clearing record. As a result, a difference in PANs must not be the sole reason for an acquirer's second presentment.

Two or More Previous Fraud-related Chargebacks

Second Presentment Condition. 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 message reason codes 4837, 4840, 4870, and/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.

This condition has been met when PDS 0200 (Fraud Counter), subfield 1 (Fraud NTF Date) of the First Chargeback/1442 message is present and contains a date value that is earlier than the authorization approval date of the disputed transaction.

IPM Second Presentment Message Reason Code. 2713 (Invalid Chargeback)

Time Frame. Within 45 calendar days of the chargeback settlement date.

Supporting Documents. None

DE 72 (Data Record). One of the following:

1. FNS
2. NN MMDDYY NN MMDDYY AUTH MMDDYY

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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, subfield 1 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 of the previous chargeback. For **AUTH MMDDYY**, replace **MMDDYY** with the authorization approval date of the disputed transaction.

Fraud-related Chargeback Counter Exceeds Threshold

Second Presentment Condition. The issuer submitted more than 15 chargebacks involving the same card account (for this purpose, "account" means primary account number [PAN], or PAN and expiration date) for message reason codes 4837, 4840, 4870, and/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.

This condition has been met when PDS 0200 (Fraud Counter), subfield 2 (Fraud Notification Service Chargeback Counter) of the First Chargeback/1442 message is present and contains a chargeback counter value that **exceeds 15** (a value of 16 or more).

IPM Second Presentment Message Reason Code. 2713 (Invalid Chargeback)

Time Frame. Within 45 calendar days of the chargeback settlement date

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.

Not Reported to SAFE

Second Presentment Condition. The transaction was not properly reported to SAFE on or before the chargeback date. Mastercard allows three days from the reporting date for SAFE processing. Mastercard considers the SAFE reporting within time when the transaction reporting date in SAFE is within three days of the chargeback date.

IPM Second Presentment Message Reason Code. 2713 (Invalid chargeback)

Time Frame. Within 45 calendar days of the chargeback settlement 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

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Notes. None

Authorized Online 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 (Track 2 Data) or DE 45 (Track 1 Data) of the Authorization Request/0100 message.

IPM Second Presentment Message Reason Code. 2008 (Issuer authorized the transaction)

Time Frame. Within 45 calendar days of the chargeback settlement date

Supporting Documents. None

DE 72 (Data Record). INV SERVICE CODE **X**

Notes

Replace **X** with 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

Second Presentment Condition The transaction was the result of technical fallback at a PIN-capable terminal.

IPM Second Presentment Message Reason Code. 2008 (Issuer authorized the transaction)

Time Frame. Within 45 calendar days of the chargeback settlement date.

Supporting Documents. None

DE 72 (Data Record). TECHNICAL FALLBACK

Notes. None

Chip Transaction—DE 55 Not Provided—Did Not Require Online Authorization

Second Presentment Condition. The transaction did not require online authorization and DE 55 was not 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

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IPM Second Presentment Message Reason Code. 2700 (See Corresponding Documentation/ Chargeback Remedied)

Time Frame. Within 45 calendar days of the chargeback settlement date

Supporting Documents. DE 55 and mandatory subelements

DE 72 (Data Record). CHIP TRANSACTION

Notes. None

DE 55 Was Provided in the First Presentment/1240 Message

Second Presentment Condition. DE 55 was provided in the First Presentment/1240 message and one of the following:

- The transaction was completed with chip and PIN.
- The transaction was completed with chip while the card was not PIN-preferring
- The transaction was the result of CVM fallback

IPM Second Presentment Message Reason Code. 2713 (Invalid chargeback)

Time Frame. Within 45 calendar days of the chargeback settlement date

Supporting Documents. None

DE 72 (Data Record). DE 55 PREVIOUSLY PROVIDED

Notes. When the transaction was the result of CVM fallback, this second presentment is not available when the transaction data in DE 55 indicates "PIN Entry Required and PIN Pad Not Present or Not Working".

Invalid Chargeback

Second Presentment Condition The transaction involved an issuer or acquirer located in a country or region without an applicable domestic, intraregional, or interregional chip/PIN liability shift.

IPM Second Presentment Message Reason Code. 2713 (Invalid chargeback)

Time Frame. Within 45 calendar days of the chargeback settlement date

Supporting Documents. None

DE 72 (Data Record). CHIP LIABILITY NA

Notes. None

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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. None

DE 72 (Data Record). MMDDYY NNNNNNNNNNNNNNNNNNNNNNN

Notes

Replace **MMDDYY** with the date of the credit transaction.

Optionally, replace **NNNNNNNNNNNNNNNNNNNNNNN** with the Acquirer Reference Data (ARD) of the credit transaction.

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Additional Second Presentment Options

IPM Second Presentment Message Reason Codes And Second Presentment Conditions. One of the following:

- One of the following for Dual Message System transactions:
  - 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.
  - 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.
  - 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.
  - 2701—Duplicate Chargeback

    The issuer processed a first chargeback for the same transaction more than once.

    Mastercard recommends that the acquirer provides the processing date and chargeback reference number of the original chargeback with its second presentment.
  - 2702—Past Chargeback Time Limit

    The issuer's first chargeback is processed past the time frame specified for the chargeback.
  - 2709—Documentation Received was Illegible Supporting documentation is illegible.

    The acquirer's second presentment will be considered invalid should Mastercard Dispute Resolution Management staff determine that the supporting documentation is legible during an arbitration case filing.
  - 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.
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Time Frame. Within 45 calendar days of the chargeback settlement date

Supporting Documents. None

DE 72 (Data Record). None

Notes. None

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Arbitration Chargeback

This section detail the conditions under which an arbitration chargeback in response to an acquirer's second presentment may be processed.

Acquirer Reference Data (ARD) Does Not Match or is Invalid

Arbitration Chargeback Condition. One of the following:

1. When the issuer's first chargeback didn't include the ARD present in the first presentment, the issuer must provide the correct ARD.
2. When the issuer's first chargeback included the ARD present in the first chargeback, the issuer must provide a copy of the first presentment as Supporting Documentation.

Time Frame. Within 45 calendar days of the second presentment settlement date

IPM Arbitration Chargeback Message Reason Code. One of the following corresponding to the Arbitration Chargeback Condition:

1. When the second presentment used message reason code **2001**: **4905**—Invalid Acquirer Reference Data; Documentation was Not Received or Not Required
2. When the second presentment used message reason code **2004**: **4908**—Invalid Acquirer Reference Data; Documentation Received

Supporting Documents. One of the following corresponding to the Arbitration Chargeback Condition:

1. None
2. A copy of the first presentment showing the ARD

DE 72 (Data Record). CORRECT REFERENCE NUMBER SUPPLIED

Notes. None

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Arbitration Chargeback Options

IPM Arbitration Chargeback Message Reason Codes and Arbitration Chargeback Conditions. One of the following:

- 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 presentment before using this message reason code.

  An issuer can generate an arbitration chargeback with message reason code 4901 nine calendar days from the second presentment and before the acquirer sends the supporting documentation.

  Mastercard Dispute Resolution Management staff will find the acquirer responsible when the acquirer files an arbitration case.

  The issuer must accept supporting documentation as long as the issuer has not processed an arbitration chargeback.
- 4902—Documentation Received was Illegible Supporting documentation is illegible.

  The issuer's arbitration chargeback will be considered invalid should Mastercard Dispute Resolution Management staff determine that the supporting documentation is legible during an arbitration case filing.
- 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.

Point-of-Interaction Error

This section provides information for handling a point-of-interaction error chargeback.

A point-of-interaction error chargeback may be submitted when the cardholder contacted the issuer alleging one of the following:

- The cardholder paid twice for the same transaction using two different forms of payment
- The cardholder's account has been debited more than once for the same transaction using the same form of payment
- The cardholder was billed an incorrect amount
- Cash was not properly dispensed by an ATM
- The cardholder's account has been debited more than once for the same ATM transaction
- The cardholder was billed for loss, theft, or damage in the same transaction as the underlying initial service
- A dispute regarding POI Currency Conversion (Dynamic Currency Conversion)
- The cardholder was billed an unreasonable amount (Intra-EEA Transactions only)
- The cardholder paid an improper merchant surcharge (intra-European and inter-European transactions only)

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- The merchant processed a credit (instead of a reversal) to correct an error which resulted in the cardholder experiencing a currency exchange loss.

In addition, the issuer may use message reason code 4834 when the acquirer presented a transaction past the applicable time frame.

Supporting Documents. Supporting Documents must be in English or accompanied by an English translation unless both the issuer and the acquirer share a common language. Supporting Documents must provide sufficient detail to enable all parties to understand the nature of the dispute or rebuttal. Mastercard will determine whether the Supporting Documents contain sufficient detail.

Supporting Documents must be provided using the MasterCom application.

Although Supporting Documents can be entered into MasterCom at any time before the next cycle is processed, Supporting Documents must be entered into the MasterCom system within eight calendar days of generating a chargeback or second presentment requiring Supporting Documents to avoid liability for the disputed transaction solely for failing to provide Supporting Documents (codes 2002 or 4901).

The cardholder email, cardholder letter, and/or cardholder message (including through a password-protected website) must come directly from the cardholder or, in the case of a commercial card, the corporate entity. A completed Dispute Resolution Form must be the direct result of a conversation with the cardholder.

Chargeback

The tables in this section detail the conditions under which a first chargeback under the point-of-interaction error chargeback may be processed.

Cardholder Debited More than Once for the Same Goods or Services

Chargeback Condition. The cardholder contacted the issuer claiming one of the following:

- The cardholder's account has been debited more than once for the same transaction.
- The cardholder paid for a transaction using one form of payment and was subsequently debited for the same transaction using another form of payment.

Time Frame. 120 calendar days from the Central Site Business Date.

Message Reason Code. One of the following:

- 4834 for Dual Message System transactions
- 34 for Debit Mastercard transactions processed on the Single Message System

The following message reason codes may continue to be used, however, they will eventually be eliminated:

- 4831 (Transaction Amount Differs) for Dual Message System transactions
- 31 (Transaction Amount Differs) for Debit Mastercard transactions processed on the Single Message System

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Supporting Documents.

A cardholder letter, email, message or completed *Dispute Resolution Form—Point-of-Interaction (POI) Errors* (Form 1240) describing the cardholder's complaint in sufficient detail to enable all parties to understand the dispute.

The cardholder letter, email, message or completed *Dispute Resolution Form—Point-of-Interaction (POI) Errors* (Form 1240) must specify the alternate means of payment providing sufficient transaction details to allow the merchant to locate the alternate payment.

When a non-Mastercard method of payment was used, documentation detailing the payment by other means. Examples include, but are not limited to:

- A bank statement documenting payment to the merchant
- A canceled check
- A receipt showing cash as the payment method

DE 72 (Data Record). When both transactions were processed through the Mastercard network:

FIRST REF NNNNNNNNNNNNNNNNNNNNNNN

Notes. Replace **NNNNNNNNNNNNNNNNNNNNNNN** with the Acquirer Reference Data (ARD) of the first valid transaction.

Travel Vouchers

When the merchant accepted the travel voucher, the **Supporting Documentation** must state that the merchant accepted the voucher.

When the merchant did not accept the travel voucher, the issuer should consider using the Cardholder Dispute chargeback against the entity that issued the travel voucher.

Transaction Amount Differs

Chargeback Condition. The cardholder contacted the issuer claiming the cardholder was billed an incorrect amount.

Time Frame. 120 calendar days from the Central Site Business Date.

Message Reason Code. One of the following:

- 4834 for Dual Message System transactions
- 34 for Debit Mastercard transactions processed on the Single Message System

The following message reason codes may continue to be used, however, they will eventually be eliminated:

- 4831 (Transaction Amount Differs) for Dual Message System transactions
- 31 (Transaction Amount Differs) for Debit Mastercard transactions processed on the Single Message System

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Supporting Documents. Both of the following:

- A cardholder letter, email, message or completed *Dispute Resolution Form—Point-of-Interaction (POI) Errors* (Form 1240) describing the cardholder's complaint in sufficient detail to enable all parties to understand the dispute; including the transaction amount that should have been billed.
- Documentation detailing the correct transaction amount. Examples include, but are not limited to:
  - A receipt or invoice including the correct transaction amount
  - The final hotel or car rental bill
  - Merchant email confirming price

DE 72 (Data Record). None

Notes. This chargeback is not available for verbal price agreements.

ATM Disputes

Chargeback Condition. The cardholder contacted the issuer alleging one of the following:

- Some or all of the funds debited from the cardholder's account as the result of an ATM withdrawal were not dispensed.
- The cardholder's account has been debited more than once for the same transaction.

Time Frame. Between 5 and 120 calendar days from the transaction settlement date

Message Reason Code. One of the following:

- 4834 for Dual Message System transactions
- 34 for Debit Mastercard transactions processed on the Single Message System

The following message reason codes may continue to be used, however, they will eventually be eliminated:

- 4859 (Addendum, No-show, or ATM Dispute) for Dual Message System transactions
- 59 (RS3=ATM dispute) for Debit Mastercard transactions processed on the Single Message System

Supporting Documents. None

DE 72 (Data Record). None

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Notes

This chargeback is not available for fraud.

This chargeback is not available when the transaction occurred with a Mastercard Commercial Payments Account. 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.

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.

Cardholder account debited more than once for the same ATM transaction

Mastercard recommends that an issuer charge back both ATM transactions individually under this chargeback. 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 chargeback, 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 chargeback when the authorization numbers are the same for both ATM transactions.

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 Mastercard ATM transactions and interregional Mastercard ATM transactions.

Charges for Loss, Theft, or Damages

Chargeback Condition. The cardholder contacted the issuer claiming the cardholder was billed for loss, theft, or damage in the same transaction as the underlying initial service.

Time Frame. 120 calendar days from the Central Site Business Date.

Message Reason Code. One of the following:

- 4834 for Dual Message System transactions
- 34 for Debit Mastercard transactions processed on the Single Message System

The following message reason codes may continue to be used, however, they will eventually be eliminated:

- 4859 (Addendum, No-show, or ATM Dispute) for Dual Message System transactions
- 59 (Services Not Rendered) for Debit Mastercard transactions processed on the Single Message System

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Supporting Documents. A cardholder letter, email, message or completed *Dispute Resolution Form —Point-of-Interaction (POI) Errors* (Form 1240) describing the cardholder's complaint in sufficient detail to enable all parties to understand the dispute.

Optionally, documentation detailing the charge for the initial service as well as for the loss, theft, or damage.

DE 72 (Data Record). None

Notes. The Cardholder Dispute chargeback (message reason code 4853) should be used to dispute a charge for loss, theft, or damage processed as a separate (addendum) transaction.

This chargeback is not available when the transaction occurred with a Mastercard Commercial Payments Account. 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.

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Late Presentment

Chargeback Condition. All of the following:

- The account is permanently closed.
- The issuer used good-faith efforts to collect the transaction amount from the cardholder.
- The transaction was not presented within **one** of the following time frames.
  - When 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.
  - When 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, when 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.
  - A Payment Transaction must be presented in clearing within one business day of the authorization date.
  - A contactless transit aggregated transaction must be presented in clearing within 14 calendar days of the authorization date.

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 when 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 when 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.

Time Frame. 120 calendar days from the Central Site Business Date

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Message Reason Code. One of the following:

- 4834 for Dual Message System transactions
- 34 for Debit Mastercard transactions processed on the Single Message System

The following message reason codes may continue to be used, however, they will eventually be eliminated:

- 4842 (Late Presentment) for Dual Message System transactions
- 42 (Late Presentment) for Debit Mastercard transactions processed on the Single Message System

Supporting Documents. None

DE 72 (Data Record). LATE PRESENTMENT

Notes.

This chargeback is not available when the transaction occurred with a Mastercard Commercial Payments Account. 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.

POI Currency Conversion (Dynamic Currency Conversion)

Chargeback Condition. One of the following:

1. The cardholder states that the cardholder 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
2. POI currency conversion was performed incorrectly

Time Frame. 120 calendar days from the Central Site Business Date.

Message Reason Code. One of the following:

- 4834 for Dual Message System transactions
- 34 for Debit Mastercard transactions processed on the Single Message System

The following message reason codes may continue to be used, however, they will eventually be eliminated:

- 4846 (Correct Transaction Currency Code Not Provided) for Dual Message System transactions
- 46 (Correct Transaction Currency Code Not Provided) for Debit Mastercard transactions processed on the Single Message System

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Supporting Documents. One of the following corresponding to the **Chargeback Condition**:

1. A cardholder letter, email, message or completed *Dispute Resolution Form—Point-of-Interaction (POI) Errors* (Form 1240) describing the cardholder's complaint in sufficient detail to enable all parties to understand the dispute.
2. None

DE 72 (Data Record). One of the following:

1. POI CURRENCY CONVERSION
2. INCORRECT CARDHOLDER CURRENCY

Notes. The full amount of the disputed transaction must be charged back.

When a currency is not specified on the transaction receipt, the currency which is legal tender in the country where the transaction took place is deemed the original transaction currency.

This chargeback is not available to address verbal agreements of transaction currency between a cardholder and a merchant.

Merchant Credit Correcting Error Resulting in Cardholder Currency Exchange Loss

Chargeback Condition. The merchant processed a credit (instead of a reversal) to correct an error which resulted in the cardholder experiencing a currency exchange loss.

Time Frame. 120 calendar days from the Central Site Business Date.

Message Reason Code. One of the following:

- 4834 for Dual Message System transactions
- 34 for Debit Mastercard transactions processed on the Single Message System

The following message reason codes may continue to be used, however, they will eventually be eliminated:

- 4831 (Incorrect Transaction Amount) for Dual Message System transactions
- 31 (Incorrect Transaction Amount) for Debit Mastercard transactions processed on the Single Message System

Supporting Documents. Both of the following:

1. Cardholder letter, email, message, or *Dispute Resolution Form—Point-of-Interaction (POI) Errors* (Form 1240) must include the date of the credit and must specifically address the original error which caused the merchant to process the credit.
2. The ARD of the credit transaction.

DE 72 (Data Record). None

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Notes. Only the currency exchange loss amount may be charged back.

Improper Merchant Surcharge (Intra-European and Inter-European transactions only)

Chargeback Condition. An improper merchant surcharge was applied to the total transaction amount.

Time Frame. One of the following:

- 120 calendar days from the Central Site Business Date
- 120 calendar days from the delivery date of the goods or services

Message Reason Code. 4834 for Dual Message System transactions

Supporting Documents. One of the following:

- A copy of the cardholder's receipt or invoice showing the improper surcharge.
- A cardholder letter, email message or completed Dispute Resolution Form—Point-of-Interaction (POI) Errors (Form 1240) describing the cardholder's complaint in sufficient detail to enable all parties to understand the dispute.

DE 72 (Data Record). SURCHARGE

Notes.

Only the amount reflecting the improper surcharge may be charged back. The total transaction amount must not be charged back.

This chargeback is not available when the transaction occurred with a Mastercard Commercial Payments Account. 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.

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Unreasonable Amount—Intra-European Economic Area (EEA) Transactions Only

Chargeback Condition. All of the following:

- The card was issued within the EEA
- The merchant was located within the EEA
- The cardholder contacted the issuer claiming the transaction amount was unreasonable
- The exact transaction amount was not specified at the time the cardholder engaged in the transaction
- PIN or CDCVM was not used
- 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

Time Frame. 120 calendar days from the Central Site Business Date

Message Reason Code. 4834 for Dual Message System transactions

Supporting Documents. A cardholder letter, email, message or completed *Dispute Resolution Form—Point of Interaction (POI) Errors* (Form 1240) describing the cardholder's complaint in sufficient detail to enable all parties to understand the dispute.

DE 72 (Data Record). UNREASONABLE AMOUNT

Notes.

This chargeback is not available when the transaction occurred with a Mastercard Commercial Payments Account. 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.

Second Presentment

The tables in this section detail the conditions under which a second presentment in response to a point-of-interaction error chargeback may be processed.

PAN Mismatch. The Primary Account Number (PAN) in chargeback supporting documentation may differ from the PAN included by the acquirer in the clearing record. As a result, a difference in PANs must not be the sole reason for an acquirer's second presentment.

Cardholder Debited More than Once for the Same Goods or Services

Second Presentment Condition. The acquirer can provide evidence of proper processing in response to the cardholder's claims.

