

Chargeback Guide Merchant Edition

30 April 2024



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Summary of Changes, 30 April 2024

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

Description of Change	Where to Look
Minor edits, formatting.	Throughout
None.	Chapter 1 General Information
Incorporated changes from the following announcements:	Chapter 2 Dual Message System Chargebacks
<ul style="list-style-type: none"> • AN 8446 - Revised Standards for Reducing First Presentment Time Frames in India- effective 3 April 2024 • AN 8455 - Revised Standards for Fraud Chargebacks - effective for chargebacks on or after 12 April 2024 • AN 8665 - Revised Standards for Late Presentment Chargebacks - effective for chargebacks on or after 12 April 2024 • AN 8732 - Revised Standards for Chargebacks Related to the Stand-In Listing Requirement in the Latin America and the Caribbean Region - effective for chargebacks on or after 22 January 2024 • AN 9202 - Revised Standards for Refund-Related Disputes - effective 5 March 2024 • AP 9287 - Revised Standards for Mastercard Corporate Purchasing Card in India - effective 2 April 2024 • AP 9288 - Revised Standards for Mastercard Corporate Purchasing Card in Sri Lanka - effective 2 April 2024 • AP 9289 - Revised Standards for Mastercard Corporate Purchasing Card in Bangladesh - effective 2 April 2024 	
None.	Chapter 3 Single Message System Chargebacks
	Chapter 4 Single Message System Chargebacks for Non-Mastercard BIN Maestro Card-Not-Present (CNP) Debit Transactions
	Chapter 5 Pre-arbitration and Arbitration Case Filing

Description of Change	Where to Look
	Chapter 6 Domestic South Africa Disputes
	Chapter 7 Compliance Case Filing
None.	Appendix A Chargebacks-Mastercard Europe ATM Transactions (Mastercard, Maestro, and Cirrus)
None.	Appendix B Chargebacks Maestro POS Transactions
<p>Incorporated changes from the following announcements:</p> <ul style="list-style-type: none"> • AN 7874 - Revised Standards for CVM Limits in Myanmar - effective 1 August 2023 • AN 8542 - Revised Standards for Transit-Related CVM Limit Changes Japan - effective 1 April 2024 • AN 8643 - Revised Standards for CVM Limits in Select Countries in Middle/East Africa Region - effective 30 November 2023 • AN 8645 - Revised Standards for CVM Limits in El Salvador, Guatemala, Nicaragua, and Panama - effective 1 March 2024 • AN 9025 - Revised Standards for Contactless Transit Aggregated Limits in Chile - effective 31 January 2024 	Appendix C CVM Limit Changes
None.	Appendix D Domestic Chargebacks, Arbitration Case Filing, and Compliance Case Filing
	Appendix E Transaction Identification Requirements
	Appendix F Mainland China Domestic Adjustments
	Appendix G Forms

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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Network Processing

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

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

The China Switch (CSW) processes authorization, clearing and settlement in a single message. CSW is only responsible for switching Mainland 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 Mainland China, the rules in the 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

First Presentment	The first presentment occurs when the acquirer submits transaction data through the Single or Dual Message System to the issuer for posting to the cardholder's account.	
	Single Message	Dual Message
	In the Single Message System, this is a Presentment/0210 message.	In the Dual Message System, this is a First Presentment/1240 message.
Chargeback	The issuer may initiate a chargeback when the circumstances of the transaction meet the requirement of a chargeback reason code described in the Single Message System Chargebacks or Dual Message System Chargebacks chapters.	
	A chargeback may be for the total transaction amount or a lesser amount. Additionally, one clearing transaction may have multiple chargebacks for partial amounts. The total amount being charged back must not exceed the total transaction amount.	
	Upon reissuing a Mastercard, Debit Mastercard, or Maestro card with the same primary account number (PAN) and a new expiration date, the issuer must include the expiration date in all chargeback records.	

Single Message

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).

Second Presentment

An acquirer may process a second presentment when the acquirer:

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

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

Single Message

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).

Arbitration Case Filing

After the chargeback cycles have been completed, the issuer may continue a dispute by 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.

Compliance Case Filing

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

- A chargeback doesn't exist to address the dispute
- A rule has been violated

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 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.
- 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 the issuer has exercised a chargeback, the issuer must credit the cardholder's account for the amount of the successful chargeback.
 - 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"** means either a refund transaction (as identified with a value of 20 [Credit (Purchase Return)] in DE 3 [Processing Code], subfield 1 [Cardholder transaction type] of the clearing record) or a MoneySend Payment Transaction Fast Refund to the original card (as described in the *Mastercard MoneySend and Funding Transactions Program Standards*).

- **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*. 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*
- *Global Clearing Management System Reference Manual*
- *IPM Clearing Formats*
- *M/Chip Requirements*
- *Mastercard Consolidated Billing System*
- *Mastercard Rules*
- *Mastercom User Guide*
- *Quick Reference Booklet*
- *Reconciliation File and Report - China*
- *Security Rules and Procedures*
- *Settlement Manual*
- *Single Message System Settlement and Reports*
- *Single Message Transaction Manager User Guide*
- *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 Mainland 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.
- An offline chip-approved purchase transaction or other transaction not requiring online authorization by the issuer was presented in clearing more than seven-calendar days after the transaction date (meaning day eight).
- A refund transaction was presented in clearing more than five-calendar days after the transaction date (meaning day six).

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 approval date).

- The authorization chargeback protection time period expired for the presentment. The authorization chargeback protection time periods are:
 - For preauthorizations: 30-calendar days
 - For final authorizations:
 - For India domestic transactions: Four-calendar days
 - For all other transactions: Seven-calendar days
 - For undefined authorizations: Seven-calendar days

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 "stated" 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 and Transit Limit Amounts.
 - For India domestic transactions: There were four-calendar days or less between the date of the first contactless tap and the date the First Presentment/1240 message was generated.
For all other transactions: 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 Mainland China domestic chargeback and second presentment: Supporting Documents must be provided using the Mainland China Dispute Resolution Platform. Supporting Documents must be uploaded into the Mainland 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

Chargeback Condition. Both of the following:

- Authorization was required.
- Authorization was not properly obtained.

Time Frame.

For Mainland 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 Mainland 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 Mainland 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.

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.

Gratuity Tolerances. The table below lists the gratuity tolerances. The issuer may charge back only the gratuity amount in excess of the gratuity tolerance.

Transaction type	Gratuity tolerance
Chip/PIN transactions	0%
Contactless transactions	0%
Mastercard Consumer-Presented Quick Response (QR) Transactions	0%
Transactions for which the authorization was coded as a final authorization	0%
Mainland China domestic transactions	0%
United States domestic card-not-present transactions identified with either of the following MCCs:	30% With the partial approval exception noted below.
<ul style="list-style-type: none"> • MCC 5812 (Eating Places, Restaurants) • MCC 5814 (Fast Food Restaurants) 	
All other card-not-present transactions	0%
All other United States domestic card-present transactions	30% With the partial approval exception noted below.
All other card-present transactions	20% With the partial approval exception noted below.

