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Documentation Received with Second Presentment was Illegible or Scanning Error

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# Summary of Changes, 7 December 2021

This is a summary of the changes that have occurred since the previous publication of the manual.

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<td>Minor edits, formatting</td>
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<td>Removed references to deleted chapters 2 and 5 (explained below).</td>
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<td>Incorporated changes from the following announcements in Chapter 1 General Information</td>
<td>Chapter 1, General Information, Network Processing</td>
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<tr>
<td>• AN 5210 Revised Standards for China Domestic Dispute Resolution Initiative.</td>
<td>Chapter 1, General Information, Chargeback Cycles and Arbitration Case Filing</td>
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<tr>
<td>• AN 5330 Revised Standards for Disputes of Third-Party Processed Transactions in the European Economic Area, Gibraltar and the United Kingdom</td>
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<tr>
<td>Removed Chapter 2 Dual Message System Chargebacks-Initiated On or Before 16 July 2020 as it is no longer valid. Chapter 3 will be renumbered and renamed to Chapter 2 Dual Message System Chargebacks.</td>
<td>Chapter 2 Dual Message System Chargebacks</td>
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<td>• AN 4616 Revised Standards for Standards for the Transit First Ride Risk Framework.</td>
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<td>• AN 4838 Revised Standards for Reduced Stand-In Account File Listing Time Frame for Fraud Chargebacks.</td>
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<td>• AN 5211 Revised Chargeback Standards for Automated Fuel Dispensers in the U.S. Region</td>
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<tr>
<td>• AN 5585 Revised Chargeback Standards for Polish National Post Office Transactions Using MCC 9402 for Poland.</td>
<td>Chapter 2 Dual Message System Chargebacks, Cardholder Dispute Chargeback Staged Digital Wallet</td>
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<tr>
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<td>Removed chapter 5 Arbitration Case Filing-For Chargebacks Initiated On or Before 16 July 2020 as it is no longer valid. Chapter 6 will be renumbered and renamed to Chapter 4 Pre-Arbitration and Arbitration Case Filing-For Chargebacks</td>
<td>Chapter 4 Pre-Arbitration and Arbitration Case Filing-For Chargebacks</td>
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</table>
### Description of Change

Incorporated changes from the following announcements into new Chapter 4 Pre-Arbitration and Arbitration Case Filing. Revisions as announced in:

- AN 4834 Revised Standards for Compelling Evidence for Chargeback Reason Code 4837.
- AN 4838 Revised Standards for Reduced Stand-In Account File Listing Time Frame for Fraud Chargebacks.
- AN 5210 Revised Standards for China Domestic Dispute Resolution Initiative.
- AN 5317 Revised Chargeback Standards for Improved Arbitration Case Processing
- AN 5319 Revised Chargeback Standards for Acquirer Pre-Arbitration Processing.
- AN 5330 Revised Standards for Disputes of Third-Party Processed Transactions in the European Economic Area, Gibraltar and the United Kingdom

### Where to Look

Chapter 4 Pre-Arbitration and Arbitration Case Filing, Time Frames and Requirements, Dual Message System Pre-Arbitration and Arbitration Case Filing, No Cardholder Authorization, Compelling Evidence for Airline, Recurring, E-Commerce, and MO/TO Transactions

### Description of Change

Incorporated changes from the following announcement into new Chapter 5 Compliance Case Filing. Revisions as announced in:

- AN 5191 Introducing the Card Acceptor Business Code Performance Program in Brazil.
- AN 5210 Revised Standards for China Domestic Dispute Resolution Initiative.
- AN 5330 Revised Standards for Disputes of Third-Party Processed Transactions in the European Economic Area, Gibraltar and the United Kingdom

### Where to Look

Chapter 5 Compliance Case Filing, Overview
Chapter 5 Compliance Case Filing, Mastercom, and Mastercom Review Process
Chapter 5 Compliance Case Filing, Time Frames and Requirements

### Description of Change

Replaced the image in Appendix C of how to access the CVM Limit Amounts attachment, The attachment is only accessible through the HTML format and not the PDF format.

### Where to Look

Appendix C CVM Limit Amounts

### Description of Change

Added Appendix G China Domestic Adjustments as specified in AN 5210 Revised Standards for China Domestic Dispute Resolution Initiative.

### Where to Look

Added new Appendix G China Domestic Adjustments
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<td>Renamed Forms appendix G to appendix H.</td>
<td>Appendix H Forms</td>
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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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Chargeback Cycles and Arbitration Case Filing............................................................................................................................25
  Disputes of a Third Party Processed Transaction...........................................................................................................................26
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Network Processing


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.

The China Switch (CSW) processes authorization, clearing and settlement in a single message. CSW is only responsible for switching China domestic transactions. Refer to China Switch Specifications for detailed information.

Definitions

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

An On-Us transaction is a domestic transaction for which the issuer and acquirer is the same Customer.

Chargeback Cycles and Arbitration Case Filing

The following table provides an overview of the chargeback cycles, pre-arbitration and arbitration case filing.

Detailed information can be found in each chapter of this manual.

In China, the rules in Dual Message System Chargebacks chapter apply.

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.
Disputes of a Third Party Processed Transaction

In the European Economic Area (EEA), Gibraltar, and the United Kingdom, the chargeback rules apply to all disputed transactions regardless of the processor.

Mastercard facilitates submission of the chargeback cycles, pre-arbitration and arbitration case filing for third-party processed transactions when both Customers are in the EEA, Gibraltar or the United Kingdom and have not agreed to any other dispute resolution procedure as part of their third-party processing arrangement. A third-party processed transaction is a transaction that is not processed through Mastercard Switching Services.

An acquirer has the right to reject a chargeback when the acquirer can provide evidence that another dispute resolution procedure was agreed to between the parties. This must be done within the second presentment cycle.

These dispute procedures are only available when transactions were processed by a registered third-party processor and properly reported as collection-only through the Global Clearing Management System, and the issuer has opted into having its third-party processed transaction data loaded into Mastercom Claims Manager.

In addition to fulfilling the applicable requirements found within this guide, the Customers must provide support documentation with sufficient detail to enable all parties, including Mastercard’s Dispute Resolution Management staff, to understand the dispute. This includes, but is not limited to, processing logs, relevant data elements and explanations. Lack of sufficient detail may result in an unfavorable ruling decision. New or updated information will not be accepted in any appeal.

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

<table>
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<tr>
<th>First Presentment</th>
<th>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.</th>
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<td>Single Message</td>
<td>In the Single Message System, this is a Presentment/0210 message.</td>
</tr>
<tr>
<td>Dual Message</td>
<td>In the Dual Message System, this is a First Presentment/1240 message.</td>
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</tbody>
</table>
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**
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.

**Dual Message**
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).

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**
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.

**Dual Message**
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).
After the chargeback cycles have been completed, a dispute may be escalated using the pre-arbitration and arbitration case filing process. When an arbitration case is not resolved between the issuer and the acquirer, Mastercard will determine responsibility for the dispute.

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

Refer to the Pre-Arbitration and Arbitration Case Filing chapter for detailed information.

**Single Message**
In the Single Message System, the issuer may file an arbitration case.

**Dual Message**
In the Dual Message System, the issuer 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.

### 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 and second presentment may be reversed as described in the *Global Clearing Management System Reference Manual*.

In the China Switch (CSW), a chargeback and a second presentment may be reversed as described in the *China Switch User Guide - Customer Portal*.

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

- An issuer is limited to one chargeback for each 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.

- The issuer, acquirer, merchant, or cardholder must not retain funds, goods, and/or services twice for the same transaction. Issuers and acquirers are responsible to research and identify refunds prior to each chargeback processing cycle. Issues of this nature must be resolved properly during the chargeback and second presentment cycles and within the required time frames. A compliance case filing is invalid. Examples include but are not limited to:
  - 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.
  
  - When a cardholder is credited twice (once by the issuer as a result of a chargeback and again through a refund processed by the merchant), the acquirer must process a timely second presentment which identified a refund was previously processed. A compliance case is invalid. When a second presentment is not processed within the required second presentment time frame, an acquirer seeking return of the refund amount must do so outside of the chargeback and compliance process. An example of outside of the chargeback and compliance process includes, but is not limited to, a good faith collection letter. In this example, a good faith collection letter is written correspondence from the acquirer to the issuer requesting the return of the refunded amount. When a good faith collection letter is accepted by the issuer in writing the Fee Collection/1740 message must be processed in accordance with chapter 19-Fee Collection of the Global Clearing Management System Reference Manual.

For the avoidance of doubt:

- **Refund properly documented in second presentment and within time frame:** When a refund was processed before the second presentment and the timely second presentment properly documented the refund, the issuer must not continue the dispute for the refunded amount as the refund resolved the chargeback. Upon completion of all of the chargeback cycles,
if a properly documented pre-arbitration/arbitration case is filed, Mastercard will likely rule in favor of the acquirer. The two exceptions to the above are when:

- The issuer or cardholder can clearly document that the refund applied to a different transaction. With proper documentation from the cardholder, the issuer may continue with the dispute.
- The refund that was processed before the second presentment was for a partial amount of the disputed transaction and the acquirer failed to provide a valid remedy for the remainder of the disputed amount. The issuer may continue with the dispute for the amount that was not refunded, when applicable.

- **Refund before second presentment and within time frame, but not properly documented in second presentment:** A refund is required to be documented in the second presentment and not in the pre-arbitration/arbitration case filing. When the first chargeback is valid and timely, if a case is filed with Mastercard involving a refund that was processed before the second presentment but the second presentment did not properly document the refund, Mastercard will likely hold the issuer responsible for the refunded amount and hold the acquirer responsible for the fines and fees associated with the case.

- **Refund after second presentment:** When a refund was processed after the second presentment, an acquirer seeking return of the refund amount must do so outside of the arbitration and compliance process. An example of outside of the chargeback and compliance process includes, but is not limited to, a good faith collection letter. In this example, a good faith collection letter is written correspondence from the acquirer to the issuer requesting the return of the refunded amount. When a good faith collection letter is accepted by the issuer in writing the Fee Collection/1740 message must be processed in accordance with chapter 19-Fee Collection of the Global Clearing Management System Reference Manual. In the event an arbitration case is submitted concerning the refund, Mastercard will likely rule in favor of the issuer provided the first chargeback was timely and valid.

**Hardship Variances**

A hardship variance is considered when a natural disaster causes severe operational difficulties. A hardship variance removes the GCMS time frame edits in the dual message system for the chargeback cycles of all message reason codes 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 continue to apply. Refer to the Global Clearing Management System Reference Manual and IPM Clearing Formats for additional information.

Hardship variances are not supported in the Single Message System.

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
- China Switch Specifications
- China Switch User Guide - Customer Portal
- Customer Interface Specification
- 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
- Reconciliation File and Report - China
- Security Rules and Procedures
- Settlement Manual
- Single Message System Settlement and Reports
- Transaction Processing Rules
# Chapter 2 Dual Message System Chargebacks

This chapter contains information about chargeback processing for the Dual Message System and China Switch. China Switch is only responsible for switching China domestic transactions.

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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 seven days for final or undefined authorizations and 30-calendar days for pre-authorizations) 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.
  - 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.

- For Taiwan domestic in-flight transactions, refer to "AN 2491-Revised Standards-Taiwan Domestic In-flight Transactions" regarding Authorization Related Chargeback requirements.

**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.

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.

Supporting Documents must be provided as follows:

- For China domestic chargeback and second presentment: Supporting Documents must be provided using the China Dispute Resolution Platform. Supporting Documents must be uploaded into the China Dispute Resolution Platform at the time of submitting a chargeback or second presentment.
- For all other disputes: 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).
Chargeback

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

Required Authorization Not Obtained

<table>
<thead>
<tr>
<th>Chargeback Condition. Both of the following:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Authorization was required</td>
</tr>
<tr>
<td>• Authorization was not properly obtained.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Time Frame.</th>
</tr>
</thead>
<tbody>
<tr>
<td>For China domestic transactions: Between 5 and 90-calendar days of the transaction settlement date.</td>
</tr>
<tr>
<td>For all other transactions: Within 90-calendar days of the Central Site Business Date of the transaction.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Message Reason Code. One of the following:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 4808 (Authorization-related Chargeback) for Dual Message System transactions and China domestic transactions.</td>
</tr>
<tr>
<td>• 08 (Authorization-related Chargeback) for Debit Mastercard transactions processed on the Single Message System</td>
</tr>
</tbody>
</table>

The following message reason codes may continue to be used; however, they will eventually be eliminated. The following message reason codes must not be used for China domestic transactions.

| • 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 |

<table>
<thead>
<tr>
<th>Supporting Documents. None</th>
</tr>
</thead>
<tbody>
<tr>
<td>Message Text. None</td>
</tr>
</tbody>
</table>

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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.

**20% Tolerance.** The 20% tolerance for gratuities does not apply to the following types of transactions:
- Chip/PIN transactions
- Contactless transactions
- Card-not-present transactions (see below for a variation relating to U.S. region domestic restaurant transactions)
- Mastercard Consumer-Presented Quick Response (QR) Transaction
- Transactions for which the authorization was not coded as a pre-authorization
- China domestic transactions

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

**20% Tolerance.** A 20% tolerance for gratuities will apply to card-not-present transactions conducted 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:

- 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 350, if the transaction was identified in the authorization request with MCC 5542 (Fuel Dispenser, Automated), CAT 1, CAT 2, or CAT 6, and authorized by the issuer for USD 1.
  
  If the transaction amount exceeds USD 350, the issuer may charge back only the difference between the transaction amount and USD 350.

- Any other Mastercard card for any amount less than or equal to USD 125, if the transaction was identified in the authorization request with MCC 5542 (Fuel Dispenser, Automated), CAT 1, CAT 2, or CAT 6, and authorized by the issuer for USD 1.
  
  If the transaction amount exceeds USD 125, the issuer may charge back only the difference between the transaction amount and USD 125.

---

**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 or completed in 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.**

For China domestic transactions: Between 5 and 90-calendar days of the transaction settlement date.

For all other transactions: Within 90-calendar days of the Central Site Business Date of the transaction.
**Message Reason Code.** One of the following:
- 4808 (Authorization-related Chargeback) for Dual Message System transactions and China domestic 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. The following message reason codes must not be used for China domestic transactions.
- 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

**Message Text.** 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.** Within 90-calendar days of the Central Site Business Date of the transaction.

**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

**Message Text.** Optionally: Include MULTIPLE AUTH REQUESTS in DE 72 (Data Record)
Notes. This chargeback is not available for China domestic transactions.

CAT 3 Device

Chargeback Condition. One of the following:

1. The transaction was not identified with one of the following MCCs:
   a. 4784-Bridges and Road Fees, Tolls
   b. 5499-Miscellaneous Food Stores-Convenience Stores, Markets, Specialty Stores (solely for Contactless-only Transactions)
   c. 7523-Automobile Parking Lots and Garages
   d. 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 SAR 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. 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. Within 90-calendar days of the Central Site Business Date of the transaction.

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
**Message Text.**

Include the following in DE 72 (Data Record):

For Local Stoplist or Electronic Warning Bulletin File, one of the following:

- R X
- R X S NN

For Europe region cards with X2X service code: SC X2X

For all others one of the following:

- CAT 3
- CAT LEVEL 3

**Notes.**

**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 (Card Acceptor Name/Location), subfield 5 (Card Acceptor, 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 [Card Accepter 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*.

This chargeback is not available for China domestic transactions.
Transit First Ride Risk (FRR) Claims

**Chargeback Condition.** One of the following:
1. The original transit transaction declined by the issuer was not a properly identified contactless transit aggregated transaction.
2. The issuer declined the original contactless transit aggregated transaction or a subsequent transit debt recovery transaction using a DE 39 (Response Code) value categorized as “Not Claimable”.
3. The acquirer or merchant did not fulfill the criteria for submitting an FRR claim transaction. For example, the merchant submits an ineligible FRR claim to a non-domestic issuer, or did not initiate at least nine transit debt recovery attempts in the 45-calendar day period following the issuer’s decline of the contactless transit aggregated transaction, or the issuer approved a transit debit recovery transaction.
4. The FRR claim transaction exceeded the FRR limit amount applicable in the merchant’s country, as specified in Chapter 5 of the *Quick Reference Booklet*.
5. The acquirer previously submitted an FRR claim transaction for the same debt.

**Time Frame.** Within 90-calendar days of the Central Site Business Date of the transaction.

**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).** One of the following corresponding to the Chargeback Condition:
1. FRR INELIGIBLE
2. FRR NOT CLAIMABLE
3. FRR CRITERIA NOT FULFILLED
4. FRR LIMIT EXCEEDED
5. FRR ALREADY CLAIMED
Notes.
An FRR claim transaction is properly identified in the First Presentment/1240 message with:

- A value of 08 (First Ride Risk Claim) in PDS 0210 (Transit Program), subfield 1 (Transit Transaction Type Indicator); and
- An amount in DE 4 (Amount, Transaction) that does not exceed the FRR limit amount applicable in the merchant's country, as specified in Chapter 5 of the Quick Reference Booklet.

This chargeback is not available to China domestic transactions.
The China Switch does not currently support contactless transit aggregated transactions.
For more information about transit FRR claim transactions, refer to Rule 5.6.1-Transit First Ride Risk Framework of the Transaction Processing Rules.

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.
For China domestic transactions: The transaction was preauthorized and completed within the applicable chargeback protection period.
For all other transactions: The transaction was authorized and presented within the applicable chargeback protection period.

Time Frame.
For China domestic transactions: Within 30-calendar days of the chargeback settlement date.
For Nigeria domestic transactions: Within two-business days.
For all other transactions: Within 45-calendar days of the chargeback settlement date.

Message Reason Code. One of the following:
- 2008 (Issuer Authorized Transaction) for Dual Message System transactions and China domestic transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System
For China domestic transactions: When online authorized, include AUTHORIZATION DATE MMDDYY NNNNNN in the comment field as documented in the China Switch User Guide - Customer Portal.

For all other transactions: Include one of the following in 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 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.

China Switch does not support offline transaction.
Expired Chargeback Protection Period

Second Presentment Condition. One of the following:

1. For China domestic transactions: The transaction was properly identified in authorization as a preauthorization (DE 48, SE 61, subfield 5 = 2), the transaction was presented within 30-calendar days of the preauthorization approval date and was not reversed.
   For all other transactions: 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, one of the following:
   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.

For China domestic transactions: Within 30-calendar days of the chargeback settlement date.

For Nigeria domestic transactions: Within two-business days.

For all other transactions: Within 45-calendar days of the chargeback settlement date.

Message Reason Code. One of the following:

• 2713 (Invalid Chargeback) for Dual Message System transactions and China domestic transactions
• 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Supporting Documents. None
Message Text.
For China domestic transactions: Include one of the following corresponding to the Second Presentment Condition in comment field as documented in China Switch User Guide – Customer Portal:

1. PREAUTH MMDDYY
2. AUTH MMDDYY
3. INSTALLMENT
4. TRANSIT
5. ACCOUNT NOT STATUSED

For all other transactions: Include one of the following corresponding to the Second Presentment Condition in DE 72 (Data Record):

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.

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.

For China domestic transactions: Within 30-calendar days of the chargeback settlement date.
For Nigeria domestic transactions: Within two-business days.
For all other transactions: Within 45-calendar days of the chargeback settlement date.
**Message Reason Code.** One of the following:

- 2008 (Issuer Authorized Transaction) for Dual Message System transactions and China domestic 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
   Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

**Message Text.** 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.** For Nigeria domestic transactions: Within two-business days.
For all other transactions: Within 45-calendar days of the chargeback settlement date.

**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

**Message Text.** Include one of the following, as applicable, in DE 72 (Data Record):

- 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.
This chargeback is not available for China domestic transactions.

CAT 3 Device

Second Presentment Condition. The transaction was not a magnetic stripe transaction identified as occurring at a CAT 3 device and the PAN was not listed in the applicable Local Stoplist or Electronic Warning Bulletin File on the date of the transaction and one or both of the following:

- The transaction was properly identified in clearing as a CAT 3 terminal.
- The transaction amount was equal to or less than the applicable maximum transaction amount.

Time Frame. For Nigeria domestic transactions: Within two-business days.
For all other transactions: Within 45-calendar days of the chargeback settlement date.

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

Message Text. Optionally, include: CAT 3 in DE 72 (Data Record).

Notes. This chargeback is not available for China domestic transactions.

Credit Previously Issued

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

Time Frame.

For China domestic transactions: Within 30-calendar days of the chargeback settlement date.
For Nigeria domestic transactions: Within two-business days.
For all other transactions: Within 45-calendar days of the chargeback settlement date.
**Message Reason Code.** One of the following:
- 2011 (Credit Previously Issued) for Dual Message System transactions and China domestic transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

**Supporting Documents.** None

**Message Text.**
For China domestic transactions: Include MMDDYY NNNNNNNNNNNNNNNNNNNNNNNNNN in comment field as documented in *China Switch User Guide – Customer Portal.*

For all other transactions: Include MMDDYY NNNNNNNNNNNNNNNNNNNNNNNNNN in DE 72 (Data Record).
Notes.

Replace MMDDYY with the date of the credit transaction.

Optionally, for China domestic transactions replace NNNNNNNNNNNNNNNNNNNNNNNNN with the Network Reference Number (NRN) of the credit transaction.

Optionally, for all other transactions: Replace NNNNNNNNNNNNNNNNNNNNNNNNN with the Acquirer Reference Data (ARD) of the credit transaction.

Refunds. When a cardholder is credited twice (once by the issuer as a result of a chargeback and again through a refund processed by the merchant), the acquirer must process a timely second presentment which identified a refund was previously processed. A compliance case is invalid. When a second presentment is not processed within the required second presentment time frame, an acquirer seeking return of the refund amount must do so outside of the chargeback and compliance process. An example of outside of the chargeback and compliance process includes, but is not limited to, a good faith collection letter. In this example, a good faith collection letter is written correspondence from the acquirer to the issuer requesting the return of the refunded amount. When a good faith collection letter is accepted by the issuer in writing, the Fee Collection/1740 message must be processed in accordance with chapter 19-Fee Collection of the Global Clearing Management System Reference Manual. For China Customer, a domestic Fee Collection must be processed as documented in the China Switch User Guide – Customer Portal.

For the avoidance of doubt:

• **Refund properly documented in second presentment and within time frame:** When a refund was processed before the second presentment and the timely second presentment properly documented the refund, the issuer must not continue the dispute for the refunded amount as the refund resolved the chargeback. Upon completion of all of the chargeback cycles, if a properly documented pre-arbitration/arbitration case is filed, Mastercard will likely rule in favor of the acquirer. The two exceptions to the above are when:
  - The issuer or cardholder can clearly document that the refund applied to a different transaction. With proper documentation from the cardholder, the issuer may continue with the dispute.
  - The refund that was processed before the second presentment was for a partial amount of the disputed transaction and the acquirer failed to provide a valid remedy for the remainder of the disputed amount. The issuer may continue with the dispute for the amount that was not refunded, when applicable.

• **Refund before second presentment and within time frame, but not properly documented in second presentment:** A refund is required to be documented in the second presentment and not in the pre-arbitration/arbitration case filing. When the first chargeback is valid and timely, if a case is filed with Mastercard involving a refund that was processed before the second presentment but the second presentment did not properly document the refund, Mastercard will likely hold the issuer responsible for the refunded amount and hold the acquirer responsible for the fines and fees associated with the case.

• **Refund after second presentment:** A refund is required to be documented in a timely manner in the second presentment and not in the pre-arbitration/arbitration case.
filing. When a refund was processed after the second presentment, an acquirer seeking return of the refund amount must do so outside of the arbitration and compliance process. An example of outside of the chargeback and compliance process includes, but is not limited to, a good faith collection letter. In this example, a good faith collection letter is written correspondence from the acquirer to the issuer requesting the return of the refunded amount. When a good faith collection letter is accepted by the issuer in writing, the Fee Collection/1740 message must be processed in accordance with chapter 19-Fee Collection of the Global Clearing Management System Reference Manual. For China Customer, a domestic Fee Collection must be processed as documented in the China Switch User Guide - Customer Portal.

In the event an arbitration case is submitted concerning the refund, Mastercard will likely rule in favor of the issuer provided the first chargeback was timely and valid.

Additional Second Presentment Options

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

- One of the following for Dual Message System and China domestic transactions:
  - **2001**-Invalid Acquirer Reference Data; Documentation was Received or was Not Required
    This message reason code is not available for China domestic transactions.
    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.
    This message reason code is not available for China domestic transactions.
  - **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
Time Frame.
For China domestic transactions: Within 30-calendar days of the chargeback settlement date.
For Nigeria domestic transactions: Within two-business days.
For all other transactions: Within 45-calendar days of the chargeback settlement date.

Supporting Documents. None
Message Text. None
Notes. Not available for ATM transactions.

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.

• **Colombia only** – The transaction was a domestic Colombia transaction addressed by Reversion of Payments Regulation (RP-Reg) disputed as a Law 1480 2011, Article 51, and Decree 587 of 2016 claim, specifically:
  – Goods or Services Were Either Not as Described or Defective
  – Goods or Services Not Provided
  – Counterfeit Goods

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 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.

**Intra-European and Inter-European Transactions Only**

For Polish National Post Office transactions completed in Poland for the purpose of transferring funds to pay bills, such as utilities or phone bills, or for payment of goods on delivery, this chargeback right is available for disputes relating to failure to transfer the funds, and is not available for any dispute relating to the quality or delivery of the services provided or goods purchased. Such transactions are identified with MCC 9402 (Postal Services-Government Only). For the purchase of the goods and services sold by the Polish National Post Office itself, such as stamps, the preceding limitation does not apply.

**Staged Digital Wallet.**

• A transaction to fund a Staged Digital Wallet (SDW) may be charged back if the funds did not appear in the SDW. Chargeback rights are not available for any subsequent purchase of goods or service from a SDW. SDW 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.

• **Intra-European and Inter-European Transactions Only.** This chargeback right is also available for purchases of goods or services (excluding gambling, investments and similar provision of services) made using a SDW, when the SDW funding transaction occurred during the consumer’s purchase. Such funding transactions are further identified with the SDW Operator name in conjunction with the retailer name present in DE 43, subfield 1 (Card Acceptor Name) and the MCC that most closely describes the primary business of the retailer in DE 18 (Merchant Type) of the Authorization Request/0100 message.
and in DE 26 (Card Acceptor Business Code [MCC]) of the First Presentment/1240 message.

The issuer or the cardholder must have contacted or attempted to contact the SDW Operator or retailer to resolve the dispute before raising the chargeback. The result of this attempt must be explained in the support documentation.

**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.

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.

Supporting Documents must be provided as follows:

- For China domestic chargeback and second presentment: Supporting Documents must be provided using the China Dispute Resolution Platform. Supporting Documents must be uploaded into China Dispute Resolution Platform at the time of submitting a chargeback or second presentment.
- For all other disputes: 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).
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.**

For China domestic transactions, one of the following:

- Within 90-calendar 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 90-calendar days from the transaction settlement date.
- Between 15 and 90-calendar days from the delivery/cancellation date of the goods or services.

For all other transactions, one of the following:

- Within 120-calendar 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 days from the transaction settlement date.
- Between 15 and 120-calendar days 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 and China domestic transactions
- 53 (Cardholder Dispute-Defective/Not as Described) 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 complaint in sufficient detail to enable all parties to understand the dispute. This means that the cardholder email, letter, message or completed Dispute Resolution Form-Cardholder Dispute Chargeback (Form 1221) must document how each Chargeback Conditions was met.

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.

**Message Text.** 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.
Time Frame.

For China domestic transactions:

- 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 90-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 90-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 90-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 transaction settlement date.

- 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: Within 540-calendar days from the transaction settlement date.

- 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: Within 90-calendar days from the expiration date printed on the card.

- In all other cases: Within 90-calendar days from the transaction settlement date.

For all other transactions:

- 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: Within 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: Within 120-calendar days from the expiration date printed on the card.
• In all other cases: Within 120-calendar days from the transaction settlement date.

**Message Reason Code.** One of the following:
- 4853 (Cardholder Dispute) for Dual Message System transactions and China domestic 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. The following message reason codes must not be used for China domestic transactions.
- 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

**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. This means that the cardholder email, letter, message or completed *Dispute Resolution Form-Cardholder Dispute Chargeback (Form 1221)* must document how each of the **Chargeback Conditions** was met.
- 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. This means that the cardholder email, letter, message or completed *Dispute Resolution Form-Cardholder Dispute Chargeback (Form 1221)* must document how each of the **Chargeback Conditions** was met.
- A reasonably specific description of the goods/services purchased.

**Message Text.** None
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 for each 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.
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 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.

**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 eliminated.

- 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.

Message Text. None

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 a pre-arbitration case. The pre-arbitration case 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 pre-arbitration 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.

**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 using email, text, or other means) promptly after each purchase was completed?
**Time Frame.**

For China domestic transactions: Within 90-calendar days of the transaction settlement date.

For all other transactions: Within 120-calendar days of the transaction settlement date.

**Message Reason Code.** One of the following:

- 4853 (Cardholder Dispute) for Dual Message System transactions and China domestic 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. The following message reason codes must not be used for China domestic transactions.

- 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. This means that the cardholder email, letter, message or completed Dispute Resolution Form-Cardholder Dispute Chargeback (Form 1221) must document how each Chargeback Conditions was met.

**Message Text.**

For China domestic transactions, include DIGITAL GOODS in comment field as documented in China Switch User Guide – Customer Portal.

For all other transactions, include DIGITAL GOODS in DE 72 (Data Record).

**Notes.** This chargeback is not available for fraud disputes.

**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.

For China domestic transactions, one of the following:

- Between 15 and 90-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 90-calendar day time frame, the issuer may chargeback the transaction earlier than 15-calendar days.
  
  When the credit documentation is dated, the 90-day chargeback time frame counts the date on the credit documentation as day zero.
  
  When the credit documentation is undated, the 90-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

For all other transactions, one of the following:

- Within 120-calendar days of 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 and China domestic 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. The following message reason codes must not be used for China domestic transactions.

- 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. 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. This means that the cardholder email, letter, message or completed Dispute Resolution Form-Cardholder Dispute Chargeback (Form 1221) must document how each Chargeback Conditions was met.
- Merchant documentation to support a credit is due to the cardholder.
- Proof of an improperly disclosed in-store credit and cardholder explanation.

Message Text.

For improperly disclosed partial credit only:

- For China domestic transactions: Include NNNNNNNNNNNNNNNNNNNNNNNN in comment field as documented in China Switch User Guide – Customer Portal.
- For all other transactions: Include NNNNNNNNNNNNNNNNNNNNNNNN in DE 72 (Data Record).

For all others: None
Notes.
For China domestic transactions, replace NNNNNNNNNNNNNNNNNNNNNN with the Network Reference Number (NRN) of the credit transaction.
For all other transactions, replace NNNNNNNNNNNNNNNNNNNNNN with the Acquirer Reference Data (ARD) of the credit transaction.

Proper Disclosure
Merchants that are unwilling to accept buyer’s remorse returns and cancellations or that want to have special terms including (but not limited to) restocking fees or in-store credits, must disclose these terms at the time of the transaction. The cardholder must be informed of the refund policy 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.
For China domestic transactions, one of the following:
• Within 90-calendar days of transaction settlement date.
• When the transaction involved delayed delivery: within 90-calendar days of the date the goods and services were received.
For all other transactions, one of the following:
• Within 120-calendar days of the Central Site Business Date.
• When the transaction involved delayed delivery: within 120-calendar days of the date the goods and services were received.

Message Reason Code. One of the following:
• 4853 (Cardholder Dispute) for Dual Message System transactions and China domestic transactions
• 53 (Cardholder Dispute-Defective/Not as Described) 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 and the disposition of the goods. This means that the cardholder email, letter, message or completed Dispute Resolution Form-Cardholder Dispute Chargeback (Form 1221) must document how each Chargeback Conditions was met.

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.

Message Text. Optionally:

For China domestic transactions, include COUNTERFEIT in comment field as documented in China Switch User Guide – Customer Portal.

For all other transactions, include COUNTERFEIT in DE 72 (Data Record).

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.

For China domestic transactions: Within 90-calendar days of transaction settlement date.

For all other transactions: Within 120-calendar days of the transaction settlement date.
**Message Reason Code.** One of the following:

- 4853 (Cardholder Dispute) for Dual Message System transactions and China domestic 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. The following message reason codes must not be used for China domestic transactions:

- 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. This means that the cardholder email, letter, message or completed *Dispute Resolution Form-Cardholder Dispute Chargeback* (Form 1221) must document how each Chargeback Conditions was met.

**Message Text.** None.

**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.

**Issuer Dispute of a Recurring Transaction**

**Chargeback Condition.**

For China domestic transactions, one of the following:

1. The issuer previously charged back a disputed recurring transaction with the same PAN and merchant.
2. The issuer previously notified the merchant or acquirer to cancel the recurring transaction prior to the disputed transaction occurring.

For all other transactions, 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.**

For China domestic transactions: Within 90-calendar days of transaction settlement date.

For all other transactions: Within 120-calendar days of the transaction settlement date.

**Message Reason Code.** One of the following:

- 4853 (Cardholder Dispute) for Dual Message System transactions and China domestic 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. The following message reason codes must not be used for China domestic transactions.

- 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.** For China domestic transactions, one of the following correspond to the **Chargeback Condition:**

1. 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.

2. Issuer certification letter stating that the merchant was notified of the cancellation before the disputed transaction.

For all other transactions, 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.
**Message Text.**

For China domestic transactions, include one of the following corresponding to the **Chargeback Condition** in comment field as documented in *China Switch User Guide – Customer Portal*:

1. CB MMDDYY NRN XXXXXXXXXXXXXXXXXXXXXXX
2. None

For all other transactions, include one of the following corresponding to the **Chargeback Condition** in DE 72 (Data Record):

1. RPCS MMDDY
2. CB MMDDY 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.
   
   For China domestic transactions: Replace **XXXXXXXXXXXXXXXXXXXXXXXXXX** with the Network Reference Number (NRN) of the original chargeback for Cardholder Dispute of a Recurring Transaction.
   
   For all other transactions: Replace **XXXXXXXXXXXXXXXXXXXXXXXXXX** with the Acquirer Reference Data (ARD) of the original chargeback for Cardholder Dispute of a Recurring Transaction (refer to the previous table titled Cardholder Dispute of a Recurring Transaction) which contained the cardholder’s letter, email, message or completed *Dispute Resolution Form* describing the cardholder’s dispute.
3. None
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.
For China domestic transactions: Within 90-calendar days of transaction settlement date of the disputed subsequent transaction.

For all other transactions: Within 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 and China domestic 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. The following message reason codes must not be used for China domestic transactions.

- 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. This means that the cardholder email, letter, message or completed Dispute Resolution Form-Cardholder Dispute Chargeback (Form 1221) must document how each Chargeback Conditions was met.

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.

Message Text. None
Notes.

The right to charge back the disputed amount is not dependent on the method of payment for the original transaction. For example, the cardholder may have paid cash for the accepted transaction, but the disputed subsequent transaction was applied to the Mastercard card because the cardholder presented the Mastercard card to the merchant to guarantee the service.

A cardholder is not responsible for a charge representing loss, theft, or damage unless the 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.**

For China domestic transactions: Within 90-calendar days of transaction settlement date.

For all other transactions: Within 120-calendar days of the Central Site Business Date.
**Message Reason Code.** One of the following:

- 4853 (Cardholder Dispute) for Dual Message System transactions and China domestic 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. The following message reason codes must not be used for China domestic transactions.

- 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 and one of the following corresponding to the Chargeback Condition:

1. When available, cancellation number.
2. For China domestic transactions: The issuer must provide the NRN of the transactions that represent the actual use of the accommodations.
   - For all other transactions: 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.

**Message Text.**

For China domestic transactions, when the “no-show” charge differed from the rate quoted to the cardholder, include one of the following in comment field as documented in *China Switch User Guide – Customer Portal*:

- NO SHOW XXX NNNN
- RS5 XXX NNNN

For all other transactions: When the “no-show” charge differed from the rate quoted to the cardholder, include one of the following in DE 72 (Data Record):

- 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.**

For China domestic transactions: Within 90-calendar days of transaction settlement date.

For all other transactions: Within 120-calendar days of the transaction settlement date.

**Message Reason Code.** One of the following:

- 4853 (Cardholder Dispute) for Dual Message System transactions and China domestic 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. The following message reason codes must not be used for China domestic transactions.

- 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

**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. This means that the cardholder email, letter, message or completed *Dispute Resolution Form-Cardholder Dispute Chargeback* (Form 1221) must document how each **Chargeback Conditions** was met.

**Message Text.** 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.**
- For China domestic transactions: Within 90-calendar days of cancellation date.
- For all other transactions: Within 120-calendar days of the cancellation date.

**Message Reason Code.** One of the following:
- 4853 (Cardholder Dispute) for Dual Message System transactions and China domestic 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. The following message reason codes must not be used for China domestic transactions.
- 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.** 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 one of the following:
- 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.

**Message Text.**
For China domestic transactions, include TIMESHARE in comment field as documented in China Switch User Guide – Customer Portal.
For all other transactions, include TIMESHARE in DE 72 (Data Record)

**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.
Time Frame.
For China domestic transactions: Within 90-calendar days of transaction settlement date.
For all other transactions: Within 120-calendar days of the transaction settlement date.

Message Reason Code. One of the following:
- 4853 (Cardholder Dispute) for Dual Message System transactions and China domestic 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. The following message reason codes must not be used for China domestic transactions.
- 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
Message Text. 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.
For China domestic transactions: Within 30-calendar days of the chargeback settlement date.
For Nigeria domestic transactions: Within two-business days.
For all other transactions: Within 45-calendar days of the chargeback settlement date.
**Message Reason Code.** One of the following:

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

**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.

Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

**Message Text.** 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.

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**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.

**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.

Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

Message Text. 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.

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.

- 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.

For China domestic transactions: Within 30-calendar days of the chargeback settlement date.

For Nigeria domestic transactions: Within two-business days.

For all other transactions: Within 45-calendar days of the chargeback settlement date.
**Message Reason Code.** One of the following:

- 2700 (See Corresponding Documentation/Chargeback Remedied) for Dual Message System transactions and China domestic 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).

Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

**Message Text.** None

**Notes.** None

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**Credit Previously Issued**

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

**Time Frame.**

For China domestic transactions: Within 30-calendar days of the chargeback settlement date.

For Nigeria domestic transactions: Within two-business days.

For all other transactions: Within 45-calendar days of the chargeback settlement date.

**Message Reason Code.** One of the following:

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

**Supporting Documents.** None

**Message Text.**

For China domestic transactions: Include **MMDDYY NNNNNNNNNNNNNNNNNNNNNNN** in comment field as documented in *China Switch User Guide – Customer Portal*.

For all other transactions: Include **MMDDYY NNNNNNNNNNNNNNNNNNNNNNN** in DE 72 (Data Record).
Notes.

Replace MMDDYY with the date of the credit transaction.

Optionally, for China domestic transactions replace NNNNNNNNNNNNNNNNNNNNNNN with the Network Reference Number (NRR) of the credit transaction.

Optionally, for all other transactions: Replace NNNNNNNNNNNNNNNNNNNNNNN with the Acquirer Reference Data (ARD) of the credit transaction.

Refunds. When a cardholder is credited twice (once by the issuer as a result of a chargeback and again through a refund processed by the merchant), the acquirer must process a timely second presentment which identified a refund was previously processed. A compliance case is invalid. When a second presentment is not processed within the required second presentment time frame, an acquirer seeking return of the refund amount must do so outside of the chargeback and compliance process. An example of outside of the chargeback and compliance process includes, but is not limited to, a good faith collection letter. In this example, a good faith collection letter is written correspondence from the acquirer to the issuer requesting the return of the refunded amount. When a good faith collection letter is accepted by the issuer in writing, the Fee Collection/1740 message must be processed in accordance with chapter 19-Fee Collection of the Global Clearing Management System Reference Manual. For a China Customer, a domestic Fee Collection must be processed as documented in the China Switch User Guide – Customer Portal.

For the avoidance of doubt:

• **Refund properly documented in second presentment and within time frame:** When a refund was processed before the second presentment and the timely second presentment properly documented the refund, the issuer must not continue the dispute for the refunded amount as the refund resolved the chargeback. Upon completion of all of the chargeback cycles, if a properly documented pre-arbitration/arbitration case is filed, Mastercard will likely rule in favor of the acquirer. The two exceptions to the above are when:
  
  – The issuer or cardholder can clearly document that the refund applied to a different transaction. With proper documentation from the cardholder, the issuer may continue with the dispute.
  
  – The refund that was processed before the second presentment was for a partial amount of the disputed transaction and the acquirer failed to provide a valid remedy for the remainder of the disputed amount. The issuer may continue with the dispute for the amount that was not refunded, when applicable.

• **Refund before second presentment and within time frame, but not properly documented in second presentment:** A refund is required to be documented in the second presentment and not in the pre-arbitration/arbitration case filing. When the first chargeback is valid and timely, if a case is filed with Mastercard involving a refund that was processed before the second presentment but the second presentment did not properly document the refund, Mastercard will likely hold the issuer responsible for the refunded amount and hold the acquirer responsible for the fines and fees associated with the case.

• **Refund after second presentment:** A refund is required to be documented in a timely manner in the second presentment and not in the pre-arbitration/arbitration case.
filing. When a refund was processed after the second presentment, an acquirer seeking return of the refund amount must do so outside of the arbitration and compliance process. An example of outside of the chargeback and compliance process includes, but is not limited to, a good faith collection letter. In this example, a good faith collection letter is written correspondence from the acquirer to the issuer requesting the return of the refunded amount. When a good faith collection letter is accepted by the issuer in writing, the Fee Collection/1740 message must be processed in accordance with chapter 19-Fee Collection of the Global Clearing Management System Reference Manual. For a China Customer, a domestic Fee Collection must be processed as documented in the China Switch User Guide - Customer Portal.

In the event an arbitration case is submitted concerning the refund, Mastercard will likely rule in favor of the issuer provided the first chargeback was timely and valid.
Additional Second Presentment Options

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

- One of the following for Dual Message System transactions and China domestic transactions:
  - **2001** - Invalid Acquirer Reference Data; Documentation was Neither Required nor 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 not available for China domestic transactions.
  - **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. 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.
    This message reason code is not available for China domestic transactions.
  - **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 Message Text
    Message text required to appear in the first chargeback 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.
    This message reason code is not available for China domestic transactions.
  - **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.**
For China domestic transactions: Within 30-calendar days of the chargeback settlement date.
For Nigeria domestic transactions: Within two-business days.
For all other transactions: Within 45-calendar days of the chargeback settlement date.

**Supporting Documents.** None
Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

**Message Text.** None

**Notes.** None

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

- **4837**-No Cardholder Authorization
- **4849**-Questionable Merchant Activity
- **4870**-Chip Liability Shift
- **4871**-Chip Liability Shift-Lost/Stolen/Never Received Issue (NRI) Fraud

**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.
- **Mastercard Consumer-Presented Quick Response (QR) transactions.** A Mastercard Consumer-Presented QR transaction that was properly identified in the Authorization Request/0100 message or Financial Transaction Request/0200 message. Refer to Appendix F for Mastercard Consumer-Presented QR transactions 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] 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.**

- **Effective for transactions occurring on or after 16 April 2021: Automated Fuel Dispenser (MCC 5542).** An automated fuel dispenser transaction that was properly identified with MCC 5542 and CAT 2 alleged to be lost/stolen/never received issue (NRI) fraud and occurred at a hybrid (EMV contactless and/or contact chip-enabled) terminal.

- **Transactions resulting from an account takeover and subsequently reported to the Fraud and Loss Database 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 authenticated and identified transactions** (including any subsequent transaction related to the original authenticated transaction, such as a partial shipment or recurring payment) 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, 217, 221, 222, 225, 241, 242, or 245. Examples include, but are not limited to, Identity Check and Digital Secure Remote Payment (DSRP).

- **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.
• **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.

• **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.

• **China only**—Issuer authenticated domestic card-not-present transactions through China Switch Authentication Facilitating Service (SAFS). The transaction was identified in authorization [DE 112 (Additional Data China Use), subelement 50 (Cardholder Identification Information), subfield 09 (OTP Index) and subfield 10 (OTP Value)] with valid values.

• **Colombia only**—The transaction was a domestic Colombia transaction addressed by Reversion of Payments Regulation (RP-Reg) of Law 1480 2011, Article 51, and Decree 587 of 2016.

• **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.

• **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

- **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.

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.

Supporting Documents must be provided as follows:

- For China domestic chargeback and second presentment: Supporting Documents must be provided using the China Dispute Resolution Platform.
Supporting Documents must be uploaded into China Dispute Resolution Platform at the time submitting a chargeback or second presentment.

- For all other disputes: 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).

**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.** Both of the following:

- The cardholder contacted the issuer claiming that the cardholder did not authorize the transaction.
- For China domestic transactions: The transaction was reported to the Risk Management as fraud in accordance with the China Switch User Guide - Customer Portal on or before the date of the chargeback.
- For all other transactions: The transaction was reported to the Fraud and Loss Database as fraud in accordance with the Fraud and Loss Database User Guide on or before the date of the chargeback.

**Time Frame.**
For China domestic transactions: Between 5 and 90-calendar days of the transaction settlement date.
For all other transactions: Within 120-calendar days of the Central Site Business Date of the transaction.

**Message Reason Code.** One of the following:

- 4837 (No Cardholder Authorization) for Dual Message System transactions and China domestic 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.
**Message Text.**
For China domestic transaction: Include the Audit Control Number of the reported transaction in comment field as documented in *China Switch User Guide – Customer Portal.*

For all other transactions: None
Notes.

Dispute Resolution Form-Fraud (Form 0412)

For China domestic transactions: 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.
- Report the transaction to the Risk Management.

For all other transactions: 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 for 180-calendar days or until card expiration (whichever is shorter).
- The issuer reported the transaction to the Fraud and Loss Database.

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:

• For China domestic transactions: Before processing the chargeback, the issuer must block the account on its host or for contactless transactions involving a Mastercard token, the issuer must deactivate the token.
  For all other transactions: 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” response for 180-calendar days or until card expiration (whichever is shorter), 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.

This chargeback is not available for an automated fuel dispenser transaction alleged to be lost/stolen/never received issue (NRI) fraud that was identified with MCC 5542 and CAT 2 and occurred at a hybrid (EMV contactless and/or contact chip-enabled) terminal.

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.

NOTE: Refer to Appendix D of this manual for 4850, Installment Billing Disputes for Participating Countries when addressing installment payment disputes after the initial amount was disputed as fraud.

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.

**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.

For China domestic transactions: This condition has been met when the Fraud NTF Date is present and contains a date value in Chargeback Details on China Dispute Resolution Platform earlier than the authorization approval date of the disputed transaction.

For all other transactions: 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.

**Time Frame.**

For China domestic transactions: Within 30-calendar days of the chargeback settlement date.

For Nigeria domestic transactions: Within two-business days.

For all other transactions: Within 45-calendar days of the chargeback settlement date.

**Message Reason Code.** 2713 (Invalid chargeback) for Dual Message System and China domestic transactions.

**Supporting Documents.** None

Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

**Message Text.**

For China domestic transactions: Include one of the following in comment field as documented in *China Switch User Guide – Customer Portal*:

1. FNS
2. NN MMDDYY NN MMDDYY AUTH MMDDYY

For all other transactions: Include one of the following in DE 72 (Data Record):

1. FNS
2. NN MMDDYY NN MMDDYY AUTH MMDDYY
Notes. The following applies to the use of Message Text:

1. For China domestic transactions: Use **FNS** when the authorization approval date of the disputed transaction is later than the date value provided by the Fraud Notification Service in Chargeback Details on China Dispute Resolution Platform. For all other transactions: 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. For China transactions: Use **NN MMDDYY** for a previous chargeback by replacing **NN** with the last two digits of the message reason code and **MMDDYY** with the settlement date of the previous chargeback. For **AUTH MMDDYY**, replace **MMDDYY** with the authorization approval date of the disputed transaction. For all other transactions: 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.

For China domestic transactions, this condition has been met when the Fraud Notification Service Counter is present in Chargeback Details on China Dispute Resolution Platform and contains a value that is 16 or greater.

For all other transactions: 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.

Time Frame.

For China domestic transactions: Within 30-calendar days of the chargeback settlement date.

For Nigeria domestic transactions: Within two-business days.

For all other transactions: Within 45-calendar days of the chargeback settlement date.

Message Reason Code. One of the following:

- 2713 (Invalid Chargeback) for Dual Message System transactions and China domestic transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System
Supporting Documents. None
Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

Message Text.
For China domestic transactions, include FNS COUNT NN in comment field as documented in China Switch User Guide – Customer Portal.
For all other transactions, include FNS COUNT NN in DE 72 (Data Record).

Notes.
For China domestic transactions: Replace NN with the chargeback count value provided in Chargeback Details on China Dispute Resolution Platform.
For all other transactions: 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.

Not Reported to the Fraud and Loss Database

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

Message Reason Code. 2713 (Invalid chargeback)

Time Frame.
For Nigeria domestic transactions: Within two-business days.
For all other transactions: Within 45-calendar days of the chargeback settlement date.

Supporting Documents. Documentation that supports the second presentment from one of the following:
- The Daily Acquirer Loss Data File. For more information, refer to the Fraud and Loss Database User Guide
- Monthly Acquirer Loss Data File. For more information, refer to the Fraud and Loss Database User Guide
- The Acquirer Reported Fraud Dashboard in Mastercard Connect > Fraud Center > Fraud Insights

Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

Message Text. None
Notes.
For China domestic transactions: Acquirers must refer to future announcement for the commencement of using this second presentment.

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.

Time Frame.
For China domestic transactions: Within 30-calendar days of the chargeback settlement date.
For Nigeria domestic transactions: Within two-business days.
For all other transactions: Within 45-calendar days of the chargeback settlement date.

Message Reason Code. One of the following:
• 2008 (Issuer Authorized Transaction) for Dual Message System transactions and China domestic transactions
• 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Supporting Documents. None
Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

Message Text.
For China domestic transactions: Include CONTACTLESS NNNNNN MMDDYY in comment field as documented in China Switch User Guide – Customer Portal.
For all other transactions: Include CONTACTLESS NNNNNN MMDDYY in DE 72 (Data Record).

Notes.
Replace MMDDYY with the date the transaction was authorized.
Replace NNNNNNN with the authorization approval code.

PIN Transaction

Second Presentment Condition. 
For China domestic transactions: A PIN was present in the Financial Transaction Request/0200 or Preauthorization Request/0100 message.
For all other transactions: A PIN was present in the Authorization Request/0100 message.
Time Frame.
For China domestic transactions: Within 30-calendar days of the chargeback settlement date.
For Nigeria domestic transactions: Within two-business days.
For all other transactions: Within 45-calendar days of the chargeback settlement date.

Message Reason Code. One of the following:
• 2008 (Issuer Authorized Transaction) for Dual Message System transactions and China domestic transactions
• 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Supporting Documents. None

Message Text.
For China domestic transactions: Include PIN MMDDYY NNNNNN in comment field as documented in China Switch User Guide – Customer Portal.
For all other transactions: Include PIN MMDDYY NNNNNN in DE 72 (Data Record).

Notes.
Replace MMDDYY with the date the transaction was authorized.
Replace NNNNNN with the authorization approval code.

Authenticated Transaction

Second Presentment Condition. All of the following:
• For China domestic transactions: All of the required e-commerce indicators were provided in the Preauthorization Request/0100 or Financial Transaction Request/0200 message.
  For all other transactions: All of the required e-commerce indicators were provided in the Authorization Request/0100 message.
• For China domestic transactions: The Preauthorization Request Response/0110 or Financial Transaction Request Response/0210 message reflected the issuer’s approval of the transaction.
  For all other transactions: 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, 217, 221, 222, 225, 241, 242, or 245.
• 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.**
For China domestic transactions: Within 30-calendar days of the chargeback settlement date.
For Nigeria domestic transactions: Within two-business days.
For all other transactions: Within 45-calendar days of the chargeback settlement date.

**Message Reason Code.** One of the following:
- 2008 (Issuer Authorized Transaction) for Dual Message System transactions and China domestic transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

**Supporting Documents.** None

**Message Text.**
For China domestic transactions: Include one of the following in comment field as documented in *China Switch User Guide – Customer Portal*:
- AUTH MMDDYY/NNNNNN SL 1
- AUTH MMDDYY/NNNNNN SL 2
For all other transactions: Include one of the following in DE 72 (Data Record):
- AUTH MMDDYY/NNNNNN SL 1
- AUTH MMDDYY/NNNNNN SL 2

**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.
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*.
For China domestic transactions: Acquirers must refer to future announcement for the commencement of using this second presentment.

**Authenticated Transaction – China Domestic Transactions Only**

**Second Presentment Condition.** For China domestic transactions, all of the following:
- All of the required e-commerce indicators were provided in the Financial Transaction Request/0200 message or Preauthorization Request/0100 message
- The Financial Transaction Request Response/0210 message or Preauthorization Request Response/0110 message reflected the issuer's approval of the transaction
- DE 112 (Additional Data - China Use), subelement 50 (Cardholder Identification Information), subfield 09 (OTP Index) and subfield 10 (OTP Value) contained valid values
### Time Frame
Within 30-calendar days of the chargeback settlement date.

### Message Reason Code
2008 (Issuer Authorized Transaction) for China domestic transactions

### Supporting Documents
None

### Message Text
Include AUTH MMDDYY/NNNNNN SAFS in comment field as documented in *China Switch User Guide – Customer Portal*.

### Notes
Replace MMDDYY with the date the transaction was authorized.

Replace NNNNNN with the authorization approval code.

#### China Switch Authentication Facilitating Service
China Switch provides data elements [DE 112 (Additional Data - China Use), subelement 50 (Cardholder Identification Information)] in transactions messages to facilitate issuer to authenticate the cardholder identity during the transactions. Customers must refer to *China Switch Specifications* for details.

This second presentment applies to China domestic transactions only.

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### Account Takeover

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

#### Time Frame
For Nigeria domestic transactions: Within two-business days.
For all other transactions: Within 45-calendar days of the chargeback settlement date.

### 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 proving the transaction resulted from an account takeover. Examples include, but are not limited to:
- The Daily Loss Date File. For more information, refer to the *Fraud and Loss Database User Guide*.
- The Monthly Acquirer Loss Data File. For more information, refer to the *Fraud and Loss Database User Guide*.
- The Acquirer Reported Fraud Dashboard in Mastercard Connect > Fraud Center > Fraud Insights.
- A statement from the cardholder confirming that the account was in fact taken over and that fraud subsequently occurred.

### Message Text
None
### Notes.
For China domestic transactions, acquirers must refer to future announcement for the commencement of using this second presentment.

### Addendum Charges

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

**Time Frame.**
For China domestic transactions: Within 30-calendar days of the chargeback settlement date.
For Nigeria domestic transactions: Within two-business days.
For all other transactions: Within 45-calendar days of the chargeback settlement date.

**Message Reason Code.** 2700 (See Corresponding Documentation/Chargeback Remedied) for Dual Message System transactions and China domestic transactions.

**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.

**Message Text.** 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.
Time Frame. For Nigeria domestic transactions: Within two-business days. For all other transactions: Within 45-calendar days of the chargeback settlement date.

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. Both of the following:

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

Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

Message Text. None

Notes.

This second presentment is not available for China domestic transactions.

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.

Time Frame.

- For China domestic transactions: Within 30-calendar days of the chargeback settlement date.
- For Nigeria domestic transactions: Within two-business days.
- For all other transactions: Within 45-calendar days of the chargeback settlement date.

Message Reason Code. One of the following:

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

Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

**Message Text.**

For China domestic transactions, include COMP EVID in comment field as documented in China Switch User Guide – Customer Portal.

For all other transactions, include COMP EVID in DE 72 (Data Record).

**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.

**Time Frame.**

For China domestic transactions: Within 30-calendar days of the chargeback settlement date.

For Nigeria domestic transactions: Within two-business days.

For all other transactions: Within 45-calendar days of the chargeback settlement date.

**Message Reason Code.** One of the following:

- 2700 (See Corresponding Documentation/Chargeback Remedied) for Dual Message System and China domestic transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System
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
  - For China domestic transactions, the issuer verifies the cardholder via the China Switch Authentication Facilitating Service.
  - For China domestic transactions, card validation code 2 (CVC 2) and that the Financial Transaction Response/0210 message included a value of M in DE 48, subelement 87 (Card Validation Code Result).
  - For all other transactions, 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. For China domestic transactions, refer to China Switch Specifications for the recurring data element values. For all other transactions, refer to the Customer Interface Specification and IPM Clearing Formats for the recurring data element values.
  - Documentation proving that the transaction was recurring. Examples include 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.

Message Text.
For China domestic transactions, include COMP EVID in comment field as documented in China Switch User Guide – Customer Portal.
For all other transactions, include COMP EVID in DE 72 (Data Record).

Notes.
For China domestic transactions: For SecureCode related scenario, Customers must refer to future announcement for the commencement of using this second presentment.

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.

Time Frame.
For China domestic transactions: Within 30-calendar days of the chargeback settlement date.
For Nigeria domestic transactions: Within two-business days.
For all other transactions: Within 45-calendar days of the chargeback settlement date.
**Message Reason Code.** One of the following:

- 2700 (See Corresponding Documentation/Chargeback Remedied) for Dual Message System and China domestic transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System
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:
  - One of the following:
    - For China domestic transactions: Prior to the initial transaction, the issuer verified the cardholder via China Switch Authentication Facilitating Service; or
    - 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
  - For China domestic transactions, the issuer verified the cardholder via China Switch Authentication Facilitating Service to register a PAN for future transactions.
Message Text.
For China domestic transactions, include COMP EVID in comment field as documented in China Switch User Guide – Customer Portal.
For all other transactions, include COMP EVID in DE 72 (Data Record).

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.
For China domestic transactions, for SecureCode related scenario, Customers must refer to future announcement for the effective date of using this second presentment.

Invalid Chargeback

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

Time Frame.
For China domestic transactions: Within 30-calendar days of the chargeback settlement date.
For Nigeria domestic transactions: Within two-business days.
For all other transactions: Within 45-calendar days of the chargeback settlement date.

Message Reason Code. One of the following:
• 2713 (Invalid Chargeback) for Dual Message System and China domestic transactions
• 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Supporting Documents. None

Message Text.
For China domestic transactions, include the reason for the second presentment in comment field as documented in China Switch User Guide – Customer Portal.
For all other transactions, include the reason for the second presentment in DE 72 (Data Record).

Notes. None
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.

Time Frame. For China domestic transactions: Within 30-calendar days of the chargeback settlement date. For Nigeria domestic transactions: Within two-business days. For all other transactions: Within 45-calendar days of the chargeback settlement date.

Message Reason Code. One of the following:
• 2700 (See Corresponding Documentation/Chargeback Remedied) for Dual Message System and China domestic transactions.
• 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

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.

Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

Message Text. None

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. For China domestic transactions: The transaction was initiated with neither a PBoC chip card nor an EMV chip card. For all other transactions: The transaction was initiated with a non-EMV chip card.

This is a final remedy.
**Time Frame.**
For China domestic transactions: Within 30-calendar days of the chargeback settlement date.
For Nigeria domestic transactions: Within two-business days.
For all other transactions: Within 45-calendar days of the chargeback settlement date.

**Message Reason Code.** One of the following:
- 2870 (Chip Liability Shift) for Dual Message System and China domestic transactions.
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System.

**Supporting Documents.** None.

**Message Text.**
For China domestic transactions, include AUTH MMDDYY NNNNNN in comment field as documented in China Switch User Guide – Customer Portal.
For all other transactions, include AUTH MMDDYY NNNNNN in DE 72 (Data Record).

**Notes.**
Replace MMDDYY with the date the transaction was authorized.
Replace NNNNNN with the authorization approval code.

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**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.

**Time Frame.** For Nigeria domestic transactions: Within two-business days.
For all other transactions: Within 45-calendar days of the chargeback settlement date.

**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

**Supporting Documents.** DE 55 must be provided in the first presentment or authorization record.
Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.
**Message Text.**
When applicable, include AUTH MMDDYY NNNNNN in DE 72 (Data Record)

**Notes.**
Replace MMDDYY with the date the transaction was authorized.
Replace NNNNNN with the authorization approval code.
This second presentment is not applicable for China domestic transactions.

**Credit Previously Issued**

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

**Time Frame.**
For China domestic transactions: Within 30-calendar days of the chargeback settlement date.
For Nigeria domestic transactions: Within two-business days.
For all other transactions: Within 45-calendar days of the chargeback settlement date.

**Message Reason Code.** One of the following:
- 2011 (Credit Previously Issued) for Dual Message System and China domestic transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

**Supporting Documents.** None
Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

**Message Text.**
For China domestic transactions: Include MMDDYY NNNNNNNNNNNNNNNNNNNNNNNNNNNN in comment field as documented in China Switch User Guide – Customer Portal.
For all other transactions: Include MMDDYY NNNNNNNNNNNNNNNNNNNNNNNNNNNN in DE 72 (Data Record).
Replace **MMDDYY** with the date of the credit transaction.

Optionally, for China domestic transactions: Replace **NNNNNNNNNNNNNNNNNNNNNNN** with the Network Reference Number (NRN) of the credit transaction.

Optionally, for all other transactions: Replace **NNNNNNNNNNNNNNNNNNNNNNN** with the Acquirer Reference Data (ARD) of the credit transaction.

**Refunds.** When a cardholder is credited twice (once by the issuer as a result of a chargeback and again through a refund processed by the merchant), the acquirer must process a timely second presentment which identified a refund was previously processed. A compliance case is invalid. When a second presentment is not processed within the required second presentment time frame, an acquirer seeking return of the refund amount must do so outside of the chargeback and compliance process. An example of outside of the chargeback and compliance process includes, but is not limited to, a good faith collection letter. In this example, a good faith collection letter is written correspondence from the acquirer to the issuer requesting the return of the refunded amount. When a good faith collection letter is accepted by the issuer in writing, the Fee Collection/1740 message must be processed in accordance with chapter 19-Fee Collection of the Global Clearing Management System Reference Manual. For China Customers, a domestic Fee Collection must be processed as documented in the China Switch User Guide – Customer Portal

For the avoidance of doubt:

- **Refund properly documented in second presentment and within time frame:** When a refund was processed before the second presentment and the timely second presentment properly documented the refund, the issuer must not continue the dispute for the refunded amount as the refund resolved the chargeback. Upon completion of all of the chargeback cycles, if a properly documented pre-arbitration/arbitration case is filed, Mastercard will likely rule in favor of the acquirer. The two exceptions to the above are when:
  - The issuer or cardholder can clearly document that the refund applied to a different transaction. With proper documentation from the cardholder, the issuer may continue with the dispute.
  - The refund that was processed before the second presentment was for a partial amount of the disputed transaction and the acquirer failed to provide a valid remedy for the remainder of the disputed amount. The issuer may continue with the dispute for the amount that was not refunded, when applicable.

- **Refund before second presentment and within time frame, but not properly documented in second presentment:** A refund is required to be documented in the second presentment and not in the pre-arbitration/arbitration case filing. When the first chargeback is valid and timely, if a case is filed with Mastercard involving a refund that was processed before the second presentment but the second presentment did not properly document the refund, Mastercard will likely hold the issuer responsible for the refunded amount and hold the acquirer responsible for the fines and fees associated with the case.
Refund after second presentment: A refund is required to be documented in a timely manner in the second presentment and not in the pre-arbitration/arbitration case filing. When a refund was processed after the second presentment, an acquirer seeking return of the refund amount must do so outside of the arbitration and compliance process. An example of outside of the chargeback and compliance process includes, but is not limited to, a good faith collection letter. In this example, a good faith collection letter is written correspondence from the acquirer to the issuer requesting the return of the refunded amount. When a good faith collection letter is accepted by the issuer in writing, the Fee Collection/1740 message must be processed in accordance with chapter 19-Fee Collection of the Global Clearing Management System Reference Manual. For China Customers, a domestic Fee Collection must be processed as documented in the China Switch User Guide - Customer Portal. In the event an arbitration case is submitted concerning the refund, Mastercard will likely rule in favor of the issuer provided the first chargeback was timely and valid.