Time Frame. Within 45 calendar days of the chargeback settlement date

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IPM Second Presentment Message Reason Code. One of the following:

- 2700 (See Corresponding Documentation/Chargeback Remedied) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Supporting Documents. TIDs documenting two separate transactions.

The documentation must clearly establish that the cardholder was not debited more than once for the same goods or services. A merchant explanation must be included when the documentation does not clearly establish the above.

DE 72 (Data Record). None

Notes. None

Cardholder Debited More than Once for the Same Goods or Services—PIN Transaction

Second Presentment Condition. The acquirer can substantiate that a PIN was present in the Authorization Request/0100 message for both transactions.

Time Frame. Within 45 calendar days of the chargeback settlement date

IPM Second Presentment Message Reason Code. One of the following:

- 2008 (Issuer authorized transaction) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Supporting Documents.

TIDs documenting two separate transactions.

The documentation must clearly establish that the cardholder was not debited more than once for the same goods or services. A merchant explanation must be included when the documentation does not clearly establish the above.

DE 72 (Data Record). PIN MMDDYY NNNNNN MMDDYY NNNNNN

Notes. This second presentment is not available for ATM transactions.

DE 72 (Data Record) is used to identify the transactions involved in the dispute. The transactions may optionally be identified in chronological order.

In **PIN MMDDYY NNNNNN**: Replace **MMDDYY** with the date the transaction was authorized and replace **NNNNNN** with the authorization approval code of one transaction.

In **MMDDYY NNNNNN**: Replace **MMDDYY** with the date the transaction was authorized and replace **NNNNNN** with the authorization approval code of the other transaction.

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Transaction Amount Differs

Second Presentment Condition. The acquirer can provide evidence that the cardholder was billed the correct amount.

Time Frame. Within 45 calendar days of the chargeback settlement date.

IPM Second Presentment Message Reason Code. One of the following:

- 2700 (See Corresponding Documentation/Chargeback Remedied) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Supporting Documents. The merchant's explanation and documentation.

DE 72 (Data Record). None

Notes. None

ATM Disputes

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. One of the following:

- 2700 (See Corresponding Documentation/Chargeback Remedied) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Supporting Documents. Refer to the Single Message System Chargebacks chapter, Message Reason Code 17—Cash Dispute-ATM Only.

Europe Customers refer to Appendix A, Chargebacks—Mastercard Europe ATM Transactions (Mastercard, Maestro, and Cirrus).

DE 72 (Data Record). None

Notes. No other IPM Second Presentment Message Reason Code is available for ATM disputes.

Refer to the Single Message System Chargebacks chapter, Message Reason Code 17—Cash Dispute-ATM Only.

Europe Customers refer to Appendix A, Chargebacks—Mastercard Europe ATM Transactions (Mastercard, Maestro, and Cirrus).

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Charges for Loss, Theft, or Damages

Second Presentment Condition. The acquirer can provide evidence of both of the following:

- The cardholder was notified of the charges for loss, theft, or damages.
- The cardholder authorized the charge for loss, theft, or damages.

Time Frame. Within 45 calendar days of the chargeback settlement date

IPM Second Presentment Message Reason Code. One of the following:

- 2700 (See Corresponding Documentation/Chargeback Remedied) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Supporting Documents. The merchant's explanation and documentation.

DE 72 (Data Record). None

Notes. None

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Late Presentment

Second Presentment Condition. One of the following:

1. The account is open.
2. The transaction was presented within **one** of the following time frames.
   - When 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.
   - When 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, when 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.
   - A Payment Transaction must be presented in clearing within one business day of the authorization date.
   - A contactless transit aggregated transaction must be presented in clearing within 14 calendar days of the authorization date.

   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 when the account is in good standing or the transaction can be honored.

   Not withstanding 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 when 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.

Time Frame. Within 45 calendar days of the chargeback settlement date

IPM Second Presentment Message Reason Code. One of the following:

- 2713 (Invalid Chargeback) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

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Supporting Documents. One of the following corresponding to the **Second Presentment Condition**:

1. None
2. The merchant and/or acquirer's explanation and documentation.

DE 72 (Data Record). One of the following corresponding to the **Second Presentment Condition**:

1. AUTH MMDDYY NNNNNN
2. DELAYED PRESENTMENT

Notes

Replace **MMDDYY** with the date the issuer authorized the transaction.

Account Open:

The acquirer can prove the account is open after the chargeback date by providing the date the issuer authorized a transaction, with the same PAN, occurring after the chargeback date.

National Bank Holiday:

When 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, official documentation from the banking regulator or other authority showing the dates of the national bank holiday must be provided.

Determining the Transaction Date:

Traffic violations must be presented within 30 calendar days of receipt of the notification from the local traffic authorities. To determine the Transaction Date for all other transactions refer to Appendix F—Transaction Identification Requirements.

Late Presentment—Corrected Transaction Date

Second Presentment Condition. Both of the following:

- The transaction date in the First Presentment/1240 message was incorrect.
- The correct transaction date is within the applicable time frame for a First Presentment/1240 message.

Time Frame. Within 45 calendar days of the chargeback settlement date

IPM Second Presentment Message Reason Code. One of the following:

- 2003 (Correct transaction date provided) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Supporting Documents. None

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DE 72 (Data Record). CORRECT TRANS DATE MMDDYY

Notes. Replace **MMDDYY** with the date the issuer authorized the transaction.

POI Currency Conversion (Dynamic Currency Conversion)

Second Presentment Condition. The acquirer can provide evidence of proper processing in response to the cardholder's claims.

Time Frame. Within 45 calendar days of the chargeback settlement date

IPM Second Presentment Message Reason Code. One of the following:

- 2700 (See Corresponding Documentation/Chargeback Remedied) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Supporting Documents. The merchant's explanation and documentation.

DE 72 (Data Record). None

Notes. This second presentment is not available for POI currency conversion disputes regarding the cardholder's agreement to the conversion.

When the chargeback is valid, the acquirer should accept the chargeback and process a new First Presentment/1240 message with the correct transaction currency. 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 Late Presentment chargeback.

Unreasonable Amount (Intra-EEA Transactions Only)

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.

Time Frame. Within 45 calendar days of the chargeback settlement date

IPM Second Presentment Message Reason Code. One of the following:

- 2700 (See Corresponding Documentation/Chargeback Remedied) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

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Supporting Documents. Documentation supporting the merchant's claim that the cardholder agreed to a reasonable amount range. Examples include, but are not limited to:

- 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.
- 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

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. One of the following:

- 2011 (Credit Previously Issued) for Dual Message System transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Supporting Documents. None

DE 72 (Data Record). MMDDYY NNNNNNNNNNNNNNNNNNNNNNN

Notes. Replace **MMDDYY** with the date of the credit transaction.

Optionally, replace **NNNNNNNNNNNNNNNNNNNNNNN** with the Acquirer's Reference Data (ARD) of the credit transaction.

This second presentment is not available for ATM transactions.

Improper Merchant Surcharge (Intra-European and Inter-European transactions only)

Second Presentment Condition. The acquirer can provide specific evidence of proper processing 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.

DE 72 (Data Record). None

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Notes. A merchant or acquirer statement merely asserting that the merchant surcharge is permitted by Mastercard Standards or applicable law is not a valid second presentment. The documentation must specifically cite the Standard or law relied on or explain in reasonable detail why the chargeback is invalid.

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Additional Second Presentment Options

IPM Second Presentment Message Reason Codes And Second Presentment Conditions. One of the following:

- One of the following for Dual Message System transactions:
  - **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.
  - **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.
  - **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.
  - **2701**—Duplicate Chargeback

    The issuer processed a first chargeback for the same transaction more than once.

    Mastercard recommends that the acquirer provides the processing date and chargeback reference number of the original chargeback with its second presentment.
  - **2702**—Past Chargeback Time Limit

    The issuer's first chargeback is processed past the time frame specified for the chargeback.
  - **2704**—Invalid Data Record Text

    Text required to appear in the first chargeback's DE 72 (Data Record) is missing or incomplete.
  - **2709**—Documentation Received was Illegible

    Supporting documentation is illegible. The acquirer's second presentment will be considered invalid should Mastercard Dispute Resolution Management staff determine that the supporting documentation is legible during an arbitration case filing.
  - **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.
  - **2713**—Invalid Chargeback

    The first chargeback does not meet the prerequisites for the message reason code.

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- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Time Frame. Within 45 calendar days of the chargeback settlement date

Supporting Documents. None

DE 72 (Data Record). None

Notes. Not available for ATM transactions.

Arbitration Chargeback

The tables in this section detail the conditions under which an issuer may process an arbitration chargeback in response to an acquirer's second presentment.

Arbitration chargebacks are not available for ATM disputes. When the cardholder continues to dispute an ATM transaction the issuer may file an arbitration case, refer to the Single Message System Chargebacks chapter, Message Reason Code 17, Arbitration Case Filing.

General Arbitration Chargeback

Arbitration Chargeback Condition. The cardholder continues to dispute the transaction.

When 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.

Time Frame. Within 45 calendar days of the second presentment settlement date

IPM Arbitration Chargeback Message Reason Code. 4834 (Errors in Processing)

Supporting Documents. A cardholder letter, email, message or completed *Dispute Resolution Form —Point-of-Interaction (POI) Errors* (Form 1240) dated after the second presentment and specifically addressing the merchant's explanation.

For disputes involving Charges for Loss, Theft, or Damages: When not provided with the first chargeback, documentation detailing the charge for the initial service as well as for the loss, theft, or damage.

DE 72 (Data Record). None

Notes. None

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Acquirer Reference Data (ARD) Does Not Match or is Invalid

Arbitration Chargeback Condition. One of the following:

1. When the issuer's first chargeback didn't include the ARD present in the first presentment, the issuer must provide the correct ARD.
2. When the issuer's first chargeback included the ARD present in the first chargeback, the issuer must provide a copy of the first presentment as Supporting Documentation.

Time Frame. Within 45 calendar days of the second presentment settlement date

IPM Arbitration Chargeback Message Reason Code. One of the following corresponding to the Arbitration Chargeback Condition:

1. When the second presentment used message reason code **2001**: **4905**—Invalid Acquirer Reference Data; Documentation was Not Received or Not Required
2. When the second presentment used message reason code **2004**: **4908**—Invalid Acquirer Reference Data; Documentation Received

Supporting Documents. One of the following corresponding to the Arbitration Chargeback Condition:

1. None
2. A copy of the first presentment showing the ARD

DE 72 (Data Record). CORRECT REFERENCE NUMBER SUPPLIED

Notes. None

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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 presentment before using this message reason code.

   An issuer can generate an arbitration chargeback with message reason code 4901 nine calendar days from the second presentment and before the acquirer sends the supporting documentation. Mastercard Dispute Resolution staff will find the acquirer responsible when 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 Mastercard Dispute Resolution 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.

Time Frame. Within 45 calendar days of the second presentment settlement date.

Supporting Documents. None

DE 72 (Data Record). None

Notes. None

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Cardholder Dispute—Not Elsewhere Classified (U.S. Region Only)

Chargeback rules on this subject appear in the "Domestic Chargeback" appendix.

Installment Billing Dispute (Participating Countries Only)

Chargeback rules on this subject appear in the "Domestic Chargeback" appendix.

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.

Requirements for Issuer's First Chargeback, Acquirer's Second Presentment, and Issuer's Arbitration Chargeback

Customers must follow the requirements for the applicable domestic chargeback rules. The applicable domestic chargeback reason code must be provided.

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.

Arbitration Case Filing

Arbitration of these disputes will be handled domestically.

Additional Processing Notes

Some or all of message reason codes 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 Customers.

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

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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.

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)

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.

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 when the chargeback is filed as an arbitration case.

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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 when 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 when the chargeback is filed as an arbitration case.

Acquirer Use of Message Reason Code 7627—No MAC Provided

When 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 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 when 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]).

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

When 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.

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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)

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 when the original presentment was not properly identified as a face-to-face transaction or CAT Level 2 transaction. However, when 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.

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)

When 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

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- 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

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) when 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

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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

The following sections present a summary of processing requirements.

First Chargeback: MTI 1442

Processing requirements for First Chargebacks can be found in each chargeback's section later in this chapter.

Second Presentment: MTI 1240

This table presents processing requirements for Second Presentment.

Function Code 205 (Full)/282 (Partial)

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

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

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

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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
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

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

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

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

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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.

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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 (Authorization-related Chargeback), 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 4808 (Authorization-related Chargeback) 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 compelling evidence, 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.

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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.
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 4840 (Fraudulent Processing of Transactions) without including the Acquirer's Reference Data of the valid 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.
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.
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.

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Second Presentment/1240 IPM Message Reason Code Definitions	
Message Reason Code	**Definition**
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 Mastercard Dispute Resolution Management 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.
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.

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Second Presentment/1240 IPM Message Reason Code Definitions	
Message Reason Code	**Definition**
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.

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).
4807	Warning Bulletin File
4808	Authorization-related Chargeback
4812	Account number not on file
4831	Transaction amount differs
4834	Point of Interaction Error
4837	No cardholder authorization

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Arbitration Chargeback/1442 IPM Message Reason Codes	
Message Reason Code	**Definition**
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 Liability Shift—Lost/Stolen/Never Received Issue (NRI) Fraud
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 Mastercard Dispute Resolution Management staff can validate that the documentation is sufficiently legible to remedy the chargeback, the issuer will have processed an invalid arbitration chargeback.

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Arbitration Chargeback/1442 IPM Message Reason Codes	
Message Reason Code	**Definition**
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.

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Chapter 3 Single Message System Chargebacks

This chapter contains information about chargeback processing for the Single Message System.

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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.

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 Representment performed by the acquirer

Arbitration chargebacks are not available in the Single Message System.

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Supporting Documentation

For procedures to process supporting documentation, refer to Mastercard Connect™ > Publications > MasterCom System.

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

Message Reason Code 06—Correction of a Representment

The acquirer may use this message reason code to correct a representment.

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.
Time Frame	Between 1 and 10 calendar days after the representment settlement date.

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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. When 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.

Issuer Chargeback

An issuer chargeback is not available for this message reason code.

Message Reason Code 10—Correct a Terminal Malfunction

The acquirer may use this message reason code to correct a terminal malfunction.

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
Additional Information	None

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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. When 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.

When 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.

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Issuer Chargeback

Refer to the individual chargeback message reason codes later in this section for chargeback requirements.

Message Reason Code 20—Returned Item (U.S. Shared Deposits Only)

Chargeback rules on this subject appear in the "Domestic Chargeback" appendix.

Message Reason Code 24—Empty Deposit Envelope (U.S. Shared Deposits Only)

Chargeback rules on this subject appear in the "Domestic Chargeback" appendix.

Message Reason Code 25—Error in Addition (U.S. Shared Deposits Only)

Chargeback rules on this subject appear in the "Domestic Chargeback" appendix.

Message Reason Code 26—Error in Settlement (U.S. Shared Deposits Only)

Chargeback rules on this subject appear in the "Domestic Chargeback" appendix.

Message Reason Code 28—Non-Cash Item Deposited (U.S. Shared Deposits Only)

Chargeback rules on this subject appear in the "Domestic Chargeback" appendix.

Message Reason Code 29—Foreign/Counterfeit Currency Deposited (U.S. Shared Deposits Only)

Chargeback rules on this subject appear in the "Domestic Chargeback" appendix.

Message Reason Code 30—Cardholder Disputed Amount (U.S. Shared Deposits Only)

Chargeback rules on this subject appear in the "Domestic Chargeback" appendix.

Message Reason Code 85—Adjustment Reversal

The acquirer may use this message reason code to reverse an adjustment.

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.
Adjustment Message Reason Code	85
Supporting Documents	None
Additional Information	Optional

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Notes	The Single Message Transaction Manager only allows one correction per adjustment. When 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.

Issuer Chargeback
An issuer chargeback is not available for this message reason code.

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
80	Late Presentment
95	Invalid Adjustment: Account Closed
96	Invalid Adjustment: Insufficient Funds

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Correction of a Chargeback

The issuer may use this message reason code to reverse a chargeback.

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. When 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.

Acquirer Representment

An acquirer representment is not available for this message reason code.

Cash Dispute-ATM Only

The issuer may use message reason code 17 to dispute an ATM cash withdrawal.

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

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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.

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
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 occurred without any errors.
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. When applicable, domestic rules must be provided with supporting documentation.

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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 calendar 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.

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Cardholder Disputed Amount (U.S. Shared Deposits Only)

Chargeback rules on this subject appear in the "Domestic Chargeback" appendix.

Defective/Not as Described—Intra-U.S. Region and U.S. Territories Only

Chargeback rules on this subject appear in the "Domestic Chargeback" appendix.

Chip Liability Shift

The issuer may use message reason code 70 when the cardholder disputed an unauthorized transaction performed with an EMV chip card.

Issuer Chargeback

The table shown below details the requirements for this message reason code.

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.

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Supporting Documents	One of the following: • Cardholder letter, email, message or completed *Dispute Resolution Form-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, message or *Dispute Resolution Form-Fraud (Form 412)* 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 *Dispute Resolution Form-Fraud (Form 412)* 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 *Dispute Resolution Form-Fraud (Form 412)* must be the result of contact with the cardholder.

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.

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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 *Dispute Resolution Form-Fraud (Form 412)* 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 *Dispute Resolution Form-Fraud (Form 412)* 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 *Dispute Resolution Form-Fraud (Form 412)* must be the result of contact with the cardholder.

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		
Asia/Pacific		
	American Samoa	12 April 2019 for ATM transactions
	Australia	13 April 2012 for Mastercard ATM transactions
		12 April 2019 for Maestro and Cirrus ATM transactions
	Bangladesh	16 October 2015 for ATM transactions
	Bhutan	16 October 2015 for ATM transactions

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Chip Liability Shift Program for Domestic and Intraregional Transactions		
A chip liability shift in…		**Effective for transactions dated on or after…**
Domestic Programs		
	Brunei Darussalam, Cambodia, Christmas Island, Cocos (Keeling) Islands, Cook Islands, Fiji, French Polynesia, Guam, Heard and McDonald Islands, Hong Kong	12 April 2019 for ATM transactions
	India	31 December 2018 for ATM transactions
	Indonesia	1 January 2022 for ATM transactions
	Kiribati, Lao People's Democratic Republic, Macao, Malaysia	12 April 2019 for ATM transactions
	Maldives	16 October 2015 for ATM transactions
	Marshall Islands, Micronesia, Federated States of, Mongolia, Myanmar, Nauru	12 April 2019 for ATM transactions
	Nepal	18 April 2018 for ATM transactions
	New Caledonia	12 April 2019 for ATM transactions
	New Zealand	13 April 2012 for Mastercard ATM transactions
	Niue, Norfolk Island, Northern Marianna Islands, Palau, Papua New Guinea, Philippines, Pitcairn, Samoa, Singapore, Solomon Islands	12 April 2019 for ATM transactions
	Sri Lanka	16 October 2015 for ATM transactions
	Thailand, Timor-Leste, Tokelau, Tonga, Tuvalu, U.S. Minor Outlying Islands, Vanuatu, Vietnam, Wallis and Futuna	12 April 2019 for ATM transactions

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Chip Liability Shift Program for Domestic and Intraregional Transactions		
A chip liability shift in…		**Effective for transactions dated on or after…**
Domestic Programs		
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
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
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 2020 for automated fuel dispenser transactions (MCC 5542)

Intraregional Programs		
Asia Pacific region—For the following countries and territories only:		
	Australia, Christmas Island, Cocos (Keeling) Islands, Cook Islands, New Zealand, Niue, Norfolk Island, and Tokelau	13 April 2012 for Mastercard ATM transactions 12 April 2019 for Maestro and Cirrus ATM transactions

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Intraregional Programs		
	Bangladesh, Bhutan, Maldives, and Sri Lanka	16 October 2015
	India	31 December 2018
	Indonesia	1 January 2022 for ATM transactions
	Korea, Republic of	16 October 2020 for ATM transactions
	Nepal	18 April 2018
	All other countries and territories	12 April 2019 for ATM transactions
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)

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Chip Liability Shift Program for Interregional Transactions		
In this region…	**The following countries and territories participate…**	**Effective for transactions dated on or after…**
	Bangladesh, Bhutan, Maldives, and Sri Lanka	16 October 2015 for ATM transactions
	India	31 December 2018 for ATM transactions
	Indonesia	1 January 2022 for ATM transactions
	Nepal	18 April 2018 for ATM transactions
	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

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Chip Liability Shift Program for Interregional Transactions		
In this region…	**The following countries and territories participate…**	**Effective for transactions dated on or after…**
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)

Improper Use for Issuer Chargeback

The issuer must not initiate a chargeback using reason code 70 when 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 15 chargebacks involving the same account (as defined above) for reason code 70 or 74.
- The issuer is currently listed a Mastercard Announcement 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 2020 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 when 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.