Partial Approval Exception. The gratuity 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 500, 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 500, the issuer may charge back only the difference between the transaction amount and USD 500.
 - Any other Mastercard card for any amount less than or equal to USD 175, 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 175, the issuer may charge back only the difference between the transaction amount and USD 175.
-

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 “stated” 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:
 - For India domestic transactions: 4-calendar days after the latest authorization approval date.
 - For all other transactions: 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 authorization was identified as a Payment Transaction and the transaction was presented in clearing more than one-calendar day after the authorization approval date.
Refer to Appendix E for Payment Transaction transaction identification requirements.
- The authorization was identified as a contactless transit aggregated transaction and the transaction was presented in clearing more than 14-calendar days after the authorization approval date.
- A refund transaction was presented in clearing more than five-calendar days after the transaction date (meaning day six). 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).
- An offline chip-approved purchase transaction or other transaction not requiring online authorization by the issuer was presented in clearing more than seven-calendar days after the transaction date (meaning day eight).

This chargeback is not available for properly identified acquirer-financed or merchant-financed preauthorized installment billing payments or transit debt recovery transactions.

Time Frame.

For Mainland 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 Mainland 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 Mainland 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. None

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 Mainland 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 and Transit 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 Acceptor 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 Mainland 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 Mainland 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.

Partial Approvals, Partial and Full Reversals. Before processing a second presentment, the acquirer must consider the following:

- When a partial authorization reversal is processed (either before or after clearing), the transaction amount is reduced by that amount.

Therefore, a partial authorization reversal occurring after a partial approval must be less than the amount partially approved by the issuer.

For example: An authorization is requested for USD 100, the issuer partially approved USD 75, the partial reversal must be USD 74.99 or less. The acquirer is liable for the remaining unreversed transaction amount in the event of an Authorization-related chargeback.

- When a full authorization reversal is processed (either before or after clearing), then the approval for the entire transaction is cancelled, and therefore the transaction is no longer properly authorized.

For example: An authorization is requested for USD 100, the issuer approved USD 100, a full reversal was processed for USD 100, the transaction is canceled, and the approval is canceled. The acquirer is liable for the transaction in the event of an Authorization-related chargeback because the approval was cancelled with the full authorization reversal.

Information on processing requirements for Partial Approvals, Full and Partial Reversals can be found in the Transaction Processing Rules, 2.11 Full and Partial Reversals and 2.12 Full and Partial Approvals.

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 Mainland 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 Mainland 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 Mainland China domestic transactions
 - 13 (Representment) for Debit Mastercard transactions processed on the Single Message System
-

Supporting Documents. None

Message Text.

For Mainland 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 Mainland 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 India domestic transactions: The transaction was properly identified in authorization as a preauthorization (DE61, subfield 7 = 4), the transaction was presented within four-calendar days of the authorization 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. For India domestic transactions: The transaction was not properly identified in authorization as a preauthorization, the transaction was presented within four-calendar days of the authorization approval date, and was not reversed.

For all other transactions: 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 "stated" the account (that is, the issuer considered the account to be in good standing at the time of the chargeback)

Time Frame.

For Mainland 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 Mainland China domestic transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Supporting Documents. None

Message Text.

For Mainland 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 Mainland 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 Mainland 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 Mainland 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 second presentment is not available for Mainland China domestic transactions.

Credit Previously Issued

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

Time Frame.

For Mainland 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 Mainland China domestic transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Supporting Documents. None

Message Text.

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

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

Notes.

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

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

Optionally, for all other transactions: Replace **NNNNNNNNNNNNNNNNNNNNNNNN** 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 Mainland China Customer, a domestic Fee Collection must be processed as documented in the *China Switch User Guide – Customer Portal*.

For the avoidance of doubt:

- A refund provided by the merchant includes a refund transaction, as identified with a value of 20 (Credit [Purchase Return] in DE 3 (Processing Code), subfield 1 (Cardholder transaction type) of the clearing record, or MoneySend Payment Transaction Fast Refund to the original card as described in the *Mastercard MoneySend and Funding Transactions Program Standards*.
- **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 Mainland 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 Mainland China domestic transactions:
 - **2001**-Invalid Acquirer Reference Data; Documentation was Received or was Not Required
This message reason code is not available for Mainland 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 Mainland 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 (Representation) for Debit Mastercard transactions processed on the Single Message System

Time Frame.

For Mainland 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 Colombia domestic 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

For transactions in which value or assets are purchased for gambling, investment or similar purposes: This chargeback right is only available for a transaction in which the purchased value or assets failed to appear in the account agreed to between the cardholder and the merchant. For the avoidance of doubt, chargeback rights are not available for

1. refunds, withdrawals or transfer requests,
2. terms and conditions or account access,
3. winnings, gains or losses, or
4. use or subsequent use.

A second presentment must contain documentation of the value or asset either appearing in, or transferred to, the account agreed to between the cardholder and the merchant.

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 an 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 an 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 Mainland China domestic chargeback and second presentment: Supporting Documents must be provided using the Mainland China Dispute Resolution Platform. Supporting Documents must be uploaded into Mainland 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 Mainland 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 Mainland 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 condition of the goods is made at the time of the sale, such as when goods are sold in "as is" condition.

This chargeback is not available for transactions identified with one of the following MCCs: 3000 through 3999, 4411, 4511, 4722, 6513, 7011, 7512, 7519, or 7922 and the merchant provided a voucher for future use and that provision of voucher was properly disclosed in the merchant's terms and conditions. Refer to the **Travel/Entertainment Services Not Provided/Not as Described and Merchant Voucher Issued** section for a possible chargeback.

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 Mainland 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 120-calendar days from the expiration date printed on the card.
- In all other cases: Within 120-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 one of the following:
-

- For transactions completed using a card issued in either Canada, the United States, or one of the U.S. Territories at a merchant located in either Canada, the United States, or one of the U.S. Territories: Within 120-calendar days of the Central Site Business Date of the first presentment. The U.S. Territories consist of American Samoa, Guam, Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands.
- For all other transactions: 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 Mainland 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 Mainland 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 is not available for transactions identified with one of the following MCCs: 3000 through 3999, 4411, 4511, 4722, 6513, 7011, 7512, 7519, or 7922 and the merchant provided a voucher for future use and that provision of voucher was properly disclosed in the merchant's terms and conditions. Refer to the **Travel/Entertainment Services Not Provided/Not as Described and Merchant Voucher Issued** section for a possible chargeback.