Additional Second Presentment Options

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

- One of the following for Dual Message System and China domestic transactions:
  - 2001-Invalid Acquirer Reference Data; Documentation was Neither Required nor 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 not available for China domestic transactions.
  - 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.
    This message reason code is not available for China domestic transactions.
  - 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.
  - 2704-Invalid Message Text
    Message text required to appear in the first chargeback is missing or incomplete.
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System
**Time Frame.**
For China domestic transactions: Within 30-calendar days of the chargeback settlement date.
For Nigeria domestic transactions: Within two-business days.
For all other transactions: Within 45-calendar days of the chargeback settlement date.

**Supporting Documents.** None
Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

**Message Text.** 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 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 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 to be performing coercive transactions. Refer to section 8.6 of the Security Rules and Procedures manual for more information about the Coercion Program.

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

- Mastercard did not find the coercion claim against the merchant to be substantiated.
- The issuer did not receive a written notification from Mastercard advising that the claim of coercion against the merchant was substantiated.
- The issuer did not properly report the transaction to the Fraud and Loss Database within the applicable time frame in accordance with the Fraud and Loss Database User Guide.
- The transaction reported to the Fraud and Loss Database is not a fraud type eligible for chargeback under the applicable program.
- 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.

**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.

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.

Supporting Documents must be provided as follows:

- For China domestic chargeback and second presentment: Supporting Documents must be provided using the China Dispute Resolution Platform. Supporting Documents must be uploaded into China Dispute Resolution Platform at the time submitting a chargeback or second presentment.

- For all other disputes: 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).
Chargeback
The tables in this section detail the conditions under which an issuer may process a first chargeback under the Questionable Merchant Activity chargeback.

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 QMAP.
- Each transaction charged back must have occurred during the published chargeback period.
- For China domestic transactions: The issuer must have properly reported the transaction to the Risk Management.
  For all other transactions: The issuer must have properly reported the transaction to the Fraud and Loss Database. All fraud type codes are eligible.

**Time Frame.**
For China domestic transactions, one of the following:

- Between 5 and 90-calendar days from the Mastercard Announcement publication date that first listed the merchant location.
  The Mastercard Announcement publication date is counted as the first day of the 90-day calculation.
- Between 5 and 90-calendar days of the transaction's settlement date.

For all other transactions, one of the following:

- Within 120-calendar days of 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 and China domestic transactions
- 49 (Questionable Merchant Activity) for Debit Mastercard transactions processed on the Single Message System

**Supporting Documents.** None
Message Text.
For China domestic transactions: Include PROGRAM QMAP BULLETIN NO. NNNN in comment field as documented in *China Switch User Guide – Customer Portal*.

For all other transactions: Include PROGRAM QMAP BULLETIN NO. NNNN in DE 72 (Data Record).

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.

Coercion Program

**Chargeback Condition.** The transaction was identified by Mastercard, in writing, as eligible for chargeback due to a substantiated claim of coercion.

**Time Frame.**
For China domestic transactions: Between 5 and 30-calendar days of the date specified in the written Mastercard notification.

For all other transactions: Within 30-calendar days of the date specified in the written Mastercard notification.

**Message Reason Code.** One of the following:
- 4849 (Questionable Merchant Activity) for Dual Message System and China domestic transactions
- 49 (Questionable Merchant Activity) for Debit Mastercard transactions processed on the Single Message System

**Supporting Documents.** A copy of the written notification from Mastercard advising of the substantiated claim of coercion.

**Message Text.**
For China domestic transactions: Include BRAM CASE NO. NNNNN in comment field as documented in *China Switch User Guide – Customer Portal*.

For all other transactions: Include BRAM CASE NO. NNNNN in DE 72 (Data Record).

Notes.
Replace NNNNN with the Coercion 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.
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 for Coercion Claim

Second Presentment Condition. One of the following:
1. The claim of coercion was not substantiated against the merchant as determined by Mastercard.
2. The issuer did not include the written notification from Mastercard advising of the substantiated claim of coercion as Supporting Documentation.

Time Frame.
For China domestic transactions: Within 30-calendar days of the chargeback settlement date.
For Nigeria domestic transactions: Within two-business days.
For all other transactions: Within 45-calendar days of the chargeback settlement date.

Message Reason Code. 2713 (Invalid Chargeback) for Dual Message System and China domestic transactions.

Supporting Documents. One of the following corresponding to the Second Presentment Condition:
1. A copy of the written notification from Mastercard that the claim of coercion against the merchant was not substantiated.
2. None

Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.
**Message Text.**

For China domestic transactions: Include one of the following corresponding to the **Second Presentment Condition** in comment field as documented in *China Switch User Guide – Customer Portal*:

1. MERCHANT NOT IN VIOLATION
2. MISSING CONFIRMATION LETTER

For all other transactions: Include one of the following corresponding to the **Second Presentment Condition** in DE 72 (Data Record):

1. MERCHANT NOT IN VIOLATION
2. MISSING CONFIRMATION LETTER

**Notes.** None

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**Late First Chargeback Submission**

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

**Time Frame.**

For China domestic transactions: Within 30-calendar days of the chargeback settlement date.

For Nigeria domestic transactions: Within two-business days.

For all other transactions: Within 45-calendar days of the chargeback settlement date.

**Message Reason Code.** 2713 (Invalid Chargeback) for Dual Message System and China domestic transactions

**Supporting Documents.** None

Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

**Message Text.**

For China domestic transactions: Include LATE SUBMISSION in comment field as documented in *China Switch User Guide – Customer Portal*.

For all other transactions: Include LATE SUBMISSION in DE 72 (Data Record).

**Notes.** None
Improper Fraud Reporting

**Second Presentment Condition.**
For China domestic transactions: The transaction was not properly reported to the Risk Management on or before the chargeback date.

For all other transactions: The transaction was not properly reported to the Fraud and Loss Database on or before the chargeback date. Mastercard allows three days from the reporting date for the Fraud and Loss Database processing. Mastercard considers the Fraud and Loss Database reporting within time when the transaction reporting date in the Fraud and Loss Database is within three days of the chargeback date.

**Time Frame.**
For China domestic transactions: Within 30-calendar days of the chargeback settlement date.

For Nigeria domestic transactions: Within two-business days.

For all other transactions: Within 45-calendar days of the chargeback settlement date.

**Message Reason Code.** 2713 (Invalid Chargeback) for Dual Message System and China domestic transactions

**Supporting Documents.** None
Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

**Message Text.**
For China domestic transactions: Include IMPROPER SAFE REPORTING in comment field as documented in China Switch User Guide – Customer Portal.

For all other transactions: Iinclude IMPROPER SAFE REPORTING in DE 72 (Data Record).

**Notes.**
For China domestic transactions: Acquirers must refer to future announcement for the commencement for using this second presentment.

Ineligible Fraud

**Second Presentment Condition.**
For China domestic transactions: The fraud type under which the transaction was reported in the Risk Management is not eligible for chargeback.

For all other transactions: The fraud type under which the transaction was reported in the Fraud and Loss Database is not eligible for chargeback.
**Time Frame.**
For China domestic transactions: Within 30-calendar days of the chargeback settlement date.
For Nigeria domestic transactions: Within two-business days.
For all other transactions: Within 45-calendar days of the chargeback settlement date.

**Message Reason Code.** 2713 (Invalid Chargeback) for Dual Message System and China domestic transactions

**Supporting Documents.** None
Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

**Message Text.**
For China domestic transactions: Include FRAUD TYPE in comment field as documented in *China Switch User Guide – Customer Portal*.
For all other transactions: Include FRAUD TYPE in DE 72 (Data Record).

**Notes.**
For China domestic transactions: Acquirers must refer to future announcement for the commencement for using this second presentment.

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**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.

**Time Frame.**
For China domestic transactions: Within 30-calendar days of the chargeback settlement date.
For Nigeria domestic transactions: Within two-business days.
For all other transactions: Within 45-calendar days of the chargeback settlement date.

**Message Reason Code.** 2713 (Invalid Chargeback) for Dual Message System and China domestic transactions

**Supporting Documents.** None
Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.
Message Text.
For China domestic transactions: Include one of the following corresponding to the *Second Presentment Condition* in comment field as documented in *China Switch User Guide – Customer Portal*:

1. MERCHANT NOT LISTED
2. INVALID TRANSACTION DATE

For all other transactions: Include one of the following corresponding to the *Second Presentment Condition* in DE 72 (Data Record):

1. MERCHANT NOT LISTED
2. INVALID TRANSACTION DATE

Notes. None

Credit Previously Issued

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

**Time Frame.**
For China domestic transactions: Within 30-calendar days of the chargeback settlement date.

For Nigeria domestic transactions: Within two-business days.

For all other transactions: Within 45-calendar days of the chargeback settlement date.

**Message Reason Code.** One of the following:

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

**Supporting Documents.** None

Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

**Message Text.**
For China domestic transactions: Include `MMDDYY NNNNNNNNNNNNNNNNNNNNNNN` in comment field as documented in *China Switch User Guide – Customer Portal*.

For all other transactions: Include `MMDDYY NNNNNNNNNNNNNNNNNNNNNNN` in DE 72 (Data Record).
Notes.
Replace MMDDYY with the date of the credit transaction.

Optionally, for China domestic transactions: Replace NNNNNNNNNNNNNNNNNNNNNN with the Network Reference Number (NRN) of the credit transaction.

Optionally, for all other transactions: Replace NNNNNNNNNNNNNNNNNNNNNN with the Acquirer Reference Data (ARD) of the credit transaction.

Refunds. When a cardholder is credited twice (once by the issuer as a result of a chargeback and again through a refund processed by the merchant), the acquirer must process a timely second presentment which identified a refund was previously processed. A compliance case is invalid. When a second presentment is not processed within the required second presentment time frame, an acquirer seeking return of the refund amount must do so outside of the chargeback and compliance process. An example of outside of the chargeback and compliance process includes, but is not limited to, a good faith collection letter. In this example, a good faith collection letter is written correspondence from the acquirer to the issuer requesting the return of the refunded amount. When a good faith collection letter is accepted by the issuer in writing, the Fee Collection/1740 message must be processed in accordance with chapter 19 of the Global Clearing Management System Reference Manual. For China Customer, a domestic Fee Collection must be processed as documented in the China Switch User Guide – Customer Portal.

For the avoidance of doubt:

• **Refund properly documented in second presentment and within time frame:** When a refund was processed before the second presentment and the timely second presentment properly documented the refund, the issuer must not continue the dispute for the refunded amount as the refund resolved the chargeback. Upon completion of all of the chargeback cycles, if a properly documented pre-arbitration/arbitration case is filed, Mastercard will likely rule in favor of the acquirer. The two exceptions to the above are when:
  - The issuer or cardholder can clearly document that the refund applied to a different transaction. With proper documentation from the cardholder, the issuer may continue with the dispute.
  - The refund that was processed before the second presentment was for a partial amount of the disputed transaction and the acquirer failed to provide a valid remedy for the remainder of the disputed amount. The issuer may continue with the dispute for the amount that was not refunded, when applicable.

• **Refund before second presentment and within time frame, but not properly documented in second presentment:** A refund is required to be documented in the second presentment and not in the pre-arbitration/arbitration case filing. When the first chargeback is valid and timely, if a case is filed with Mastercard involving a refund that was processed before the second presentment but the second presentment did not properly document the refund, Mastercard will likely hold the issuer responsible for the refunded amount and hold the acquirer responsible for the fines and fees associated with the case.
• **Refund after second presentment:** A refund is required to be documented in a timely manner in the second presentment and not in the pre-arbitration/arbitration case filing. When a refund was processed after the second presentment, an acquirer seeking return of the refund amount must do so outside of the arbitration and compliance process. An example of outside of the chargeback and compliance process includes, but is not limited to, a good faith collection letter. In this example, a good faith collection letter is written correspondence from the acquirer to the issuer requesting the return of the refunded amount. When a good faith collection letter is accepted by the issuer in writing, the Fee Collection/1740 message must be processed in accordance with chapter 19 of the *Global Clearing Management System Reference Manual*. For China Customer, a domestic Fee Collection must be processed as documented in the *China Switch User Guide - Customer Portal*. In the event an arbitration case is submitted concerning the refund, Mastercard will likely rule in favor of the issuer provided the first chargeback was timely and valid.

### Additional Second Presentment Options

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

- One of the following for Dual Message System transactions and China domestic transactions:
  - **2001**-Invalid Acquirer Reference Data; Documentation was Neither Required nor Received
    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.
    This message reason code is not available for China domestic transactions.
  - **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.
    This message reason code is not available for China domestic transactions.
  - **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.
For China domestic transactions: Within 30-calendar days of the chargeback settlement date.
For Nigeria domestic transactions: Within two-business days.
For all other transactions: Within 45-calendar days of the chargeback settlement date.

Supporting Documents. None
Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

Message Text. None

Notes. None

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

For China domestic transactions, when all of the following occur:
• The cardholder states that the cardholder did not authorize the transaction.
• 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 Preauthorization Request/0100 or Financial Transaction Request/0200 message
• The validly-issued card was a PBoC chip card.
• The transaction was reported to the Risk Management as counterfeit in accordance with the China Switch User Guide - Customer Portal prior to processing the chargeback.

For all other transactions, all of the following occur:
• 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 the Fraud and Loss Database as counterfeit in accordance with the *Fraud and Loss Database User Guide* prior to processing the chargeback. Mastercard allows three days from the reporting date for the Fraud and Loss Database processing. Mastercard considers the Fraud and Loss Database reporting within time when the transaction reporting date in the Fraud and Loss Database is within three days of the chargeback date.

### Chip Liability Shift Participation

<table>
<thead>
<tr>
<th>A chip liability shift in...</th>
<th>Applicable to...</th>
<th>Has been in effect since or will take effect on...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia/Pacific region</td>
<td>Interregional transactions</td>
<td>15 April 2011</td>
</tr>
<tr>
<td></td>
<td>Intraregional transactions</td>
<td>1 January 2006</td>
</tr>
<tr>
<td></td>
<td>Domestic transactions</td>
<td>1 January 2006</td>
</tr>
<tr>
<td>Canada region</td>
<td>Interregional transactions</td>
<td>15 April 2011</td>
</tr>
<tr>
<td></td>
<td>Intraregional/domestic transactions:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Excluding transactions at automated fuel dispensers (MCC 5542)</td>
<td>31 March 2011</td>
</tr>
<tr>
<td></td>
<td>• Including transactions at automated fuel dispensers (MCC 5542)</td>
<td>31 December 2012</td>
</tr>
<tr>
<td>Europe region</td>
<td>Interregional transactions</td>
<td>13 April 2007</td>
</tr>
<tr>
<td></td>
<td>Intraregional transactions</td>
<td>1 January 2005</td>
</tr>
<tr>
<td></td>
<td>Domestic transactions</td>
<td>1 January 2005</td>
</tr>
<tr>
<td>Latin America and the Caribbean (LAC) region</td>
<td>Interregional transactions</td>
<td>12 October 2012</td>
</tr>
<tr>
<td></td>
<td>Intraregional transactions</td>
<td>1 January 2005</td>
</tr>
<tr>
<td></td>
<td>Domestic transactions:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Argentina</td>
<td>16 October 2015</td>
</tr>
<tr>
<td></td>
<td>• Brazil</td>
<td>1 August 2015</td>
</tr>
<tr>
<td></td>
<td>• Colombia</td>
<td>1 October 2008</td>
</tr>
<tr>
<td></td>
<td>• Uruguay</td>
<td>16 October 2015</td>
</tr>
<tr>
<td></td>
<td>• Venezuela</td>
<td>1 July 2009</td>
</tr>
<tr>
<td></td>
<td>• All other LAC countries</td>
<td>17 October 2014</td>
</tr>
</tbody>
</table>
## A chip liability shift in...

<table>
<thead>
<tr>
<th>Region</th>
<th>Interregional transactions</th>
<th>Has been in effect since or will take effect on...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Middle East/Africa (MEA)</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>15 April 2011</td>
<td></td>
</tr>
<tr>
<td>Domestic transactions:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• South Africa</td>
<td>1 January 2005</td>
<td></td>
</tr>
<tr>
<td>• All other MEA countries</td>
<td>1 January 2006</td>
<td></td>
</tr>
<tr>
<td>United States region</td>
<td>Interregional transactions:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Excluding transactions at</td>
<td></td>
</tr>
<tr>
<td></td>
<td>automated fuel dispensers</td>
<td>1 October 2015</td>
</tr>
<tr>
<td></td>
<td>(MCC 5542)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Including transactions at</td>
<td>1 October 2017</td>
</tr>
<tr>
<td></td>
<td>automated fuel dispensers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(MCC 5542)</td>
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</tr>
<tr>
<td></td>
<td>Intraregional/domestic</td>
<td></td>
</tr>
<tr>
<td></td>
<td>transactions:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Excluding transactions at</td>
<td>1 October 2015</td>
</tr>
<tr>
<td></td>
<td>automated fuel dispensers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(MCC 5542)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Including transactions at</td>
<td>16 April 2021</td>
</tr>
<tr>
<td></td>
<td>automated fuel dispensers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(MCC 5542)</td>
<td></td>
</tr>
</tbody>
</table>

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 valid Mastercard Consumer-Presented Quick Response (QR) transactions.** A Mastercard Consumer-Presented QR transaction that was properly identified in the Authorization Request/0100 message or Financial Transaction Request/0200 message. Refer to Appendix F for Mastercard Consumer-Presented QR transactions identification requirements.

• **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:
  - 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.

• **China Only** - A valid domestic PBoC chip transaction occurred and DE 55 and related data was provided in the Preauthorization Request/0100 message or Financial Transaction Request/0200 message.

• **China Only** - A magnetic stripe-read or key-entered domestic transaction occurred and was properly identified as the result of technical fallback in the Preauthorization Request/0100 message or Financial Transaction Request/0200 message.

• **China Only** - For China domestic transactions, the Preauthorization Request/0100 message or Financial Transaction Request/0200 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:
- The card was not an PBoC 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 PBoC chip card.

- **Colombia only** – The transaction was a domestic Colombia transaction addressed by Reversion of Payments Regulation (RP-Reg) of Law 1480 2011, Article 51, and Decree 587 of 2016.
- **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.

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical Fallback Transaction</td>
<td>In a technical fallback transaction, either the chip or the merchant device (CAD) failed, as shown by the presence of:</td>
</tr>
<tr>
<td></td>
<td>• 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:</td>
</tr>
<tr>
<td></td>
<td>• 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.</td>
</tr>
</tbody>
</table>

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.

NOTE:
The above conditions also apply to China hybrid POS Terminals. However, China Customers must refer to China Market Terminal Requirements for any additional requirement.

A Hybrid POS Terminal is identified in **China domestic** transaction messages 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 Preauthorization Request/0100 or Financial Transaction Request/0200 message, as described in the **China Switch Specification**.

A Hybrid POS Terminal is identified in **all other** 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.

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.
Supporting Documents must be provided as follows:

• For China domestic chargeback and second presentment, Supporting Documents must be provided using the China Dispute Resolution Platform. Supporting Documents must be uploaded into China Dispute Resolution Platform at the time submitting a chargeback or second presentment.

• For all other disputes, 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).

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

For China domestic transactions, the issuer may charge back an ATM Network transaction using this message reason code only when the transaction was conducted with an PBoC chip card at a magnetic stripe reading-only ATM.

For all other transactions, 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.
For China domestic transactions, all of the following:

- The cardholder contacted the issuer claiming that the cardholder did not authorize the transaction.
  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 Preauthorization Request/0100 message or Financial Transaction Request/0200 message
- The validly issued card was an PBoC chip card.
- The transaction was reported to the Risk Management as counterfeit in accordance with the *China Switch User Guide – Customer Portal* prior to processing the chargeback.

For all other transactions, 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 the Fraud and Loss Database as counterfeit in accordance with the *Fraud and Loss Database User Guide* prior to processing the chargeback.

Time Frame.
For China domestic transactions: Between 5 and 90-calendar days of the transaction settlement date.

For all other transactions: Within 120-calendar days of the Central Site Business Date of the transactions.

Message Reason Code. One of the following:

- 4870 (Chip Liability Shift) for Dual Message System transactions and China domestic transactions
- 70 (Chip Liability Shift) for Debit Mastercard transactions processed on the Single Message System
**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.

**Message Text.**

For China domestic transaction: Include the Audit Control Number of the reported transaction in comment field as documented in *China Switch User Guide – Customer Portal.*

For all other transactions: None

**Notes.**

A *Dispute Resolution Form-Fraud* (Form 0412) provided as Supporting Documentation must be the result of contact with the cardholder.

For China domestic transactions: 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.
- Report the transaction to the Risk Management.

For all other transactions: 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 for 180-calendar days or until card expiration (whichever is shorter), and report the transaction to the Fraud and Loss Database in the Fraud Center application on Mastercard Connect.

**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.

For China domestic transactions, this condition has been met when the Fraud NTF Date is present and contains a date value in Chargeback Details on China Dispute Resolution Platform and earlier than the authorization approval date of the disputed transaction.

For all other transactions, 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.

**Time Frame.**
For China domestic transactions: Within 30-calendar days of the chargeback settlement date.

For Nigeria domestic transactions: Within two-business days.

For all other transactions: Within 45-calendar days of the chargeback settlement date.

**Message Reason Code.** 2713 (Invalid chargeback) for Dual Message System and China domestic transactions.

**Supporting Documents.** None.

Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

**Message Text.**
For China domestic transactions, include one of the following in comment field as documented in *China Switch User Guide–Customer Portal*:

1. FNS
2. NN MMDDYY NN MMDDYY AUTH MMDDYY

For all other transactions, include one of the following in DE 72 (Data Record):

1. FNS
2. NN MMDDYY NN MMDDYY AUTH MMDDYY
Notes. The following applies to the use of Message Text:

1. For China domestic transactions, use **FNS** when the authorization approval date of the disputed transaction is later than the date value provided by the Fraud Notification Service in Chargeback Details on China Dispute Resolution Platform. For all other transactions, 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 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.

For China domestic transactions, this condition has been met when the Fraud Notification Service Counter is present in Chargeback Details on China Dispute Resolution Platform and contains a value that is 16 or greater.

For all other transactions, 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.

**Time Frame.**

For China domestic transactions: Within 30-calendar days of the chargeback settlement date.

For Nigeria domestic transactions: Within two-business days.

For all other transactions: Within 45-calendar days of the chargeback settlement date.

**Message Reason Code.** One of the following:

- 2713 (Invalid chargeback) for Dual Message System and China domestic transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

**Supporting Documents.** None.

Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.
Message Text.
For China domestic transactions: Include FNS COUNT NN in comment field as documented in China Switch User Guide – Customer Portal.
For all other transactions: Include FNS COUNT NN in DE 72 (Data Record).

Notes.
For China domestic transactions, replace NN with the chargeback count value provided in Chargeback Details on China Dispute Resolution Platform.
For all other transactions, 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 the Fraud and Loss Database

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

Time Frame. For Nigeria domestic transactions: Within two-business days.
For all other transactions: Within 45-calendar days of the chargeback settlement date.

Message Reason Code. 2713 (Invalid chargeback)

Supporting Documents. Documentation that supports the second presentment from one of the following:
• The Daily Acquirer Loss Data File. For more information, refer to the Fraud and Loss Database
• Monthly Acquirer Loss Data File. For more information, refer to the Fraud and Loss Database
• The Acquirer Reported Fraud Dashboard in Mastercard Connect > Fraud Center > Fraud Insights

Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

Message Text. None

Notes. For China domestic transactions, acquirers must refer to future announcement for the commencement of using this second presentment.
Issuer Authorized Transaction

Second Presentment Condition.
For China domestic transactions: The transaction was authorized online and did not involve a valid PBoC chip card as evidenced by the service code in DE 35 (Track 2 Data) or DE 45 (Track 1 Data) of the Preauthorization Request/0100 message or Financial Transaction Request/0200 message.

For all other transactions: 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.

Time Frame.
For China domestic transactions: Within 30-calendar days of the chargeback settlement date.

For Nigeria domestic transactions: Within two-business days.

For all other transactions: Within 45-calendar days of the chargeback settlement date.

Message Reason Code. 2008 (Issuer authorized the transaction) for Dual Message System and China domestic transactions

Supporting Documents. None

Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

Message Text.
For China domestic transactions: Include INV SERVICE CODE X in comment field as documented in China Switch User Guide – Customer Portal.

For all other transactions: Include INV SERVICE CODE X in DE 72 (Data Record).

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.

Time Frame.
For China domestic transactions: Within 30-calendar days of the chargeback settlement date.

For Nigeria domestic transactions: Within two-business days.

For all other transactions: Within 45-calendar days of the chargeback settlement date.
**Message Reason Code.** 2008 (Issuer authorized the transaction) for Dual Message System and China domestic transactions

**Supporting Documents.** None

Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

**Message Text.**

For China domestic transactions: Include TECHNICAL FALLBACK MMDDYY NNNNNN in comment field as documented in China Switch User Guide – Customer Portal.

For all other transactions: Include TECHNICAL FALLBACK MMDDYY NNNNNN in DE 72 (Data Record).

**Notes.**

Replace MMDDYY with the date the issuer authorized the transaction.

Replace NNNNNN with the authorization approval code.

---

**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

**Time Frame.** For Nigeria domestic transactions: Within two-business days. For all other transactions: Within 45-calendar days of the chargeback settlement date.

**Message Reason Code.** 2700 (See Corresponding Documentation/Chargeback Remedied)

**Supporting Documents.** DE 55 and mandatory subelements.

Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

**Message Text.** Include CHIP TRANSACTION in DE 72 (Data Record).

**Notes.** This second presentment is not applicable for China domestic transactions.
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.

Time Frame. For Nigeria domestic transactions: Within two-business days.
For all other transactions: Within 45-calendar days of the chargeback settlement date.

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

Supporting Documents. None
Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

Message Text. Include CHIP TRANSACTION in DE 72 (Data Record).

Notes. This second presentment is not applicable for China domestic transactions.

DE 55 Was Provided

Second Presentment Condition. Both of the following.

- For China domestic transactions: DE 55 was provided in the Preauthorization Completion Request/0220 message.
  For all other transactions: DE 55 was provided in the First Presentment/1240 message,
- 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

Time Frame.
For China domestic transactions: Within 30-calendar days of the chargeback settlement date.
For Nigeria domestic transactions: Within two-business days.
For all other transactions: Within 45-calendar days of the chargeback settlement date.

Message Reason Code. 2713 (Invalid chargeback) for Dual Message System and China domestic transactions

Supporting Documents. None
Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.
### Message Text.
For China domestic transactions, Include DE 55 PREVIOUSLY PROVIDED in comment field as documented in *China Switch User Guide – Customer Portal*.

For all other transactions: Include DE 55 PREVIOUSLY PROVIDED in DE 72 (Data Record).

### 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.

**Time Frame.** For Nigeria domestic transactions: Within two-business days.

For all other transactions: Within 45-calendar days of the chargeback settlement date.

**Message Reason Code.** 2713 (Invalid chargeback) for Dual Message System transactions.

### Supporting Documents.
None

Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

**Message Text.** Include CHIP LIABILITY NA in DE 72 (Data Record).

**Notes.** This second presentment is not applicable for China domestic transactions.

### Credit Previously Issued

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

**Time Frame.**

For China domestic transactions: Within 30-calendar days of the chargeback settlement date.

For Nigeria domestic transactions: Within two-business days.

For all other transactions: Within 45-calendar days of the chargeback settlement date.

**Message Reason Code.** One of the following:

- 2011 (Credit Previously Issued) for Dual Message System transactions and China domestic transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System
Supporting Documents. None

Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

Message Text.
For China domestic transactions: Include MMDDYY NNNNNNNNNNNNNNNNNNNNNNN in comment field as documented in China Switch User Guide – Customer Portal.

For all other transactions: Include MMDDYY NNNNNNNNNNNNNNNNNNNNNNN in DE 72 (Data Record).
Notes.

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

Optionally, for China domestic transactions: Replace **NNNNNNNNNNNNNNNNNNNNN** with the Network Reference Number (NRN) of the credit transaction.

Optionally, for all other transactions: Replace **NNNNNNNNNNNNNNNNNNNNN** with the Acquirer Reference Data (ARD) of the credit transaction.

**Refunds.** When a cardholder is credited twice (once by the issuer as a result of a chargeback and again through a refund processed by the merchant), the acquirer must process a timely second presentment which identified a refund was previously processed. A compliance case is invalid. When a second presentment is not processed within the required second presentment time frame, an acquirer seeking return of the refund amount must do so outside of the chargeback and compliance process. An example of outside of the chargeback and compliance process includes, but is not limited to, a good faith collection letter. In this example, a good faith collection letter is written correspondence from the acquirer to the issuer requesting the return of the refunded amount. When a good faith collection letter is accepted by the issuer in writing, the Fee Collection/1740 message must be processed in accordance with chapter 19-Fee Collection of the Clearing Management System Reference Manual. For China Customers, a domestic Fee Collection must be processed as documented in the China Switch User Guide – Customer Portal.

For the avoidance of doubt:

- **Refund properly documented in second presentment and within time frame:** When a refund was processed before the second presentment and the timely second presentment properly documented the refund, the issuer must not continue the dispute for the refunded amount as the refund resolved the chargeback. Upon completion of all of the chargeback cycles, if a properly documented pre-arbitration/arbitration case is filed, Mastercard will likely rule in favor of the acquirer.
  
  The two exceptions to the above are when:

  - The issuer or cardholder can clearly document that the refund applied to a different transaction. With proper documentation from the cardholder, the issuer may continue with the dispute.
  - The refund that was processed before the second presentment was for a partial amount of the disputed transaction and the acquirer failed to provide a valid remedy for the remainder of the disputed amount. The issuer may continue with the dispute for the amount that was not refunded, when applicable.

- **Refund before second presentment and within time frame, but not properly documented in second presentment:** A refund is required to be documented in the second presentment and not in the pre-arbitration/arbitration case filing. When the first chargeback is valid and timely, if a case is filed with Mastercard involving a refund that was processed before the second presentment but the second presentment did not properly document the refund, Mastercard will likely hold the issuer responsible for the refunded amount and hold the acquirer responsible for the fines and fees associated with the case.
• **Refund after second presentment:** A refund is required to be documented in a timely manner in the second presentment and not in the pre-arbitration/arbitration case filing. When a refund was processed after the second presentment, an acquirer seeking return of the refund amount must do so outside of the arbitration and compliance process. An example of outside of the chargeback and compliance process includes, but is not limited to, a good faith collection letter. In this example, a good faith collection letter is written correspondence from the acquirer to the issuer requesting the return of the refunded amount. When a good faith collection letter is accepted by the issuer in writing, the Fee Collection/1740 message must be processed in accordance with chapter 19-Fee Collection of the *Clearing Management System Reference Manual*. For China Customer, a domestic Fee Collection must be processed as documented in the *China Switch User Guide - Customer Portal*. In the event an arbitration case is submitted concerning the refund, Mastercard will likely rule in favor of the issuer provided the first chargeback was timely and valid.
Additional Second Presentment Options

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

• One of the following for Dual Message System transactions and China domestic transactions:
  - **2001**-Invalid Acquirer Reference Data; Documentation was Neither Required nor 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 not available for China domestic transactions.
  - **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. 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.
    This message reason code is not available for China domestic transactions.
  - **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.
    This message reason code is not available for China domestic transactions.
• 13 (Representment) for Debit Mastercard transactions processed on the Single Message System
**Time Frame.**
For China domestic transactions: Within 30-calendar days of the chargeback settlement date.
For Nigeria domestic transactions: Within two-business days.
For all other transactions: Within 45-calendar days of the chargeback settlement date.

**Supporting Documents.** None
Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

**Message Text.** None

**Notes.** None

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**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.
  - 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 the Fraud and Loss Database as lost/stolen/NRI
in accordance with the Fraud and Loss Database User Guide reporting date for the
Fraud and Loss Database processing. Mastercard considers the Fraud and Loss
Database reporting within time when the transaction reporting date in the Fraud
and Loss Database is within three days of the chargeback date.

**Lost/Stolen/NRI Fraud Chip Liability Shift Participation**

<table>
<thead>
<tr>
<th>A lost/stolen/NRI fraud chip liability shift in...</th>
<th>Applicable to...</th>
<th>Has been in effect since or will take effect on...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia/Pacific region</td>
<td>Domestic transactions</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Malaysia</td>
<td>1 January 2017</td>
</tr>
<tr>
<td>Canada region</td>
<td>Interregional transactions</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Intraregional/domestic transactions:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Excluding transactions at automated fuel dispensers (MCC 5542)</td>
<td>31 March 2011</td>
</tr>
<tr>
<td></td>
<td>• Including transactions at automated fuel dispensers (MCC 5542)</td>
<td>31 December 2012</td>
</tr>
<tr>
<td>Europe region</td>
<td>Interregional transactions</td>
<td>May 2007</td>
</tr>
<tr>
<td></td>
<td>Intraregional transactions</td>
<td>1 January 2005</td>
</tr>
<tr>
<td></td>
<td>Domestic transactions</td>
<td>1 January 2005</td>
</tr>
<tr>
<td>Latin America and the Caribbean (LAC) region</td>
<td>Domestic transactions</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Brazil</td>
<td>1 August 2015</td>
</tr>
<tr>
<td>Middle East/Africa region</td>
<td>Domestic, intraregional, and interregional transactions</td>
<td>1 July 2017</td>
</tr>
</tbody>
</table>
### A lost/stolen/NRI fraud chip liability shift in...

<table>
<thead>
<tr>
<th>Applicable to...</th>
<th>Has been in effect since or will take effect on...</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States region</td>
<td></td>
</tr>
<tr>
<td>Interregional transactions:</td>
<td></td>
</tr>
<tr>
<td>• Excluding transactions at automated</td>
<td>1 October 2015</td>
</tr>
<tr>
<td>fuel dispensers (MCC 5542)</td>
<td></td>
</tr>
<tr>
<td>• Including transactions at automated</td>
<td>1 October 2017</td>
</tr>
<tr>
<td>fuel dispensers (MCC 5542)</td>
<td></td>
</tr>
<tr>
<td>Intraregional/domestic transactions:</td>
<td></td>
</tr>
<tr>
<td>• Excluding transactions at automated</td>
<td>1 October 2015</td>
</tr>
<tr>
<td>fuel dispensers (MCC 5542)</td>
<td></td>
</tr>
<tr>
<td>• Including transactions at automated</td>
<td>16 April 2021</td>
</tr>
<tr>
<td>fuel dispensers (MCC 5542)</td>
<td></td>
</tr>
</tbody>
</table>

### 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. region automated fuel dispenser [MCC 5542] transactions until 16 April 2021

**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.
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
</table>
| Contactless-enabled secure CVM-prefering 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-prefering 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-prefering 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.

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.
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chip/PIN transaction</td>
<td>Either of the following:</td>
</tr>
<tr>
<td></td>
<td>• 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.</td>
</tr>
<tr>
<td></td>
<td>• 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.</td>
</tr>
<tr>
<td>CVM fallback</td>
<td>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.</td>
</tr>
</tbody>
</table>

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.**
- **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.

- **Mastercard Consumer-Presented Quick Response (QR) transactions.** A Mastercard Consumer-Presented QR transaction that was properly identified in the Authorization Request/0100 message or

- **Financial Transaction Request/0200 message.** Refer to Appendix F for Mastercard Consumer-Presented QR transactions identification requirements.

- 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 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.

- **Colombia only** – The transaction was a domestic Colombia transaction addressed by Reversion of Payments Regulation (RP-Reg) of Law 1480 2011, Article 51, and Decree 587 of 2016.

- **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** - For transactions occurring before 16 April 2021, chargebacks of CAT 2 and CAT 3 transactions are not permitted under this reason code. For transactions occurring on or after 16 April 2021, chargebacks of CAT 2 and CAT 3 transactions are not permitted under this reason code, with the exception of an automated fuel dispenser (MCC 5542) CAT 2 transaction alleged to be lost/stolen/never received issue (NRI) fraud that occurred at a Hybrid POS Terminal that was not PIN-capable.

- **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.

### 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 the Fraud and Loss Database as lost/stolen/NRI in accordance with the *Fraud and Loss Database User Guide* prior to processing the chargeback.

**Time Frame.** Within 120-calendar days of the Central Site Business Date of the transaction.

**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

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 for 180-calendar days or until card expiration (whichever is shorter), and report the transaction to the Fraud and Loss Database in the Fraud Center application on Mastercard Connect.

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.

**Time Frame.** For Nigeria domestic transactions: Within two-business days. For all other transactions: Within 45-calendar days of the chargeback settlement date.

**Message Reason Code.** 2713 (Invalid Chargeback)

**Supporting Documents.** None

Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

**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 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).

**Time Frame.** For Nigeria domestic transactions: Within two-business days. For all other transactions: Within 45-calendar days of the chargeback settlement date.

**Message Reason Code.** 2713 (Invalid Chargeback)

**Supporting Documents.** None

Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

**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 the Fraud and Loss Database

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

**Time Frame.** For Nigeria domestic transactions: Within two-business days. For all other transactions: Within 45-calendar days of the chargeback settlement date.

**Message Reason Code.** 2713 (Invalid chargeback)

**Supporting Documents.** Documentation that supports the second presentment from one of the following:

- The Daily Acquirer’s Loss Data File. For more information, refer to the *Fraud and Loss Database User Guide*
- Monthly Acquirer Loss Data File. For more information, refer to the *Fraud and Loss User Guide*
- The Acquirer Reported Fraud Dashboard in Mastercard Connect > Fraud Center > Fraud Insights
<table>
<thead>
<tr>
<th><strong>Authorized Online Transaction</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Second Presentment Condition.</strong> Both of the following:</td>
</tr>
<tr>
<td>• The transaction was authorized online.</td>
</tr>
<tr>
<td>• 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.</td>
</tr>
<tr>
<td><strong>Time Frame.</strong> For Nigeria domestic transactions: Within two-business days. For all other transactions: Within 45-calendar days of the chargeback settlement date.</td>
</tr>
<tr>
<td><strong>Message Reason Code.</strong> 2008 (Issuer authorized the transaction)</td>
</tr>
<tr>
<td><strong>Supporting Documents.</strong> None</td>
</tr>
<tr>
<td>Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.</td>
</tr>
<tr>
<td><strong>DE 72 (Data Record).</strong> INV SERVICE CODE X</td>
</tr>
<tr>
<td><strong>Notes.</strong> 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.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Technical Fallback</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Second Presentment Condition.</strong> The transaction was the result of technical fallback at a PIN-capable terminal.</td>
</tr>
<tr>
<td><strong>Time Frame.</strong> For Nigeria domestic transactions: Within two-business days. For all other transactions: Within 45-calendar days of the chargeback settlement date.</td>
</tr>
<tr>
<td><strong>Message Reason Code.</strong> 2008 (Issuer authorized the transaction)</td>
</tr>
<tr>
<td><strong>Supporting Documents.</strong> None</td>
</tr>
<tr>
<td>Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.</td>
</tr>
<tr>
<td><strong>DE 72 (Data Record).</strong> TECHNICAL FALLBACK</td>
</tr>
<tr>
<td><strong>Notes.</strong> None</td>
</tr>
</tbody>
</table>
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

**Time Frame.** For Nigeria domestic transactions: Within two-business days. For all other transactions: Within 45-calendar days of the chargeback settlement date.

**Message Reason Code.** 2700 (See Corresponding Documentation/Chargeback Remedied)

**Supporting Documents.** DE 55 and mandatory subelements.

Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

**Message Text.** Include CHIP TRANSACTION in DE 72 (Data Record).

**Notes.** This second presentment is not applicable for China domestic transactions.

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.

**Time Frame.** For Nigeria domestic transactions: Within two-business days. For all other transactions: Within 45-calendar days of the chargeback settlement date.

**Message Reason Code.** 2713 (Invalid chargeback)

**Supporting Documents.** None

Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

**Message Text.** Include DE 55 PREVIOUSLY PROVIDED in DE 72 (Data Record).

**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”.

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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.

**Time Frame.** For Nigeria domestic transactions: Within two-business days. For all other transactions: Within 45-calendar days of the chargeback settlement date.

**Message Reason Code.** 2713 (Invalid chargeback)

**Supporting Documents.** None
Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

**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.** For Nigeria domestic transactions: Within two-business days. For all other transactions: Within 45-calendar days of the chargeback settlement date.

**Message Reason Code.** 2011 (Credit Previously Issued)

**Supporting Documents.** None
Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

**DE 72 (Data Record).** MMDDYY NNNNNNNNNNNNNNNNNNN
Notes.

Replace MMDDYY with the date of the credit transaction.

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

Refunds. When a cardholder is credited twice (once by the issuer as a result of a chargeback and again through a refund processed by the merchant), the acquirer must process a timely second presentment which identified a refund was previously processed. A compliance case is invalid. When a second presentment is not processed within the required second presentment time frame, an acquirer seeking return of the refund amount must do so outside of the chargeback and compliance process. An example of outside of the chargeback and compliance process includes, but is not limited to, a good faith collection letter. In this example, a good faith collection letter is written correspondence from the acquirer to the issuer requesting the return of the refunded amount. When a good faith collection letter is accepted by the issuer in writing, the Fee Collection/1740 message must be processed in accordance with chapter 19-Fee Collection of the Clearing Management System Reference Manual.

For the avoidance of doubt:

- **Refund properly documented in second presentment and within time frame:** When a refund was processed before the second presentment and the timely second presentment properly documented the refund, the issuer must not continue the dispute for the refunded amount as the refund resolved the chargeback. Upon completion of all of the chargeback cycles, if a properly documented pre-arbitration/arbitration case is filed, Mastercard will likely rule in favor of the acquirer. The two exceptions to the above are when:
  - The issuer or cardholder can clearly document that the refund applied to a different transaction. With proper documentation from the cardholder, the issuer may continue with the dispute.
  - The refund that was processed before the second presentment was for a partial amount of the disputed transaction and the acquirer failed to provide a valid remedy for the remainder of the disputed amount. The issuer may continue with the dispute for the amount that was not refunded, when applicable.

- **Refund before second presentment and within time frame, but not properly documented in second presentment:** A refund is required to be documented in the second presentment and not in the pre-arbitration/arbitration case filing. When the first chargeback is valid and timely, if a case is filed with Mastercard involving a refund that was processed before the second presentment but the second presentment did not properly document the refund, Mastercard will likely hold the issuer responsible for the refunded amount and hold the acquirer responsible for the fines and fees associated with the case.

- **Refund after second presentment:** A refund is required to be documented in a timely manner in the second presentment and not in the pre-arbitration/arbitration case filing. When a refund was processed after the second presentment, an acquirer seeking return of the refund amount must do so outside of the arbitration and compliance process. An example of outside of the chargeback and compliance process includes, but is not limited to, a good faith collection letter. In this example, a good faith collection
letter is written correspondence from the acquirer to the issuer requesting the return of the refunded amount. When a good faith collection letter is accepted by the issuer in writing, the Fee Collection/1740 message must be processed in accordance with chapter 19-Fee Collection of the Clearing Management System Reference Manual. In the event an arbitration case is submitted concerning the refund, Mastercard will likely rule in favor of the issuer provided the first chargeback was timely and valid.

Additional Second Presentment Options

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

- One of the following for Dual Message System transactions:
  - **2001** - Invalid Acquirer Reference Data; Documentation was Neither Required nor 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.
  - **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. 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.** For Nigeria domestic transactions: Within two-business days.
For all other transactions: Within 45-calendar days of the chargeback settlement date.
Supporting Documents. None
Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

DE 72 (Data Record). None
Notes. None

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, domestic transactions in EEA countries, transactions between an EEA country and Gibraltar or the UK, Gibraltar domestic transactions, and UK domestic transactions).
- The cardholder paid an improper merchant surcharge (intra-European and inter-European transactions only).
- The merchant processed a credit (instead of a reversal) to correct an error which resulted in the cardholder experiencing a currency exchange loss.
- 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.
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.

Supporting Documents must be provided as follows:

- For China domestic chargeback and second presentment: Supporting Documents must be provided using the China Dispute Resolution Platform. Supporting Documents must be uploaded into China Dispute Resolution Platform at the time submitting a chargeback or second presentment.
- For all other disputes: 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).

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.**

For China domestic transactions: Between 5 and 90-calendar days of the transaction settlement date.

For all other transactions: Within 90-calendar days from the Central Site Business Date.

**Message Reason Code.** One of the following:

- 4834 for Dual Message System transactions and China domestic 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. The following message reason codes must not be used for China domestic transactions.

- 4831 (Transaction Amount Differs) for Dual Message System transactions
- 31 (Transaction Amount Differs) for Debit Mastercard transactions processed on the Single Message System
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 specific non-Mastercard 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

Message Text.
When both transactions were processed through the Mastercard network:

For China domestic transactions: Include FIRST REF NNNNNNNNNNNNNNNNNNNNNN in comment field as documented in China Switch User Guide – Customer Portal.

For all other transactions: Include FIRST REF NNNNNNNNNNNNNNNNNNNNNN in DE 72 (Data Record).

Notes.
For China domestic transactions: Replace NNNNNNNNNNNNNNNNNNNNNN with the Network Reference Number (NRN) of the first valid transaction.

For all other transactions: Replace NNNNNNNNNNNNNNNNNNNNNN 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.
For China domestic transactions: Between 5 and 90-calendar days of transaction settlement date.

For all other transactions: Within 90-calendar days of the Central Site Business Date.
Message Reason Code. One of the following:
• 4834 for Dual Message System transactions and China domestic 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. The following message reason codes must not be used for China domestic transactions:
• 4831 (Transaction Amount Differs) for Dual Message System transactions
• 31 (Transaction Amount Differs) for Debit Mastercard transactions processed on the Single Message System
Supporting Documents.

For disputes involving gratuity amounts: 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.

- **When the transaction occurred at a merchant not identified with one of the following MCCs:** A copy of the receipt or similar document detailing the correct gratuity amount.
- **When the transaction occurred at a merchant identified with one of the following MCCs:** Optionally, a copy of the receipt or similar document detailing the correct gratuity amount.

The following list provides the MCCs referred to in the above bullets:

- MCCs 3501 through 3999—Lodging-Hotels, Motels, Resorts
- MCC 4121—Limousines and Taxicabs
- MCC 4411—Cruise Lines
- MCC 5811—Caterers
- MCC 5812—Eating Places, Restaurants
- MCC 5813—Bars, Cocktail Lounges, Discotheques, Nightclubs, and Taverns-Drinking Places (Alcoholic Beverages)
- MCC 5814—Fast Food Restaurants
- MCC 7011—Lodging-Hotels, Motels, Resorts—not elsewhere classified
- MCC 7230—Barber and Beauty Shops
- MCC 7297—Massage Parlors
- MCC 7298—Health and Beauty Spas
- MCC 7299—Other Services—not elsewhere classified
- MCC 7992—Golf Courses, Public
- MCC 7997—Clubs-Country Clubs, Membership (Athletic, Recreation, Sports), Private Golf Course

For all other disputes: 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

Message Text. None

Notes. This chargeback is not available for verbal price agreements. Only a partial transaction amount representing the difference between the correct and incorrect amounts may be charged back.
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.**

For China domestic transactions: Between 5 and 90-calendar days of transaction settlement date.

For all other transactions: Between 5 and 120-calendar days of the transaction settlement date.

**Message Reason Code.** One of the following:

- 4834 for Dual Message System transactions and China domestic 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. The following message reason codes must not be used for China domestic transactions:

- 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

**Message Text.** None
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 amount which the cardholder claims was not dispensed by the ATM.

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.

For China domestic transactions: Between 5 and 90-calendar days of transaction settlement date.

For all other transactions: Within 90-calendar days of the Central Site Business Date.
**Message Reason Code.** One of the following:
- 4834 for Dual Message System transactions and China domestic 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. The following message reason codes must not be used for China domestic transactions:
- 4859 (Addendum, No-show, or ATM Dispute) for Dual Message System transactions
- 31 (Incorrect Transaction Amount) for Debit Mastercard transactions processed on the Single Message System

**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.

**Message Text.** 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.
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.
  - A refund transaction must be presented in clearing within five-calendar days of the transaction date. For a refund transaction, the transaction date is the date on which the merchant agreed to provide a refund to the cardholder (the refund transaction receipt date, or if the refund transaction was authorized by the issuer, then the refund transaction 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. Within 90-calendar days of 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:
- 4842 (Late Presentment) for Dual Message System transactions
- 42 (Late Presentment) for Debit Mastercard transactions processed on the Single Message System

**Supporting Documents.** None

**Message Text.** Include LATE PRESENTMENT in DE 72 (Data Record).

**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.

This chargeback is not applicable for China domestic transactions.

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**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.** Within 90-calendar days of 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
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

Message Text. Include one of the following in DE 72 (Data Record):

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.

This chargeback is not applicable for China domestic transactions.

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. Within 90-calendar days of 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
- 13 (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.

Message Text. None
Notes.
Only the currency exchange loss amount may be charged back.
This chargeback is not applicable for China domestic transactions.

**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:
- Within 90-calendar days of the Central Site Business Date.
- Within 90-calendar days of 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.
Unreasonable Amount (EEA, Gibraltar, United Kingdom)

Chargeback Condition. All of the following:

• The card was issued in the EEA, Gibraltar, or the United Kingdom.
• The merchant was located in the EEA, Gibraltar, or the United Kingdom.
• 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. Within 90-calendar days of 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.**
For China domestic transactions: Within 30-calendar days of the chargeback settlement date.
For Nigeria domestic transactions: Within two-business days.
For all other transactions: Within 45-calendar days of the chargeback settlement date.

**Message Reason Code.** One of the following:
- 2700 (See Corresponding Documentation/Chargeback Remedied) for Dual Message System transactions and China domestic 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.

Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

**Message Text.** None

**Notes.** None

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**Cardholder Debited More than Once for the Same Goods or Services-PIN Transaction**

**Second Presentment Condition.**
For China domestic transactions: The acquirer can substantiate that a PIN was present in the Preauthorization Request/0100 message or Financial Transaction Request/0200 message for both transactions.
For all other transactions: The acquirer can substantiate that a PIN was present in the Authorization Request/0100 message for both transactions.

**Time Frame.**
For China domestic transactions: Within 30-calendar days of the chargeback settlement date.
For Nigeria domestic transactions: Within two-business days.
For all other transactions: Within 45-calendar days of the chargeback settlement date.
Message Reason Code. One of the following:
- 2008 (Issuer authorized transaction) for Dual Message System transactions and China domestic transactions.
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Supporting Documents.
TIĐs 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.
Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

Message Text.
For China domestic transactions, include PIN MMDDYY NNNNNN MMDDYY NNNNNN in comment field as documented in China Switch User Guide – Customer Portal.
For all other transactions, include PIN MMDDYY NNNNNN MMDDYY NNNNNN in DE 72 (Data Record).

Notes. This second presentment is not available for ATM transactions.
Message Text 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.

Transaction Amount Differs

Second Presentment Condition. The acquirer can provide evidence that the cardholder was billed the correct amount.

Time Frame.
For China domestic transactions: Within 30-calendar days of the chargeback settlement date.
For Nigeria domestic transactions: Within two-business days.
For all other transactions: Within 45-calendar days of the chargeback settlement date.
Message Reason Code. One of the following:

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

Supporting Documents. The merchant's explanation and documentation. Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

Message Text. None

Notes. None

ATM Disputes

Second Presentment Condition. The acquirer can provide evidence that the funds were correctly dispensed.

Time Frame.
For China domestic transactions: Within 30-calendar days of the chargeback settlement date.
For Nigeria domestic ATM transactions that are not On-US: Within two-business days.
For all other transactions: Within 45-calendar days of the chargeback settlement date.

Message Reason Code. One of the following:

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

Europe Customers refer to Appendix A, Chargebacks-Mastercard Europe ATM Transactions (Mastercard®, Maestro®, and Cirrus®).
Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

Message Text. None

Europe Customers refer to Appendix A, Chargebacks-Mastercard Europe ATM Transactions (Mastercard, Maestro, and Cirrus).

An On-Us transactions is a domestic transaction for which the issuer and acquirer is the same Customer.

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.**

For China domestic transactions: Within 30-calendar days of the chargeback settlement date.

For Nigeria domestic transactions: Within two-business days.

For all other transactions: Within 45-calendar days of the chargeback settlement date.

**Message Reason Code.** One of the following:

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

**Supporting Documents.** The merchant’s explanation and documentation.

Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

**Message Text.** None

**Notes.** None
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. For Nigeria domestic transactions: Within two-business days.
For all other transactions: Within 45-calendar days of the chargeback settlement date.

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

1. None
2. The merchant and/or acquirer’s explanation and documentation.

Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

Message Text.
Include one of the following corresponding to the Second Presentment Condition in DE 72 (Data Record):

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.

This second presentment is not applicable for China domestic transactions.

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. For Nigeria domestic transactions: Within two-business days.
For all other transactions: Within 45-calendar days of the chargeback settlement date.
**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

Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

**Message Text.** Include CORRECT TRANS DATE MMDDYY in DE 72 (Data Record).

**Notes.**

Replace MMDDYY with the date the issuer authorized the transaction.

This second presentment is not applicable for China domestic transactions.

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**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.** For Nigeria domestic transactions: Within two-business days. For all other transactions: Within 45-calendar days of the chargeback settlement date.

**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.

Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

**Message Text.** 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.

This second presentment is not applicable for China domestic transactions.

### Unreasonable Amount (EEA, Gibraltar, United Kingdom)

**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.** For Nigeria domestic transactions: Within two-business days.
For all other transactions: Within 45-calendar days of the chargeback settlement date.

**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 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.

Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

**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.** |  
| For China domestic transactions: Within 30-calendar days of the chargeback settlement date.  
For Nigeria domestic transactions: Within two-business days.  
For all other transactions: Within 45-calendar days of the chargeback settlement date.  
|  
| **Message Reason Code.** One of the following: |  
| • 2011 (Credit Previously Issued) for Dual Message System transactions and China domestic transactions.  
• 13 (Representment) for Debit Mastercard transactions processed on the Single Message System |  
|  
| **Supporting Documents.** None |  
Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission. |  
|  
| **Message Text.** |  
For China domestic transactions: Include MMDDYY NNNNNNNNNNNNNNNNNNNNNN in comment field as documented in *China Switch User Guide – Customer Portal.*  
For all other transactions: Include MMDDYY NNNNNNNNNNNNNNNNNNNNNN in DE 72 (Data Record). |  
|
Notes. Replace MMDDYY with the date of the credit transaction.

Optionally, for China domestic transactions: Replace NNNNNNNNNNNNNNNNNNNNNN with the Network Reference Number (NRN) of the credit transaction;

Optionally, for all other transactions: Replace NNNNNNNNNNNNNNNNNNNNNN with the Acquirer Reference Data (ARD) of the credit transaction.

Refunds. When a cardholder is credited twice (once by the issuer as a result of a chargeback and again through a refund processed by the merchant), the acquirer must process a timely second presentment which identified a refund was previously processed. A compliance case is invalid. When a second presentment is not processed within the required second presentment time frame, an acquirer seeking return of the refund amount must do so outside of the chargeback and compliance process. An example of outside of the chargeback and compliance process includes, but is not limited to, a good faith collection letter. In this example, a good faith collection letter is written correspondence from the acquirer to the issuer requesting the return of the refunded amount. When a good faith collection letter is accepted by the issuer in writing, the Fee Collection/1740 message must be processed in accordance with chapter 19-Fee Collection of the Global Clearing Management System Reference Manual. For China Customer, a domestic Fee Collection must be processed reference to China Switch User Guide – Customer Portal.

For the avoidance of doubt:

• **Refund properly documented in second presentment and within time frame:** When a refund was processed before the second presentment and the timely second presentment properly documented the refund, the issuer must not continue the dispute for the refunded amount as the refund resolved the chargeback. Upon completion of all of the chargeback cycles, if a properly documented pre-arbitration/arbitration case is filed, Mastercard will likely rule in favor of the acquirer. The two exceptions to the above are when:
  - The issuer or cardholder can clearly document that the refund applied to a different transaction. With proper documentation from the cardholder, the issuer may continue with the dispute.
  - The refund that was processed before the second presentment was for a partial amount of the disputed transaction and the acquirer failed to provide a valid remedy for the remainder of the disputed amount. The issuer may continue with the dispute for the amount that was not refunded, when applicable.

• **Refund before second presentment and within time frame, but not properly documented in second presentment:** A refund is required to be documented in the second presentment and not in the pre-arbitration/arbitration case filing. When the first chargeback is valid and timely, if a case is filed with Mastercard involving a refund that was processed before the second presentment but the second presentment did not properly document the refund, Mastercard will likely hold the issuer responsible for the refunded amount and hold the acquirer responsible for the fines and fees associated with the case.

• **Refund after second presentment:** A refund is required to be documented in a timely manner in the second presentment and not in the pre-arbitration/arbitration case.
When a refund was processed after the second presentment, an acquirer seeking return of the refund amount must do so outside of the arbitration and compliance process. An example of outside of the chargeback and compliance process includes, but is not limited to, a good faith collection letter. In this example, a good faith collection letter is written correspondence from the acquirer to the issuer requesting the return of the refunded amount. When a good faith collection letter is accepted by the issuer in writing, the Fee Collection/1740 message must be processed in accordance with chapter 19—Fee Collection of the Global Clearing Management System Reference Manual. For China Customers, a domestic Fee Collection must be processed reference to China Switch User Guide - Customer Portal. In the event an arbitration case is submitted concerning the refund, Mastercard will likely rule in favor of the issuer provided the first chargeback was timely and valid.

### Improper Merchant Surcharge (Intra-European and Inter-European transactions only)

<table>
<thead>
<tr>
<th><strong>Second Presentment Condition.</strong> The acquirer can provide specific evidence of proper processing in response to the cardholder’s claims.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Time Frame.</strong> Within 45-calendar days of the chargeback settlement date.</td>
</tr>
<tr>
<td><strong>Message Reason Code.</strong> 2700 (See Corresponding Documentation/Chargeback Remedied)</td>
</tr>
<tr>
<td><strong>Supporting Documents.</strong> The merchant’s explanation and documentation. Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.</td>
</tr>
<tr>
<td><strong>DE 72 (Data Record).</strong> None</td>
</tr>
<tr>
<td><strong>Notes.</strong> 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.</td>
</tr>
</tbody>
</table>
Additional Second Presentment Options

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

- One of the following for Dual Message System transactions and China domestic transactions:
  - **2001** - Invalid Acquirer Reference Data; Documentation was Neither Required nor 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 not available for China domestic transactions.
  - **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. 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.

  This message reason code is not available for China domestic transactions.
  - **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 Message Text
    Message text required to appear in the first chargeback 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.

  This message reason code is not available for China domestic transactions.
  - **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.**
For China domestic transactions: Within 30-calendar days of the chargeback settlement date.
For Nigeria domestic transactions: Within two-business days.
For all other transactions: Within 45-calendar days of the chargeback settlement date.

**Supporting Documents.** None
Mastercard will not consider in its ruling decision second presentment supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

**Message Text.** 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”.

**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 and Acquirer’s Second Presentment**
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.

**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)

**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.

**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.

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.

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

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, 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
- 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 and second presentment by Mastercard using 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:
• Chargeback: The issuer is credited 15 EUR and the acquirer is debited 15 EUR.
• Second presentment: The acquirer is credited 30 EUR (15 EUR net) and the issuer is debited 30 EUR (15 EUR net).

In the event that an arbitration (or pre-arbitration) case is filed at the end of the cycles, the issuer will be allowed to collect 45 EUR from the acquirer (30 EUR net) when the issuer is favored, within 45 days of the ruling decision or acceptance by the acquirer. This fee may be collected by the favored issuer using a miscellaneous Fee Collection/1740-700 message with reason code 7606. DE 72 (Data Record) of the fee collection message must contain the “7-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 issuer using the miscellaneous Fee Collection/1740-700 message 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.”

---

**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 earlier in this chapter.

**Second Presentment: MTI 1240**

This table presents processing requirements for Second Presentment.

**Function Code 205 (Full)/282 (Partial)**

**Technical Return**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>Invalid Acquirer Reference Data; documentation was neither required nor received.</td>
</tr>
<tr>
<td>2004</td>
<td>Invalid Acquirer Reference Data on chargeback; documentation was received.</td>
</tr>
</tbody>
</table>
### Documentation Return

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>Nonreceipt of required documentation to support chargeback</td>
</tr>
<tr>
<td>2709</td>
<td>Documentation received was illegible.</td>
</tr>
<tr>
<td>2710</td>
<td>Scanning error-unrelated documents or partial scan</td>
</tr>
</tbody>
</table>

### Substance Return

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>Correct transaction date provided</td>
</tr>
<tr>
<td>2005</td>
<td>Correct merchant location/description provided Issuer authorized transaction</td>
</tr>
<tr>
<td>2008</td>
<td>Issuer authorized transaction</td>
</tr>
<tr>
<td>2011</td>
<td>Credit previously issued</td>
</tr>
<tr>
<td>2700</td>
<td>See Corresponding Documentation/Chargeback Remedied</td>
</tr>
<tr>
<td>2701</td>
<td>Duplicate Chargeback</td>
</tr>
<tr>
<td>2702</td>
<td>Past Chargeback Time Limit</td>
</tr>
<tr>
<td>2703</td>
<td>Requested transaction document provided (requires hardship variance)</td>
</tr>
<tr>
<td>2704</td>
<td>Invalid Data Record Text</td>
</tr>
<tr>
<td>2705</td>
<td>Correct MCC provided</td>
</tr>
<tr>
<td>2706</td>
<td>Authorization advised suspicious</td>
</tr>
<tr>
<td>2707</td>
<td>No authorization request required or attempted</td>
</tr>
<tr>
<td>2708</td>
<td>Account was not listed on the applicable Electronic Warning Bulletin as of the transaction date</td>
</tr>
<tr>
<td>2713</td>
<td>Invalid Chargeback</td>
</tr>
<tr>
<td>2870</td>
<td>Chip Liability Shift</td>
</tr>
<tr>
<td>2871</td>
<td>Chip/PIN Liability Shift</td>
</tr>
</tbody>
</table>
Second Presentment/1240 (Function Codes 205 or 282) Message Reason Code Usage

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

Second Presentment/1240 Message Reason Code Definitions

<table>
<thead>
<tr>
<th>Message Reason Code</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-Invalid Acquirer Reference Data; Documentation was Neither Required nor Received</td>
<td>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.</td>
</tr>
<tr>
<td>2002-Non-receipt of Required Documentation to Support Chargeback</td>
<td>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 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.</td>
</tr>
<tr>
<td>2003-Correct Transaction Date Provided</td>
<td>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.</td>
</tr>
<tr>
<td>2004-Invalid Acquirer Reference Data on Chargeback; Documentation was Received</td>
<td>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.</td>
</tr>
<tr>
<td>Message Reason Code</td>
<td>Definition</td>
</tr>
<tr>
<td>--------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| 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). |
<p>| 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.                                                                                                                                                                                                                                                                                                                                 |
| 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.                                                                                                                                                                                                                                                                                   |</p>
<table>
<thead>
<tr>
<th>Message Reason Code</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>2703-Requested Transaction Documentation Provided (Hardship Variance)</td>
<td>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.</td>
</tr>
<tr>
<td>2704-Invalid Data Record Text</td>
<td>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.</td>
</tr>
<tr>
<td>2705-Correct MCC Provided</td>
<td>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.</td>
</tr>
<tr>
<td>2706-Authorization Advised Susicious</td>
<td>The acquirer must use this message reason code as described in the Suspicious Transaction table in section Proper Use for Acquirer’s Second Presentment.</td>
</tr>
<tr>
<td>2707-No Authorization Required or Attempted</td>
<td>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.</td>
</tr>
<tr>
<td>2708-Account was Not Listed on the Applicable Electronic Warning Bulletin as of the Transaction Date</td>
<td>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.</td>
</tr>
<tr>
<td>2709-Documentation Received was Illegible</td>
<td>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.</td>
</tr>
<tr>
<td>Message Reason Code</td>
<td>Definition</td>
</tr>
<tr>
<td>---------------------</td>
<td>------------</td>
</tr>
<tr>
<td>2710-Scanning Error- Unrelated Documents or Partial Scan</td>
<td>This message reason code deals solely with the quality of the Mastercom scan of the documentation. <strong>Do not use this message reason code if the substance of the documentation received shows that the issuer processed an invalid first chargeback.</strong> 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.</td>
</tr>
<tr>
<td>2713-Invalid Chargeback</td>
<td>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.</td>
</tr>
<tr>
<td>2870-Chip Liability Shift</td>
<td>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 case.</td>
</tr>
<tr>
<td>2871-Chip/PIN Liability Shift</td>
<td>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 case.</td>
</tr>
</tbody>
</table>
Chapter 3 Single Message System Chargebacks

This chapter contains information about chargeback processing for the Single Message System.