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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.
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.

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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 15 transactions involving the same card account for reason code 70 or 74 • The transaction was not properly reported to SAFE on or before the chargeback date. Mastercard allows three days from the reporting date for SAFE processing. Mastercard considers the SAFE reporting within time when the transaction reporting date in SAFE is within three days of 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 a Mastercard Announcement 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
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.

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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.

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.

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.

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Notes	Supporting documentation must be in English or accompanied by an English translation.

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 calendar 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.

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.

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

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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.

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.

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 calendar days from the representment settlement date
Mastercard Automated Reversal Message Reason Code	19
Supporting Documents	None

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Notes	Mastercard will credit the issuer and debit the acquirer.

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.

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

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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 15 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 a Mastercard Announcement 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, DE 48, subelement 42 (Electronic Commerce Indicators), subfield 1 (Electronic Commerce Security Level Indicator and UCAF Collection Indicator), position 3 (UCAF Collection Indicator) is set to 2 in authorization, 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.

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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 calendar 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.

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.

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

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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. **Staged Digital Wallet**. A transaction to fund a Staged Digital Wallet may be charged back if the funds did not appear in the Staged Digital Wallet. Chargeback rights are not available for any subsequent purchase of goods or service from a Staged Digital Wallet. Staged Digital Wallet transactions are identified with a wallet identifier in DE 48 (Additional Data—Private Use), subelement 26 (Wallet Program Data) Subfield 1—Wallet Identifier and in PDS 0207—Wallet Identifier of the First Presentment/1240 Message.

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
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.

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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 calendar 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.

Goods or Services Not Provided

The issuer may use reason code 79 when the cardholder claims goods or services were not received.

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.

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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 (when 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. **Staged Digital Wallet**. A transaction to fund a Staged Digital Wallet may be charged back if the funds did not appear in the Staged Digital Wallet. Chargeback rights are not available for any subsequent purchase of goods or service from a Staged Digital Wallet. Staged Digital Wallet transactions are identified with a wallet identifier in DE 48 (Additional Data—Private Use), subelement 26 (Wallet Program Data) Subfield 1—Wallet Identifier and in PDS 0207—Wallet Identifier of the First Presentment/1240 Message.

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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.

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 calendar 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.

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Late Presentment

An issuer may use reason code 80 when the transaction was authorized offline by the chip and submitted into clearing more than seven calendar days after the transaction date.

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 when 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

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.

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Notes	Supporting documentation must be in English or accompanied by an English translation.

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 calendar 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.

Invalid Adjustment—Account Closed

An issuer may use message reason code 95 to chargeback an invalid adjustment when the account is closed.

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

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Notes	None

Acquirer Representment (Second Presentment)
Representment is not available for this message reason code.

Invalid Adjustment—Insufficient Funds

An issuer may use message reason code 96 to chargeback an invalid adjustment when the account has insufficient funds.

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.
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

Acquirer Representment (Second Presentment)
Representment is not available for this message reason code.

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Chapter 4 Arbitration Case Filing

This chapter provides the procedures that Customers must follow when filing and managing an arbitration case.

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Overview

After the chargeback cycles have been completed, a Customer may ask Mastercard to resolve a chargeback dispute through an arbitration case.

A Customer may file an arbitration case when one of the following occurs:

- The chargeback cycles have been completed and the Customer continues to believe the dispute is invalid.
- An issuer in Europe did not receive the required second presentment Supporting Documentation (as described in the individual reason codes within the Single Message System Chargebacks chapter) for an ATM dispute within 10 calendar days of the Central Site Business Date of the second presentment.

The number of cycles in the chargeback will determine when the issuer or the acquirer is the Customer filing the case, therefore this chapter uses the term "Filing Customer" to refer to the Customer submitting the case against another Customer; the second Customer is referred to as the "Filed-Against" Customer.

MasterCom

All arbitration cases must be submitted and managed through the Case Filing application within MasterCom. Mastercard strongly recommends daily review of the Case Filing application to manage cases within applicable timeframes.

For more information, refer to the MasterCom manuals available on **Mastercard Connect** > **Publications** > **MasterCom System**.

How to File, and Respond to, an Arbitration Case

The Filing Customer must submit the arbitration case correctly, completely, and in compliance with the Timeframes and Requirements section later in this chapter.

The Filing Customer is responsible for ensuring that legible copies of all relevant documentation are linked to the case filing. This means entering the chargeback reference number and confirming that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case. When a chargeback reference number does not exist or does not link all previously provided Supporting Documentation, a thorough description of the circumstances of the case in chronological order and all previously provided Supporting Documentation must be manually attached into the MasterCom Case Filing application.

At any time prior to a Mastercard decision on the case, the Filing Customer may withdraw the case for any reason.

The Filed-Against Customer, using the Case Filing application within MasterCom, may:

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- Reject the arbitration case with a rebuttal and any relevant documentation within 10 calendar days of the filing date.
- Accept the case prior to a Mastercard decision on the case.

  Mastercard will automatically move funds for an accepted case by either generating a Global Clearing Management System (GCMS) "On-Behalf" Fee Collection/1740 message using message reason code 7800 or a MCBS Billing Event.
- Take no action. After 10 calendar days the MasterCom system will automatically change the status to "Rejected".

Mastercard will then review and determine responsibility for the case as described in the Mastercard Review Process section later in this chapter.

Time Frames and Requirements

The following table describes the conditions, time frames and requirements to file an arbitration case.

Condition	One of the following: • The chargeback cycles have been completed and the dispute is invalid. • An issuer in Europe did not receive the required second presentment Supporting Documentation (as described in the individual reason codes within the Single Message System Chargebacks chapter) for an ATM dispute within 10 calendar days of the Central Site Business Date of the second presentment.
Time Frame	45 calendar days from the Central Site Business Date of the last applicable chargeback cycle.

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Supporting Documentation

When the acquirer is the Filing Customer:

- When all previously provided Supporting Documentation (as described in the individual reason codes within the Dual Message System Chargebacks chapter) is shown as being linked to the case: None

  When all previously provided Supporting Documentation (as described in the individual reason codes within the Dual Message System Chargebacks chapter) is not shown as being linked to the case: A thorough description of the circumstances of the case in chronological order and all previously provided Supporting Documentation.
- When Supporting Documentation (as described in the individual reason codes within the Dual Message System Chargebacks chapter) has been provided for the first time in the last chargeback cycle as allowed by the individual chargeback reason code: The Filing Customer may address the new Supporting Documentation and provide any new applicable Supporting Documentation.

When the issuer is the Filing Customer:

- When a chargeback reference number does not exist or does not link all previously provided Supporting Documentation, a thorough description of the circumstances of the case in chronological order and all previously provided Supporting Documentation.
- When the SMS Case Filing box is checked in the MasterCom Case Filing application: a completed *Dispute Resolution Management Case Filing Form-SMS Linked Case Filing* (Form 682a)
- In addition:
  - For cases involving **53-Defective/Not as Described—Intra-U.S. Region and U.S. Territories Only**, refer to the Domestic Chargeback appendix.
  - For cases involving **71-Transaction Amount Differs** the following must also be included:
    - The cardholder letter, email, message or completed *Dispute Resolution Form—Point-of-Interaction (POI) Errors* (Form 1240) 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
  - For cases involving **73-Duplicate Transaction** the following must also be included:
    - A cardholder letter, email, message, or completed *Dispute Resolution Form—Point of Interaction (POI) Errors* (Form 1240)
    - When applicable, documentation supporting the cardholder's claim
  - For cases involving **74-No Cardholder Authorization** the cardholder letter, email, message or completed *Dispute Resolution Form-Fraud (Form 412)* stating the cardholder did not participate in or authorize the transaction.

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- For cases involving **75-Credit Not Received** the following must also be included:
  - The cardholder letter, email, message or completed *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) 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 the applicable time frame
    - The cardholder's account has been inaccurately debited instead of credited
  - A cardholder letter, email, message or completed *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) is **not required** when 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
- For cases involving **79-Goods or Services Not Provided** the following must also be included:
  - The cardholder letter, email, message or completed *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) 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.
    - A reasonably specific description of the goods or services purchased. Mastercard will determine whether the documentation presented for the chargeback cycle contains sufficient detail.
    - When applicable, the reason the cardholder believes the merchant will not provide the goods or services.
    - When 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

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Notes	A completed *Dispute Resolution Form-Fraud (Form 412)* or *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) must be the result of contact with the cardholder. An arbitration case filing may include multiple chargebacks, however, this option is only available when the Acquirer, Issuer, PAN, merchant and chargeback message reason code are the same. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. When applicable, domestic rules must be provided.

Mastercard Review Process

Mastercard will wait to rule on a case until one of the following occurs:

- 10 calendar days from the case filing submission date has passed
- The Filed-Against Customer rejects the case filing within MasterCom

Mastercard will decline to rule on a case when the Filing Customer did not follow all filing requirements. Examples of incorrect filing include but are not limited to:

- The case has insufficient documentation to enable Mastercard to rule on the case and assign responsibility for the disputed amount.
- The case was filed beyond the appropriate filing period.
- Documentation was not in English or accompanied by an English translation.

The Filing Customer may resubmit a case that has been declined for ruling when the Filing Customer can correct the deficiency that caused the case to be declined within the applicable filing time frames. A new filing fee will apply.

Mastercard will review the case, the applicable rules, and render a decision. Mastercard will post the decision in the MasterCom Case Filing application and generate Global Clearing Management System (GCMS) "On-Behalf" Fee Collection/1740 messages using message reason code 7800 or an MCBS Billing Event to debit and credit the disputed amount to the appropriate Customers.

During the review process, when Mastercard Dispute Resolution staff requests specific documentation from a Customer that documentation must be provided.

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Fees

Mastercard will process fees as billing events though the Mastercard Consolidated Billing System (MCBS) at the end of the month. Refer to the applicable country or region *Mastercard Consolidated Billing System (MCBS)* manual for more information.

A Customer withdrawing or accepting the case before Dispute Resolution Management issues a ruling is responsible for the following fees.

- Filing fee:
  - For intra-European and inter-European cases: EUR 150
  - For all other cases: USD 150
- Withdrawal/Accept fee:
  - For intra-European and inter-European cases: EUR 150
  - For all other cases: USD 150

When Dispute Resolution Management declines to rule on a case, the Filing Customer is responsible for the following Filing fees:

- For intra-European and inter-European cases: EUR 150
- For all other cases: USD 150

When Dispute Resolution Management rules on a case:

- The Customer found responsible for the case is also responsible for the following fees:
  - Filing Fee:
    - For intra-European and inter-European cases: EUR 150
    - For all other cases: USD 150
  - Administrative Fee:
    - For intra-European and inter-European cases: EUR 250
    - For all other cases: USD 250
  - Technical Violation Fee per violation of the dispute processing rules:
    - For intra-European and inter-European cases: EUR 100
    - For all other cases: USD 100
- The Customer not found responsible for the case may be responsible for a Technical Violation Fee per violation of the dispute processing rules:
  - For intra-European and inter-European cases: EUR 100
  - For all other cases: USD 100

Mastercard will assess the Customer requesting an appeal the following fee:

- For intra-European and inter-European cases: EUR 500
- For all other cases: USD 500

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Dispute Administration Fee (DAF)

- For Intra-European and Inter-European ATM and Maestro transactions: The issuer may collect 45 EUR from the acquirer (30 EUR net) within 45 calendar days of an acquirer accepting a pre-arbitration or arbitration case or Mastercard ruling in favor of the issuer.
- For Intra-European and Inter-European Mastercard POS transactions: The acquirer may collect 60 EUR from the issuer (30 EUR net) within 45 calendar days of an issuer accepting a pre-arbitration or arbitration case or Mastercard ruling in favor the acquirer.
- The DAF does not apply when the transaction is coded with MCC 5499, 5735, 5815, 5816, 7311, or 7399.
- The DAF may be collected using a miscellaneous fee collection message 1740-700 message with reason code 7606. DE 72 (Data Record) of the fee collection message must contain "**NNNNNN** —COLLECTION OF DAF." **NNNNNN** must be replaced with the 6 digit case identification number.
- When the fee was 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 must 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 "**NNNNNNNNNN** —COLLECTION OF DAF." **NNNNNNNNNN** must be replaced with the 10 digit chargeback reference number.

Intra-European and Inter-European Domestic Disputes

The following sections provide information on intra-European and inter-European disputes.

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.

Arbitration

When 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:

- 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

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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.

Arbitration Procedure

The arbitration procedure defined for international disputes will apply for domestic disputes.

Intra-EEA Third Party Processed Disputes

The following sections provide information on arbitration of disputes relating to Intra-EEA transactions not processed through Mastercard.

Definition

An intra-EEA third party processed dispute is a dispute between Customers concerning one or more transactions that were processed using a registered third party processor.

Arbitration

The Customers involved in the dispute may have recourse to arbitration by Mastercard when they have not agreed to any other dispute resolution procedure and at least one Customer requests Mastercard to arbitrate the dispute. The Customers must provide all information required by Mastercard to rule on the dispute. The case must be filed via MasterCom. The other party may reject the case filing when it can provide evidence that another dispute resolution procedure was agreed between the parties.

Mastercard will arbitrate in accordance with the Standards. The decision of Mastercard is binding on both parties.

Arbitration Procedure

The arbitration procedure defined for international disputes will apply for Intra-EEA third party processed disputes.

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Appeals

An appeal is a written request from a Customer to Mastercard asking Mastercard to reconsider a ruling decision.

Time Frames

An appeal must be postmarked within 45 calendar days of the Mastercard ruling decision.

When the appeal is sent by:

- Postal mail, the date included in the postmark must be within the 45 day time frame
- Courier, the tracking information must show that the courier received the appeal within the 45 day time frame

How to File an Appeal

An appeal:

- May only be submitted by a Customer involved in the case.
- Must include a detailed explanation of why the Customer believes the Mastercard decision should be reconsidered. An appeal may include 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 Officer.
- Must be a printed document signed by the Customer's Principal contact as detailed in *Member Info—Mastercard* or *Member Information—Cirrus/Maestro* on Mastercard Connect™.
- Must be sent at the same time by postal mail or courier (whichever delivery method best provides prompt delivery) to Mastercard and the other Customer involved in the case as described below:

Mastercard International, Incorporated

ATTN: Chief Franchise Officer

2000 Purchase Street

Purchase, NY 10577–2509

USA

Mastercard International, Incorporated

Vice President, Dispute Resolution Management

2200 Mastercard Boulevard

O'Fallon, MO 63368-7263

USA

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The Principal or Compliance contact of the other Customer involved in the case as detailed in *Member Info—Mastercard* or *Member Information—Cirrus/Maestro* on Mastercard Connect™.

In addition, the both appeals provided to Mastercard must include all of the following regarding the copy of the appeal sent to the other Customer:

- Delivery method
- Proof of the date the appeal was received by the post office or courier
- Principal or Compliance contact name and address

Appeal Review Process

An appeal not compliant with these rules or otherwise submitted improperly will be rejected. The Chief Franchise Officer of Mastercard will review each properly filed appeal.

The Chief Franchise Officer may take such action as he or she deems necessary or appropriate or may elect not to act.

The Chief Franchise 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 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 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.

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Chapter 5 Compliance Case Filing

This chapter provides the procedures to file and manage a compliance case.

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Overview

A Customer may ask Mastercard to resolve a rules violation causing financial loss through a compliance case.

Depending on the case, the issuer or the acquirer may be the Customer filing the case, therefore this chapter uses the term "Filing Customer" to refer to the Customer submitting the case against another Customer; the second Customer is referred to as the "Filed-Against" Customer.

A compliance case must not be filed when a chargeback is available, a chargeback is prohibited, or to circumvent the Fraud Notification Service (FNS).

A Customer may file a compliance case when all of the following conditions have been met.

- Another Customer, whether directly or indirectly, has violated any of the *Mastercard Rules* or Standards directly causing another Customer to experience a financial loss.

  The Filing Customer must 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 had the Filed-Against Customer had followed the rules.
- The Filing Customer submitted a pre-compliance case, with the exception of a Fee Collection/1740 message case.
- The Filed-Against Customer did not accept responsibility for the pre-compliance case (when pre-compliance was required).

MasterCom

All compliance cases must be submitted and managed through the Case Filing application within MasterCom. Mastercard strongly recommends daily review of the Case Filing application to manage cases within applicable timeframes.

For more information, refer to the MasterCom manuals available on **Mastercard Connect** > **Publications** > **MasterCom System**.

How to File, and Respond to, a Compliance Case

The Filing Customer must submit a pre-compliance case correctly, completely, and in compliance with the Timeframes and Requirements section later in this chapter. Pre-compliance is required, with the exception of a Fee Collection/1740 message case.

The Filing Customer is responsible for ensuring that legible copies of all relevant documentation is linked to the case filing.

- When the compliance case involves a chargeback, the Filing Customer can enter the chargeback reference number and confirm that all previously provided documents link to the case.

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When relevant documentation is not showing as being linked to the case, a thorough description of the circumstances of the case in chronological order and all relevant chargeback cycle documentation must be manually attached to the MasterCom case.

- When the compliance case does not involve a chargeback, all relevant documentation must be manually attached to the MasterCom case.

At any time prior to the Filed-Against Customer rejecting or accepting the case, the Filing Customer may withdraw the case for any reason.

The Filed-Against Customer, using the Case Filing application within MasterCom, may:

- Reject the pre-compliance with a rebuttal and any relevant documentation within 30 calendar days of the date the pre-compliance case was submitted into MasterCom.
- Accept the pre-compliance case within 30 calendar days of the date the pre-compliance case was submitted into MasterCom.

  Mastercard will automatically move funds for an accepted case by either generating a Global Clearing Management System (GCMS) "On-Behalf" Fee Collection/1740 message using message reason code 7800 or a MCBS Billing Event.
- Take no action. After 30 calendar days the MasterCom system will automatically reject the pre-compliance case.

The Filing Customer may escalate the pre-compliance case to a compliance case once the case is rejected using the Case Filing application within MasterCom within the timeframes described in the Timeframes and Requirements section later in this chapter.

At any time prior to a Mastercard decision on the case, the Filing Customer may withdraw the compliance case for any reason.

The Filed-Against Customer, using the Case Filing application within MasterCom, may:

- Reject the compliance case with a rebuttal and any relevant documentation within 10 calendar days of the escalation date.
- Accept the compliance case prior to a Mastercard decision on the case.
- Take no action.

Mastercard will then review and determine responsibility for the case as described in the Mastercard Review Process section later in this chapter.

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Time Frames and Requirements

The following tables describe the conditions, time frames, and documentation necessary to submit a compliance case.

Missing, Invalid, or Inaccurate Authorization Data

Pre-compliance Condition	An issuer may file a pre-compliance case against an acquirer when both of the following: • Any of the mandatory or optional data elements supplied in the authorization request message are missing, invalid or inaccurate. • The issuer suffered a financial loss directly due to the violation.
Pre-compliance Time Frame	At least 30 calendar days prior to escalating the pre-compliance case to a compliance case.
Pre-compliance Supporting Documentation	All the following: • The specific authorization data asserted to be missing, invalid, or inaccurate. • Documentation confirming that the authorization data, as received, misrepresented the nature of the transaction • Documentation explaining why the missing, invalid, or inaccurate authorization data resulted in the transaction being authorized. • Documentation explaining why the transaction would not have been authorized if complete, valid, and accurate data had been received • Documentation proving, to the satisfaction of Mastercard, that the issuer 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. • For a transaction containing an Original Switch Serial Number: a completed *Dispute Resolution Management Case Filing Form-SMS Linked Case Filing* (Form 682a).
Compliance Condition	An issuer may escalate the pre-compliance case to a compliance case when the pre-compliance case is rejected.
Compliance Time Frame	Within 120 calendar days of the Central Site Business Date of the transaction.
Notes	Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.

