



October 2014 Interchange Adjustments

September 17, 2014

Please be advised that the Card Associations have announced interchange modifications that will be effective on **October 17, 2014**. Please review the following recap of these changes and begin considering strategies for your portfolio. Items with rate changes/increases are shown in **bold**. Additional information on Card Association changes will be forthcoming as it is received.

MasterCard Initiatives

MasterCard Prepaid Payments Account Launch

MasterCard is creating a new prepaid virtual account product to support large ticket business-to-business payments. This new card-not-present product will be a virtual product. No plastic (card) will be issued for this product.

Visa Initiatives

Changes to CPS/Debit Tax Free Programs

Visa will no longer assess the CPS/Debit Tax Payment 2 (42/1369) interchange fee program on Visa consumer debit and prepaid card original purchase transactions. The existing CPS/Debit Tax Payment 1 (42/1368) interchange fee program will be renamed CPS/Debit Tax Payment. The CPS/Debit Tax Payment interchange fee program will apply to Visa consumer debit and prepaid card tax payment transactions that meet existing fee edit criteria and MVV requirements regardless of transaction amount.

Changes to Eligible Select Developing Market MCCs for CPS/Retail 2 Credit Rate

Visa will no longer allow Visa consumer credit purchase transactions submitted with **MCC 4899** (Cable, satellite, and pay television services) to qualify for the CPS/Retail 2 Credit interchange rate. Select developing market purchase transactions with Visa consumer debit and prepaid cards are not impacted by this change.

All other existing fee edit criteria, including the list of qualifying CPS programs eligible for the CPS/Retail 2 Credit rate, remain unchanged.

New U.S. CPS/Recurring Bill Payment Program

Visa will introduce a new CPS/Recurring Bill Payment consumer credit interchange fee program and rate for the cable (MCC 4899) and telecommunications (MCC 4814) merchant segments.

Recurring payment transactions will qualify for the new CPS/Recurring Bill Payment program when the following purchase transaction conditions apply:

- > MCC must be: 4814 (Telecommunication services, including local and long distance calls, credit card calls, calls through use of magnetic-stripe-reading telephones, and fax services) or 4899 (Cable, satellite and other pay television and radio services)
- > Card and cardholder are not present
- > One authorization request message per clearing transaction
- > Authorized amount matches the transaction amount
- > Address verification is not required
- > Purchase date must be within one day of the authorization date
- > Purchase date must be no more than two days prior to the central processing date (CPD)

The new CPS/Recurring Bill Payment program will not apply to ineligible Visa consumer credit card, Visa consumer debit and prepaid card, and Visa commercial card transactions.

Description	New Card Type	New Charge Type	Current IC%	Current IC\$	NEW IC%	NEW IC\$
CPS/Recurring Bill Payment	40	1219	n/a	n/a	1.43%	\$0.05

Domestic IC Fee Programs for Application-Based E-Commerce Transactions from Mobile Devices

Visa will implement interchange fee changes that will impact U.S. domestic electronic commerce purchase transactions with tokenized primary account numbers (PANs) initiated with a consumer mobile device. CPS qualified electronic commerce transactions conducted from a mobile device will qualify for electronic commerce basic interchanges rates and corresponding chargeback protection.

Changes to Existing U.S. Domestic Commercial Card Interchange Fee Rate

Visa will implement interchange rate changes in the U.S. domestic interchange reimbursement fee structure that will impact credit card purchase transactions. Charge types that have now been combined as a result of these changes are highlighted in yellow.

- > Visa Corporate
- > Visa Purchasing

Current Description	New Description	Card Type Charge Type	Current IC%	Current IC \$	New IC%	New IC\$
Corporate Card-Electronic	Corporate & Purchasing Card-Electronic	41-1223	2.75%	\$0.10	2.95%	\$0.10
Purchasing Card-Electronic	Eliminated/Combined with 41-1223	41-1233	2.75%	\$0.10	2.95%	\$0.10
Corporate Card-Business-to-Business	Business Card B2B (Corporate Card will now be combined with Purchasing Card)	41-1319	2.10%	\$0.10	2.10%	\$0.10
Purchasing Card-Business-to-Business	Corporate & Purchasing - B2B	41-1843	2.40%	\$0.10	2.55%	\$0.10
Corporate Card-Card Not Present	Eliminated/Combined with 41-1317	41-1316	2.20%	\$0.10	2.65%	\$0.10
Purchasing Card-Card Not Present	Corporate & Purchasing Card - CNP	41-1317	2.65%	\$0.10	2.65%	\$0.10
Corporate Card-Retail	Eliminated/Combined with 41-1349	41-1348	2.10%	\$0.10	2.50%	\$0.10
Purchasing Card-Retail	Corporate & Purchasing Card-Retail	41-1349	2.40%	\$0.10	2.50%	\$0.10
Corporate Card-Non-Travel Service, Level 3 Data	Eliminated/Combined with 41-1227	41-1841	1.95%	\$0.10	1.85%	\$0.10
Purchasing Card-Non-Travel Service, Level 3 Data	Corp. & Purchasing Card-Non-Travel Service, Level 3	41-1227	1.95%	\$0.10	1.85%	\$0.10
Corporate Card-Electronic with Data	Eliminated/Combined with 41-1320	41-1840	2.75%	\$0.10	2.95%	\$0.10
Purchasing Card-Electronic with Data	Corp. & Purchasing Card Electronic with Data	41-1320	2.75%	\$0.10	2.95%	\$0.10
Purchasing Card-Travel Service	Eliminated/Combined with 41-1844	41-1845	2.45%	\$0.10	2.55%	\$0.10
Corporate Card-Travel Service	Corp. & Purchasing Card-Travel Service	41-184	2.55%	\$0.10	2.55%	\$0.10

Please keep in mind the new Card/Charge Types need to be added to boarding prototypes. If prototypes are not adjusted, transactions will suspend. EVO will send another communication when both the OnBoard boarding templates and EDS prototypes can be updated.

EVO has elected to not implement any pricing adjustments to merchants as a result of the Fall 2014 Release changes. If you wish to make pricing adjustments to your portfolio please submit the CSR paperwork to Alliance Support no later than the close of business on Wednesday, September 24, 2014.

As always, additional information will be distributed as it is received including updated compliance and interchange rate charts and guides with detailed qualification information.

If there are any questions or concerns please Alliance Support at AllianceSupport.evo@evopayments.com.