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</tr>
</thead>
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<td>Issuer Chargeback</td>
<td>220</td>
</tr>
<tr>
<td>Acquirer Representment (Second Presentment)</td>
<td>220</td>
</tr>
<tr>
<td>Mastercard Automated Reversal</td>
<td>221</td>
</tr>
<tr>
<td>Duplicate Transaction</td>
<td>221</td>
</tr>
<tr>
<td>Issuer Chargeback</td>
<td>221</td>
</tr>
<tr>
<td>Acquirer Representment (Second Presentment)</td>
<td>222</td>
</tr>
<tr>
<td>Mastercard Automated Reversal</td>
<td>223</td>
</tr>
<tr>
<td>No Cardholder Authorization</td>
<td>224</td>
</tr>
<tr>
<td>Issuer Chargeback</td>
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</tr>
<tr>
<td>Acquirer Representment (Second Presentment)</td>
<td>225</td>
</tr>
<tr>
<td>Mastercard Automated Reversal</td>
<td>226</td>
</tr>
<tr>
<td>Credit Not Received</td>
<td>226</td>
</tr>
<tr>
<td>Issuer Chargeback</td>
<td>226</td>
</tr>
<tr>
<td>Acquirer Representment (Second Presentment)</td>
<td>227</td>
</tr>
<tr>
<td>Mastercard Automated Reversal</td>
<td>228</td>
</tr>
<tr>
<td>Goods or Services Not Provided</td>
<td>228</td>
</tr>
<tr>
<td>Issuer Chargeback</td>
<td>228</td>
</tr>
<tr>
<td>Acquirer Representment (Second Presentment)</td>
<td>230</td>
</tr>
<tr>
<td>Mastercard Automated Reversal</td>
<td>230</td>
</tr>
<tr>
<td>Late Presentment</td>
<td>231</td>
</tr>
<tr>
<td>Issuer Chargeback</td>
<td>231</td>
</tr>
<tr>
<td>Acquirer Representment (Second Presentment)</td>
<td>231</td>
</tr>
<tr>
<td>Mastercard Automated Reversal</td>
<td>232</td>
</tr>
<tr>
<td>Invalid Adjustment - Account Closed</td>
<td>232</td>
</tr>
<tr>
<td>Issuer Chargeback</td>
<td>232</td>
</tr>
<tr>
<td>Acquirer Representment (Second Presentment)</td>
<td>233</td>
</tr>
<tr>
<td>Invalid Adjustment - Insufficient Funds</td>
<td>233</td>
</tr>
<tr>
<td>Issuer Chargeback</td>
<td>233</td>
</tr>
<tr>
<td>Acquirer Representment (Second Presentment)</td>
<td>233</td>
</tr>
</tbody>
</table>
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.


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
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.

<table>
<thead>
<tr>
<th>Reason Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>06</td>
<td>Correction of a Representment</td>
</tr>
<tr>
<td>10</td>
<td>Correction of a Terminal Malfunction</td>
</tr>
<tr>
<td>20</td>
<td>Returned Item (U.S. Shared Deposits Only)</td>
</tr>
<tr>
<td>24</td>
<td>Empty Deposit Envelope (U.S. Shared Deposits Only)</td>
</tr>
<tr>
<td>25</td>
<td>Error in Addition (U.S. Shared Deposits Only)</td>
</tr>
<tr>
<td>26</td>
<td>Error in Settlement (U.S. Shared Deposits Only)</td>
</tr>
<tr>
<td>27</td>
<td>Customer Keyed Wrong Amount (U.S. Shared Deposits Only)</td>
</tr>
<tr>
<td>28</td>
<td>Non-Cash Item Deposited (U.S. Shared Deposits Only)</td>
</tr>
<tr>
<td>29</td>
<td>Foreign/Counterfeit Currency Deposited (U.S. Shared Deposits Only)</td>
</tr>
<tr>
<td>85</td>
<td>Adjustment Reversal</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>Correction Condition</th>
<th>Time Frame</th>
</tr>
</thead>
<tbody>
<tr>
<td>The acquirer is reversing a representment, thereby canceling the original representment.</td>
<td>Between 1 and 10-calendar days after the representment settlement date.</td>
</tr>
</tbody>
</table>
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.

<table>
<thead>
<tr>
<th>Correction Condition</th>
<th>The acquirer is correcting a terminal malfunction.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Frame</td>
<td>For debit adjustments, between 1 and 45-calendar days after the transaction settlement date.</td>
</tr>
<tr>
<td></td>
<td>For credit adjustments, between 1 and 120-calendar days after the transaction settlement date.</td>
</tr>
<tr>
<td>Adjustment Message Reason Code</td>
<td>10</td>
</tr>
<tr>
<td>Supporting Documents</td>
<td>None</td>
</tr>
<tr>
<td>Additional Information</td>
<td>None</td>
</tr>
<tr>
<td>Notes</td>
<td></td>
</tr>
<tr>
<td>-------</td>
<td></td>
</tr>
<tr>
<td>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.</td>
<td></td>
</tr>
<tr>
<td>An Issuer must accept a <strong>debit</strong> adjustment providing the adjustment was processed within 10-calendar days of the settlement date of the original transaction.</td>
<td></td>
</tr>
<tr>
<td>An Issuer must accept a <strong>credit</strong> adjustment, regardless of the time frame.</td>
<td></td>
</tr>
<tr>
<td>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 <em>MDS Exception Item Processing Request</em> (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.</td>
<td></td>
</tr>
</tbody>
</table>

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.
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.

<table>
<thead>
<tr>
<th>Adjustment Condition</th>
<th>The acquirer is reversing an adjustment.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Time Frame</strong></td>
<td>Between 1 and 10-calendar days after the original adjustment settlement date.</td>
</tr>
<tr>
<td>Adjustment Message Reason Code</td>
<td>85</td>
</tr>
<tr>
<td>Supporting Documents</td>
<td>None</td>
</tr>
<tr>
<td>Additional Information</td>
<td>Optional</td>
</tr>
</tbody>
</table>
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-calendar 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.

<table>
<thead>
<tr>
<th>Reason Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>03</td>
<td>Correction of a Chargeback</td>
</tr>
<tr>
<td>17</td>
<td>Cash Dispute-ATM Only</td>
</tr>
<tr>
<td>30</td>
<td>Cardholder Disputed Amount (U.S. Shared Deposits Only)</td>
</tr>
<tr>
<td>70</td>
<td>Chip Liability Shift</td>
</tr>
<tr>
<td>71</td>
<td>Transaction Amount Differs</td>
</tr>
<tr>
<td>73</td>
<td>Duplicate Transaction</td>
</tr>
<tr>
<td>74</td>
<td>No Cardholder Authorization</td>
</tr>
<tr>
<td>75</td>
<td>Credit Not Received</td>
</tr>
<tr>
<td>79</td>
<td>Goods or Services Not Provided</td>
</tr>
<tr>
<td>80</td>
<td>Late Presentment</td>
</tr>
<tr>
<td>95</td>
<td>Invalid Adjustment: Account Closed</td>
</tr>
<tr>
<td>96</td>
<td>Invalid Adjustment: Insufficient Funds</td>
</tr>
</tbody>
</table>
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.

<table>
<thead>
<tr>
<th>Correction Condition</th>
<th>The issuer is reversing a chargeback.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Frame</td>
<td>Between 1 and 10-calendar days after the chargeback settlement date.</td>
</tr>
<tr>
<td>Adjustment Message Reason Code</td>
<td>03</td>
</tr>
<tr>
<td>Supporting Documents</td>
<td>None</td>
</tr>
<tr>
<td>Additional Information</td>
<td>None</td>
</tr>
</tbody>
</table>

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 representation 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.

<table>
<thead>
<tr>
<th>Chargeback Condition</th>
<th>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.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Frame</td>
<td>Between 5 and 120-calendar days from the transaction settlement date.</td>
</tr>
<tr>
<td>Chargeback Message Reason Code</td>
<td>17</td>
</tr>
<tr>
<td>Supporting Documents</td>
<td>None</td>
</tr>
</tbody>
</table>
### 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.

<table>
<thead>
<tr>
<th>Second Presentment Condition</th>
<th>The acquirer can provide evidence that the funds were correctly dispensed.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Frame</td>
<td>For domestic India ATM transactions: Within five-business days of the chargeback settlement date.</td>
</tr>
<tr>
<td></td>
<td>For domestic Nigeria ATM transactions that are not On-Us: Within two-business days.</td>
</tr>
<tr>
<td></td>
<td>For all other transactions: 45-calendar days from the chargeback settlement date</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Second Presentment Message Reason Code</th>
<th>13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supporting Documents</td>
<td>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:</td>
</tr>
<tr>
<td></td>
<td>• Account accessed</td>
</tr>
<tr>
<td></td>
<td>• The ATM or PIN-based In-branch Terminal financial activity that occurred immediately before and after the disputed transaction occurred without any errors.</td>
</tr>
<tr>
<td></td>
<td>• ATM or PIN-based In-branch Terminal number</td>
</tr>
<tr>
<td></td>
<td>• Primary account number read from Track 2 of the magnetic stripe or from the chip</td>
</tr>
<tr>
<td></td>
<td>• Transaction amount</td>
</tr>
<tr>
<td></td>
<td>• Transaction date and time</td>
</tr>
<tr>
<td></td>
<td>• Transaction trace</td>
</tr>
<tr>
<td></td>
<td>• Transaction type</td>
</tr>
</tbody>
</table>
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.

An On-Us transaction is a domestic transaction for which the issuer and acquirer is the same Customer.

---

**Mastercard Automated Reversal**

The table shown below details the automated reversal process.

<table>
<thead>
<tr>
<th>Mastercard Automated Reversal Condition</th>
<th>Both of the following:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Acquirer representment supporting documentation was not provided through Mastercom within 10-calendar days of the representment settlement date.</td>
</tr>
<tr>
<td></td>
<td>• Both the issuer and the acquirer are <strong>not</strong> in Europe</td>
</tr>
</tbody>
</table>

| 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. |
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

<table>
<thead>
<tr>
<th>Chargeback Condition</th>
<th>All of the following:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• The cardholder contacted the issuer alleging that the transaction was fraudulent.</td>
</tr>
<tr>
<td></td>
<td>• 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.</td>
</tr>
<tr>
<td></td>
<td>• The transaction was conducted with a counterfeit card at a magnetic stripe reading-only ATM or POS terminal.</td>
</tr>
<tr>
<td></td>
<td>• The validly issued card was a hybrid card.</td>
</tr>
<tr>
<td></td>
<td>• The fraudulent transaction must be reported to the Fraud and Loss Database on or before the date the chargeback is processed.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Time Frame</th>
<th>For Maestro ATM transactions: Between 5 and 90-calendar days from the transaction settlement date.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For all other transactions: Between 5 and 120-calendar days from the transaction settlement date.</td>
</tr>
<tr>
<td>Supporting Documents</td>
<td>One of the following:</td>
</tr>
<tr>
<td>----------------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>• Cardholder letter, email, message or completed <em>Dispute Resolution Form-Fraud</em> (Form 412) stating both of the following:</td>
<td></td>
</tr>
<tr>
<td>• Neither the cardholder nor anyone authorized by the cardholder engaged in the transaction.</td>
<td></td>
</tr>
<tr>
<td>• 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.</td>
<td></td>
</tr>
<tr>
<td>• Cardholder letter, email, message or <em>Dispute Resolution Form-Fraud</em> (Form 412) stating that neither the cardholder nor anyone authorized by the cardholder engaged in the transaction and an issuer certification letter verifying counterfeit.</td>
<td></td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>Notes</th>
<th>Supporting documentation must be in English or accompanied by an English translation.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Supporting documentation must be provided within 10-calendar days of the chargeback settlement date.</td>
</tr>
<tr>
<td></td>
<td>A completed <em>Dispute Resolution Form-Fraud</em> (Form 412) must be the result of contact with the cardholder.</td>
</tr>
</tbody>
</table>

Lost, Stolen, or Never Received Fraud

<table>
<thead>
<tr>
<th>Chargeback Condition</th>
<th>All of the following:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The cardholder contacted the issuer alleging that the transaction was fraudulent.</td>
<td></td>
</tr>
<tr>
<td>• 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.</td>
<td></td>
</tr>
<tr>
<td>• The transaction was conducted at a magnetic stripe reading-only POS terminal without PIN as CVM.</td>
<td></td>
</tr>
<tr>
<td>• The transaction was conducted with a hybrid card.</td>
<td></td>
</tr>
<tr>
<td>• The fraudulent transaction must be reported to the Fraud and Loss Database on or before the date the chargeback is processed.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Time Frame</th>
<th>For Maestro ATM transactions: Between 5 and 90-calendar days from the transaction settlement date.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For all other transactions: Between 5 and 120-calendar days from the transaction settlement date.</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Domestic Programs</th>
<th>Effective for transactions dated on or after…</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Asia/Pacific</strong></td>
<td></td>
</tr>
<tr>
<td>American Samoa</td>
<td>12 April 2019 for ATM transactions</td>
</tr>
<tr>
<td>Australia</td>
<td>13 April 2012 for Mastercard ATM transactions</td>
</tr>
<tr>
<td></td>
<td>12 April 2019 for Maestro and Cirrus ATM</td>
</tr>
<tr>
<td></td>
<td>transactions</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>16 October 2015 for ATM transactions</td>
</tr>
<tr>
<td>Bhutan</td>
<td>16 October 2015 for ATM transactions</td>
</tr>
</tbody>
</table>
## Domestic Programs

<table>
<thead>
<tr>
<th>Country</th>
<th>Date Effective for ATM transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brunei Darussalam, Cambodia, Christmas Island, Cocos (Keeling) Islands, Cook Islands, Fiji, French Polynesia, Guam, Heard and McDonald Islands, Hong Kong SAR</td>
<td>12 April 2019</td>
</tr>
<tr>
<td>India</td>
<td>31 December 2018</td>
</tr>
<tr>
<td>Indonesia</td>
<td>1 January 2022</td>
</tr>
<tr>
<td>Kiribati, Lao People's Democratic Republic, Macao SAR, Malaysia</td>
<td>12 April 2019</td>
</tr>
<tr>
<td>Maldives</td>
<td>16 October 2015</td>
</tr>
<tr>
<td>Marshall Islands, Micronesia, Federated States of, Mongolia, Myanmar, Nauru</td>
<td>12 April 2019</td>
</tr>
<tr>
<td>Nepal</td>
<td>18 April 2018</td>
</tr>
<tr>
<td>New Caledonia</td>
<td>12 April 2019</td>
</tr>
<tr>
<td>New Zealand</td>
<td>13 April 2012</td>
</tr>
<tr>
<td>Niue, Norfolk Island, Northern Marianna Islands, Palau, Papua New Guinea, Philippines, Pitcairn, Samoa, Singapore, Solomon Islands</td>
<td>12 April 2019</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>16 October 2015</td>
</tr>
</tbody>
</table>
## Chip Liability Shift Program for Domestic and Intraregional Transactions

### Domestic Programs

<table>
<thead>
<tr>
<th>Country/Region</th>
<th>Effective Date for Transactions Dated on or After</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thailand, Timor-Leste, Tokelau, Tonga, Tuvalu, U.S. Minor Outlying Islands, Vanuatu, Vietnam, Wallis and Futuna</td>
<td>12 April 2019 for ATM transactions</td>
</tr>
</tbody>
</table>
| 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  
16 April 2021 for automated fuel dispenser transactions (MCC 5542) |

### Intraregional Programs

Asia Pacific region—For the following countries and territories only:
**Intraregional Programs**

<table>
<thead>
<tr>
<th>Country</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia, Christmas Island,</td>
<td>13 April 2012 for Mastercard ATM transactions</td>
</tr>
<tr>
<td>Cocos (Keeling) Islands, Cook</td>
<td>12 April 2019 for Maestro and Cirrus ATM transactions</td>
</tr>
<tr>
<td>Islands, New Zealand, Niue,</td>
<td></td>
</tr>
<tr>
<td>Norfolk Island, and Tokelau</td>
<td></td>
</tr>
<tr>
<td>Bangladesh, Bhutan, Maldives,</td>
<td>16 October 2015</td>
</tr>
<tr>
<td>and Sri Lanka</td>
<td></td>
</tr>
<tr>
<td>India</td>
<td>31 December 2018</td>
</tr>
<tr>
<td>Indonesia</td>
<td>1 January 2022 for ATM transactions</td>
</tr>
<tr>
<td>Korea, Republic of</td>
<td>16 October 2020 for ATM transactions</td>
</tr>
<tr>
<td>Nepal</td>
<td>18 April 2018</td>
</tr>
<tr>
<td>All other countries and</td>
<td>12 April 2019 for ATM transactions</td>
</tr>
<tr>
<td>territories</td>
<td></td>
</tr>
<tr>
<td>Europe region</td>
<td>1 January 2005 for all transactions</td>
</tr>
<tr>
<td>Latin America and the</td>
<td>1 January 2005 for all transactions</td>
</tr>
<tr>
<td>Caribbean region</td>
<td></td>
</tr>
</tbody>
</table>

**Intercountry Programs**

<table>
<thead>
<tr>
<th>Country</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany and United States</td>
<td>1 January 2015 through 20 October 2016 for Debit Mastercard ATM transactions</td>
</tr>
<tr>
<td>Germany and Puerto Rico</td>
<td></td>
</tr>
<tr>
<td>Germany and U.S. Virgin Islands</td>
<td></td>
</tr>
</tbody>
</table>
## 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

<table>
<thead>
<tr>
<th>In this region...</th>
<th>The following countries and territories participate...</th>
<th>Effective for transactions dated on or after...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia/Pacific</td>
<td>All</td>
<td>Currently in effect for Maestro POS transactions</td>
</tr>
<tr>
<td></td>
<td>Australia and New Zealand</td>
<td>31 December 2015 (Mastercard ATM transactions)</td>
</tr>
<tr>
<td></td>
<td>Bangladesh, Bhutan, Maldives, and Sri Lanka</td>
<td>16 October 2015 for ATM transactions</td>
</tr>
<tr>
<td></td>
<td>India</td>
<td>31 December 2018 for ATM transactions</td>
</tr>
<tr>
<td></td>
<td>Indonesia</td>
<td>1 January 2022 for ATM transactions</td>
</tr>
<tr>
<td></td>
<td>Nepal</td>
<td>18 April 2018 for ATM transactions</td>
</tr>
<tr>
<td></td>
<td>All other countries and territories</td>
<td>19 April 2013 (Maestro ATM transactions)</td>
</tr>
<tr>
<td></td>
<td>All other countries and territories</td>
<td>20 October 2017 (Mastercard and Cirrus ATM transactions)</td>
</tr>
<tr>
<td>Canada</td>
<td>All</td>
<td>• 31 December 2015 for Maestro POS transactions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Currently in effect for ATM transactions</td>
</tr>
<tr>
<td>Europe</td>
<td>All</td>
<td>Currently in effect for all transactions</td>
</tr>
<tr>
<td>In this region...</td>
<td>The following countries and territories participate...</td>
<td>Effective for transactions dated on or after...</td>
</tr>
<tr>
<td>------------------</td>
<td>--------------------------------------------------------</td>
<td>---------------------------------------------</td>
</tr>
<tr>
<td>Latin America and the Caribbean</td>
<td>All</td>
<td>Currently in effect for Maestro POS transactions</td>
</tr>
<tr>
<td>Mexico</td>
<td></td>
<td>1 September 2014 for all transactions</td>
</tr>
</tbody>
</table>
| Puerto Rico and U.S. Virgin Islands | • 19 April 2013 for Maestro ATM transactions  
• 21 October 2016 for Mastercard and Cirrus ATM transactions | 
| All other countries and territories | • 18 October 2013 for Mastercard ATM transactions  
• Currently in effect for Maestro and Cirrus ATM transactions | 
| Middle East/Africa | All | Currently in effect for all transactions |
| United States | All | • 19 April 2013 for Maestro ATM transactions  
• 1 October 2015 for all Maestro POS transactions except automated fuel dispenser transactions (MCC 5542)  
• 21 October 2016 for Mastercard and Cirrus ATM transactions  
• 1 October 2017 for Maestro POS automated fuel dispenser transactions (MCC 5542) |

**Improper Use for Issuer Chargeback**

The issuer must not initiate a chargeback using reason code 70 when one of the following:

- The transaction was a properly identified Mastercard Consumer-Presented Quick Response (QR) transaction. Refer to Appendix F for Mastercard Consumer-Presented QR transactions identification requirements.
- 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.
• 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.

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical Fallback Transaction</td>
<td>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.</td>
</tr>
<tr>
<td>Hybrid POS Terminal</td>
<td>A POS Terminal that:</td>
</tr>
<tr>
<td></td>
<td>1. Is capable of processing both contact chip transactions and magnetic stripe-based transactions;</td>
</tr>
<tr>
<td></td>
<td>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</td>
</tr>
<tr>
<td></td>
<td>3. Has satisfactorily completed the Mastercard Terminal Integration Process (TIP) in the appropriate environment of use.</td>
</tr>
<tr>
<td></td>
<td>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.</td>
</tr>
</tbody>
</table>
**Acquirer Representment (Second Presentment)**

The table shown below details the requirements of the second presentment for this message reason code.

<table>
<thead>
<tr>
<th>Second Presentment Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>One of the following:</td>
</tr>
<tr>
<td>• The card is not a hybrid card (meaning the service code is not 2xx or 6xx)</td>
</tr>
<tr>
<td>• 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</td>
</tr>
<tr>
<td>• The issuer previously charged back more than 15 transactions involving the same card account for reason code 70 or 74</td>
</tr>
<tr>
<td>• The transaction was not properly reported to the Fraud and Loss Database on or before the chargeback date. Mastercard allows three days from the reporting date for the Fraud and Loss Database processing. Mastercard considers the Fraud and Loss Database reporting within time when the transaction reporting date in the Fraud and Loss Database is within three days of the chargeback date.</td>
</tr>
<tr>
<td>• A hybrid card was used at a hybrid POS terminal and the transaction was properly identified as fallback</td>
</tr>
<tr>
<td>• 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</td>
</tr>
<tr>
<td>• 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</td>
</tr>
<tr>
<td>• The chargeback was invalid.</td>
</tr>
</tbody>
</table>

| Time Frame                                                                                   |
| For domestic Nigeria transactions: Within two-business days                                  |
| For all other transactions: 45-calendar days from the chargeback settlement date               |

<table>
<thead>
<tr>
<th>Second Presentment Message Reason Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
</tr>
</tbody>
</table>

| 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.

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.

<table>
<thead>
<tr>
<th>Chargeback Condition</th>
<th>The billing discrepancy could be for one of the following reasons:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• The merchant's addition error that resulted in an incorrect total on the TID or other documentation.</td>
</tr>
<tr>
<td></td>
<td>• The merchant increased the transaction amount without the cardholder’s permission.</td>
</tr>
<tr>
<td></td>
<td>• 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.</td>
</tr>
<tr>
<td></td>
<td>• The cardholder paid for goods or services by other means. “Other means” may include the same card.</td>
</tr>
</tbody>
</table>

| 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.

<table>
<thead>
<tr>
<th>Second Presentment Condition</th>
<th>One of the following:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• The acquirer can provide evidence that the amount debited from the cardholder’s account was correct.</td>
</tr>
<tr>
<td></td>
<td>• The chargeback was invalid.</td>
</tr>
</tbody>
</table>
### Time Frame
- For domestic Nigeria transactions: Within two-business days.
- For all other transactions: 45-calendar days from the chargeback settlement date

### Second Presentment Message

<table>
<thead>
<tr>
<th>Reason Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>The merchant's explanation and documentation supporting the Second Presentment Condition.</td>
</tr>
</tbody>
</table>

### Supporting Documents
- Supporting documentation must be in English or accompanied by an English translation.

### Notes

---

**Mastercard Automated Reversal**
The table shown below details the automated reversal process.

<table>
<thead>
<tr>
<th>Mastercard Automated Reversal Condition</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Both of the following:</td>
<td></td>
</tr>
<tr>
<td>• Acquirer representment supporting documentation was not provided through Mastercom within 10-calendar days of the representment settlement date.</td>
<td></td>
</tr>
<tr>
<td>• Both the issuer and the acquirer are <strong>not</strong> in Europe</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Time Frame</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>11-calendar days from the representment settlement date</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mastercard Automated Reversal Message Reason Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>19</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Supporting Documents</th>
<th>None</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Notes</th>
<th>Mastercard will credit the issuer and debit the acquirer.</th>
</tr>
</thead>
</table>

---

**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.

<table>
<thead>
<tr>
<th>Chargeback Condition</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>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.</td>
<td></td>
</tr>
</tbody>
</table>
### Single Message System Chargebacks

#### Acquirer Representment (Second Presentment)

The table shown below details the requirements of the second presentment for this message reason code.

<table>
<thead>
<tr>
<th><strong>Second Presentment Condition</strong></th>
<th>One of the following:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• The acquirer can provide evidence to support two separate transactions, or proof that a credit was issued.</td>
</tr>
<tr>
<td></td>
<td>• The chargeback was invalid.</td>
</tr>
</tbody>
</table>

| **Time Frame**                  | For domestic Nigeria transactions: Within two-business days. |
|---------------------------------| For all other transactions: 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.

<table>
<thead>
<tr>
<th>Mastercard Automated Reversal Condition</th>
<th>Both of the following:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Acquirer representment supporting documentation was not provided through Mastercom within 10-calendar days of the representment settlement date.</td>
</tr>
<tr>
<td></td>
<td>• Both the issuer and the acquirer are not in Europe</td>
</tr>
</tbody>
</table>

| 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. |
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.

<table>
<thead>
<tr>
<th>Chargeback Condition</th>
<th>One of the following:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 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.</td>
<td></td>
</tr>
<tr>
<td>• 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.</td>
<td></td>
</tr>
<tr>
<td>• 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).</td>
<td></td>
</tr>
<tr>
<td>• 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).</td>
<td></td>
</tr>
<tr>
<td>• 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.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Time Frame</th>
<th>Between 5 and 120-calendar days from the transaction settlement date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chargeback Message Reason Code</td>
<td>74</td>
</tr>
<tr>
<td>Supporting Documents</td>
<td>None</td>
</tr>
<tr>
<td>Notes</td>
<td>This message reason code must not be used for Mastercard Consumer-Presented Quick Response (QR) transactions.</td>
</tr>
</tbody>
</table>
**Acquirer Representment (Second Presentment)**

The table shown below details the requirements of the second presentment for this message reason code.

<table>
<thead>
<tr>
<th>Second Presentment Condition</th>
<th>One of the following conditions is met:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• The transaction was approved and PIN was the CVM</td>
</tr>
<tr>
<td></td>
<td>• 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</td>
</tr>
<tr>
<td></td>
<td>• FNS: The issuer previously charged back more than 15 transactions involving the same card account for reason code 70 or 74</td>
</tr>
<tr>
<td></td>
<td>• The issuer did not properly report the transaction to the Fraud and Loss Database on or before the chargeback date</td>
</tr>
<tr>
<td></td>
<td>• 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.</td>
</tr>
<tr>
<td></td>
<td>• The merchant was located in a signature waiver country as defined in the <em>Transaction Processing Rules</em> 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.</td>
</tr>
<tr>
<td></td>
<td>• 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.</td>
</tr>
<tr>
<td></td>
<td>• The acquirer determines the chargeback is otherwise invalid.</td>
</tr>
</tbody>
</table>

| Time Frame                  | For domestic Nigeria transactions: Within two business days. |
|                            | For all other transactions: 45-calendar days from the chargeback settlement date |

<table>
<thead>
<tr>
<th>Second Presentment Message Reason Code</th>
<th>13</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Supporting Documents</th>
<th>The merchant’s explanation and documentation supporting the Second Presentment Condition.</th>
</tr>
</thead>
</table>

| 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.

<table>
<thead>
<tr>
<th>Mastercard Automated Reversal</th>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Both of the following:</td>
</tr>
<tr>
<td></td>
<td>• Acquirer representment supporting documentation was not provided through Mastercom within 10-calendar days of the representment settlement date.</td>
</tr>
<tr>
<td></td>
<td>• Both the issuer and the acquirer are not in Europe</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Time Frame</th>
<th>11-calendar days from the representment settlement date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mastercard Automated Reversal</td>
<td>19</td>
</tr>
</tbody>
</table>

| Message Reason Code          | 75                                                                                          |

<table>
<thead>
<tr>
<th>Supporting Documents</th>
<th>None</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes</td>
<td>Mastercard will credit the issuer and debit the acquirer.</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>Chargeback Condition</th>
<th>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.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Time Frame</th>
<th>Between 5 and 120-calendar days from the transaction settlement date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The 120-calendar days begin on one of the following:</td>
</tr>
<tr>
<td></td>
<td>• The date the service was canceled or the goods were returned.</td>
</tr>
<tr>
<td></td>
<td>• The date on the credit documentation.</td>
</tr>
<tr>
<td></td>
<td>• The date on the cardholder letter when the credit documentation was undated.</td>
</tr>
<tr>
<td></td>
<td>• The date the issuer receives an undated cardholder letter.</td>
</tr>
<tr>
<td></td>
<td>• The date the Timeshare was canceled.</td>
</tr>
</tbody>
</table>

| Chargeback Message Reason Code | 75                                                                 |

<table>
<thead>
<tr>
<th>Supporting Documents</th>
<th>None</th>
</tr>
</thead>
</table>
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 (SDW) may be charged back if the funds did not appear in the SDW. Chargeback rights are not available for any subsequent purchase of goods or service from a SDW. SDW 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.

<table>
<thead>
<tr>
<th>Second Presentment Condition</th>
<th>The acquirer can provide evidence to support one of the following:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The credit was processed to the cardholder’s account.</td>
<td></td>
</tr>
<tr>
<td>• The timeshare cancellation occurred more than 14-calendar days from the timeshare agreement date.</td>
<td></td>
</tr>
<tr>
<td>• The transaction was correctly processed.</td>
<td></td>
</tr>
<tr>
<td>• The chargeback was invalid.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Time Frame</th>
<th>For domestic Nigeria transactions: Within two-business days.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For all other transactions: 45-calendar days from the chargeback settlement date</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Second Presentment Message Reason Code</th>
<th>13</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Supporting Documents</th>
<th>The merchant's explanation and documentation supporting the Second Presentment Condition.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Notes</th>
<th>Supporting documentation must be in English or accompanied by an English translation.</th>
</tr>
</thead>
</table>
**Mastercard Automated Reversal**
The table shown below details the automated reversal process.

<table>
<thead>
<tr>
<th>Condition</th>
<th>Both of the following:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Acquirer representment supporting documentation was not provided through Mastercom within 10-calendar days of the representment settlement date.</td>
</tr>
<tr>
<td></td>
<td>• Both the issuer and the acquirer are <strong>not</strong> in Europe</td>
</tr>
</tbody>
</table>

| Time Frame                      | 11-calendar days from the representment settlement date                                    |

| 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.

<p>| 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. |</p>
<table>
<thead>
<tr>
<th><strong>Time Frame</strong></th>
<th>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:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• When the date the goods or services were to be provided as agreed upon by the merchant and the cardholder has passed.</td>
<td></td>
</tr>
<tr>
<td>• When a specific delivery date is not provided, the issuer must wait 30-calendar days from the transaction settlement date.</td>
<td></td>
</tr>
<tr>
<td>• 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.</td>
<td></td>
</tr>
<tr>
<td>• 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.</td>
<td></td>
</tr>
<tr>
<td>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.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Chargeback Message Reason Code</strong></th>
<th>79</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th><strong>Supporting Documents</strong></th>
<th>None</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th><strong>Notes</strong></th>
<th>The issuer may chargeback only the disputed amount.</th>
</tr>
</thead>
<tbody>
<tr>
<td>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.</td>
<td></td>
</tr>
</tbody>
</table>

**Staged Digital Wallet.** A transaction to fund a Staged Digital Wallet (SDW) may be charged back if the funds did not appear in the SDW. Chargeback rights are not available for any subsequent purchase of goods or service from a SDW. SDW 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.

<table>
<thead>
<tr>
<th>Second Presentment Condition</th>
<th>The acquirer can provide evidence to support one of the following:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• The goods or services were provided.</td>
</tr>
<tr>
<td></td>
<td>• The merchant was willing and able to provide the goods or services and the cardholder refused to accept the goods or services.</td>
</tr>
<tr>
<td></td>
<td>• The merchant and the cardholder agreed to provide the goods or services at a later date.</td>
</tr>
<tr>
<td></td>
<td>• The chargeback was invalid.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Time Frame</th>
<th>For domestic Nigeria transactions: Within two-business days.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For all other transactions: 45-calendar days from the chargeback settlement date</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Second Presentment Message Reason Code</th>
<th>13</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Supporting Documents</th>
<th>The merchant’s explanation and documentation supporting the Second Presentment Condition.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Notes</th>
<th>Supporting documentation must be in English or accompanied by an English translation.</th>
</tr>
</thead>
</table>

### Mastercard Automated Reversal
The table shown below details the automated reversal process.

<table>
<thead>
<tr>
<th>Mastercard Automated Reversal Condition</th>
<th>Both of the following:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Acquirer representment supporting documentation was not provided through Mastercom within 10-calendar days of the representment settlement date.</td>
</tr>
<tr>
<td></td>
<td>Both the issuer and the acquirer are not in Europe</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Time Frame</th>
<th>11-calendar days from the representment settlement date</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Mastercard Automated Reversal Message Reason Code</th>
<th>19</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Supporting Documents</th>
<th>None</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Notes</th>
<th>Mastercard will credit the issuer and debit the acquirer.</th>
</tr>
</thead>
</table>
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. |

<table>
<thead>
<tr>
<th>Time Frame</th>
<th>Between 5 and 120-calendar days from the transaction settlement date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chargeback Message</td>
<td>80</td>
</tr>
<tr>
<td>Reason Code</td>
<td></td>
</tr>
<tr>
<td>Supporting Documents</td>
<td>None</td>
</tr>
<tr>
<td>Notes</td>
<td>None</td>
</tr>
</tbody>
</table>

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 | For domestic Nigeria transactions: Within two-business days.  
|           | For all other transactions: 45-calendar days from the chargeback settlement date |
| Second Presentment Message | 13 |
| Reason Code |                                                             |
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.

<table>
<thead>
<tr>
<th>Mastercard Automated Reversal Condition</th>
<th>Both of the following:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Acquirer representment supporting documentation was not provided through Mastercom within 10-calendar days of the representment settlement date.</td>
</tr>
<tr>
<td></td>
<td>• Both the issuer and the acquirer are <strong>not</strong> in Europe</td>
</tr>
</tbody>
</table>

| 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.

<table>
<thead>
<tr>
<th>Chargeback Condition</th>
<th>Both of the following:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• The account is closed.</td>
</tr>
<tr>
<td></td>
<td>• The acquirer’s adjustment must have been processed between 11 and 45-calendar days after the transaction settlement date.</td>
</tr>
</tbody>
</table>

| Time Frame | Between 1 and 20-calendar days after the adjustment settlement date. |

| Chargeback Message Reason Code | 95 |
| Supporting Documents | None |
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.

<table>
<thead>
<tr>
<th>Chargeback Condition</th>
<th>Both of the following:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• The account does not have sufficient funds.</td>
</tr>
<tr>
<td></td>
<td>• The acquirer's adjustment must have been processed between 11 and 45-calendar days after the transaction settlement date.</td>
</tr>
</tbody>
</table>

| Time Frame | Between 1 and 20-calendar days after the adjustment settlement date. |

<table>
<thead>
<tr>
<th>Chargeback Message Reason Code</th>
<th>96</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supporting Documents</td>
<td>None</td>
</tr>
<tr>
<td>Additional Information</td>
<td>Optional</td>
</tr>
<tr>
<td>Notes</td>
<td>None</td>
</tr>
</tbody>
</table>

Acquirer Representment (Second Presentment)
Representment is not available for this message reason code.
Chapter 4 Pre-Arbitration and Arbitration Case Filing

This chapter provides the procedures that Customers must follow when filing and managing a pre-arbitration and arbitration case.

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Overview

A dispute may be continued after the chargeback cycles have completed by using the pre-arbitration, when applicable, and the arbitration case filing process.

A Customer may accept responsibility for a pre-arbitration or arbitration case through the Mastercom Case Filing application any time prior to a Mastercard ruling decision.

A pre-arbitration case filing is required prior to escalation to an arbitration case for all disputes with the exception of the following chargebacks. A pre-arbitration case is optional for the disputes listed below; the only exception is when an issuer validly changes its chargeback reason as described in the Change of Chargeback Reason section later in this chapter.

- Chapter 2-Dual Message System Chargebacks disputes for the following reasons:
  - ATM Disputes
  - Authorization-related Chargebacks
  - Chip Liability Shift Chargebacks
  - Chip Liability Shift-Lost/Stolen/Never Received Issue (NRI) Fraud Chargebacks
- Chapter 3-Single Message System Chargebacks
- Appendix A-Chargebacks-Mastercard Europe ATM Transactions (Mastercard, Maestro, and Cirrus)
- Appendix B-Chargebacks-Maestro POS Transactions

When pre-arbitration is optional and an issuer chooses to file a pre-arbitration case, the time frame for the arbitration case filing is unchanged.

Detailed information can be found in the Time Frames and Requirements section later in this chapter.

Processing Platform

For all China domestic arbitration cases, the cases must be submitted and managed through the China Dispute Resolution Platform. Unless otherwise specified, the rules and process in this chapter that apply to Mastercom apply to China Dispute Resolution Platform. Mastercard strongly recommends daily review of the China Dispute Resolution Platform to manage cases within applicable time frames.

For more information, refer to the China Switch User Guide – Customer Portal.

For all other arbitration cases, the cases must be submitted and managed through the Mastercom Case Filing Application. Mastercard strongly recommends daily
review of the Mastercom Case Filing Application to manage cases within applicable time frames.

For more information, refer to the Mastercom manuals available on Mastercard Connect > Technical Resource Center > Reference.

Time Frames and Requirements

The following tables describe the conditions, time frames and documentation necessary to file a pre-arbitration case (when required) and an arbitration case.

When pre-arbitration is optional and an issuer chooses to file a pre-arbitration case, the time frame for the arbitration case filing is unchanged. This means that extra days are not allowed when an optional pre-arbitration case is filed. For example, if an issuer chooses to file a pre-arbitration case to continue an authorization-related dispute, the issuer must file the arbitration case within 45-calendar days from the Second Presentment. This also means that the issuer does not have to allow the acquirer a full 30-calendar days to respond to the pre-arbitration case filing.
Single Message System Arbitration Case Filing

This section describes the process for filing, and responding to, an arbitration case in the single message system.
Issuer Submission of an Arbitration Case.

An issuer may submit an arbitration case when:

- The chargeback was valid
- The second presentment failed to remedy the dispute

An arbitration case must be filed within 45-calendar days of the second presentment with the following conditions:

- When second presentment supporting documentation will not be provided as indicated by the second presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer must file the arbitration case between 0 and 45-calendar days of the second presentment.

- When second presentment supporting documentation will be provided as indicated by the second presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least 10-calendar days for the supporting documentation before filing the arbitration case.

When second presentment supporting documentation is provided earlier than 10-calendar days from the Central Site Business Date of the second presentment, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

Mastercard will consider the arbitration case invalid if the issuer files an arbitration case before the applicable second presentment supporting documentation time frame has expired.

The issuer must accept supporting documentation as long as the issuer has not processed an arbitration case filing. If the second presentment supporting documentation is received after the “protected” 10-calendar day time frame and on the same day as the arbitration case filing, Mastercard will not consider the second presentment supporting documentation.

Sender Memo.

The issuer must include in the Sender Memo field within the Mastercom Case Filing Application the reason for the filing. For example, “71-Transaction Amount Differs” or similar phrase describing the dispute.

The issuer must include the reason why the issuer believes the second presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

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)

Regardless of whether or not the SMS Case Filing box is checked, the following information must be provided as applicable.

For cases involving 53-Defective/Not as Described-Intra-U.S. Region and U.S. Territories Only, the requirements in the Dual Message System Pre-Arbitration and Arbitration Case Filing, Cardholder Dispute section later in this chapter apply.

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.

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 through a 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
For all cases the issuer must include the reason why the issuer believes the second presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

Mastercard will not consider any Supporting Documentation provided in the arbitration case filing that was required (but not provided) in the chargeback or second presentment.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the arbitration case filing at the time the case is filed. 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 the time the case is filed.

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.

Acquirer Response to an Arbitration Case.

An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case filing date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment. Once the arbitration is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter. The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
Dual Message System Pre-Arbitration and Arbitration Case Filing

This section describes the process for filing, and responding to, pre-arbitration and arbitration cases in the dual message system.

Authorization-related
This section describes the process for continuing an authorization-related dispute after the chargeback cycles have completed.

Invalid Second Presentment
This section describes the process for filing, and responding to, an arbitration case when the issuer claims that the second presentment was invalid.
Issuer Submission of a Pre-Arbitration Case Filing.

Pre-arbitration is optional for this type of case filing; this means that an issuer has the option to skip this pre-arbitration step and proceed to filing an arbitration case as described later in this table. When an issuer chooses to file a pre-arbitration case, the issuer time frame for the arbitration case filing is unchanged (this means within 45-calendar days of the Second Presentment). The issuer is not obligated to provide the acquirer with 30-calendar days to respond to the pre-arbitration case filing.

When an issuer chooses to file a pre-arbitration case then the following procedure must be followed.

An issuer may submit a pre-arbitration case when both of the following occurred:

- The original chargeback was valid
- The Second Presentment failed to remedy the dispute

When an issuer chooses to file a pre-arbitration case the issuer must file the arbitration case within 45-calendar days of the Second Presentment with the following conditions:

- When Second Presentment supporting documentation will not be provided as indicated by the Second Presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer may file the pre-arbitration case immediately.
- When Second Presentment supporting documentation will be provided as indicated by the Second Presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the pre-arbitration case.

When Second Presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the Second Presentment, the issuer may file the pre-arbitration case as soon as the Second Presentment supporting document is received.

Mastercard will consider the pre-arbitration case invalid if the issuer files a pre-arbitration case before the applicable Second Presentment supporting documentation time frame has expired.

The issuer must accept supporting documentation as long as the issuer has not processed a pre-arbitration case filing. If the Second Presentment supporting documentation is received after the “protected” eight-calendar day time frame and on the same day as the pre-arbitration case filing, Mastercard will not consider the Second Presentment supporting documentation.

Sender Memo.

The issuer must include in the Sender Memo field within the Mastercom Case Filing Application that the reason for the filing is “Authorization-related” (or similar phrase), “08”, or “4808”. One of the following codes may be used, however, they will eventually be eliminated: “07”, “12”, “4807”, or “4812”.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

Supporting Documentation
The issuer must include the reason why the issuer believes the Second Presentment to be invalid. The reason is either typed into the Sender Memo field or included in Supporting Documentation within the Mastercom Case Filing Application.

Mastercard will not consider any Supporting Documentation provided in the pre-arbitration case filing that was required (but not provided) in the chargeback or Second Presentment.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration case filing at the time the case is filed. 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 the time the case is filed.
Acquirer Response to a Pre-arbitration Case

An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

• **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction.
  Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application.
  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** and thereby accept financial responsibility for the disputed transaction.
  The Mastercom Case Filing Application will automatically accept the pre-arbitration case on behalf of the acquirer after 30-calendar days from the Submit Date specified within the Mastercom Case Filing application.
  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.

• **Reject** the pre-arbitration case with a rebuttal and any relevant documentation.
  The acquirer should include the reason why the acquirer believes the pre-arbitration case filing is invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation.
  Rejecting the case must occur within 30-calendar days from the Submit Date specified within the Mastercom Case Filing Application. The acquirer may reject the pre-arbitration case for one of the following reasons:
  - The chargeback was invalid
  - The second presentment remedied the chargeback. An example includes, but is not limited to, a credit was processed by the merchant before the second presentment and that credit was documented in the second presentment.
  - The pre-arbitration case was invalid. Examples include, but are not limited to, improper Supporting Documentation, or the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired.
  - The merchant has a rebuttal that specifically addresses the Supporting Documentation provided in the pre-arbitration case and, when applicable, documentation.

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the second presentment.
Issuer Submission of an Arbitration Case.

An issuer may submit an arbitration case when the following occurred:

- The original chargeback was valid
- The second presentment failed to remedy the dispute
- When the optional pre-arbitration was performed and the acquirer responded by rejecting the pre-arbitration or within 45-calendar days of the Central Site Business Date of the Second Presentment (regardless of whether the acquirer rejected the pre-arbitration case)

An arbitration case must be filed within 45-calendar days of the second presentment with the following conditions. The 45-calendar day time frame applies even when an issuer submitted an optional pre-arbitration case.

- When second presentment supporting documentation will not be provided as indicated by the second presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer must file the arbitration case between 0 and 45-calendar days of the second presentment.
- When second presentment supporting documentation will be provided as indicated by the second presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the arbitration case.

When second presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the second presentment, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

Mastercard will consider the arbitration case invalid if the issuer files an arbitration case before the applicable second presentment supporting documentation time frame has expired.

The issuer must accept supporting documentation as long as the issuer has not processed an arbitration case filing. If the second presentment supporting documentation is received after the “protected” eight-calendar day time frame and on the same day as the arbitration case filing, Mastercard will not consider the second presentment supporting documentation.

Sender Memo.

The issuer must include in the Sender Memo field within the Mastercom Case Filing Application that the reason for the filing is “Authorization-related” (or similar phrase), “08”, or “4808”. One of the following codes may be used, however, they will eventually be eliminated: “07”, “12”, “4807”, or “4812”.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

Supporting Documentation.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid. The reason is either typed into the Sender Memo field or included in Supporting Documentation within the Mastercom Case Filing Application.
Mastercard will not consider any Supporting Documentation provided in the arbitration case filing that was required (but not provided) in the chargeback, second presentment, or pre-arbitration case filing.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the arbitration case filing at the time the case is filed. 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 the time the case is filed.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.

**Acquirer Response to an Arbitration Case.**

An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and/or any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case filing date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in the second presentment. Once the arbitration is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
Documentation Received with Second Presentment was Illegible or Scanning Error
This section describes the process for filing, and responding to, an arbitration case when the issuer claims that the second presentment documentation was illegible.
Issuer Submission of a Pre-Arbitration Case Filing.

Pre-arbitration is optional for this type of case filing; this means that an issuer has the option to skip this pre-arbitration step and proceed to filing an arbitration case as described later in this table. When an issuer chooses to file a pre-arbitration case, the issuer time frame for the arbitration case filing is unchanged (this means within 45-calendar days of the Central Site Business Date of the Second Presentment). The issuer is not obligated to provide the acquirer with 30-calendar days to respond to the pre-arbitration case filing.

When an issuer chooses to file a pre-arbitration case then the following procedure must be followed.

An issuer may submit a pre-arbitration case when both of the following occurred:

- The original chargeback was valid
- The Second Presentment failed to remedy the dispute

When an issuer chooses to file a pre-arbitration case the issuer must file the arbitration case within 45-calendar days of the Central Site Business Date of the Second Presentment with the following conditions:

- When Second Presentment supporting documentation will not be provided as indicated by the Second Presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer may file the pre-arbitration case immediately.
- When Second Presentment supporting documentation will be provided as indicated by the Second Presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the pre-arbitration case.

When Second Presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the Second Presentment, the issuer may file the pre-arbitration case as soon as the Second Presentment supporting document is received.

Mastercard will consider the pre-arbitration case invalid if the issuer files a pre-arbitration case before the applicable Second Presentment supporting documentation time frame has expired.

The issuer must accept supporting documentation as long as the issuer has not processed a pre-arbitration case filing. If the Second Presentment supporting documentation is received after the "protected" eight-calendar day time frame and on the same day as the pre-arbitration case filing, Mastercard will not consider the Second Presentment supporting documentation.

Sender Memo.

The issuer must include in the Sender Memo field within the Mastercom Case Filing Application that the reason for the filing is "Documentation Illegible", "Scanning error", "4902", "4903", or similar phrase describing the issue.

Supporting Documentation.
The issuer must include the reason why the issuer believes the Second Presentment to be invalid. The reason is either typed into the Sender Memo field or included in Supporting Documentation within the Mastercom Case Filing Application.

Mastercard will not consider any Supporting Documentation provided in the pre-arbitration case filing that was required (but not provided) in the chargeback or Second Presentment.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration case filing at the time the case is filed. 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 the time the case is filed.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.
Acquirer Response to a Pre-arbitration Case.
An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction.
  Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application.
  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** and thereby accept financial responsibility for the disputed transaction.
  The Mastercom Case Filing Application will automatically accept the pre-arbitration case on behalf of the acquirer after 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing application.
  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.

- **Reject** the pre-arbitration case with a rebuttal and any relevant documentation.
  The acquirer should include the reason why the acquirer believes the pre-arbitration case filing is invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation.
  Rejecting the case must occur within 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing Application.
  The acquirer may reject the pre-arbitration case for one of the following reasons:
  - The chargeback was invalid.
  - The second presentment remedied the chargeback. An example includes, but is not limited to, a credit was processed by the merchant before the second presentment and that credit was documented in the second presentment.
  - The pre-arbitration case was invalid. Examples include, but are not limited to, improper Supporting Documentation, or the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired.
  - The merchant has a rebuttal that specifically addresses the Supporting Documentation provided in the pre-arbitration case and, when applicable, documentation.

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the second presentment.
Issuer Submission of an Arbitration Case.

An issuer may submit an arbitration case when the following occurred:

- The original chargeback was valid
- The second presentment failed to remedy the dispute
- When the optional pre-arbitration was performed and the acquirer responded by rejecting the pre-arbitration or within 45-calendar days of the Central Site Business Date of the Second Presentment (regardless of whether the acquirer rejected the pre-arbitration case)

Sender Memo.

The issuer must include in the Sender Memo field within the Mastercom Case Filing Application that the reason for the filing is “Documentation Illegible”, “Scanning error”, “4902”, “4903”, or similar phrase describing the issue.

Supporting Documentation.

Mastercard will not consider any Supporting Documentation provided in the arbitration case filing that was required (but not provided) in the chargeback, second presentment, or pre-arbitration case filing.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the arbitration 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.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.
Acquirer Response to an Arbitration Case.

An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and/or any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case filing date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in the second presentment. Once the arbitration is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
Required Documentation Not Received to Support Second Presentment
This section describes the process for filing, and responding to, an arbitration case when the issuer claims that the second presentment documentation was not received.
Issuer Submission of a Pre-Arbitration Case Filing.

Pre-arbitration is optional for this type of case filing; this means that an issuer has the option to skip this pre-arbitration step and proceed to filing an arbitration case as described later in this table. When an issuer chooses to file a pre-arbitration case, the issuer time frame for the arbitration case filing is unchanged (this means within 45-calendar days of the Central Site Business Date of the Second Presentment). The issuer is not obligated to provide the acquirer with 30-calendar days to respond to the pre-arbitration case filing.

When an issuer chooses to file a pre-arbitration case then the following procedure must be followed.

An issuer may submit a pre-arbitration case when both of the following occurred:
- The original chargeback was valid
- The Second Presentment failed to remedy the dispute

When an issuer chooses to file a pre-arbitration case the issuer must file the arbitration case within 45-calendar days of the Central Site Business Date of the Second Presentment with the following conditions:
- When Second Presentment supporting documentation will not be provided as indicated by the Second Presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer may file the pre-arbitration case immediately
- When Second Presentment supporting documentation will be provided as indicated by the Second Presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the pre-arbitration case.

When Second Presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the Second Presentment, the issuer may file the pre-arbitration case as soon as the Second Presentment supporting document is received.

Mastercard will consider the pre-arbitration case invalid if the issuer files a pre-arbitration case before the applicable Second Presentment supporting documentation time frame has expired.

The issuer must accept supporting documentation as long as the issuer has not processed a pre-arbitration case filing. If the Second Presentment supporting documentation is received after the "protected" eight-calendar day time frame and on the same day as the pre-arbitration case filing, Mastercard will not consider the Second Presentment supporting documentation.

Sender Memo.

The issuer must include in the Sender Memo field within the Mastercom Case Filing Application that the reason for the filing is “Required Documentation Not Received to Support Second Presentment”, “4901”, or similar phrase describing the issue.

Supporting Documentation.
The issuer must include the reason why the issuer believes the Second Presentment to be invalid. The reason is either typed into the Sender Memo field or included in Supporting Documentation within the Mastercom Case Filing Application.

Mastercard will not consider any Supporting Documentation provided in the pre-arbitration case filing that was required (but not provided) in the chargeback or Second Presentment.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration case filing at the time the case is filed. 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 the time the case is filed.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.
Acquirer Response to a Pre-arbitration Case

An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction.
  Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application.
  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** and thereby accept financial responsibility for the disputed transaction.
  The Mastercom Case Filing Application will automatically accept the pre-arbitration case on behalf of the acquirer after 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing application.
  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.

- **Reject** the pre-arbitration case with a rebuttal and any relevant documentation.
  The acquirer should include the reason why the acquirer believes the pre-arbitration case filing is invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation.
  Rejecting the case must occur within 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing Application.
  The acquirer may reject the pre-arbitration case for one of the following reasons:
  - The chargeback was invalid
  - The second presentment remedied the chargeback. An example includes, but is not limited to, a credit was processed by the merchant before the second presentment and that credit was documented in the second presentment.
  - The pre-arbitration case was invalid. Examples include, but are not limited to, improper Supporting Documentation, or the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired.
  - The merchant has a rebuttal that specifically addresses the Supporting Documentation provided in the pre-arbitration case and, when applicable, documentation.

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the second presentment.
Issuer Submission of an Arbitration Case.

An issuer may submit an arbitration case when the following occurred:

- The original chargeback was valid
- The second presentment failed to remedy the dispute
- When the optional pre-arbitration was performed and the acquirer responded by rejecting the pre-arbitration or within 45-calendar days of the Central Site Business Date of the Second Presentment (regardless of whether the acquirer rejected the pre-arbitration case).

An arbitration case must be filed within 45-calendar days of the second presentment with the following conditions:

- When documentation will not be provided as indicated by the second presentment supporting documentation indicator code of 0, the arbitration case must be filed between 0 and 45-calendar days of the second presentment.
- When second presentment supporting documentation will be provided, an issuer must wait at least eight-calendar days before filing the arbitration case. This means when the second presentment supporting documentation indicator code is a 1, the arbitration case must be filed between nine and 45-calendar days from the Central Site Business Date of the second presentment.

The issuer must accept supporting documentation as long as the issuer has not processed an arbitration case filing. Should the second presentment supporting document be received after the “protected” eight-calendar day time frame and on the same day as the arbitration case filing, Mastercard will not consider the second presentment supporting documentation.

Mastercard will consider the arbitration invalid if the issuer files an arbitration case before the applicable second presentment supporting documentation time frame has expired.

Sender Memo.

The issuer must include in the Sender Memo field within the Mastercom Case Filing Application that the reason for the filing is “Required Documentation Not Received to Support Second Presentment”, “4901”, or similar phrase describing the issue.

Supporting Documentation.

Mastercard will not consider any Supporting Documentation provided in the arbitration case filing that was required (but not provided) in the chargeback, second presentment, or pre-arbitration case filing.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the arbitration 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.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.
Acquirer Response to an Arbitration Case

An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.
- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment. Once the arbitration case is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in.

The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
Acquirer Reference Data (ARD) Does Not Match or is Invalid
This section describes the process for filing, and responding to, an arbitration case when the second presentment claimed the Acquirer Reference Data (ARD) was invalid.
**Issuer Submission of a Pre-Arbitration Case Filing.**

Pre-arbitration is optional for this type of case filing; this means that an issuer has the option to skip this pre-arbitration step and proceed to filing an arbitration case as described later in this table. When an issuer chooses to file a pre-arbitration case, the issuer time frame for the arbitration case filing is unchanged (this means within 45-calendar days of the Central Site Business Date of the Second Presentment). The issuer is not obligated to provide the acquirer with 30-calendar days to respond to the pre-arbitration case filing.

When an issuer chooses to file a pre-arbitration case then the following procedure must be followed.

An issuer may submit a pre-arbitration case when both of the following occurred:

- The original chargeback was valid
- The Second Presentment failed to remedy the dispute

When an issuer chooses to file a pre-arbitration case the issuer must file the arbitration case within 45-calendar days of the Central Site Business Date of the Second Presentment with the following conditions:

- When Second Presentment supporting documentation will not be provided as indicated by the Second Presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer may file the pre-arbitration case immediately
- When Second Presentment supporting documentation will be provided as indicated by the Second Presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the pre-arbitration case.

When Second Presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the Second Presentment, the issuer may file the pre-arbitration case as soon as the Second Presentment supporting document is received.

Mastercard will consider the pre-arbitration case invalid if the issuer files a pre-arbitration case before the applicable Second Presentment supporting documentation time frame has expired.

The issuer must accept supporting documentation as long as the issuer has not processed a pre-arbitration case filing. If the Second Presentment supporting documentation is received after the “protected” eight-calendar day time frame and on the same day as the pre-arbitration case filing, Mastercard will not consider the Second Presentment supporting documentation.

**Sender Memo.**

The issuer must include in the Sender Memo field within the Mastercom Case Filing Application that the reason for the filing is “Correct reference number supplied” or similar phrase describing the issue.

**Supporting Documentation.**
The issuer must include the reason why the issuer believes the Second Presentment to be invalid. The reason is either typed into the Sender Memo field or included in Supporting Documentation within the Mastercom Case Filing Application.

Mastercard will not consider any Supporting Documentation provided in the pre-arbitration case filing that was required (but not provided) in the chargeback or Second Presentment.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration case filing at the time the case is filed. 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 the time the case is filed.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.
Acquirer Response to a Pre-arbitration Case

An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction.
  Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application.
  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** and thereby accept financial responsibility for the disputed transaction.
  The Mastercom Case Filing Application will automatically accept the pre-arbitration case on behalf of the acquirer after 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing Application.
  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.

- **Reject** the pre-arbitration case with a rebuttal and any relevant documentation.
  The acquirer should include the reason why the acquirer believes the pre-arbitration case filing is invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation.
  Rejecting the case must occur within 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing Application.
  The acquirer may reject the pre-arbitration case for one of the following reasons:
  - The chargeback was invalid
  - The second presentment remedied the chargeback. An example includes, but is not limited to, a credit was processed by the merchant before the second presentment and that credit was documented in the second presentment.
  - The pre-arbitration case was invalid. Examples include, but are not limited to, improper Supporting Documentation, or the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired.
  - The merchant has a rebuttal that specifically addresses the Supporting Documentation provided in the pre-arbitration case and, when applicable, documentation.

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the second presentment.
Issuer Submission of an Arbitration Case.

An issuer may submit an arbitration case when the following occurred:

- The original chargeback was valid.
- The second presentment failed to remedy the dispute
- When the optional pre-arbitration was performed and the acquirer responded by rejecting the pre-arbitration or within 45-calendar days of the Central Site Business Date of the Second Presentment (regardless of whether the acquirer rejected the pre-arbitration case)

An arbitration case must be filed within 45-calendar days of the second presentment with the following conditions:

- When documentation will not be provided as indicated by the second presentment supporting documentation indicator code of 0, the arbitration case must be filed between 0 and 45-calendar days of the second presentment.
- When second presentment supporting documentation will be provided, an issuer must wait at least eight-calendar days before filing the arbitration case. This means when the second presentment supporting documentation indicator code is a 1, the arbitration case must be filed between nine and 45-calendar days from the Central Site Business Date of the second presentment.

The issuer must accept supporting documentation as long as the issuer has not processed an arbitration case filing. Should the second presentment supporting document be received after the “protected” eight-calendar day time frame and on the same day as the arbitration case filing, Mastercard will not consider the second presentment supporting documentation.

Mastercard will consider the arbitration invalid if the issuer files an arbitration case before the applicable second presentment supporting documentation time frame has expired.

Sender Memo.

The issuer must include in the Sender Memo field within the Mastercom Case Filing Application that the reason for the filing is “Correct Reference Number Supplied” or similar phrase describing the issue.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

Supporting Documentation.

One of the following:

- When the issuer’s chargeback didn’t include the ARD present in the first presentment: The issuer must provide the correct ARD.
- When the issuer’s chargeback included the ARD present in the chargeback: The issuer must provide a copy of the first presentment as Supporting Documentation.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.
If the issuer escalates to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the arbitration that was required (but not provided) in the chargeback.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the arbitration case filing at the time the case is filed. 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 the time the case is filed.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.

**Acquirer Response to an Arbitration Case.**

An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.
- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration.

Once the arbitration case is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
Change of Chargeback Reason to an Authorization-related Chargeback
This section describes the process for changing the reason for the chargeback through the pre-arbitration and arbitration process.

Issuer Pre-Arbitration Case Submission.
An issuer must submit a pre-arbitration case when the issuer is changing the reason for the dispute from a non-Authorization-related dispute to an Authorization-related dispute.

In order to change the reason for a dispute all of the following must occur:

• The original chargeback was valid
• The original chargeback must have been processed within 90-calendar days of the Central Site Business Date of the disputed transaction
• The Second Presentment remedied the original chargeback and identified that a valid Authorization-related chargeback is available and meets the conditions as described in Chapter 2-Dual Message System Chargebacks
• A pre-arbitration case must be filed within both of the following time frames:
  – Within 45-calendar days of the second presentment
  – At least 30-calendar days prior to escalating to an arbitration case.

Mastercard strongly recommends submitting the pre-arbitration case as soon as possible (to allow sufficient time to escalate to an arbitration case, when necessary, in light of time zone differences, weekends, and holidays).

• The issuer must provide the supporting documentation required for an Authorization-related chargeback.
  The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration case filing at the time the case is filed. 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 the time the case is filed.

• The Sender Memo tab of the Mastercom Case Filing Application must include the text “Change of Reason” and either “Authorization-related” (or similar phrase), “08”, or “4808”. One of the following codes may be used, however, they will eventually be eliminated: “07”, “12”, “4807”, or “4812”.