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Inaccurate Clearing Data That Restricts Chargeback Cycles

Pre-compliance Condition	Both of the following: • An issuer or acquirer may file a pre-compliance case when the clearing data presented in the First Presentment 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 Filing Customer suffered a financial loss directly due to the violation.
Pre-compliance Time Frame	At least 30 calendar days prior to escalating the pre-compliance case to a compliance case.
Pre-compliance Supporting Documentation	**When the Filing Customer is the issuer:** • Document the data elements causing, or that will cause, the chargeback to be rejected. • Identity the values the issuer believes should have been provided in the authorization or clearing messages. • Specify the chargeback reason and provide the supporting documentation as set forth in the applicable message reason code. **When the Filing Customer is the acquirer:** • Document the data elements causing the reject and provide the valid values as submitted in the authorization or clearing message. • Provide a valid remedy to the chargeback as set forth in the applicable message reason code. For transactions assigned an Original Switch Serial Number: a completed *Dispute Resolution Management Case Filing Form-SMS Linked Case Filing* (Form 682a).
Compliance Condition	The Filing Customer may escalate the pre-compliance case to a compliance case when the pre-compliance case is rejected.
Compliance Time Frame	When the Filing Customer is the issuer and the chargeback was, or will be, rejected one of the following: • The first chargeback time frame • 45 calendar days from the date that the chargeback was rejected When the Filing Customer is the acquirer: 45 calendar days from the date that the second presentment was rejected.

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Notes	Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. This compliance case includes claims of Improper UCAF Data.

Fee Collection/1740 Message

Pre-compliance Condition	Pre-compliance is optional, Customer may direct file a compliance case. A Customer choosing pre-compliance must meet all of the **Compliance Conditions**. Consider skipping the optional pre-compliance step, especially when the pre-compliance timeframe will cause the compliance timeframe to be exceeded.
Pre-compliance Time Frame	30 calendar days prior to escalating the pre-compliance case to a compliance case
Pre-compliance Supporting Documentation	A Customer choosing pre-compliance must provide the **Compliance Supporting Documentation.**
Compliance Condition	An issuer or an acquirer may file a compliance case in response to an invalid Arbitration Return Fee Collection/1740-782 message
Time Frame	Within 45 calendar days of the invalid Arbitration Return Fee Collection/1740-782 message
Supporting Documentation	A thorough description of the circumstances of the case in chronological order.
Notes	Refer to Chapter 15, Fee Collection, of the *GCMS Reference* manual for more information. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.

Failure to Provide the TID

Pre-compliance Condition	An issuer may file a pre-compliance case against an acquirer when both of the following occurred: • The acquirer did not provide the transaction information document (TID) in response to a Retrieval Request/1644 message in accordance with 3.11.1 Retention of Transaction Records of the *Transaction Processing Rules*. • The issuer suffered a financial loss directly due to the violation

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Pre-compliance Time Frame	At least 30 calendar days prior to escalating the pre-compliance case to a compliance case
Pre-compliance Supporting Documentation	All of the following: • The information from the Retrieval Request/1644 message • Any other documentation the issuer believes to be relevant • Sufficient documentation to prove a financial loss occurred because the acquirer failed to provide the TID. Examples include, but are not limited to: – A judicial request for the TID to substantiate the collection of a debt. – A copy of the national law (and an English translation when 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.
Compliance Condition	An issuer may escalate the pre-compliance case to a compliance case when the pre-compliance case was rejected.
Time Frame	Within 120 calendar days of the Central Site Business Date of the Retrieval Request/1644 message
Notes	None

Merchant Not Listed or Improperly Listed on MATCH

Pre-compliance Condition	An acquirer may file a compliance case against an acquirer when all of the following occurred: • An acquirer signed a merchant agreement with a merchant • That same merchant was previously terminated by a previous acquirer • That previous acquirer failed to list or properly list the merchant on MATCH™ • The acquirer experienced a financial loss directly caused by the failure of a previous acquirer to list or properly list the merchant on MATCH™
Pre-compliance Time Frame	At least 30 calendar days prior to escalating the pre-compliance case to a compliance case
Pre-compliance Supporting Documentation	All of the following: • Documentation to support the **Pre-Compliance Condition**. • For each chargeback included in the case filing: The chargeback reference number, date of the first chargeback, amount being charged back, Acquirer Reference Data, and merchant name. • For transactions assigned an Original Switch Serial Number: a completed *Dispute Resolution Management Case Filing Form-SMS Linked Case Filing* (Form 682a)

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Compliance Condition	An acquirer may escalate the pre-compliance case to a compliance case when the pre-compliance case was rejected.
Compliance Time Frame	One of the following: • Within 120 calendar days of the acquirer terminating the merchant's merchant agreement • When beyond 120 calendar days, 45 calendar days from the date the violation was, or should have been, detected
Notes	Refer to Chapter 11, MATCH System, of the *Security Rules and Procedures* manual for more information on the MATCH ™ system. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.

Unjust Enrichment

Pre-compliance Condition	An issuer or acquirer may file a pre-compliance case to recover funds when the Filed-Against Customer has been unjustly enriched, to the detriment of the Filing Customer. Examples included but are not limited to: • 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. • The Filing Customer suffered a financial loss directly due to the violation.
Pre-compliance Time Frame	At least 30 calendar days prior to escalating the pre-compliance case to a compliance case
Pre-compliance Supporting Documentation	Both of the following: • For transactions assigned an Original Switch Serial Number: a completed *Dispute Resolution Management Case Filing Form-SMS Linked Case Filing* (Form 682a) • Documentation to support the **Pre-Compliance Condition**.
Compliance Condition	An issuer may escalate the pre-compliance case to a compliance case when the pre-compliance case was rejected.
Time Frame	Within 120 calendar days of the Central Site Business Date of the transaction.

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Notes	Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. When a pre-compliance case is filed by an acquirer against an issuer because the acquirer provided a credit/refund for the disputed transaction before the issuer generated a chargeback for that same transaction, and the pre-compliance case accepted by issuer, the MasterCom case fee of USD 20/EUR 20 is assessed to the issuer.

Acquirer Request for Cardholder Statement of Fraud

Pre-compliance Condition	An acquirer may file a pre-compliance case against an issuer to obtain a copy of the cardholder's letter, email, or message when all of the following occurred: • The issuer charged back a transaction for fraud • The Supporting Documentation provided for the fraud chargeback included the *Dispute Resolution Form-Fraud* (Form 412), rather than a cardholder letter, email, or message. • The acquirer's request is the result of a judicial request, law enforcement investigation, other legal action, or as required by applicable law or regulation. • The Filing Customer suffered a financial loss directly due to the violation.
Pre-compliance Time Frame	At least 30 calendar days prior to escalating the pre-compliance case to a compliance case
Pre-Compliance Supporting Documentation	One of the following: • Evidence of legal reason requiring the cardholder letter, email, or message. Examples included, but are not limited to, court order or subpoena. • The acquirer's certification describing the legal reason for which the cardholder letter, email or message of fraud is required.
Compliance Condition	An acquirer may escalate the pre-compliance case to a compliance case when the pre-compliance case was rejected.
Compliance Time Frame	One of the following: • Within 90 calendar days of the date on which the merchant notified the acquirer • Within 90 calendar days of the date on which the acquirer became aware that the cardholder letter, email, or message is required for legal reasons.
Notes	Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.

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Issuer Listed in Mastercard Announcement

Pre-compliance Condition	The acquirer may file a pre-compliance case when the issuer was listed in a Mastercard Announcement as one of the following: • Ineligible to participate in the Global Chip Liability Shift Program for interregional Maestro ATM transactions • 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).
Pre-compliance Time Frame	30 calendar days prior to escalating the pre-compliance case to a compliance case
Pre-compliance Supporting Documentation	The date of the Mastercard Announcement listing the issuer.
Compliance Condition	The Filing Customer may escalate the pre-compliance case to a compliance case when the pre-compliance case is rejected.
Compliance Time Frame	Within 180 calendar days of the processing date of the invalid Maestro chargeback
Notes	Refer to the *Security Rules and Procedures* manual, Chapter 6, Fraud Loss Control Standards. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.

MoneySend Payment Transactions

Pre-compliance Condition	The issuer (as the Receiving Institution) did not receive a clearing record within one Central Site business day of the authorization approval date of the MoneySend Payment Transaction authorization request.
Pre-compliance Time Frame	30 calendar days prior to escalating the pre-compliance case to a compliance case
Pre-compliance Supporting Documentation	Both of the following: • The authorization request approval date; and • The transaction amount indicated in the authorization request message.
Compliance Condition	The Filing Customer may escalate the pre-compliance case to a compliance case when the pre-compliance case is rejected.
Compliance Time Frame	Within 45 calendar days after approval of the MoneySend Payment Transaction authorization request.

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Notes	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. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.

All Other Rules Violations

Pre-compliance Condition	Both of the following: • A rule was violated • The Filing Customer suffered a financial loss directly due to the violation
Pre-compliance Time Frame	At least 30 calendar days prior to escalating the pre-compliance case to a compliance case
Pre-compliance Supporting Documentation	Both of the following: • Documentation to support the **Pre-Compliance Condition**. • For transactions assigned an Original Switch Serial Number: a completed *Dispute Resolution Management Case Filing Form-SMS Linked Case Filing* (Form 682a)
Compliance Condition	An issuer or acquirer may escalate the pre-compliance case to a compliance case when the pre-compliance case was rejected.
Compliance Time Frame	Within 120 calendar days of the violation
Notes	Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.

Mastercard Review Process

Mastercard will wait to rule on a case until one of the following occurs:

- 10 calendar days from the case filing submission date has passed
- The Filed-Against Customer rejects the case filing within MasterCom

Mastercard will decline to rule on a case when the Filing Customer did not follow all filing requirements. Examples of incorrect filing include but are not limited to:

- 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.
- Documentation was not in English or accompanied by an English translation.

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The Filing Customer may resubmit a case that has been declined for ruling when the Filing Customer can correct the deficiency that caused the case to be declined within the applicable filing time frames. A new filing fee will apply.

Mastercard will review the case, the applicable rules, and render a decision. Mastercard will post the decision in the MasterCom Case Filing application and generate Global Clearing Management System (GCMS) "On-Behalf" Fee Collection/1740 messages using message reason code 7800 or an MCBS Billing Event to debit and credit the disputed amount to the appropriate Customers.

During the review process, when Mastercard Dispute Resolution staff requests specific documentation from a Customer that documentation must be provided.

Fees

Mastercard will process fees as billing events though the Mastercard Consolidated Billing System (MCBS) at the end of the month. Refer to the applicable country or region *Mastercard Consolidated Billing System (MCBS)* manual for more information.

A Customer withdrawing or accepting the case before Dispute Resolution Management issues a ruling is responsible for the following fees.

- Filing fee:
  - For intra-European and inter-European cases: EUR 150
  - For all other cases: USD 150
- Withdrawal/Accept fee:
  - For intra-European and inter-European cases: EUR 150
  - For all other cases: USD 150

When Dispute Resolution Management declines to rule on a case, the filing Customer is responsible for the Filing fees:

- For intra-European and inter-European cases: EUR 150
- For all other cases: USD 150

When Dispute Resolution Management rules on a case:

- The Customer found responsible for the case is also responsible for the following fees:
  - Filing Fee:
    - For intra-European and inter-European cases: EUR 150
    - For all other cases: USD 150
  - Administrative Fee:
    - For intra-European and inter-European cases: EUR 250
    - For all other cases: USD 250
  - Technical Violation Fee per violation of the dispute processing rules:

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  - For intra-European and inter-European cases: EUR 100
  - For all other cases: USD 100
- The Customer not found responsible for the case may be responsible for a Technical Violation Fee per violation of the dispute processing rules:
  - For intra-European and inter-European cases: EUR 100
  - For all other cases: USD 100

Mastercard will assess the Customer requesting an appeal the following fee:

- For intra-European and inter-European cases: EUR 500
- For all other cases: USD 500

Appeals

An appeal is a written request from a Customer to Mastercard asking Mastercard to reconsider a ruling decision.

Ruling decisions for compliance cases citing either the Missing, Invalid, or Inaccurate Authorization Data or the Inaccurate Clearing Data that Restricts Chargeback sections of this chapter are final and binding and may not be appealed.

Time Frames

An appeal must be postmarked within 45 calendar days of the Mastercard ruling decision.

When the appeal is sent by:

- Postal mail, the date included in the postmark must be within the 45 day time frame
- Courier, the tracking information must show that the courier received the appeal within the 45 day time frame

How to File an Appeal

An appeal:

- May only be submitted by a Customer involved in the case.
- Must include a detailed explanation of why the Customer believes the Mastercard decision should be reconsidered. An appeal may include documentation supporting an overturn of the original decision. No new facts will be considered in an appeal unless, and then only to the extent, requested by the Chief Franchise Officer.
- Must be a printed document signed by the Customer's Principal contact as detailed in *Member Info—Mastercard* or *Member Information—Cirrus/Maestro* on Mastercard Connect™.
- Must be sent at the same time by postal mail or courier (whichever method best provides prompt delivery) to Mastercard and the other Customer involved in the case as described below:

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Mastercard International, Incorporated

ATTN: Chief Franchise Officer

2000 Purchase Street

Purchase, NY 10577–2509

USA

Mastercard International, Incorporated

Vice President, Dispute Resolution Management

2200 Mastercard Boulevard

O'Fallon, MO 63368-7263

USA

The Principal or Compliance contact of the other Customer involved in the case as detailed in *Member Info—Mastercard* or *Member Information—Cirrus/Maestro* on Mastercard Connect™.

In addition, both sets of appeal documents provided to Mastercard must include all of the following regarding the copy of the appeal sent to the other Customer:

- Delivery method
- Proof of the date the appeal was received by the post office or courier
- Principal or Compliance contact name and address

Appeal Review Process

An appeal not compliant with these rules or otherwise submitted improperly will be rejected. The Chief Franchise Officer of Mastercard will review each properly filed appeal.

The Chief Franchise Officer may take such action as he or she deems necessary or appropriate or may elect not to act.

The Chief Franchise 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 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 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.

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Chapter 6 Mastercard Merchant Presented QR

Overview of the Mastercard Merchant Presented QR Dispute Process.

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Overview

An Originating Institution (OI) may dispute a Merchant Presented QR transaction through the pre-compliance and compliance case filing process when the consumer contacted the OI alleging one of the following dispute reasons:

1. Goods or Services Were Either Not as Described or Defective
2. Goods or Services Were Not Provided
3. Credit Not Processed
4. Paid by Other Means
5. Billed an Incorrect Amount
6. Duplicate Transaction

A dispute must not be submitted for failure to refund shipping or handling charges for buyer's remorse cancellations or returns.

Disputes are available to the OI for transactions in which any value is purchased for gambling, investment or similar purposes. However, OIs have no dispute rights related to the use of these chips or value, unspent chips, or withdrawal of such value, or on any winnings, gains or losses resulting from the use of such chips or value.

How to File, and Respond to, Disputes through the Compliance Case Filing Process

The Originating Institution (OI) must submit a pre-compliance case correctly, completely, and in compliance with the requirements described later in this chapter and in the *Case Filing Procedures for Merchant Presented QR Pre-compliance*.

The OI is responsible for ensuring that legible copies of all relevant documentation are manually attached to the MasterCom pre-compliance case.

At any time prior to the Receiving Institution (RI) rejecting or accepting the case, the OI may withdraw the case for any reason.

The RI, using the Case Filing application within MasterCom, may:

- Reject the pre-compliance case with a rebuttal and any relevant documentation within 25 calendar days (5 business days for domestic Nigeria POS transactions) of the date the pre-compliance case was submitted into MasterCom.
- Accept the pre-compliance case within 25 calendar days (5 business days for domestic Nigeria POS transactions) of the date the pre-compliance case was submitted into MasterCom.

  Mastercard will automatically move funds for an accepted case by either generating a Global Clearing Management System (GCMS) "On-Behalf" Fee Collection/1740 message using message reason code 7800 or a MCBS Billing Event.

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- Take no action and thereby accept liability for the disputed transaction should the pre-compliance case subsequently be escalated to a compliance case. After 30 calendar days the MasterCom system will automatically reject the pre-compliance case.

The OI may escalate the pre-compliance case to a compliance case when:

- The RI rejected the pre-compliance case within the 25 calendar day (5 business days for domestic Nigeria POS transactions) timeframe. The case can be escalated immediately upon rejection by the RI.
- The MasterCom system rejected the pre-compliance case.

When escalating a pre-compliance case to a compliance case, the OI may, when applicable, add a response to the RI's rebuttal.

An OI failing to escalate the pre-compliance to a compliance case within timeframe is choosing to accept liability for the disputed transaction.

At any time prior to a Mastercard decision on the escalated compliance case, the OI may withdraw the compliance case for any reason.

The RI, using the Case Filing application within MasterCom, may:

- Accept the compliance case at any time prior to a Mastercard decision on the case. **The RI must not attach documentation or add a memo.**

  Mastercard will rule the case in favor of the OI when the RI attaches documentation or adds a memo.
- Within 10 calendar days of the case escalation date, take no action.

"Rejecting" a compliance case filing is prohibited even though the MasterCom button may appear. Mastercard will rule the case in favor of the OI when the RI rejects the case.

Mastercard may begin review of the case fifteen days after a pre-compliance case is escalated to compliance and determine responsibility according the dispute rules applicable to the dispute reason.

Supporting Documents. Supporting Documents must be in English or accompanied by an English translation unless both the Originating Institution (OI) and the Receiving Institution (RI) share a common language. Supporting Documents must provide sufficient detail to enable all parties to understand the nature of the dispute or rebuttal. Mastercard will determine whether the Supporting Documents contain sufficient detail.

Supporting Documents must be provided using the MasterCom application.

The consumer email, consumer letter, and consumer message (including through a password-protected website) must come directly from the consumer or, in the case of a commercial card, the corporate entity. A completed Dispute Resolution Form must be the direct result of a conversation with the consumer.

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Dispute Reasons

The following sections provide information in handling Merchant Presented QR disputes.

Goods or Services were Either not as Described or Defective

This section provides information in handling a dispute when the consumer contacted the Originating Institution alleging that the 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.

Pre-Compliance Case

This table details the conditions under which an Originating Institution (OI) may initiate a pre-compliance case filing.

Good or Services were either not as Described or Defective

Pre-Compliance Condition. The consumer contacted the Originating Institution (OI) claiming all of the following:

- The consumer engaged in the transaction.
- The consumer 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 refund.
- For disputes involving goods: The consumer 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 consumer claims that the quality or workmanship of the product is not as described.
  - The consumer 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 consumer including, but not limited to, 100 percent money back guarantee, written promises, or return policy.

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Time Frame. A pre-compliance case must be submitted a minimum of 30 calendar days prior to escalation as a compliance case. The pre-compliance case must be submitted within one of the following time frames:

- Between 15 and 90 calendar dates from the transaction settlement date.
- Between 15 and 90 calendar dates from the delivery date of the goods or services.
- 90 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.

Supporting Documents. All of the following:

- An OI statement within the Pre-compliance case filing stating that the dispute is for **"GOODS AND SERVICES WERE EITHER NOT AS DESCRIBED OR DEFECTIVE".**
- Consumer email, letter, message or completed *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) describing the consumer's complaint in sufficient detail to enable all parties to understand the dispute.
- Documentation from an expert or professional that supports the consumer's dispute about the level of quality or misrepresentation. Other documentation as 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.

Notes. This pre-compliance 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.

Pre-Compliance Case Response

A Receiving Institution (RI) may respond to a pre-compliance case filing when:

1. Goods or services were as described or not defective.
2. The pre-compliance filing was invalid.

The following tables detail the conditions under which an RI may response to a pre-compliance case filing.

Good or Services were as Described or not Defective

Pre-Compliance Response Condition.	The Receiving Institution (RI) can provide evidence in response to the consumer's claims.
Time Frame.	Within 25 calendar days of the pre-compliance Submitted Date as shown in the MasterCom Case Filing application.
Supporting Documents.	The merchant's explanation and documentation in response to the cardholder's claims.

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Notes.	This dispute 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.

The OI's Pre-Compliance was Invalid

Pre-Compliance Response Condition.	The Originating Institution (OI) pre-compliance filing was invalid. For example, the pre-compliance case was filed after the applicable timeframe.
Time Frame.	Within 25 calendar days of the pre-compliance Submitted Date as shown in the MasterCom Case Filing application.
Supporting Documents.	The RI's explanation of why they believe the pre-compliance filing was invalid.
Notes.	None.