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 merchandise is not received and one of the following occurred:

- 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 delivery 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.
-

Travel/Entertainment Services Not Provided/Not as Described and Merchant Voucher Issued

Chargeback Condition. Both of the following:

1. The cardholder contacted the issuer claiming all of the following:
 - The cardholder engaged in the transaction.
 - The purchased goods or services were not received due to merchant cancellation.
 - The merchant provided a voucher for future use in lieu of a refund and that provision of voucher was properly disclosed in the merchant's terms and conditions.
 - The merchant is unable or unwilling to honor the voucher in violation of the voucher terms and conditions.
 2. The transaction was identified with one of the following MCCs:
 - Airlines and Air Carrier (MCCs 3000 through 3350, 4511)
 - Car Rental Agencies (MCCs 3351 through 3500, 7512)
 - Cruise Lines (MCC 4411)
 - Lodging-Hotels, Motels, Resorts (MCCs 3501 through 3999, 7011)
 - Motor Home and Recreational Vehicle Rental (MCC 7519)
 - Real Estate Agents and Managers—Rentals (MCC 6513)
 - Theatrical Producers, Ticket Agencies (excluding Motion Picture) (MCC 7922)
 - Travel Agencies and Tour Operators (MCC 4722)
 - Real Estate Agent and Broker (MCC 7013) – **Limited to Mainland China domestic transactions**
 - Scenic Spot Ticketing (MCC 4733) – **Limited to Mainland China domestic transactions**
-

Time Frame.

For Mainland China domestic transactions, both of the following:

- Within 90-calendar days from the latest anticipated delivery or performance date specified by the merchant.
For cases involving merchant-provided vouchers for future use, the voucher expiration date is considered the latest anticipated delivery or performance date specified by the merchant.
- Within 365-calendar days from the original expected delivery or performance date specified by the merchant.

For transactions completed using a card issued in either Canada or the United States at a merchant located in either Canada or the United States, both of the following:

- Within 120-calendar days from the original delivery or performance date specified by the merchant.
- Within 540-calendar days from the Central Site Business Date of the original transaction.

For all other transactions, both of the following:

- Within 120-calendar days from the latest anticipated delivery or performance date specified by the merchant.
For cases involving merchant-provided vouchers for future use, the voucher expiration date is considered the latest anticipated delivery or performance date specified by the merchant.
 - Within 365-calendar days from the original expected delivery or performance date specified by the merchant.
-

Message Reason Code. One of the following:

- 4853 (Cardholder Dispute) for Dual Message System transactions and Mainland 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 Mainland 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.

Message Text. None

Notes.

This chargeback does not apply to Intra-EEA and domestic European disputes for failed travel merchants. Refer to the **Failed Travel Merchant-Intra-EEA and Domestic European Transactions Only** section.

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

Chargeback Condition.

This chargeback takes precedence 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 the merchant is seeking protection from creditors, insolvent, bankrupt or in liquidation, at least one of the following conditions must be met prior to the issuer raising a chargeback:

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 reimbursement, or the claim was declined.
 - The merchant, bonding authority or similar scheme (including an insolvency practitioner) stated cardholders (or travelers) should contact their issuer for reimbursement and/or the bond is insufficient. For sake of clarity, the statement can either be a public statement such as on a website, advertisement, or similar, as well as direct communication with the cardholder (or traveler).
 - For Swedish domestic transactions: no additional requirement. The cardholder (or traveler) is not obligated to request reimbursement from a bonding authority or similar scheme.
 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 corresponding to the **Chargeback Condition:**

1. Within 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: Within 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: Within 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: Within 120-calendar days from the latest expected service date.
2. Within 120-calendar days after from the latest expected service date.

In addition to both of the above (with the noted exceptions for German domestic transactions, Polish domestic transactions, and Swedish domestic transactions), when the transaction was identified with one of the following MCCs, the maximum time frame is 365-calendar days from the original expected delivery or performance date specified by the merchant:

- Airlines and Air Carrier (MCCs 3000 through 3350, 4511)
- Car Rental Agencies (MCCs 3351 through 3500, 7512)
- Cruise Lines (MCC 4411)
- Lodging-Hotels, Motels, Resorts (MCCs 3501 through 3999, 7011)
- Motor Home and Recreational Vehicle Rental (MCC 7519)
- Real Estate Agents and Managers—Rentals (MCC 6513)
- Theatrical Producers, Ticket Agencies (excluding Motion Picture) (MCC 7922)
- Travel Agencies and Tour Operators (MCC 4722)

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
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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, statement to contact the cardholder's issuer for reimbursement, 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.

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.

Failure to address bond coverage or a request for reimbursement in the chargeback documentation does not invalidate the chargeback even if the travel service is covered by a bonding authority or similar scheme. 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.

When Chargeback Condition 1 is applicable (except Swedish domestic transactions): 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 agreed to provide a refund and failed to process that refund.
 - 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 Mainland 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 Mainland 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 Mainland 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 Mainland China domestic transactions: Include NNNNNNNNNNNNNNNNNNNNNNNNN 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 Mainland China domestic transactions, replace **NNNNNNNNNNNNNNNNNNNNNNNN** with the Network Reference Number (NRN) of the credit transaction.

For all other transactions, replace **NNNNNNNNNNNNNNNNNNNNNNNN** with the Acquirer Reference Data (ARD) of the credit transaction.

This chargeback is not available transactions identified with one of the following MCCs: 3000 through 3999, 4411, 4511, 4722, 6513, 7011, 7512, 7519, or 7922 and the merchant provided a voucher for future use and that provision of voucher was properly disclosed in the merchant's terms and conditions. Refer to the **Travel/Entertainment Services Cancelled/Returned and Credit Not Processed** section for a possible chargeback.

A refund provided by the merchant includes a refund transaction, as identified with a value of 20 (Credit [Purchase Return] in DE 3 (Processing Code), subfield 1 (Cardholder transaction type) of the clearing record, or MoneySend Payment Transaction Fast Refund to the original card as described in the *Mastercard MoneySend and Funding Transactions Program Standards*. The terms "refund" and "credit" mean either a transaction identified with a value of 20 (Credit [Purchase Return] in DE 3 [Processing Code], subfield 1 (Cardholder transaction type) of the clearing record, or a MoneySend Payment Transaction Fast Refund to the original card as described in the *Mastercard MoneySend and Funding Transactions Program Standards*.

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."

Travel/Entertainment Services Cancelled/Returned and Credit Not Processed

Chargeback Condition.

The cardholder contacted the issuer claiming one of the following:

- The merchant agreed to provide a refund and failed to process that refund.
- The merchant failed to disclose its refund policy at the time of the transaction and is unwilling to accept the cardholder's return or cancellation of goods or services.
- The merchant has not responded to the cardholder's return or cancellation of goods or services.
- The merchant posted a credit for a reduced amount without proper disclosure.