• When the Authorization-related chargeback requires DE 72 (Data Record) text or when optional DE 72 (Data Record) text is being provided, the DE 72 text must be provided in either the Sender Memo tab of the Mastercom Case Filing Application or as Supporting Documentation.
Acquirer Response to a Pre-arbitration Case.

An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction. Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

  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** and thereby accept financial responsibility for the disputed transaction. The Mastercom Case Filing Application will automatically accept the pre-arbitration case on behalf of the acquirer after 30-calendar days from the Submit Date specified within the Mastercom Case Filing application. 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.

- **Reject** the pre-arbitration case with a rebuttal and any relevant documentation. The acquirer should include the reason why the acquirer believes the pre-arbitration case filing to be invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

  Rejecting the case must occur within 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

  The acquirer may reject the pre-arbitration case for one of the following reasons:
  - The original chargeback was invalid.
  - The second presentment remedied the original chargeback and did not identify a valid Authorization-related chargeback as being available.
  - The pre-arbitration case was invalid. Examples include, but are not limited to, improper Supporting Documentation, the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired, or the issuer submitted the pre-arbitration case beyond the applicable time frame which did not provide the acquirer with 30-calendar days to respond.
  - The merchant has a rebuttal that specifically addresses the Supporting Documentation provided in the pre-arbitration case and, when applicable, documentation. An example includes, but is not limited to, the disputed transaction was properly authorized.

  If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the second presentment.
Issuer Submission of an Arbitration Case.
An issuer may escalate the pre-arbitration to an arbitration case upon rejection of the pre-arbitration case when the issuer continues to believe the original chargeback and the Authorization-related chargeback are both valid and the acquirer failed to remedy the pre-arbitration. The issuer should provide a rebuttal and any relevant documentation in support of that rebuttal. Any rebuttal and documentation must be provided within 10-calendar days of escalation.

Mastercard will not consider any information provided in arbitration that was required (but not provided) in the chargeback or pre-arbitration.

Escalation must occur within 75-calendar days from the second presentment Central Site Business Date. If the issuer does not escalate by the 75th-calendar day from the second presentment Central Site Business Date the issuer will have accepted the financial responsibility for the disputed transaction.

The Mastercom Case Filing Application will allow the issuer to withdraw the arbitration case at any time before Mastercard rules on the case.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.

Acquirer Response to an Arbitration Case.
An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration.

Once the arbitration is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
Cardholder Dispute
This section describes the process for continuing a cardholder dispute after the chargeback cycles have completed.

Cardholder Reasserts Their Claim
This section describes the process for filing, and responding to, a pre-arbitration and, when applicable, an arbitration case when the cardholder reasserts their claim.
Issuer Submission of a Pre-Arbitration Case.

An issuer may submit a pre-arbitration case when both of the following occurred:

• The original Cardholder Dispute chargeback was valid
• The second presentment supporting documentation was reviewed by the cardholder and the cardholder reasserts their dispute

A pre-arbitration case must be filed within both of the following time frames:

• Within 45-calendar days of the second presentment
• At least 30-calendar days prior to escalating to an arbitration case.

Mastercard strongly recommends submitting the pre-arbitration case as soon as possible (to allow sufficient time to escalate to an arbitration case, when necessary, in light of time zone differences, weekends, and holidays).

In addition:

• When second presentment supporting documentation will not be provided as indicated by the second presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer must file the pre-arbitration case between 0 and 45-calendar days of the second presentment.
• When second presentment supporting documentation will be provided as indicated by the second presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the pre-arbitration case.

When second presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the second presentment, the issuer may file the pre-arbitration case as soon as the second presentment supporting document is received.

Mastercard will consider the pre-arbitration case invalid if the issuer files a pre-arbitration case before the applicable second presentment supporting documentation time frame has expired.

Sender Memo.

The Sender Memo tab of the Mastercom Case Filing Application must specify “Cardholder Dispute” (or similar phrase), “53”, or “4853”. One of the following codes may be used, however, they will eventually be eliminated: “41”, “55”, “59”, “60”, “4841”, “4855”, “4859”, or “4860”.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

Supporting Documentation.

A new cardholder letter, email, message, or completed Dispute Resolution Form-Cardholder Dispute Chargeback (Form 1221) dated after the second presentment and specifically addressing the merchant’s rebuttal provided with the second presentment.

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration that was required (but not provided) in the chargeback.
The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration case filing at the time the case is filed. 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 the time the case is filed.

In addition:

- **For Disputes Involving Goods or Services were Not as Described or Defective:** When not provided with the chargeback, documentation from an expert or professional (on their business letterhead, with a business card attached, or validated by other information demonstrating that the opinion expressed is that of an expert) 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 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, on business letterhead, with a business card attached, or validated by other information demonstrating that the opinion expressed is that of an expert) 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
  - 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 chargeback states that the cardholder returned the merchandise and the merchant denies receiving the merchandise in the second presentment, the issuer must then provide proof that the merchandise was returned to and received by the merchant to accompany the pre-arbitration case.

- **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).

- 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 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).

• For Disputes Involving Addendum Transactions
  An addendum transaction is a separate transaction that occurs after a valid transaction involving the same merchant and the same cardholder. An example includes, but is not limited to, a charge for breakfast after the cardholder checked out of the hotel.

  The new cardholder letter, email, message, or Dispute Resolution Form-Cardholder Dispute (Form 1221) form dated after the second presentment must also specifically state:
  - The cardholder has reviewed the documentation provided by the merchant in the second presentment
  - 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.

• For Disputes Involving a Failed Travel Merchant-Intra-EEA and Domestic European Transactions Only
  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.

A request for reimbursement from a bonding authority or similar scheme is not required for Swedish domestic transactions.
Acquirer Response to a Pre-arbitration Case

An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction. Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

  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** and thereby accept financial responsibility for the disputed transaction. The Mastercom Case Filing Application will automatically accept the pre-arbitration case on behalf of the acquirer after 30-calendar days from the Submit Date specified within the Mastercom Case Filing application. 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.

- **Reject** the pre-arbitration with a rebuttal and any relevant documentation. The acquirer should include the reason why the acquirer believes the pre-arbitration case filing to be invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

  Rejecting the case must occur within 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

  The acquirer may reject the pre-arbitration case for one of the following reasons:

  - The chargeback was invalid
  - The second presentment remedied the chargeback. An example includes, but is not limited to, a credit was processed by the merchant before the second presentment and that credit was documented in the second presentment.
  - The pre-arbitration case was invalid. Examples include, but are not limited to, improper Supporting Documentation, the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired, the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired, or the issuer submitted the pre-arbitration case beyond the applicable time frame which did not provide the acquirer with 30-calendar days to respond.
  - The merchant has a rebuttal that specifically addresses the Supporting Documentation provided in the pre-arbitration case and, when applicable, documentation.

  If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the second presentment.
Issuer Submission of an Arbitration Case.
An issuer may escalate the pre-arbitration to an arbitration case upon rejection of the pre-arbitration case when the issuer continues to believe the chargeback is valid and the acquirer failed to remedy the pre-arbitration case. The issuer should provide a rebuttal and any relevant documentation in support of that rebuttal. Any rebuttal and documentation must be provided within 10-calendar days of escalation.

Mastercard will not consider any information provided in arbitration that was required (but not provided) in the chargeback or pre-arbitration.

Escalation must occur within 75-calendar days from the second presentment Central Site Business Date. If the issuer does not escalate by the 75th-calendar day from the second presentment Central Site Business Date the issuer will have accepted the financial responsibility for the disputed transaction.

The Mastercom Case Filing Application will allow the issuer to withdraw the arbitration case at any time before Mastercard rules on the case.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.

Acquirer Response to an Arbitration Case.
An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case filing date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in the second presentment or pre-arbitration.

  Once the arbitration is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
**Invalid Second Presentment**

This section describes the process for filing, and responding to, a pre-arbitration and, when applicable, an arbitration case when the issuer believes the second presentment did not remedy the chargeback.
**Issuer Submission of a Pre-Arbitration Case.**

An issuer may submit a pre-arbitration case when both of the following occurred:

- The original Cardholder Dispute chargeback was valid
- The second presentment supporting documentation failed to remedy the Cardholder Dispute chargeback

A pre-arbitration case must be filed within both of the following time frames:

- Within 45-calendar days of the second presentment
- At least 30-calendar days prior to escalating to an arbitration case.

**Mastercard strongly recommends submitting the pre-arbitration case as soon as possible (to allow sufficient time to escalate to an arbitration case, when necessary, in light of time zone differences, weekends, and holidays).**

In addition:

- When second presentment supporting documentation will not be provided as indicated by the second presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer must file the pre-arbitration case between 0 and 45-calendar days of the second presentment.
- When second presentment supporting documentation will be provided as indicated by the second presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the pre-arbitration case.

When second presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the second presentment, the issuer may file the pre-arbitration case as soon as the second presentment supporting documentation is received.

Mastercard will consider the pre-arbitration case invalid if the issuer files a pre-arbitration case before the applicable second presentment supporting documentation time frame has expired.

The issuer must accept supporting documentation as long as the issuer has not processed a pre-arbitration case filing. If the second presentment supporting documentation is received after the “protected” eight-calendar day time frame and on the same day as the pre-arbitration case filing, Mastercard will not consider the second presentment supporting documentation.

**Sender Memo.**

The Sender Memo tab of the Mastercom Case Filing Application must specify “Cardholder Dispute” (or similar phrase), “53”, “4853”. One of the following codes may be used, however, they will eventually be eliminated: “41”, “55”, “59”, “60”, “4841”, “4855”, “4859”, or “4860”.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

**Supporting Documentation.**
The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration that was required (but not provided) in the chargeback.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration case filing at the time the case is filed. 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 the time the case is filed.
Acquirer Response to a Pre-arbitration Case.

An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction. Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

  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** and thereby accept financial responsibility for the disputed transaction. The Mastercom Case Filing Application will automatically accept the pre-arbitration case on behalf of the acquirer after 30-calendar days from the Submit Date specified within the Mastercom Case Filing application. 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.

- **Reject** the pre-arbitration with a rebuttal and any relevant documentation. The acquirer should include the reason why the acquirer believes the pre-arbitration case filing to be invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

  Rejecting the case must occur within 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

  The acquirer may reject the pre-arbitration case for one of the following reasons:

  - The chargeback was invalid
  - The second presentment remedied the chargeback. An example includes, but is not limited to, a credit was processed by the merchant before the second presentment and that credit was documented in the second presentment
  - The pre-arbitration case was invalid. Examples include, but are not limited to, improper Supporting Documentation, the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired, the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired, or the issuer submitted the pre-arbitration case beyond the applicable time frame which did not provide the acquirer with 30-calendar days to respond.
  - The merchant has a rebuttal that specifically addresses the Supporting Documentation provided in the pre-arbitration case and, when applicable, documentation.

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the second presentment.
Issuer Submission of an Arbitration Case.
An issuer may escalate the pre-arbitration to an arbitration case upon rejection of the pre-arbitration case when the issuer continues to believe the chargeback is valid and the acquirer failed to remedy the pre-arbitration case. The issuer should provide a rebuttal and any relevant documentation in support of that rebuttal. Any rebuttal and documentation must be provided within 10-calendar days of escalation.

Mastercard will not consider any information provided in arbitration that was required (but not provided) in the chargeback or pre-arbitration.

Escalation must occur within 75-calendar days from the second presentment Central Site Business Date. If the issuer does not escalate by the 75th-calendar day from the second presentment Central Site Business Date the issuer will have accepted the financial responsibility for the disputed transaction.

The Mastercom Case Filing Application will allow the issuer to withdraw the arbitration case at any time before Mastercard rules on the case.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation in pre-arbitration or arbitration.

Acquirer Response to an Arbitration Case
An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case filing date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in the second presentment or pre-arbitration. Once the arbitration is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter. The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
Documentation Received with Second Presentment was Illegible or Scanning Error
This section describes the process for filing, and responding to, a pre-arbitration, and when applicable, an arbitration case when the issuer claims that the required second presentment documentation was illegible.

Issuer Submission of a Pre-Arbitration Case.
An issuer may submit a pre-arbitration case within 45-calendar days from the Central Site Business Date of the second presentment and at least 30-calendar days prior to escalating to an arbitration case when all of the following occurred:

- The chargeback was valid
- The second presentment required Supporting Documentation
- The second presentment Supporting Documentation was illegible (meaning blank or unreadable pages)

Mastercard strongly recommends submitting the pre-arbitration case as soon as possible (to allow sufficient time to escalate to an arbitration case, when necessary, in light of time zone differences, weekends, and holidays).

Sender Memo.
The issuer must include in the Sender Memo field within the Mastercom Case Filing Application that the reason for the filing is “Documentation Illegible”, “Scanning error”, “4902”, “4903”, or similar phrase describing the issue.

Supporting Documentation.
The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the arbitration 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.
**Acquirer Response to a Pre-Arbitration Case.**

An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction.
  
  Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

  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** and thereby accept financial responsibility for the disputed transaction. The Mastercom Case Filing Application will automatically accept the pre-arbitration case on behalf of the acquirer after 30-calendar days from the Submit Date specified within the Mastercom Case Filing application. 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.

- **Reject** the pre-arbitration with a rebuttal and any relevant documentation.
  
  The acquirer should include the reason why the acquirer believes the pre-arbitration case filing to be invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

  Rejecting the case must occur within 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

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**Issuer Submission of an Arbitration Case.**

An issuer may escalate the pre-arbitration to an arbitration case upon rejection of the pre-arbitration case when the issuer continues to believe the chargeback is valid and the acquirer failed to remedy the pre-arbitration case. The issuer should provide a rebuttal and any relevant documentation in support of that rebuttal. Any rebuttal and documentation must be provided within 10-calendar days of escalation.

Mastercard will not consider any information provided in arbitration that was required (but not provided) in the chargeback or pre-arbitration.

Escalation must occur within 75-calendar days from the second presentment Central Site Business Date. If the issuer does not escalate by the 75th-calendar day from the second presentment Central Site Business Date the issuer will have accepted the financial responsibility for the disputed transaction.

The Mastercom Case Filing Application will allow the issuer to withdraw the arbitration case at any time before Mastercard rules on the case.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.
Acquirer Response to an Arbitration Case
An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.
- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration. Once the arbitration case is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter. The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
Required Documentation Not Received to Support Second Presentment
This section describes the process for filing, and responding to, an arbitration case when the issuer claims that the second presentment documentation was not received.
Issuer Submission of a Pre-Arbitration Case.

An issuer may submit a pre-arbitration case when all of the following occurred:

• The chargeback was valid
• The second presentment required Supporting Documentation
• Supporting Documentation was not received to support the second presentment within eight-calendar days of the Central Site Business Date of the second presentment

A pre-arbitration case must be filed within both of the following time frames:

• Within 45-calendar days of the second presentment
• At least 30-calendar days prior to escalating to an arbitration case

Mastercard strongly recommends submitting the pre-arbitration case as soon as possible (to allow sufficient time to escalate to an arbitration case, when necessary, in light of time zone differences, weekends, and holidays).

In addition:

• When second presentment supporting documentation will not be provided as indicated by the second presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer must file the pre-arbitration case between 0 and 45-calendar days of the second presentment.
• When second presentment supporting documentation will be provided as indicated by the second presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the pre-arbitration case.

When second presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the second presentment, the issuer may file the pre-arbitration case as soon as the second presentment supporting document is received.

Mastercard will consider the pre-arbitration invalid if the issuer files a pre-arbitration case before the applicable second presentment supporting documentation time frame has expired.

Sender Memo.

The issuer must include in the Sender Memo field within the Mastercom Case Filing Application that the reason for the filing is “Required Documentation Not Received to Support Second Presentment”, “4901”, or similar phrase describing the issue.

Supporting Documentation.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration 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.
Acquirer Response to a Pre-Arbitration Case.
An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction. Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

  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** and thereby accept financial responsibility for the disputed transaction. The Mastercom Case Filing Application will automatically accept the pre-arbitration case on behalf of the acquirer after 30-calendar days from the Submit Date specified within the Mastercom Case Filing application. 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.

- **Reject** the pre-arbitration with a rebuttal and any relevant documentation. The acquirer should include the reason why the acquirer believes the pre-arbitration case filing to be invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

  Rejecting the case must occur within 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

Issuer Submission of an Arbitration Case.
An issuer may escalate the pre-arbitration to an arbitration case upon rejection of the pre-arbitration case when the issuer continues to believe the chargeback is valid and the acquirer failed to remedy the pre-arbitration case. The issuer should provide a rebuttal and any relevant documentation in support of that rebuttal. Any rebuttal and documentation must be provided within 10-calendar days of escalation.

Mastercard will not consider any information provided in arbitration that was required (but not provided) in the chargeback or pre-arbitration.

Escalation must occur within 75-calendar days from the second presentment Central Site Business Date. If the issuer does not escalate by the 75th-calendar day from the second presentment Central Site Business Date the issuer will have accepted the financial responsibility for the disputed transaction.

The Mastercom Case Filing Application will allow the issuer to withdraw the arbitration case at any time before Mastercard rules on the case.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.
Acquirer Response to an Arbitration Case

An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration.

Once the arbitration case is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
Acquirer Reference Data (ARD) Does Not Match or is Invalid
This section describes the process for filing, and responding to, an arbitration case when the second presentment claimed the Acquirer Reference Data (ARD) was invalid.
Issuer Submission of a Pre-Arbitration Case.

An issuer may submit a pre-arbitration case when all of the following conditions are met.

- The chargeback was valid
- The second presentment claimed the Acquirer Reference Data (ARD) in the original chargeback was invalid.
- The Acquirer Reference Data (ARD) in the original chargeback was valid.

A pre-arbitration case must be filed within 45-calendar days of the second presentment with the following conditions:

- When second presentment supporting documentation will not be provided as indicated by the second presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer must file the pre-arbitration case between 0 and 45-calendar days of the second presentment.
- When second presentment supporting documentation will be provided as indicated by the second presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the pre-arbitration case.

When second presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the second presentment, the issuer may file the pre-arbitration case as soon as the second presentment supporting document is received.

Mastercard will consider the pre-arbitration invalid if the issuer files a pre-arbitration case before the applicable second presentment supporting documentation time frame has expired.

Sender Memo.

The issuer must include in the Sender Memo field within the Mastercom Case Filing Application that the reason for the filing is “Correct Reference Number Supplied” or similar phrase describing the issue.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

Supporting Documentation.

One of the following:

- When the issuer’s chargeback didn’t include the ARD present in the first presentment: The issuer must provide the correct ARD.
- When the issuer’s chargeback included the ARD present in the first chargeback: The issuer must provide a copy of the first presentment as Supporting Documentation.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration that was required (but not provided) in the chargeback.
The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration case filing at the time the case is filed. 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 the time the case is filed.
Acquirer Response to a Pre-arbitration Case.
An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction. Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application. 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** and thereby accept financial responsibility for the disputed transaction. The Mastercom Case Filing Application will automatically accept the pre-arbitration case on behalf of the acquirer after 30-calendar days from the Submit Date specified within the Mastercom Case Filing application. 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.

- **Reject** the pre-arbitration case with a rebuttal and any relevant documentation. The acquirer should include the reason why the acquirer believes the pre-arbitration case filing to be invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation. Rejecting the case must occur within 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

The acquirer may reject the pre-arbitration case for one of the following reasons:

- The chargeback was invalid.
- The second presentment remedied the chargeback. An example includes, but is not limited to, a credit was processed by the merchant before the second presentment and that credit was documented in the second presentment.
- The pre-arbitration case was invalid. Examples include, but are not limited to, improper Supporting Documentation, the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired, or the issuer submitted the pre-arbitration case beyond the applicable time frame which did not provide the acquirer with 30-calendar days to respond.
- The merchant has a rebuttal that specifically addresses the Supporting Documentation provided in the pre-arbitration case and, when applicable, documentation.

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the second presentment.
Issuer Submission of an Arbitration Case.

An issuer may escalate the pre-arbitration to an arbitration case upon rejection of the pre-arbitration case when the issuer continues to believe the chargeback is valid and the acquirer failed to remedy the pre-arbitration case. The issuer should provide a rebuttal and any relevant documentation in support of that rebuttal. Any rebuttal and documentation must be provided within 10-calendar days of escalation.

Mastercard will not consider any information provided in arbitration that was required (but not provided) in the chargeback or pre-arbitration.

Escalation must occur within 75-calendar days from the second presentment Central Site Business Date. If the issuer does not escalate by the 75th-calendar day from the second presentment Central Site Business Date the issuer will have accepted the financial responsibility for the disputed transaction.

The Mastercom Case Filing Application will allow the issuer to withdraw the arbitration case at any time before Mastercard rules on the case.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.

Acquirer Response to an Arbitration Case.

An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration.

  Once the arbitration case is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
Change of Reason within the Cardholder Dispute Chargeback

This section describes the process for changing the reason for the cardholder dispute through the pre-arbitration and arbitration process.

Issuer Pre-Arbitration Case Submission.

An issuer must submit a pre-arbitration case when the issuer is changing the reason for the dispute from one aspect of a Cardholder Dispute to another. For example, the original chargeback claims the goods were not received; however, during the course of the dispute the goods arrived damaged.

In order to change the reason for a dispute all of the following must occur:

- The original chargeback was valid.
- The Second Presentment remedied the original chargeback and identified that another Cardholder Dispute reason is available and meets the conditions as described in Chapter 2-Dual Message System Chargebacks.
- A pre-arbitration case must be filed within both of the following time frames:
  - Within 45-calendar days of the second presentment.
  - At least 30-calendar days prior to escalating to an arbitration case.
- Mastercard strongly recommends submitting the pre-arbitration case as soon as possible (to allow sufficient time to escalate to an arbitration case, when necessary, in light of time zone differences, weekends, and holidays).
- The issuer must provide the supporting documentation required for the new Cardholder Dispute reason.
  The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration case filing at the time the case is filed. 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 the time the case is filed.
  - The Sender Memo tab of the Mastercom Case Filing Application must include all of the following:
    - The text “Change of Reason”
    - One of the following: “Cardholder Dispute” (or similar phrase), “53”, or “4853”.
      One of the following codes may be used, however, they will eventually be eliminated: “41”, “55”, “59”, “60”, “4841”, “4855”, “4859”, or “4860”.
    - When the Cardholder Dispute chargeback requires DE 72 (Data Record) text or when optional DE 72 (Data Record) text is being provided, the DE 72 text must be provided in either the Sender Memo tab of the Mastercom Case Filing Application or as Supporting Documentation.
Acquirer Response to a Pre-arbitration Case.
An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction. Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application. 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** and thereby accept financial responsibility for the disputed transaction. The Mastercom Case Filing Application will automatically accept the pre-arbitration case on behalf of the acquirer after 30-calendar days from the Submit Date specified within the Mastercom Case Filing application. 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.

- **Reject** the pre-arbitration with a rebuttal and any relevant documentation. The acquirer should include the reason why the acquirer believes the pre-arbitration case filing to be invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation. Rejecting the case must occur within 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

The acquirer may reject the pre-arbitration case for one of the following reasons:

- The original chargeback was invalid
- The second presentment remedied the original chargeback and did not identify a valid Cardholder Dispute chargeback as being available.
- The pre-arbitration case was invalid. Examples include, but are not limited to, improper Supporting Documentation, the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired, or the issuer submitted the pre-arbitration case beyond the applicable time frame which did not provide the acquirer with 30-calendar days to respond.
- The merchant has a rebuttal that specifically addresses the Supporting Documentation provided in the pre-arbitration case and, when applicable, documentation.

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the second presentment.
Issuer Submission of an Arbitration Case
An issuer may escalate the pre-arbitration to an arbitration case upon rejection of the pre-arbitration case when the issuer continues to believe the original chargeback and the Cardholder Dispute change of reason chargeback are both valid and the acquirer failed to remedy the pre-arbitration case. The issuer should provide a rebuttal and any relevant documentation in support of that rebuttal. Any rebuttal and documentation must be provided within 10-calendar days of escalation.

Mastercard will not consider any information provided in arbitration that was required (but not provided) in the chargeback or pre-arbitration.

Escalation must occur within 75-calendar days from the second presentment Central Site Business Date. If the issuer does not escalate by the 75th-calendar day from the second presentment Central Site Business Date the issuer will have accepted the financial responsibility for the disputed transaction.

The Mastercom Case Filing Application will allow the issuer to withdraw the arbitration case at any time before Mastercard rules on the case.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.

Acquirer Response to an Arbitration Case.
An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration.

Once the arbitration is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
Change of Chargeback Reason to a Cardholder Dispute Chargeback

This section describes the process for changing the reason for the chargeback through the pre-arbitration and arbitration process.

Issuer Pre-Arbitration Case Submission.

An issuer must submit a pre-arbitration case when the issuer is changing the reason for the dispute from a non-Cardholder Dispute to a Cardholder Dispute.

In order to change the reason for a dispute all of the following must occur:

- The original chargeback was valid.
- The Second Presentment remedied the original chargeback and identified that a valid Cardholder Dispute chargeback is available and meets the conditions as described in Chapter 2-Dual Message System Chargebacks.
  Examples of a valid change of chargeback reason include addendum dispute, different merchant name, and different merchant location.

An example of an invalid change of chargeback reason is changing from a Fraud chargeback to a Cardholder Dispute chargeback solely to avoid liability for the transaction.

- A pre-arbitration case must be filed within both of the following time frames:
  - Within 45-calendar days of the second presentment.
  - At least 30-calendar days prior to escalating to an arbitration case.

Mastercard strongly recommends submitting the pre-arbitration case as soon as possible (to allow sufficient time to escalate to an arbitration case, when necessary, in light of time zone differences, weekends, and holidays).

- The issuer must provide the supporting documentation required for an Cardholder Dispute chargeback.
  The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration case filing at the time the case is filed. 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 the time the case is filed.

  - The Sender Memo tab of the Mastercom Case Filing Application must include the text “Change of Reason” and either “Cardholder Dispute” (or similar phrase), “53” or “4853”. One of the following codes may be used, however, they will eventually be eliminated: “41”, “55”, “59”, “60”, “4841”, “4855”, “4859”, or “4860”.
  - When the Cardholder Dispute chargeback requires DE 72 (Data Record) text or when optional DE 72 (Data Record) text is being provided, the DE 72 text must be provided in either the Sender Memo tab of the Mastercom Case Filing Application or as Supporting Documentation.
Acquirer Response to a Pre-arbitration Case.
An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction. Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application.
  
  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** and thereby accept financial responsibility for the disputed transaction. The Mastercom Case Filing Application will automatically accept the pre-arbitration case on behalf of the acquirer after 30-calendar days from the Submit Date specified within the Mastercom Case Filing application. 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.

- **Reject** the pre-arbitration with a rebuttal and any relevant documentation. The acquirer should include the reason why the acquirer believes the pre-arbitration case filing to be invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation.
  
  Rejecting the case must occur within 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing Application.
  
  The acquirer may reject the pre-arbitration case for one of the following reasons:
  
  - The original chargeback was invalid.
  - The second presentment remedied the original chargeback and did not identify a valid Cardholder Dispute chargeback as being available.
  - The pre-arbitration case was invalid. Examples include, but are not limited to, improper Supporting Documentation, the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired, or the issuer submitted the pre-arbitration case beyond the applicable time frame which did not provide the acquirer with 30-calendar days to respond.
  - The merchant has a rebuttal that specifically addresses the Supporting Documentation provided in the pre-arbitration case and, when applicable, documentation.

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the second presentment.
Issuer Submission of an Arbitration Case.
An issuer may escalate the pre-arbitration to an arbitration case upon rejection of the pre-arbitration case when the issuer continues to believe the original chargeback and the Cardholder Dispute chargeback are both valid and the acquirer failed to remedy the pre-arbitration case. The issuer should provide a rebuttal and any relevant documentation in support of that rebuttal. Any rebuttal and documentation must be provided within 10-calendar days of escalation.

Mastercard will not consider any information provided in arbitration that was required (but not provided) in the chargeback or pre-arbitration.

Escalation must occur within 75-calendar days from the second presentment Central Site Business Date. If the issuer does not escalate by the 75th-calendar day from the second presentment Central Site Business Date the issuer will have accepted the financial responsibility for the disputed transaction.

The Mastercom Case Filing Application will allow the issuer to withdraw the arbitration case at any time before Mastercard rules on the case.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.

Acquirer Response to an Arbitration Case.
An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration.

  Once the arbitration is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
No Cardholder Authorization
This section describes the process for continuing a No Cardholder Authorization dispute after the chargeback cycles have completed.

Invalid Second Presentment
This section describes the process for filing, and responding to, a pre-arbitration and, when applicable, an arbitration case when the issuer believes the second presentment did not remedy the chargeback.
Issuer Submission of a Pre-Arbitration Case.
An issuer may submit a pre-arbitration case when both of the following occurred:

- The original chargeback was valid
- One of the following:
  - The Second Presentment Supporting Documentation failed to remedy the No Cardholder Authorization chargeback.
  - The Second Presentment Supporting Documentation was reviewed by the cardholder and the cardholder reasserts the disputed transaction is fraudulent

A pre-arbitration case must be filed within both of the following time frames:

- Within 45-calendar days of the second presentment
- At least 30-calendar days prior to escalating to an arbitration case.

Mastercard strongly recommends submitting the pre-arbitration case as soon as possible (to allow sufficient time to escalate to an arbitration case, when necessary, in light of time zone differences, weekends, and holidays).

In addition:

- When second presentment supporting documentation will not be provided as indicated by the second presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer must file the pre-arbitration case between 0 and 45-calendar days of the second presentment.
- When second presentment supporting documentation will be provided as indicated by the second presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the pre-arbitration case.
- When second presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the second presentment, the issuer may file the pre-arbitration case as soon as the second presentment supporting document is received.

Mastercard will consider the pre-arbitration case invalid if the issuer files a pre-arbitration case before the applicable second presentment supporting documentation time frame has expired.

The issuer must accept supporting documentation as long as the issuer has not processed a pre-arbitration case filing. If the second presentment supporting documentation is received after the “protected” eight-calendar day time frame and on the same day as the pre-arbitration case filing, Mastercard will not consider the second presentment supporting documentation.

Sender Memo.

The issuer must include in the Sender Memo field within the Case Filing application that the reason for the filing is “No Cardholder Authorization”, “4837”, or similar phrase describing the issue.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.
Supporting Documentation.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration that was required (but not provided) in the chargeback.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration case filing at the time the case is filed. 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 the time the case is filed.
Acquirer Response to a Pre-arbitration Case.

An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction. Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application.
  
  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** and thereby accept financial responsibility for the disputed transaction. The Mastercom Case Filing Application will automatically accept the pre-arbitration case on behalf of the acquirer after 30-calendar days from the Submit Date specified within the Mastercom Case Filing application. 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.

- **Reject** the pre-arbitration with a rebuttal and any relevant documentation. The acquirer should include the reason why the acquirer believes the pre-arbitration case filing to be invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

  Rejecting the case must occur within 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

  The acquirer may reject the pre-arbitration case for one of the following reasons:
  
  - The chargeback was invalid
  - The second presentment remedied the chargeback. An example includes, but is not limited to, a credit was processed by the merchant before the second presentment and that credit was documented in the second presentment
  - The pre-arbitration case was invalid. Examples include, but are not limited to, improper Supporting Documentation, the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired, the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired, or the issuer submitted the pre-arbitration case beyond the applicable time frame which did not provide the acquirer with 30-calendar days to respond.
  - The merchant has a rebuttal that specifically addresses the Supporting Documentation provided in the pre-arbitration case and, when applicable, documentation.

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the second presentment.
Issuer Submission of an Arbitration Case.
An issuer may escalate the pre-arbitration to an arbitration case upon rejection of the pre-arbitration case when the issuer continues to believe the chargeback is valid and the acquirer failed to remedy the pre-arbitration case. The issuer should provide a rebuttal and any relevant documentation in support of that rebuttal. Any rebuttal and documentation must be provided within 10-calendar days of escalation.

Mastercard will not consider any information provided in arbitration that was required (but not provided) in the chargeback or pre-arbitration.

Escalation must occur within 75-calendar days from the second presentment Central Site Business Date. If the issuer does not escalate by the 75th-calendar day from the second presentment Central Site Business Date the issuer will have accepted the financial responsibility for the disputed transaction.

The Mastercom Case Filing Application will allow the issuer to withdraw the arbitration case at any time before Mastercard rules on the case.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.

Acquirer Response to an Arbitration Case.
An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.
- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case filing date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in the second presentment or pre-arbitration.

Once the arbitration is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

Compelling Evidence for Airline, Recurring, E-Commerce, and MO/TO Transactions
This section describes the process for filing, and responding to, a pre-arbitration and, when applicable, an arbitration case when the acquirer's second presentment provided compelling evidence.

Pre-arbitration case filing is not available when the acquirer provided compelling evidence documenting authentication of the cardholder using SecureCode at the
start of a recurring transaction arrangement. In this case, the issuer may consider disputing the transaction as a Cardholder Dispute.
Issuer Submission of a Pre-Arbitration Case.

An issuer may submit a pre-arbitration case when all of the following occurred:

- The original No Cardholder Authorization chargeback was valid
- SecureCode was not used to initiate the transaction
- One of the following:
  - The Second Presentment Supporting Documentation was reviewed by the issuer and determined not to be compelling evidence.
  - The Second Presentment Supporting Documentation was reviewed by the cardholder and the cardholder reasserts the disputed transaction is fraudulent
  - For recurring, e-commerce, and MO/TO transactions: The cardholder name and/or billing address provided in the Second Presentment Supporting Documentation did not match the information on file with the issuer at the time of the disputed transaction.

A pre-arbitration case must be filed within both of the following time frames:

- Within 45-calendar days of the second presentment
- At least 30-calendar days prior to escalating to an arbitration case.

Mastercard strongly recommends submitting the pre-arbitration case as soon as possible (to allow sufficient time to escalate to an arbitration case, when necessary, in light of time zone differences, weekends, and holidays).

In addition:

- When second presentment supporting documentation will not be provided as indicated by the second presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer must file the pre-arbitration case between 0 and 45-calendar days of the second presentment.
- When second presentment supporting documentation will be provided as indicated by the second presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the pre-arbitration case.

When second presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the second presentment, the issuer may file the pre-arbitration case as soon as the second presentment supporting document is received.

Mastercard will consider the pre-arbitration case invalid if the issuer files a pre-arbitration case before the applicable second presentment supporting documentation time frame has expired.

The issuer must accept supporting documentation as long as the issuer has not processed a pre-arbitration case filing. If the second presentment supporting documentation is received after the “protected” eight-calendar day time frame and on the same day as the pre-arbitration case filing, Mastercard will not consider the second presentment supporting documentation.

Sender Memo.

The issuer must include in the Sender Memo field within the Mastercom Case Filing Application that the reason for the filing is “No Cardholder Authorization”, “4837”, or similar phrase describing the issue.
The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

When the issuer is submitting a pre-arbitration case for recurring, e-commerce, and MO/TO transactions, the issuer must specify, in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation, that the information (meaning cardholder name, billing address, or both) provided in the second presentment did not match the information on file with the issuer at the time of the disputed transaction (or equivalent wording).

**Supporting Documentation.**

A new cardholder letter, email, message, or Dispute Resolution Form-Fraud (Form 0412) form dated after the second presentment specifically stating that the cardholder has reviewed the documentation provided by the merchant in the second presentment and the cardholder continues to maintain that the disputed transaction was not authorized by the cardholder.

The Dispute Resolution Form-Fraud (Form 0412) form may only be used when all of the following occur before filing the pre-arbitration case:

- 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 for 180-calendar days or until card expiration (whichever is shorter).
- The issuer reported the transaction to the Fraud and Loss Database.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

When the issuer is submitting a pre-arbitration case for recurring, e-commerce, and MO/TO transactions, the issuer must specify, in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation, that the information (meaning cardholder name, billing address, or both) provided in the second presentment did not match the information on file with the issuer at the time of the disputed transaction (or equivalent wording).

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration that was required (but not provided) in the chargeback.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration case filing at the time the case is filed. 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 the time the case is filed.
**Acquirer Responses to a Pre-arbitration Case.**

An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction.
  
  Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

  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** and thereby accept financial responsibility for the disputed transaction. The Mastercom Case Filing Application will automatically accept the pre-arbitration case on behalf of the acquirer after 30-calendar days from the Submit Date specified within the Mastercom Case Filing application. 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.

- **Reject** the pre-arbitration with a rebuttal and any relevant documentation.
  
  The acquirer should include the reason why the acquirer believes the pre-arbitration case filing to be invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

  Rejecting the case must occur within 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

  The acquirer may reject the pre-arbitration case for one of the following reasons:
  
  - The chargeback was invalid
  - The second presentment remedied the chargeback. An example includes, but is not limited to, a credit was processed by the merchant before the second presentment and that credit was documented in the second presentment
  - The pre-arbitration case was invalid. Examples include, but are not limited to, improper Supporting Documentation, the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired, or the issuer submitted the pre-arbitration case beyond the applicable time frame which did not provide the acquirer with 30-calendar days to respond.
  - The merchant has a rebuttal that specifically addresses the Supporting Documentation provided in the pre-arbitration case and, when applicable, documentation.

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the second presentment.
Issuer Submission of an Arbitration Case.
An issuer may escalate the pre-arbitration to an arbitration case upon rejection of the pre-arbitration case when the issuer continues to believe the chargeback is valid and the acquirer failed to remedy the pre-arbitration case. The issuer should provide a rebuttal and any relevant documentation in support of that rebuttal. Any rebuttal and documentation must be provided within 10-calendar days of escalation.

Mastercard will not consider any information provided in arbitration that was required (but not provided) in the chargeback or pre-arbitration.

Escalation must occur within 75-calendar days from the second presentment Central Site Business Date. If the issuer does not escalate by the 75th-calendar day from the second presentment Central Site Business Date the issuer will have accepted the financial responsibility for the disputed transaction.

The Mastercom Case Filing Application will allow the issuer to withdraw the arbitration case at any time before Mastercard rules on the case.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.

Acquirer Response to an Arbitration Case.
An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration.

  Once the arbitration is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter. The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

Addendum Disputes
This section describes the process for filing, and responding to, a pre-arbitration and, when applicable, an arbitration case when the issuer provided the second presentment supporting documentation identifying the transaction as an
addendum transaction to the cardholder, the cardholder reviewed that information, and the cardholder reasserts fraud.

An addendum transaction is a separate transaction that occurs after a valid transaction involving the same merchant and the same cardholder. An example includes, but is not limited to, a charge for breakfast after the cardholder checked out of the hotel.
Issuer Submission of a Pre-Arbitration Case.

An issuer may submit a pre-arbitration case when all of the following conditions are met.

- The original No Cardholder Authorization chargeback was valid.
- The cardholder reviewed the information provided by the merchant in the second presentment.
- The cardholder reasserts the disputed transaction is fraudulent.

When the cardholder asserts the original transaction was not fraudulent and the cardholder is disputing the addendum transaction for reasons other than fraud, the issuer must follow the pre-arbitration and arbitration process described in the Cardholder Dispute or Point-of-Interaction Error sections of this chapter.

- One of the following:
  - The original transaction was key-entered, and the original rental agreement or hotel folio was not provided in the second presentment.
  - The acquirer failed to provide proof in the second presentment that the transaction was completed as described in the Transaction Processing Rules, section 3.12 Charges for Loss, Theft, or Damage-Mastercard POS Transactions Only.

A pre-arbitration case must be filed within both of the following time frames:

- Within 45-calendar days of the second presentment.
- At least 30-calendar days prior to escalating to an arbitration case.

**Mastercard strongly recommends submitting the pre-arbitration case as soon as possible (to allow sufficient time to escalate to an arbitration case, when necessary, in light of time zone differences, weekends, and holidays).**

In addition:

- When second presentment supporting documentation will not be provided as indicated by the second presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer must file the pre-arbitration case between 0 and 45-calendar days of the second presentment.

- When second presentment supporting documentation will be provided as indicated by the second presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the pre-arbitration case.

  When second presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the second presentment, the issuer may file the pre-arbitration case as soon as the second presentment supporting document is received.

  Mastercard will consider the pre-arbitration case invalid if the issuer files a pre-arbitration case before the applicable second presentment supporting documentation time frame has expired.

  The issuer must accept supporting documentation as long as the issuer has not processed a pre-arbitration case filing. If the second presentment supporting documentation is received after the “protected” eight-calendar day time frame and on the same day as the pre-arbitration case filing, Mastercard will not consider the second presentment supporting documentation.
**Sender Memo.**

The issuer must include in the Sender Memo field within the Mastercom Case Filing Application that the reason for the filing is “No Cardholder Authorization”, “4837”, or similar phrase describing the issue.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

**Supporting Documentation.**

A new cardholder letter, email, message, or *Dispute Resolution Form-Fraud (Form 0412)* form dated after the second presentment specifically stating that the cardholder has reviewed the documentation provided by the merchant in the second presentment and the cardholder continues to maintain that the disputed transaction was not authorized by the cardholder.

The *Dispute Resolution Form-Fraud (Form 0412)* form may only be used when all of the following occur before filing the pre-arbitration case:

- 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 the Fraud and Loss Database.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration that was required (but not provided) in the chargeback.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration case filing at the time the case is filed. 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 the time the case is filed.
Acquirer Responses to a Pre-arbitration Case.

An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction.
  Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application.
  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** and thereby accept financial responsibility for the disputed transaction.
  The Mastercom Case Filing Application will automatically accept the pre-arbitration case on behalf of the acquirer after 30-calendar days from the Submit Date specified within the Mastercom Case Filing application. 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.

- **Reject** the pre-arbitration case with a rebuttal and any relevant documentation.
  The acquirer should include the reason why the acquirer believes the pre-arbitration case filing to be invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation.
  Rejecting the case must occur within 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing Application.
  The acquirer may reject the pre-arbitration case for one of the following reasons:
    - The chargeback was invalid.
    - The second presentment remedied the chargeback. An example includes, but is not limited to, a credit was processed by the merchant before the second presentment and that credit was documented in the second presentment.
    - The pre-arbitration case was invalid. Examples include, but are not limited to, improper Supporting Documentation, the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired, or the issuer submits the pre-arbitration case beyond the applicable time frame which did not provide the acquirer with 30-calendar days to respond.
    - The merchant has a rebuttal that specifically addresses the Supporting Documentation provided in the pre-arbitration case and, when applicable, documentation.

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the second presentment.
**Issuer Submission of an Arbitration Case.**

An issuer may escalate the pre-arbitration to an arbitration case upon rejection of the pre-arbitration case when the issuer continues to believe the chargeback is valid and the acquirer failed to remedy the pre-arbitration case. The issuer should provide a rebuttal and any relevant documentation in support of that rebuttal. Any rebuttal and documentation must be provided within 10-calendar days of escalation.

Mastercard will not consider any information provided in arbitration that was required (but not provided) in the chargeback or pre-arbitration.

Escalation must occur within 75-calendar days from the second presentment Central Site Business Date. If the issuer does not escalate by the 75th-calendar day from the second presentment Central Site Business Date the issuer will have accepted the financial responsibility for the disputed transaction.

The Mastercom Case Filing Application will allow the issuer to withdraw the arbitration case at any time before Mastercard rules on the case.

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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**Acquirer Response to an Arbitration Case.**

An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration.

Once the arbitration is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
Address Verification Services (AVS) Transaction

This section describes the process for filing, and responding to, a pre-arbitration and, when applicable, an arbitration case when the issuer believes the second presentment with AVS information did not remedy the chargeback.
Issuer Submission of a Pre-Arbitration Case.

An issuer may submit a pre-arbitration case when all of the following occurred:

- The original chargeback was valid
- The Second Presentment Supporting Documentation failed to remedy the dispute
- **For invalid AVS:** 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
- **For confirmed AVS:** 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

A pre-arbitration case must be filed within both of the following time frames:

- Within 45-calendar days of the second presentment
- At least 30-calendar days prior to escalating to an arbitration case.

**Mastercard strongly recommends submitting the pre-arbitration case as soon as possible (to allow sufficient time to escalate to an arbitration case, when necessary, in light of time zone differences, weekends, and holidays).**

In addition:

- When second presentment supporting documentation will not be provided as indicated by the second presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer must file the pre-arbitration case between 0 and 45-calendar days of the second presentment.
- When second presentment supporting documentation will be provided as indicated by the second presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the pre-arbitration case.
  
  When second presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the second presentment, the issuer may file the pre-arbitration case as soon as the second presentment supporting document is received.

Mastercard will consider the pre-arbitration case invalid if the issuer files a pre-arbitration case before the applicable second presentment supporting documentation time frame has expired.

The issuer must accept supporting documentation as long as the issuer has not processed a pre-arbitration case filing. If the second presentment supporting documentation is received after the “protected” eight-calendar day time frame and on the same day as the pre-arbitration case filing, Mastercard will not consider the second presentment supporting documentation.

**Sender Memo.**

The issuer must include in the Sender Memo field within the Mastercom Case Filing Application:
• The reason for the filing is “No Cardholder Authorization”, “4837”, or similar phrase describing the issue.
• One of the following, as applicable:
  – INVALID AVS REMEDY
  – CONFIRMED AVS

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

Supporting Documentation.

For Invalid AVS: None

For Confirmed AVS: One of the following:
• A new cardholder letter, email, message, or Dispute Resolution Form-Fraud (Form 0412) form dated after the second presentment specifically stating that the cardholder continues to maintain that the disputed transaction was not authorized by the cardholder.
• A new cardholder letter, email, message, or Dispute Resolution Form-Fraud (Form 0412) form 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 specifically stating that the company or government agency no longer employs the authorized cardholder and the issuer has closed the account.

The Dispute Resolution Form-Fraud (Form 0412) form may only be used when all of the following occur before filing the pre-arbitration case:
• 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 for 180-calendar days or until card expiration (whichever is shorter).
• The issuer reported the transaction to the Fraud and Loss Database.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration that was required (but not provided) in the chargeback.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration case filing at the time the case is filed. 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 the time the case is filed.
Acquirer Response to a Pre-arbitration Case.

An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction. Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

  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** and thereby accept financial responsibility for the disputed transaction. The Mastercom Case Filing Application will automatically accept the pre-arbitration case on behalf of the acquirer after 30-calendar days from the Submit Date specified within the Mastercom Case Filing application. 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.

- **Reject** the pre-arbitration with a rebuttal and any relevant documentation. The acquirer should include the reason why the acquirer believes the pre-arbitration case filing to be invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

  Rejecting the case must occur within 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

  The acquirer may reject the pre-arbitration case for one of the following reasons:
  - The chargeback was invalid
  - The second presentment remedied the chargeback. An example includes, but is not limited to, a credit was processed by the merchant before the second presentment and that credit was documented in the second presentment.
  - The pre-arbitration case was invalid. Examples include, but are not limited to, improper Supporting Documentation, the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired, or the issuer submitted the pre-arbitration case beyond the applicable time frame which did not provide the acquirer with 30-calendar days to respond.
  - The merchant has a rebuttal that specifically addresses the Supporting Documentation provided in the pre-arbitration case and, when applicable, documentation.

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the second presentment.
**Issuer Submission of an Arbitration Case.**
An issuer may escalate the pre-arbitration to an arbitration case upon rejection of the pre-arbitration case when the issuer continues to believe the chargeback is valid and the acquirer failed to remedy the pre-arbitration case. The issuer should provide a rebuttal and any relevant documentation in support of that rebuttal. Any rebuttal and documentation must be provided within 10-calendar days of escalation.

Mastercard will not consider any information provided in arbitration that was required (but not provided) in the chargeback or pre-arbitration.

Escalation must occur within 75-calendar days from the second presentment Central Site Business Date. If the issuer does not escalate by the 75th-calendar day from the second presentment Central Site Business Date the issuer will have accepted the financial responsibility for the disputed transaction.

The Mastercom Case Filing Application will allow the issuer to withdraw the arbitration case at any time before Mastercard rules on the case.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.

**Acquirer Response to an Arbitration Case.**
An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration.

  Once the arbitration case is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

**Guaranteed Reservation Service (“No-show”)**
This section describes the process for filing, and responding to, a pre-arbitration and, when applicable, an arbitration case when the issuer believes the second
presentation for Guaranteed Reservation Service ("No-show") did not remedy the chargeback.
Issuer Submission of a Pre-Arbitration Case.

An issuer may submit a pre-arbitration case when all of the following occurred:

- The original chargeback was valid
- One of the following:
  - The Second Presentment Supporting Documentation failed to remedy the No Cardholder Authorization Chargeback.
  - The Second Presentment Supporting Documentation was reviewed by the cardholder and the cardholder reasserts the disputed transaction is fraudulent.

A pre-arbitration case must be filed within both of the following time frames:

- Within 45-calendar days of the second presentment
- At least 30-calendar days prior to escalating to an arbitration case.

Mastercard strongly recommends submitting the pre-arbitration case as soon as possible (to allow sufficient time to escalate to an arbitration case, when necessary, in light of time zone differences, weekends, and holidays).

In addition:

- When second presentment supporting documentation will not be provided as indicated by the second presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer must file the pre-arbitration case between 0 and 45-calendar days of the second presentment.
- When second presentment supporting documentation will be provided as indicated by the second presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the pre-arbitration case.

When second presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the second presentment, the issuer may file the pre-arbitration case as soon as the second presentment supporting document is received.

Mastercard will consider the pre-arbitration case invalid if the issuer files a pre-arbitration case before the applicable second presentment supporting documentation time frame has expired.

The issuer must accept supporting documentation as long as the issuer has not processed a pre-arbitration case filing. If the second presentment supporting documentation is received after the “protected” eight-calendar day time frame and on the same day as the pre-arbitration case filing, Mastercard will not consider the second presentment supporting documentation.

Sender Memo.

The issuer must include in the Sender Memo field within the Mastercom Case Filing Application that the reason for the filing is “No Cardholder Authorization" “4837”, or similar phrase describing the issue.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.
Supporting Documentation.

One of the following:

- A new cardholder letter, email, message, or Dispute Resolution Form-Fraud (Form 0412) form dated after the second presentment specifically stating that the cardholder has reviewed the documentation provided by the merchant in the second presentment and the cardholder continues to maintain that the disputed transaction was not authorized by the cardholder.
- A statement by the issuer that the primary account number (PAN), cardholder name present on the card, and/or the confirmation number provided at the time the reservation was made and provided by the merchant in the second presentment is not accurate and, in particular, which information is not accurate (for example, incorrect cardholder name or incorrect cardholder address).

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 for 180-calendar days or until card expiration (whichever is shorter).
- Report the transaction to the Fraud and Loss Database.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration that was required (but not provided) in the chargeback.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration case filing at the time the case is filed. 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 the time the case is filed.
Acquirer Response to a Pre-arbitration Case.

An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction.
  Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

  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** and thereby accept financial responsibility for the disputed transaction.
  The Mastercom Case Filing Application will automatically accept the pre-arbitration case on behalf of the acquirer after 30-calendar days from the Submit Date specified within the Mastercom Case Filing application. 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.

- **Reject** the pre-arbitration with a rebuttal and any relevant documentation.
  The acquirer should include the reason why the acquirer believes the pre-arbitration case filing to be invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

  Rejecting the case must occur within 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

  The acquirer may reject the pre-arbitration case for one of the following reasons:
  - The original chargeback was invalid.
  - The second presentment remedied the chargeback. An example includes, but is not limited to, a credit was processed by the merchant before the second presentment and that credit was documented in the second presentment.
  - The pre-arbitration case was invalid. Examples include, but are not limited to, improper Supporting Documentation, the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired, or the issuer submitted the pre-arbitration case beyond the applicable time frame which did not provide the acquirer with 30-calendar days to respond.
  - The merchant has a rebuttal that specifically addresses the Supporting Documentation provided in the pre-arbitration case and, when applicable, documentation.

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the second presentment.
Issuer Submission of an Arbitration Case.
An issuer may escalate the pre-arbitration to an arbitration case upon rejection of the pre-arbitration case when the issuer continues to believe the chargeback is valid and the acquirer failed to remedy the pre-arbitration case. The issuer should provide a rebuttal and any relevant documentation in support of that rebuttal. Any rebuttal and documentation must be provided within 10-calendar days of escalation.

Mastercard will not consider any information provided in arbitration that was required (but not provided) in the chargeback or pre-arbitration.

Escalation must occur within 75-calendar days from the second presentment Central Site Business Date. If the issuer does not escalate by the 75th-calendar day from the second presentment Central Site Business Date the issuer will have accepted the financial responsibility for the disputed transaction.

The Mastercom Case Filing Application will allow the issuer to withdraw the arbitration case at any time before Mastercard rules on the case.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.

Acquirer Response to an Arbitration Case.
An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration.

  Once the arbitration is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

New Merchant Location
This section describes the process for filing, and responding to, a pre-arbitration and, when applicable, an arbitration case when the issuer believes the second
presentment with new merchant location information did not remedy the chargeback.
Issuer Submission of a Pre-Arbitration Case.
An issuer may submit a pre-arbitration case when all of the following occurred:

- The original chargeback was valid
- New information regarding the merchant location was provided in the second presentment.
- One of the following:
  - The Second Presentment Supporting Documentation failed to remedy the No Cardholder Authorization chargeback. For example: new information regarding the transaction date or merchant name is not a valid second presentment.
  - The Second Presentment Supporting Documentation was reviewed by the cardholder and the cardholder reasserts the disputed transaction is fraudulent

A pre-arbitration case must be filed within both of the following time frames:

- Within 45-calendar days of the second presentment
- At least 30-calendar days prior to escalating to an arbitration case.

Mastercard strongly recommends submitting the pre-arbitration case as soon as possible (to allow sufficient time to escalate to an arbitration case, when necessary, in light of time zone differences, weekends, and holidays).

In addition:

- When second presentment supporting documentation will not be provided as indicated by the second presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer must file the pre-arbitration case between 0 and 45-calendar days of the second presentment.
- When second presentment supporting documentation will be provided as indicated by the second presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the pre-arbitration case.

When second presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the second presentment, the issuer may file the pre-arbitration case as soon as the second presentment supporting document is received.

Mastercard will consider the pre-arbitration case invalid if the issuer files a pre-arbitration case before the applicable second presentment supporting documentation time frame has expired.

The issuer must accept supporting documentation as long as the issuer has not processed a pre-arbitration case filing. If the second presentment supporting documentation is received after the “protected” eight-calendar day time frame and on the same day as the pre-arbitration case filing, Mastercard will not consider the second presentment supporting documentation.

Sender Memo.
The issuer must include in the Sender Memo field within the Mastercom Case Filing Application that the reason for the filing is “No Cardholder Authorization” “4837”, or similar phrase describing the issue.
The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

**Supporting Documentation.**

A new cardholder letter, email, message, or *Dispute Resolution Form-Fraud* (Form 0412) form dated after the second presentment specifically stating that the cardholder has reviewed the documentation provided by the merchant in the second presentment, the cardholder must specifically address the new information, and the cardholder must continue to maintain that the disputed transaction was not authorized by the cardholder.

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 for 180-calendar days or until card expiration (whichever is shorter).
- The issuer reported the transaction to the Fraud and Loss Database.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

Should the issuer escalate the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration that was required (but not provided) in the chargeback.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration case filing at the time the case is filed. 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 the time the case is filed.
Acquirer Response to a Pre-arbitration Case.

An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction.
  Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application.
  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** and thereby accept financial responsibility for the disputed transaction. The Mastercom Case Filing Application will automatically accept the pre-arbitration case on behalf of the acquirer after 30-calendar days from the Submit Date specified within the Mastercom Case Filing application. 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.

- **Reject** the pre-arbitration with a rebuttal and any relevant documentation. The acquirer should include the reason why the acquirer believes the pre-arbitration case filing to be invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation.
  Rejecting the case must occur within 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing Application.
  The acquirer may reject the pre-arbitration case for one of the following reasons:
  - The original chargeback was invalid.
  - The second presentment remedied the chargeback. An example includes, but is not limited to, a credit was processed by the merchant before the second presentment and that credit was documented in the second presentment.
  - The pre-arbitration case was invalid. Examples include, but are not limited to, improper Supporting Documentation, the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired, or the issuer submits the pre-arbitration case beyond the applicable time frame which did not provide the acquirer with 30-calendar days to respond.
  - The merchant has a rebuttal that specifically addresses the Supporting Documentation provided in the pre-arbitration case and, when applicable, documentation.

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the second presentment.
**Issuer Submission of an Arbitration Case.**

An issuer may escalate the pre-arbitration to an arbitration case upon rejection of the pre-arbitration case when the issuer continues to believe the chargeback is valid and the acquirer failed to remedy the pre-arbitration case. The issuer should provide a rebuttal and any relevant documentation in support of that rebuttal. Any rebuttal and documentation must be provided within 10-calendar days of escalation.

Mastercard will not consider any information provided in arbitration that was required (but not provided) in the chargeback or pre-arbitration.

Escalation must occur within 75-calendar days from the second presentment Central Site Business Date. If the issuer does not escalate by the 75th-calendar day from the second presentment Central Site Business Date the issuer will have accepted the financial responsibility for the disputed transaction.

The Mastercom Case Filing Application will allow the issuer to withdraw the arbitration case at any time before Mastercard rules on the case.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.

**Acquirer Response to an Arbitration Case.**

An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.
- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration.

Once the arbitration is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
Documentation Received with Second Presentment was Illegible or Scanning Error

This section describes the process for filing, and responding to, a pre-arbitration and, when applicable, an arbitration case when the issuer claims that the required second presentment supporting documentation was illegible.

Issuer Submission of a Pre-Arbitration Case.
An issuer may submit a pre-arbitration case within 45-calendar days from the Central Site Business Date of the second presentment and at least 30-calendar days prior to escalating to an arbitration case when all of the following occurred:

• The chargeback was valid.
• The second presentment required Supporting Documentation.
• The second presentment Supporting Documentation was illegible (meaning blank or unreadable pages).

Mastercard strongly recommends submitting the pre-arbitration case as soon as possible (to allow sufficient time to escalate to an arbitration case, when necessary, in light of time zone differences, weekends, and holidays).

Sender Memo. The issuer must include in the Sender Memo field within the Mastercom Case Filing Application that the reason for the filing is “Documentation Illegible”, “Scanning error”, “4902”, “4903”, or similar phrase describing the issue.

Supporting Documentation. The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration 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.
Acquirer Response to a Pre-arbitration Case.
An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction. Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application. 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** and thereby accept financial responsibility for the disputed transaction. The Mastercom Case Filing Application will automatically accept the pre-arbitration case on behalf of the acquirer after 30-calendar days from the Submit Date specified within the Mastercom Case Filing application. 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.

- **Reject** the pre-arbitration with a rebuttal and any relevant documentation. The acquirer should include the reason why the acquirer believes the pre-arbitration case filing to be invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation. Rejecting the case must occur within 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

Issuer Submission of an Arbitration Case.
An issuer may escalate the pre-arbitration to an arbitration case upon rejection of the pre-arbitration case when the issuer continues to believe the chargeback is valid and the acquirer failed to remedy the pre-arbitration case. The issuer should provide a rebuttal and any relevant documentation in support of that rebuttal. Any rebuttal and documentation must be provided within 10-calendar days of escalation.

Mastercard will not consider any information provided in arbitration that was required (but not provided) in the chargeback or pre-arbitration.

Escalation must occur within 75-calendar days from the second presentment Central Site Business Date. If the issuer does not escalate by the 75th-calendar day from the second presentment Central Site Business Date the issuer will have accepted the financial responsibility for the disputed transaction.

The Mastercom Case Filing Application will allow the issuer to withdraw the arbitration case at any time before Mastercard rules on the case.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.
**Acquirer Response to an Arbitration Case.**

An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration.

  Once the arbitration case is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
Required Documentation Not Received to Support Second Presentment
This section describes the process for filing, and responding to, a pre-arbitration and, when applicable, an arbitration case when the issuer claims that the required second presentment supporting documentation was not received.
Issuer Submission of a Pre-Arbitration Case. An issuer may submit a pre-arbitration case when all of the following occurred:

- The chargeback was valid
- The second presentment required Supporting Documentation
- Supporting Documentation was not received to support the second presentment within eight-calendar days of the Central Site Business Date of the second presentment

A pre-arbitration case must be filed within both of the following time frames:

- Within 45-calendar days of the second presentment
- At least 30-calendar days prior to escalating to an arbitration case

Mastercard strongly recommends submitting the pre-arbitration case as soon as possible (to allow sufficient time to escalate to an arbitration case, when necessary, in light of time zone differences, weekends, and holidays).

In addition:

- When second presentment supporting documentation will not be provided as indicated by the second presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer must file the pre-arbitration case between 0 and 45-calendar days of the second presentment.
- When second presentment supporting documentation will be provided as indicated by the second presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the pre-arbitration case.

When second presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the second presentment, the issuer may file the pre-arbitration case as soon as the second presentment supporting document is received.

Mastercard will consider the pre-arbitration invalid if the issuer files a pre-arbitration case before the applicable second presentment supporting documentation time frame has expired.

Sender Memo. The issuer must include in the Sender Memo field within the Mastercom Case Filing Application that the reason for the filing is "Required Documentation Not Received to Support Second Presentment", "4901", or similar phrase describing the issue.

Supporting Documentation. The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration 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.
**Acquirer Response to a Pre-Arbitration Case.**

An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction. Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application. 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** and thereby accept financial responsibility for the disputed transaction. The Mastercom Case Filing Application will automatically accept the pre-arbitration case on behalf of the acquirer after 30-calendar days from the Submit Date specified within the Mastercom Case Filing application. 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.

- **Reject** the pre-arbitration with a rebuttal and any relevant documentation. The acquirer should include the reason why the acquirer believes the pre-arbitration case filing to be invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation. Rejecting the case must occur within 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

**Issuer Submission of an Arbitration Case.**

An issuer may escalate the pre-arbitration to an arbitration case upon rejection of the pre-arbitration case when the issuer continues to believe the chargeback is valid and the acquirer failed to remedy the pre-arbitration case. The issuer should provide a rebuttal and any relevant documentation in support of that rebuttal. Any rebuttal and documentation must be provided within 10-calendar days of escalation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in the chargeback or pre-arbitration.

Escalation must occur within 75-calendar days from the second presentment Central Site Business Date. If the issuer does not escalate by the 75th-calendar day from the second presentment Central Site Business Date the issuer will have accepted the financial responsibility for the disputed transaction.

The Mastercom Case Filing Application will allow the issuer to withdraw the arbitration case at any time before Mastercard rules on the case.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.
Acquirer Response to an Arbitration Case.

An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration.

  Once the arbitration case is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
Acquirer Reference Data (ARD) Does Not Match or is Invalid

This section describes the process for filing, and responding to, an arbitration case when the second presentment claimed the Acquirer Reference Data (ARD) was invalid.
Issuer Submission of a Pre-Arbitration Case.

An issuer may submit a pre-arbitration case when all of the following occurred:

• The chargeback was valid
• The second presentment claimed the Acquirer Reference Data (ARD) in the original chargeback was invalid.
• The Acquirer Reference Data (ARD) in the original chargeback was valid.

A pre-arbitration case must be filed within 45-calendar days of the second presentment with the following conditions:

• When second presentment supporting documentation will not be provided as indicated by the second presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer must file the pre-arbitration case between 0 and 45-calendar days of the second presentment.