Compliance Case

The OI may escalate a pre-compliance case to a compliance case filing within the required time frame when:

1. The consumer continues to dispute the transaction.
2. The RI did not respond to the pre-compliance case or the RI's response to the pre-compliance case was invalid.

The OI accepts responsibility for the transaction when the OI fails to escalate the pre-compliance to a compliance case filing within the applicable time frame.

The Consumer Continues to Dispute the Transaction

Compliance Condition.	The consumer continues to dispute the transaction.
Time Frame.	Escalate within 120 calendar days of one of the following: • The delivery date of the goods or services. • The transaction settlement date. • For interrupted services, the date the services ceased.

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Supporting Documents.	A new consumer letter, email, message, or *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) dated after the merchant's documentation and specifically addressing the merchant's explanation. The supporting documentation must be attached upon escalation or within 10 calendar days of escalation.
Notes.	The new consumer letter, email, message or completed *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) must be dated after the pre-compliance case response and must specifically address the rebuttal provided with the pre-compliance case response.

The RI's Response to the Pre-Compliance Case was Invalid or not Provided

Compliance Condition.	The RI's response to the pre-compliance case was invalid or not provided.
Time Frame.	Escalate within 120 calendar days of one of the following: • The delivery date of the goods or services. • The transaction settlement date. • For interrupted services, the date the services ceased.
Supporting Documents.	The OI's explanation of why they believe the pre-compliance response was invalid. When applicable , the supporting documentation must be attached upon escalation or within 10 calendar days of escalation.
Notes.	None.

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Goods or Services were not Provided

This section details the requirements for claims of goods or services were not provided.

Pre-Compliance Case

This table details the conditions under which an Originating Institution (OI) may initiate a dispute.

Good or Services were not Provided

Pre-Compliance Condition.	One of the following: • The consumer contacted the Originating Institution (OI) claiming both of the following: – The consumer engaged in the transaction. – The purchased goods or services were not received. • Travel services arranged through an online travel agency or tour operator were not received and the travel agency or tour operator is no longer in business.

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Time Frame.	A pre-compliance case must be submitted a minimum of 30 calendar days prior to escalation as a compliance case. The pre-compliance must be submitted within one of the following time frames: • In cases involving delayed delivery of goods or services **and** the delivery or performance date was **not** specified by the merchant: the OI must wait 30 calendar days from the transaction date before submitting a pre-compliance and not to exceed 90 calendar days from the transaction settlement date. However, the OI may file a pre-compliance case immediately (and not wait the 30 calendar days) upon learning the merchant will not provide the goods or services because, for example, for the merchant is no longer in business. • In cases involving delayed delivery of goods or services **and** the delivery or performance date was specified by the merchant **and** the latest anticipated delivery or performance date was specified by the merchant has passed: within 90 calendar days of the latest anticipated delivery or performance date specified by the merchant. However, the OI may file a pre-compliance case immediately (and not wait until the latest anticipated delivery or performance date has passed) upon learning the merchant will not provide the goods or services because, for example, for the merchant is no longer in business. • In cases involving interruption of ongoing services, within 90 calendar days of the date the consumer becomes aware that the service ceased. A pre-compliance case 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, 90 calendar days from the expiration date printed on the card. • In all other cases: 90 calendar days from the transaction settlement date.

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Supporting Documents.	An OI statement within the pre-compliance case filing stating that the pre-compliance case is for **"GOODS OR SERVICES WERE NOT PROVIDED"**. Additionally, one of the following: • Consumer email, letter, message or completed *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) must include both of the following: – A description of the consumer's complaint in sufficient detail to enable all parties to understand the dispute. – A reasonably specific description of the goods/services purchased. • For disputes involving a transaction performed by an online travel agency or tour operator that is no longer in business at the time of the dispute: an email, letter, or completed *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) provided by the individual or corporate entity requesting the travel arrangements from the online travel agency or tour operator that includes all of the following: – A description of the complaint in sufficient detail to enable all parties to understand the dispute. – A reasonably specific description of the goods/services purchased.

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Notes.

This dispute applies when the consumer receives an empty box or a box containing worthless items, such as a brick or a stack of paper.

Interruption of Ongoing Services

The OI must only charge back an amount representing the services not received by the consumer.

When an end date was not defined, then the OI must calculate the prorated amount based upon 18 months.

For example, the consumer 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 dispute does not apply when:

- The consumer 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 consumer is obligated to pay the appropriate fees.
- The merchant delivered the merchandise and the consumer refused to accept delivery.
- The consumer signed a waiver absolving the merchant from responsibility when the merchandise is not received.

  For example: A consumer purchases vases and arranges with the merchant to have the vases shipped to the United States. At the time of purchase, the consumer signs a waiver form that states: "PROOF OF DISPATCH OF THE MERCHANDISE WILL BIND THE CONSUMER." The vases never arrive, and the consumer contacts the merchant. The merchant provides documentation to show that the merchandise was shipped. By signing the waiver, the consumer absolved the merchant of liability for merchandise that the consumer did not receive.
- The consumer declined insurance.

  For example: The merchant provides the consumer with an opportunity to purchase insurance on the merchandise to be delivered. Normally, such insurance stipulates that the consumer 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 consumer when the consumer declined to purchase insurance, along with documentation that shows that the merchant shipped the merchandise.

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Pre-Compliance Response

A Receiving Institution (RI) may respond to a pre-compliance case filing when:

1. Goods or services were as described or not defective.
2. The pre-compliance filing was invalid.

The following tables detail the conditions under which an RI may respond to a pre-compliance case filing.

Good or Services were Provided

Pre-Compliance Response Condition.	The Receiving Institution can provide evidence in response to the consumer's claims.
Time Frame.	Within 25 calendar days (5 business days for domestic Nigeria POS transactions) of the pre-compliance Submitted Date as shown in the MasterCom Case Filing application.
Supporting Documents.	The merchant's explanation and documentation showing the goods or services were provided.
Notes.	None.

The OI's Pre-Compliance was Invalid

Pre-Compliance Condition.	The Originating Institution (OI) pre-compliance filing was invalid. For example, the pre-compliance case was filed after the applicable timeframe.
Time Frame.	Within 25 calendar days (5 business days for domestic Nigeria POS transactions) of the pre-compliance Submitted Date as shown in the MasterCom Case Filing application.
Supporting Documents.	The RI's explanation of why they believe the pre-compliance filing was invalid.
Notes.	None.

Compliance Case

The Originating Institution (OI) may escalate a pre-compliance case within the required time frame to a compliance case filing when:

1. The consumer continues to dispute the transaction.

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2. The RI did not respond to the pre-compliance case or the RI's response to the pre-compliance case was invalid.

The OI accepts responsibility for the transaction when the OI fails to escalate the pre-compliance to a compliance case filing within the required time frame.

The following tables detail the conditions under which an OI may escalate to a compliance case filing.

The Consumer Continues to Dispute the Transaction

Compliance Condition.	The consumer continues to dispute the transaction.
Time Frame.	Escalate within 120 calendar days of one of the following: • The transaction settlement date. • The latest anticipated delivery or performance date specified by the merchant. • For interrupted ongoing services, the date the consumer became aware that the service ceased. • For merchant-branded prepaid gift cards where the merchant is out of business, the case must be escalated within 120 calendar days from the expiration date printed on the card or 540 calendar days from the transaction settlement of the first presentment if there is no expiration date on the card.

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Supporting Documents.	A new consumer letter, email, message, or *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) dated after the merchant's documentation and specifically addressing the merchant's explanation provided with the pre-compliance case response. In addition: • When the pre-compliance case response documentation includes a signed delivery receipt, the new consumer letter, email, message, or completed *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) must state the signature on the delivery receipt is not the consumer's signature or the signature of any person authorized by the consumer. • When the pre-compliance case response documentation stated that paper airline tickets were issued, the new consumer 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 consumer's possession and how the airline tickets were disposed (for example, the airline tickets were discarded, destroyed, returned to the Originating Institution, 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 pre-compliance case response documentation included a delivery receipt dated before the original consumer letter. – The delivery receipt was not signed by the consumer, or a person authorized by the consumer. Supporting documentation must be attached upon escalation or within 10 calendar days of escalation.
Notes.	The new consumer letter, email, message or completed *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) must be dated after the pre-compliance case response and must specifically address the rebuttal provided with the pre-compliance case response.

The RI's Response to the Pre-Compliance Case was Invalid or Not Provided

Compliance Condition.	The RI's response to the pre-compliance case was invalid or not provided.

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Time Frame.	Escalate within 120 calendar days of one of the following: • The transaction settlement date. • The latest anticipated delivery or performance date specified by the merchant. • For interrupted services, the date the consumer became aware that the service ceased. • For merchant-branded prepaid gift cards where the merchant is out of business, the case must be escalated within 120 calendar days from the expiration date printed on the card or 540 calendar days from the Central Site Business Date of the first presentment if there is no expiration date on the card.
Supporting Documents.	The OI's explanation of why they believe the pre-compliance response was invalid. When applicable , the supporting documentation must be attached upon escalation or within 10 calendar days of escalation.
Notes.	None.

Credit not Processed

This section details the requirements for claims that a refunds was not processed.

Pre-Compliance Case

This table details the conditions under which an Originating Institution may initiate a dispute.

Credit not Processed

Pre-compliance Condition.	The consumer contacted the Originating Institution (OI) 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 refund for a reduced amount without proper disclosure. • The merchant failed to issue a Value Added Tax (VAT) refund.

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Time Frame.	A pre-compliance case must be submitted a minimum of 30 calendar days prior to escalation as a compliance case. The pre-compliance case must be submitted within one of the following time frames: • Between 15 and 90 calendar days from the date on the refund documentation, or the date the service was canceled, or the goods were returned. When waiting the 15 calendar days would cause the OI to exceed the 90 calendar day time frame, the OI may file a pre-compliance case earlier than 15 calendar days. When the refund documentation is dated, the 90-day pre-compliance case time frame counts the date on the refund documentation as day zero. When the refund documentation is undated, the 90-day time frame counts the date on the consumer letter, email, message, or *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) as day zero. When the consumer letter is undated, the pre-compliance case time frame counts the receipt date of the documentation by the OI as day zero. • 90 calendar days from the transaction date for a VAT refund. • The OI can immediately charge back the transaction upon receiving one of the following forms of refund documentation: – A letter from the merchant advising the OI to obtain a refund using a dispute. – Proof of an improperly disclosed in-store credit. – A receipt voided by the merchant.
Supporting Documents.	An OI statement within the Pre-compliance case filing stating that the dispute reason is for **"CREDIT NOT PROCESSED"**. Additionally, one of the following: • A consumer letter, email, message, or *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) describing the consumer's complaint in sufficient detail to enable all parties to understand the dispute. • Merchant documentation to support a refund is due to the consumer. • Proof of an improperly disclosed in-store credit and consumer explanation.

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Notes.	**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 consumer 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 refund. When the merchant informed the consumer of its refund policy at the time of purchase, the consumer must abide by that policy. For example, the consumer's sales slip clearly indicates that the refund policy is "in-store credit only" or "no refunds."

Pre-Compliance Case Response

A Receiving Institution (RI) may respond to a pre-compliance case filing when:

1. A refund was processed.
2. The pre-compliance filing was invalid.

The following tables detail the conditions under which an RI may respond to a pre-compliance case filing.

Credit was Processed

Pre-Compliance Case Response Condition.	The merchant issued a refund to the consumer's account.
Time Frame.	Within 25 calendar days (5 business days for domestic Nigeria POS transactions) of the pre-compliance Submitted Date as shown in the MasterCom Case Filing application.
Supporting Documents.	Compelling evidence showing the means by which the refund was processed. Examples include, but are not limited to: bank transfer, store credit, check. The Acquirer Reference Data (ARD) or transaction information of the refund transaction.
Notes.	This pre-compliance case response is not available for ATM transactions.

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The OI's Pre-Compliance was Invalid

Pre-compliance Condition.	The Originating Institution (OI) pre-compliance filing was invalid. For example, the pre-compliance case was filing after the applicable time frame.
Time Frame.	Within 25 calendar days (5 business days for domestic Nigeria POS transactions) of the pre-compliance Submitted Date as shown in the MasterCom Case Filing application.
Supporting Documents.	The RI's explanation of why they believe the pre-compliance filing was invalid.
Notes.	None.

Compliance Case

The Originating Institution (OI) may escalate a pre-compliance case within the required time frame to a compliance case filing when:

1. The consumer continues to dispute the transaction.
2. The RI did not respond to the pre-compliance case or the RI's response to the pre-compliance case was invalid.

The OI accepts responsibility for the transaction when the OI fails to escalate the pre-compliance to a compliance case filing within the required time frame.

The following tables detail the conditions under which an OI may escalate to a compliance case filing.

The Consumer Continues to Dispute the Transaction

Compliance Condition.	The consumer continues to dispute the transaction.
Time Frame.	Escalate within 120 calendar days of one of the following: • The date on the refund documentation. • The date the services were canceled or the goods were returned. • The transaction date for a VAT refund.

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Supporting Documents.	A new consumer letter, email, message, or *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) dated after the pre-compliance case response and specifically addressing the merchant's explanation. When the original consumer letter, email, message, or *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) included in the pre-compliance case filing states that the consumer returned the merchandise and the merchant denies receiving the merchandise in the pre-compliance case response, the Originating Institution must then obtain proof that the merchandise was returned to and received by the merchant to accompany the pre-compliance case. Supporting documentation must be attached upon escalation or within 10 calendar days of escalation.
Notes.	The new consumer letter, email, message or completed *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) must be dated after the pre-compliance case response and must specifically address the rebuttal provided with the pre-compliance case response.

The RI's Response to the Pre-Compliance Case was Invalid or Not Provided

Compliance Condition.	The RI's response to the pre-compliance case was invalid or not provided.
Time Frame.	Escalate within 120 calendar days of one of the following: • The date on the refund documentation. • The date the services were canceled or the goods were returned. • The transaction date for a VAT refund.
Supporting Documents.	The OI's explanation of why they believe the pre-compliance response was invalid. When applicable , the supporting documentation must be attached upon escalation or within 10 calendar days of escalation.
Notes.	None.

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Paid by Other Means

This section details the requirements for claims the merchant was paid twice for the same transaction.

Pre-Compliance Case

This table details the conditions under which an Originating Institution may initiate a dispute.

Paid by Other Means

Pre-compliance Condition.	The consumer contacted the Originating Institution (OI) alleging that the consumer paid for a transaction using one form of payment and subsequently paid for the same transaction using another form of payment. Either the original or subsequent transaction must have been a Merchant Presented QR transaction. In addition, both transactions may have been Merchant Presented QR transactions.
Time Frame.	A pre-compliance case must be submitted a minimum of 30 calendar days prior to escalation as a compliance case. The pre-compliance must be submitted between 5 and 60 calendar days from the transaction settlement date.
Supporting Documents.	All of the following: • An OI statement within the pre-compliance case filing stating that the dispute reason is for **"PAID BY OTHER MEANS".** • A consumer letter, email, message or completed *Dispute Resolution Form—Point-of-Interaction (POI) Errors* (Form 1240) describing the consumer's complaint in sufficient detail to enable all parties to understand the dispute. The consumer letter, email, message or completed *Dispute Resolution Form—Point-of-Interaction (POI) Errors* (Form 1240) must specify the alternate means of payment providing sufficient transaction details to allow the merchant to locate the alternate payment. • Documentation detailing the specific method of payment. Examples include, but are not limited to: – A bank statement documenting payment to the merchant. – A canceled check. – A receipt showing cash as the payment method.
Notes.	The OI may file a pre-compliance case for only the disputed amount.

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Pre-Compliance Case Response

A Receiving Institution (RI) may respond to a pre-compliance case filing when:

1. Both transactions were valid.
2. The pre-compliance filing was invalid.

The following tables detail the conditions under which an RI may respond to a pre-compliance case filing.

Both Transaction were Valid

Pre-Compliance Case Response Condition.	The Receiving Institution can provide evidence that both transactions were valid and that the cardholder was not debited more than once for the same goods or services.
Time Frame.	Within 25 calendar days (5 business days for domestic Nigeria POS transactions) of the pre-compliance Submitted Date as shown in the MasterCom Case Filing application.
Supporting Documents.	The merchant's explanation and documentation supporting that both transactions were valid and the cardholder was not debited more than once for the same goods or services.
Notes.	None.

The OI's Pre-Compliance was Invalid

Pre-compliance Condition.	The Originating Institution (OI) pre-compliance filing was invalid. For example, the pre-compliance case was filing after the applicable time frame.
Time Frame.	Within 25 calendar days (5 business days for domestic Nigeria POS transactions) of the pre-compliance Submitted Date as shown in the MasterCom Case Filing application.
Supporting Documents.	The RI's explanation of why they believe the pre-compliance filing was invalid.
Notes.	None.

Compliance Case

The Originating Institution (OI) may escalate a pre-compliance case within the required time frame to a compliance case filing when:

1. The consumer continues to dispute the transaction.

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2. The RI did not respond to the pre-compliance case or the RI's response to the pre-compliance case was invalid.

The OI accepts responsibility for the transaction when the OI fails to escalate the pre-compliance to a compliance case filing within the required time frame.

The following tables detail the conditions under which an OI may escalate to a compliance case filing.

The Consumer Continues to Dispute the Transaction

Compliance Condition.	The consumer continues to dispute the transaction.
Time Frame.	Escalate within 90 calendar days of the transaction settlement date.
Supporting Documents.	A new consumer letter, email, message, or *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) dated after the pre-compliance case response and specifically addressing the merchant's explanation. Supporting documentation must be attached upon escalation or within 10 calendar days of escalation.
Notes.	The new consumer letter, email, message or completed *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) must be dated after the pre-compliance case response and must specifically address the rebuttal provided with the pre-compliance case response.

The RI's Response to the Pre-Compliance Case was Invalid or Not Provided

Compliance Condition.	The RI's response to the pre-compliance case was invalid or not provided.
Time Frame.	Escalate within 90 calendar days of the transaction settlement date.
Supporting Documents.	The OI's explanation of why they believe the pre-compliance response was invalid. When applicable, the supporting documentation must be attached upon escalation or within 10 calendar days of escalation.
Notes.	None.

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Billed an Incorrect Amount

This section details the requirements for claims that the consumer was billed an incorrect amount.

Pre-Compliance Case

Billed an Incorrect Amount

Pre-compliance Condition.	The consumer contacted the Originating Institution (OI) claiming the consumer was billed an incorrect amount. The billing discrepancy could be due to the merchant's addition error that resulted in an incorrect total on the TID or other documentation.
Time Frame.	A pre-compliance case must be submitted a minimum of 30 calendar days prior to escalation as a compliance case. The pre-compliance must be submitted within 60 calendar days from the transaction settlement date.
Supporting Documents.	All of the following: • An OI statement within the pre-compliance case filing stating that the dispute reason is for **"BILLED AN INCORRECT AMOUNT"**. • A consumer letter, email, message or completed *Dispute Resolution Form —Point-of-Interaction (POI) Errors* (Form 1240) describing the consumer's complaint in sufficient detail to enable all parties to understand the dispute. The consumer letter, email, message or completed *Dispute Resolution Form—Point-of-Interaction (POI) Errors* (Form 1240) must specify the transaction amount that should have been billed. • Documentation detailing the correct transaction amount. Examples include, but are not limited to: – A receipt including the correct transaction amount. – The final hotel or car rental bill. – Merchant email confirming price.
Notes.	This dispute is not available for verbal price agreements.

This table details the conditions under which an Originating Institution may initiate a dispute.

Pre-Compliance Case Response

A Receiving Institution (RI) may respond to a pre-compliance case filing when:

1. The consumer was billed the correct amount.
2. The pre-compliance filing was invalid.

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The following tables detail the conditions under which an RI may respond to a pre-compliance case filing.

Billed Correct Amount

Pre-Compliance Case Response Condition.	The RI can provide evidence that the consumer was billed the correct amount.
Time Frame.	Within 25 calendar days (5 business days for domestic Nigeria POS transactions) of the pre-compliance Submitted Date as shown in the MasterCom Case Filing application.
Supporting Documents.	The merchant's explanation and documentation.
Notes.	None.