In addition, the transaction was identified with one of the following MCCs:

- Airlines and Air Carrier (MCCs 3000 through 3350, 4511)
 - Car Rental Agencies (MCCs 3351 through 3500, 7512)
 - Cruise Lines (MCC 4411)
 - Lodging-Hotels, Motels, Resorts (MCCs 3501 through 3999, 7011)
 - Motor Home and Recreational Vehicle Rental (MCC 7519)
 - Real Estate Agents and Managers—Rentals (MCC 6513)
 - Theatrical Producers, Ticket Agencies (excluding Motion Picture) (MCC 7922)
 - Travel Agencies and Tour Operators (MCC 4722)
 - Real Estate Agent and Broker (MCC 7013) – **Limited to Mainland China domestic transactions**
 - Scenic Spot Ticketing (MCC 4733) – **Limited to Mainland China domestic transactions**
-

Time Frame.

For Mainland China domestic transactions both of the following time frames:

1. 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 date on the credit documentation is counted as day zero.
 - When the credit documentation is undated, the date on the cardholder letter, email, message, or *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) is counted as day zero.
 - When the cardholder letter is undated, the receipt date of the documentation by the issuer is counted 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
2. Within 365-calendar days from the original expected delivery or performance date specified by the merchant.

For all other transactions, both of the following time frames:

1. 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 date on the credit documentation is counted as day zero
 - When the credit documentation is undated, the date on the cardholder letter, email, message, or *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) is counted as day zero
 - When the cardholder letter is undated, the receipt date of the documentation by the issuer is counted 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
 2. For transactions completed using a card issued in either Canada or the United States at a merchant located in either Canada or the United States: Within 540-calendar days from the Central Site Business Date of the original transaction.
For all other transactions: Within 365-calendar days from the original expected delivery or performance date specified by the merchant.
-

Message Reason Code. One of the following:

- 4853 (Cardholder Dispute) for Dual Message System transactions and Mainland 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 Mainland 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 Mainland China domestic transactions: Include **NNNNNNNNNNNNNNNNNNNNNNNNNNNNNNNN** in comment field as documented in *China Switch User Guide – Customer Portal*.
- For all other transactions: **NNNNNNNNNNNNNNNNNNNNNNNNNNNNNNNN** in DE 72 (Data Record).

For all others: None

Notes.

For Mainland China domestic transactions: Replace **NNNNNNNNNNNNNNNNNNNNNNNNNN** with the Network Reference Number (NRN) of the credit transaction.

For all other transactions: Replace **NNNNNNNNNNNNNNNNNNNNNNNNNN** with the Acquirer Reference Data (ARD) of the credit transaction.

A refund provided by the merchant includes a refund transaction, as identified with a value of 20 (Credit [Purchase Return] in DE 3 (Processing Code), subfield 1 (Cardholder transaction type) of the clearing record, or MoneySend Payment Transaction Fast Refund to the original card as described in the *Mastercard MoneySend and Funding Transactions Program Standards*.

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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 **XXXXXXXXXXXXXXXXXXXXXXXXXX**
2. None

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

1. RPCS **MMDDYY**
2. CB **MMDDYY** ARD **XXXXXXXXXXXXXXXXXXXXXXXXXX**
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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 F of the *Transaction Processing Rules*) 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland China domestic transactions
- 13 (Representation) 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.

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 Mainland 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 Mainland 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

Credit Previously Issued

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

Time Frame.

For Mainland 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 Mainland China domestic transactions
 - 13 (Representment) for Debit Mastercard transactions processed on the Single Message System
-

Supporting Documents. One of the following:

1. When the credit was processed to the cardholder's Mastercard account: None
2. When the credit was processed by other means: Compelling evidence showing the credit was processed.

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. One of the following corresponding to the **Supporting Documents**:

1. For Mainland China domestic transactions: Include CRED **MMDDYY NRN** or **MMDDYY NRN** in comment field as documented in *China Switch User Guide – Customer Portal*.
For all other transactions: Include CRED **MMDDYY ARD** or **MMDDYY ARD** in DE 72 (Data Record).
 2. For Mainland China domestic transactions: Include CREDIT **MMDDYY XXXXXXXXXXXXX** in comment field as documented in *China Switch User Guide – Customer Portal*.
For all other transactions: Include CREDIT **MMDDYY XXXXXXXXXXXXX** in DE 72 (Data Record).
-

Notes.

This second presentment is not available for ATM transactions.

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

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

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

Replace **XXXXXXXXXXXX** with the means by which the credit was processed. Examples include, but are not limited to: bank transfer, store credit, check, cash, prepaid card.

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 Mainland China Customer, a domestic Fee Collection must be processed as documented in the *China Switch User Guide – Customer Portal*.

For the avoidance of doubt:

- A refund provided by the merchant includes a refund transaction, as identified with a value of 20 (Credit [Purchase Return] in DE 3 (Processing Code), subfield 1 (Cardholder transaction type) of the clearing record, or MoneySend Payment Transaction Fast Refund to the original card as described in the *Mastercard MoneySend and Funding Transactions Program Standards*.
- **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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland China domestic transactions.
 - **2713**-Invalid Chargeback
The first chargeback does not meet the prerequisites for the message reason code.
- 13 (Representation) for Debit Mastercard transactions processed on the Single Message System

Time Frame.

For Mainland 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

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 POS transactions** identified as mail order, phone order, or e-commerce which contained a value of N (Invalid CVC 2) in DE 48, subelement 87 of the Authorization Request Response/0110 message) or Financial Transaction Request Response/0210 message, and approved by the issuer.
- **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 E 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, 4870, or 4871.
- **FNS Counter Exceeds 35 Fraud-Related Chargebacks.** The issuer submitted more than 35 chargebacks in aggregate involving the same account (as defined above) for message reason codes 4837, 4870, or 4871.
- **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 transactions** identified in authorization (DE 48, subelement 42 [Electronic Commerce Indicators], subfield 1 [Electronic Commerce Security Level Indicator and UCAF Collection Indicator], positions 1, 2, and 3) with the SLI values of 211, 212, 215, 217, 221, 222, 225 or 242. Examples include, but are not limited to, Identity Check and Digital Secure Remote Payment (DSRP).
NOTE on related MITs: The issuer should not use this chargeback reason code to dispute a merchant-initiated transaction (MIT) that the issuer or cardholder determines is related to a prior authenticated cardholder-initiated transaction (CIT) identified with SLI 212 or 242. The issuer should consider whether a different chargeback reason code may apply, such as Cardholder Dispute of a Recurring Transaction or Addendum Dispute. This chargeback reason code may be used if neither the issuer nor the cardholder, after reasonable effort, can determine that the disputed MIT is related to a prior authenticated CIT. The acquirer may provide specific evidence that the disputed MIT is related to a prior authenticated CIT in a second presentment.
- **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.
- **Mainland 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 Colombia domestic transaction addressed by Reversion of Payments Regulation (RP-Reg) of Law 1480 2011, Article 51, and Decree 587 of 2016.
- **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 E 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 Mainland China domestic chargeback and second presentment: Supporting Documents must be provided using the Mainland China Dispute Resolution Platform. Supporting Documents must be uploaded into Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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).
This requirement does not apply when both of the following occurred:
 - The card was issued in the Latin America and the Caribbean region.
 - The transaction did not occur at a CAT 2 device.
- The issuer reported the transaction to the Fraud and Loss Database in the Fraud Center application on Mastercard Connect.