• When second presentment supporting documentation will be provided as indicated by the second presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the pre-arbitration case.

When second presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the second presentment, the issuer may file the pre-arbitration case as soon as the second presentment supporting document is received.

Mastercard will consider the pre-arbitration invalid if the issuer files a pre-arbitration case before the applicable second presentment supporting documentation time frame has expired.

Sender Memo. The issuer must include in the Sender Memo field within the Mastercom Case Filing Application that the reason for the filing is “Correct Reference Number Supplied” or similar phrase describing the issue.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

Supporting Documentation. One of the following:

• When the issuer’s chargeback didn’t include the ARD present in the first presentment: The issuer must provide the correct ARD.

• When the issuer’s chargeback included the ARD present in the first chargeback: The issuer must provide a copy of the first presentment as Supporting Documentation.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing application or as Supporting Documentation.

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration that was required (but not provided) in the chargeback.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration case filing at the time the case is filed. 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 the time the case is filed.
Acquirer Response to a Pre-Arbitration Case.

An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction.
  Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

  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** and thereby accept financial responsibility for the disputed transaction.
  The Mastercom Case Filing Application will automatically accept the pre-arbitration case on behalf of the acquirer after 30-calendar days from the Submit Date specified within the Mastercom Case Filing Application. 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.

- **Reject** the pre-arbitration with a rebuttal and any relevant documentation.
  The acquirer should include the reason why the acquirer believes the pre-arbitration case filing to be invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

  Rejecting the case must occur within 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

  The acquirer may reject the pre-arbitration case for one of the following reasons:
  - The chargeback was invalid.
  - The second presentment remedied the chargeback. An example includes, but is not limited to, a credit was processed by the merchant before the second presentment and that credit was documented in the second presentment.
  - The pre-arbitration case was invalid. Examples include, but are not limited to, improper Supporting Documentation, the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired, or the issuer submitted the pre-arbitration case beyond the applicable time frame which did not provide the acquirer with 30-calendar days to respond.
  - The merchant has a rebuttal that specifically addresses the Supporting Documentation provided in the pre-arbitration case and, when applicable, documentation.

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the second presentment.
Issuer Submission of an Arbitration Case.
An issuer may escalate the pre-arbitration to an arbitration case upon rejection of the pre-arbitration case when the issuer continues to believe the chargeback is valid and the acquirer failed to remedy the pre-arbitration case. The issuer should provide a rebuttal and any relevant documentation in support of that rebuttal. Any rebuttal and documentation must be provided within 10-calendar days of escalation.

Mastercard will not consider any information provided in arbitration that was required (but not provided) in the chargeback or pre-arbitration.

Escalation must occur within 75-calendar days from the second presentment Central Site Business Date. If the issuer does not escalate by the 75th-calendar day from the second presentment Central Site Business Date the issuer will have accepted the financial responsibility for the disputed transaction.

The Mastercom Case Filing Application will allow the issuer to withdraw the arbitration case at any time before Mastercard rules on the case.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.

Acquirer Response to an Arbitration Case.
An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.
- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration.

Once the arbitration case is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
Change of Chargeback Reason to a No Cardholder Authorization Chargeback

This section describes the process for changing the reason code through the pre-arbitration and arbitration process.

**Issuer Pre-Arbitration Case Submission.**

An issuer must submit a pre-arbitration case when the issuer is changing the reason for the dispute from a non-No Cardholder Authorization to a No Cardholder Authorization dispute.

In order to change the reason for a dispute all of the following must occur:

- The original chargeback was valid.
- The Second Presentment remedied the original chargeback and identified that a valid No Cardholder Authorization chargeback is available and meets the conditions as described in Chapter 2-Dual Message System Chargebacks.
- The Second Presentment Supporting Documentation was reviewed by the cardholder and the cardholder asserts the disputed transaction is fraudulent.
- A pre-arbitration case must be filed within both of the following time frames:
  - Within 45-calendar days of the second presentment.
  - At least 30-calendar days prior to escalating to an arbitration case.
- Mastercard strongly recommends submitting the pre-arbitration case as soon as possible (to allow sufficient time to escalate to an arbitration case, when necessary, in light of time zone differences, weekends, and holidays).
- The issuer must provide the supporting documentation required for a No Cardholder Authorization chargeback. In addition, the cardholder email, letter, message or completed *Dispute Resolution Form-Fraud* (Form 0412) form must specifically state that the cardholder has reviewed the documentation provided by the merchant in the second presentment and the cardholder asserts that the disputed transaction was not authorized by the cardholder.
- The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration case filing at the time the case is filed. 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 the time the case is filed.
- The Sender Memo tab of the Mastercom Case Filing Application must include the text “Change of Reason” and either “No Cardholder Authorization”, “4837”, or similar phrase describing the new valid chargeback reason.
- When the No Cardholder Authorization chargeback requires DE 72 (Data Record) text or when optional DE 72 (Data Record) text is being provided, the DE 72 text must be provided in either the Sender Memo tab of the Mastercom Case Filing Application or as Supporting Documentation.
**Acquirer Response to a Pre-Arbitration Case.**

An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction. Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

  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** and thereby accept financial responsibility for the disputed transaction. The Mastercom Case Filing Application will automatically accept the pre-arbitration case on behalf of the acquirer after 30-calendar days from the Submit Date specified within the Mastercom Case Filing application. 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.

- **Reject** the pre-arbitration with a rebuttal and any relevant documentation. The acquirer should include the reason why the acquirer believes the pre-arbitration case filing to be invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

  Rejecting the case must occur within 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

  The acquirer may reject the pre-arbitration case for one of the following reasons:
  
  - The original chargeback was invalid.
  - The second presentment remedied the original chargeback and did not identify a valid No Cardholder Authorization chargeback as being available.
  - The pre-arbitration case was invalid. Examples include, but are not limited to, improper Supporting Documentation, the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired, or the issuer submitted the pre-arbitration case beyond the applicable time frame which did not provide the acquirer with 30-calendar days to respond.
  - The merchant has a rebuttal that specifically addresses the Supporting Documentation provided in the pre-arbitration case and, when applicable, documentation. An example includes, but is not limited to, the disputed transaction was properly authorized.

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the second presentment.
Issuer Submission of an Arbitration Case.

An issuer may escalate the pre-arbitration to an arbitration case upon rejection of the pre-arbitration case when the issuer continues to believe the original chargeback and the No Cardholder Authorization chargeback are both valid and the acquirer failed to remedy the pre-arbitration case. The issuer should provide a rebuttal and any relevant documentation in support of that rebuttal. Any rebuttal and documentation must be provided within 10-calendar days of escalation.

Mastercard will not consider any information provided in arbitration that was required (but not provided) in the chargeback or pre-arbitration.

Escalation must occur within 75-calendar days from the second presentment Central Site Business Date. If the issuer does not escalate by the 75th-calendar day from the second presentment Central Site Business Date the issuer will have accepted the financial responsibility for the disputed transaction.

The Mastercom Case Filing Application will allow the issuer to withdraw the arbitration case at any time before Mastercard rules on the case.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.

Acquirer Response to an Arbitration Case

An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration. Once the arbitration is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter. The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
Questionable Merchant Activity
This section describes the process for continuing a Questionable Merchant Activity dispute after the chargeback cycles have completed.

Invalid Second Presentment
This section describes the process for filing, and responding to, a pre-arbitration and, when applicable, an arbitration case when the issuer believes the second presentment did not remedy the chargeback.
Issuer Submission of a Pre-Arbitration Case.

An issuer may submit a pre-arbitration case when both of the following occurred:

- The original chargeback was valid
- The Second Presentment Supporting Documentation failed to remedy the Questionable Merchant Activity chargeback

A pre-arbitration case must be filed within both of the following time frames:

- Within 45-calendar days of the second presentment
- At least 30-calendar days prior to escalating to an arbitration case.

Mastercard strongly recommends submitting the pre-arbitration case as soon as possible (to allow sufficient time to escalate to an arbitration case, when necessary, in light of time zone differences, weekends, and holidays).

In addition:

- When second presentment supporting documentation will not be provided as indicated by the second presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer must file the pre-arbitration case between 0 and 45-calendar days of the second presentment.
- When second presentment supporting documentation will be provided as indicated by the second presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the pre-arbitration case.

When second presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the second presentment, the issuer may file the pre-arbitration case as soon as the second presentment supporting documentation is received.

Mastercard will consider the pre-arbitration case invalid if the issuer files a pre-arbitration case before the applicable second presentment supporting documentation time frame has expired.

The issuer must accept supporting documentation as long as the issuer has not processed a pre-arbitration case filing. If the second presentment supporting documentation is received after the “protected” eight-calendar day time frame and on the same day as the pre-arbitration case filing, Mastercard will not consider the second presentment supporting documentation.

Sender Memo.

The issuer must include in the Sender Memo within the Mastercom Case Filing Application that the reason for the filing is “Questionable Merchant Activity”, “4849”, or similar phrase describing the issue.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

Supporting Documentation.
The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration that was required (but not provided) in the chargeback.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration case filing at the time the case is filed. 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 the time the case is filed.
Acquirer Response to a Pre-Arbitration Case.
An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction.
  Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

  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** and thereby accept financial responsibility for the disputed transaction. The Mastercom Case Filing Application will automatically accept the pre-arbitration case on behalf of the acquirer after 30-calendar days from the Submit Date specified within the Mastercom Case Filing application. 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.

- **Reject** the pre-arbitration with a rebuttal and any relevant documentation.
  The acquirer should include the reason why the acquirer believes the pre-arbitration case filing to be invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

  Rejecting the case must occur within 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

  The acquirer may reject the pre-arbitration case for one of the following reasons:
  - The chargeback was invalid.
  - The second presentment remedied the chargeback. An example includes, but is not limited to, a credit was processed by the merchant before the second presentment and that credit was documented in the second presentment.
  - The pre-arbitration case was invalid. Examples include, but are not limited to, improper Supporting Documentation, the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired, or the issuer submitted the pre-arbitration case beyond the applicable time frame which did not provide the acquirer with 30-calendar days to respond.
  - The merchant has a rebuttal that specifically addresses the Supporting Documentation provided in the pre-arbitration case and, when applicable, documentation.

  If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the second presentment.
Issuer Submission of an Arbitration Case.
An issuer may escalate the pre-arbitration to an arbitration case upon rejection of the pre-arbitration case when the issuer continues to believe the chargeback is valid and the acquirer failed to remedy the pre-arbitration case. The issuer should provide a rebuttal and any relevant documentation in support of that rebuttal. Any rebuttal and documentation must be provided within 10-calendar days of escalation.

Mastercard will not consider any information provided in arbitration that was required (but not provided) in the chargeback or pre-arbitration.

Escalation must occur within 75-calendar days from the second presentment Central Site Business Date. If the issuer does not escalate by the 75th-calendar day from the second presentment Central Site Business Date the issuer will have accepted the financial responsibility for the disputed transaction.

The Mastercom Case Filing Application will allow the issuer to withdraw the arbitration case at any time before Mastercard rules on the case.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.

Acquirer Response to an Arbitration Case.
An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration.

  Once the arbitration case is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
**Documentation Received with Second Presentment was Illegible or Scanning Error**

This section describes the process for filing, and responding to, a pre-arbitration and, when applicable, an arbitration case when the issuer claims that the required second presentment supporting documentation was illegible.

**Issuer Submission of a Pre-Arbitration Case.**

An issuer may submit a pre-arbitration case within 45-calendar days from the Central Site Business Date of the second presentment and at least 30-calendar days prior to escalating to an arbitration case when all of the following occurred:

- The chargeback was valid
- The second presentment required Supporting Documentation
- The second presentment Supporting Documentation was illegible (meaning blank or unreadable pages)

**Mastercard strongly recommends submitting the pre-arbitration case as soon as possible (to allow sufficient time to escalate to an arbitration case, when necessary, in light of time zone differences, weekends, and holidays).**

**Sender Memo.**

The issuer must include in the Sender Memo field within the Mastercom Case Filing Application that the reason for the filing is “Documentation Illegible”, “Scanning error”, “4902”, “4903”, or similar phrase describing the issue.

**Supporting Documentation.**

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration 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.
**Acquirer Response to a Pre-Arbitration Case.**

An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction. Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application. 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** and thereby accept financial responsibility for the disputed transaction. The Mastercom Case Filing Application will automatically accept the pre-arbitration case on behalf of the acquirer after 30-calendar days from the Submit Date specified within the Mastercom Case Filing Application. 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.

- **Reject** the pre-arbitration with a rebuttal and any relevant documentation. The acquirer should include the reason why the acquirer believes the pre-arbitration case filing to be invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation. Rejecting the case must occur within 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

**Issuer Submission of an Arbitration Case.**

An issuer may escalate the pre-arbitration to an arbitration case upon rejection of the pre-arbitration case when the issuer continues to believe the chargeback is valid and the acquirer failed to remedy the pre-arbitration case. The issuer should provide a rebuttal and any relevant documentation in support of that rebuttal. Any rebuttal and documentation must be provided within 10-calendar days of escalation.

Mastercard will not consider any information provided in arbitration that was required (but not provided) in the chargeback or pre-arbitration.

Escalation must occur within 75-calendar days from the second presentment Central Site Business Date. If the issuer does not escalate by the 75th-calendar day from the second presentment Central Site Business Date the issuer will have accepted the financial responsibility for the disputed transaction.

The Mastercom Case Filing Application will allow the issuer to withdraw the arbitration case at any time before Mastercard rules on the case.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.
Acquirer Response to an Arbitration Case

An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration.

  Once the arbitration case is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
Required Documentation Not Received to Support Second Presentment
This section describes the process for filing, and responding to, a pre-arbitration and, when applicable, an arbitration case when the issuer claims that the required second presentment supporting documentation was not received.
Issuer Submission of a Pre-Arbitration Case.
An issuer may submit a pre-arbitration case when all of the following occurred:

- The chargeback was valid
- The second presentment required Supporting Documentation
- Supporting Documentation was not received to support the second presentment within eight-calendar days of the Central Site Business Date of the second presentment

A pre-arbitration case must be filed within both of the following time frames:

- Within 45-calendar days of the second presentment
- At least 30-calendar days prior to escalating to an arbitration case.

Mastercard strongly recommends submitting the pre-arbitration case as soon as possible (to allow sufficient time to escalate to an arbitration case, when necessary, in light of time zone differences, weekends, and holidays).

In addition:

- When second presentment supporting documentation will not be provided as indicated by the second presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer must file the pre-arbitration case between 0 and 45-calendar days of the second presentment.
- When second presentment supporting documentation will be provided as indicated by the second presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the pre-arbitration case.

When second presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the second presentment, the issuer may file the pre-arbitration case as soon as the second presentment supporting document is received.

Mastercard will consider the pre-arbitration invalid if the issuer files a pre-arbitration case before the applicable second presentment supporting documentation time frame has expired.

Sender Memo.
The issuer must include in the Sender Memo field within the Mastercom Case Filing Application that the reason for the filing is “Required Documentation Not Received to Support Second Presentment”, “4901”, or similar phrase describing the issue.

Supporting Documentation.
The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration 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.
Acquirer Response to a Pre-Arbitration Case.

An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction.
  Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application.
  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** and thereby accept financial responsibility for the disputed transaction. The Mastercom Case Filing Application will automatically accept the pre-arbitration case on behalf of the acquirer after 30-calendar days from the Submit Date specified within the Mastercom Case Filing application. 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.

- **Reject** the pre-arbitration with a rebuttal and any relevant documentation.
  The acquirer should include the reason why the acquirer believes the pre-arbitration case filing to be invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation.
  Rejecting the case must occur within 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

Issuer Submission of an Arbitration Case.

An issuer may escalate the pre-arbitration to an arbitration case upon rejection of the pre-arbitration case when the issuer continues to believe the chargeback is valid and the acquirer failed to remedy the pre-arbitration case. The issuer should provide a rebuttal and any relevant documentation in support of that rebuttal. Any rebuttal and documentation must be provided within 10-calendar days of escalation.

Mastercard will not consider any information provided in arbitration that was required (but not provided) in the chargeback or pre-arbitration.

Escalation must occur within 75-calendar days from the second presentment Central Site Business Date. If the issuer does not escalate by the 75th-calendar day from the second presentment Central Site Business Date the issuer will have accepted the financial responsibility for the disputed transaction.

The Mastercom Case Filing Application will allow the issuer to withdraw the arbitration case at any time before Mastercard rules on the case.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.
Acquirer Response to an Arbitration Case.

An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration. Once the arbitration case is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
Acquirer Reference Data (ARD) Does Not Match or is Invalid
This section describes the process for filing, and responding to, an arbitration case when the second presentment claimed the Acquirer Reference Data (ARD) was invalid.
Issuer Submission of a Pre-Arbitration Case.

An issuer may submit a pre-arbitration case when all of the following conditions are met:

- The chargeback was valid.
- The second presentment claimed the Acquirer Reference Data (ARD) in the original chargeback was invalid.
- The Acquirer Reference Data (ARD) in the original chargeback was valid.

A pre-arbitration case must be filed within both of the following time frames:

- Within 45-calendar days of the second presentment
- At least 30-calendar days prior to escalating to an arbitration case

Mastercard strongly recommends submitting the pre-arbitration case as soon as possible (to allow sufficient time to escalate to an arbitration case, when necessary, in light of time zone differences, weekends, and holidays).

In addition:

- When documentation will not be provided as indicated by the second presentment supporting documentation indicator code of 0, (Supporting documentation is not required), the issuer must file the pre-arbitration case between 0 and 45-calendar days of the second presentment.
- When second presentment supporting documentation will be provided as indicated by the second presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the pre-arbitration case.

When second presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the second presentment, the issuer may file the pre-arbitration case as soon as the second presentment supporting document is received.

Mastercard will consider the arbitration invalid if the issuer files a pre-arbitration case before the applicable second presentment supporting documentation time frame has expired.

Sender Memo.

The issuer must include in the Sender Memo field within the Mastercom Case Filing Application that the reason for the filing is “Correct Reference Number Supplied” or similar phrase describing the issue.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

Supporting Documentation.

One of the following:

- When the issuer’s chargeback didn’t include the ARD present in the first presentment: The issuer must provide the correct ARD.
- When the issuer’s chargeback included the ARD present in the chargeback: The issuer must provide a copy of the first presentment as Supporting Documentation.
The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

If the issuer escalates to a pre-arbitration case to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration that was required (but not provided) in the chargeback.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration case filing at the time the case is filed. 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 the time the case is filed.
Acquirer Response to a Pre-Arbitration Case.

An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction. Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application. 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** and thereby accept financial responsibility for the disputed transaction. The Mastercom Case Filing Application will automatically accept the pre-arbitration case on behalf of the acquirer after 30-calendar days from the Submit Date specified within the Mastercom Case Filing application. 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.

- **Reject** the pre-arbitration case with a rebuttal and any relevant documentation. The acquirer should include the reason why the acquirer believes the pre-arbitration case filing to be invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation. Rejecting the case must occur within 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

The acquirer may reject the pre-arbitration case for one of the following reasons:

- The chargeback was invalid
- The second presentment remedied the chargeback. An example includes, but is not limited to, a credit was processed by the merchant before the second presentment and that credit was documented in the second presentment.
- The pre-arbitration case was invalid. Examples include, but are not limited to, improper Supporting Documentation, the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired, or the issuer submitted the pre-arbitration case beyond the applicable time frame which did not provide the acquirer with 30-calendar days to respond.
- The merchant has a rebuttal that specifically addresses the Supporting Documentation provided in the pre-arbitration case and, when applicable, documentation.

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the second presentment.
**Issuer Submission of an Arbitration Case Filing.**

An issuer may escalate the pre-arbitration to an arbitration case upon rejection of the pre-arbitration case when the issuer continues to believe the chargeback is valid and the acquirer failed to remedy the pre-arbitration case. The issuer should provide a rebuttal and any relevant documentation in support of that rebuttal. Any rebuttal and documentation must be provided within 10-calendar days of escalation.

Mastercard will not consider any information provided in arbitration that was required (but not provided) in the chargeback or pre-arbitration.

Escalation must occur within 75-calendar days from the second presentment Central Site Business Date. If the issuer does not escalate by the 75th-calendar day from the second presentment Central Site Business Date the issuer will have accepted the financial responsibility for the disputed transaction.

The Mastercard Case Filing Application will allow the issuer to withdraw the arbitration case at any time before Mastercard rules on the case.

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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**Acquirer Response to an Arbitration Case.**

An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration.

Once the arbitration case is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Mastercard Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercard Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Mastercard Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
Change of Chargeback Reason to a Questionable Merchant Chargeback

This section describes the process for changing the reason code through the pre-arbitration and arbitration process.

Issuer Pre-Arbitration Case Submission.

An issuer must submit a pre-arbitration case when the issuer is changing the reason for the dispute from a non-Questionable Merchant Activity chargeback to a Questionable Merchant Activity dispute.

In order to change the reason for a dispute all of the following must occur:

- A valid Questionable Merchant Activity chargeback is available and meets the conditions as described in Chapter 2-Dual Message System Chargebacks.
- A pre-arbitration case must be filed within both of the following time frames
  - Within 45-calendar days of the second presentment
  - At least 30-calendar days prior to escalating to an arbitration case.
    Mastercard strongly recommends submitting the pre-arbitration case as soon as possible (to allow sufficient time to escalate to an arbitration case, when necessary, in light of time zone differences, weekends, and holidays).
- The issuer must provide the supporting documentation required for a Questionable Merchant Activity chargeback.
  The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration case filing at the time the case is filed. 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 the time the case is filed.
- The Sender Memo tab of the Mastercom Case Filing Application must include the text “Change of Reason” and either “Questionable Merchant Activity”, “4849”, or similar phrase describing the new valid chargeback reason.
- When the Questionable Merchant Activity chargeback requires DE 72 (Data Record) text or when optional DE 72 (Data Record) text is being provided, the DE 72 text must be provided in either the Sender Memo tab of the Mastercom Case Filing Application or as Supporting Documentation.
Acquirer Response to a Pre-Arbitration Case.

An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction.
  
  Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

  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** and thereby accept financial responsibility for the disputed transaction. The Mastercom Case Filing Application will automatically accept the pre-arbitration case on behalf of the acquirer after 30-calendar days from the Submit Date specified within the Mastercom Case Filing application. 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.

- **Reject** the pre-arbitration with a rebuttal and any relevant documentation.
  
  The acquirer should include the reason why the acquirer believes the pre-arbitration case filing to be invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

  Rejecting the case must occur within 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

  The acquirer may reject the pre-arbitration case for one of the following reasons:

  - The pre-arbitration case was invalid. Examples include, but are not limited to, improper Supporting Documentation, the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired, or the issuer submitted the pre-arbitration case beyond the applicable time frame which did not provide the acquirer with 30-calendar days to respond.

  - The acquirer has a rebuttal that specifically addresses the Supporting Documentation provided in the pre-arbitration case and, when applicable, documentation. An example includes, but is not limited to, a copy of the letter from Mastercard that its investigation of the merchant was closed without a substantiated claim of coercion.

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the second presentment.
**Issuer Submission of an Arbitration Case Filing.**
An issuer may escalate the pre-arbitration to an arbitration case upon rejection of the pre-arbitration case when the issuer continues to believe the original chargeback and the Questionable Merchant Activity chargeback are both valid and the acquirer failed to remedy the pre-arbitration. The issuer should provide a rebuttal and any relevant documentation in support of that rebuttal. Any rebuttal and documentation must be provided within 10-calendar days of escalation.

Mastercard will not consider any information provided in arbitration that was required (but not provided) in the chargeback or pre-arbitration.

Escalation must occur within 75-calendar days from the second presentment Central Site Business Date. If the issuer does not escalate by the 75th-calendar day from the second presentment Central Site Business Date the issuer will have accepted the financial responsibility for the disputed transaction.

The Mastercom Case Filing Application will allow the issuer to withdraw the arbitration case at any time before Mastercard rules on the case.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.

**Acquirer Response to an Arbitration Case.**
An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration. Once the arbitration case is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter. The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
Chip Liability Shift
This section describes the process for continuing a Chip Liability Shift dispute after the chargeback cycles have completed.

Invalid Second Presentment
This section describes the process for filing, and responding to, an arbitration case when the issuer believes the second presentment did not remedy the chargeback.
Issuer Submission of a Pre-Arbitration Case Filing.

Pre-arbitration is optional for this type of case filing; this means that an issuer has the option to skip this pre-arbitration step and proceed to filing an arbitration case as described later in this table. When an issuer chooses to file a pre-arbitration case, the issuer time frame for the arbitration case filing is unchanged (this means within 45-calendar days of the Second Presentment). The issuer is not obligated to provide the acquirer with 30-calendar days to respond to the pre-arbitration case filing.

When an issuer chooses to file a pre-arbitration case then the following procedure must be followed.

An issuer may submit a pre-arbitration case when both of the following occurred:

• The original chargeback was valid
• The Second Presentment failed to remedy the dispute

When an issuer chooses to file a pre-arbitration case the issuer must file the arbitration case within 45-calendar days of the Second Presentment with the following conditions:

• When Second Presentment supporting documentation will not be provided as indicated by the Second Presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer may file the pre-arbitration case immediately.

• When Second Presentment supporting documentation will be provided as indicated by the Second Presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the pre-arbitration case.

When Second Presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the Second Presentment, the issuer may file the pre-arbitration case as soon as the Second Presentment supporting document is received.

Mastercard will consider the pre-arbitration case invalid if the issuer files a pre-arbitration case before the applicable Second Presentment supporting documentation time frame has expired.

The issuer must accept supporting documentation as long as the issuer has not processed a pre-arbitration case filing. If the Second Presentment supporting documentation is received after the “protected” eight-calendar day time frame and on the same day as the pre-arbitration case filing, Mastercard will not consider the Second Presentment supporting documentation.

Sender Memo.

The issuer must include in the Sender Memo field within the Mastercom Case Filing Application that the reason for the filing is “Chip Liability Shift”, “70”, “4870”, or similar phrase describing the issue.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

Supporting Documentation.
The issuer must include the reason why the issuer believes the Second Presentment to be invalid. The reason is either typed into the Sender Memo field or included in Supporting Documentation within the Mastercom Case Filing Application.

Mastercard will not consider any Supporting Documentation provided in the pre-arbitration case filing that was required (but not provided) in the chargeback or Second Presentment.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration case filing at the time the case is filed. 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 the time the case is filed.
Acquirer Response to a Pre-arbitration Case.

An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction.
  Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application.
  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** and thereby accept financial responsibility for the disputed transaction. The Mastercom Case Filing Application will automatically accept the pre-arbitration case on behalf of the acquirer after 30-calendar days from the Submit Date specified within the Mastercom Case Filing application.
  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.

- **Reject** the pre-arbitration case with a rebuttal and any relevant documentation.
  The acquirer should include the reason why the acquirer believes the pre-arbitration case filing is invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation.
  Rejecting the case must occur within 30-calendar days from the Submit Date specified within the Mastercom Case Filing Application.
  The acquirer may reject the pre-arbitration case for one of the following reasons:
  - The chargeback was invalid
  - The second presentment remedied the chargeback. An example includes, but is not limited to, a credit was processed by the merchant before the second presentment and that credit was documented in the second presentment.
  - The pre-arbitration case was invalid. Examples include, but are not limited to, improper Supporting Documentation, or the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired.
  - The merchant has a rebuttal that specifically addresses the Supporting Documentation provided in the pre-arbitration case and, when applicable, documentation.

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the second presentment.
Issuer Submission of an Arbitration Case.

An issuer may submit an arbitration case when all of the following occurred:

- The original chargeback was valid
- The Second Presentment failed to remedy the dispute
- When the optional pre-arbitration was performed and the acquirer responded by rejecting the pre-arbitration or within 45-calendar days of the Central Site Business Date of the Second Presentment (regardless of whether the acquirer rejected the pre-arbitration case)

An arbitration case must be filed within 45-calendar days of the second presentment with the following conditions:

- When second presentment supporting documentation will not be provided as indicated by the second presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer must file the arbitration case between 0 and 45-calendar days of the second presentment.
- When second presentment supporting documentation will be provided as indicated by the second presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the arbitration case.

When second presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the second presentment, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

Mastercard will consider the arbitration case invalid if the issuer files an arbitration case before the applicable second presentment supporting documentation time frame has expired.

The issuer must accept supporting documentation as long as the issuer has not processed an arbitration case filing. If the second presentment supporting documentation is received after the “protected” eight-calendar day time frame and on the same day as the arbitration case filing, Mastercard will not consider the second presentment supporting documentation.

Sender Memo.

The issuer must include in the Sender Memo within the Mastercom Case Filing Application that the reason for the filing is “Chip Liability Shift”, “70”, “4870”, or similar phrase describing the issue.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

Supporting Documentation.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

If the issuer escalates to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the arbitration that was required (but not provided) in the chargeback.
The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the arbitration case filing at the time the case is filed. 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 the time the case is filed.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.

**Acquirer Response to an Arbitration Case.**

An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration. Once the arbitration case is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter. The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
Documentation Received with Second Presentment was Illegible or Scanning Error
This section describes the process for filing, and responding to, an arbitration case when the issuer claims that the second presentment documentation was illegible.
Issuer Submission of a Pre-Arbitration Case Filing.

Pre-arbitration is optional for this type of case filing; this means that an issuer has the option to skip this pre-arbitration step and proceed to filing an arbitration case as described later in this table. When an issuer chooses to file a pre-arbitration case, the issuer time frame for the arbitration case filing is unchanged (this means within 45-calendar days of the Central Site Business Date of the Second Presentment). The issuer is not obligated to provide the acquirer with 30-calendar days to respond to the pre-arbitration case filing.

When an issuer chooses to file a pre-arbitration case then the following procedure must be followed.

An issuer may submit a pre-arbitration case when both of the following occurred:

- The original chargeback was valid
- The Second Presentment failed to remedy the dispute.

When an issuer chooses to file a pre-arbitration case the issuer must file the arbitration case within 45-calendar days of the Central Site Business Date of the Second Presentment with the following conditions:

- When Second Presentment supporting documentation will not be provided as indicated by the Second Presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer may file the pre-arbitration case immediately.
- When Second Presentment supporting documentation will be provided as indicated by the Second Presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the pre-arbitration case.

When Second Presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the Second Presentment, the issuer may file the pre-arbitration case as soon as the Second Presentment supporting document is received.

Mastercard will consider the pre-arbitration case invalid if the issuer files a pre-arbitration case before the applicable Second Presentment supporting documentation time frame has expired.

The issuer must accept supporting documentation as long as the issuer has not processed a pre-arbitration case filing. If the Second Presentment supporting documentation is received after the “protected” eight-calendar day time frame and on the same day as the pre-arbitration case filing, Mastercard will not consider the Second Presentment supporting documentation.

Sender Memo.

The issuer must include in the Sender Memo field within the Mastercom Case Filing Application that the reason for the filing is “Documentation Illegible”, “Scanning error”, “4902”, “4903”, or similar phrase describing the issue.

Supporting Documentation.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid. The reason is either typed into the Sender Memo field or included in Supporting Documentation within the Mastercom Case Filing Application.
Mastercard will not consider any Supporting Documentation provided in the pre-arbitration case filing that was required (but not provided) in the chargeback or Second Presentment.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration case filing at the time the case is filed. 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 the time the case is filed.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.
Acquirer Response to a Pre-arbitration Case.

An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

• **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction.
  Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application.
  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** and thereby accept financial responsibility for the disputed transaction. The Mastercom Case Filing Application will automatically accept the pre-arbitration case on behalf of the acquirer after 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing application.
  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.

• **Reject** the pre-arbitration case with a rebuttal and any relevant documentation.
  The acquirer should include the reason why the acquirer believes the pre-arbitration case filing is invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation.
  Rejecting the case must occur within 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing Application.
  The acquirer may reject the pre-arbitration case for one of the following reasons:
  - The chargeback was invalid
  - The second presentment remedied the chargeback. An example includes, but is not limited to, a credit was processed by the merchant before the second presentment and that credit was documented in the second presentment.
  - The pre-arbitration case was invalid. Examples include, but are not limited to, improper Supporting Documentation, or the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired.
  - The merchant has a rebuttal that specifically addresses the Supporting Documentation provided in the pre-arbitration case and, when applicable, documentation.

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the second presentment.
Issuer Submission of an Arbitration Case.
An issuer may submit an arbitration case when the following occurred:

• The original chargeback was valid
• The second presentment failed to remedy the dispute
• When the optional pre-arbitration was performed and the acquirer responded by rejecting the pre-arbitration or within 45-calendar days of the Central Site Business Date of the Second Presentment (regardless of whether the acquirer rejected the pre-arbitration case)

Sender Memo.
The issuer must include in the Sender Memo field within the Mastercom Case Filing Application that the reason for the filing is “Documentation Illegible”, “Scanning error”, “4902”, “4903”, or similar phrase describing the issue.

Supporting Documentation.
The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the arbitration 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.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.

Acquirer Response to an Arbitration Case.
An acquirer may take one of the following actions in response to receiving an arbitration case filing:

• **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

• **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration. Once the arbitration case is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

• **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter. The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
Pre-Arbitration and Arbitration Case Filing
Required Documentation Not Received to Support Second Presentment

Required Documentation Not Received to Support Second Presentment
This section describes the process for filing, and responding to, an arbitration case when the issuer claims that the second presentment documentation was not received.
Issuer Submission of a Pre-Arbitration Case Filing.

Pre-arbitration is optional for this type of case filing; this means that an issuer has the option to skip this pre-arbitration step and proceed to filing an arbitration case as described later in this table. When an issuer chooses to file a pre-arbitration case, the issuer time frame for the arbitration case filing is unchanged (this means within 45-calendar days of the Central Site Business Date of the Second Presentment). The issuer is not obligated to provide the acquirer with 30-calendar days to respond to the pre-arbitration case filing.

When an issuer chooses to file a pre-arbitration case then the following procedure must be followed.

An issuer may submit a pre-arbitration case when both of the following occurred:

• The original chargeback was valid
• The Second Presentment failed to remedy the dispute

When an issuer chooses to file a pre-arbitration case the issuer must file the arbitration case within 45-calendar days of the Central Site Business Date of the Second Presentment with the following conditions:

• When Second Presentment supporting documentation will not be provided as indicated by the Second Presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer may file the pre-arbitration case immediately.
• When Second Presentment supporting documentation will be provided as indicated by the Second Presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the pre-arbitration case.

When Second Presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the Second Presentment, the issuer may file the pre-arbitration case as soon as the Second Presentment supporting document is received.

Mastercard will consider the pre-arbitration case invalid if the issuer files a pre-arbitration case before the applicable Second Presentment supporting documentation time frame has expired.

The issuer must accept supporting documentation as long as the issuer has not processed a pre-arbitration case filing. If the Second Presentment supporting documentation is received after the “protected” eight-calendar day time frame and on the same day as the pre-arbitration case filing, Mastercard will not consider the Second Presentment supporting documentation.

Sender Memo.

The issuer must include in the Sender Memo field within the Mastercom Case Filing Application that the reason for the filing is “Required Documentation Not Received to Support Second Presentment”, “4901”, or similar phrase describing the issue.

Supporting Documentation.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid. The reason is either typed into the Sender Memo field or included in Supporting Documentation within the Mastercom Case Filing Application.
Mastercard will not consider any Supporting Documentation provided in the pre-arbitration case filing that was required (but not provided) in the chargeback or Second Presentment.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration case filing at the time the case is filed. 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 Mastercard Case Filing Application at the time the case is filed.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.
Acquirer Response to a Pre-arbitration Case.

An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

• **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction. Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application. 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** and thereby accept financial responsibility for the disputed transaction. The Mastercom Case Filing Application will automatically accept the pre-arbitration case on behalf of the acquirer after 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing application. 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.

• **Reject** the pre-arbitration case with a rebuttal and any relevant documentation. The acquirer should include the reason why the acquirer believes the pre-arbitration case filing is invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation. Rejecting the case must occur within 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

The acquirer may reject the pre-arbitration case for one of the following reasons:

- The chargeback was invalid
- The second presentment remedied the chargeback. An example includes, but is not limited to, a credit was processed by the merchant before the second presentment and that credit was documented in the second presentment.
- The pre-arbitration case was invalid. Examples include, but are not limited to, improper Supporting Documentation, or the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired.
- The merchant has a rebuttal that specifically addresses the Supporting Documentation provided in the pre-arbitration case and, when applicable, documentation.

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the second presentment.
Issuer Submission of an Arbitration Case.
An issuer may submit an arbitration case when the following occurred:

- The original chargeback was valid.
- The second presentment failed to remedy the dispute
- When the optional pre-arbitration was performed and the acquirer responded by rejecting the pre-arbitration or within 45-calendar days of the Central Site Business Date of the Second Presentment (regardless of whether the acquirer rejected the pre-arbitration case)

An arbitration case must be filed within 45-calendar days of the second presentment with the following conditions:

- When documentation will not be provided as indicated by the second presentment supporting documentation indicator code of 0, the arbitration case must be filed between 0 and 45-calendar days of the second presentment.
- When second presentment supporting documentation will be provided, an issuer must wait at least eight-calendar days before filing the arbitration case. This means when the second presentment supporting documentation indicator code is a 1, the arbitration case must be filed between nine and 45-calendar days from the Central Site Business Date of the second presentment.

The issuer must accept supporting documentation as long as the issuer has not processed an arbitration case filing. Should the second presentment supporting document be received after the “protected” eight-calendar day time frame and on the same day as the arbitration case filing, Mastercard will not consider the second presentment supporting documentation.

Mastercard will consider the arbitration invalid if the issuer files an arbitration case before the applicable second presentment supporting documentation time frame has expired.

Sender Memo.
The issuer must include in the Sender Memo field within the Mastercom Case Filing Application that the reason for the filing is “Required Documentation Not Received to Support Second Presentment” or “4901” or similar phrase describing the issue.

Supporting Documentation.
The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the arbitration 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.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.
Acquirer Response to an Arbitration Case.

An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration. Once the arbitration case is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter. The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
Acquirer Reference Data (ARD) Does Not Match or is Invalid
This section describes the process for filing, and responding to, an arbitration case when the second presentment claimed the Acquirer Reference Data (ARD) was invalid.
Issuer Submission of a Pre-Arbitration Case Filing.

Pre-arbitration is optional for this type of case filing; this means that an issuer has the option to skip this pre-arbitration step and proceed to filing an arbitration case as described later in this table. When an issuer chooses to file a pre-arbitration case, the issuer time frame for the arbitration case filing is unchanged (this means within 45-calendar days of the Central Site Business Date of the Second Presentment). The issuer is not obligated to provide the acquirer with 30-calendar days to respond to the pre-arbitration case filing.

When an issuer chooses to file a pre-arbitration case then the following procedure must be followed.

An issuer may submit a pre-arbitration case when both of the following occurred:

- The original chargeback was valid
- The Second Presentment failed to remedy the dispute

When an issuer chooses to file a pre-arbitration case the issuer must file the arbitration case within 45-calendar days of the Central Site Business Date of the Second Presentment with the following conditions:

- When Second Presentment supporting documentation will not be provided as indicated by the Second Presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer may file the pre-arbitration case immediately.
- When Second Presentment supporting documentation will be provided as indicated by the Second Presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the pre-arbitration case.

When Second Presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the Second Presentment, the issuer may file the pre-arbitration case as soon as the Second Presentment supporting document is received.

Mastercard will consider the pre-arbitration case invalid if the issuer files a pre-arbitration case before the applicable Second Presentment supporting documentation time frame has expired.

The issuer must accept supporting documentation as long as the issuer has not processed a pre-arbitration case filing. If the Second Presentment supporting documentation is received after the "protected" eight-calendar day time frame and on the same day as the pre-arbitration case filing, Mastercard will not consider the Second Presentment supporting documentation.

Sender Memo.

The issuer must include in the Sender Memo field within the Mastercom Case Filing Application that the reason for the filing is "Correct Reference Number Supplied" or similar phrase describing the issue.

Supporting Documentation.
The issuer must include the reason why the issuer believes the Second Presentment to be invalid. The reason is either typed into the Sender Memo field or included in Supporting Documentation within the Mastercom Case Filing Application.

Mastercard will not consider any Supporting Documentation provided in the pre-arbitration case filing that was required (but not provided) in the chargeback or Second Presentment.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration case filing at the time the case is filed. 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 the time the case is filed.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.
**Acquirer Response to a Pre-arbitration Case.**

An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction.
  Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application.
  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** and thereby accept financial responsibility for the disputed transaction.
  The Mastercom Case Filing Application will automatically accept the pre-arbitration case on behalf of the acquirer after 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing application.
  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.

- **Reject** the pre-arbitration case with a rebuttal and any relevant documentation.
  The acquirer should include the reason why the acquirer believes the pre-arbitration case filing is invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation.
  Rejecting the case must occur within 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing Application.
  The acquirer may reject the pre-arbitration case for one of the following reasons:
    - The chargeback was invalid
    - The second presentment remedied the chargeback. An example includes, but is not limited to, a credit was processed by the merchant before the second presentment and that credit was documented in the second presentment.
    - The pre-arbitration case was invalid. Examples include, but are not limited to, improper Supporting Documentation, or the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired.
    - The merchant has a rebuttal that specifically addresses the Supporting Documentation provided in the pre-arbitration case and, when applicable, documentation.

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the second presentment.
Issuer Submission of an Arbitration Case.
An issuer may submit an arbitration case when the following occurred:

- The original chargeback was valid
- The second presentment failed to remedy the dispute.
- When the optional pre-arbitration was performed and the acquirer responded by rejecting the pre-arbitration or within 45-calendar days of the Central Site Business Date of the Second Presentment (regardless of whether the acquirer rejected the pre-arbitration case)

An arbitration case must be filed within 45-calendar days of the second presentment with the following conditions:

- When documentation will not be provided as indicated by the second presentment supporting documentation indicator code of 0, the arbitration case must be filed between 0 and 45-calendar days of the second presentment.
- When second presentment supporting documentation will be provided, an issuer must wait at least eight-calendar days before filing the arbitration case. This means when the second presentment supporting documentation indicator code is a 1, the arbitration case must be filed between nine and 45-calendar days from the Central Site Business Date of the second presentment.

The issuer must accept supporting documentation as long as the issuer has not processed an arbitration case filing. Should the second presentment supporting document be received after the “protected” eight-calendar day time frame and on the same day as the arbitration case filing, Mastercard will not consider the second presentment supporting documentation.

Mastercard will consider the arbitration invalid if the issuer files a arbitration case before the applicable second presentment supporting documentation time frame has expired.

Sender Memo.
The issuer must include in the Sender Memo field within the Mastercom Case Filing Application that the reason for the filing is “Correct Reference Number Supplied” or similar phrase describing the issue.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

Supporting Documentation.
One of the following:

- When the issuer’s chargeback didn’t include the ARD present in the first presentment: The issuer must provide the correct ARD.
- When the issuer’s chargeback included the ARD present in the first chargeback: The issuer must provide a copy of the first presentment as Supporting Documentation.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.
If the issuer escalates to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the arbitration that was required (but not provided) in the chargeback.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the arbitration case filing at the time the case is filed. 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 the time the case is filed.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.

**Acquirer Response to an Arbitration Case.**

An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration.

  Once the arbitration case is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
Chip Liability - Lost/Stolen/Never Received Issue (NRI) Fraud
This section describes the process for continuing a Chip Liability Shift—Lost/Stolen/Never Received Issue (NRI) Fraud dispute after the chargeback cycles have completed.

Invalid Second Presentment
This section describes the process for filing, and responding to, an arbitration case when the issuer believes the second presentment did not remedy the chargeback.
Issuer Submission of a Pre-Arbitration Case Filing.

Pre-arbitration is optional for this type of case filing; this means that an issuer has the option to skip this pre-arbitration step and proceed to filing an arbitration case as described later in this table. When an issuer chooses to file a pre-arbitration case, the issuer time frame for the arbitration case filing is unchanged (this means within 45-calendar days of the Second Presentment). The issuer is not obligated to provide the acquirer with 30-calendar days to respond to the pre-arbitration case filing.

When an issuer chooses to file a pre-arbitration case then the following procedure must be followed.

An issuer may submit a pre-arbitration case when both of the following occurred:

• The original chargeback was valid
• The Second Presentment failed to remedy the dispute

When an issuer chooses to file a pre-arbitration case the issuer must file the arbitration case within 45-calendar days of the Second Presentment with the following conditions:

• When Second Presentment supporting documentation will not be provided as indicated by the Second Presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer may file the pre-arbitration case immediately
• When Second Presentment supporting documentation will be provided as indicated by the Second Presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the pre-arbitration case. When Second Presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the Second Presentment, the issuer may file the pre-arbitration case as soon as the Second Presentment supporting documentation is received.

Mastercard will consider the pre-arbitration case invalid if the issuer files a pre-arbitration case before the applicable Second Presentment supporting documentation time frame has expired.

The issuer must accept supporting documentation as long as the issuer has not processed a pre-arbitration case filing. If the Second Presentment supporting documentation is received after the “protected” eight-calendar day time frame and on the same day as the pre-arbitration case filing, Mastercard will not consider the Second Presentment supporting documentation.

Sender Memo.

The issuer must include in the Sender Memo field within the Mastercom Case Filing Application that the reason for the filing is “Chip Liability ShiftLost/Stolen/Never Received Issue (NRI) Fraud”, “4871”, or similar phrase describing the issue.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

Supporting Documentation.
The issuer must include the reason why the issuer believes the Second Presentment to be invalid. The reason is either typed into the Sender Memo field or included in Supporting Documentation within the Mastercom Case Filing Application.

Mastercard will not consider any Supporting Documentation provided in the pre-arbitration case filing that was required (but not provided) in the chargeback or Second Presentment.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration case filing at the time the case is filed. 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 the time the case is filed.
**Acquirer Response to a Pre-arbitration Case.**

An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction.
  
  Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application.
  
  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** and thereby accept financial responsibility for the disputed transaction. The Mastercom Case Filing Application will automatically accept the pre-arbitration case on behalf of the acquirer after 30-calendar days from the Submit Date specified within the Mastercom Case Filing application.
  
  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.

- **Reject** the pre-arbitration case with a rebuttal and any relevant documentation.
  
  The acquirer should include the reason why the acquirer believes the pre-arbitration case filing is invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation.
  
  Rejecting the case must occur within 30-calendar days from the Submit Date specified within the Mastercom Case Filing Application.
  
  The acquirer may reject the pre-arbitration case for one of the following reasons:
  
  - The chargeback was invalid
  - The second presentment remedied the chargeback. An example includes, but is not limited to, a credit was processed by the merchant before the second presentment and that credit was documented in the second presentment.
  - The pre-arbitration case was invalid. Examples include, but are not limited to, improper Supporting Documentation, or the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired.
  - The merchant has a rebuttal that specifically addresses the Supporting Documentation provided in the pre-arbitration case and, when applicable, documentation.

  If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the second presentment.
Issuer Submission of an Arbitration Case.

An issuer may submit an arbitration case when the following occurred:

- The original chargeback was valid
- The Second Presentment failed to remedy the dispute
- When the optional pre-arbitration was performed and the acquirer responded by rejecting the pre-arbitration or within 45-calendar days of the Central Site Business Date of the Second Presentment (regardless of whether the acquirer rejected the pre-arbitration case)

An arbitration case must be filed within 45-calendar days of the second presentment with the following conditions:

- When second presentment supporting documentation will not be provided as indicated by the second presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer must file the arbitration case between 0 and 45-calendar days of the second presentment.
- When second presentment supporting documentation will be provided as indicated by the second presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the arbitration case.

When second presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the second presentment, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

Mastercard will consider the arbitration case invalid if the issuer files an arbitration case before the applicable second presentment supporting documentation time frame has expired.

The issuer must accept supporting documentation as long as the issuer has not processed an arbitration case filing. If the second presentment supporting documentation is received after the “protected” eight-calendar day time frame and on the same day as the arbitration case filing, Mastercard will not consider the second presentment supporting documentation.

Sender Memo.

The issuer must include in the Sender Memo within the Mastercom Case Filing Application that the reason for the filing is “Chip Liability Shift-Lost/Stolen/Never Received Issue (NRI) Fraud”, “4871”, or similar phrase describing the issue.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

Supporting Documentation.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

If the issuer escalates to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the arbitration that was required (but not provided) in the chargeback.
The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the arbitration case filing at the time the case is filed. 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 the time the case is filed.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.

**Acquirer Response to an Arbitration Case.**

An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration.

  Once the arbitration case is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
Documentation Received with Second Presentment was Illegible or Scanning Error
This section describes the process for filing, and responding to, an arbitration case when the issuer claims that the second presentment documentation was illegible.
Issuer Submission of a Pre-Arbitration Case Filing.

Pre-arbitration is optional for this type of case filing; this means that an issuer has the option to skip this pre-arbitration step and proceed to filing an arbitration case as described later in this table. When an issuer chooses to file a pre-arbitration case, the issuer time frame for the arbitration case filing is unchanged (this means within 45-calendar days of the Central Site Business Date of the Second Presentment). The issuer is not obligated to provide the acquirer with 30-calendar days to respond to the pre-arbitration case filing.

When an issuer chooses to file a pre-arbitration case then the following procedure must be followed.

An issuer may submit a pre-arbitration case when both of the following occurred:

• The original chargeback was valid
• The Second Presentment failed to remedy the dispute

When an issuer chooses to file a pre-arbitration case the issuer must file the arbitration case within 45-calendar days of the Central Site Business Date of the Second Presentment with the following conditions:

• When Second Presentment supporting documentation will not be provided as indicated by the Second Presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer may file the pre-arbitration case immediately
• When Second Presentment supporting documentation will be provided as indicated by the Second Presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the pre-arbitration case.

When Second Presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the Second Presentment, the issuer may file the pre-arbitration case as soon as the Second Presentment supporting document is received.

Mastercard will consider the pre-arbitration case invalid if the issuer files a pre-arbitration case before the applicable Second Presentment supporting documentation time frame has expired.

The issuer must accept supporting documentation as long as the issuer has not processed a pre-arbitration case filing. If the Second Presentment supporting documentation is received after the “protected” eight-calendar day time frame and on the same day as the pre-arbitration case filing, Mastercard will not consider the Second Presentment supporting documentation.

Sender Memo.

The issuer must include in the Sender Memo field within the Mastercom Case Filing Application that the reason for the filing is “Documentation Illegible”, “Scanning error”, “4902”, “4903”, or similar phrase describing the issue.

Supporting Documentation.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid. The reason is either typed into the Sender Memo field or included in Supporting Documentation within the Mastercom Case Filing Application.
Mastercard will not consider any Supporting Documentation provided in the pre-arbitration case filing that was required (but not provided) in the chargeback or Second Presentment.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration case filing at the time the case is filed. 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 the time the case is filed.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.
Acquirer Response to a Pre-arbitration Case.

An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction.
  Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application.
  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** and thereby accept financial responsibility for the disputed transaction. The Mastercom Case Filing Application will automatically accept the pre-arbitration case on behalf of the acquirer after 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing application.
  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.

- **Reject** the pre-arbitration case with a rebuttal and any relevant documentation.
  The acquirer should include the reason why the acquirer believes the pre-arbitration case filing is invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation.
  Rejecting the case must occur within 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing Application.
  The acquirer may reject the pre-arbitration case for one of the following reasons:
  - The chargeback was invalid
  - The second presentment remedied the chargeback. An example includes, but is not limited to, a credit was processed by the merchant before the second presentment and that credit was documented in the second presentment.
  - The pre-arbitration case was invalid. Examples include, but are not limited to, improper Supporting Documentation, or the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired.
  - The merchant has a rebuttal that specifically addresses the Supporting Documentation provided in the pre-arbitration case and, when applicable, documentation.

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the second presentment.
Issuer Submission of an Arbitration Case.

An issuer may submit an arbitration case when the following occurred:

- The original chargeback was valid.
- The second presentment failed to remedy the dispute.
- When the optional pre-arbitration was performed and the acquirer responded by rejecting the pre-arbitration or within 45-calendar days of the Central Site Business Date of the Second Presentment (regardless of whether the acquirer rejected the pre-arbitration case).

Sender Memo.

The issuer must include in the Sender Memo field within the Mastercom Case Filing Application that the reason for the filing is “Documentation Illegible”, “Scanning error”, “4902”, “4903”, or similar phrase describing the issue.

Supporting Documentation.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the arbitration 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.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.

Acquirer Response to an Arbitration Case.

An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.
- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration. Once the arbitration case is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
Required Documentation Not Received to Support Second Presentment

This section describes the process for filing, and responding to, an arbitration case when the issuer claims that the second presentment documentation was not received.
Issuer Submission of a Pre-Arbitration Case Filing.

Pre-arbitration is optional for this type of case filing; this means that an issuer has the option to skip this pre-arbitration step and proceed to filing an arbitration case as described later in this table. When an issuer chooses to file a pre-arbitration case, the issuer time frame for the arbitration case filing is unchanged (this means within 45-calendar days of the Central Site Business Date of the Second Presentment). The issuer is not obligated to provide the acquirer with 30-calendar days to respond to the pre-arbitration case filing.

When an issuer chooses to file a pre-arbitration case then the following procedure must be followed.

An issuer may submit a pre-arbitration case when:

- The original chargeback was valid
- The Second Presentment failed to remedy the dispute

When an issuer chooses to file a pre-arbitration case the issuer must file the arbitration case within 45-calendar days of the Central Site Business Date of the Second Presentment with the following conditions:

- When Second Presentment supporting documentation will not be provided as indicated by the Second Presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer may file the pre-arbitration case immediately
- When Second Presentment supporting documentation will be provided as indicated by the Second Presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the pre-arbitration case.
  
  When Second Presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the Second Presentment, the issuer may file the pre-arbitration case as soon as the Second Presentment supporting document is received.

Mastercard will consider the pre-arbitration case invalid if the issuer files a pre-arbitration case before the applicable Second Presentment supporting documentation time frame has expired.

The issuer must accept supporting documentation as long as the issuer has not processed a pre-arbitration case filing. If the Second Presentment supporting documentation is received after the “protected” eight-calendar day time frame and on the same day as the pre-arbitration case filing, Mastercard will not consider the Second Presentment supporting documentation.

Sender Memo.

The issuer must include in the Sender Memo field within the Mastercom Case Filing Application that the reason for the filing is “Required Documentation Not Received to Support Second Presentment”, “4901”, or similar phrase describing the issue.

Supporting Documentation.
The issuer must include the reason why the issuer believes the Second Presentment to be invalid. The reason is either typed into the Sender Memo field or included in Supporting Documentation within the Mastercom Case Filing Application.

Mastercard will not consider any Supporting Documentation provided in the pre-arbitration case filing that was required (but not provided) in the chargeback or Second Presentment.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration case filing at the time the case is filed. 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 the time the case is filed.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.
Acquirer Response to a Pre-arbitration Case.

An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction.
  Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application.
  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** and thereby accept financial responsibility for the disputed transaction.
  The Mastercom Case Filing Application will automatically accept the pre-arbitration case on behalf of the acquirer after 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing application.
  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.

- **Reject** the pre-arbitration case with a rebuttal and any relevant documentation.
  The acquirer should include the reason why the acquirer believes the pre-arbitration case filing is invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation.
  Rejecting the case must occur within 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing Application.
  The acquirer may reject the pre-arbitration case for one of the following reasons:
  - The chargeback was invalid
  - The second presentment remedied the chargeback. An example includes, but is not limited to, a credit was processed by the merchant before the second presentment and that credit was documented in the second presentment.
  - The pre-arbitration case was invalid. Examples include, but are not limited to, improper Supporting Documentation, the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired.
  - The merchant has a rebuttal that specifically addresses the Supporting Documentation provided in the pre-arbitration case and, when applicable, documentation.

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the second presentment.
Issuer Submission of an Arbitration Case.

An issuer may submit an arbitration case when the following occurred:

• The original chargeback was valid
• The second presentment failed to remedy the dispute
• When the optional pre-arbitration was performed and the acquirer responded by rejecting the pre-arbitration or within 45-calendar days of the Central Site Business Date of the Second Presentment (regardless of whether the acquirer rejected the pre-arbitration case)

An arbitration case must be filed within 45-calendar days of the second presentment with the following conditions:

• When documentation will not be provided as indicated by the second presentment supporting documentation indicator code of 0, the arbitration case must be filed between 0 and 45-calendar days of the second presentment.
• When second presentment supporting documentation will be provided, an issuer must wait at least eight-calendar days before filing the arbitration case. This means when the second presentment supporting documentation indicator code is a 1, the arbitration case must be filed between nine and 45-calendar days from the Central Site Business Date of the second presentment.

The issuer must accept supporting documentation as long as the issuer has not processed an arbitration case filing. Should the second presentment supporting document be received after the “protected” eight-calendar day time frame and on the same day as the arbitration case filing, Mastercard will not consider the second presentment supporting documentation.

Mastercard will consider the arbitration invalid if the issuer files an arbitration case before the applicable second presentment supporting documentation time frame has expired.

Sender Memo.

The issuer must include in the Sender Memo field within the Mastercom Case Filing Application that the reason for the filing is “Required Documentation Not Received to Support Second Presentment” or “4901” or similar phrase describing the issue.

Supporting Documentation.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the arbitration 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.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.
Acquirer Response to an Arbitration Case.
An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration.

  Once the arbitration case is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
Acquirer Reference Data (ARD) Does Not Match or is Invalid
This section describes the process for filing, and responding to, an arbitration case when the second presentment claimed the Acquirer Reference Data (ARD) was invalid.
Issuer Submission of a Pre-Arbitration Case Filing.

Pre-arbitration is optional for this type of case filing; this means that an issuer has the option to skip this pre-arbitration step and proceed to filing an arbitration case as described later in this table. When an issuer chooses to file a pre-arbitration case, the issuer time frame for the arbitration case filing is unchanged (this means within 45-calendar days of the Central Site Business Date of the Second Presentment). The issuer is not obligated to provide the acquirer with 30-calendar days to respond to the pre-arbitration case filing.

When an issuer chooses to file a pre-arbitration case then the following procedure must be followed.

An issuer may submit a pre-arbitration case when both of the following occurred:

• The original chargeback was valid
• The Second Presentment failed to remedy the dispute

When an issuer chooses to file a pre-arbitration case the issuer must file the arbitration case within 45-calendar days of the Central Site Business Date of the Second Presentment with the following conditions:

• When Second Presentment supporting documentation will not be provided as indicated by the Second Presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer may file the pre-arbitration case immediately
• When Second Presentment supporting documentation will be provided as indicated by the Second Presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the pre-arbitration case.

When Second Presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the Second Presentment, the issuer may file the pre-arbitration case as soon as the Second Presentment supporting document is received.

Mastercard will consider the pre-arbitration case invalid if the issuer files a pre-arbitration case before the applicable Second Presentment supporting documentation time frame has expired.

The issuer must accept supporting documentation as long as the issuer has not processed a pre-arbitration case filing. If the Second Presentment supporting documentation is received after the "protected" eight-calendar day time frame and on the same day as the pre-arbitration case filing, Mastercard will not consider the Second Presentment supporting documentation.

Sender Memo.

The issuer must include in the Sender Memo field within the Mastercom Case Filing Application that the reason for the filing is “Correct reference number supplied” or similar phrase describing the issue.

Supporting Documentation.
The issuer must include the reason why the issuer believes the Second Presentment to be invalid. The reason is either typed into the Sender Memo field or included in Supporting Documentation within the Mastercom Case Filing Application.

Mastercard will not consider any Supporting Documentation provided in the pre-arbitration case filing that was required (but not provided) in the chargeback or Second Presentment.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration case filing at the time the case is filed. 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 the time the case is filed.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.
Acquirer Response to a Pre-arbitration Case.

An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction.
  
  Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application.
  
  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** and thereby accept financial responsibility for the disputed transaction.
  
  The Mastercom Case Filing Application will automatically accept the pre-arbitration case on behalf of the acquirer after 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing application.
  
  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.

- **Reject** the pre-arbitration case with a rebuttal and any relevant documentation.
  
  The acquirer should include the reason why the acquirer believes the pre-arbitration case filing is invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation.
  
  Rejecting the case must occur within 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing Application.
  
  The acquirer may reject the pre-arbitration case for one of the following reasons:
  
  - The chargeback was invalid
  - The second presentment remedied the chargeback. An example includes, but is not limited to, a credit was processed by the merchant before the second presentment and that credit was documented in the second presentment.
  - The pre-arbitration case was invalid. Examples include, but are not limited to, improper Supporting Documentation, or the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired.
  - The merchant has a rebuttal that specifically addresses the Supporting Documentation provided in the pre-arbitration case and, when applicable, documentation.
  
  If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the second presentment.
**Issuer Submission of an Arbitration Case.**

An issuer may submit an arbitration case when the following occurred:

- The original chargeback was valid
- The second presentment failed to remedy the dispute
- When the optional pre-arbitration was performed and the acquirer responded by rejecting the pre-arbitration or within 45-calendar days of the Central Site Business Date of the Second Presentment (regardless of whether the acquirer rejected the pre-arbitration case)

An arbitration case must be filed within 45-calendar days of the second presentment with the following conditions:

- When documentation will not be provided as indicated by the second presentment supporting documentation indicator code of 0, the arbitration case must be filed between 0 and 45-calendar days of the second presentment.
- When second presentment supporting documentation will be provided, an issuer must wait at least eight-calendar days before filing the arbitration case. This means when the second presentment supporting documentation indicator code is a 1, the arbitration case must be filed between nine and 45-calendar days from the Central Site Business Date of the second presentment.

The issuer must accept supporting documentation as long as the issuer has not processed an arbitration case filing. Should the second presentment supporting document be received after the “protected” eight-calendar day time frame and on the same day as the arbitration case filing, Mastercard will not consider the second presentment supporting documentation.

Mastercard will consider the arbitration invalid if the issuer files an arbitration case before the applicable second presentment supporting documentation time frame has expired.

**Sender Memo.**

The issuer must include in the Sender Memo field within the Mastercom Case Filing Application that the reason for the filing is “Correct Reference Number Supplied” or similar phrase describing the issue.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

**Supporting Documentation.**

One of the following:

- When the issuer’s chargeback didn’t include the ARD present in the first presentment: The issuer must provide the correct ARD.
- When the issuer’s chargeback included the ARD present in the first chargeback: The issuer must provide a copy of the first presentment as Supporting Documentation.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Case Filing application or as Supporting Documentation.
If the issuer escalates to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the arbitration that was required (but not provided) in the chargeback.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the arbitration case filing at the time the case is filed. 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 the time the case is filed.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.

### Acquirer Response to an Arbitration Case.

An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration.

  Once the arbitration case is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
Point-of-Interaction Error
This section describes the process for continuing a Point-of-Interaction Error dispute after the chargeback cycles have completed.

Transaction Amount Differs (Gratuity Disputes Only)
This section describes the process for filing, and responding to, a pre-arbitration and, when applicable, an arbitration case when the issuer believes the second presentment did not remedy the chargeback regarding the gratuity amount.

Issuer Submission of a Pre-Arbitration Case.
An issuer may submit a pre-arbitration case when both of the following occurred:

- The original chargeback was valid
- The second presentment supporting documentation was reviewed by the cardholder and the cardholder reasserts their dispute

A pre-arbitration case must be filed within 45-calendar days of the second presentment with the following conditions:

- When second presentment supporting documentation will not be provided as indicated by the second presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer must file the pre-arbitration case between 0 and 45-calendar days of the second presentment.
  Mastercard strongly recommends submitting the pre-arbitration case as soon as possible (to allow sufficient time to escalate to an arbitration case, when necessary, in light of time zone differences, weekends, and holidays).
- When second presentment supporting documentation will be provided as indicated by the second presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the pre-arbitration case.