The OI's Pre-Compliance was Invalid

Pre-compliance Condition.	The Originating Institution (OI) pre-compliance filing was invalid. For example, the pre-compliance case was filing after the applicable time frame.
Time Frame.	Within 25 calendar days (5 business days for domestic Nigeria POS transactions) of the pre-compliance Submitted Date as shown in the MasterCom Case Filing application.
Supporting Documents.	The RI's explanation of why they believe the pre-compliance filing was invalid.
Notes.	None.

Compliance Case

The Originating Institution (OI) may escalate a pre-compliance case within the required time frame to a compliance case filing when:

1. The consumer continues to dispute the transaction.
2. The RI did not respond to the pre-compliance case or the RI's response to the pre-compliance case was invalid.

The OI accepts responsibility for the disputed transaction when the OI fails to escalate the pre-compliance to a compliance case filing within the required time frame.

The following tables detail the conditions under which an OI may escalate to a compliance case filing.

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The Consumer Continues to Dispute the Transaction

Compliance Condition.	The consumer continues to dispute the transaction.
Time Frame.	Escalate within 90 calendar days of the transaction settlement date.
Supporting Documents.	A new consumer letter, email, message, or *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) dated after the pre-compliance case response and specifically addressing the merchant's explanation. Supporting documentation must be attached upon escalation or within 10 calendar days of escalation.
Notes.	The new consumer letter, email, message or completed *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) must be dated after the pre-compliance case response and must specifically address the rebuttal provided with the pre-compliance case response.

The RI's Response to the Pre-Compliance Case was Invalid or Not Provided

Compliance Condition.	The RI's response to the pre-compliance case was invalid or not provided.
Time Frame.	Escalate within 90 calendar days of the transaction settlement date.
Supporting Documents.	The OI's explanation of why they believe the pre-compliance response was invalid. When applicable, the supporting documentation must be attached upon escalation or within 10 calendar days of escalation.
Notes.	None.

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Duplicate Transaction

This section details the requirements for claims that a duplicate transaction was processed.

Pre-Compliance Case

This table details the conditions under which an Originating Institution may initiate a dispute.

Duplicate Transaction

Pre-compliance Condition.	An Originating Institution (OI) can determine that the transaction is a duplicate when the merchant PAN, transaction amount, transaction date, and **authorization response code** are identical for the transactions in question.
Time Frame.	A pre-compliance case must be submitted a minimum of 30 calendar days prior to escalation as a compliance case. The pre-compliance must be submitted between 5 and 60 calendar days from the transaction settlement date.
Supporting Documents.	Both of the following: • An OI statement within the Pre-compliance case filing stating that the dispute reason is for **"DUPLICATE TRANSACTION"**. • A consumer letter, email, message or completed *Dispute Resolution Form—Point-of-Interaction (POI) Errors* (Form 1240) describing the consumer's complaint in sufficient detail to enable all parties to understand the dispute. Sufficient transaction details to locate both transactions involved in the duplication. For example: transaction settlement dates and switch serial numbers, or acquirer reference data (ARDs).
Notes.	The OI may file a pre-compliance case for only the disputed amount.

Pre-Compliance Case Response

A Receiving Institution (RI) may respond to a pre-compliance case filing when:

1. Two separate transactions occurred.
2. The pre-compliance filing was invalid.

The following tables detail the conditions under which an RI may respond to a pre-compliance case filing.

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Separate Transactions

Pre-Compliance Case Response Condition.	The Receiving Institution can provide evidence to support two separate transactions, or proof that a refund was issued.
Time Frame.	Within 25 calendar days (5 business days for domestic Nigeria POS transactions) of the pre-compliance Submitted Date as shown in the MasterCom Case Filing application.
Supporting Documents.	The merchant's explanation and documentation supporting two separate transactions or proof that a refund was issued.
Notes.	When a credit was not processed to correct duplication, proof must clearly support that a duplication has not occurred. For example, different authorization codes or different TIDs.

The OI's Pre-Compliance was Invalid

Pre-compliance Condition.	The Originating Institution (OI) pre-compliance filing was invalid. For example, the pre-compliance case was filing after the applicable time frame.
Time Frame.	Within 25 calendar days (5 business days for domestic Nigeria POS transactions) of the pre-compliance Submitted Date as shown in the MasterCom Case Filing application.
Supporting Documents.	The RI's explanation of why they believe the pre-compliance filing was invalid.
Notes.	None.

Compliance Case

The Originating Institution (OI) may escalate a pre-compliance case within the required time frame to a compliance case filing when:

1. The consumer continues to dispute the transaction.
2. The RI did not respond to the pre-compliance case or the RI's response to the pre-compliance case was invalid.

The OI accepts responsibility for the disputed transaction when the OI fails to escalate the pre-compliance to a compliance case filing within the required time frame.

The following tables detail the conditions under which an OI may escalate to a compliance case filing.

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The Consumer Continues to Dispute the Transaction

Compliance Condition.	The consumer continues to dispute the transaction.
Time Frame.	Escalate within 90 calendar days of the transaction settlement date.
Supporting Documents.	A new consumer letter, email, message, or *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) dated after the pre-compliance case response and specifically addressing the merchant's explanation. Supporting documentation must be attached upon escalation or within 10 calendar days of escalation.
Notes.	The new consumer letter, email, message or completed *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) must be dated after the pre-compliance case response and must specifically address the rebuttal provided with the pre-compliance case response.

The RI's Response to the Pre-Compliance Case was Invalid or Not Provided

Compliance Condition.	The RI's response to the pre-compliance case was invalid or not provided.
Time Frame.	Escalate within 90 calendar days of the transaction settlement date.
Supporting Documents.	The OI's explanation of why they believe the pre-compliance response was invalid. When applicable, the supporting documentation must be attached upon escalation or within 10 calendar days of escalation.
Notes.	None.

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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.***

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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.

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.

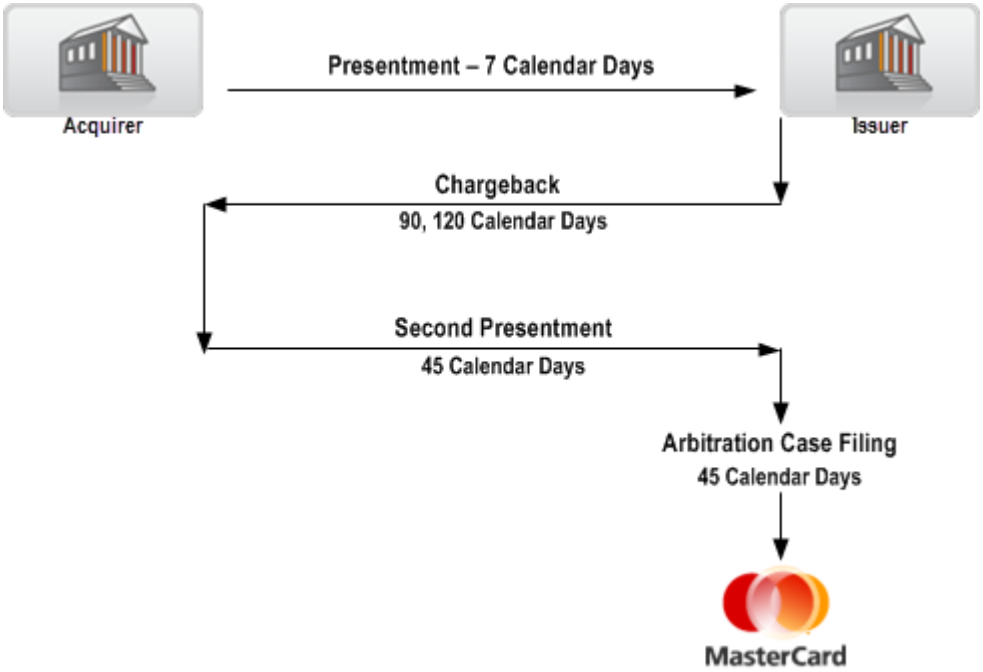
Processing Cycles

The following sections contain information about the Processing Cycles.

Processing Cycle for ATM Transactions

This image presents the Exception processing cycle for ATM transactions.

Exception Processing Cycle for ATM Transactions



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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.

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.

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.
- **A partial reversal:** If a previously authorized transaction is partially reversed (for example, valid authorization request and response, and the corresponding reversal request and

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response messages are received) within the same clearing cycle, the transaction shall appear in the clearing file with the corrected transaction amount.

Chargebacks and Second Presentments

The following sections contain information about chargebacks and second presentments.

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.

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.

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*.

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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.

Intra-European and Inter-European Dispute Administration Fee (ATM)

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).

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."

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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.

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[1]	Transaction Not Authorized	Message Reason Code 4808—Transaction Not Authorized
4834	Duplicate Processing of Transaction	Message Reason Code 4834—Duplicate Processing of Transaction
4842	Late Presentment (Mastercard and Cirrus only)	Message Reason Code 4842—Late Presentment
4846	Currency Errors	Message Reason Code 4846—Currency Errors
4859	ATM Dispute	Message Reason Code 4859—ATM Dispute
4870	Chip Liability Shift	Message Reason Code 4870—Chip Liability Shift
4880	Late Presentment (Maestro only)	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.

[1] Not available for interregional ATM transactions.

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Reason Code	Description	Section
4804	Multiple Processing	Message Reason Code 4804—Multiple Processing
4809	Transaction not reconciled	Message Reason Code 4809—Transaction Not Reconciled
4811	Stale Transaction	Message Reason Code 4811—Stale Transaction

Message Reason Code 4804—Multiple Processing

The following sections describe the proper and improper use of message reason code 4804.

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.

Improper Use of Second Presentment

Second presentments are not permitted. The acquirer may rectify the transaction details and submit a correct new first presentment.

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.

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.
- 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.

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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.

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 Second Presentment for more details.

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
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

IPM Second Presentment Message Reason Code	**2008** Transaction Authorized

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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 Second Presentment for more details.

Message Reason Code 4809—Transaction Not Reconciled

The following sections describe the proper and improper use of message reason code 4809.

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.

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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.

Message Reason Code 4811—Stale Transaction

The following sections describe the proper and improper use of message reason code 4811.

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.

Improper Use of Acquirer's Second Presentment
Second presentments are not permitted under this reason code.

Message Reason Code 4834—Duplicate Processing of Transaction

The following sections describe the proper and improper use of message reason code 4834.

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.

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 NNNNNNNNNNNNNNNNNNNNNNN
Notes	Replace **NNNNNNNNNNNNNNNNNNNNNNN** 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.

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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 Second Presentment for more details.

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-European Transactions 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
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 **NNNNNNNNNNNNNNNNNNNNNNNN** with the ARD.

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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

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 Second Presentment for more details.

Message Reason Code 4842—Late Presentment

The following sections describe the proper and improper use of message reason code 4842.

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 Message Reason Code 4880—Late Presentment (Maestro).

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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.

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. This chargeback is not available when the transaction occurred with a Mastercard Commercial Payments Account. 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.

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 Second Presentment for more details.

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

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.

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Other message codes may apply; refer to Second Presentment for more details.

Message Reason Code 4846—Currency Errors

The following sections describe the proper and improper use of message reason code 4846.

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.

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

Time Frame	120 Calendar days
Retrieval Request	No
Supporting Documents	Cardholder dispute letter
DE 72 (Data Record)	POI CURRENCY CONVERSION
Notes	The chargeback must be for the full amount of the transaction

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

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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.

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.
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 Second Presentment for more details.

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.

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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.

Message Reason Code 4859—ATM Dispute

The following sections describe the proper use of message reason code 4859.

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.

Improper Use of Message Reason Code 4859

This chargeback is not available when the transaction occurred with a Mastercard Commercial Payments Account. 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.

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
Notes	None

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

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Disbursement of Funds to Cardholder	
Second Presentment Condition	The acquirer can provide documentation verifying the disbursement of funds to the 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.

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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 Second Presentment for more details.

Message Reason Code 4870—Chip Liability Shift

The following sections describe the proper and improper use of message reason code 4870.

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	31 December 2018 (all brands)
	Indonesia	1 January 2022 (all brands)
	Nepal	18 April 2018 (all brands)
	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)

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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.

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, 4840, 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.

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- **FNS Counter Exceeds 15 Fraud-Related Chargebacks.** The issuer submitted more than 15 chargebacks in aggregate involving the same Mastercard, Maestro, or Cirrus account (as defined above) for message reason codes 4837, 4840, 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 a Mastercard Announcement as ineligible to participate in the Global Chip Liability Shift Program for interregional Maestro ATM transactions.
- The issuer is currently listed in a Mastercard Announcement 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.
- This chargeback is not available when the transaction occurred with a Mastercard Commercial Payments Account. 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.

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*.

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

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 Second Presentment for more details.

Chargeback Invalid

IPM Second Presentment Message Reason Code	**2713** Chargeback invalid

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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 or DE 45) 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 a Mastercard Announcement

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 a Mastercard Announcement 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 NNNN CLS INELIG** 2. **ISSUER LISTED GSB NNNN FNS EXCEEDED**
Notes	Replace NNNN with the applicable Mastercard Announcement number.

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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 15 transactions involving the same account for any of the following message reason codes: 4837, 4840, 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 15 (a value of 16 or more).

Other message codes may apply; refer to Second Presentment for more details.

Message Reason Code 4880—Late Presentment

The following sections describe the proper and improper use of message reason code 4880.

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.

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.

This chargeback is not available when the transaction occurred with a Mastercard Commercial Payments Account. 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.

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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 Second Presentment for more details.

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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.***

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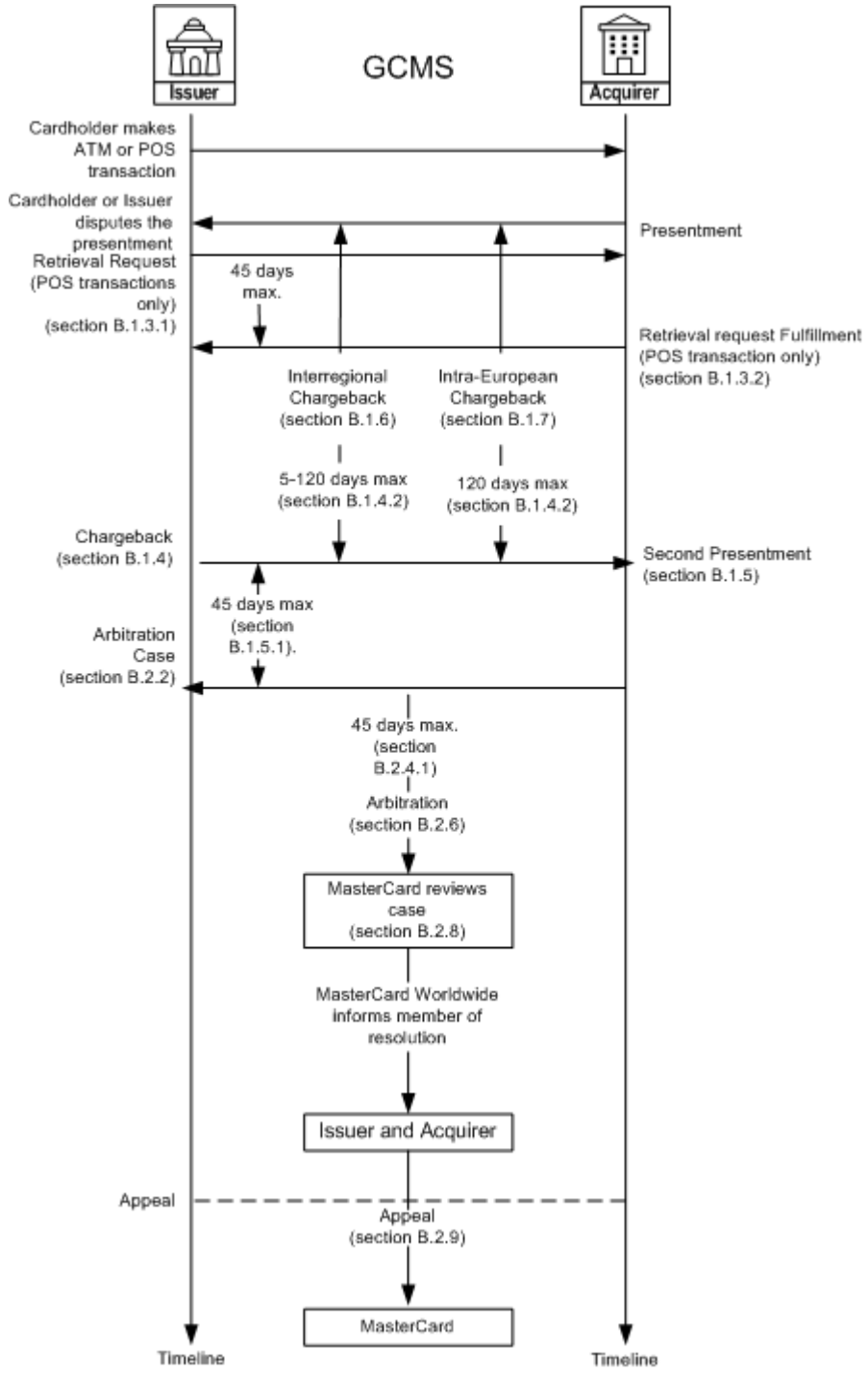
Overview

This graphic presents the chargeback processing cycle.



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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.

Exception Item Processing

The following sections provide information on Exception Item Processing.

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

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.

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.

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.

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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.

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.

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 the section called, Message Reason Codes for Interregional Transactions, and in the section called, Message Reason Codes 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.

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 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 using MasterCom.

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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 *Dispute Resolution Form-Fraud* (Form 0412) 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.

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.

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.

For interregional transactions, the acquirer must supply supporting documentation with every second presentment, substantiating the reason for the second presentment.

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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 Customers Use Reason Code	Customers Outside Europe Use Reason Code	PIN-based?	Signature?
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[2]	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

[2] According to schedule of countries joining the Chip Liability Shift as published in the *Global Operations Bulletins*.

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Interregional Message Reason Code 4804—Transaction Multiple Processing

The following sections describe the proper and improper use of message reason code 4804.

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.

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.

Interregional Message Reason Code 4809—Transaction Not Reconciled

The following sections describe the proper and improper use of message reason code 4809.

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.

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.

Interregional Message Reason Code 4811—Stale Transaction

The following sections describe the proper and improper use of message reason code 4811.

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.

Improper Use of Acquirer's Second Presentment

Second presentments are not permitted for message reason code 4811.

Interregional Message Reason Code 4831—Disputed Amount

The following sections describe the proper and improper use of message reason code 4831.

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)

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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.

Proper Use for Issuer's First Chargeback
The issuer may chargeback only the amount of the disputed difference.

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
Notes	None

Interregional Message Reason Code 4834—Duplicate Transaction

The following sections describe the proper and improper use of message reason code 4834.

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.

Proper Use for Issuer's First Chargeback
For duplicated interregional transactions, the issuer must charge back both transactions.

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.

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Chargeback Remedied	
Supporting Documents	Documentation supporting two separate transactions or proof that a credit was issued.
DE 72 (Data Record)	None
Notes	None

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).

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).

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 identified in authorization with a value of **2** in DE 48, subelement 42 (Electronic Commerce Indicators), subfield 1 (Electronic Commerce Security Level Indicator and UCAF Collection Indicator), position 3 (UCAF Collection Indicator).

  NOTE: Refer to the last three digits of DE48.42 and not the first three.

  Any subsequent transaction related to the original DSRP transaction (as defined in the preceding paragraph), such as a partial shipment or recurring payment.

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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 15 chargebacks involving the same account (as defined above) for message reason code 4837 or 4870.
- The issuer is currently listed in a Mastercard Announcement 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.

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

IPM Second Presentment Message Reason Code	**2713** 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

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

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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

IPM Second Presentment Message Reason Code	**2713** Invalid chargeback
Second Presentment Condition	The issuer previously charged back more than 15 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 15 (a value of 16 or more).

Interregional Message Reason Code 4855—Goods or Services Not Delivered

The following sections describe the proper and improper use of message reason code 4855.

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 goods or services that were to be shipped, delivered, or otherwise provided by the expected delivery date were not received.

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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.

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 cardholder's expectations.

Staged Digital Wallet. A transaction to fund a Staged Digital Wallet may be charged back if the funds did not appear in the Staged Digital Wallet. Chargeback rights are not available for any subsequent purchase of goods or service from a Staged Digital Wallet. Staged Digital Wallet transactions are identified with a wallet identifier in DE 48 (Additional Data—Private Use), subelement 26 (Wallet Program Data) Subfield 1—Wallet Identifier and in PDS 0207—Wallet Identifier of the First Presentment/1240 Message.