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 Mainland 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.

For the avoidance of doubt, listing the PAN on the Mastercard Stand-in Account File is required when the card was issued in the Latin America and the Caribbean region.
- 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 Mainland China domestic transactions: This condition has been met when the Fraud NTF Date is present and contains a date value in Chargeback Details on Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 35 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, 4870, and/or 4871.

For Mainland China domestic transactions, this condition has been met when the Fraud Notification Service Counter is present in Chargeback Details on Mainland China Dispute Resolution Platform and contains a value that is 36 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 Mainland 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 Mainland 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 Mainland 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 Mainland China domestic transactions: Replace **NN** with the chargeback count value provided in Chargeback Details on Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 **NNNNNN** with the authorization approval code.

PIN Transaction

Second Presentment Condition.

For Mainland 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 Mainland 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 Mainland China domestic transactions
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Supporting Documents. None

Message Text.

For Mainland 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 Mainland 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 Mainland 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 or 242.
- **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 Mainland 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 Mainland China domestic transactions
 - 13 (Representment) for Debit Mastercard transactions processed on the Single Message System
-

Supporting Documents. None

Message Text.

For Mainland 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.

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

Authenticated Transaction – Mainland China Domestic Transactions Only

Second Presentment Condition. For Mainland 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 Mainland 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 Mainland China domestic transactions only.

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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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

Compelling Evidence for Recurring and Installment-based Repayment 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 and installment-based repayment transactions.

Time Frame.

For Mainland 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 Mainland 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 recurring payment or installment-based repayment arrangement, including the original transaction authorization date, authorization approval code, and if present, the cardholder-initiated transaction (CIT) value.
- The original transaction authorization date, authorization approval code, and cardholder-initiated transaction (CIT) value, if any, when any of the following was present:
 - DE 48, subelement 42, subfield 1 of the Authorization Request/0100 message contained an SLI value of 212 or 242 (may be provided as CIT AUTH MMDDYY/NNNNNN SL2 where MMDDYY is the authorization date and NNNNNN is the authorization approval code); or
 - For Mainland China domestic transactions: The issuer verifies the cardholder via the China Switch Authentication Facilitating Service.
 - For Mainland 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: The Card Validation Code 2 (CVC 2) was transmitted and the Authorization Response/0110 message included a value of M in DE 48, subelement 87 (Card Validation Code Result) (may be provided as CIT AUTH MMDDYY/NNNNNN CVC2 M where MMDDYY is the authorization date and NNNNNN is the authorization approval code).
- One of the following:
 - The transaction was properly identified as a recurring payment or installment-based repayment. For Mainland China domestic transactions: Refer to *China Switch Specifications* for the recurring data element values.
For all other transactions: Refer to section 5.4 Recurring Payment Transactions and section 5.5.2 Multiple-authorization Installment Billing in the *Transaction Processing Rules* for the data element values.
 - Documentation proving that the cardholder was informed of and agreed to the recurring or installment terms and conditions. Examples include but are not limited to: The merchant providing proof that the cardholder had to click to accept the terms and conditions or the cardholder signed a contract agreeing to the terms and conditions.

Message Text.

For Mainland 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 Mainland China domestic transactions: For Identity Check 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 Mainland 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 Mainland China domestic transactions At least one of the following documents and, when necessary, an explanation:
 - 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.
 - 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 (a related or delayed charge):
 - One of the following:
 - For Mainland China domestic transactions: Prior to the initial transaction, the issuer verified the cardholder using China Switch Authentication Facilitating Service
 - The initial transaction authorization date, authorization approval code, and cardholder-initiated transaction (CIT) value, if any, if either of the following was present:
 - DE 48, subelement 42, subfield 1 of the Authorization Request/0100 message contained an SLI value of 212 or 242 (may be provided as CIT AUTH MMDDYY/NNNNNN SL2 where MMDDYY is the authorization date and NNNNNN is the authorization approval code); or
 - The Card Validation Code 2 (CVC 2) was transmitted and the Authorization Response/0110 message included a value of M in DE 48, subelement 87 (Card Validation Code Result) (may be provided as CIT AUTH MMDDYY/NNNNNN CVC2 M where MMDDYY is the authorization date and NNNNNN is the authorization approval code)
 - 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 transaction or Account Status Inquiry request message containing cardholder authentication data was used to register a PAN for future transactions
 - For Mainland China domestic transactions: The issuer verified the cardholder through the China Switch Authentication Facilitating Service to register a PAN for future transactions.
-

Message Text.

For Mainland 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.

Refer to Appendix E of this manual or Appendix C of the *Transaction Processing Rules* for information about merchant-initiated transactions, including partial shipments and related/delayed charges, as well as Digital Secure Remote Payment (DSRP) transactions.

For Mainland China domestic transactions: For Identity Check 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 Mainland 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 Mainland China domestic transactions
 - 13 (Representment) for Debit Mastercard transactions processed on the Single Message System
-

Supporting Documents. None

Message Text.

For Mainland 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 *Transaction Processing Rules*, Appendix F.

Time Frame.

For Mainland 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 Mainland 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 Mainland China domestic transactions: The transaction was initiated with neither a PBoC chip card nor a 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 Mainland 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 Mainland China domestic transactions.
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System.

Supporting Documents. None.

Message Text.

For Mainland 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.

Chip/PIN Liability Shift

Second Presentment Condition. A transaction between Customers that participate in the Lost/Stolen/NRI Fraud Chip Liability Shift 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 Mainland China domestic transactions.

Credit Previously Issued

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

Time Frame.

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

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

Notes.

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

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

Optionally, for all other transactions: Replace **NNNNNNNNNNNNNNNNNNNNNNNN** 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 Mainland China Customers, a domestic Fee Collection must be processed as documented in the *China Switch User Guide – Customer Portal*

For the avoidance of doubt:

- A refund provided by the merchant includes a refund transaction, as identified with a value of 20 (Credit [Purchase Return] in DE 3 (Processing Code), subfield 1 (Cardholder transaction type) of the clearing record, or MoneySend Payment Transaction Fast Refund to the original card as described in the *Mastercard MoneySend and Funding Transactions Program Standards*.
- **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:
 - A refund provided by the merchant includes a refund transaction, as identified with a value of 20 (Credit [Purchase Return] in DE 3 (Processing Code), subfield 1 (Cardholder transaction type) of the clearing record, or MoneySend Payment Transaction Fast Refund to the original card as described in the *Mastercard MoneySend and Funding Transactions Program Standards*.
 - 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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

Questionable Merchant Activity

This section provides information for an issuer and acquirer in handling a dispute when a merchant is listed in the Questionable Merchant Audit Program (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 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.

