

## Global Partner Management Notice

**Subject:** Acquirer Support for Partial Approval, Real-Time Reversals, and Account Balance Response for Debit and Prepaid Transactions (U. S. Region)

**Dated:** April 27, 2009

**Announcement:**

MasterCard is announcing a mandate for acquirers in the U.S. region to support partial approvals, support sending a reversal request or advice to update the cardholder's open-to-buy balance, and support sending account balance responses within the Banknet® telecommunications network and the MasterCard® Debit Switch (MDS) for debit and prepaid transactions.

The mandate will apply to acquirers supporting merchants within select card acceptor business codes/merchant category codes (MCCs) and will be effective in five phases as announced in the article.

**As indicated by MCC and implemented in the following phases:**

**Phase 1: 1 May 2010**

**Phase 2: 1 November 2010**

**Phase 3: 1 May 2011**

Subsequent to the U.S. region issuer mandate for partial approvals, real-time reversals, and account balance responses announced in *Global Operations Bulletin* No. 9, 4 September 2007, MasterCard is mandating that all acquirers and merchants that acquire Debit MasterCard and Maestro transactions must support the partial approval of authorization transactions and real-time transaction reversals (full and partial) and account balance responses from the point-of-sale (POS).

U.S. region acquirers and merchants that acquire Debit MasterCard and Maestro transactions must implement changes to support these transactions at their internal host systems and also update message formats to and including the POS devices when a merchant requests an authorization.

The mandate will apply for acquirers and merchants within select MCCs. The mandate schedule begins in May 2010 and ends in May 2011. The complete list of MCCs for which this mandate applies and their associated dates is included in this article.

**Changes to Authorization Messages and Selected Transaction Types**

Effective with Banknet Releases 05.2, 06.1, and 06.2 and MDS Release 06.2, MasterCard implemented changes to the authorization messages that allowed debit and prepaid issuers the option to respond to an authorization request with a partial approval, which is used to approve a portion of the originally requested transaction amount or to reverse an authorization in full or in part. The account balance response enabled issuers to provide the current available balance on the cardholder's prepaid card account within authorization responses.

Historically, the decline rates for MasterCard and Maestro debit and prepaid products have caused concern for both cardholders and merchants. A primary concern is that these issuer programs and merchant terminals do not support partial approvals. As such, if a cardholder does not have sufficient funds in the debit or prepaid card account to cover the full amount of the transaction, the transaction is declined.

To further exacerbate the problem, prepaid cardholders frequently do not know the current available balance in their accounts while at the point of sale. The partial approval enables the issuer to approve a portion of the transaction amount in the authorization request when the transaction amount exceeds the amount of funds available on the card. The merchant can then initiate split-tender processing to obtain

the remainder of the purchase amount in another form of payment from the cardholder. Prepaid issuers can transmit account balance information in an authorization response, which must be printed or displayed by POS terminals programmed to accept this type of data.

The applicable MCCs and effective dates for mandated support are listed below.

Effective Date	MCC	Description
<b>1 May 2010</b>	5310	Discount Stores
	5311	Department Stores
	5411	Grocery Stores, Supermarkets
	5499	Miscellaneous Food Stores---Convenience Stores, Markets, Specialty Stores and Vending Machines
	5541	Service Stations (with or without Ancillary Services)
	5542	Fuel Dispenser, Automated
	5812	Eating Places, Restaurants
	5814	Fast Food Restaurants
	5912	Drug Stores, Pharmacies
	5942	Book Stores
	5943	Office, School Supply and Stationery Stores
	7829	Motion Picture-Video Tape Production-Distribution
	7832	Motion Picture Theaters
	7841	Video Entertainment Rental Stores
	8011	Doctors---not elsewhere classified
	8021	Dentists, Orthodontists
	8099	Health Practitioners, Medical Services---not elsewhere classified
	5111	Stationery, Office Supplies
	5200	Home Supply Warehouse Stores
	5331	Variety Stores
	5399	Miscellaneous General Merchandise Stores
	5732	Electronic Sales
	5734	Computer Software Stores
	5735	Record Shops
	5921	Package Stores, Beer, Wine, and Liquor
	5941	Sporting Goods Stores
	5999	Miscellaneous and Specialty Retail Stores
	8041	Chiropractors
	8042	Optometrists, Ophthalmologists
	8043	Opticians, Optical Goods, and Eyeglasses
	4812	Telecommunication Equipment including Telephone Sales
	4814	Telecommunication Services
	5300	Wholesale Clubs
	5964	Direct Marketing---Catalog Merchants
	5965	Direct Marketing---Combination Catalog---Retail Merchants

	5966	Direct Marketing---Outbound Telemarketing Merchants
	5967	Direct Marketing---Inbound Telemarketing Merchants
	5969	Direct Marketing---Other Direct Marketers---not elsewhere classified
	8062	Hospitals
<b>1 November 2010</b>	4111	Transportation---Suburban and Local Commuter Passenger, including Ferries
	4816	Computer Network/Information Services
	4899	Cable, Satellite, and Other Pay Television and Radio Services
	7996	Amusement Parks, Carnivals, Circuses, Fortune Tellers
	7997	Clubs---Country Membership
	7999	Recreation services---not elsewhere classified
<b>1 May 2011</b>	8999	Professional Services---not elsewhere classified
	9399	Government Services ---not elsewhere classified

Debit (including prepaid) acquirers and merchants in the U.S. region must ensure that their internal host systems and message formats to and including the POS device can process partial approvals, real-time reversals, and account balance responses according to the effective dates listed for each MCC applicable for the mandate.

MasterCard will transmit the account balance information on Maestro and Debit MasterCard prepaid card accounts to acquirers, except for prepaid card accounts in the payroll, government, and flex benefits business segments.

Merchants must display or print any account balance response received for the cardholder's benefit.

MasterCard has also communicated an exception for standalone POS Terminals. A "standalone" terminal is defined as a device that is not integrated into a merchant's POS system, such that the sale has to be manually keyed into the terminal. The phase in period for standalone terminals is as follows -

- All terminals deployed after May 1, 2010 must support the requirements
- All terminals downloads performed for any reason after May 1, 2010 must support the requirements
- If a merchants' MCC has a May 1, 2011 requirement date, then that later date shall prevail to support the requirements

Best Regards,

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