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

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Interregional Message Reason Code 4860—Credit Not Received

The following sections describe the proper and improper use of message reason code 4860.

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.

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.

Staged Digital Wallet. A transaction to fund a Staged Digital Wallet may be charged back if the funds did not appear in the Staged Digital Wallet. Chargeback rights are not available for any subsequent purchase of goods or service from a Staged Digital Wallet. Staged Digital Wallet transactions are identified with a wallet identifier in DE 48 (Additional Data—Private Use), subelement 26 (Wallet Program Data) Subfield 1—Wallet Identifier and in PDS 0207—Wallet Identifier of the First Presentment/1240 Message.

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
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

Interregional Message Reason Code 4870—Chip Liability Shift

The following section describes the proper use of message reason code 4870.

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 a *Dispute Resolution Form-Fraud* (Form 0412) alleging that the transaction was fraudulent, and the issuer must provide this letter.

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The fraudulent transaction must be reported to SAFE on or before the date the chargeback is processed. When using the *Dispute Resolution Form-Fraud* (Form 0412), 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 *Dispute Resolution Form-Fraud* (Form 0412) 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 *Dispute Resolution Form-Fraud* (Form 0412) 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.

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

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In this region...	The following countries and territories participate…	Effective for Maestro POS transactions dated on or after...
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)

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 15 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 a Mastercard Announcement 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.

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

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 or DE 45) was not 2 or 6 and therefore did not indicate a hybrid card.

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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

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 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

IPM Second Presentment Message Reason Code	**2713** Invalid Chargeback
Second Presentment Condition	The issuer previously charged back more than 15 transactions involving the same account for message reason code 4837 or 4870.
Supporting Documents	None
DE 72 (Data Record)	None

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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 15 (a value of 16 or more).

Issuer Listed in a Mastercard Announcement

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 a Mastercard Announcement 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 NNNN FNS EXCEEDED**
Notes	Replace NNNN with the applicable Mastercard Announcement number.

Interregional Message Reason Code 4880—Late Presentment

The following sections describe the proper and improper use of message reason code 4880.

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.

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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
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

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).

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

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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."

Chargeback Message Reason Codes		Documentation Required	Retrieval Request Required	Section Name
4808	Transaction Not Authorized	No	No	Intra-European Message Reason Code 4808—Transaction Not Authorized
4831	Disputed Amount	Yes	No	Intra-European Message Reason Code 4831—Disputed Amount
4834	Duplicate Processing of Transaction	No	No	Intra-European Message Reason Code 4834—Duplicate Processing of Transaction
4837	No Cardholder Authorization	Yes	No	Intra-European Message Reason code 4837—No Cardholder Authorization
4841	Canceled Recurring or Digital Goods Transactions	Yes	No	Intra-European Message Reason code 4841—Canceled Recurring or Digital Goods Transactions
4846	Currency Errors	Sometimes	No	Intra-European Message Reason Code 4846—Currency Errors
4855	Goods or Services not Delivered	Yes	No	Intra-European Message Reason Code 4855—Goods or Services Not Provided
4860	Credit not Received	Yes	No	Intra-European Message Reason Code 4860—Credit Not Received
4870	Chip Liability Shift	No	No	Intra-European Message Reason Code 4870—Chip Liability Shift
4880	Late Presentment	No	No	Intra-European Message Reason Code 4880—Late Presentment

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.

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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 preauthorization approval date and the issuer has permanently closed the account before filing the chargeback. The above time frame does not apply to properly identified Maestro contactless aggregated transit transactions.

To extend the duration of the message reason code 4808 chargeback protection period afforded by an approved preauthorization of a Maestro Transaction, a Merchant or Acquirer may later submit an additional preauthorization request for the same Transaction.

If the preauthorization request is for a zero amount, it extends the duration of the message reason code 4808 chargeback protection period with no change in the guaranteed Transaction amount.

If the preauthorization request is for an amount higher than zero, it both extends the duration of the message reason code 4808 chargeback protection period and incrementally increases, by the amount of the new preauthorization request, the guaranteed Transaction amount to which the message reason code 4808 chargeback protection period applies.

If the message reason code 4808 chargeback protection period has already expired, the new preauthorization request must be for the full Transaction amount rather than an incremental amount.

Please refer to Chapter 2 of the *Transaction Processing Rules* for coding and processing requirements for incremental preauthorization requests.

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.

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

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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.

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 Second Presentment in this appendix for more details.

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 Second Presentment in this appendix for more details.

Expired Payment Guarantee

IPM Second Presentment Message Reason Code	**2713** Invalid Chargeback

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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
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.

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.

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.

Intra-European and Inter-European Message Reason Code 4831—Disputed Amount

The following sections describe the proper use of message reason code 4831.

Proper Use of Intra-European and Inter-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.
- The cardholder paid an improper merchant surcharge (intra-European and inter-European transactions only).
- 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

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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).

The chargeback must be accompanied by a cardholder letter, electronic message, or completed Dispute Resolution Form identifying the disputed transaction and describing the circumstances of the dispute.

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 Dispute Resolution 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.

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Billing Discrepancies and Payment by Other Means

Time Frame	120 Calendar Days
Supporting Documents	Cardholder letter, electronic message, or completed Dispute Resolution 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.
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.

Improper Merchant Surcharge (intra-European and inter-European transactions only)

Chargeback Condition	An improper merchant surcharge was applied to the total transaction amount.
Time Frame	One of the following: • 120 calendar days from the Central Site Business Date • 120 calendar days from the delivery date of the goods or services
Message Reason Code	SURCHARGE
Supporting Documents	One of the following: • A copy of the cardholder's receipt or invoice showing the improper surcharge. • A cardholder letter, email message or completed Dispute Resolution Form—Point-of-Interaction (POI) Errors (Form 1240) describing the cardholder's complaint in sufficient detail to enable all parties to understand the dispute.
DE 72 (Data Record)	None

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Notes	Only the amount reflecting the improper surcharge may be charged back. The total transaction amount must not be charged back.

Proper Use for Acquirer's Second Presentment
The condition shown below represent valid options 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.
DE 72 (Data Record)	None

Improper Merchant Surcharge (Intra-European and Inter-European Transactions Only)

Second Presentment Condition	The acquirer can provide specific evidence of proper processing in response to the cardholder's claims.

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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.
DE 72 (Data Record)	None
Notes	Only the amount reflecting the improper surcharge may be charged back. The total transaction amount must not be charged back.

Other message codes may apply; refer to Second Presentment in this appendix for more details.

Intra-European Message Reason Code 4834—Duplicate Processing of Transaction

The following sections describe the proper use of message reason code 4834.

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.

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 NNNNNNNNNNNNNNNNNNNNNNNN
Notes	Issuer must provide the Acquirer Reference Data (ARD) of the first transaction in DE 72.

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 Second Presentment in this appendix for more details.

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Transaction Authorized

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. 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

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 Acquirer Reference Data (ARD))
Notes	None

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

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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 Second Presentment in this appendix for more details.

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 Countries where the Masterpass Liability Shift applies and their respective Static AAVs in the

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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.

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

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 identified in authorization with a value of **2** in DE 48, subelement 42 (Electronic Commerce Indicators), subfield 1 (Electronic Commerce Security Level Indicator and UCAF Collection Indicator), position 3 (UCAF Collection Indicator).

  Any subsequent transaction related to the original DSRP transaction (as defined in the preceding paragraph), such as a 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.

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- The issuer submitted more than 15 chargebacks involving the same account (as defined above) for message reason code 4837 or 4870.
- The issuer is currently listed in a Mastercard Announcement 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.

Proper Use for Issuer's First Chargeback
The issuer must supply the cardholder letter, electronic message, or completed *Dispute Resolution Form-Fraud* (Form 0412) as supporting documentation. When using the *Dispute Resolution Form-Fraud* (Form 0412), 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.

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 Second Presentment in this appendix for more details.

Issuer Listed in a Mastercard Announcement

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 a Mastercard Announcement 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 NNNN FNS EXCEEDED**

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Notes	Replace NNNN with the applicable Mastercard Announcement number.

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

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	None.
DE 72 (Data Record)	Hybrid POI MMDDYY NNNNNN
Notes	None

Invalid Chargeback

IPM Second Presentment Message Reason Code	**2713** Invalid Chargeback

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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

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
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 Second Presentment in this appendix for more details.

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

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- 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.

Intra-European Message Reason Code 4841—Canceled Recurring or Digital Goods Transactions

The following sections describe the proper use of message reason code 4841.

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 Payment Cancellation Service (PCS), 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).

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.

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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.

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

Time Frame	120 calendar days
Retrieval Request	No
Supporting Documents	Cardholder letter, electronic message, or completed Dispute Resolution 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.

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Account Listed in Payment Cancellation Service (PCS)

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 Payment Cancellation Service (PCS).

Cardholder Dispute of a Recurring Transaction

A recurring transaction allows for continuous billing without a specified end date.

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.

Message Reason Code. One of the following:

- 4853 (Cardholder Dispute) for Dual Message System transactions
- 53 (Cardholder Dispute—Defective/Not as Described) for Debit Mastercard transactions processed on the Single Message System

The following message reason codes may continue to be used, however, they will eventually be eliminated:

- 4841 (Canceled Recurring or Digital Goods Transactions) for Dual Message System transactions
- 41 (Canceled Recurring Transaction) for Debit Mastercard transactions processed on the Single Message System

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.

In addition for batched chargebacks, a list of the ARDs and the amount of each disputed transaction.

DE 72 (Data Record). **MULTIPLE TRANSACTIONS NNN**.

Required for batched chargebacks as described below in Notes. The issuer must replace **NNN** with the number of items being charged back.

Data record optional for all other chargebacks.

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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

Multiple disputed transactions may be combined into one chargeback message, this is called batching. The batching option is only available when the PAN, merchant name and acquirer are the same for all of the disputed transactions being included in the batch.

All of the disputed transactions must be encoded with either MCC 4816 or 5967

Each individual dispute transaction included in the batch must be within the chargeback time frame.

The chargeback must be processed using an ARD from one of the disputed transaction included the batch.

The chargeback must be processed for the total amount of all the disputed transactions included in the batch.

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

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
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.

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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

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.

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 Second Presentment in this appendix for more details.

Recurring Transactions

IPM Second Presentment Message Reason Code	**2700**

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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 Second Presentment in this appendix for more details.

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

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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.

Intra-European Message Reason Code 4846—Currency Errors

The following sections describe the proper and improper use of message reason code 4846.

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.

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

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.

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POI Currency Conversion

Time Frame	120 calendar days
Retrieval Request	No
Supporting Documents	Cardholder letter, electronic message, or completed Dispute Resolution 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

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.

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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 Second Presentment in this appendix for more details.

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.

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.

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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.

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 goods or services that were to be shipped, delivered, or otherwise provided by the expected delivery date were not received.

The cardholder letter, electronic message, or completed Dispute Resolution 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.

Chargeback

The conditions shown below represent valid options to process a first chargeback for message reason code 4855—Failed Travel Merchant (Intra-EEA and Domestic European Transactions Only).

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Failed Travel Merchant—Intra-EEA and Domestic European Transactions Only

Chargeback Conditions. For Intra-EEA and domestic European Transactions, when the Cardholder contacted the Issuer claiming a travel service has not, or will not, be provided, and when the merchant is seeking protection from creditors, insolvent, bankrupt or in liquidation, at least one of the following conditions must be met:

1. The travel service was covered by a bonding authority or similar scheme according to local law, and one of the following:
   - The Cardholder (or traveler) requested reimbursement from the bonding authority or similar scheme and did not receive it, or the claim was declined.
   - For Swedish Domestic Transactions: no additional requirement. The Cardholder (or traveler) is not obligated to request reimbursement from a bonding authority or similar scheme prior to the Issuer raising a chargeback.

   The Cardholder (or traveler) does not need to request reimbursement from the bonding authority or similar scheme if the Merchant, bonding authority or similar scheme publicly states that the bond is insufficient prior to the chargeback.
2. The travel service was not covered by a bonding authority or similar scheme according to local law, or neither the Issuer nor Cardholder after reasonable effort can determine whether the travel service was covered by a bonding authority or similar scheme according to local law.

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Failed Travel Merchant—Intra-EEA and Domestic European Transactions Only

Time Frame.

1. Maximum 150 calendar days from the latest expected service date, whether the bonding authority or similar scheme responded or not. The Issuer must wait at least 30 calendar days from the date the request was sent prior to processing a chargeback, unless a negative response was received, in which case, the chargeback may be processed upon receipt of the negative reply.

   The following exceptions apply:

   For German Domestic Transactions: Maximum 240 calendar days from the latest expected service date, whether the bonding authority or similar scheme responded or not. The Issuer must wait at least 60 calendar days from the date the request was sent prior to processing a chargeback, unless a negative response was received, in which case, the chargeback may be processed upon receipt of the negative reply.

   For Polish Domestic Transactions: Maximum 540 calendar days from the Central Site Business Date, whether the bonding authority or similar scheme responded or not. The Issuer must wait at least 60 calendar days from the date the request was sent prior to processing a chargeback, unless a negative response was received, in which case, the chargeback may be processed upon receipt of the negative reply.

   For Swedish Domestic Transactions: Maximum 120 calendar days from the latest expected service date.
2. Maximum 120 calendar days from the latest expected service date.

   In all cases, the Issuer does not have to wait for the latest expected service date before processing the chargeback. A chargeback may be processed immediately upon learning the travel services will not be provided to the Cardholder (or traveler). The Issuer is still obligated to meet all other applicable chargeback requirements, such as making a request for reimbursement from the bonding authority or similar scheme.

Message Reason Code.4855 (Goods or Services Not Provided) for Dual Message System transactions.

Supporting Documents. Cardholder email, letter, message or completed Dispute Resolution Form—Cardholder Dispute Chargeback (Form 1221) must include all 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 travel services purchased. For example, for flights: relevant airlines, flight numbers, origin/destination details, dates/times, passenger names, ticket/confirmation numbers, and so on.
- If Chargeback Condition 1 is applicable (except Swedish Domestic Transactions): evidence of the bonding authority or similar scheme's response to the Cardholder's (or traveler's) claim, or proof of bond insufficiency. If the Cardholder (or traveler) requested reimbursement and did not receive a response, then a copy of the request for reimbursement. A detailed Cardholder (or traveler) explanation is permitted if such documentation is not available.

DE 72 (Data Record). None.

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Failed Travel Merchant—Intra-EEA and Domestic European Transactions Only

Notes. When the transaction is neither Intra-EEA nor domestic European, Customers should always refer to the applicable scenario, namely Intra-European Message Reason Code 4855—Goods or Services Not Provided or Interregional Message Reason Code 4855—Goods or Services Not Delivered. Bonding authority requirements do not apply to such chargebacks.

If partial travel services have already been provided, the chargeback amount should be prorated to reflect only the travel services not provided. If the Cardholder (or traveler) has received partial reimbursement from a bonding authority or similar scheme, the chargeback should also be prorated to reflect the reimbursement.

If the Acquirer provides specific evidence of bond coverage in a second presentment, the Issuer must instruct the Cardholder (or traveler) to request reimbursement prior to arbitration case filing. The arbitration case filing is permitted if the reimbursement claim is declined or there is no reimbursement after 30 calendar days from the date the request was sent. The reimbursement claim does not extend the arbitration case filing timeframe, so the Issuer should make a good-faith effort to determine bond coverage prior to the initial chargeback.

For the avoidance of doubt, Mastercard does not consider the following the equivalent of a bonding authority or similar scheme:

1. Reimbursement that an Issuer is legally required to provide to their Cardholder
2. A Cardholder's (or traveler's) personal or corporate travel insurance policy, and/or
3. Legally required compensation already paid or due to the Cardholder (or traveler) by the Merchant that is separate from the purchase price.

This list is not exhaustive.

If the travel service was paid for by a travel agency or tour operator as the Cardholder, a Cardholder (or traveler) request for reimbursement from a bonding authority or similar scheme is still required if a bond exists.

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 cardholder's expectations.

Staged Digital Wallet. A transaction to fund a Staged Digital Wallet may be charged back if the funds did not appear in the Staged Digital Wallet. Chargeback rights are not available for any subsequent purchase of goods or service from a Staged Digital Wallet. Staged Digital Wallet transactions are identified with a wallet identifier in DE 48 (Additional Data—Private Use), subelement 26 (Wallet Program Data) Subfield 1—Wallet Identifier and in PDS 0207—Wallet Identifier of the First Presentment/1240 Message.

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:

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- 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 Second Presentment in this appendix for more details.

Failed Travel Merchant Dispute—Intra-EEA and Domestic European Transactions Only
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. One of the following: • Proof that the Cardholder (or traveler) received reimbursement from the merchant, a bonding authority or similar scheme according to local law. • The Merchant's explanation and documentation showing that the travel services paid for will be provided or were available to the Cardholder (or traveler). • The Merchant's explanation and documentation, specifically evidence that the travel services paid for are covered by a bonding authority or similar scheme according to local law and that the Cardholder (or traveler) has recourse to collect reimbursement. Instructions on how to request reimbursement must be provided. An Acquirer statement that a bonding authority or similar scheme exists is not sufficient by itself. This remedy is not applicable to Swedish Domestic Transactions.
DE 72 (Data Record). None.

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Notes. A Merchant or Acquirer statement that the Cardholder never contacted the bonding authority or similar scheme to request reimbursement is not a valid basis for a second presentment.

Intra-European Message Reason Code 4860—Credit Not Received

The following sections describe the proper use of message reason code 4860.

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 a Dispute Resolution Form stating one of the following:

- 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.

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The cardholder letter, electronic message, or completed Dispute Resolution 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

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.

Staged Digital Wallet. A transaction to fund a Staged Digital Wallet may be charged back if the funds did not appear in the Staged Digital Wallet. Chargeback rights are not available for any subsequent purchase of goods or service from a Staged Digital Wallet. Staged Digital Wallet transactions are identified with a wallet identifier in DE 48 (Additional Data—Private Use), subelement 26 (Wallet Program Data) Subfield 1—Wallet Identifier and in PDS 0207—Wallet Identifier of the First Presentment/1240 Message.

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

Time Frame	120 calendar days

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Supporting Documents	A cardholder letter, electronic message, or completed Dispute Resolution 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 Dispute Resolution 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
Notes	Replace NNNNNNNNNNNNNNNNNNNNNNN 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

Time Frame	120 calendar days

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Supporting Documents	A cardholder letter, electronic message, or completed Dispute Resolution 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

Time Frame	120 calendar days
Supporting Documents	None
DE 72 (Data Record)	None
Notes	The chargeback amount must be twice the original transaction amount to offset the error.

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 Second Presentment in this appendix for more details.

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])

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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.
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

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 Second Presentment in this appendix for more details.

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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.
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 NNNNNNNNNNNNNNNNNNNNNNNN 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 **NNNNNNNNNNNNNNNNNNNNNNNN** 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).

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

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progressive cardholder letter if the cardholder maintains the credit was not processed and the credit cannot be verified.

Intra-European Message Reason Code 4870—Chip Liability Shift

The following sections describe the proper use of message reason code 4870.

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 a *Dispute Resolution Form-Fraud* (Form 0412) alleging that the transaction was fraudulent, and the issuer must provide this documentation. When using the *Dispute Resolution Form-Fraud* (Form 0412) 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.

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 15 chargebacks involving the same Maestro card account (as defined above) for message reason code 4837 or 4870.
- The issuer is currently listed in a Mastercard Announcement 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

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:

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- 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 *Dispute Resolution Form-Fraud* (Form 0412) 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 *Dispute Resolution Form-Fraud* (Form 0412) 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 *Dispute Resolution Form-Fraud* (Form 0412) that the card was lost, stolen, or never received at the time of the transaction.

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 Second Presentment in this appendix for more details.

Issuer Listed in a Mastercard Announcement

IPM Second Presentment Message Reason Code	**2713** Invalid Chargeback

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Second Presentment Condition	The acquirer can show that on the chargeback date, the issuer was listed in a Mastercard Announcement 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 NNNN FNS EXCEEDED**
Notes	Replace NNNN with the applicable Mastercard Announcement number.