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 Mainland China domestic chargeback and second presentment: Supporting Documents must be provided using the Mainland China Dispute Resolution Platform. Supporting Documents must be uploaded into Mainland 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 Mainland 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 Mainland China domestic transactions, one of the following:

- Between 5 and 90-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 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 Mainland China domestic transactions
- 49 (Questionable Merchant Activity) for Debit Mastercard transactions processed on the Single Message System

Supporting Documents. None

Message Text.

For Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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

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

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

Notes.

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

Ineligible Fraud

Second Presentment Condition.

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

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

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

Notes.

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

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

Optionally, for all other transactions: Replace **NNNNNNNNNNNNNNNNNNNNNNNN** 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 a Mainland China Customer, a domestic Fee Collection must be processed as documented in the *China Switch User Guide – Customer Portal*.

For the avoidance of doubt:

- A refund provided by the merchant includes a refund transaction, as identified with a value of 20 (Credit [Purchase Return] in DE 3 (Processing Code), subfield 1 (Cardholder transaction type) of the clearing record, or MoneySend Payment Transaction Fast Refund to the original card as described in the *Mastercard MoneySend and Funding Transactions Program Standards*.
- **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 a Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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

A chip liability shift in...	Applicable to...	Has been in effect since or will take effect on...
Asia/Pacific region	Interregional transactions	15 April 2011
	Intraregional transactions	1 January 2006
	Domestic transactions	1 January 2006

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

A chip liability shift in...	Applicable to...	Has been in effect since or will take effect on...
United States region	Interregional transactions:	1 October 2015
	• Excluding transactions at automated fuel dispensers (MCC 5542)	
	• Including transactions at automated fuel dispensers (MCC 5542)	1 October 2017
	Intraregional/domestic transactions:	
	• Excluding transactions at automated fuel dispensers (MCC 5542)	1 October 2015
	• Including transactions at automated fuel dispensers (MCC 5542)	16 April 2021

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 E 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, 4870, or 4871.
- **FNS Counter Exceeds 35 Fraud-Related Chargebacks.** The issuer submitted more than 35 chargebacks in aggregate involving the same account (as defined above) for message reason codes 4837, 4870, or 4871.
- **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 E 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.
- **Mainland 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.
- **Mainland 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.
- **Mainland China Only** – For Mainland 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 Colombia domestic transaction addressed by Reversion of Payments Regulation (RP-Reg) of Law 1480 2011, Article 51, and Decree 587 of 2016.
- **Mastercard Biometric Card**-The transaction occurred with a Mastercard Biometric Card and biometric Cardholder authentication was successful. Refer to Appendix E for Mastercard Biometric Card Program transaction identification information.

Term	Definition
Technical Fallback Transaction	<p>In a technical fallback transaction, either the chip or the merchant device (CAD) failed, as shown by the presence of one of the following:</p> <ul style="list-style-type: none"> • 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. <p>For information about DE 22, Subfield 1 values, refer to the <i>Customer Interface Specification</i> manual.</p>
Hybrid POS Terminal	<p>A POS Terminal that:</p> <ol style="list-style-type: none"> 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. <p>NOTE:</p> <p>The above conditions also apply to Mainland China hybrid POS Terminals. However, Mainland China Customers must refer to Mainland China Market Terminal Requirements for any additional requirement.</p> <p>A Hybrid POS Terminal is identified in Mainland 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 <i>China Switch Specification</i>.</p> <p>A Hybrid POS Terminal is identified in all other transaction messages with the following values:</p> <ul style="list-style-type: none"> • 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 <i>Customer Interface Specification</i> and <i>Single Message System Specifications</i> 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 <i>IPM Clearing Formats</i> 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 Mainland China domestic chargeback and second presentment: Supporting Documents must be provided using the Mainland China Dispute Resolution Platform. Supporting Documents must be uploaded into Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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).
This requirement does not apply when both of the following occurred:
 - The card was issued in the Latin America and the Caribbean region.
 - The transaction did not occur at a CAT 2 device.
- The issuer reported 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, 4870, and/or 4871.

For Mainland China domestic transactions, this condition has been met when the Fraud NTF Date is present and contains a date value in Chargeback Details on Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 35 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, 4870, and/or 4871.

For Mainland China domestic transactions, this condition has been met when the Fraud Notification Service Counter is present in Chargeback Details on Mainland China Dispute Resolution Platform and contains a value that is 36 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 Mainland 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 Mainland 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 Mainland 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 Mainland China domestic transactions: Replace **NN** with the chargeback count value provided in Chargeback Details on Mainland 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 Mainland China domestic transactions: Acquirers must refer to future announcement for the commencement of using this second presentment.

Issuer Authorized Transaction

Second Presentment Condition.

For Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 **NNNNN** 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 Mainland 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 Mainland China domestic transactions.

DE 55 Was Provided

Second Presentment Condition. Both of the following:

- For Mainland 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,
- The transaction was completed with chip

Time Frame.

For Mainland 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 Mainland 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 Mainland 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. None

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 Mainland China domestic transactions.

Credit Previously Issued

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

Time Frame.

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

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

Notes.

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

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

Optionally, for all other transactions: Replace **NNNNNNNNNNNNNNNNNNNNNNNN** 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 Mainland China Customers, a domestic Fee Collection must be processed as documented in the *China Switch User Guide – Customer Portal*.

For the avoidance of doubt:

- A refund provided by the merchant includes a refund transaction, as identified with a value of 20 (Credit [Purchase Return] in DE 3 (Processing Code), subfield 1 (Cardholder transaction type) of the clearing record, or MoneySend Payment Transaction Fast Refund to the original card as described in the *Mastercard MoneySend and Funding Transactions Program Standards*.
- **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 a Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland China domestic transactions.
 - 13 (Representment) for Debit Mastercard transactions processed on the Single Message System
-

Time Frame.

For Mainland 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 presentation supporting documentation received on or after a pre-arbitration or an arbitration case filing submission.