When second presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the second presentment, the issuer may file the pre-arbitration case as soon as the second presentment supporting document is received.

Mastercard will consider the pre-arbitration case invalid if the issuer files a pre-arbitration case before the applicable second presentment supporting documentation time frame has expired.

The issuer must accept supporting documentation as long as the issuer has not processed a pre-arbitration case filing. If the second presentment supporting documentation is received after the “protected” eight-calendar day time frame and on the same day as the pre-arbitration case filing, Mastercard will not consider the second presentment supporting documentation.
**Sender Memo.**

The issuer must include in the Sender Memo within the Mastercom Case Filing Application that the reason for the filing is "POI Error", "31", "34", "42", "46", "4831", "4834", "4842", "4846", "4880", or similar phrase describing the issue.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

**Supporting Documents.**

A new 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 rebuttal provided with the second presentment.

A copy of the receipt or similar document detailing the correct gratuity amount.

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration that was required (but not provided) in the chargeback.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration case filing at the time the case is filed. 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 the time the case is filed.
Acquirer Responses to a Pre-arbitration Case.

An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction.
  
  Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application.
  
  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** and thereby accept financial responsibility for the disputed transaction.
  
  The Mastercom Case Filing Application will automatically accept the pre-arbitration case on behalf of the acquirer after 30-calendar days from the Submit Date specified within the Mastercom Case Filing application. 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.

- **Reject** the pre-arbitration case with a rebuttal and any relevant documentation.
  
  The acquirer should include the reason why the acquirer believes the pre-arbitration case filing to be invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation.
  
  Rejecting the case must occur within 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing Application.
  
  The acquirer may reject the pre-arbitration case for one of the following reasons:
  
  - The chargeback was invalid.
  - The second presentment remedied the chargeback. An example includes, but is not limited to, a credit was processed by the merchant before the second presentment and that credit was documented in the second presentment.
  - The pre-arbitration case was invalid. Examples include, but are not limited to, improper Supporting Documentation, the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired, or the issuer submitted the pre-arbitration case beyond the applicable time frame which did not provide the acquirer with 30-calendar days to respond.
  - The merchant has a rebuttal that specifically addresses the Supporting Documentation provided in the pre-arbitration case and, when applicable, documentation.

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the second presentment.
**Issuer Submission of an Arbitration Case.**

An issuer may escalate the pre-arbitration to an arbitration case upon rejection of the pre-arbitration case when the issuer continues to believe the chargeback is valid and the acquirer failed to remedy the pre-arbitration case. The issuer should provide a rebuttal and any relevant documentation in support of that rebuttal. Any rebuttal and documentation must be provided within 10-calendar days of escalation.

Mastercard will not consider any information provided in arbitration that was required (but not provided) in the chargeback or pre-arbitration.

Escalation must occur within 75-calendar days from the second presentment Central Site Business Date. If the issuer does not escalate by the 75th-calendar day from the second presentment Central Site Business Date the issuer will have accepted the financial responsibility for the disputed transaction.

The Mastercom Case Filing Application will allow the issuer to withdraw the arbitration case at any time before Mastercard rules on the case.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.

**Acquirer Responses to an Arbitration Case**

An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration.

  Once the arbitration case is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
ATM Disputes
This section describes the process for filing, and responding to, an arbitration case when the issuer believes the second presentment did not remedy the ATM chargeback.
Issuer Submission of a Pre-Arbitration Case Filing.

Pre-arbitration is optional for this type of case filing; this means that an issuer has the option to skip this pre-arbitration step and proceed to filing an arbitration case as described later in this table. When an issuer chooses to file a pre-arbitration case, the issuer time frame for the arbitration case filing is unchanged (this means within 45-calendar days of the Central Site Business Date of the Second Presentment). The issuer is not obligated to provide the acquirer with 30-calendar days to respond to the pre-arbitration case filing.

When an issuer chooses to file a pre-arbitration case then the following procedure must be followed.

An issuer may submit a pre-arbitration case when both of the following occurred:

- The original chargeback was valid
- The Second Presentment failed to remedy the dispute

When an issuer chooses to file a pre-arbitration case the issuer must file the arbitration case within 45-calendar days of the Central Site Business Date of the Second Presentment with the following conditions:

- When Second Presentment supporting documentation will not be provided as indicated by the Second Presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer may file the pre-arbitration case immediately.
- When Second Presentment supporting documentation will be provided as indicated by the Second Presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least 10-calendar days for the supporting documentation before filing the pre-arbitration case.

When Second Presentment supporting documentation is provided earlier than 10-calendar days from the Central Site Business Date of the Second Presentment, the issuer may file the pre-arbitration case as soon as the Second Presentment supporting document is received.

Mastercard will consider the pre-arbitration case invalid if the issuer files a pre-arbitration case before the applicable Second Presentment supporting documentation time frame has expired.

The issuer must accept supporting documentation as long as the issuer has not processed a pre-arbitration case filing. If the Second Presentment supporting documentation is received after the “protected” 10-calendar day time frame and on the same day as the pre-arbitration case filing, Mastercard will not consider the Second Presentment supporting documentation.

Sender Memo.

The issuer must include in the Sender Memo field within the Mastercom Case Filing Application that the reason for the filing is “POI-ATM”, “17”, “34”, “59”, “4834”, “4859”, or similar phrase describing the issue.

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).
The issuer must include the reason why the issuer believes the Second Presentment to be invalid. The reason is either typed into the Sender Memo field or included in Supporting Documentation within the Mastercom Case Filing Application.

Mastercard will not consider any Supporting Documentation provided in the pre-arbitration case filing that was required (but not provided) in the chargeback or Second Presentment.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration case filing at the time the case is filed. 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 the time the case is filed.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.
Acquirer Response to a Pre-arbitration Case

An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

• **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction.
  
  Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

  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 Case Filing Application will automatically reject the pre-arbitration case to the issuer for review and possible escalation to an arbitration case filing.

  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.

• **Reject** the pre-arbitration case with a rebuttal and any relevant documentation.

  The acquirer should include the reason why the acquirer believes the pre-arbitration case filing is invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

  Rejecting the case must occur within 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

  The acquirer may reject the pre-arbitration case for one of the following reasons:

  - The chargeback was invalid
  - The second presentment remedied the chargeback. An example includes, but is not limited to, an adjustment was processed.
  - The pre-arbitration case was invalid. Examples include, but are not limited to, improper Supporting Documentation or the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired.

  If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the second presentment.
Issuer Submission of an Arbitration Case.

An issuer may submit an arbitration case when the following occurred:

- The original chargeback was valid
- The Second Presentment failed to remedy the dispute
- When the optional pre-arbitration was performed and the acquirer responded by rejecting the pre-arbitration or within 45-calendar days of the Central Site Business Date of the Second Presentment (regardless of whether the acquirer rejected the pre-arbitration case)

An arbitration case must be filed within 45-calendar days of the second presentment with the following conditions:

- When second presentment supporting documentation will not be provided as indicated by the second presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer must file the arbitration case between 0 and 45-calendar days of the second presentment.
- When second presentment supporting documentation will be provided as indicated by the second presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least 10-calendar days for the supporting documentation before filing the arbitration case.

When second presentment supporting documentation is provided earlier than 10-calendar days from the Central Site Business Date of the second presentment, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

Mastercard will consider the arbitration case invalid if the issuer files an arbitration case before the applicable second presentment supporting documentation time frame has expired.

The issuer must accept supporting documentation as long as the issuer has not processed an arbitration case filing. If the second presentment supporting documentation is received after the “protected” 10-calendar day time frame and on the same day as the arbitration case filing, Mastercard will not consider the second presentment supporting documentation.

Sender Memo.

The issuer must include in the Sender Memo within the Mastercom Case Filing Application that the reason for the filing is “POI-ATM”, “17”, “34”, “59”, “4834”, “4859”, or similar phrase describing the issue.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

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).

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

Mastercard will not consider any Supporting Documentation provided in the arbitration case filing that was required (but not provided) in the chargeback.
The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the arbitration case filing at the time the case is filed. 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 the time the case is filed.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.

**Acquirer Response to an Arbitration Case.**

An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration. Rejecting the case must occur within 30-calendar days of the date the pre-arbitration case was submitted into the Mastercom Case Filing Application.

  Once the arbitration case is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
ATM Dispute-Required Second Presentment Supporting Documentation Not Received (Europe Issuers only)

This section describes the process for filing, and responding to, an arbitration case when required second presentment supporting documentation in response to an ATM dispute was not received.
Issuer Submission of a Pre-Arbitration Case Filing.

Pre-arbitration is optional for this type of case filing; this means that an issuer has the option to skip this pre-arbitration step and proceed to filing an arbitration case as described later in this table. When an issuer chooses to file a pre-arbitration case, the issuer time frame for the arbitration case filing is unchanged (this means within 45-calendar days of the Central Site Business Date of the Second Presentment). The issuer is not obligated to provide the acquirer with 30-calendar days to respond to the pre-arbitration case filing.

An issuer may submit an pre-arbitration case when 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.

When an issuer chooses to file a pre-arbitration case the issuer must file the arbitration case within 45-calendar days of the Central Site Business Date of the Second Presentment with the following conditions:

- When Second Presentment supporting documentation will not be provided as indicated by the Second Presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer may file the pre-arbitration case immediately.
- When Second Presentment supporting documentation will be provided as indicated by the Second Presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least 10-calendar days for the supporting documentation before filing the pre-arbitration case.

When Second Presentment supporting documentation is provided earlier than 10-calendar days from the Central Site Business Date of the Second Presentment, the issuer may file the pre-arbitration case as soon as the Second Presentment supporting document is received.

Mastercard will consider the pre-arbitration case invalid if the issuer files a pre-arbitration case before the applicable Second Presentment supporting documentation time frame has expired.

The issuer must accept supporting documentation as long as the issuer has not processed a pre-arbitration case filing. If the Second Presentment supporting documentation is received after the “protected” 10-calendar day time frame and on the same day as the pre-arbitration case filing, Mastercard will not consider the Second Presentment supporting documentation.

Sender Memo.

The issuer must include in the Sender Memo field within the Mastercom Case Filing Application that the reason for the filing is “POI-ATM-No documentation” or similar phrase describing the issue.

Supporting Documentation.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid. The reason is either typed into the Sender Memo field or included in Supporting Documentation within the Mastercom Case Filing Application.

Mastercard will not consider any Supporting Documentation provided in the pre-arbitration case filing that was required (but not provided) in the chargeback or Second Presentment.
The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration case filing at the time the case is filed. 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 the time the case is filed.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.

**Acquirer Response to a Pre-arbitration Case.**

An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction.
  Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application.
  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 Case Filing Application will automatically reject the pre-arbitration case to the issuer for review and possible escalation to an arbitration case filing.

- **Reject** the pre-arbitration case with a rebuttal and any relevant documentation.
  The acquirer should include the reason why the acquirer believes the pre-arbitration case filing is invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation.
  Rejecting the case must occur within 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

  The acquirer may reject the pre-arbitration case for one of the following reasons:
  - The chargeback was invalid
  - The second presentment remedied the chargeback. An example includes, but is not limited to, an adjustment was processed
  - The pre-arbitration case was invalid. Examples include, but are not limited to, improper Supporting Documentation or the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired.

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the second presentment.
Issuer Submission of an Arbitration Case.

An issuer may submit an arbitration case when the following occurred:

- The original chargeback was valid
- The second presentment failed to remedy the dispute
- When the optional pre-arbitration was performed and the acquirer responded by rejecting the pre-arbitration or within 45-calendar days of the Central Site Business Date of the Second Presentment (regardless of whether the acquirer rejected the pre-arbitration case)

An arbitration case must be filed within 45-calendar days of the second presentment with the following conditions:

- When second presentment supporting documentation will not be provided as indicated by the second presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer must file the arbitration case between 0 and 45-calendar days of the second presentment.
- When second presentment supporting documentation will be provided as indicated by the second presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least 10-calendar days for the supporting documentation before filing the arbitration case.

When second presentment supporting documentation is provided earlier than 10-calendar days from the Central Site Business Date of the second presentment, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

Mastercard will consider the arbitration case invalid if the issuer files an arbitration case before the applicable second presentment supporting documentation time frame has expired.

The issuer must accept supporting documentation as long as the issuer has not processed an arbitration case filing. If the second presentment supporting documentation is received after the “protected” 10-calendar day time frame and on the same day as the arbitration case filing, Mastercard will not consider the second presentment supporting documentation.

Sender Memo.

The issuer must include in the Sender Memo within the Mastercom Case Filing Application that the reason for the filing is “POI-ATM-No documentation” or similar phrase describing the issue.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

Supporting Documentation.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

Mastercard will not consider any Supporting Documentation provided in the arbitration case filing that was required (but not provided) in the chargeback.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the arbitration case filing at the time the case is filed. 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 the time the case is filed.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.

**Acquirer Response to an Arbitration Case.**

An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration. Once the arbitration case is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter. The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
Invalid Second Presentment
This section describes the process for filing, and responding to, a pre-arbitration and, when applicable, an arbitration case when the issuer believes the second presentment did not remedy the chargeback.
Issuer Submission of a Pre-Arbitration Case.
An issuer may submit a pre-arbitration case when both of the following occurred:

- The chargeback was valid
- The Second Presentment failed to remedy the dispute

A pre-arbitration case must be filed within 45-calendar days of the second presentment with the following conditions:

- When second presentment supporting documentation will not be provided as indicated by the second presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer must file the pre-arbitration case between 0 and 45-calendar days of the second presentment.
  
  **Mastercard strongly recommends submitting the pre-arbitration case as soon as possible (to allow sufficient time to escalate to an arbitration case, when necessary, in light of time zone differences, weekends, and holidays).**

- When second presentment supporting documentation will be provided as indicated by the second presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the pre-arbitration case.

  When second presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the second presentment, the issuer may file the pre-arbitration case as soon as the second presentment supporting document is received.

  Mastercard will consider the pre-arbitration case invalid if the issuer files a pre-arbitration case before the applicable second presentment supporting documentation time frame has expired.

  The issuer must accept supporting documentation as long as the issuer has not processed a pre-arbitration case filing. If the second presentment supporting documentation is received after the “protected” eight-calendar day time frame and on the same day as the pre-arbitration case filing, Mastercard will not consider the second presentment supporting documentation.

Sender Memo.

The issuer must include in the Sender Memo within the Mastercom Case Filing Application that the reason for the filing is “POI Error”, “31”, “34”, “42”, “46”, “4831”, “4834”, “4842”, “4846”, “4880”, or similar phrase describing the issue.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

Supporting Documentation.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration that was required (but not provided) in the chargeback.
The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration case filing at the time the case is filed. 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 the time the case is filed.
Acquirer Responses to a Pre-arbitration Case.

An acquirer may take one of the following actions in response to receiving a Pre-arbitration case filing:

• **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction.
   Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

   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** and thereby accept financial responsibility for the disputed transaction. The Mastercom Case Filing Application will automatically accept the pre-arbitration case on behalf of the acquirer after 30-calendar days from the Submit Date specified within the Mastercom Case Filing application. 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.

• **Reject** the pre-arbitration with a rebuttal and any relevant documentation.
   The acquirer should include the reason why the acquirer believes the pre-arbitration case filing to be invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

   Rejecting the case must occur within 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

   The acquirer may reject the pre-arbitration case for one of the following reasons:
   - The chargeback was invalid.
   - The second presentment remedied the chargeback. An example includes, but is not limited to, a credit was processed by the merchant before the second presentment and that credit was documented in the second presentment.
   - The pre-arbitration case was invalid. Examples include, but are not limited to, improper Supporting Documentation, the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired, or the issuer submitted the pre-arbitration case beyond the applicable time frame which did not provide the acquirer with 30-calendar days to respond.
   - The merchant has a rebuttal that specifically addresses the Supporting Documentation provided in the pre-arbitration case and, when applicable, documentation.

   If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the second presentment.
Issuer Submission of an Arbitration Case.

An issuer may escalate the pre-arbitration to an arbitration case upon rejection of the pre-arbitration case when the issuer continues to believe the chargeback is valid and the acquirer failed to remedy the pre-arbitration case. The issuer should provide a rebuttal and any relevant documentation in support of that rebuttal. Any rebuttal and documentation must be provided within 10-calendar days of escalation.

Mastercard will not consider any information provided in arbitration that was required (but not provided) in the chargeback or pre-arbitration.

Escalation must occur within 75-calendar days from the second presentment Central Site Business Date. If the issuer does not escalate by the 75th-calendar day from the second presentment Central Site Business Date the issuer will have accepted the financial responsibility for the disputed transaction.

The Mastercom Case Filing Application will allow the issuer to withdraw the arbitration case at any time before Mastercard rules on the case.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.

Acquirer Response to an Arbitration Case.

An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration.

  Once the arbitration case is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
This section describes the process for filing, and responding to, a pre-arbitration and, when applicable, an arbitration case when the issuer claims that the required second presentment supporting documentation was illegible.

Issuer Submission of a Pre-Arbitration Case.

An issuer may submit a pre-arbitration case within 45-calendar days from the Central Site Business Date of the second presentment and at least 30-calendar days prior to escalating to an arbitration case when all of the following:

- The chargeback was valid
- The second presentment required Supporting Documentation
- The second presentment Supporting Documentation was illegible (meaning blank or unreadable pages)

Mastercard strongly recommends submitting the pre-arbitration case as soon as possible (to allow sufficient time to escalate to an arbitration case, when necessary, in light of time zone differences, weekends, and holidays).

Sender Memo.

The issuer must include in the Sender Memo field within the Mastercom Case Filing Application that the reason for the filing is “Documentation Illegible”, “Scanning error”, “4902”, “4903”, or similar phrase describing the issue.

Supporting Documentation.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration 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.
Acquirer Response to a Pre-arbitration Case.
An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction.
  Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application.
  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** and thereby accept financial responsibility for the disputed transaction. The Mastercom Case Filing Application will automatically accept the pre-arbitration case on behalf of the acquirer after 30-calendar days from the Submit Date specified within the Mastercom Case Filing application. 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.

- **Reject** the pre-arbitration with a rebuttal and any relevant documentation.
  The acquirer should include the reason why the acquirer believes the pre-arbitration case filing to be invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation.
  Rejecting the case must occur within 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

Issuer Submission of an Arbitration Case.
An issuer may escalate the pre-arbitration to an arbitration case upon rejection of the pre-arbitration case when the issuer continues to believe the chargeback is valid and the acquirer failed to remedy the pre-arbitration case. The issuer should provide a rebuttal and any relevant documentation in support of that rebuttal. Any rebuttal and documentation must be provided within 10-calendar days of escalation.

Mastercard will not consider any information provided in arbitration that was required (but not provided) in the chargeback or pre-arbitration.

Escalation must occur within 75-calendar days from the second presentment Central Site Business Date. If the issuer does not escalate by the 75th-calendar day from the second presentment Central Site Business Date the issuer will have accepted the financial responsibility for the disputed transaction.

The Mastercom Case Filing Application will allow the issuer to withdraw the arbitration case at any time before Mastercard rules on the case.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.
Acquirer Response to an Arbitration Case.

An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration. Once the arbitration case is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter. The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
Required Documentation Not Received to Support Second Presentment
This section describes the process for filing, and responding to, a pre-arbitration and, when applicable, an arbitration case when the issuer claims that the required second presentment supporting documentation was not received.
Issuer Submission of a Pre-Arbitration Case.

An issuer may submit a pre-arbitration case when all of the following occurred:

- The chargeback was valid
- The second presentment required Supporting Documentation
- Supporting Documentation was not received to support the second presentment within eight-calendar days of the Central Site Business Date of the second presentment

A pre-arbitration case must be filed within both of the following time frames:

- Within 45-calendar days of the second presentment
- At least 30-calendar days prior to escalating to an arbitration case.

Mastercard strongly recommends submitting the pre-arbitration case as soon as possible (to allow sufficient time to escalate to an arbitration case, when necessary, in light of time zone differences, weekends, and holidays).

In addition:

- When second presentment supporting documentation will not be provided as indicated by the second presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer must file the pre-arbitration case between 0 and 45-calendar days of the second presentment.
- When second presentment supporting documentation will be provided as indicated by the second presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the pre-arbitration case.

When second presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the second presentment, the issuer may file the pre-arbitration case as soon as the second presentment supporting documentation is received.

Mastercard will consider the pre-arbitration invalid if the issuer files a pre-arbitration case before the applicable second presentment supporting documentation time frame has expired.

Sender Memo.

The issuer must include in the Sender Memo field within the Mastercom Case Filing Application that the reason for the filing is “Required Documentation Not Received to Support Second Presentment”, “4901”, or similar phrase describing the issue.

Supporting Documentation.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration 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.
Acquirer Response to a Pre-arbitration Case.
An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

• **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction.
  Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application.
  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** and thereby accept financial responsibility for the disputed transaction. The Mastercom Case Filing Application will automatically accept the pre-arbitration case on behalf of the acquirer after 30-calendar days from the Submit Date specified within the Mastercom Case Filing application. 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.

• **Reject** the pre-arbitration with a rebuttal and any relevant documentation.
  The acquirer should include the reason why the acquirer believes the pre-arbitration case filing to be invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation.
  Rejecting the case must occur within 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

Issuer Submission of an Arbitration Case.
An issuer may escalate the pre-arbitration to an arbitration case upon rejection of the pre-arbitration case when the issuer continues to believe the chargeback is valid and the acquirer failed to remedy the pre-arbitration case. The issuer should provide a rebuttal and any relevant documentation in support of that rebuttal. Any rebuttal and documentation must be provided within 10-calendar days of escalation.

Mastercard will not consider any information provided in arbitration that was required (but not provided) in the chargeback or pre-arbitration.

Escalation must occur within 75-calendar days from the second presentment Central Site Business Date. If the issuer does not escalate by the 75th-calendar day from the second presentment Central Site Business Date the issuer will have accepted the financial responsibility for the disputed transaction.

The Mastercom Case Filing Application will allow the issuer to withdraw the arbitration case at any time before Mastercard rules on the case.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.
**Acquirer Response to an Arbitration Case.**
An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration.

  Once the arbitration case is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
Acquirer Reference Data (ARD) Does Not Match or is Invalid
This section describes the process for filing, and responding to, an arbitration case when the second presentment claimed the Acquirer Reference Data (ARD) was invalid.
Issuer Submission of a Pre-Arbitration Case.

An issuer may submit a pre-arbitration case when all of the following conditions are met:

- The chargeback was valid
- The second presentment claimed the Acquirer Reference Data (ARD) in the original chargeback was invalid.
- The Acquirer Reference Data (ARD) in the original chargeback was valid.

A pre-arbitration case must be filed within 45-calendar days of the second presentment with the following conditions:

- When second presentment supporting documentation will not be provided as indicated by the second presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer must file the pre-arbitration case between 0 and 45-calendar days of the second presentment.

  **Mastercard strongly recommends submitting the pre-arbitration case as soon as possible (to allow sufficient time to escalate to an arbitration case, when necessary, in light of time zone differences, weekends, and holidays).**

- When second presentment supporting documentation will be provided as indicated by the second presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the pre-arbitration case.

  When second presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the second presentment, the issuer may file the pre-arbitration case as soon as the second presentment supporting document is received.

  Mastercard will consider the pre-arbitration invalid if the issuer files a pre-arbitration case before the applicable second presentment supporting documentation time frame has expired.

Sender Memo.

The issuer must include in the Sender Memo field within the Mastercom Case Filing Application that the reason for the filing is “Correct Reference Number Supplied” or similar phrase describing the issue.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

Supporting Documentation.

One of the following:

- When the issuer’s chargeback didn’t include the ARD present in the first presentment: The issuer must provide the correct ARD.
- When the issuer’s chargeback included the ARD present in the first chargeback: The issuer must provide a copy of the first presentment as Supporting Documentation.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.
If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration that was required (but not provided) in the chargeback.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration case filing at the time the case is filed. 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 the time the case is filed.
Pre-Arbitration and Arbitration Case Filing
Acquirer Reference Data (ARD) Does Not Match or is Invalid

**Acquirer Response to a Pre-arbitration Case.**

An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction.
  Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

  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** and thereby accept financial responsibility for the disputed transaction.
  The Mastercom Case Filing Application will automatically accept the pre-arbitration case on behalf of the acquirer after 30-calendar days from the Submit Date specified within the Mastercom Case Filing application. 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.

- **Reject** the pre-arbitration with a rebuttal and any relevant documentation.
  The acquirer should include the reason why the acquirer believes the pre-arbitration case filing to be invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

  Rejecting the case must occur within 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

  The acquirer may reject the pre-arbitration case for one of the following reasons:
  - The chargeback was invalid.
  - The second presentment remedied the chargeback. An example includes, but is not limited to, a credit was processed by the merchant before the second presentment and that credit was documented in the second presentment.
  - The pre-arbitration case was invalid. Examples include, but are not limited to, improper Supporting Documentation, the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired, or the issuer submitted the pre-arbitration case beyond the applicable time frame which did not provide the acquirer with 30-calendar days to respond.
  - The merchant has a rebuttal that specifically addresses the Supporting Documentation provided in the pre-arbitration case and, when applicable, documentation.

  If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the second presentment.
Issuer Submission of an Arbitration Case.

An issuer may escalate the pre-arbitration to an arbitration case upon rejection of the pre-arbitration case when the issuer continues to believe the chargeback is valid and the acquirer failed to remedy the pre-arbitration case. The issuer should provide a rebuttal and any relevant documentation in support of that rebuttal. Any rebuttal and documentation must be provided within 10-calendar days of escalation.

Mastercard will not consider any information provided in arbitration that was required (but not provided) in the chargeback or pre-arbitration.

Escalation must occur within 75-calendar days from the second presentment Central Site Business Date. If the issuer does not escalate by the 75th-calendar day from the second presentment Central Site Business Date the issuer will have accepted the financial responsibility for the disputed transaction.

The Mastercom Case Filing Application will allow the issuer to withdraw the arbitration case at any time before Mastercard rules on the case.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.

Acquirer Response to an Arbitration Case.

An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration.

  Once the arbitration case is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
Change of Chargeback Reason to a Point-of-Interaction (POI) Error Chargeback
This section describes the process for changing the reason code through the pre-arbitration and arbitration process.

Issuer Pre-Arbitration Case Submission.
An issuer must submit a pre-arbitration case when the issuer is changing the reason for the dispute from a non-POI Error dispute to a POI Error dispute.

In order to change the reason for a dispute all of the following must occur:

- The original chargeback was valid
- The Second Presentment remedied the original chargeback and identified that a valid POI Error chargeback is available and meets the conditions as described in Chapter 2-Dual Message System Chargebacks
- A pre-arbitration case must be filed within both of the following timeframes:
  - Within 45-calendar days of the second presentment
  - At least 30-calendar days prior to escalating to an arbitration case.

Mastercard strongly recommends submitting the pre-arbitration case as soon as possible (to allow sufficient time to escalate to an arbitration case, when necessary, in light of time zone differences, weekends, and holidays).

- The issuer must provide the supporting documentation required for a POI Error chargeback.
  The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration case filing at the time the case is filed. 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 the time the case is filed.
- The Sender Memo tab of the Mastercom Case Filing Application must include the text "Change of Reason" and "POI Error", "17", "34", "4834", or similar phrase describing the new valid chargeback reason
- When the POI Error chargeback requires DE 72 (Data Record) text or when optional DE 72 (Data Record) text is being provided, the DE 72 text must be provided in either the Sender Memo tab of the Mastercom Case Filing Application or as Supporting Documentation.
Acquirer Response to a Pre-arbitration Case.

An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction.
  Accepting the case must occur within 30-calendar days of the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

  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** and thereby accept financial responsibility for the disputed transaction.
  The Mastercom Case Filing Application will automatically accept the pre-arbitration case on behalf of the acquirer after 30-calendar days from the Submit Date specified within the Mastercom Case Filing application. 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.

- **Reject** the pre-arbitration with a rebuttal and any relevant documentation.
  The acquirer should include the reason why the acquirer believes the pre-arbitration case filing to be invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

  Rejecting the case must occur within 30-calendar days from the date present in the Submitted Date field specified within the Mastercom Case Filing Application.

  The acquirer may reject the pre-arbitration case for one of the following reasons:

  - The original chargeback was invalid
  - The second presentment remedied the original chargeback and did not identify a valid POI Error chargeback as being available.
  - The pre-arbitration case was invalid. Examples include, but are not limited to, improper Supporting Documentation, the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired, or the issuer submitted the pre-arbitration case beyond the applicable time frame which did not provide the acquirer with 30-calendar days to respond.
  - The merchant has a rebuttal that specifically addresses the Supporting Documentation provided in the pre-arbitration case and, when applicable, documentation.

  If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the second presentment.
**Issuer Submission of an Arbitration Case.**

An issuer may escalate the pre-arbitration to an arbitration case upon rejection of the pre-arbitration case when the issuer continues to believe the original chargeback and the POI Error chargeback are both valid and the acquirer failed to remedy the pre-arbitration case. The issuer should provide a rebuttal and any relevant documentation in support of that rebuttal. Any rebuttal and documentation must be provided within 10-calendar days of escalation.

Mastercard will not consider any information provided in arbitration that was required (but not provided) in the chargeback or pre-arbitration.

Escalation must occur within 75-calendar days from the second presentment Central Site Business Date. If the issuer does not escalate by the 75th-calendar day from the second presentment Central Site Business Date the issuer will have accepted the financial responsibility for the disputed transaction.

The Mastercom Case Filing Application will allow the issuer to withdraw the arbitration case at any time before Mastercard rules on the case.

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.

**Acquirer Response to an Arbitration Case**

An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.
- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration.
  
  Once the arbitration is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.
  
  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
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 acquirer rejects the case filing within the Mastercom Case Filing Application

Mastercard will rule on the arbitration case as filed. Financial liability will be assigned based on the merits of the filing and the applicable rules, upholding the principle that every dispute cycle must be properly processed. This means, for example, that financial liability will be assigned to the issuer when the required pre-arbitration case was not processed or an arbitration case was filed beyond time frame.

For China domestic arbitration cases, the decision will be posted in the China Dispute Resolution Platform. The case filing settlement will automatically debit and credit the disputed amount to the appropriate Customers. Customers may view the settlement details in the clearing reconciliation file or BDF as EREC record with advice reason code of 7007800 for settlement and reconciliation purpose.

For all other arbitration cases, 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 digital Pricing Guide 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 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

Dispute Administration Fee (DAF)
• For Intra-European and Inter-European 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.
• 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/1740-700 message with reason code 7606. DE 72 (Data Record) of the fee collection message must contain “NNNNNN-COLLECTION OF DAF.” NNNNNNN must be replaced with the 7-digit case identification number.
• When the fee was debited unduly, meaning the acquirer collected the DAF with a second presentment after processing a credit to the cardholder, the fee can be collected by the issuer using the miscellaneous Fee Collection/1740-700 message with reason code 7606. This fee collection message must be sent within 45-calendar days after the dispute message was sent which unduly triggered the DAF. DE 72 (Data Record) of the fee collection message must contain “NNNNNNNNNN-COLLECTION OF DAF.” NNNNNNNNNNN must be replaced with the 10 digit chargeback reference number.
Appeals

An appeal is a written request from a Customer to Mastercard asking Mastercard to reconsider a ruling decision.

Time Frames

The appeal must be received by Mastercard within 45-calendar days of the Mastercard ruling decision.

How to File an Appeal

An appeal:

• May only be submitted by a Customer involved in the case.
• Must include a detailed explanation in English of why the Customer believes the Mastercard decision should be reconsidered. An appeal may include documentation supporting an overturn of the original decision; such document must be in English (or accompanied by an English translation). 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 sent from the email address of the Principal or Compliance contact of the Customer appealing the Mastercard decision as listed in the My Company Manager application on Mastercard Connect™ to franchise.appeals@mastercard.com,
• Must copy the Principal or Compliance contact of the other Customer involved in the case as listed in the My Company Manager application on Mastercard Connect.

In the event that a Customer has more than one Principal or Compliance contact listed in the My Company Manager application, select only one contact for the appeal submission.

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.
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 the chargeback and arbitration case process (including any cycle within that process) is available
- When the chargeback and arbitration case process (including any cycle within that process) is prohibited
- To circumvent the Fraud Notification Service (FNS)
- For claims that a cardholder was credited twice (once by the issuer as a result of a chargeback and again through a refund processed by the merchant); the matter must be resolved during the second presentment and arbitration case filing process.
- For claims between Customers that may be addressed through the Card Acceptor Business Code (MCC) Performance Program described in Security Rules and Procedures, Chapter 8-Mastercard Fraud Control Programs.

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 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).

Processing Platform

For all China domestic compliance cases, the cases must be submitted and managed through the China Dispute Resolution Platform. Unless otherwise specified, the rules and process in this chapter that apply to Mastercard apply to
China Dispute Resolution Platform. Mastercard strongly recommends daily review of the China Dispute Resolution Platform to manage cases within applicable time frames.

For more information, refer to the China Switch User Guide – Customer Portal.

For all other compliance cases, the cases must be submitted and managed through the Mastercom Case Filing Application. Mastercard strongly recommends daily review of the Case Filing application to manage cases within applicable time frames.

For more information, refer to the Mastercom manuals available on Mastercard Connect > Technical Resource Center > References.

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 Time Frames 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. 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 time frames described in the Time Frames 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.

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

<table>
<thead>
<tr>
<th>Pre-compliance Condition</th>
<th>An issuer may file a pre-compliance case against an acquirer when both of the following:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Any of the mandatory or optional data elements supplied in the authorization request message are missing, invalid or inaccurate.</td>
</tr>
<tr>
<td></td>
<td>• The issuer suffered a financial loss directly due to the violation.</td>
</tr>
</tbody>
</table>

<p>| Pre-compliance Time Frame | At least 30-calendar days prior to escalating the pre-compliance case to a compliance case. |</p>
<table>
<thead>
<tr>
<th>Pre-compliance Supporting Documentation</th>
<th>All the following:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• The specific authorization data asserted to be missing, invalid, or inaccurate.</td>
</tr>
<tr>
<td></td>
<td>• Documentation confirming that the authorization data, as received, misrepresented the nature of the transaction</td>
</tr>
<tr>
<td></td>
<td>• Documentation explaining why the missing, invalid, or inaccurate authorization data resulted in the transaction being authorized.</td>
</tr>
<tr>
<td></td>
<td>• Documentation explaining why the transaction would not have been authorized if complete, valid, and accurate data had been received</td>
</tr>
<tr>
<td></td>
<td>• 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.</td>
</tr>
<tr>
<td></td>
<td>• For a transaction containing an Original Switch Serial Number: a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Compliance Condition</th>
<th>An issuer may escalate the pre-compliance case to a compliance case when the pre-compliance case is rejected.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance Time Frame</td>
<td>Within 120-calendar days of the Central Site Business Date of the transaction.</td>
</tr>
<tr>
<td>Notes</td>
<td>Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.</td>
</tr>
</tbody>
</table>

This compliance case is not valid for a MoneySend Payment Transaction in which Mastercard and the issuer (as the Receiving Institution) agreed in writing to replace the MCC that reflects the primary business of the merchant with the generic MoneySend MCC (6536 or 6537) only in the authorization network messages.
## Inaccurate Clearing Data That Restricts Chargeback Cycles

<table>
<thead>
<tr>
<th>Pre-compliance Condition</th>
<th>Both of the following:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• 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 or second presentment) 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.</td>
</tr>
</tbody>
</table>

| Pre-compliance Time Frame | At least 30-calendar days prior to escalating the pre-compliance case to a compliance case. |

<table>
<thead>
<tr>
<th>Pre-compliance Supporting Documentation</th>
<th>When the Filing Customer is the issuer:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• 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.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>When the Filing Customer is the acquirer:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• 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.</td>
</tr>
</tbody>
</table>

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.

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 time frame will cause the compliance time frame 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.

#### 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

<table>
<thead>
<tr>
<th>Pre-compliance Condition</th>
<th>An acquirer may file a compliance case against an acquirer when all of the following occurred:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• An acquirer signed a merchant agreement with a merchant</td>
<td>• That same merchant was previously terminated by a previous acquirer</td>
</tr>
<tr>
<td>• That previous acquirer failed to list or properly list the merchant on MATCH</td>
<td>• The acquirer experienced a financial loss directly caused by the failure of a previous acquirer to list or properly list the merchant on MATCH</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Pre-compliance Time Frame</th>
<th>At least 30-calendar days prior to escalating the pre-compliance case to a compliance case</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Pre-compliance Supporting Documentation</th>
<th>All of the following:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Documentation to support the <strong>Pre-Compliance Condition</strong>.</td>
</tr>
<tr>
<td></td>
<td>• 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.</td>
</tr>
<tr>
<td></td>
<td>• For transactions assigned an Original Switch Serial Number: a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Compliance Condition</th>
<th>An acquirer may escalate the pre-compliance case to a compliance case when the pre-compliance case was rejected.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Compliance Time Frame</th>
<th>One of the following:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Within 120-calendar days of the acquirer terminating the merchant’s merchant agreement</td>
</tr>
<tr>
<td></td>
<td>• When beyond 120-calendar days, 45-calendar days from the date the violation was, or should have been, detected</td>
</tr>
</tbody>
</table>

| 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. |
Unspent Gift Card Funds

Pre-compliance Condition

Both of the following:

• An issuer may file a pre-compliance case for unspent funds against an acquirer whose merchant deactivated a gift or prepaid card purchased fraudulently with a Mastercard card.
• 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

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.

Notes

Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation.

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.

---

### 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
<table>
<thead>
<tr>
<th>Notes</th>
<th>Refer to the <em>Security Rules and Procedures</em> 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.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Payment Transactions</strong></td>
<td></td>
</tr>
<tr>
<td>Pre-compliance Condition</td>
<td>The issuer (as the Receiving Institution (RI)) did not receive a clearing record within one Central Site business day of the authorization approval date of the Payment Transaction authorization request.</td>
</tr>
<tr>
<td>Pre-compliance Time Frame</td>
<td>30-calendar days prior to escalating the pre-compliance case to a compliance case</td>
</tr>
</tbody>
</table>
| 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 Payment Transaction authorization request. |
| 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.  
This scenario must not be used when the RI has approved a valid Payment Transaction reversal request. |
All Other Rules Violations - Third-Party Processed Transactions

<table>
<thead>
<tr>
<th>Pre-compliance Condition</th>
<th>For third-party processed transactions where both Customers are located in the EEA, Gibraltar or the United Kingdom and have not agreed to any other compliance procedure:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• A Mastercard rule was violated</td>
</tr>
<tr>
<td></td>
<td>• The Filing Customer suffered a financial loss directly due to the violation</td>
</tr>
<tr>
<td>Pre-compliance Time Frame</td>
<td>At least 30-calendar days prior to escalating the pre-compliance case to a compliance case</td>
</tr>
<tr>
<td>Pre-compliance Supporting Documentation</td>
<td>All of the following:</td>
</tr>
<tr>
<td></td>
<td>• Declaration invoking the All Other Rules Violations - Third-Party Processed Transactions compliance case filing scenario, with sufficient information for all parties to understand the dispute. This declaration must include, but is not limited to, the following:</td>
</tr>
<tr>
<td></td>
<td>– Relevant details of the third-party processing arrangement.</td>
</tr>
<tr>
<td></td>
<td>– A statement that the Customers have not agreed to any other compliance procedure.</td>
</tr>
<tr>
<td></td>
<td>– The applicable Mastercard scheme rules violation.</td>
</tr>
<tr>
<td></td>
<td>• Documentation to support the Pre-Compliance Condition.</td>
</tr>
<tr>
<td></td>
<td>And, if applicable, transaction logs, equivalent data elements and explanation.</td>
</tr>
</tbody>
</table>

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. |

All Other Rules Violations

<table>
<thead>
<tr>
<th>Pre-compliance Condition</th>
<th>Both of the following:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• A rule was violated</td>
</tr>
<tr>
<td></td>
<td>• The Filing Customer suffered a financial loss directly due to the violation</td>
</tr>
<tr>
<td>Pre-compliance Time Frame</td>
<td>At least 30-calendar days prior to escalating the pre-compliance case to a compliance case</td>
</tr>
</tbody>
</table>
### 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.

For third party processed transactions for which the issuer and acquirer involved have not agreed to any other compliance procedure, refer to the previous table "All Other Rules Violations - Third-Party Processed Transactions."

---

### 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.

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.

For China domestic compliance cases, the decision will be posted in the China Dispute Resolution Platform. The case filing settlement will automatically debit and credit the disputed amount to the appropriate Customers. Customers may view the settlement details in the clearing reconciliation file or BDF as EREC record with advice reason code of 7007800 for settlement and reconciliation purpose.

For all other compliance cases, 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.

**Time Frames and Requirements**

**Invalid Return of Processed Adjustment (China Domestic Only)**

| Pre-compliance Condition                                                                 | Pre-compliance is optional, the acquirer 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 case. |

| Pre-compliance Supporting Documentation | A Customer choosing pre-compliance must provide the Compliance Supporting Documentation. |

| Compliance Condition | An acquirer may file a compliance case if the return of a processed adjustment is invalid. |

| Time Frame | Within 45-calendar days of the invalid return of processed adjustment, |

| Supporting Documentation | A thorough description of the circumstance of the case in chronological order. |

| Notes | Refer to Appendix G China Domestic Adjustments for more information. |

**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:
    - 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

**Dispute Administration Fee (DAF)**

- For Intra-European and Inter-European 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.
• 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/1740-700 message with reason code 7606. DE 72 (Data Record) of the fee collection message must contain "\textit{NNNNNN}-COLLECTION OF DAF." \textit{NNNNNN} must be replaced with the 7-digit case identification number.
• When the fee was debited unduly, meaning the acquirer collected the DAF with a second presentment after processing a credit to the cardholder, the fee can be collected by the issuer using the miscellaneous Fee Collection/1740-700 message with reason code 7606.
• This fee collection message must be sent within 45-calendar days after the dispute message was sent which unduly triggered the DAF. DE 72 (Data Record) of the fee collection message must contain "\textit{NNNNNNNNNN}-COLLECTION OF DAF." \textit{NNNNNNNNNN} must be replaced with the 10-digit chargeback reference number.

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

The appeal must be received by Mastercard within 45-calendar days of the Mastercard ruling decision.

How to File an Appeal

An appeal:
• May only be submitted by a Customer involved in the case.
• Must include a detailed explanation in English of why the Customer believes the Mastercard decision should be reconsidered. An appeal may include documentation supporting an overturn of the original decision; such document must be in English (or accompanied by an English translation). No new facts will be considered in an appeal unless, and then only to the extent, requested by the Chief Franchise Officer.
• Must be sent from the email address of the Principal or Compliance contact of the Customer appealing the Mastercard decision as listed in the My Company
Manager application on Mastercard Connect™ to franchise.appeals@mastercard.com

- Must copy the Principal or Compliance contact of the other Customer involved in the case as listed in the My Company Manager application on Mastercard Connect.
  In the event that a Customer has more than one Principal or Compliance contact listed in the My Company Manager application, select only one contact for the appeal submission

**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.
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 (two-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 (two-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.

• 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 (two-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 provided during pre-compliance 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. Information relevant to the case must be in English or the original non-English documentation must be accompanied by an English translation when the case is escalated to compliance. 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.

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.
**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 transaction settlement date.
- Between 15 and 90-calendar days from the delivery date of the goods or services.
- 90-calendar 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**

<table>
<thead>
<tr>
<th>Pre-Compliance Response Condition.</th>
<th>The Receiving Institution (RI) can provide evidence in response to the consumer's claims.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Time Frame.</strong></td>
<td>Within 25-calendar days (two-business days for domestic Nigeria POS transactions) of the pre-compliance Submitted Date as shown in the Mastercom Case Filing application.</td>
</tr>
<tr>
<td><strong>Supporting Documents.</strong></td>
<td>The merchant's explanation and documentation in response to the cardholder's claims.</td>
</tr>
</tbody>
</table>

---

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Chargeback Guide • 7 December 2021
### 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

<table>
<thead>
<tr>
<th>Pre-Compliance Response Condition.</th>
<th>The Originating Institution (OI) pre-compliance filing was invalid. For example, the pre-compliance case was filed after the applicable timeframe.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Frame.</td>
<td>Within 25-calendar days (two-business days for domestic Nigeria POS transactions) of the pre-compliance Submitted Date as shown in the Mastercom Case Filing application.</td>
</tr>
<tr>
<td>Supporting Documents.</td>
<td>The RI’s explanation of why they believe the pre-compliance filing was invalid.</td>
</tr>
<tr>
<td>Notes.</td>
<td>None.</td>
</tr>
</tbody>
</table>

### 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

<table>
<thead>
<tr>
<th>Compliance Condition.</th>
<th>The consumer continues to dispute the transaction.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Frame.</td>
<td>Escalate within 120-calendar days of one of the following:</td>
</tr>
<tr>
<td></td>
<td>• The delivery date of the goods or services.</td>
</tr>
<tr>
<td></td>
<td>• The transaction settlement date.</td>
</tr>
<tr>
<td></td>
<td>• For interrupted services, the date the services ceased.</td>
</tr>
</tbody>
</table>
### 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

<table>
<thead>
<tr>
<th>Compliance Condition</th>
<th>The RI's response to the pre-compliance case was invalid or not provided.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Time Frame.</strong></td>
<td>Escalate within 120-calendar days of one of the following:</td>
</tr>
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<td>• The delivery date of the goods or services.</td>
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<td>• For interrupted services, the date the services ceased.</td>
</tr>
<tr>
<td><strong>Supporting Documents.</strong></td>
<td>The OI's explanation of why they believe the pre-compliance response was invalid.</td>
</tr>
<tr>
<td></td>
<td>When applicable, the supporting documentation must be attached upon escalation or within 10-calendar days of escalation.</td>
</tr>
<tr>
<td><strong>Notes.</strong></td>
<td>None.</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Pre-Compliance Condition</th>
<th>One of the following:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• The consumer contacted the Originating Institution (OI) claiming both of the following:</td>
</tr>
<tr>
<td></td>
<td>– The consumer engaged in the transaction.</td>
</tr>
<tr>
<td></td>
<td>– The purchased goods or services were not received.</td>
</tr>
<tr>
<td></td>
<td>• 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.</td>
</tr>
</tbody>
</table>
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.
**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.
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.

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

<table>
<thead>
<tr>
<th>Pre-Compliance Response Condition.</th>
<th>The Receiving Institution can provide evidence in response to the consumer’s claims.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Frame.</td>
<td>Within 25-calendar days (two-business days for domestic Nigeria POS transactions) of the pre-compliance Submitted Date as shown in the Mastercom Case Filing application.</td>
</tr>
<tr>
<td>Supporting Documents.</td>
<td>The merchant’s explanation and documentation showing the goods or services were provided.</td>
</tr>
<tr>
<td>Notes.</td>
<td>None.</td>
</tr>
</tbody>
</table>

The OI’s Pre-Compliance was Invalid

<table>
<thead>
<tr>
<th>Pre-Compliance Condition.</th>
<th>The Originating Institution (OI) pre-compliance filing was invalid. For example, the pre-compliance case was filed after the applicable timeframe.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Frame.</td>
<td>Within 25-calendar days (two-business days for domestic Nigeria POS transactions) of the pre-compliance Submitted Date as shown in the Mastercom Case Filing application.</td>
</tr>
<tr>
<td>Supporting Documents.</td>
<td>The RI’s explanation of why they believe the pre-compliance filing was invalid.</td>
</tr>
<tr>
<td>Notes.</td>
<td>None.</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Compliance Condition.</th>
<th>The consumer continues to dispute the transaction.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Time Frame.</strong></td>
<td>Escalate within 120-calendar days of one of the following:</td>
</tr>
<tr>
<td></td>
<td>• The transaction settlement date.</td>
</tr>
<tr>
<td></td>
<td>• The latest anticipated delivery or performance date specified by the merchant.</td>
</tr>
<tr>
<td></td>
<td>• For interrupted ongoing services, the date the consumer became aware that the service ceased.</td>
</tr>
<tr>
<td></td>
<td>• 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.</td>
</tr>
</tbody>
</table>
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. |
**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 refund 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.
**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.
**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**

<table>
<thead>
<tr>
<th>Pre-Compliance Case Response Condition.</th>
<th>The merchant issued a refund to the consumer’s account.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Time Frame.</strong></td>
<td>Within 25-calendar days (two-business days for domestic Nigeria POS transactions) of the pre-compliance Submitted Date as shown in the Mastercom Case Filing application.</td>
</tr>
<tr>
<td><strong>Supporting Documents.</strong></td>
<td>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.</td>
</tr>
<tr>
<td><strong>Notes.</strong></td>
<td>This pre-compliance case response is not available for ATM transactions.</td>
</tr>
</tbody>
</table>
The OI's Pre-Compliance was Invalid

<table>
<thead>
<tr>
<th>Pre-compliance Condition.</th>
<th>The Originating Institution (OI) pre-compliance filing was invalid. For example, the pre-compliance case was filing after the applicable time frame.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Frame.</td>
<td>Within 25-calendar days (two-business days for domestic Nigeria POS transactions) of the pre-compliance Submitted Date as shown in the Mastercom Case Filing application.</td>
</tr>
<tr>
<td>Supporting Documents.</td>
<td>The RI's explanation of why they believe the pre-compliance filing was invalid.</td>
</tr>
<tr>
<td>Notes.</td>
<td>None.</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Compliance Condition.</th>
<th>The consumer continues to dispute the transaction.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Frame.</td>
<td>Escalate within 120-calendar days of one of the following:</td>
</tr>
<tr>
<td></td>
<td>• The date on the refund documentation.</td>
</tr>
<tr>
<td></td>
<td>• The date the services were canceled or the goods were returned.</td>
</tr>
<tr>
<td></td>
<td>• The transaction date for a VAT refund.</td>
</tr>
</tbody>
</table>
**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**

<table>
<thead>
<tr>
<th>Compliance Condition.</th>
<th>The RI's response to the pre-compliance case was invalid or not provided.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Frame.</td>
<td>Escalate within 120-calendar days of one of the following:</td>
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<tr>
<td></td>
<td>• The date on the refund documentation.</td>
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<td></td>
<td>• The date the services were canceled or the goods were returned.</td>
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<tr>
<td></td>
<td>• The transaction date for a VAT refund.</td>
</tr>
<tr>
<td>Supporting Documents.</td>
<td>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.</td>
</tr>
<tr>
<td>Notes.</td>
<td>None.</td>
</tr>
</tbody>
</table>

---
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.

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 90-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.
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

<table>
<thead>
<tr>
<th>Pre-Compliance Case Response Condition.</th>
<th>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.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Frame.</td>
<td>Within 25-calendar days (two-business days for domestic Nigeria POS transactions) of the pre-compliance Submitted Date as shown in the Mastercom Case Filing application.</td>
</tr>
<tr>
<td>Supporting Documents.</td>
<td>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.</td>
</tr>
<tr>
<td>Notes.</td>
<td>None.</td>
</tr>
</tbody>
</table>

The OI’s Pre-Compliance was Invalid

<table>
<thead>
<tr>
<th>Pre-compliance Condition.</th>
<th>The Originating Institution (OI) pre-compliance filing was invalid. For example, the pre-compliance case was filing after the applicable time frame.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Frame.</td>
<td>Within 25-calendar days (two-business days for domestic Nigeria POS transactions) of the pre-compliance Submitted Date as shown in the Mastercom Case Filing application.</td>
</tr>
<tr>
<td>Supporting Documents.</td>
<td>The RI’s explanation of why they believe the pre-compliance filing was invalid.</td>
</tr>
<tr>
<td>Notes.</td>
<td>None.</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Compliance Condition.</th>
<th>The consumer continues to dispute the transaction.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Time Frame.</strong></td>
<td>Escalate within 120-calendar days of the transaction settlement date.</td>
</tr>
</tbody>
</table>
| **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

<table>
<thead>
<tr>
<th>Compliance Condition.</th>
<th>The RI’s response to the pre-compliance case was invalid or not provided.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Time Frame.</strong></td>
<td>Escalate within 120-calendar days of the transaction settlement date.</td>
</tr>
</tbody>
</table>
| **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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Chargeback Guide • 7 December 2021
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

<table>
<thead>
<tr>
<th>Pre-compliance Condition.</th>
<th>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.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Frame.</td>
<td>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 90-calendar days from the transaction settlement date.</td>
</tr>
</tbody>
</table>
| 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.
The following tables detail the conditions under which an RI may respond to a pre-compliance case filing.

**Billed Correct Amount**

<table>
<thead>
<tr>
<th>Pre-Compliance Case Response Condition</th>
<th>The RI can provide evidence that the consumer was billed the correct amount.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Time Frame.</strong></td>
<td>Within 25-calendar days (two-business days for domestic Nigeria POS transactions) of the pre-compliance Submitted Date as shown in the Mastercom Case Filing application.</td>
</tr>
<tr>
<td><strong>Supporting Documents.</strong></td>
<td>The merchant's explanation and documentation.</td>
</tr>
<tr>
<td><strong>Notes.</strong></td>
<td>None.</td>
</tr>
</tbody>
</table>

**The OI's Pre-Compliance was Invalid**

<table>
<thead>
<tr>
<th>Pre-compliance Condition.</th>
<th>The Originating Institution (OI) pre-compliance filing was invalid. For example, the pre-compliance case was filing after the applicable time frame.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Time Frame.</strong></td>
<td>Within 25-calendar days (two-business days for domestic Nigeria POS transactions) of the pre-compliance Submitted Date as shown in the Mastercom Case Filing application.</td>
</tr>
<tr>
<td><strong>Supporting Documents.</strong></td>
<td>The RI's explanation of why they believe the pre-compliance filing was invalid.</td>
</tr>
<tr>
<td><strong>Notes.</strong></td>
<td>None.</td>
</tr>
</tbody>
</table>

**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.
### The Consumer Continues to Dispute the Transaction

<table>
<thead>
<tr>
<th>Compliance Condition.</th>
<th>The consumer continues to dispute the transaction.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Frame.</td>
<td>Escalate within 120-calendar days of the transaction settlement date.</td>
</tr>
<tr>
<td>Supporting Documents.</td>
<td>A new consumer letter, email, message, or <em>Dispute Resolution Form-Cardholder Dispute Chargeback</em> (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.</td>
</tr>
<tr>
<td>Notes.</td>
<td>The new consumer letter, email, message or completed <em>Dispute Resolution Form-Cardholder Dispute Chargeback</em> (Form 1221) must be dated after the pre-compliance case response and must specifically address the rebuttal provided with the pre-compliance case response.</td>
</tr>
</tbody>
</table>

### The RI’s Response to the Pre-Compliance Case was Invalid or Not Provided

<table>
<thead>
<tr>
<th>Compliance Condition.</th>
<th>The RI's response to the pre-compliance case was invalid or not provided.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Frame.</td>
<td>Escalate within 120-calendar days of the transaction settlement date.</td>
</tr>
<tr>
<td>Supporting Documents.</td>
<td>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.</td>
</tr>
<tr>
<td>Notes.</td>
<td>None.</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Pre-compliance Condition.</th>
<th>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.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Frame.</td>
<td>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 90-calendar days from the transaction settlement date.</td>
</tr>
<tr>
<td>Supporting Documents.</td>
<td>Both of the following:</td>
</tr>
<tr>
<td></td>
<td>• An OI statement within the pre-compliance case filing stating that the dispute reason is for &quot;DUPLICATE TRANSACTION&quot;.</td>
</tr>
<tr>
<td></td>
<td>• 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).</td>
</tr>
<tr>
<td>Notes.</td>
<td>The OI may file a pre-compliance case for only the disputed amount.</td>
</tr>
</tbody>
</table>

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.
Separate Transactions

<table>
<thead>
<tr>
<th>Pre-Compliance Case Response Condition.</th>
<th>The Receiving Institution can provide evidence to support two separate transactions, or proof that a refund was issued.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Frame.</td>
<td>Within 25-calendar days (two-business days for domestic Nigeria POS transactions) of the pre-compliance Submitted Date as shown in the Mastercom Case Filing application.</td>
</tr>
<tr>
<td>Supporting Documents.</td>
<td>The merchant's explanation and documentation supporting two separate transactions or proof that a refund was issued.</td>
</tr>
<tr>
<td>Notes.</td>
<td>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.</td>
</tr>
</tbody>
</table>

The OI's Pre-Compliance was Invalid

<table>
<thead>
<tr>
<th>Pre-compliance Condition.</th>
<th>The Originating Institution (OI) pre-compliance filing was invalid. For example, the pre-compliance case was filing after the applicable time frame.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Frame.</td>
<td>Within 25-calendar days (two-business days for domestic Nigeria POS transactions) of the pre-compliance Submitted Date as shown in the Mastercom Case Filing application.</td>
</tr>
<tr>
<td>Supporting Documents.</td>
<td>The RI's explanation of why they believe the pre-compliance filing was invalid.</td>
</tr>
<tr>
<td>Notes.</td>
<td>None.</td>
</tr>
</tbody>
</table>

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.

### The Consumer Continues to Dispute the Transaction

<table>
<thead>
<tr>
<th>Compliance Condition.</th>
<th>The consumer continues to dispute the transaction.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Frame.</td>
<td>Escalate within 120-calendar days of the transaction settlement date.</td>
</tr>
<tr>
<td>Supporting Documents.</td>
<td>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.</td>
</tr>
<tr>
<td>Notes.</td>
<td>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.</td>
</tr>
</tbody>
</table>

### The RI’s Response to the Pre-Compliance Case was Invalid or Not Provided

<table>
<thead>
<tr>
<th>Compliance Condition.</th>
<th>The RI's response to the pre-compliance case was invalid or not provided.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Frame.</td>
<td>Escalate within 120-calendar days of the transaction settlement date.</td>
</tr>
<tr>
<td>Supporting Documents.</td>
<td>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.</td>
</tr>
<tr>
<td>Notes.</td>
<td>None.</td>
</tr>
</tbody>
</table>
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.

Figure 1: Exception Processing Cycle for ATM Transactions
### 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

---

<table>
<thead>
<tr>
<th>Processing Cycle</th>
<th>Time Frame</th>
</tr>
</thead>
<tbody>
<tr>
<td>Presentment</td>
<td>The acquirer must send the presentment within seven-calendar days of the transaction date.</td>
</tr>
<tr>
<td>Chargeback</td>
<td>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.</td>
</tr>
<tr>
<td>Second Presentment</td>
<td>The acquirer must send the second presentment within 45-calendar days of the Central Site Business Date of the chargeback.</td>
</tr>
</tbody>
</table>
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 response messages are received) within the same clearing cycle, the transaction shall appear in the clearing file with the corrected transaction amount.

**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-calendar days of the chargeback processing date using Mastercom. For disputes between two Customers that share a common language, it is sufficient if the documentation is translated into English at arbitration stage.
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.

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 through 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/1740-700 message 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.”

**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.

<table>
<thead>
<tr>
<th>Reason Code</th>
<th>Description</th>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>4808(^1)</td>
<td>Transaction Not Authorized</td>
<td>Message Reason Code 4808-Transaction Not Authorized</td>
</tr>
</tbody>
</table>

\(^1\) Not available for interregional ATM transactions.
### Message Reason Codes

<table>
<thead>
<tr>
<th>Reason Code</th>
<th>Description</th>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>4834</td>
<td>Duplicate Processing of Transaction</td>
<td>Message Reason Code 4834-Duplicate Processing of Transaction</td>
</tr>
<tr>
<td>4842</td>
<td>Late Presentment (Mastercard® and Cirrus® only)</td>
<td>Message Reason Code 4842-Late Presentment</td>
</tr>
<tr>
<td>4846</td>
<td>Currency Errors</td>
<td>Message Reason Code 4846-Currency Errors</td>
</tr>
<tr>
<td>4859</td>
<td>ATM Dispute</td>
<td>Message Reason Code 4859-ATM Dispute</td>
</tr>
<tr>
<td>4870</td>
<td>Chip Liability Shift</td>
<td>Message Reason Code 4870-Chip Liability Shift</td>
</tr>
<tr>
<td>4880</td>
<td>Late Presentment (Maestro® only)</td>
<td>Message Reason Code 4880-Late Presentment</td>
</tr>
</tbody>
</table>

In addition to the above chargeback reasons, the following message reason codes may be used by Mastercard to automatically chargeback interregional transactions.

<table>
<thead>
<tr>
<th>Reason Code</th>
<th>Description</th>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>4804</td>
<td>Multiple Processing</td>
<td>Message Reason Code 4804-Multiple Processing</td>
</tr>
<tr>
<td>4809</td>
<td>Transaction not reconciled</td>
<td>Message Reason Code 4809-Transaction Not Reconciled</td>
</tr>
<tr>
<td>4811</td>
<td>Stale Transaction</td>
<td>Message Reason Code 4811-Stale Transaction</td>
</tr>
</tbody>
</table>
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 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 or inter-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.

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

<table>
<thead>
<tr>
<th>IPM Second Presentment Message Reason Code.</th>
<th>2713</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Invalid Chargeback</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Transaction Authorized</td>
</tr>
</tbody>
</table>

Second Presentment Condition.

The acquirer can substantiate that the transaction was approved.

Supporting Documents.

None

DE 72 (Data Record)

MMDDYY NNNNNN
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.
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.

<table>
<thead>
<tr>
<th>Time Frame</th>
<th>120 days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supporting Documents</td>
<td>None</td>
</tr>
<tr>
<td>DE 72 (Data Record)</td>
<td>FIRST REF NNNNNNNNNNNNNNNNNNNN</td>
</tr>
<tr>
<td>Notes</td>
<td>Replace NNNNNNNNNNNNNNNNNNNNNN with the Acquirer Reference Data (ARD) of the first transaction.</td>
</tr>
</tbody>
</table>

Interregional Transactions

<table>
<thead>
<tr>
<th>Time Frame</th>
<th>120 days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supporting Documents</td>
<td>None</td>
</tr>
<tr>
<td>DE 72 (Data Record)</td>
<td>None</td>
</tr>
<tr>
<td>Notes</td>
<td>The issuer must charge back both transactions.</td>
</tr>
</tbody>
</table>
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)

<table>
<thead>
<tr>
<th>IPM Second Presentment Message Reason Code</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transaction Authorized</td>
<td></td>
</tr>
</tbody>
</table>

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)

<table>
<thead>
<tr>
<th>IPM Second Presentment Message Reason Code</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit Previously Issued</td>
<td></td>
</tr>
</tbody>
</table>

Second Presentment Condition. The acquirer can substantiate that a credit was processed.