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

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 or DE 45) was not 2 or 6 and therefore did not indicate a hybrid card.
Supporting Documents	None
DE 72 (Data Record)	INV SERVICE CODE

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Notes	None

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
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 section Second Presentment Procedures in this appendix for more details.

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Intra-European Message Reason Code 4880—Late Presentment

The following sections describe the proper use of message reason code 4880.

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.

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.

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

Other message codes may apply; refer to Second Presentment in this appendix for more details.

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).

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Additional Rules Applicable to Domestic Transactions in Ireland, Turkey, and France

This section contains rules applicable to Domestic Transactions in Ireland, Turkey, and France.

Proper Use of Message Reason Code 4837

This message reason code may be used for Mail Order/Telephone Order (MO/TO) Transactions.

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.

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.

Arbitration Case Filing

The issuer may continue the dispute providing a progressive cardholder letter, electronic message, or completed *Dispute Resolution Form-Fraud* (Form 0412) 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 Customer 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.

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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.

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CVM Limit Amounts..... 365

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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

Access the CVM limit amounts in Microsoft Excel® file format, which can be copied and pasted as needed.

From the HTML edition of this document, you can access the CVM Limit Amounts spreadsheet.

1. In the upper right corner, click the file download icon.
2. Click CVM_Limit_Amounts.xls.
3. When the file opens, save it to a location on your computer.

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.

Please note that all contactless amounts apply to both Mastercard and Maestro Contactless Transactions unless otherwise indicated.

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Appendix D Domestic Chargebacks, Arbitration Case Filing, and Compliance Case Filing

This appendix contains domestic chargeback, arbitration case filing, and arbitration case filing rules.

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Participating Countries—Installment Billing Dispute (Reason Code 4850)

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 the cardholder has agreed to either acquirer-financed or merchant-financed installment billing, 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. When 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.

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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.
- **Bangladesh only**—The transaction was a Mastercard Corporate Purchasing Card (MCP) transaction occurring in Bangladesh with a Mastercard MCP card issued in Bangladesh. A Mastercard MCP card transaction occurs when PDS 0002 (GCMS Product Identifier) was MCP (Mastercard Corporate Purchasing Card) in the First Presentment/1240 message when the value of the transaction is equal to or greater than BDT 100,000.
- **India only**—The transaction was a Mastercard Corporate Purchasing Card (MCP) transaction occurring in India with a Mastercard MCP card issued in India. A Mastercard MCP card transaction occurs when PDS 0002 (GCMS Product Identifier) was MCP (Mastercard Corporate Purchasing Card) in the First Presentment/1240 message when the value of the transaction is equal to or greater than INR 100,000.
- **Sri Lanka only**—The transaction was a Mastercard Corporate Purchasing Card (MCP) transaction occurring in Sri Lanka with a Mastercard MCP card issued in Sri Lanka. A Mastercard MCP card transaction occurs when PDS 0002 (GCMS Product Identifier) was MCP (Mastercard Corporate Purchasing Card) in the First Presentment/1240 message when the value of the transaction is equal to or greater than LKR 200,000.

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.

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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.

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

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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

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.

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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
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.

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Correct Installment Amount	
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

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

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Valid Installment Acceleration	
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
- **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

When 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 when the first chargeback was valid, and examination of the documentation reveals a new valid chargeback reason. When 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

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Installment Billing Dispute	
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.

Arbitration Case Filing

Refer to the Arbitration Procedures chapter.

Croatia, Cyprus, Czech Republic, Hungary, Slovakia, and Slovenia—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).

Select Countries in Central and Eastern Europe—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.

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3. The Masterpass wallet that initiates the transaction must be registered to operate in one of the countries listed in the table below.
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):
   a. Data Element 48 (Additional Data – Private Use) Sub-Element 42 (Electronic Commerce Indicators), Position 1 to contain a value of "2".
   b. Data Element 48 (Additional Data – Private Use) Sub-Element 42 (Electronic Commerce Indicators), Position 2 to contain a value of "2".
   c. Data Element 48 (Additional Data – Private Use) Sub-Element 42 (Electronic Commerce Indicators), Position 3 to contain a value of "5".
   d. 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:
   a. 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.
   b. 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.
   c. 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).
   d. 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

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—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 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

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India

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.

Mexico

Refer to the Mexico *Domestic Switching Implementation Guide* for dispute resolution information on domestic Mexico transactions.

South Africa

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 South Africa.

U.S. Region—Cardholder Dispute—Not Elsewhere Classified (Reason Code 4854)

The following sections describe the proper and improper use of message reason code 4854.

Proper Use of Message Reason Code 4854

Issuers can use message reason code 4854 when 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 when 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. When, 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 when 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

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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. When 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) documents the following:
  - The cardholder authorized the transaction
  - The cardholder returned or attempted to return the merchandise (when applicable)
  - 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.

When 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.

When 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 when the period would exceed the 120-calendar day (or 60-calendar day, when applicable) time frame.

When 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

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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."

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.

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
Message Reason Code	One of the following: • 4854 Dual Message System transactions • 54 for Debit Mastercard transactions processed on the Single Message System
Retrieval Request	No
Supporting Documents	All of the following: • Cardholder letter, email, *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) fulfilling the prerequisites of the chargeback and the details of the nature of the dispute. • Copy of applicable law (when applicable)
DE 72 (Data Record)	None

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Notes	None

Disputed Surcharge

Time Frame	Within 120 calendar days of the Central Site Business Date
Message Reason Code	One of the following: • 4854 Dual Message System transactions • 54 for Debit Mastercard transactions processed on the Single Message System
Retrieval Request	No
Supporting Documents	Cardholder letter, email, *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) describing the nature of the disputed surcharge.
DE 72 (Data Record)	None
Notes	When the cardholder disputes only a part of the transaction amount, the issuer must prorate the Surcharge amount.

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 (when applicable) • Merchant's written rebuttal (when applicable)
DE 72 (Data Record)	None
Notes	None

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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

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.

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Disputed Surcharge—Incorrect Pro-rated Calculation	
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.

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

Arbitration Chargeback

When 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 when examination of the documentation reveals a new valid chargeback reason. When 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.

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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
- **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

Arbitration Case Filing

Refer to the Arbitration Procedures chapter.

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 when challenged by the merchant with the second presentment. For example, when 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

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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.

U.S. Region—U.S. Shared Deposits

The following sections describe the U.S. shared deposits in the U.S. region.

Returned Item (Reason Code 20)

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.

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.

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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 later in this section for requirements.

Empty Deposit Envelope (Reason Code 24)

The acquirer may use this message reason code when an empty deposit envelope was received.

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

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 later in this section for requirements.

Error in Addition (Reason Code 25)

The acquirer may use this message reason code to correct an addition error with the cardholder's deposit.

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

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Supporting Documents	None
Additional Information	Optional
Notes	None

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 later in this section for requirements.

Error in Settlement (Reason Code 26)

The acquirer may use this message reason code to correct a settlement error.

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

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 later in this section for requirements.

Customer Keyed Wrong Amount (Reason Code 27)

The acquirer may use this message reason code to correct a keying error with the cardholder's deposit.

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.

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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

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 later in this section for requirements.

Non-Cash Item Deposited (Reason Code 28)

The acquirer may use this message reason code when the acquirer received a non-cash item.

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.

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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 later in this section for requirements.

Foreign/Counterfeit Currency Deposited (Reason Code 29)

The acquirer may use this message reason code when foreign currency or counterfeit currency was deposited into an ATM.

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

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 later in this section for requirements.

Cardholder Disputed Amount (Reason Code 30)

The issuer may use this message reason code when the Shared Deposit adjustment is invalid.

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

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Supporting Documents	None
Additional Information	Optional
Notes	None

Acquirer Respresentment
Representment is not available for this message reason code.

Arbitration Case Filing
An arbitration case filing is not available as a representment is not valid for this message reason code.

Intra-U.S. Region and U.S. Territories—Defective/Not as Described (Reason Code 53)

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.

Issuer Chargeback

The following table details the requirements for this message reason code.

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.

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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. When 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 *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) 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.

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Notes	The issuer may chargeback only the disputed amount. **Staged Digital Wallet**. A transaction to fund a Staged Digital Wallet may be charged back if the funds did not appear in the Staged Digital Wallet. Chargeback rights are not available for any subsequent purchase of goods or service from a Staged Digital Wallet. Staged Digital Wallet transactions are identified with a wallet identifier in DE 48 (Additional Data—Private Use), subelement 26 (Wallet Program Data) Subfield 1—Wallet Identifier and in PDS 0207—Wallet Identifier of the First Presentment/1240 Message. 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.

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 *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) 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

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Notes	**Staged Digital Wallet**. A transaction to fund a Staged Digital Wallet may be charged back if the funds did not appear in the Staged Digital Wallet. Chargeback rights are not available for any subsequent purchase of goods or service from a Staged Digital Wallet. Staged Digital Wallet transactions are identified with a wallet identifier in DE 48 (Additional Data—Private Use), subelement 26 (Wallet Program Data) Subfield 1—Wallet Identifier and in PDS 0207—Wallet Identifier of the First Presentment/1240 Message. 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.

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
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.

Arbitration Case Filing

General Use

Arbitration Case Filing Condition	The acquirer failed to remedy the dispute.

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Time Frame	45 calendar days of the representment settlement date
Documentation Requirements	All of the following: • *Dispute Resolution Management Case Filing Form—SMS Linked Case Filing* (682a) • Second presentment supporting documentation as provided by the acquirer • A new cardholder email, letter, message or completed *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) 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.
Notes	Supporting documentation must be in English or accompanied by an English translation. A completed *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) must be the result of contact with the cardholder.

Counterfeit Goods

Arbitration Case Filing Condition	The acquirer failed to remedy the dispute.
Time Frame	45 calendar days of the representment settlement date

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Documentation Requirements	All of the following: • *Dispute Resolution Management Case Filing Form—SMS Linked Case Filing* (682a) • Second presentment supporting documentation as provided by the acquirer • A new cardholder email, letter, message or completed *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) 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 cardholder 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.
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 *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) must be the result of contact with the cardholder.

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Appendix E Lodging Merchant Services

This appendix provides Card acceptance requirements relating to the Guaranteed Reservations, and Advance Resort Deposit services.

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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. When 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 when 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 when 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.

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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 to the cardholder, including the cancellation and refunds policies. **A "no refund" policy must be clearly disclosed 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 cancellation and refund policy.
4. Provide confirmation, a copy of the TID (including the reservation confirmation number), and information concerning its cancellation and refund policies (including a "no refund" policy, when applicable) to the cardholder. This information must be provide by letter, email, fax, or other message.
5. If a cardholder cancels his or her reservation in accordance with the agreed upon procedures, the merchant must follow the cancellation and refund policy previously disclosed to the cardholder.

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Appendix F Transaction Identification Requirements

This appendix contains requirements for transaction identification.

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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 Magnetic Stripe Mode Contactless Transactions (referred to herein as "Maestro Magstripe").

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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) • **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)
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	
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)
	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)

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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)
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.

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Data Element	Subfield	Value
	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)

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)
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)

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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)

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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)
26 (Merchant Business Code [MCC])		An MCC approved to be contactless-only as published from time to time in the *Global Operations Bulletin*.

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Quick Payment Service Transactions

The Acquirer must identify each Quick Payment Service (QPS) Transaction with the following values.

QPS 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: • **2** (Magnetic stripe reader capability) • **5** (Integrated circuit card [ICC] capability) • **B** (Magnetic stripe 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)
	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) • **B** (Magnetic stripe reader input; track data captured and passed unaltered) • **C** (Online Chip) • **F** (Offline Chip)
26 (Merchant Business Code [MCC])		An eligible Quick Payment Service (QPS) MCC.
PDS 0044 (Program Participation Indicator)	2 (QPS/Contactless Chargeback Eligibility Indicator)	**I** (Ineligible for chargeback)—Value added by Mastercard.

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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 • **7800**—for Gaming Payment Transactions (Government-owned Lottery, U.S. Region only) • **7995**—for Gaming Payment Transactions (Gambling Transactions, Europe and MEA Regions 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

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Data Element	Subfield	Value
48 (Additional Data—Private Use)	77 (Payment Transaction Type Indicator)	Payment Transaction program type

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)

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Data Element	Subfield	Value
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)
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.

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Digital Secure Remote Payment Transactions Containing Chip 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)	**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 (On-behalf [OB] Service) = **50** (Mastercard Digital Enablement Service PAN Mapping); and Subfield 2 (On-behalf [OB] Result 1) = **C** (Conversion of Token to PAN completed successfully)
	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])

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	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)	**R** (PAN Entry via electronic commerce, including remote chip)
48 (Additional Data)	PDS 0023 (Terminal Type)	**CT 6** (CAT level 6 [electronic commerce transaction])

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)	**81** (PAN entry via electronic commerce, including chip)
48 (Additional Data—Private Use)	33 (PAN Mapping File Information)	Present when the Mastercard Digital Enablement Service performs token mapping.

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	42 (Electronic Commerce Indicators), subfield 1 (Electronic Commerce Security Level Indicator and UCAF Collection Indicator)	All of the following: Position 1 = **2** Position 2 = **4** Position 3 = **2 or 6**
	71 (On-behalf Services)	Present when the Mastercard Digital Enablement Service performs token mapping: Subfield 1 (On-behalf [OB] Result 1) = **50** (Mastercard Digital Enablement Service PAN Mapping); and Subfield 2 (On-behalf [OB] Service) = **C** (Conversion of Token to PAN completed successfully)
	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)

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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: Position 1 = **2** Position 2 = **4** Position 3 = **2 or 6**

Partial Shipments or Recurring Payments Following Digital Secure Remote Payment Transactions

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)	**81** (PAN entry via electronic commerce, including chip)
48 (Additional Data—Private Use)	33 (PAN Mapping File Information)	Present when the Mastercard Digital Enablement Service performs token mapping.

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	42 (Electronic Commerce Indicators), Subfield 1 (Electronic Commerce Security Level Indicator and UCAF Collection Indicator)	All of the following: Position 1 = **2** Position 2 = **4** Position 3 = **7** **NOTE: DE 48, Subelement 43 is not required. Liability will depend on the original UCAF indicator value in the matching initial DSRP transaction.**
	71 (On-behalf Services)	Present when the Mastercard Digital Enablement Service performs token mapping: Subfield 1 (On-behalf [OB] Service) = **50** (Mastercard Digital Enablement Service PAN Mapping); and Subfield 2 (On-behalf [OB] Result 1) = **C** (Conversion of Token to PAN completed successfully) **Note:** Value 51 (Mastercard Digital Enablement Service Chip Pre-Validation) does not appear in a partial shipment or recurring payment.

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)

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	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: Position 1 = **2** Position 2 = **4** Position 3 = **7**

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)

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Mastercard Biometric Card Program Transactions

A biometric card transaction with successful biometric cardholder verification is identified as follows:

- Byte 1 bit 5 of Tag 82 (Application Interchange Profile) is set to "0"
- The cardholder verification results (CVR) present in DE 55, specifically:
  - Byte 1, bit 1 will contain a value of 1 to reflect that biometric was successful.
  - Byte 2, bit 2 will contain a value of 1 to reflect that biometric was used.

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Appendix G Forms

This appendix contains instructions for accessing the forms that are referred to in this guide.

Accessing Mastercard Connect.....419
Referenced Forms.....421

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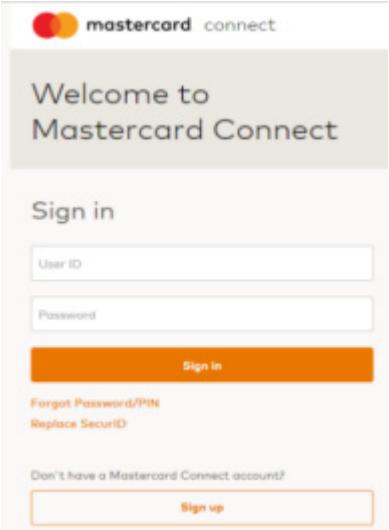
Accessing Mastercard Connect

All forms associated with this *Chargeback Guide* can be located on Mastercard Connect™.

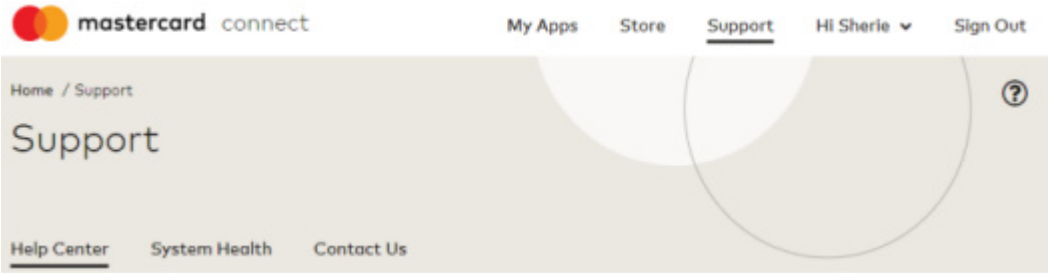
Procedure

1. Follow these steps to log on to Mastercard Connect™.
1. Log on to **Mastercard Connect** using your RSA SecureID® token.



The Mastercard Connect home screen appears. There are two possible access points to get to forms; through the Support tab or through the Publications Application/Quick Link.

2. Select **Support** from the top menu to access the **Forms** tab.



3. Select **Forms** from the bottom right of the Mastercard Connect screen.

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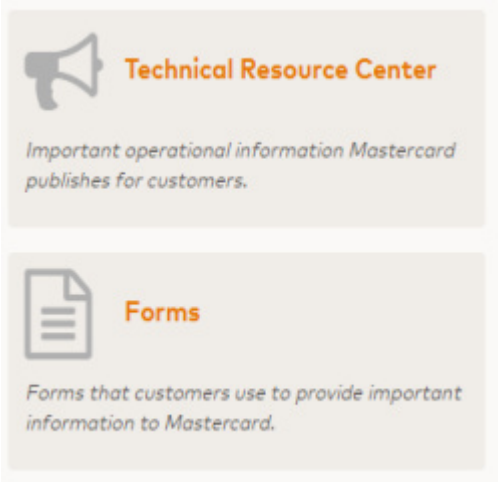
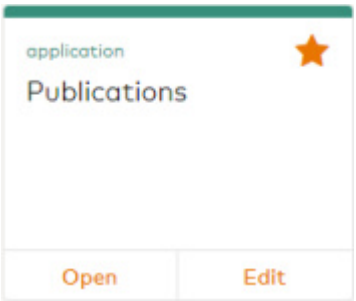


4. Select **Publications** Application to access the **Quick Link**.



5. Select **Forms** from the **Quick Links** list.
   Both above options provide access to the **Forms** selection screen.

6. Locate the desired form in the list. Forms may also be found by sorting under the category of Clearing and Settlement.

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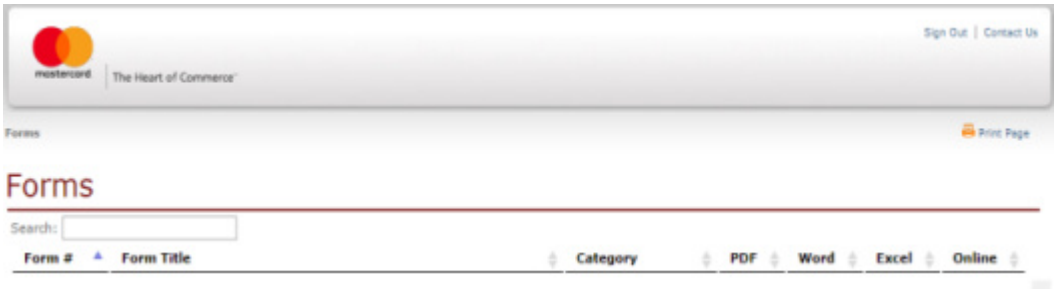

Referenced Forms

The following forms have been referenced in this *Chargeback Guide*.

362	*SAFE Optional Report Selection*
412	*Dispute Resolution Form-Fraud*
500	*MDS Exception Item Processing Request*
682a	*Dispute Resolution Management Case Filing Form—SMS Linked Case Filing*
1185	*Expedited Billing Dispute Resolution Process Form—Pre-Compliance/Compliance*
1221	*Dispute Resolution Form—Cardholder Dispute Chargeback*
1240	*Dispute Resolution Form—Point-of-Interaction (POI) Errors*

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