Message Text. None

Notes. None

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 Malaysia domestic 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 Malaysia domestic 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

A lost/stolen/NRI fraud chip liability shift in...	Applicable to...	Has been in effect since or will take effect on...
Asia/Pacific region	Domestic transactions • Malaysia	1 January 2017
Canada region	Interregional transactions	19 April 2013
	Intraregional/domestic transactions:	
	• Excluding transactions at automated fuel dispensers (MCC 5542)	31 March 2011
	• Including transactions at automated fuel dispensers (MCC 5542)	31 December 2012
Europe region	Interregional transactions	May 2007
	Intraregional transactions	1 January 2005
	Domestic transactions	1 January 2005
Latin America and the Caribbean (LAC) region	Domestic transactions • Brazil • Argentina, Chile, Paraguay, Uruguay	1 August 2015 14 October 2022
Middle East/Africa region	Domestic, intraregional, and interregional transactions	1 July 2017
United States region	Interregional transactions:	
	• Excluding transactions at automated fuel dispensers (MCC 5542)	1 October 2015
	• Including transactions at automated fuel dispensers (MCC 5542)	1 October 2017
	Intraregional/domestic transactions:	
	• Excluding transactions at automated fuel dispensers (MCC 5542)	1 October 2015
	• Including transactions at automated fuel dispensers (MCC 5542)	16 April 2021

Term	Definition
<p>PIN-preferring chip card, hybrid PIN-preferring card</p>	<p>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.</p> <p>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.</p> <p>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.</p> <p>NOTE: This message reason code does not apply to U.S. region automated fuel dispenser [MCC 5542] transactions until 16 April 2021</p>
<p>Contactless-enabled hybrid PIN-preferring card</p>	<p>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.</p>
<p>Contactless-enabled secure CVM-preferring access device</p>	<p>An access device, including any mobile payment device or contactless payment device, with contactless payment functionality that:</p> <ul style="list-style-type: none"> • 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.
<p>PIN-capable hybrid POS terminal</p>	<p>When located in the Asia/Pacific, Canada, Europe, Latin America and the Caribbean, or Middle East/Africa region-A hybrid POS terminal that is capable at a minimum of performing offline PIN verification when a PIN-preferring chip card is presented. It also may be capable of online PIN verification and, when attended, must support signature.</p> <p>When located in the United States region-A hybrid POS terminal capable of performing both online and offline PIN verification when a PIN-preferring chip card is presented and which, when attended, also supports signature.</p> <p>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.</p>

Term	Definition
Hybrid POS Terminal	<p>A POS Terminal that:</p> <ol style="list-style-type: none"> 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. <p>A Hybrid POS Terminal is identified in transaction messages with the following values:</p> <ul style="list-style-type: none"> • 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 <i>Customer Interface Specification</i> and <i>Single Message System Specifications</i>; 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 <i>IPM Clearing Formats</i>.
Technical fallback transaction	<p>In a technical fallback transaction, either the chip or the merchant device (CAD) failed, as shown by the presence of:</p> <ul style="list-style-type: none"> • 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. <p>For information on DE 22, subfield 1 values, refer to the <i>Customer Interface Specification</i> manual.</p>
Valid EMV chip cards	<p>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.</p>
Contactless-enabled POS terminal	<p>A POS terminal enabled with contactless payment functionality, including but not limited to a hybrid POS terminal or contactless-only POS terminal.</p>
Chip/PIN transaction	<p>Either of the following:</p> <ul style="list-style-type: none"> • A contact chip transaction effected with a valid EMV chip card at a PIN-capable hybrid POS terminal using the chip and with offline or online PIN as the CVM. • A contactless transaction effected with a contactless-enabled secure CVM-preferring card or access device at a contactless-enabled POS terminal using contactless payment functionality and with online PIN or successful on-device cardholder verification as the CVM.

Term	Definition
CVM fallback	A chip transaction in which a lower priority Cardholder Verification Method (CVM) is performed (for example, signature or none), because the higher priority CVM (PIN) is temporarily unavailable. CVM fallback from PIN to signature or no CVM is indicated in DE 55 (Integrated Circuit Card [ICC] System-Related Data) of the First Presentment/1240 message by data showing that in Byte 3 of the Terminal Verification Result (tag 95), any or all of bits 4, 5, or 6 were set.

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

- **The transaction occurred with an online PIN-preferring card and PIN data was provided** in the Authorization Request/0100 or Financial Transaction Request/0200 message.
- **The transaction occurred at a PIN-enabled hybrid POS terminal and was approved although PIN was not present due to the use of PIN bypass functionality.**
- **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 E 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, 4870, or 4871.
- **FNS Counter Exceeds 35 Fraud-Related Chargebacks.** The issuer submitted more than 35 chargebacks in aggregate involving the same account (as defined above) for message reason codes 4837, 4840, or 4871.
- **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 E for Mastercard Consumer-Presented QR transactions identification requirements.

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

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).
This requirement does not apply when both of the following occurred:
 - The card was issued in the Latin America and the Caribbean region.
 - The transaction did not occur at a CAT 2 device.
- The issuer reported 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, 4870, and/or 4871.

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 35 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, 4870, and/or 4871.

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 35** (a value of 36 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

DE 72 (Data Record). None

Notes. None

Authorized Online Transaction

Second Presentment Condition. Both of the following:

- The transaction was authorized online.
- Did not involve a valid EMV chip card as evidenced by the service code in DE 35 (Track 2 Data) or DE 45 (Track 1 Data) of the Authorization Request/0100 message.

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. 2008 (Issuer authorized the transaction)

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). INV SERVICE CODE X

Notes. Replace X with the value contained in position 1 of the three-digit service code transmitted by the card to the terminal. X must be a value other than **2** or **6**.

Technical Fallback

Second Presentment Condition. The transaction was the result of technical fallback at a PIN-capable terminal.

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. 2008 (Issuer authorized the transaction)

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). TECHNICAL FALLBACK

Notes. None

Chip Transaction-DE 55 Not Provided-Did Not Require Online Authorization

Second Presentment Condition. The transaction did not require online authorization and DE 55 was not provided in the First Presentment/1240 message and one of the following:

- The acquirer can prove that the transaction was completed with chip and PIN.
 - Completed with chip while the card was not PIN-preferring.
 - The result of CVM fallback.
-

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 Mainland 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".

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 NNNNNNNNNNNNNNNNNNNNNNNNN

Notes.

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

Optionally, replace **NNNNNNNNNNNNNNNNNNNNNNNNNN** 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:

- A refund provided by the merchant includes a refund transaction, as identified with a value of 20 (Credit [Purchase Return] in DE 3 (Processing Code), subfield 1 (Cardholder transaction type) of the clearing record, or MoneySend Payment Transaction Fast Refund to the original card as described in the *Mastercard MoneySend and Funding Transactions Program Standards*.
- **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 Mainland China domestic chargeback and second presentment: Supporting Documents must be provided using the Mainland China Dispute Resolution Platform. Supporting Documents must be uploaded into Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland China domestic transactions: Include FIRST REF **XXXXXXXXXXXXXXXXXXXXXXXXXXXX** in comment field as documented in *China Switch User Guide – Customer Portal*.

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

Notes.

For Mainland China domestic transactions: Replace **XXXXXXXXXXXXXXXXXXXXXXXXXXXX** with the Network Reference Number (NRN) of the first valid transaction.

For all other transactions: Replace **XXXXXXXXXXXXXXXXXXXXXXXXXXXX** 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland 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.

Currency Errors

Chargeback Condition. One of the following:

1. POI Currency Conversion (Dynamic Currency Conversion) was performed and the cardholder stated that the cardholder did not consent to the POI Currency Conversion.
Examples include but are not limited to:
 - a. The transaction amount is displayed at the POS in the local currency. The transaction is performed in the cardholder's currency.
 - b. The transaction amount is displayed at the POS both in local currency and the cardholder currency. The cardholder chooses local currency; however, the transaction is performed in the cardholder's currency.