Supporting Documents. None

DE 72 (Data Record). CREDIT MMDDYY ARD

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 NNNNNN with the ARD.
### Chargeback Remedied

<table>
<thead>
<tr>
<th>Reason Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2700</td>
<td>See Corresponding Documentation/Chargeback Remedied</td>
</tr>
</tbody>
</table>

**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

<table>
<thead>
<tr>
<th>Reason Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2704</td>
<td>Invalid Data Record Text</td>
</tr>
</tbody>
</table>

**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).
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

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Correct Transaction Date Provided</td>
</tr>
</tbody>
</table>

**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

<table>
<thead>
<tr>
<th>IPM Second Presentment Message Reason Code.</th>
<th>2713</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Invalid Chargeback</td>
</tr>
</tbody>
</table>

**Second Presentment Condition.** The acquirer can show that the account is not permanently closed.

**Supporting Documents.** None

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

<table>
<thead>
<tr>
<th>Time Frame.</th>
<th>120-calendar days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retrieval Request.</td>
<td>No</td>
</tr>
<tr>
<td>Supporting Documents.</td>
<td>Cardholder dispute letter</td>
</tr>
<tr>
<td>DE 72 (Data Record).</td>
<td>POI CURRENCY CONVERSION</td>
</tr>
<tr>
<td>Notes.</td>
<td>The chargeback must be for the full amount of the transaction</td>
</tr>
</tbody>
</table>

POI Currency Conversion-Incorrect Cardholder Currency

<table>
<thead>
<tr>
<th>Time Frame.</th>
<th>120-calendar days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retrieval Request.</td>
<td>No</td>
</tr>
<tr>
<td>Supporting Documents.</td>
<td>To document the currency and amount billed to the cardholder supply one of the following:</td>
</tr>
<tr>
<td></td>
<td>• The cardholder’s billing statement or</td>
</tr>
<tr>
<td></td>
<td>• The issuer’s internal transaction record</td>
</tr>
</tbody>
</table>
### 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.

<table>
<thead>
<tr>
<th>IPM Second Presentment Message Reason Code.</th>
<th>2700</th>
<th>See Corresponding Documentation/Chargeback Remedied</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Second Presentment Condition.</strong></td>
<td></td>
<td>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.</td>
</tr>
<tr>
<td><strong>Supporting Documents.</strong></td>
<td></td>
<td>Documentation proving the correct currency was provided or specified.</td>
</tr>
<tr>
<td><strong>DE 72 (Data Record).</strong></td>
<td>None</td>
<td></td>
</tr>
<tr>
<td><strong>Notes.</strong></td>
<td>This remedy is not applicable for POI currency conversion disputes.</td>
<td></td>
</tr>
</tbody>
</table>

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.

**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.

<table>
<thead>
<tr>
<th>Time Frame.</th>
<th>120 days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supporting Documents.</td>
<td>None</td>
</tr>
<tr>
<td>DE 72 (Data Record).</td>
<td>RS3</td>
</tr>
<tr>
<td>Notes.</td>
<td>None</td>
</tr>
</tbody>
</table>
**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.

<table>
<thead>
<tr>
<th>Disbursement of Funds to Cardholder</th>
</tr>
</thead>
<tbody>
<tr>
<td>IPM Second Presentment Message Reason Code.</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Second Presentment Condition.</th>
</tr>
</thead>
<tbody>
<tr>
<td>The acquirer can provide documentation verifying the disbursement of funds to the cardholder.</td>
</tr>
</tbody>
</table>
Disbursement of Funds to Cardholder

Supporting Documents.

A legible copy of either the ATM audit tape or an internal transaction report from the acquirer. The ATM audit tape or the transaction report must show any terminal financial activity that occurred immediately before and after the disputed transaction.

The internal transaction report from the acquirer is to be used only when the ATM did not produce an audit tape. Data on the transaction report must come from the ATM journal and not from the clearing system.

A transaction report must contain sufficient information to enable the issuer to determine the amount of funds that were disbursed by the ATM. If required for clarity, the transaction report must be accompanied by a key that shows the different elements of the report and their definitions.

At minimum, the audit tape or transaction report must include:

- Primary Account Number read from track 2 of the magnetic stripe or from the chip (DE 2)
- Transaction type and account accessed (DE 3)
- Transaction amount in local currency (DE 4)
- Transaction trace or System Trace Audit Number (DE 11)
- Transaction date and time (DE 12)
- Terminal ID (DE 41)
- Terminal status (only required in case of partial or no dispense)
- Error report (only required in case of partial or no dispense). The documentation may also show:
  - Terminal's response to the last command received from the Interchange System
  - Retract indicator
  - Bill counts for each canister

If bill counts are present in the documentation, the acquirer must state the denomination of the bills that were dispensed from each canister.

DE 72 (Data Record).

RS3 and provide chargeback contact’s name, phone and fax number.
Disbursement of Funds to Cardholder

<table>
<thead>
<tr>
<th>Notes.</th>
</tr>
</thead>
<tbody>
<tr>
<td>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.</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>In this region...</th>
<th>The following countries and territories participate...</th>
<th>Effective for ATM transactions dated on or after...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia Pacific region</td>
<td>Australia and New Zealand</td>
<td>31 December 2015 (Mastercard)</td>
</tr>
<tr>
<td></td>
<td>Bangladesh, Bhutan, Maldives, and Sri Lanka</td>
<td>16 October 2015 (all brands)</td>
</tr>
<tr>
<td></td>
<td>India</td>
<td>31 December 2018 (all brands)</td>
</tr>
<tr>
<td></td>
<td>Indonesia</td>
<td>1 January 2022 (all brands)</td>
</tr>
<tr>
<td></td>
<td>Nepal</td>
<td>18 April 2018 (all brands)</td>
</tr>
<tr>
<td></td>
<td>All other countries and territories</td>
<td>19 April 2013 (Maestro only)</td>
</tr>
<tr>
<td></td>
<td>All other countries and territories</td>
<td>20 October 2017 (Mastercard and Cirrus)</td>
</tr>
</tbody>
</table>
The following countries and territories participate in the ATM transactions:

<table>
<thead>
<tr>
<th>Region</th>
<th>Countries/Territories</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada region</td>
<td>All</td>
<td>Currently in effect (all brands)</td>
</tr>
<tr>
<td>Europe region</td>
<td>All</td>
<td>Currently in effect (all brands)</td>
</tr>
<tr>
<td>Latin America and the Caribbean region</td>
<td>Mexico</td>
<td>1 September 2014 (all brands)</td>
</tr>
<tr>
<td></td>
<td>Puerto Rico and U.S. Virgin Islands</td>
<td>19 April 2013 (Maestro only) 21 October 2016 (Cirrus and Mastercard)</td>
</tr>
<tr>
<td></td>
<td>All other countries and territories</td>
<td>18 October 2013 (Mastercard) Currently in effect (Maestro and Cirrus)</td>
</tr>
<tr>
<td>Middle East/Africa region</td>
<td>All</td>
<td>Currently in effect (all brands)</td>
</tr>
<tr>
<td>United States region</td>
<td>All</td>
<td>19 April 2013 (Maestro only) 21 October 2016 (Cirrus and Mastercard)</td>
</tr>
</tbody>
</table>

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 the Fraud and Loss Database 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.

- **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.

<table>
<thead>
<tr>
<th>Time Frame.</th>
<th>120 days for Mastercard and Cirrus, 90 days for Maestro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retrieval Request.</td>
<td>No</td>
</tr>
<tr>
<td>Supporting Documents.</td>
<td>Cardholder Documentation</td>
</tr>
<tr>
<td>DE 72 (Data Record).</td>
<td>None</td>
</tr>
<tr>
<td>Notes.</td>
<td>None</td>
</tr>
</tbody>
</table>

**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

<table>
<thead>
<tr>
<th>IPM Second Presentment Message Reason Code</th>
<th>2713</th>
<th>Chargeback invalid</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Second Presentment Condition</strong></td>
<td>The acquirer can show that the liability shift does not apply as:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>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).</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. The transaction was completed with chip.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. The chargeback was otherwise invalid (for example, the terminal was hybrid).</td>
<td></td>
</tr>
<tr>
<td><strong>Supporting Documents</strong></td>
<td>• Intra-European and interEuropean transactions—None</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Interregional transactions—The acquirer must provide documentation showing that the chargeback was invalid.</td>
<td></td>
</tr>
<tr>
<td><strong>DE 72 (Data Record).</strong></td>
<td>Applies to intra-European and inter-European transactions only:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1. TRX Chip Liability Shift NA</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. Chip Transaction</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. Reason for return</td>
<td></td>
</tr>
<tr>
<td><strong>Notes.</strong></td>
<td>None</td>
<td></td>
</tr>
</tbody>
</table>

### Issuer Listed in a Mastercard Announcement

<table>
<thead>
<tr>
<th>IPM Second Presentment Message Reason Code</th>
<th>2713</th>
<th>Invalid Chargeback</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Second Presentment Condition</strong></td>
<td>The acquirer can show that on the chargeback date, the issuer was listed in a Mastercard Announcement as:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1. Ineligible to participate in the Global Chip Liability Shift Program for interregional Maestro ATM transactions; or</td>
<td></td>
</tr>
<tr>
<td></td>
<td>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).</td>
<td></td>
</tr>
<tr>
<td><strong>Supporting Documents.</strong></td>
<td>None</td>
<td></td>
</tr>
<tr>
<td><strong>DE 72 (Data Record).</strong></td>
<td>1. ISSUER LISTED GSB NNNN CLS INELIG</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. ISSUER LISTED GSB NNNN FNS EXCEEDED</td>
<td></td>
</tr>
</tbody>
</table>
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.

**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.

<table>
<thead>
<tr>
<th>Correct Transaction Date Provided</th>
</tr>
</thead>
<tbody>
<tr>
<td>Correct transaction date provided</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Second Presentment Condition.</th>
</tr>
</thead>
<tbody>
<tr>
<td>The acquirer can substantiate that the transaction date was not more than seven-calendar days before the Central Site processing date of the presentment.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Supporting Documents.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transaction printout</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DE 72 (Data Record).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Correct transaction date</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Notes.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other message codes may apply; refer to Second Presentment for more details.</td>
</tr>
</tbody>
</table>
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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- Improper Use of Message Reason Code 4837
- Proper Use for Acquirer's Second Presentment
- Arbitration Case Filing
Overview

This graphic presents the chargeback processing cycle.
Figure 2: Chargeback Processing Cycle Flow Overview

- Cardholder makes ATM or POS transaction
- Cardholder or Issuer disputes the presentation Retrieval Request (POS transactions only) (section B.1.3.1)
- Interregional Chargeback (section B.1.6)
- Intra-European Chargeback (section B.1.7)
- 5-120 days max (section B.1.4.2)
- 120 days max (section B.1.4.2)
- Second Presentment (section B.1.5)
- MasterCard reviews case (section B.2.8)
- MasterCard Worldwide informs member of resolution
- Issuer and Acquirer
- Appeal (section B.2.9)
- Appeal (section B.2.9)
- MasterCard
Presentment
The acquirer must send the presentment within seven-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.
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 using a retrieval request fulfillment 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.

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 the Fraud and Loss Database. 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.

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.

**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.

<table>
<thead>
<tr>
<th>Chargeback Reason</th>
<th>Europe Customers Use Reason Code</th>
<th>Customers Outside Europe Use Reason Code</th>
<th>PIN-based?</th>
<th>Signature?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disputed Amount</td>
<td>4831</td>
<td>71</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Duplicate Transaction</td>
<td>4834</td>
<td>73</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>No Cardholder Authorization</td>
<td>4837</td>
<td>74</td>
<td>N/A</td>
<td>Yes</td>
</tr>
<tr>
<td>Goods or Services Not Provided</td>
<td>4855</td>
<td>79</td>
<td>Yes</td>
<td>N/A</td>
</tr>
<tr>
<td>Credit Not Received</td>
<td>4860</td>
<td>75</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Chip Liability Shift(^2)</td>
<td>4870</td>
<td>70</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Chip Transaction-Late Presentment</td>
<td>4880</td>
<td>80</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

In addition to the above chargeback reasons, the following chargeback reason codes may be used by Mastercard to automatically chargeback interregional transactions.

<table>
<thead>
<tr>
<th>Chargeback Reason</th>
<th>Reason Code</th>
<th>PIN-based?</th>
<th>Signature?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple Processing</td>
<td>4804</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Transaction not reconciled</td>
<td>4809</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Stale Transaction</td>
<td>4811</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

\(^2\) According to schedule of countries joining the Chip Liability Shift as published in the Global Operations Bulletins.
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)

Issuers 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.

<table>
<thead>
<tr>
<th>Chargeback Remedied</th>
</tr>
</thead>
<tbody>
<tr>
<td>IPM Second Presentment Message Reason Code</td>
</tr>
<tr>
<td>Chargeback remedied</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Second Presentment Condition.</th>
</tr>
</thead>
<tbody>
<tr>
<td>The transaction was correctly processed.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Supporting Documents.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Documentation proving that the transaction was correctly processed.</td>
</tr>
</tbody>
</table>
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.

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

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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.

Refer to Appendix F for Digital Secure Remote Payment transaction identification requirements.

- A Mastercard Consumer-Presented Quick Response (QR) transaction that was properly identified in the Authorization Request/0100 message or Financial Transaction Request/0200 message. Refer to Appendix F for Mastercard Consumer-Presented Quick Response (QR) transactions 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

<table>
<thead>
<tr>
<th>IPM Second Presentment Message Reason Code.</th>
<th>2713</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invalid chargeback</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Second Presentment Condition.</th>
<th>The chargeback did not meet the requirements as stipulated under section Proper Use of Interregional Message Reason Code 4837.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supporting Documents.</td>
<td>Copy of the authorization record</td>
</tr>
<tr>
<td>DE 72 (Data Record).</td>
<td>None</td>
</tr>
<tr>
<td>Notes.</td>
<td>None</td>
</tr>
</tbody>
</table>

### Two or More Previous Fraud-related Chargebacks

<table>
<thead>
<tr>
<th>IPM Second Presentment Message Reason Code.</th>
<th>2713</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invalid chargeback</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Second Presentment Condition.</th>
<th>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.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supporting Documents.</td>
<td>None</td>
</tr>
<tr>
<td>DE 72 (Data Record).</td>
<td>None</td>
</tr>
</tbody>
</table>
### 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

<table>
<thead>
<tr>
<th>IPM Second Presentment Message Reason Code</th>
<th>2713</th>
</tr>
</thead>
<tbody>
<tr>
<td>Second Presentment Condition.</td>
<td>Invalid chargeback</td>
</tr>
<tr>
<td>The issuer previously charged back more than 15 transactions involving the same account for message reason code 4837 or 4870.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Supporting Documents.</th>
<th>None</th>
</tr>
</thead>
<tbody>
<tr>
<td>DE 72 (Data Record).</td>
<td>None</td>
</tr>
</tbody>
</table>

### 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.
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 (SDW) may be charged back if the funds did not appear in the SDW. Chargeback rights are not available for any subsequent purchase of goods or service from a SDW. SDW 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.

<table>
<thead>
<tr>
<th>Chargeback Remedied</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IPM Second Presentment Message Reason Code.</strong></td>
</tr>
<tr>
<td>Chargeback remedied</td>
</tr>
<tr>
<td><strong>Second Presentment Condition.</strong></td>
</tr>
<tr>
<td><strong>Supporting Documents.</strong></td>
</tr>
<tr>
<td><strong>DE 72 (Data Record).</strong></td>
</tr>
<tr>
<td><strong>Notes.</strong></td>
</tr>
</tbody>
</table>
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 (SDW) may be charged back if the funds did not appear in the SDW. Chargeback rights are not available for any subsequent purchase of goods or service from a SDW. SDW 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.

<table>
<thead>
<tr>
<th>Credit Issued</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IPM Second Presentment Message Reason Code.</strong></td>
</tr>
<tr>
<td>Credit issued</td>
</tr>
</tbody>
</table>

| 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.

The fraudulent transaction must be reported to the Fraud and Loss Database 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 reported to the Fraud and Loss Database.

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...

<table>
<thead>
<tr>
<th>In this region</th>
<th>The following countries and territories participate</th>
<th>Effective for Maestro POS transactions dated on or after</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia/Pacific region</td>
<td>All</td>
<td>Currently in effect</td>
</tr>
<tr>
<td>Canada region</td>
<td>All</td>
<td>31 December 2015</td>
</tr>
<tr>
<td>Latin America and the Caribbean region</td>
<td>All</td>
<td>Currently in effect</td>
</tr>
<tr>
<td>Middle East/Africa region</td>
<td>All</td>
<td>Currently in effect</td>
</tr>
<tr>
<td>United States region</td>
<td>All</td>
<td>1 October 2015 for all except automated fuel dispenser transactions (MCC 5542)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 October 2017 for automated fuel dispenser transactions (MCC 5542)</td>
</tr>
</tbody>
</table>

**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.
- A Mastercard Consumer-Presented Quick Response (QR) transaction that was properly identified in the Authorization Request/0100 message or Financial Transaction Request/0200 message. Refer to Appendix F for Mastercard Consumer-Presented QR transactions identification requirements.
**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

<table>
<thead>
<tr>
<th>IPM Second Presentment Message Reason Code</th>
<th>2713</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Invalid Chargeback</td>
</tr>
</tbody>
</table>

**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 the Fraud and Loss Database 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.

**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

<table>
<thead>
<tr>
<th>IPM Second Presentment Message Reason Code</th>
<th>2713</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Invalid Chargeback</td>
</tr>
</tbody>
</table>

**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

<table>
<thead>
<tr>
<th>IPM Second Presentment Message Reason Code</th>
<th>2713</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Invalid Chargeback</td>
</tr>
</tbody>
</table>

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).

Issuer Listed in a Mastercard Announcement

<table>
<thead>
<tr>
<th>IPM Second Presentment Message Reason Code.</th>
<th>2713</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Invalid Chargeback</td>
</tr>
</tbody>
</table>

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
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.

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

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Correct transaction date provided</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Second Presentment Condition.</th>
<th>The acquirer shows that the transaction was presented within the proper time frame.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supporting Documents.</td>
<td>Documentation proving that the transaction was presented within the seven-calendar day time limit.</td>
</tr>
</tbody>
</table>

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 through 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/1740-700 message 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.”

<table>
<thead>
<tr>
<th>Chargeback Message Reason Codes</th>
<th>Documentation Required</th>
<th>Retrieval Request Required</th>
<th>Section Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>4808 Transaction Not Authorized</td>
<td>No</td>
<td>No</td>
<td>Intra-European Message Reason Code 4808-Transaction Not Authorized</td>
</tr>
<tr>
<td>4831 Disputed Amount</td>
<td>Yes</td>
<td>No</td>
<td>Intra-European Message Reason Code 4831-Disputed Amount</td>
</tr>
<tr>
<td>4834 Duplicate Processing of Transaction</td>
<td>No</td>
<td>No</td>
<td>Intra-European Message Reason Code 4834-Duplicate Processing of Transaction</td>
</tr>
</tbody>
</table>

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Chargeback Guide • 7 December 2021
<table>
<thead>
<tr>
<th>Chargeback Message Reason Codes</th>
<th>Documentation Required</th>
<th>Retrieval Request Required</th>
<th>Section Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>4837 No Cardholder Authorization</td>
<td>Yes</td>
<td>No</td>
<td>Intra-European Message Reason code 4837-No Cardholder Authorization</td>
</tr>
<tr>
<td>4841 Canceled Recurring or Digital Goods Transactions</td>
<td>Yes</td>
<td>No</td>
<td>Intra-European Message Reason code 4841-Canceled Recurring or Digital Goods Transactions</td>
</tr>
<tr>
<td>4846 Currency Errors</td>
<td>Sometimes</td>
<td>No</td>
<td>Intra-European Message Reason Code 4846-Currency Errors</td>
</tr>
<tr>
<td>4855 Goods or Services not Delivered</td>
<td>Yes</td>
<td>No</td>
<td>Intra-European Message Reason Code 4855-Goods or Services Not Provided</td>
</tr>
<tr>
<td>4860 Credit not Received</td>
<td>Yes</td>
<td>No</td>
<td>Intra-European Message Reason Code 4860-Credit Not Received</td>
</tr>
<tr>
<td>4870 Chip Liability Shift</td>
<td>No</td>
<td>No</td>
<td>Intra-European Message Reason Code 4870-Chip Liability Shift</td>
</tr>
<tr>
<td>4880 Late Presentment</td>
<td>No</td>
<td>No</td>
<td>Intra-European Message Reason Code 4880-Late Presentment</td>
</tr>
</tbody>
</table>

**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.

**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.

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.

<table>
<thead>
<tr>
<th>Time Frame.</th>
<th>120 days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retrieval Request.</td>
<td>No</td>
</tr>
<tr>
<td>Supporting Documents.</td>
<td>None</td>
</tr>
<tr>
<td>DE 72 (Data Record).</td>
<td>None</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>IPM Second Presentment Message Reason Code</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transaction authorized</td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>IPM Second Presentment Message Reason Code</th>
<th>2713</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invalid Chargeback</td>
<td></td>
</tr>
</tbody>
</table>

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.
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, domestic transactions in EEA countries, transactions between an EEA country and Gibraltar or the United Kingdom, Gibraltar domestic transactions, and United Kingdom domestic transactions). Issuers in EEA countries, Gibraltar, and the United Kingdom may use this message reason code if the cardholder alleges
that the amount of an authorized transaction for the purchase of goods or services was unreasonable, and all of the following conditions are met:

- The exact transaction amount was not specified at the time the cardholder engaged in the transaction, and
- The transaction amount exceeded what the cardholder could reasonably have expected, taking into account the cardholder’s previous spending pattern, the conditions of the cardholder agreement and the relevant circumstances of the case.

- The cardholder paid for goods or services by other means (for example, with a different card or with a 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 through 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.

Billing Discrepancies and Payment by Other Means

<table>
<thead>
<tr>
<th>Time Frame.</th>
<th>120-Calendar Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supporting Documents.</td>
<td>Cardholder letter, electronic message, or completed Dispute Resolution Form indicating that:</td>
</tr>
<tr>
<td>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</td>
<td></td>
</tr>
<tr>
<td>2. an unreasonable amount was charged.</td>
<td></td>
</tr>
<tr>
<td>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.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DE 72 (Data Record).</th>
<th>1. None</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2. UNREASONABLE AMOUNT</td>
</tr>
<tr>
<td></td>
<td>3. None</td>
</tr>
</tbody>
</table>

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)

<table>
<thead>
<tr>
<th>Chargeback Condition.</th>
<th>An improper merchant surcharge was applied to the total transaction amount.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Frame.</td>
<td>One of the following:</td>
</tr>
<tr>
<td></td>
<td>• 120-calendar days from the Central Site Business Date</td>
</tr>
<tr>
<td></td>
<td>• 120-calendar days from the delivery date of the goods or services</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Message Reason Code.</th>
<th>SURCHARGE</th>
</tr>
</thead>
</table>
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

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

<table>
<thead>
<tr>
<th>IPM Second Presentment Message Reason Code</th>
<th>2700</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Chargeback Remedied</td>
</tr>
</tbody>
</table>

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.
### Improper Merchant Surcharge (Intra-European and Inter-European Transactions Only)

<table>
<thead>
<tr>
<th>Supporting Documents.</th>
<th>1. Evidence that the transaction was correctly processed.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2. For unreasonable amount disputes, documentation</td>
</tr>
<tr>
<td></td>
<td>showing that the cardholder agreed to an amount range</td>
</tr>
<tr>
<td></td>
<td>as reasonable and that the transaction did not exceed</td>
</tr>
<tr>
<td></td>
<td>this amount range; for example,</td>
</tr>
<tr>
<td></td>
<td>- An itemized price list signed by the cardholder,</td>
</tr>
<tr>
<td></td>
<td>and an itemized transaction receipt showing the</td>
</tr>
<tr>
<td></td>
<td>transaction amount was calculated on the basis of</td>
</tr>
<tr>
<td></td>
<td>this price list; or</td>
</tr>
<tr>
<td></td>
<td>- The cardholder’s written agreement to a recurring</td>
</tr>
<tr>
<td></td>
<td>payment arrangement with the merchant in which a</td>
</tr>
<tr>
<td></td>
<td>maximum amount for each payment was specified.</td>
</tr>
<tr>
<td></td>
<td>3. For payment by other means disputes, an appropriate</td>
</tr>
<tr>
<td></td>
<td>merchant explanation and documentation showing two</td>
</tr>
<tr>
<td></td>
<td>separate transactions.</td>
</tr>
</tbody>
</table>

#### DE 72 (Data Record).

| None |

#### Improper Merchant Surcharge (Intra-European and Inter-European Transactions Only)

<table>
<thead>
<tr>
<th>Second Presentment Condition.</th>
<th>The acquirer can provide specific evidence of proper processing in response to the cardholder’s claims.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Frame.</td>
<td>Within 45-calendar days of the chargeback settlement date.</td>
</tr>
<tr>
<td>IPM Second Presentment Message Reason Code.</td>
<td>2700 (See Corresponding Documentation/Chargeback Remedied)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Supporting Documents.</th>
<th>The merchant’s explanation and documentation.</th>
</tr>
</thead>
<tbody>
<tr>
<td>DE 72 (Data Record).</td>
<td>None</td>
</tr>
</tbody>
</table>

| 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.

<table>
<thead>
<tr>
<th>Time Frame.</th>
<th>120 days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retrieval Request.</td>
<td>No</td>
</tr>
<tr>
<td>Supporting Documents.</td>
<td>None</td>
</tr>
<tr>
<td>DE 72 (Data Record).</td>
<td>FIRST ARD NNNNNNNNNNNNNNNNNNNNNN</td>
</tr>
<tr>
<td>Notes.</td>
<td>Issuer must provide the Acquirer Reference Data (ARD) of the first transaction in DE 72.</td>
</tr>
</tbody>
</table>

**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.

**Transaction Authorized**

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Transaction authorized.</td>
<td></td>
</tr>
<tr>
<td>Second Presentment Condition.</td>
<td>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).</td>
</tr>
<tr>
<td>Supporting Documents.</td>
<td>None</td>
</tr>
<tr>
<td>DE 72 (Data Record).</td>
<td>PIN MMDDYY NNNNNN, MMDDYY NNNNNN</td>
</tr>
<tr>
<td>Notes.</td>
<td>None</td>
</tr>
</tbody>
</table>

**Credit Previously Issued**

<table>
<thead>
<tr>
<th>IPM Second Presentment Message Reason Code</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit previously issued.</td>
<td></td>
</tr>
<tr>
<td>Second Presentment Condition</td>
<td>The acquirer can show that a credit was issued. The central site processing date of the credit or reversal must be provided.</td>
</tr>
<tr>
<td>Supporting Documents</td>
<td>None</td>
</tr>
<tr>
<td>DE 72 (Data Record)</td>
<td>Credit MMDDYY (and optionally the Acquirer Reference Data (ARD))</td>
</tr>
<tr>
<td>---------------------</td>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td>Notes</td>
<td>None</td>
</tr>
</tbody>
</table>

**Chargeback Remedied**

<table>
<thead>
<tr>
<th>IPM Second Presentment Message Reason Code.</th>
<th>2700</th>
<th>Chargeback remedied</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Second Presentment Condition.</strong></td>
<td>The acquirer provides two separate TIDs indicating two valid transactions.</td>
<td></td>
</tr>
<tr>
<td><strong>Supporting Documents.</strong></td>
<td>Two separate TIDs indicating two valid transactions.</td>
<td></td>
</tr>
<tr>
<td>DE 72 (Data Record).</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Notes.</td>
<td>None</td>
<td></td>
</tr>
</tbody>
</table>

**Invalid Data Record**

<table>
<thead>
<tr>
<th>IPM Second Presentment Message Reason Code.</th>
<th>2704</th>
<th>Invalid Data Record Text</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Second Presentment Condition.</strong></td>
<td>The chargeback is invalid because the issuer failed to provide the original ARD in DE 72 (Data Record).</td>
<td></td>
</tr>
<tr>
<td><strong>Supporting Documents.</strong></td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>DE 72 (Data Record).</td>
<td>None</td>
<td></td>
</tr>
</tbody>
</table>

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).

**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 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.
- A Mastercard Consumer-Presented Quick Responses (QR) transaction that was properly identified in the Authorization Request/0100 message or Financial Transaction Request/0200 message. Refer to Appendix F for Mastercard Consumer-Presented QR transactions identification requirements.
- When the transaction was completed at an EMV terminal which was properly identified in the authorization and the clearing record, except for fraudulent parking garage and tollway transactions completed without CVM.
- For contactless transactions completed with successful PIN verification.
- If the issuer approved the transaction after submitting two or more chargebacks involving the same Maestro card account (for this purpose, “account” means primary account number [PAN], or PAN and expiration date) for message reason code 4837 or 4870.
• The issuer submitted more than 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 Fraud and Loss Database.

All fraudulent transactions must be reported to the Fraud and Loss Database.

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**

<table>
<thead>
<tr>
<th>IPM Second Presentment Message Reason Code.</th>
<th>2713</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Invalid Chargeback</td>
</tr>
</tbody>
</table>
## 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.

## 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

<table>
<thead>
<tr>
<th>IPM Second Presentment</th>
<th>2713</th>
<th>Invalid Chargeback</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Message Reason Code.</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Second Presentment Condition.</strong></td>
<td>The chargeback did not meet the requirements as stipulated under section intra-European Message Reason code 4837-No Cardholder Authorization</td>
<td></td>
</tr>
<tr>
<td><strong>Supporting Documents.</strong></td>
<td>None</td>
<td></td>
</tr>
<tr>
<td><strong>DE 72 (Data Record).</strong></td>
<td>None</td>
<td></td>
</tr>
</tbody>
</table>

Two or More Previous Fraud-related Chargebacks

<table>
<thead>
<tr>
<th>IPM Second Presentment</th>
<th>2713</th>
<th>Invalid Chargeback</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Message Reason Code.</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Second Presentment Condition.</strong></td>
<td>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.</td>
<td></td>
</tr>
<tr>
<td><strong>Supporting Documents.</strong></td>
<td>None</td>
<td></td>
</tr>
<tr>
<td><strong>DE 72 (Data Record).</strong></td>
<td>One of the following:</td>
<td></td>
</tr>
<tr>
<td>1. FNS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. NN MMDDYY NN MMDDYY AUTH MMDDYY</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**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
• 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

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.

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.

Staged Digital Wallet. An Intra-European or Inter-European transaction to fund a Staged Digital Wallet (SDW) may be charged back if the funds did not appear in the SDW. This chargeback right is also available for purchases of goods or services (excluding gambling, investments and similar provision of services) made using a SDW, when the SDW funding transaction occurred during the consumer’s purchase.

A transaction in which a SDW is funded during the consumer’s purchase is identified with all of the following:

- Wallet identifier in DE 48 (Additional Data-Private Use), subelement 26 (Wallet Program Data), subfield 1 (Wallet Identifier) of the Authorization Request/0100 message and in PDS 0207 (Wallet Identifier) of the First Presentment/1240 message.
- SDW Operator name in conjunction with the retailer name in DE 43, subfield 1 (Card Acceptor Name) of authorization and clearing messages.
- MCC that most closely describes the primary business of the retailer in DE 18 (Merchant Type) of the Authorization Request/0100 message and in DE 26 (Card Acceptor Business Code [MCC]) of the First Presentment/1240 message.
The issuer or the cardholder must have contacted or attempted to contact the SDW Operator or the retailer to resolve the dispute before raising the chargeback. The result of this attempt must be explained in the support documentation.

**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**

<table>
<thead>
<tr>
<th>Time Frame.</th>
<th>120-calendar days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retrieval Request.</td>
<td>No</td>
</tr>
<tr>
<td>Supporting Documents.</td>
<td>Cardholder letter, electronic message, or completed <em>Dispute Resolution Form</em> stating that the merchant was notified of the cancellation before the billing of the disputed transaction</td>
</tr>
<tr>
<td>DE 72 (Data Records).</td>
<td>None</td>
</tr>
<tr>
<td>Note.</td>
<td>None</td>
</tr>
</tbody>
</table>

**Account Listed in Payment Cancellation Service (PCS)**

<table>
<thead>
<tr>
<th>Time Frame.</th>
<th>120-calendar days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retrieval Request.</td>
<td>No</td>
</tr>
<tr>
<td>Supporting Documents.</td>
<td>None</td>
</tr>
<tr>
<td>DE 72 (Data Records).</td>
<td>RPCS MMDDYY</td>
</tr>
<tr>
<td>Note.</td>
<td>Replace MMDDYY with the date the account number was listed in the Payment Cancellation Service (PCS).</td>
</tr>
</tbody>
</table>

**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. This means that the cardholder email, letter, message or completed Dispute Resolution Form-Cardholder Dispute Chargeback (Form 1221) must document how each Chargeback Conditions was met.

DE 72 (Data Record).
None.

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.

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

DE 72 (Data Record). DIGITAL GOODS
### Subsequent Message Reason Code 4841 Chargeback

<table>
<thead>
<tr>
<th>Time Frame</th>
<th>120-calendar days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retrieval Request</td>
<td>No</td>
</tr>
<tr>
<td>Supporting Documents</td>
<td>None</td>
</tr>
<tr>
<td>DE 72 (Data Records)</td>
<td>CBMDDYY ARD</td>
</tr>
<tr>
<td></td>
<td>XXXXXXXXXXXXXXXXXX</td>
</tr>
</tbody>
</table>

**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**

<table>
<thead>
<tr>
<th>IPM Second Presentment Message Reason Code</th>
<th>2700</th>
</tr>
</thead>
</table>

**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

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.

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

DE 72 (Data Record).  
None

Notes.  
None

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 and/or 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

<table>
<thead>
<tr>
<th>Time Frame.</th>
<th>120-calendar days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retrieval Request.</td>
<td>No</td>
</tr>
<tr>
<td>Supporting Documents.</td>
<td>None</td>
</tr>
<tr>
<td>DE 72 (Data Record).</td>
<td>None</td>
</tr>
<tr>
<td>Notes.</td>
<td>The acquirer transmitted the incorrect currency code. The chargeback must be for the full amount of the transaction.</td>
</tr>
</tbody>
</table>

### POI Currency Conversion

<table>
<thead>
<tr>
<th>Time Frame.</th>
<th>120-calendar days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retrieval Request.</td>
<td>No</td>
</tr>
<tr>
<td>Supporting Documents.</td>
<td>Cardholder letter, electronic message, or completed Dispute Resolution Form</td>
</tr>
<tr>
<td>DE 72 (Data Record).</td>
<td>POI CURRENCY CONVERSION</td>
</tr>
<tr>
<td>Notes.</td>
<td>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.</td>
</tr>
</tbody>
</table>

### Currency Conversion-Incorrect Cardholder Currency

<table>
<thead>
<tr>
<th>Time Frame.</th>
<th>120-calendar days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retrieval Request.</td>
<td>No</td>
</tr>
</tbody>
</table>
| 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 and/or 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 conditions shown below represent valid options that the acquirer may choose to process a second presentment for message reason code 4846.

<table>
<thead>
<tr>
<th>IPM Second Presentment Message Reason Code.</th>
<th>2700</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>See Corresponding Documentation/Chargeback remedied</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Second Presentment Condition.</strong></td>
<td>The acquirer determines that the correct transaction amount and currency code were provided.</td>
</tr>
<tr>
<td></td>
<td>In a dual currency environment, the merchant specified a currency indicator on the TID.</td>
</tr>
<tr>
<td><strong>Supporting Documents.</strong></td>
<td>Documentation proving the correct currency was provided or specified.</td>
</tr>
<tr>
<td><strong>DE 72 (Data Record).</strong></td>
<td>None</td>
</tr>
<tr>
<td><strong>Notes.</strong></td>
<td>This remedy is not applicable for POI currency conversion disputes.</td>
</tr>
</tbody>
</table>

---

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 and/or 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.

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).
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.
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.
**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 time frame, 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.** An Intra-European or Inter-European transaction to fund a Staged Digital Wallet (SDW) may be charged back if the funds did not appear in the SDW. This chargeback right is also available for purchases of goods or services (excluding gambling, investments and similar provision of services) made using a SDW, when the SDW funding transaction occurred during the consumer’s purchase.

A transaction in which a SDW is funded during the consumer’s purchase is identified with all of the following:

- Wallet Identifier in DE 48 (Additional Data-Private Use), subelement 26 (Wallet Program Data), subfield 1 (Wallet Identifier) of the Authorization Request/0100
message and in PDS 0207 (Wallet Identifier) of the First Presentment/1240 message.

- SDW Operator name in conjunction with the retailer name in DE 43, subfield 1 (Card Acceptor Name) of authorization and clearing messages.
- MCC that most closely describes the primary business of the retailer in DE 18 (Merchant Type) of the Authorization Request/0100 message and in DE 26 (Card Acceptor Business Code [MCC]) of the First Presentment/1240 message.

The issuer or the cardholder must have contacted or attempted to contact the SDW Operator or the retailer to resolve the dispute before raising the chargeback. The result of this attempt must be explained in the support documentation.

**Proper Use for Acquirer’s Second Presentment**

The condition shown below represents a valid option that the acquirer may choose to process a second presentment for message reason code 4855.

Possible Acquirer Remedies. The acquirer can refute the chargeback if it shows proof that:

- The cardholder or a person that the cardholder authorized received the goods or services; or
- The merchant attempted to provide the goods or services but the cardholder refused them; or
- At the time of the transaction, or thereafter by agreement between the merchant and the cardholder, the merchant agreed to provide the goods or services after the date the cardholder alleges the goods or services were to be provided.

<table>
<thead>
<tr>
<th>Chargeback Remedied</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IPM Second Presentment Message Reason Code.</strong></td>
</tr>
<tr>
<td>Chargeback remedied</td>
</tr>
</tbody>
</table>

| 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.
**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.

**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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**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.

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. An Intra-European or Inter-European transaction to fund a Staged Digital Wallet (SDW) may be charged back if the funds did not appear in the SDW. This chargeback right is also available for purchases of goods or services (excluding gambling, investments and similar provision of services) made using a SDW, when the SDW funding transaction occurred during the consumer’s purchase.

A transaction in which a SDW is funded during the consumer’s purchase is identified with all of the following:

- Wallet Identifier in DE 48 (Additional Data-Private Use), subelement 26 (Wallet Program Data), subfield 1 (Wallet Identifier) of the Authorization Request/0100 message and in PDS 0207 (Wallet Identifier) of the First Presentment/1240 message.
- SDW Operator name in conjunction with the retailer name in DE 43, subfield 1 (Card Acceptor Name) of authorization and clearing messages.
- MCC that most closely describes the primary business of the retailer in DE 18 (Merchant Type) of the Authorization Request/0100 message and in DE 26 (Card Acceptor Business Code [MCC]) of the First Presentment/1240 message.

The issuer or the cardholder must have contacted or attempted to contact the SDW Operator or the retailer to resolve the dispute before raising the chargeback. The result of this attempt must be explained in the support documentation.

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

<table>
<thead>
<tr>
<th>Time Frame</th>
<th>120-calendar days</th>
</tr>
</thead>
</table>
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 through a 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.

<table>
<thead>
<tr>
<th>DE 72 (Data Record)</th>
<th>For improper partial credit only:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NNNNNNNNNNNNNNNNNNNNNNNNNNNN</td>
</tr>
</tbody>
</table>

Notes. Replace NNNNNNNNNNNNNNNNNNNNNNNNNNNN 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 |

| 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).

**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

<table>
<thead>
<tr>
<th>IPM Second Presentment Message Reason Code.</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit issued</td>
<td></td>
</tr>
</tbody>
</table>

**Second Presentment Condition.** The acquirer can show that a credit or a reversal was processed.

**Supporting Documents.** None

**DE 72 (Data Record).** Credit MMDDYY (and, optionally, the Acquirer Reference Data [ARD])

#### Cancellation or Returns

<table>
<thead>
<tr>
<th>IPM Second Presentment Message Reason Code.</th>
<th>2700</th>
</tr>
</thead>
<tbody>
<tr>
<td>See Corresponding Documentation/Chargeback Remedied</td>
<td></td>
</tr>
</tbody>
</table>
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.

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 NNNNNNNNNNNNNNNNNNNNNNN
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 NNNNNNNNNNNNNNNNNNNNNNN 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 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 the Fraud and Loss Database.

The fraudulent transaction must be reported to the Fraud and Loss Database 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.
- A Mastercard Consumer-Presented Quick Response (QR) transaction that was properly identified in the Authorization Request/0100 message or Financial Transaction Request/0200 message. Refer to Appendix F for Mastercard Consumer-Presented QR transactions 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:

- 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**

<table>
<thead>
<tr>
<th>IPM Second Presentment Message Reason Code</th>
<th>2713</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invalid Chargeback</td>
<td></td>
</tr>
</tbody>
</table>

**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
### Invalid Chargeback

<table>
<thead>
<tr>
<th>IPM Second Presentment Message Reason Code</th>
<th>2713</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Invalid chargeback</td>
</tr>
</tbody>
</table>

**Second Presentment Condition.**

1. The terminal was a hybrid terminal and the proper CVM was used.
2. The transaction was not reported to the Fraud and Loss Database 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

<table>
<thead>
<tr>
<th>DE 72 (Data Record)</th>
<th>None</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes.</td>
<td>None</td>
</tr>
</tbody>
</table>

### Transaction Authorized

<table>
<thead>
<tr>
<th>IPM Second Presentment Message Reason Code</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Transaction authorized</td>
</tr>
</tbody>
</table>

**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

<table>
<thead>
<tr>
<th>DE 72 (Data Record)</th>
<th>INV SERVICE CODE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes.</td>
<td>None</td>
</tr>
</tbody>
</table>

### Two or More Previous Fraud-related Chargebacks

<table>
<thead>
<tr>
<th>IPM Second Presentment Message Reason Code</th>
<th>2713</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Invalid chargeback</td>
</tr>
</tbody>
</table>
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.

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.

<table>
<thead>
<tr>
<th>Correct Transaction Date Provided</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IPM Second Presentment</strong></td>
</tr>
<tr>
<td>Message Reason Code.</td>
</tr>
<tr>
<td>Correct Transaction date provided</td>
</tr>
<tr>
<td><strong>Second Presentment Condition.</strong></td>
</tr>
<tr>
<td><strong>Supporting Documents.</strong></td>
</tr>
<tr>
<td><strong>DE 72 (Data Record).</strong></td>
</tr>
</tbody>
</table>

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).
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 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 pre-arbitration, must be filed in the Mastercom Case Filing Application.
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..........................................................................................................................587
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 and therefore ineligible for chargeback under reason code 4837-No Cardholder Authorization. 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.

Procedure

1. From the HTML edition of this document, click the file download icon in the upper right corner.
2. Click CVM_Limit_Amounts.xls.
3. When the file opens, save it to a location on your computer.
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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<td>Disputed Surcharge</td>
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<tr>
<td>Proper Use for Acquirer's Second Presentment</td>
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<tr>
<td>Invalid Chargeback</td>
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<td>Disputed Surcharge</td>
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<td>Additional Remedies</td>
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<td>Arbitration Case Filing</td>
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<tr>
<td>Invalid Second Presentment</td>
<td>626</td>
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<tr>
<td>Cardholder Reasserts their Claim</td>
<td>631</td>
</tr>
<tr>
<td>Documentation Received with Second Presentment was Illegible or Scanning Error</td>
<td>636</td>
</tr>
<tr>
<td>Required Documentation Not Received to Support Second Presentment</td>
<td>638</td>
</tr>
<tr>
<td>Acquirer Reference Data (ARD) Does Not Match or is Invalid</td>
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<td>U.S. Region-U.S. Shared Deposits</td>
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<td>Returned Item (Reason Code 20)</td>
<td>647</td>
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<tr>
<td>Acquirer Adjustment</td>
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<tr>
<td>Issuer Chargeback</td>
<td>648</td>
</tr>
<tr>
<td>Empty Deposit Envelope (Reason Code 24)</td>
<td>648</td>
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<tr>
<td>Acquirer Adjustment</td>
<td>648</td>
</tr>
<tr>
<td>Issuer Chargeback</td>
<td>648</td>
</tr>
<tr>
<td>Error in Addition (Reason Code 25)</td>
<td>648</td>
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<tr>
<td>Acquirer Adjustment</td>
<td>648</td>
</tr>
<tr>
<td>Issuer Chargeback</td>
<td>649</td>
</tr>
<tr>
<td>Error in Settlement (Reason Code 26)</td>
<td>649</td>
</tr>
<tr>
<td>Acquirer Adjustment</td>
<td>649</td>
</tr>
<tr>
<td>Issuer Chargeback</td>
<td>650</td>
</tr>
<tr>
<td>Customer Keyed Wrong Amount (Reason Code 27)</td>
<td>650</td>
</tr>
<tr>
<td>Acquirer Adjustment</td>
<td>650</td>
</tr>
<tr>
<td>Issuer Chargeback</td>
<td>650</td>
</tr>
<tr>
<td>Non-Cash Item Deposited (Reason Code 28)</td>
<td>650</td>
</tr>
<tr>
<td>Acquirer Adjustment</td>
<td>650</td>
</tr>
<tr>
<td>Issuer Chargeback</td>
<td>650</td>
</tr>
<tr>
<td>Foreign/Counterfeit Currency Deposited (Reason Code 29)</td>
<td>651</td>
</tr>
<tr>
<td>Acquirer Adjustment</td>
<td>651</td>
</tr>
<tr>
<td>Issuer Chargeback</td>
<td>652</td>
</tr>
<tr>
<td>Cardholder Disputed Amount (Reason Code 30)</td>
<td>652</td>
</tr>
<tr>
<td>Issuer Chargeback</td>
<td>652</td>
</tr>
<tr>
<td>Acquirer Representment</td>
<td>653</td>
</tr>
<tr>
<td>Topic</td>
<td>Page</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>Arbitration Case Filing</td>
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<tr>
<td>Intra-U.S. Region and U.S. Territories-Defective/Not as Described (Reason Code 53)</td>
<td>653</td>
</tr>
<tr>
<td>Issuer Chargeback</td>
<td>653</td>
</tr>
<tr>
<td>General Use</td>
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</tr>
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<td>Counterfeit Goods</td>
<td>655</td>
</tr>
<tr>
<td>Acquirer Representment (Second Presentment)</td>
<td>656</td>
</tr>
<tr>
<td>Arbitration Case Filing</td>
<td>656</td>
</tr>
<tr>
<td>General Use</td>
<td>656</td>
</tr>
<tr>
<td>Counterfeit Goods</td>
<td>657</td>
</tr>
</tbody>
</table>
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 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.

For disputes involving a partial amount, the issuer may individually charge back the installments received to date that represent payment of the disputed amount. 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
The issuer does not need to provide the same documentation with each installment chargeback.

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.

- **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.
### Incorrect Number of Installments

<table>
<thead>
<tr>
<th>Time Frame.</th>
<th>120-calendar days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retrieval Request.</td>
<td>No</td>
</tr>
<tr>
<td>Supporting Documents.</td>
<td>Documentation from the cardholder substantiating the correct number of installments</td>
</tr>
<tr>
<td>DE 72 (Data Record).</td>
<td>CORRECT INST NN</td>
</tr>
<tr>
<td>Notes.</td>
<td>In DE 72 (Data Record), replace NN with the correct number of installments.</td>
</tr>
</tbody>
</table>

### Incorrect Installment Amount

<table>
<thead>
<tr>
<th>Time Frame.</th>
<th>120-calendar days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retrieval Request.</td>
<td>No</td>
</tr>
<tr>
<td>Supporting Documents.</td>
<td>Documentation from the cardholder substantiating the correct installment amount</td>
</tr>
<tr>
<td>DE 72 (Data Record).</td>
<td>CORRECT AMT $$$$$$$</td>
</tr>
<tr>
<td>Notes.</td>
<td>Replace $$$$$$$ 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.</td>
</tr>
</tbody>
</table>

### Premature Processing of Installment

<table>
<thead>
<tr>
<th>Time Frame.</th>
<th>120-calendar days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retrieval Request.</td>
<td>No</td>
</tr>
<tr>
<td>Supporting Documents.</td>
<td>Documentation from the cardholder or the issuer substantiating the correct installment frequency</td>
</tr>
<tr>
<td>DE 72 (Data Record).</td>
<td>PREMATURE</td>
</tr>
<tr>
<td>Notes.</td>
<td>None</td>
</tr>
</tbody>
</table>

### Not an Installment Transaction

<table>
<thead>
<tr>
<th>Time Frame.</th>
<th>120-calendar days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retrieval Request.</td>
<td>No</td>
</tr>
</tbody>
</table>
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

**Time Frame.** 120-calendar days

**Retrieval Request.** No

**Supporting Documents.** None

**DE 72 (Data Record).** 4837 CB REF NNNNNNN

**Notes.** Replace NNNNNNN with the first chargeback reference number.

Proper Use for Acquirer’s Second Presentment

The following conditions represent valid remedies or options that the acquirer can use to process a second presentment for message reason code 4850.

**Correct Number of Installments**

<table>
<thead>
<tr>
<th>IPM Second Presentment Message Reason Code.</th>
<th>2700</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>See Corresponding Documentation/Chargeback Remedied</td>
</tr>
</tbody>
</table>
| **Time Frame** | For domestic Nigeria transactions: two-business days  
For all other transactions: 45-calendar days from the chargeback settlement date |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Second Presentment Condition.</strong></td>
<td>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.</td>
</tr>
</tbody>
</table>
| **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**

| **IPM Second Presentment Message Reason Code.** | 2700  
See Corresponding Documentation/Chargeback Remedied |
|----------------|--------------------------------------------------------------------------------------------------|
| **Time Frame** | For domestic Nigeria transactions: two-business days  
For all other transactions: 45-calendar days from the chargeback settlement date |
| **Second Presentment Condition.** | The acquirer can substantiate that the installment amount indicated in the Financial Detail Addendum (Generic Detail)/1644 message is the same as the amount per installment agreed by the cardholder at the POI. |
| **Supporting Documents.** | One of the following:  
- A copy of the TID or other documentation showing that the cardholder agreed to the amount processed, or  
- Proof that the acquirer corrected the discrepancy that led to the dispute |
| **DE 72 (Data Record).** | None |
| **Notes.** | None |
### Installment Not Premature

<table>
<thead>
<tr>
<th>IPM Second Presentment Message Reason Code</th>
<th>2713</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reason Code</td>
<td>Invalid Chargeback</td>
</tr>
</tbody>
</table>

**Time Frame**
- For domestic Nigeria transactions: two-business days
- For all other transactions: 45-calendar days from the chargeback settlement date

**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

<table>
<thead>
<tr>
<th>IPM Second Presentment Message Reason Code</th>
<th>2713</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reason Code</td>
<td>Invalid Chargeback</td>
</tr>
</tbody>
</table>

**Time Frame**
- For domestic Nigeria transactions: two-business days
- For all other transactions: 45-calendar days from the chargeback settlement date

**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.

| Time Frame. | For domestic Nigeria transactions: two-business days
|            | For all other transactions: 45-calendar days from the chargeback settlement date |

- **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 Case Filing

This section describes the process for continuing a cardholder dispute after the chargeback cycles have completed.

Invalid Second Presentment

This section describes the process for filing, and responding to, a pre-arbitration and, when applicable, an arbitration case when the issuer claims that the second presentment was invalid.
Issuer Submission of a Pre-Arbitration Case.
An issuer may submit a pre-arbitration case when both of the following occurred:

- The original Cardholder Dispute-Not Elsewhere Classified chargeback was valid
- The second presentment supporting documentation failed to remedy the Cardholder Dispute-Not Elsewhere Classified chargeback

A pre-arbitration case must be filed within 45-calendar days of the second presentment with the following conditions:

- When second presentment supporting documentation will not be provided as indicated by the second presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer must file the pre-arbitration case between 0 and 45-calendar days of the second presentment.

  Mastercard strongly recommends submitting the pre-arbitration case as soon as possible (to allow sufficient time to escalate to an arbitration case, when necessary, in light of time zone differences, weekends, and holidays).

- When second presentment supporting documentation will be provided as indicated by the second presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the pre-arbitration case.

  When second presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the second presentment, the issuer may file the pre-arbitration case as soon as the second presentment supporting document is received.

  Mastercard will consider the pre-arbitration case invalid if the issuer files a pre-arbitration case before the applicable second presentment supporting documentation time frame has expired.

  The issuer must accept supporting documentation as long as the issuer has not processed a pre-arbitration case filing. If the second presentment supporting documentation is received after the “protected” eight-calendar day time frame and on the same day as the pre-arbitration case filing, Mastercard will not consider the second presentment supporting documentation.

Sender Memo.
The Sender Memo tab of the Mastercom Case Filing Application must specify “Cardholder Dispute-Not Elsewhere Classified Installment Billing Dispute” (or similar phrase), or, “4850”.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

Supporting Documentation.
Documentation corroborating the cardholder’s claim against the merchant with the pre-arbitration case 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.
The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation. If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration that was required (but not provided) in the chargeback.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration case filing at the time the case is filed. 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 the time the case is filed.
**Acquirer Response to a Pre-arbitration Case.**

An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and financial responsibility for the disputed transaction. 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 Case Filing Application will automatically reject the pre-arbitration case to the issuer for review and possible escalation to an arbitration case filing.

- **Reject** the pre-arbitration with a rebuttal and any relevant documentation. The acquirer should include the reason why the acquirer believes the pre-arbitration case filing to be invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

  Rejecting the case must occur within 30-calendar days of the date the pre-arbitration case was submitted into the Mastercom Case Filing Application.

  The acquirer may reject the pre-arbitration case for one of the following reasons:

  - The chargeback was invalid.
  - The second presentment remedied the chargeback. An example includes, but is not limited to, a credit was processed by the merchant before the second presentment and that credit was documented in the second presentment.
  - The pre-arbitration case was invalid. Examples include, but are not limited to, improper Supporting Documentation, the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired, the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired, or the issuer submits the pre-arbitration case beyond the applicable time frame which did not provide the acquirer with 30-calendar days to respond.
  - The merchant has a rebuttal that specifically addresses the Supporting Documentation provided in the pre-arbitration case and, when applicable, documentation.

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the second presentment.
**Issuer Submission of an Arbitration Case.**
An issuer may escalate the pre-arbitration to an arbitration case when the issuer continues to believe the chargeback is valid and the acquirer failed to remedy the pre-arbitration case. The issuer should provide a rebuttal and any relevant documentation in support of that rebuttal. Any rebuttal and documentation must be provided within 10-calendar days of escalation.

Mastercard will not consider any information provided in arbitration that was required (but not provided) in the chargeback or pre-arbitration.

Escalation must occur within 75-calendar days from the second presentment Central Site Business Date. If the issuer does not escalate by the seventy-fifth calendar day from the second presentment Central Site Business Date the issuer will have accepted the financial responsibility for the disputed transaction.

The Mastercom Case Filing Application will allow the issuer to withdraw the arbitration case at any time before Mastercard rules on the case.

**Acquirer Response to an Arbitration Case.**
An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration.

Once the arbitration is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
Cardholder Reasserts their Claim
This section describes the process for filing, and responding to, a pre-arbitration and, when applicable, an arbitration case when the cardholder reasserts their claim.
Issuer Submission of a Pre-Arbitration Case.

An issuer may submit a pre-arbitration case when both of the following occurred:

- The original Cardholder Dispute-Not Elsewhere Classified chargeback was valid
- The second presentment supporting documentation was reviewed by the cardholder and the cardholder reasserts their dispute

A pre-arbitration case must be filed within 45-calendar days of the second presentment with the following conditions:

- When second presentment supporting documentation will not be provided as indicated by the second presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer must file the pre-arbitration case between 0 and 45-calendar days of the second presentment.

  Mastercard strongly recommends submitting the pre-arbitration case as soon as possible (to allow sufficient time to escalate to an arbitration case, when necessary, in light of time zone differences, weekends, and holidays).

- When second presentment supporting documentation will be provided as indicated by the second presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the pre-arbitration case.

  When second presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the second presentment, the issuer may file the pre-arbitration case as soon as the second presentment supporting document is received.

  Mastercard will consider the pre-arbitration case invalid if the issuer files a pre-arbitration case before the applicable second presentment supporting documentation time frame has expired.

  The issuer must accept supporting documentation as long as the issuer has not processed a pre-arbitration case filing. If the second presentment supporting documentation is received after the “protected” eight-calendar day time frame and on the same day as the pre-arbitration case filing, Mastercard will not consider the second presentment supporting documentation.

Sender Memo.

The Sender Memo tab of the Mastercom Case Filing Application must specify “Installment Billing Dispute” (or similar phrase), “4850”.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

Supporting Documentation.

A new cardholder letter, email, message, or completed Dispute Resolution Form-Cardholder Dispute Chargeback (Form 1221) dated after the second presentment and specifically addressing the merchant’s rebuttal provided with the second presentment.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.
If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration that was required (but not provided) in the chargeback.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration case filing at the time the case is filed. 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 the time the case is filed.
Acquirer Response to a Pre-arbitration Case.
An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

• **Accept** the pre-arbitration case and financial responsibility for the disputed transaction. 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 Case Filing Application will automatically reject the pre-arbitration case to the issuer for review and possible escalation to an arbitration case filing.

• **Reject** the pre-arbitration with a rebuttal and any relevant documentation. The acquirer should include the reason why the acquirer believes the pre-arbitration case filing to be invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation. Rejecting the case must occur within 30-calendar days of the date the pre-arbitration case was submitted into the Mastercom Case Filing Application.

The acquirer may reject the pre-arbitration case for one of the following reasons:

- The chargeback was invalid
- The second presentment remedied the chargeback. An example includes, but is not limited to, a credit was processed by the merchant before the second presentment and that credit was documented in the second presentment
- The pre-arbitration case was invalid. Examples include, but are not limited to, improper Supporting Documentation, the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired, the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired, or the issuer submits the pre-arbitration case beyond the applicable time frame which did not provide the acquirer with 30-calendar days to respond.
- The merchant has a rebuttal that specifically addresses the Supporting Documentation provided in the pre-arbitration case and, when applicable, documentation. An example includes, but is not limited to,
  - The case was filed against the wrong acquirer
  - The disputed transaction amount is incorrect, or the merchant is willing to accept responsibility for part of the disputed transaction amount

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the second presentment.
Issuer Submission of an Arbitration Case.
An issuer may escalate the pre-arbitration to an arbitration case when the issuer continues to believe the chargeback is valid and the acquirer failed to remedy the pre-arbitration case. The issuer should provide a rebuttal and any relevant documentation in support of that rebuttal. Any rebuttal and documentation must be provided within 10-calendar days of escalation.

Mastercard will not consider any information provided in arbitration that was required (but not provided) in the chargeback or pre-arbitration.

Escalation must occur within 75-calendar days from the second presentment Central Site Business Date. If the issuer does not escalate by the seventy-fifth calendar day from the second presentment Central Site Business Date the issuer will have accepted the financial responsibility for the disputed transaction.

The Mastercom Case Filing Application will allow the issuer to withdraw the arbitration case at any time before Mastercard rules on the case.

Acquirer Response to an Arbitration Case. An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration.

  Once the arbitration is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
Documentation Received with Second Presentment was Illegible or Scanning Error
This section describes the process for filing, and responding to, a pre-arbitration and, when applicable, an arbitration case when the issuer claims that the required second presentment supporting documentation was illegible.

Issuer Submission of a Pre-Arbitration Case.
An issuer may submit a pre-arbitration case within 45-calendar days from the Central Site Business Date of the second presentment when all of the following:

- The chargeback was valid
- The second presentment required Supporting Documentation
- The second presentment Supporting Documentation was illegible (meaning blank or unreadable pages)

Mastercard strongly recommends submitting the pre-arbitration case as soon as possible (to allow sufficient time to escalate to an arbitration case, when necessary, in light of time zone differences, weekends, and holidays).

Sender Memo. The issuer must include in the Sender Memo field within the Case Filing application that the reason for the filing is “Documentation Illegible”, “Scanning error”, “4902”, “4903”, or similar phrase describing the issue.

Supporting Documentation. The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration 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.

Acquirer Response to a Pre-arbitration Case.
An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction.
  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 Case Filing Application will automatically reject the pre-arbitration case to the issuer for review and possible escalation to an arbitration case filing.
- **Reject** the pre-arbitration with a legible copy of the Supporting Documentation previously provided in the Second Presentment. New documentation must not be provided. Rejecting the case must occur within 30-calendar days of the date the pre-arbitration case was submitted into the Mastercom Case Filing Application.
Issuer Submission of an Arbitration Case. An issuer may escalate the pre-arbitration to an arbitration case when the issuer continues to believe the chargeback is valid and the acquirer failed to remedy the pre-arbitration case. The issuer should provide a rebuttal and any relevant documentation in support of that rebuttal. Any rebuttal and documentation must be provided within 10-calendar days of escalation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in the chargeback or pre-arbitration.

Escalation must occur within 75-calendar days from the second presentment Central Site Business Date. If the issuer does not escalate by the seventy-fifth calendar day from the second presentment Central Site Business Date the issuer will have accepted the financial responsibility for the disputed transaction.

The Mastercom Case Filing Application will allow the issuer to withdraw the arbitration case at any time before Mastercard rules on the case.

Acquirer Response to an Arbitration Case.

An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration.

Once the arbitration case is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
Required Documentation Not Received to Support Second Presentment
This section describes the process for filing, and responding to, a pre-arbitration and, when applicable, an arbitration case when the issuer claims that the required second presentment supporting documentation was not received.
Issuer Submission of a Pre-Arbitration Case. An issuer may submit a pre-arbitration case when all of the following:

- The chargeback was valid
- The second presentment required Supporting Documentation
- Supporting Documentation was not received to support the second presentment within eight-calendar days of the Central Site Business Date of the second presentment

A pre-arbitration case must be filed within both of the following time frames:

- Within 45-calendar days of the second presentment
- At least 30-calendar days prior to escalating to an arbitration case

Mastercard strongly recommends submitting the pre-arbitration case as soon as possible (to allow sufficient time to escalate to an arbitration case, when necessary, in light of time zone differences, weekends, and holidays).

In addition:

- When second presentment supporting documentation will not be provided as indicated by the second presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer must file the pre-arbitration case between 0 and 45-calendar days of the second presentment.
- When second presentment supporting documentation will be provided as indicated by the second presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the pre-arbitration case.

When second presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the second presentment, the issuer may file the pre-arbitration case as soon as the second presentment supporting document is received.

Mastercard will consider the pre-arbitration invalid if the issuer files a pre-arbitration case before the applicable second presentment supporting documentation time frame has expired.

Sender Memo. The issuer must include in the Sender Memo field within the Mastercom Case Filing application that the reason for the filing is “Required Documentation Not Received to Support Second Presentment”, “4901”, or similar phrase describing the issue.

Supporting Documentation. The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration 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.
Acquirer Response to a Pre-arbitration Case.
An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

• **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction. When the chargeback was valid, the acquirer should accept the pre-arbitration case when the acquirer didn’t provide second presentment Supporting Documentation before the pre-arbitration case was submitted. Should the issuer escalate the pre-arbitration to an arbitration case, Mastercard will find the acquirer responsible for the disputed amount as well as any fines and fees. 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 Case Filing Application will automatically reject the pre-arbitration case to the issuer for review and possible escalation to an arbitration case filing.

• **Reject** the pre-arbitration with a legible copy of the Supporting Documentation previously provided in the Second Presentment. New documentation must not be provided. Rejecting the case must occur within 30-calendar days of the date the pre-arbitration case was submitted into the Mastercom Case Filing Application. When the chargeback was invalid, the acquirer may reject a pre-arbitration case with a rebuttal and any relevant documentation.

Issuer Submission of an Arbitration Case.
An issuer may escalate the pre-arbitration to an arbitration case when the issuer continues to believe the chargeback is valid and the acquirer failed to remedy the pre-arbitration case. The issuer should provide a rebuttal and any relevant documentation in support of that rebuttal. Any rebuttal and documentation must be provided within 10-calendar days of escalation.

Mastercard will not consider any information provided in arbitration that was required (but not provided) in the chargeback or pre-arbitration.

Escalation must occur within 75-calendar days from the second presentment Central Site Business Date. If the issuer does not escalate by the seventy-fifth calendar day from the second presentment Central Site Business Date the issuer will have accepted the financial responsibility for the disputed transaction.

The Mastercom Case Filing Application will allow the issuer to withdraw the arbitration case at any time before Mastercard rules on the case.
Acquirer Response to an Arbitration Case.

An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration.

  Once the arbitration case is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
Acquirer Reference Data (ARD) Does Not Match or is Invalid
This section describes the process for filing, and responding to, an arbitration case when the second presentment claimed the Acquirer Reference Data (ARD) was invalid.
Issuer Submission of a Pre-Arbitration Case.

An issuer may submit a pre-arbitration case within 45-calendar days from the Central Site Business Date of the second presentment when all of the following conditions are met:

- The chargeback was valid
- The second presentment claimed the Acquirer Reference Data (ARD) in the original chargeback was invalid.
- The Acquirer Reference Data (ARD) in the original chargeback was valid.

A pre-arbitration case must be filed within 45-calendar days of the second presentment with the following conditions:

- When second presentment supporting documentation will not be provided as indicated by the second presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer must file the pre-arbitration case between 0 and 45-calendar days of the second presentment.

  Mastercard strongly recommends submitting the pre-arbitration case as soon as possible (to allow sufficient time to escalate to an arbitration case, when necessary, in light of time zone differences, weekends, and holidays).

- When second presentment supporting documentation will be provided as indicated by the second presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the pre-arbitration case.

  When second presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the second presentment, the issuer may file the pre-arbitration case as soon as the second presentment supporting document is received.

  Mastercard will consider the pre-arbitration invalid if the issuer files a pre-arbitration case before the applicable second presentment supporting documentation time frame has expired.

Sender Memo. The issuer must include in the Sender Memo field within the Case Filing application that the reason for the filing is “CORRECT REFERENCE NUMBER SUPPLIED” or similar phrase describing the issue.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Case Filing application or as Supporting Documentation.

Supporting Documentation. One of the following:

- When the issuer’s chargeback didn’t include the ARD present in the first presentment: The issuer must provide the correct ARD.
- When the issuer’s chargeback included the ARD present in the first chargeback: The issuer must provide a copy of the first presentment as Supporting Documentation. The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Case Filing application or as Supporting Documentation.
If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the chargeback.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration case filing at the time the case is filed. 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 the time the case is filed.
**Acquirer Responses to a Pre-arbitration Case.**

An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and financial responsibility for the disputed transaction. Accepting the case must occur within 30-calendar days of the date the pre-arbitration case was submitted into the Mastercom Case Filing Application. 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 Case Filing Application will automatically reject the pre-arbitration case to the issuer for review and possible escalation to an arbitration case filing.

- **Reject** the pre-arbitration with a rebuttal and any relevant documentation. The acquirer should include the reason why the acquirer believes the pre-arbitration case filing to be invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

  Rejecting the case must occur within 30-calendar days of the date the pre-arbitration case was submitted into the Mastercom Case Filing Application.

  The acquirer may reject the pre-arbitration case for one of the following reasons:

  - The chargeback was invalid
  - The second presentment remedied the chargeback. An example includes, but is not limited to, a credit was processed by the merchant before the second presentment and that credit was documented in the second presentment
  - The pre-arbitration case was invalid. Examples include, but are not limited to, improper Supporting Documentation, the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired, or the issuer submits the pre-arbitration case beyond the applicable time frame which did not provide the acquirer with 30-calendar days to respond.
  - The merchant has a rebuttal that specifically addresses the Supporting Documentation provided in the pre-arbitration case filing and, when applicable, documentation.

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the second presentment.
**Issuer Submission of an Arbitration Case.**

An issuer may escalate the pre-arbitration to an arbitration case when the issuer continues to believe the chargeback is valid and the acquirer failed to remedy the pre-arbitration case. The issuer should provide a rebuttal and any relevant documentation in support of that rebuttal. Any rebuttal and documentation must be provided within 10-calendar days of escalation.

Mastercard will not consider any information provided in arbitration that was required (but not provided) in the chargeback or pre-arbitration.

Escalation must occur within 75-calendar days from the second presentment Central Site Business Date. If the issuer does not escalate by the seventy-fifth calendar day from the second presentment Central Site Business Date the issuer will have accepted the financial responsibility for the disputed transaction.

The Mastercom Case Filing Application will allow the issuer to withdraw the arbitration case at any time before Mastercard rules on the case.

**Acquirer Response to an Arbitration Case.**

An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration.

  Once the arbitration case is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

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**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:*
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 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).

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.

- 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 pre-arbitration case.
**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**

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.

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

**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.

**Tort Claims.**

Message reason code 4854 does not address torts, which are wrongful acts, damages, or injuries done willfully or negligently, such as negligence or an incorrect medical diagnosis. For example, a cardholder contracts with a painter to paint his or her living room for USD 500. The painter accidentally spills paint on the couch, causing USD 300 worth of damage. The issuer cannot use message reason code 4854 to charge back for the USD 300.

**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.

<table>
<thead>
<tr>
<th><strong>Time Frame</strong></th>
<th>60-calendar days after first learning about the dispute from the cardholder or within 120-calendar days of the Central Site Business Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Message Reason Code.</strong></td>
<td>One of the following:</td>
</tr>
<tr>
<td></td>
<td>• 4854 Dual Message System transactions</td>
</tr>
<tr>
<td></td>
<td>• 54 for Debit Mastercard transactions processed on the Single Message System</td>
</tr>
<tr>
<td><strong>Retrieval Request.</strong></td>
<td>No</td>
</tr>
<tr>
<td><strong>Supporting Documents.</strong></td>
<td>All of the following:</td>
</tr>
<tr>
<td></td>
<td>• Cardholder letter, email, <em>Dispute Resolution Form-Cardholder Dispute Chargeback</em> (Form 1221) fulfilling the prerequisites of the chargeback and the details of the nature of the dispute.</td>
</tr>
<tr>
<td></td>
<td>• Copy of applicable law (when applicable)</td>
</tr>
<tr>
<td><strong>DE 72 (Data Record).</strong></td>
<td>None</td>
</tr>
<tr>
<td><strong>Notes.</strong></td>
<td>None</td>
</tr>
</tbody>
</table>

**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

<table>
<thead>
<tr>
<th>Retrieval Request</th>
<th>No</th>
</tr>
</thead>
</table>

### Supporting Documents

<table>
<thead>
<tr>
<th>Supporting Documents</th>
<th>Cardholder letter, email, <em>Dispute Resolution Form-Cardholder Dispute Chargeback</em> (Form 1221) describing the nature of the disputed surcharge.</th>
</tr>
</thead>
</table>

### DE 72 (Data Record)

<table>
<thead>
<tr>
<th>DE 72 (Data Record)</th>
<th>None</th>
</tr>
</thead>
</table>

### Notes

<table>
<thead>
<tr>
<th>Notes</th>
<th>When the cardholder disputes only a part of the transaction amount, the issuer must prorate the Surcharge amount.</th>
</tr>
</thead>
</table>

### 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

<table>
<thead>
<tr>
<th>IPM Second Presentment Message Reason Code</th>
<th>2700</th>
</tr>
</thead>
<tbody>
<tr>
<td>See Corresponding Documentation/Chargeback Remedied</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Second Presentment Condition</th>
<th>The acquirer can document it corrected the deficiency that led to the chargeback.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Supporting Documents</th>
<th>One or both of the following:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Copy of the TID or invoice (when applicable)</td>
</tr>
<tr>
<td></td>
<td>• Merchant’s written rebuttal (when applicable)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DE 72 (Data Record)</th>
<th>None</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Notes</th>
<th>None</th>
</tr>
</thead>
</table>

### Invalid Chargeback

<table>
<thead>
<tr>
<th>Invalid Chargeback</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>IPM Second Presentment Message Reason Code</th>
<th>2713</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invalid chargeback</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Second Presentment Condition</th>
<th>The acquirer substantiates that the chargeback was invalid. (For example, the necessary supporting documentation failed to support the chargeback.)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Supporting Documents</th>
<th>None</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>DE 72 (Data Record)</th>
<th>The reason for the invalidity</th>
</tr>
</thead>
</table>
### Invalid Chargeback

**Notes.** None

---

### Disputed Surcharge

<table>
<thead>
<tr>
<th>IPM Second Presentment Message Reason Code.</th>
<th>2700</th>
<th>See Corresponding Documentation/Chargeback Remedied</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Second Presentment Condition.</strong></td>
<td>The acquirer substantiates that the surcharge was correctly processed.</td>
<td></td>
</tr>
<tr>
<td><strong>Supporting Documents.</strong></td>
<td>Documentation proving the surcharge was correctly processed.</td>
<td></td>
</tr>
<tr>
<td><strong>DE 72 (Data Record).</strong></td>
<td>None</td>
<td></td>
</tr>
<tr>
<td><strong>Notes.</strong></td>
<td>None</td>
<td></td>
</tr>
</tbody>
</table>

---

### Disputed Surcharge—Incorrect Pro-rated Calculation

<table>
<thead>
<tr>
<th>IPM Second Presentment Message Reason Code.</th>
<th>2700</th>
<th>See Corresponding Documentation/Chargeback Remedied</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Second Presentment Condition.</strong></td>
<td>The acquirer substantiates that the pro-rated surcharge was incorrectly calculated by the issuer.</td>
<td></td>
</tr>
<tr>
<td><strong>Supporting Documents.</strong></td>
<td>Documentation proving the surcharge was incorrectly calculated.</td>
<td></td>
</tr>
<tr>
<td><strong>DE 72 (Data Record).</strong></td>
<td>None</td>
<td></td>
</tr>
<tr>
<td><strong>Notes.</strong></td>
<td>None</td>
<td></td>
</tr>
</tbody>
</table>

---

**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 Case Filing
This section describes the process for continuing a cardholder dispute after the chargeback cycles have completed.

Invalid Second Presentment
This section describes the process for filing, and responding to, a pre-arbitration and, when applicable, an arbitration case when the issuer claims that the second presentment was invalid.
Issuer Submission of a Pre-Arbitration Case.
An issuer may submit a pre-arbitration case when both of the following occurred:

- The original Cardholder Dispute-Not Elsewhere Classified chargeback was valid
- The second presentment supporting documentation failed to remedy the Cardholder Dispute-Not Elsewhere Classified chargeback

A pre-arbitration case must be filed within 45-calendar days of the second presentment with the following conditions:

- When second presentment supporting documentation will not be provided as indicated by the second presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer must file the pre-arbitration case between 0 and 45-calendar days of the second presentment.
  
  **Mastercard strongly recommends submitting the pre-arbitration case as soon as possible (to allow sufficient time to escalate to an arbitration case, when necessary, in light of time zone differences, weekends, and holidays).**

- When second presentment supporting documentation will be provided as indicated by the second presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the pre-arbitration case.

  When second presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the second presentment, the issuer may file the pre-arbitration case as soon as the second presentment supporting document is received.

  Mastercard will consider the pre-arbitration case invalid if the issuer files a pre-arbitration case before the applicable second presentment supporting documentation time frame has expired.

  The issuer must accept supporting documentation as long as the issuer has not processed a pre-arbitration case filing. If the second presentment supporting documentation is received after the “protected” eight-calendar day time frame and on the same day as the pre-arbitration case filing, Mastercard will not consider the second presentment supporting documentation.

Sender Memo.
The Sender Memo tab of the Mastercom Case Filing Application must specify “Cardholder Dispute-Not Elsewhere Classified” (or similar phrase), “54”, “4854”.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

Supporting Documentation.
Documentation corroborating the cardholder’s claim against the merchant with the pre-arbitration case 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.
The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation. If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration that was required (but not provided) in the chargeback.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration case filing at the time the case is filed. 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 the time the case is filed.
**Acquirer Response to a Pre-arbitration Case.**

An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and financial responsibility for the disputed transaction. 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 Case Filing Application will automatically reject the pre-arbitration case to the issuer for review and possible escalation to an arbitration case filing.

- **Reject** the pre-arbitration with a rebuttal and any relevant documentation. The acquirer should include the reason why the acquirer believes the pre-arbitration case filing to be invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

  Rejecting the case must occur within 30-calendar days of the date the pre-arbitration case was submitted into the Mastercom Case Filing Application.

  The acquirer may reject the pre-arbitration case for one of the following reasons:

  - The chargeback was invalid.
  - The second presentment remedied the chargeback. An example includes, but is not limited to, a credit was processed by the merchant before the second presentment and that credit was documented in the second presentment.
  - The pre-arbitration case was invalid. Examples include, but are not limited to, improper Supporting Documentation, the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired, the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired, or the issuer submits the pre-arbitration case beyond the applicable time frame which did not provide the acquirer with 30-calendar days to respond.
  - The merchant has a rebuttal that specifically addresses the Supporting Documentation provided in the pre-arbitration case and, when applicable, documentation.

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the second presentment.
Issuer Submission of an Arbitration Case.
An issuer may escalate the pre-arbitration to an arbitration case when the issuer continues to believe the chargeback is valid and the acquirer failed to remedy the pre-arbitration case. The issuer should provide a rebuttal and any relevant documentation in support of that rebuttal. Any rebuttal and documentation must be provided within 10-calendar days of escalation.

Mastercard will not consider any information provided in arbitration that was required (but not provided) in the chargeback or pre-arbitration.

Escalation must occur within 75-calendar days from the second presentment Central Site Business Date. If the issuer does not escalate by the seventy-fifth calendar day from the second presentment Central Site Business Date the issuer will have accepted the financial responsibility for the disputed transaction.

The Mastercom Case Filing Application will allow the issuer to withdraw the arbitration case at any time before Mastercard rules on the case.

Acquirer Response to an Arbitration Case.
An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration.

Once the arbitration is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
Cardholder Reasserts their Claim
This section describes the process for filing, and responding to, a pre-arbitration and, when applicable, an arbitration case when the cardholder reasserts their claim.
Issuer Submission of a Pre-Arbitration Case.

An issuer may submit a pre-arbitration case when both of the following occurred:

- The original Installment Billing Dispute chargeback was valid
- The second presentment supporting documentation was reviewed by the cardholder
  and the cardholder reasserts their dispute

A pre-arbitration case must be filed within 45-calendar days of the second presentment with the following conditions:

- When second presentment supporting documentation will not be provided as indicated by the second presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer must file the pre-arbitration case between 0 and 45-calendar days of the second presentment.

  **Mastercard strongly recommends submitting the pre-arbitration case as soon as possible (to allow sufficient time to escalate to an arbitration case, when necessary, in light of time zone differences, weekends, and holidays).**

- When second presentment supporting documentation will be provided as indicated by the second presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the pre-arbitration case.

  When second presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the second presentment, the issuer may file the pre-arbitration case as soon as the second presentment supporting document is received.

Mastercard will consider the pre-arbitration case invalid if the issuer files a pre-arbitration case before the applicable second presentment supporting documentation time frame has expired.

The issuer must accept supporting documentation as long as the issuer has not processed a pre-arbitration case filing. If the second presentment supporting documentation is received after the “protected” eight-calendar day time frame and on the same day as the pre-arbitration case filing, Mastercard will not consider the second presentment supporting documentation.

Sender Memo.

The Sender Memo tab of the Mastercom Case Filing Application must specify “Installment Billing Dispute” (or similar phrase), or “4850”.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

Supporting Documentation.

A new cardholder letter, email, message, or completed Dispute Resolution Form-Cardholder Dispute Chargeback (Form 1221) dated after the second presentment and specifically addressing the merchant’s rebuttal provided with the second presentment.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Mastercom Case Filing Application or as Supporting Documentation.
If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration that was required (but not provided) in the chargeback.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration case filing at the time the case is filed. 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 the time the case is filed.
**Acquirer Response to a Pre-arbitration Case.**

An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and financial responsibility for the disputed transaction. 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 Case Filing Application will automatically reject the pre-arbitration case to the issuer for review and possible escalation to an arbitration case filing.

- **Reject** the pre-arbitration with a rebuttal and any relevant documentation. The acquirer should include the reason why the acquirer believes the pre-arbitration case filing to be invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

  Rejecting the case must occur within 30-calendar days of the date the pre-arbitration case was submitted into the Mastercom Case Filing Application.

  The acquirer may reject the pre-arbitration case for one of the following reasons:

  - The chargeback was invalid
  - The second presentment remedied the chargeback. An example includes, but is not limited to, a credit was processed by the merchant before the second presentment and that credit was documented in the second presentment
  - The pre-arbitration case was invalid. Examples include, but are not limited to, improper Supporting Documentation, the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired, the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired, or the issuer submits the pre-arbitration case beyond the applicable time frame which did not provide the acquirer with 30-calendar days to respond.
  - The merchant has a rebuttal that specifically addresses the Supporting Documentation provided in the pre-arbitration case and, when applicable, documentation. An example includes, but is not limited to,
    - The case was filed against the wrong acquirer
    - The disputed transaction amount is incorrect, or the merchant is willing to accept responsibility for part of the disputed transaction amount

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the second presentment.
Issuer Submission of an Arbitration Case.
An issuer may escalate the pre-arbitration to an arbitration case when the issuer continues to believe the chargeback is valid and the acquirer failed to remedy the pre-arbitration case. The issuer should provide a rebuttal and any relevant documentation in support of that rebuttal. Any rebuttal and documentation must be provided within 10-calendar days of escalation.

Mastercard will not consider any information provided in arbitration that was required (but not provided) in the chargeback or pre-arbitration.

Escalation must occur within 75-calendar days from the second presentment Central Site Business Date. If the issuer does not escalate by the seventy-fifth calendar day from the second presentment Central Site Business Date the issuer will have accepted the financial responsibility for the disputed transaction.

The Mastercom Case Filing Application will allow the issuer to withdraw the arbitration case at any time before Mastercard rules on the case.

Acquirer Response to an Arbitration Case. An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration.

Once the arbitration is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
Documentation Received with Second Presentment was Illegible or Scanning Error
This section describes the process for filing, and responding to, a pre-arbitration and, when applicable, an arbitration case when the issuer claims that the required second presentment supporting documentation was illegible.

Issuer Submission of a Pre-Arbitration Case.
An issuer may submit a pre-arbitration case within 45-calendar days from the Central Site Business Date of the second presentment when all of the following:

- The chargeback was valid
- The second presentment required Supporting Documentation
- The second presentment Supporting Documentation was illegible (meaning blank or unreadable pages)

Mastercard strongly recommends submitting the pre-arbitration case as soon as possible (to allow sufficient time to escalate to an arbitration case, when necessary, in light of time zone differences, weekends, and holidays).

Sender Memo. The issuer must include in the Sender Memo field within the Case Filing application that the reason for the filing is “Documentation Illegible”, “Scanning error”, “4902”, “4903”, or similar phrase describing the issue.

Supporting Documentation. The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration 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.

Acquirer Response to a Pre-arbitration Case.
An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction.
  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 Case Filing Application will automatically reject the pre-arbitration case to the issuer for review and possible escalation to an arbitration case filing.

- **Reject** the pre-arbitration with a legible copy of the Supporting Documentation previously provided in the Second Presentment. New documentation must not be provided. Rejecting the case must occur within 30-calendar days of the date the pre-arbitration case was submitted into the Mastercom Case Filing Application.
Issuer Submission of an Arbitration Case. An issuer may escalate the pre-arbitration to an arbitration case when the issuer continues to believe the chargeback is valid and the acquirer failed to remedy the pre-arbitration case. The issuer should provide a rebuttal and any relevant documentation in support of that rebuttal. Any rebuttal and documentation must be provided within 10-calendar days of escalation. Mastercard will not consider any information provided in arbitration that was required (but not provided) in the chargeback or pre-arbitration.

Escalation must occur within 75-calendar days from the second presentment Central Site Business Date. If the issuer does not escalate by the seventy-fifth calendar day from the second presentment Central Site Business Date the issuer will have accepted the financial responsibility for the disputed transaction.

The Mastercard Case Filing Application will allow the issuer to withdraw the arbitration case at any time before Mastercard rules on the case.

Acquirer Response to an Arbitration Case.
An acquirer may take one of the following actions in response to receiving an arbitration case filing:

• **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

• **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration.

Once the arbitration case is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Mastercard Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

• **Take no action.** After 10-calendar days, the Mastercard Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Mastercard Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
Required Documentation Not Received to Support Second Presentment

This section describes the process for filing, and responding to, a pre-arbitration and, when applicable, an arbitration case when the issuer claims that the required second presentment supporting documentation was not received.
**Issuer Submission of a Pre-Arbitration Case.** An issuer may submit a pre-arbitration case when all of the following:

- The chargeback was valid
- The second presentment required Supporting Documentation
- Supporting Documentation was not received to support the second presentment within eight-calendar days of the Central Site Business Date of the second presentment

A pre-arbitration case must be filed within both of the following time frames:

- Within 45-calendar days of the second presentment
- At least 30-calendar days prior to escalating to an arbitration case

Mastercard strongly recommends submitting the pre-arbitration case as soon as possible (to allow sufficient time to escalate to an arbitration case, when necessary, in light of time zone differences, weekends, and holidays).

In addition:

- When second presentment supporting documentation will not be provided as indicated by the second presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer must file the pre-arbitration case between 0 and 45-calendar days of the second presentment.
- When second presentment supporting documentation will be provided as indicated by the second presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the pre-arbitration case.

When second presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the second presentment, the issuer may file the pre-arbitration case as soon as the second presentment supporting document is received.

Mastercard will consider the pre-arbitration invalid if the issuer files a pre-arbitration case before the applicable second presentment supporting documentation time frame has expired.

**Sender Memo.** The issuer must include in the Sender Memo field within the Mastercom Case Filing application that the reason for the filing is “Required Documentation Not Received to Support Second Presentment”, “4901”, or similar phrase describing the issue.

**Supporting Documentation.** The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration 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.
Acquirer Response to a Pre-arbitration Case.
An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and thereby financial responsibility for the disputed transaction. When the chargeback was valid, the acquirer should accept the pre-arbitration case when the acquirer didn’t provide second presentment Supporting Documentation before the pre-arbitration case was submitted.

  Should the issuer escalate the pre-arbitration to an arbitration case, Mastercard will find the acquirer responsible for the disputed amount as well as any fines and fees. 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 Case Filing Application will automatically reject the pre-arbitration case to the issuer for review and possible escalation to an arbitration case filing.

- **Reject** the pre-arbitration with a legible copy of the Supporting Documentation previously provided in the Second Presentment. New documentation must not be provided. Rejecting the case must occur within 30-calendar days of the date the pre-arbitration case was submitted into the Mastercom Case Filing Application. When the chargeback was invalid, the acquirer may reject a pre-arbitration case with a rebuttal and any relevant documentation.

Issuer Submission of an Arbitration Case.
An issuer may escalate the pre-arbitration to an arbitration case when the issuer continues to believe the chargeback is valid and the acquirer failed to remedy the pre-arbitration case. The issuer should provide a rebuttal and any relevant documentation in support of that rebuttal. Any rebuttal and documentation must be provided within 10-calendar days of escalation.

Mastercard will not consider any information provided in arbitration that was required (but not provided) in the chargeback or pre-arbitration.

Escalation must occur within 75-calendar days from the second presentment Central Site Business Date. If the issuer does not escalate by the seventy-fifth calendar day from the second presentment Central Site Business Date the issuer will have accepted the financial responsibility for the disputed transaction.

The Mastercom Case Filing Application will allow the issuer to withdraw the arbitration case at any time before Mastercard rules on the case.
**Acquirer Response to an Arbitration Case.**

An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration.
  
  Once the arbitration case is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
Acquirer Reference Data (ARD) Does Not Match or is Invalid
This section describes the process for filing, and responding to, an arbitration case when the second presentment claimed the Acquirer Reference Data (ARD) was invalid.
Issuer Submission of a Pre-Arbitration Case.

An issuer may submit a pre-arbitration case within 45-calendar days from the Central Site Business Date of the second presentment when all of the following conditions are met.

• The chargeback was valid
• The second presentment claimed the Acquirer Reference Data (ARD) in the original chargeback was invalid.
• The Acquirer Reference Data (ARD) in the original chargeback was valid.

A pre-arbitration case must be filed within 45-calendar days of the second presentment with the following conditions:

• When second presentment supporting documentation will not be provided as indicated by the second presentment supporting documentation indicator code of 0 (Supporting Documentation is not required), the issuer must file the pre-arbitration case between 0 and 45-calendar days of the second presentment.

  Mastercard strongly recommends submitting the pre-arbitration case as soon as possible (to allow sufficient time to escalate to an arbitration case, when necessary, in light of time zone differences, weekends, and holidays).

• When second presentment supporting documentation will be provided as indicated by the second presentment supporting documentation indicator code of 1 (Supporting Documentation will follow), the issuer must wait at least eight-calendar days for the supporting documentation before filing the pre-arbitration case.
  When second presentment supporting documentation is provided earlier than eight-calendar days from the Central Site Business Date of the second presentment, the issuer may file the pre-arbitration case as soon as the second presentment supporting document is received.

  Mastercard will consider the pre-arbitration invalid if the issuer files a pre-arbitration case before the applicable second presentment supporting documentation time frame has expired.

Sender Memo. The issuer must include in the Sender Memo field within the Case Filing application that the reason for the filing is “CORRECT REFERENCE NUMBER SUPPLIED” or similar phrase describing the issue.

The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Case Filing application or as Supporting Documentation.

Supporting Documentation. One of the following:

• When the issuer’s chargeback didn’t include the ARD present in the first presentment: The issuer must provide the correct ARD.
• When the issuer’s chargeback included the ARD present in the first chargeback: The issuer must provide a copy of the first presentment as Supporting Documentation. The issuer must include the reason why the issuer believes the Second Presentment to be invalid in either the Sender Memo field within the Case Filing application or as Supporting Documentation.
If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the chargeback.

The issuer is responsible for ensuring that legible copies of all relevant documentation are linked to the pre-arbitration case filing at the time the case is filed. 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 the time the case is filed.
Acquirer Responses to a Pre-arbitration Case.

An acquirer may take one of the following actions in response to receiving a pre-arbitration case filing:

- **Accept** the pre-arbitration case and financial responsibility for the disputed transaction. Accepting the case must occur within 30-calendar days of the date the pre-arbitration case was submitted into the Mastercom Case Filing Application. 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 Case Filing Application will automatically reject the pre-arbitration case to the issuer for review and possible escalation to an arbitration case filing.

- **Reject** the pre-arbitration with a rebuttal and any relevant documentation. The acquirer should include the reason why the acquirer believes the pre-arbitration case filing to be invalid in either the Receiver Memo field within the Mastercom Case Filing Application or as Supporting Documentation.

  Rejecting the case must occur within 30-calendar days of the date the pre-arbitration case was submitted into the Mastercom Case Filing Application.

  The acquirer may reject the pre-arbitration case for one of the following reasons:
  
  - The chargeback was invalid
  - The second presentment remedied the chargeback. An example includes, but is not limited to, a credit was processed by the merchant before the second presentment and that credit was documented in the second presentment
  - The pre-arbitration case was invalid. Examples include, but are not limited to, improper Supporting Documentation, the issuer submitted the pre-arbitration case before the applicable second presentment supporting documentation time frame expired, or the issuer submits the pre-arbitration case beyond the applicable time frame which did not provide the acquirer with 30-calendar days to respond.
  - The merchant has a rebuttal that specifically addresses the Supporting Documentation provided in the pre-arbitration case and, when applicable, documentation.

If the issuer escalates the pre-arbitration to an arbitration case, Mastercard will not consider any Supporting Documentation provided in the pre-arbitration response that was required (but not provided) in the second presentment.
**Issuer Submission of an Arbitration Case.**

An issuer may escalate the pre-arbitration to an arbitration case when the issuer continues to believe the chargeback is valid and the acquirer failed to remedy the pre-arbitration case. The issuer should provide a rebuttal and any relevant documentation in support of that rebuttal. Any rebuttal and documentation must be provided within 10-calendar days of escalation.

Mastercard will not consider any information provided in arbitration that was required (but not provided) in the chargeback or pre-arbitration.

Escalation must occur within 75-calendar days from the second presentment Central Site Business Date. If the issuer does not escalate by the seventy-fifth calendar day from the second presentment Central Site Business Date the issuer will have accepted the financial responsibility for the disputed transaction.

The Mastercom Case Filing Application will allow the issuer to withdraw the arbitration case at any time before Mastercard rules on the case.

**Acquirer Response to an Arbitration Case.**

An acquirer may take one of the following actions in response to receiving an arbitration case filing:

- **Accept** the arbitration case and thereby financial responsibility for the disputed transaction. The acquirer can accept the arbitration case at any time before Mastercard rules on the case.

- **Reject** the arbitration case with a rebuttal and any relevant documentation that specifically addresses the information contained in the arbitration case filing within 10-calendar days of the arbitration case escalation date. Mastercard will not consider any information provided in arbitration that was required (but not provided) in second presentment or pre-arbitration.

  Once the arbitration case is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.

- **Take no action.** After 10-calendar days, the Mastercom Case Filing Application will automatically reject the arbitration case and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

  The Mastercom Case Filing Application will allow the acquirer to accept the arbitration case at any time before Mastercard rules on the case.
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.

<table>
<thead>
<tr>
<th>Adjustment Condition</th>
<th>The acquirer has received a returned item or notice of non-payment for a non-negotiable item.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Frame.</td>
<td>One business day following receipt of the returned item or notice of non-payment for a non-negotiable item.</td>
</tr>
<tr>
<td>Adjustment Message Reason Code.</td>
<td>20</td>
</tr>
<tr>
<td>Supporting Documents.</td>
<td>One of the following:</td>
</tr>
<tr>
<td></td>
<td>• A copy of the front and back of the returned item</td>
</tr>
<tr>
<td></td>
<td>• A copy of the notice of non-payment</td>
</tr>
<tr>
<td>Additional Information.</td>
<td>Optional</td>
</tr>
<tr>
<td>Notes.</td>
<td>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 (&quot;Check 21 Act&quot;), 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.</td>
</tr>
</tbody>
</table>
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.

<table>
<thead>
<tr>
<th>Adjustment Condition</th>
<th>The acquirer has received an empty deposit envelope.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Frame.</td>
<td>Between 1 and 5-calendar days from the settlement date.</td>
</tr>
<tr>
<td>Adjustment Message Reason Code.</td>
<td>24</td>
</tr>
<tr>
<td>Supporting Documents.</td>
<td>None</td>
</tr>
<tr>
<td>Additional Information.</td>
<td>Optional</td>
</tr>
<tr>
<td>Notes.</td>
<td>None</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>Adjustment Condition</th>
<th>The acquirer is correcting an addition error with the cardholder’s deposit.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Frame.</td>
<td>Between 1 and 5-calendar days from the settlement date.</td>
</tr>
<tr>
<td>Adjustment Message Reason Code.</td>
<td>25</td>
</tr>
</tbody>
</table>
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.

<table>
<thead>
<tr>
<th>Adjustment Condition</th>
<th>The acquirer is correcting an error settlement.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Frame.</td>
<td>Between 1 and 5-calendar days from the settlement date.</td>
</tr>
<tr>
<td>Adjustment Message Reason Code</td>
<td>26</td>
</tr>
<tr>
<td>Supporting Documents.</td>
<td>None</td>
</tr>
<tr>
<td>Additional Information.</td>
<td>Optional</td>
</tr>
<tr>
<td>Notes.</td>
<td>None</td>
</tr>
</tbody>
</table>
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.

<table>
<thead>
<tr>
<th>Adjustment Condition.</th>
<th>The acquirer is correcting a keying error with the cardholder’s deposit.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Frame.</td>
<td>Between 1 and 5-calendar days from the settlement date.</td>
</tr>
<tr>
<td>Adjustment Message Reason Code.</td>
<td>27</td>
</tr>
<tr>
<td>Supporting Documents.</td>
<td>None</td>
</tr>
<tr>
<td>Additional Information.</td>
<td>Optional</td>
</tr>
<tr>
<td>Notes.</td>
<td>None</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>Adjustment Condition.</th>
<th>The acquirer has received a non-cash item.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Frame.</td>
<td>One business day following receipt of the non-cash item.</td>
</tr>
<tr>
<td>Adjustment Message Reason Code.</td>
<td>28</td>
</tr>
</tbody>
</table>
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.

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.

<table>
<thead>
<tr>
<th>Adjustment Condition.</th>
<th>The acquirer is reversing a foreign or counterfeit currency deposit.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Frame.</td>
<td>Between 1 and 5-calendar days from the settlement date.</td>
</tr>
<tr>
<td>Adjustment Message Reason Code.</td>
<td>29</td>
</tr>
<tr>
<td>Supporting Documents.</td>
<td>None</td>
</tr>
<tr>
<td>Additional Information.</td>
<td>Optional</td>
</tr>
<tr>
<td>Notes.</td>
<td>None</td>
</tr>
</tbody>
</table>
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.

<table>
<thead>
<tr>
<th>Chargeback Condition.</th>
<th>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.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Frame.</td>
<td>Between 1 and 20-calendar days after the adjustment settlement date.</td>
</tr>
<tr>
<td>Chargeback Message Reason Code.</td>
<td>30</td>
</tr>
<tr>
<td>Supporting Documents.</td>
<td>None</td>
</tr>
<tr>
<td>Additional Information.</td>
<td>Optional</td>
</tr>
<tr>
<td>Notes.</td>
<td>None</td>
</tr>
</tbody>
</table>
Acquirer Representment
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.
**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.

**Notes.** The issuer may chargeback only the disputed amount.

**Staged Digital Wallet.** A transaction to fund a Staged Digital Wallet (SDW) may be charged back if the funds did not appear in the SDW. Chargeback rights are not available for any subsequent purchase of goods or service from a SDW. SDW 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

**Notes.** **Staged Digital Wallet.** A transaction to fund a Staged Digital Wallet (SDW) may be charged back if the funds did not appear in the SDW. Chargeback rights are not available for any subsequent purchase of goods or service from a SDW. SDW 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.

<table>
<thead>
<tr>
<th>Second Presentment Condition</th>
<th>The acquirer can provide evidence of one of the following:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• The dispute was corrected or resolved.</td>
</tr>
<tr>
<td></td>
<td>• The goods were not counterfeit.</td>
</tr>
<tr>
<td></td>
<td>• The chargeback was invalid.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Time Frame.</th>
<th>45-calendar days of the chargeback settlement date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Second Presentment Message Reason Code.</td>
<td>13</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Supporting Documents.</th>
<th>The merchant’s explanation and documentation supporting the Second Presentment Condition.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Notes.</th>
<th>Supporting documentation must be in English or accompanied by an English translation.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Supporting documentation must be provided within 10-calendar days of the chargeback settlement date.</td>
</tr>
</tbody>
</table>

### Arbitration Case Filing

**General Use**

<table>
<thead>
<tr>
<th>Arbitration Case Filing Condition.</th>
<th>The acquirer failed to remedy the dispute.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Frame.</td>
<td>45-calendar days of the representment settlement date</td>
</tr>
</tbody>
</table>
### 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

<table>
<thead>
<tr>
<th>Arbitration Case Filing Condition.</th>
<th>The acquirer failed to remedy the dispute.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Frame.</td>
<td>45-calendar days of the representment settlement date</td>
</tr>
</tbody>
</table>
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.
Appendix E  Lodging Merchant Services

This appendix provides Card acceptance requirements relating to the Guaranteed Reservations, and Advance Resort Deposit services.

Guaranteed Reservations.................................................................660
Advance Resort Deposit.................................................................661
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.

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.
Appendix F Transaction Identification Requirements

This appendix contains requirements for transaction identification.

Transaction Date ........................................................................................................................... 663
Contactless Transactions ............................................................................................................663
  Contactless Transit Aggregated Transactions ........................................................................665
  Contactless-only Transactions ...............................................................................................667
Quick Payment Service Transactions ......................................................................................669
Payment Transactions .............................................................................................................670
Electronic Commerce Transactions ......................................................................................672
Digital Secure Remote Payment Transactions ........................................................................673
  Digital Secure Remote Payment Transactions Containing Chip Data ..................................673
  Digital Secure Remote Payment Transactions Containing UCAF Data ..................................675
  Partial Shipments or Recurring Payments Following Digital Secure Remote Payment Transactions .........................................................................................................................676
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Mastercard Biometric Card Program Transactions ...............................................................679
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Chargeback Guide • 7 December 2021
## Transaction Date

The Transaction date appearing in DE 12 (Date and Time, Local Transaction) is specified as follows.

<table>
<thead>
<tr>
<th>For the following transaction...</th>
<th>The transaction date is the date on which...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Face-to-Face</td>
<td>The products or services are exchanged.</td>
</tr>
<tr>
<td>Non–Face-to-Face</td>
<td>The products are shipped or services performed.</td>
</tr>
<tr>
<td>Vehicle Rental</td>
<td>The vehicle is returned, or, if applicable, the prepayment date.</td>
</tr>
<tr>
<td>Lodging</td>
<td>Checkout occurred, or if applicable, the prepayment date.</td>
</tr>
<tr>
<td>No-show</td>
<td>The Cardholder was expected to arrive at the lodging merchant and failed to appear.</td>
</tr>
<tr>
<td>Airline/Railway</td>
<td>The airline or railway ticket was issued.</td>
</tr>
<tr>
<td>Cruise Line</td>
<td>The transportation documents were issued.</td>
</tr>
<tr>
<td>On-board Cruise Line</td>
<td>The passenger disembarks.</td>
</tr>
<tr>
<td>Refund</td>
<td>The Merchant grants a credit or price adjustment.</td>
</tr>
<tr>
<td>All In-Flight Commerce Transactions except those involving mailed purchases</td>
<td>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.</td>
</tr>
<tr>
<td>Mastercard Contactless Transit Aggregated</td>
<td>One or more contactless taps performed with one Mastercard Account and occurring at one transit Merchant are aggregated in a First Presentment/1240 message.</td>
</tr>
<tr>
<td>Maestro Contactless Transit Aggregated</td>
<td>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.</td>
</tr>
</tbody>
</table>

## 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”).

Contactless Transaction Values for Authorization Request/0100 or Financial Transaction Request/0200 Messages

<table>
<thead>
<tr>
<th>Data Element</th>
<th>Subfield</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>22 (Point of Service [POS] Entry Mode)</td>
<td>1 (POS Terminal PAN Entry Mode)</td>
<td>One of the following:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 07 (PAN auto-entry via contactless M/Chip)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 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)</td>
</tr>
<tr>
<td>61 (Point-of-Service [POS] Data)</td>
<td>11 (POS Card Data Terminal Input Capabilities)</td>
<td>One of the following:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 3 (Contactless M/Chip)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 4 (Contactless Magnetic Stripe)</td>
</tr>
</tbody>
</table>

Contactless Transaction Values for First Presentment/1240 Messages

<table>
<thead>
<tr>
<th>Data Element</th>
<th>Subfield</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>22 (Point of Service Data Code)</td>
<td>1 (Terminal Data: Card Data Capability)</td>
<td>One of the following:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• A Contactless Magnetic Stripe (Proximity Chip)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• M Contactless EMV/Chip (Proximity Chip)</td>
</tr>
<tr>
<td>7 (Card Data: Input Mode)</td>
<td></td>
<td>One of the following:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• A (PAN auto-entry via contactless magnetic stripe)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• M (PAN auto-entry via contactless M/Chip)</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Data Element</th>
<th>Subfield</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 (Merchant Type)</td>
<td></td>
<td>One of the following:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 4111 (Transportation-Suburban and Local Commuter Passenger, including Ferries)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 4131 (Bus Lines)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 4784 (Bridge and Road Fees, Tolls)</td>
</tr>
<tr>
<td>22 (Point-of-Service [POS] Entry Mode)</td>
<td>1 (POS Terminal PAN Entry Mode)</td>
<td>Any of the values shown in “Contactless Transactions Values for Authorization Request/0100 or Financial Transaction Request/0200 Messages.” Note that additionally, the value of 82 appears in Contactless debt repayment Transactions.</td>
</tr>
<tr>
<td>48 (Additional Data-Private Use)</td>
<td>1 (Transaction Category Code [TCC])</td>
<td>X (Airline and Other Transportation Services)</td>
</tr>
<tr>
<td>48 (Additional Data-Private Use), subelement 64 (Transit Program)</td>
<td>1 (Transit Transaction Type)</td>
<td>One of the following:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 03 (Mastercard Contactless Transit Aggregated)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 06 (Maestro Contactless Transit Aggregated)</td>
</tr>
<tr>
<td>61 (Point-of-Service [POS] Data</td>
<td>1 (POS Terminal Attendance)</td>
<td>1 (Unattended terminal)</td>
</tr>
</tbody>
</table>

|                                      | 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)               |
### Data Element

<table>
<thead>
<tr>
<th>Data Element</th>
<th>Subfield</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>7 (POS Transaction Status)</td>
<td></td>
<td>One of the following:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 0 (Normal request)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 4 (Pre-authorized request) Note: This value is only for Europe Region-acquired Transactions.</td>
</tr>
<tr>
<td>10 (Cardholder-Activated Terminal Level)</td>
<td></td>
<td>0 (Not a CAT transaction)</td>
</tr>
<tr>
<td>11 (POS Card Data Terminal Input Capability)</td>
<td></td>
<td>One of the following:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 3 (Contactless M/Chip)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 4 (Contactless Magnetic Stripe)</td>
</tr>
</tbody>
</table>

### Contactless Transit Aggregated Transaction Values for First Presentment/1240 Messages

<table>
<thead>
<tr>
<th>Data Element/PDS</th>
<th>Subfield</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>22 (Point of Service Data Code)</td>
<td></td>
<td>One of the following:</td>
</tr>
<tr>
<td>3 (Terminal Data: Card Data Capability)</td>
<td></td>
<td>• A Contactless Magnetic Stripe (Proximity Chip)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• M Contactless EMV/Chip (Proximity Chip)</td>
</tr>
<tr>
<td>3 (Terminal Data: Card Capture Capability)</td>
<td></td>
<td>0 (No capture capability)</td>
</tr>
<tr>
<td>4 (Terminal Operating Environment)</td>
<td></td>
<td>2 (On card acceptor premises; unattended terminal)</td>
</tr>
<tr>
<td>5 (Card Present Data)</td>
<td></td>
<td>0 (Cardholder present)</td>
</tr>
<tr>
<td>6 (Card Present Data)</td>
<td></td>
<td>1 (Card present)</td>
</tr>
<tr>
<td>7 (Card Data: Input Mode)</td>
<td></td>
<td>One of the following:</td>
</tr>
<tr>
<td>26 (Card Acceptor Business Code [MCC])</td>
<td></td>
<td>One of the following:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 4111 (Transportation-Suburban and Local Commuter Passenger, including Ferries)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 4131 (Bus Lines)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 4784 (Bridge and Road Fees, Tolls)</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Data Element</th>
<th>Subfield</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 (Merchant Type)</td>
<td>1 (POS Terminal PAN Entry Mode)</td>
<td>Any of the values shown in “Contactless Transaction Values for Authorization Request/0100 or Financial Transaction Request/0200 Messages.”</td>
</tr>
<tr>
<td>22 (Point-of-Service [POS] Entry Mode)</td>
<td>1 (POS Terminal Attendance)</td>
<td>1 (Unattended terminal)</td>
</tr>
<tr>
<td>61 (Point-of-Service [POS] Data)</td>
<td>1 (POS Terminal Location)</td>
<td>One of the following:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 0 (On premises of card acceptor facility)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 1 (Off premises of card acceptor facility [card acceptor terminal-remote location])</td>
</tr>
<tr>
<td>4 (POS Cardholder Presence)</td>
<td></td>
<td>0 (Cardholder present)</td>
</tr>
<tr>
<td>5 (POS Card Presence)</td>
<td></td>
<td>0 (Card present)</td>
</tr>
<tr>
<td>7 (POS Transaction Status)</td>
<td></td>
<td>0 (Normal request)</td>
</tr>
</tbody>
</table>
### Contactless-Only Transaction Values for First Presentment/1240 Messages

<table>
<thead>
<tr>
<th>Data Element</th>
<th>Subfield</th>
<th>Value</th>
</tr>
</thead>
</table>
| 22 (Point of Service Data Code) | 1 (Terminal Data: Card Data Capability) | One of the following:  
  - A Contactless Magnetic Stripe (Proximity Chip)  
  - M Contactless EMV/Chip (Proximity Chip) |
| 4 (Terminal Operating Environment) | 2 (On card acceptor 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 (Card Acceptor Business Code [MCC]) | An MCC approved to be contactless-only as published from time to time in an announcement. |
## 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

<table>
<thead>
<tr>
<th>Data Element</th>
<th>Subfield</th>
<th>Value</th>
</tr>
</thead>
</table>
| 22 (Point of Service Data Code)   | 1 (Terminal Data: Card Data Capability) | One of the following:  
  • 2 (Terminal supports magnetic stripe input only.)  
  • 5 (Terminal supports EMV contact chip input only.)  
  • B (Terminal supports magnetic stripe input, and key entry input.)  
  • C (Terminal supports EMV contact chip input, magnetic stripe input, and key entry input.)  
  • D (Terminal supports EMV contact chip input and magnetic stripe input.)  
  • E (EMV contact chip and key entry capability) |
| 4 (Terminal Operating Environment) | 1 (On card acceptor premises; attended terminal)  
  • 3 (Off card acceptor 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 (PAN auto-entry via magnetic strip: track data is not required within transaction)  
  • B (PAN auto-entry via magnetic stripe: track data provided unaltered within transaction [magnetic stripe entry may also be chip fallback transaction])  
  • C (PAN auto-entry via chip [online authorized transaction])  
  • F (PAN auto-entry via chip [offline chip-approved transaction]) |
<table>
<thead>
<tr>
<th>Data Element</th>
<th>Subfield</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>26 (Card Acceptor Business Code [MCC])</td>
<td></td>
<td>An eligible Quick Payment Service (QPS) MCC.</td>
</tr>
<tr>
<td>PDS 0044 (Program Participation Indicator)</td>
<td>2 (QPS/Contactless Chargeback Eligibility Indicator)</td>
<td>I (Ineligible for chargeback)-Value added by Mastercard.</td>
</tr>
</tbody>
</table>

### 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

<table>
<thead>
<tr>
<th>Data Element</th>
<th>Subfield</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 (Processing Code)</td>
<td>1 (Cardholder Transaction Type)</td>
<td>28</td>
</tr>
</tbody>
</table>
Data Element | Subfield | Value
--- | --- | ---
18 (Merchant Type) |  | One of the following for Payment Transactions:
  • **6532** - for a Payment Transaction processed by a Customer or its authorized agent.
  • **6533** - for a Payment Transaction processed by a Merchant.
  • **7800** - for Gaming Payment Transactions (Government-owned Lottery, U.S. Region only)
  • **7801** for Gaming Payment Transactions (Internet Gambling, U.S. Region only)
  • **7802** for Gaming Payment Transactions (Government Licensed Horse/Dog Racing, U.S. Region only)
  • **7804** for Gaming Payment Transactions (Video Game Arcades/ Establishments)
  • **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.
  • For MoneySend Payment Transactions, as described in the MoneySend and Funding Transactions Standards.
  • For Payment Transactions (other than MoneySend Payment Transactions), the program-defined MCC as described in the applicable Standards.

48 (Additional Data-Use) | TCC (Transaction Category Code) | Refer to the Quick Reference Booklet.

48 (Additional Data-Private Use) | 77 (Payment Transaction Type Indicator) | Payment Transaction program type identified in the Customer Interface Specification and the Single Message System Specifications.

Payment Transaction Values for First Presentment/1240 Messages

Data Element | Subfield | Value
--- | --- | ---
3 (Processing Code) | 1 (Cardholder Transaction Type) | 28

26 (Card Acceptor Business Code) |  | As described for DE 18 (Merchant Type) in the Authorization Request/0100 message
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 e-commerce Transaction with the following values.

#### E-commerce Transaction Values for Authorization Request/0100 or Financial Transaction Request/0200 Messages

<table>
<thead>
<tr>
<th>Data Element</th>
<th>Subfield</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>22 (Point-of-Service [POS] Entry Mode)</td>
<td>1 (POS Terminal PAN Entry Mode)</td>
<td>81 PAN/Token entry via electronic commerce with optional Identity Check-AAV or DSRP cryptogram in UCAF</td>
</tr>
<tr>
<td>61 ((Point-of-Service [POS] Data)</td>
<td>4 (POS Cardholder Presence)</td>
<td>One of the following:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 4 (Standing order/recurring transactions) [If the Transaction is the first payment in a recurring payment arrangement]</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 5 Cardholder not present (Electronic order [home PC, Internet, mobile phone, PDA])</td>
</tr>
<tr>
<td>61 (Point-of-Service [POS] Data)</td>
<td>10 Cardholder-Activated Terminal Level</td>
<td>6 Authorized Level 6 CAT: Electronic commerce</td>
</tr>
</tbody>
</table>
Electronic Commerce Transaction Values for First Presentment/1240 Messages

<table>
<thead>
<tr>
<th>Data Element</th>
<th>Subfield</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>22 (Point of Service Data Code)</td>
<td>5 (Cardholder Present Data)</td>
<td>One of the following:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 4 (Cardholder not present (standing order/recurring transactions) [If the Transaction is the first payment in a recurring payment arrangement])</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 5 Cardholder not present (electronic order [PC, Internet, mobile phone, or PDA])</td>
</tr>
<tr>
<td>22 (Point of Service Data Code)</td>
<td>7 (Card Data: Input Mode)</td>
<td>S PAN entry via electronic commerce</td>
</tr>
</tbody>
</table>

Digital Secure Remote Payment Transactions

A Digital Secure Remote Payment Transaction is an e-commerce Transaction that contains cryptographic information, in the form of either full EMV chip data passed in DE 55 or a cryptographic value derived from an M/Chip cryptogram passed in the Universal Cardholder Authentication Field (UCAF). Subsequent to the initial Digital Secure Remote Payment Transaction, a related Transaction for a partial shipment may occur, in which case cryptographic information is not passed. When a Digital Secure Remote Payment Transaction contains tokenized account information, the Mastercard Digital Enablement Service performs token mapping and cryptographic validation services.

Digital Secure Remote Payment Transactions Containing Chip Data

Authorization Request/0100 and Financial Transaction Request/0200 Messages

<table>
<thead>
<tr>
<th>Data Element</th>
<th>Subfield/Subelement</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>22 (Point-of-Service [POS] Entry Mode)</td>
<td>1 (POS Terminal PAN Entry Mode)</td>
<td>09 PAN/Token entry via electronic commerce containing DSRP cryptogram in DE 55 (Integrated Circuit Card [ICC] System-Related Data)</td>
</tr>
<tr>
<td>48 (Additional Data-Private Use)</td>
<td>33 (PAN Mapping File Information)</td>
<td>Present when the Mastercard Digital Enablement Service performs token mapping.</td>
</tr>
</tbody>
</table>
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])

4 (POS Cardholder Presence) | 5 Cardholder not present (electronic order [home PC, Internet, mobile phone, PDA])

10 (Cardholder-Activated Terminal Level) | 6 (Authorized Level 6 CAT: Electronic commerce)

**First Presentment/1240 Messages**

<table>
<thead>
<tr>
<th>Data Element</th>
<th>Subfield/PDS</th>
<th>Value</th>
</tr>
</thead>
</table>
| 22 (Point-of-Service [POS] Data Code) | 4 (Terminal Operating Environment) | One of the following:  
| • 2 (On card acceptor premises; unattended terminal)  
| • 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 containing Digital Secure Remote Payment (DSRP) cryptogram within DE 55 (Integrated Circuit Card [ICC]) |
Digital Secure Remote Payment Transactions Containing UCAF Data

Authorization Request/0100 and Financial Transaction Request/0200 Messages

<table>
<thead>
<tr>
<th>Data Element</th>
<th>Subfield/ Subelement</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>22 (Point-of-Service [POS] Entry Mode)</td>
<td>1 (POS Terminal PAN Entry Mode)</td>
<td>81 PAN/Token entry via electronic commerce with optional Identity Check-AAV or DSRP cryptogram in UCAF</td>
</tr>
<tr>
<td>48 (Additional Data-Private Use)</td>
<td>33 (PAN Mapping File Information)</td>
<td>Present when the Mastercard Digital Enablement Service performs token mapping.</td>
</tr>
<tr>
<td>42 (Electronic Commerce Indicators), subfield 1 (Electronic Commerce Security Level Indicator and UCAF Collection Indicator)</td>
<td></td>
<td>All of the following:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Position 1 = 2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Position 2 = 4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Position 3 = 2 or 6</td>
</tr>
<tr>
<td>71 (On-behalf Services)</td>
<td></td>
<td>Present when the Mastercard Digital Enablement Service performs token mapping:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Subfield 1 (On-behalf [OB] Result 1) = 50 (Mastercard Digital Enablement Service PAN Mapping); and</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Subfield 2 (On-behalf [OB] Service) = C (Conversion of Token to PAN completed successfully)</td>
</tr>
<tr>
<td>71 (On-behalf Services)</td>
<td></td>
<td>Present when the Mastercard Digital Enablement Service performs cryptographic validation:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Subfield 1 = 51 (Mastercard Digital Enablement Service Chip Pre-Validation); and</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Subfield 2 = V (Valid)</td>
</tr>
<tr>
<td>61 (Point-of-Service [POS] Data)</td>
<td>3 (POS Terminal Location)</td>
<td>One of the following:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 2 (off premises of card acceptor facility [cardholder terminal including home PC, mobile phone, PDA]); or</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 4 (On premises of card acceptor facility [cardholder terminal including home PC, mobile phone, PDA])</td>
</tr>
</tbody>
</table>

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### First Presentment/1240 Messages

<table>
<thead>
<tr>
<th>Data Element</th>
<th>Subfield/PDS</th>
<th>Value</th>
</tr>
</thead>
</table>
| 22 (Point-of-Service [POS] Data Code) | 4 (Terminal Operating Environment) | One of the following:  
  - 2 (On card acceptor premises; unattended terminal)  
  - 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 PAN entry via electronic commerce |
| 48 (Additional Data) | PDS 0023 (Terminal Type) | CT 6 (CAT level 6 [e-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

<table>
<thead>
<tr>
<th>Data Element</th>
<th>Subfield/ Subelement</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>22 (Point-of-Service [POS] Entry Mode)</td>
<td>1 (POS Terminal PAN Entry Mode)</td>
<td>81 (PAN/Token entry via electronic commerce with optional Identity Check-AAV or DSRP cryptogram in UCAF.)</td>
</tr>
</tbody>
</table>

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Chargeback Guide • 7 December 2021
<table>
<thead>
<tr>
<th>Data Element</th>
<th>Subfield/ Subelement</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>48 (Additional Data-Private Use)</td>
<td>33 (PAN Mapping File Information)</td>
<td>Present when the Mastercard Digital Enablement Service performs token mapping.</td>
</tr>
<tr>
<td>42 (Electronic Commerce Indicators),</td>
<td>43 (Electronic Commerce Security Level Indicator and UCAF Collection Indicator)</td>
<td>All of the following:</td>
</tr>
<tr>
<td>Subfield 1</td>
<td></td>
<td>Position 1 = 2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Position 2 = 4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Position 3 = 7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>NOTE: DE 48, Subelement 43 is not required. Liability will depend on the original UCAF indicator value in the matching initial DSRP transaction.</td>
</tr>
<tr>
<td>71 (On-behalf Services)</td>
<td></td>
<td>Present when the Mastercard Digital Enablement Service performs token mapping:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Subfield 1 (On-behalf [OB] Service) = 50 (Mastercard Digital Enablement Service PAN Mapping); and</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Subfield 2 (On-behalf [OB] Result 1) = C (Conversion of Token to PAN completed successfully)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>NOTE: Value 51 (Mastercard Digital Enablement Service Chip Pre-Validation) does not appear in a partial shipment or recurring payment.</td>
</tr>
</tbody>
</table>

First Presentment/1240 Messages

<table>
<thead>
<tr>
<th>Data Element</th>
<th>Subfield/PDS</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>22 (Point-of-Service [POS] Data Code)</td>
<td>4 (Terminal Operating Environment)</td>
<td>One of the following:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 2 (On card acceptor premises; unattended terminal)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 4 (Off card acceptor premises; unattended)</td>
</tr>
<tr>
<td>5 (Cardholder Present Data)</td>
<td>5 (Cardholder not present [electronic order (PC, Internet, mobile phone, or PDA)])</td>
<td></td>
</tr>
<tr>
<td>7 (Card Data: Input Mode)</td>
<td>5 (PAN entry via electronic commerce)</td>
<td></td>
</tr>
</tbody>
</table>
### 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

<table>
<thead>
<tr>
<th>Data Element</th>
<th>Subfield/Subelement</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>22 (Point-of-Service [POS] Entry Mode)</td>
<td>1 (POS Terminal PAN Entry Mode)</td>
<td>82 (PAN auto entry via server [issuer, acquirer, or third party vendor system])</td>
</tr>
<tr>
<td>48 (Additional Data-Private Use)</td>
<td>1 (Remote Payments Program Type Identifier)</td>
<td>1 (Issuer domain) or 2 (Acquirer Domain)</td>
</tr>
</tbody>
</table>

#### Mastercard Mobile Remote Payment Transaction Values for First Presentment/1240 Messages

<table>
<thead>
<tr>
<th>Data Element</th>
<th>Subfield/Subelement</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>22 (Point of Service [POS] Entry Mode)</td>
<td>7 (Card Data: Input Mode)</td>
<td>T (PAN auto entry via server [issuer, acquirer, or third party vendor system])</td>
</tr>
<tr>
<td>48 (Additional Data)</td>
<td>1 (Remote Payments Program Data)</td>
<td>1 (Issuer domain) or 2 (Acquirer Domain)</td>
</tr>
</tbody>
</table>
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.

Mastercard Consumer-Presented Quick Response (QR) Transactions

The acquirer must identify each Mastercard Consumer-Presented QR Transaction with the following values.

Mastercard Consumer-Presented QR Values for Authorization Request/0100 or Financial Transaction Request/0200 Messages

<table>
<thead>
<tr>
<th>Data Element</th>
<th>Subelement/ Subfield</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>DE 22 (Point-of-Service (POS) Entry Mode)</td>
<td>1 (POS Terminal PAN Entry Mode)</td>
<td>03 (PAN Auto-entry via barcode reader)</td>
</tr>
<tr>
<td>DE 48 (Additional Data-Private Use)</td>
<td>21 (Acceptance Data) Subfield 2 (Additional Terminal Capability Indicator)</td>
<td>11-Valid Position 1 and Position 2 Value Combinations</td>
</tr>
</tbody>
</table>

Appendix G  China Domestic Adjustments

This appendix contains rules and procedures for processing adjustments in China Switch. China Switch is only responsible for switching China domestic transactions. The information contained in this appendix is only used by China issuers and acquirers.

Overview........................................................................................................................................................................681
Overview

The China Switch (CSW) processes authorization, clearing and settlement in a single message. CSW is only responsible for switching China domestic transactions.

This appendix contains rules and procedures for adjustments switched in China Switch.

Adjustment

When a Customer determines an error has been made, the Customer can correct the error through an adjustment.

If the adjustment is processed by an acquirer, the issuer may have the option of a chargeback.

Acquirer Adjustment Reason Codes

The following message reason code is available for an acquirer to perform China domestic adjustments and corrections.

<table>
<thead>
<tr>
<th>Reason Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>Correction of a Terminal Malfunction</td>
</tr>
</tbody>
</table>

Acquirer Adjustment

The tables in this section detail the conditions under which an adjustment may be processed.

Message Reason Code 10 - Correct a Terminal Malfunction

Adjustment Condition.

For debit adjustment, the acquirer is correcting an ATM terminal malfunction.

For credit adjustment, the acquirer is correcting a terminal malfunction.

Time Frame.

One of the following:

- 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.
<table>
<thead>
<tr>
<th>Message Reason Code.</th>
<th>10 (Correct a Terminal Malfunction)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supporting Documents.</td>
<td>None.</td>
</tr>
<tr>
<td>Message Text.</td>
<td>None.</td>
</tr>
<tr>
<td>Notes.</td>
<td>ATM Access Fee</td>
</tr>
<tr>
<td></td>
<td>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.</td>
</tr>
<tr>
<td></td>
<td>The Acceptance of Adjustment</td>
</tr>
<tr>
<td></td>
<td>An issuer must accept a debit adjustment providing the adjustment was processed within 10 calendar days of the settlement date of the original transaction.</td>
</tr>
<tr>
<td></td>
<td>A China issuer must accept a credit adjustment, regardless of the time frame.</td>
</tr>
<tr>
<td></td>
<td>Correction of Processed Adjustment</td>
</tr>
<tr>
<td></td>
<td>When the acquirer determines an error occurred with processing this message reason code 10, the acquirer may process an Adjustment Reversal.</td>
</tr>
<tr>
<td></td>
<td>After performing an Adjustment Reversal, the acquirer has the option of submitting a new adjustment message reason code 10.</td>
</tr>
<tr>
<td></td>
<td>The Adjustment Reversal must be processed between 1 and 10 calendar days after the adjustment settlement date.</td>
</tr>
<tr>
<td></td>
<td>Refer to China Switch User Guide - Customer Portal for the process of Adjustment Reversal.</td>
</tr>
<tr>
<td></td>
<td>Return of Processed Adjustment</td>
</tr>
<tr>
<td></td>
<td>The issuer may be able to return a processed adjustment if all of the following:</td>
</tr>
<tr>
<td></td>
<td>• The issuer receives an adjustment from the acquirer; and</td>
</tr>
<tr>
<td></td>
<td>• The acquirer’s adjustment was processed between 11 and 45 calendar days after the transaction settlement date, and</td>
</tr>
<tr>
<td></td>
<td>• One of the following:</td>
</tr>
<tr>
<td></td>
<td>– The cardholder account is closed; or</td>
</tr>
<tr>
<td></td>
<td>– The cardholder account does not have sufficient funds or balance</td>
</tr>
<tr>
<td></td>
<td>The return must be processed between 1 and 20 calendar days after the adjustment settlement date.</td>
</tr>
<tr>
<td></td>
<td>If the acquirer does not accept the return of processed adjustment, a compliance case may be filed.</td>
</tr>
</tbody>
</table>
Appendix H  Forms

This appendix contains instructions for accessing the forms that are referred to in this guide.

Accessing Mastercard Connect..............................................................684
  Referenced Forms.............................................................................686
Accessing Mastercard Connect

All forms associated with this Chargeback Guide can be located on Mastercard Connect™.

Procedure

Follow these steps to log on to Mastercard Connect.

1. Log on to Mastercard Connect using your RSA SecureID token.
   
   Figure 3:

   ![Mastercard Connect home screen](image)

   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.
   
   Figure 4:

   ![Mastercard Connect Support tab](image)

3. Select Forms from the bottom right of the Mastercard Connect screen.
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.
Referenced Forms

The following forms have been referenced in this *Chargeback Guide*.

<table>
<thead>
<tr>
<th>Form</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>362</td>
<td>Fraud and Loss Database Optional Report Selection Form</td>
</tr>
<tr>
<td>412</td>
<td>Dispute Resolution Form-Fraud</td>
</tr>
<tr>
<td>500</td>
<td>MDS Exception Item Processing Request</td>
</tr>
<tr>
<td>682a</td>
<td>Dispute Resolution Management Case Filing Form—SMS Linked Case Filing</td>
</tr>
<tr>
<td>1185</td>
<td>Expedited Billing Dispute Resolution Process Form—Pre-Compliance/Compliance</td>
</tr>
<tr>
<td>1221</td>
<td>Dispute Resolution Form-Cardholder Dispute Chargeback</td>
</tr>
<tr>
<td>1240</td>
<td>Dispute Resolution Form-Point-of-Interaction (POI) Errors</td>
</tr>
</tbody>
</table>
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