POI Currency Conversion (Dynamic Currency Conversion) requirements are described in the *Transaction Processing Rules*, 3.8 POI Currency Conversion.

2. Currency conversion was performed incorrectly resulting in an incorrect amount being deducted from the cardholder's account as described below:
 - Goods/services were priced in the cardholder's currency, the cardholder agreed to be billed in that currency, but the transaction was processed in a different currency. For example: A merchant located in Mexico quoted the hotel reservation in Euro. The cardholder's currency is Euros. The transaction was performed in Mexican Pesos.
This chargeback is not available when the cardholder's currency was displayed for information purposes only. For example: A merchant located in Mexico quoted the hotel reservation in Pesos and also displayed the amount in Euros for informational purposes. The cardholder's currency is Euros. The transaction was performed in Pesos.
 - The transaction was processed in the incorrect currency. For example:
 - A merchant located in Mexico quoted the hotel reservation for 24,000 Pesos. The cardholder's currency is Euros. The transaction was performed for 24,000 Euros.
 - A merchant located in Mexico quoted the hotel reservation in Pesos. The cardholder's currency is Euros. The transaction was performed in U.S. Dollars.
-

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.

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.

In addition, for **Chargeback Condition 2** one of the following must be provided:

- The cardholder's billing statement displaying the disputed transaction.
 - An issuer statement specifying the cardholder's billing currency.
 - The transaction receipt displaying the total transaction amount and transaction currency. If no currency is identified on the transaction receipt, the transaction is deemed to have taken place in the currency that is legal tender at the POI.
-

DE 72 (Data Record). Optionally, one of the following corresponding to the **Chargeback Condition:**

1. POI CURRENCY CONVERSION
 2. INCORRECT CARDHOLDER CURRENCY
-

Notes.

The issuer must charge back only the difference between the transaction amount and the transaction amount claimed by the cardholder, excluding any amount related to the issuer's conversion of the transaction. The currency exchange rate in effect on the date of the transaction must be used to calculate the partial amount.

This chargeback is not available to address verbal agreements of transaction currency between a cardholder and a merchant.

This chargeback is not applicable for Mainland 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 Mainland China domestic transactions.

Improper Merchant Surcharge (Select Countries only)

Chargeback Condition. Both of the following:

- An improper merchant surcharge was applied to the total transaction amount.
- The transaction was one of the following:
 - A Canada domestic transaction.
 - An Intra-European and Inter-European transaction.

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 Mainland 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 Mainland 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

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

Second Presentment Condition.

For Mainland 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 Mainland 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 Mainland 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.

For Mainland 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 Mainland 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 Mainland 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 Mainland 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 Mainland China domestic transactions.
- 13 (Representment) for Debit Mastercard transactions processed on the Single Message System

Supporting Documents. Refer to the Single Message System Chargebacks chapter, Message Reason Code 17-Cash Dispute-ATM Only.

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

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. No other Second Presentment Message Reason Code is available for ATM disputes.

Refer to the Single Message System Chargebacks chapter, Message Reason Code 17-Cash Dispute-ATM Only.

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

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 Mainland 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 Mainland 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-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 Mainland China domestic transactions.

Currency Errors

Second Presentment Condition. The acquirer can document that the transaction was processed correctly using the correct transaction amount and currency code.

This second presentment is not available for POI currency conversion (DCC) disputes regarding the cardholder's agreement to the conversion. For the avoidance of doubt, this means that an acquirer cannot provide terminal logs or any other documentation as a valid second presentment.

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 detailing that the transaction was correctly processed using the correct transaction amount and currency code. If necessary, an explanation to ensure that all parties understand the 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 applicable for Mainland 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
-

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

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

Optionally, for all other transactions: Replace **NNNNNNNNNNNNNNNNNNNNNNNN** 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 Mainland China Customer, a domestic Fee Collection must be processed reference to *China Switch User Guide – Customer Portal*.

For the avoidance of doubt:

- A refund provided by the merchant includes a refund transaction, as identified with a value of 20 (Credit [Purchase Return] in DE 3 (Processing Code), subfield 1 (Cardholder transaction type) of the clearing record, or MoneySend Payment Transaction Fast Refund to the original card as described in the *Mastercard MoneySend and Funding Transactions Program Standards*.
- **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

Dual Message System Chargebacks

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

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 Mainland 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)

Second Presentment Condition. The acquirer can provide specific evidence of proper processing in response to the cardholder's claims.

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

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

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.

DE 72 (Data Record). None

Notes. A merchant or acquirer statement merely asserting that the merchant surcharge is permitted by Mastercard Standards or applicable law is not a valid second presentment. The documentation must specifically cite the Standard or law relied on or explain in reasonable detail why the chargeback is invalid.

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 Mainland 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 Mainland 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 Mainland 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 Mainland China domestic transactions.
 - **2713**-Invalid Chargeback
The first chargeback does not meet the prerequisites for the message reason code.
- 13 (Representation) for Debit Mastercard transactions processed on the Single Message System

Time Frame.

For Mainland 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

Cardholder Dispute-Not Elsewhere Classified (U.S. Region Only)

Chargeback rules on this subject appear in the "Domestic Chargeback" appendix.

Installment Billing Dispute (Participating Countries Only)

Chargeback rules on this subject appear in the "Domestic Chargeback" appendix.

Domestic Chargeback Dispute (Europe Region Only)

Issuers **only** may use message reason code 4999 in the case of a centrally acquired domestic transaction, or a domestic transaction processed through the Mastercard Network, where a chargeback is available according to the applicable domestic rule, but cannot be processed under a different message reason code.

Requirements for Issuer's First Chargeback 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.

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

2001	Invalid Acquirer Reference Data; documentation was neither required nor received.
2004	Invalid Acquirer Reference Data on chargeback; documentation was received.

Documentation Return

2002	Nonreceipt of required documentation to support chargeback
2709	Documentation received was illegible.
2710	Scanning error-unrelated documents or partial scan

Substance Return

2003	Correct transaction date provided
2005	Correct merchant location/description provided Issuer authorized transaction
2008	Issuer authorized transaction
2011	Credit previously issued
2700	See Corresponding Documentation/Chargeback Remedied
2701	Duplicate Chargeback

2702	Past Chargeback Time Limit
2703	Requested transaction document provided (requires hardship variance)
2704	Invalid Data Record Text
2705	Correct MCC provided
2706	Authorization advised suspicious
2707	No authorization request required or attempted
2708	Account was not listed on the applicable Electronic Warning Bulletin as of the transaction date
2713	Invalid Chargeback
2870	Chip Liability Shift
2871	Chip/PIN Liability Shift

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

Message Reason Code	Definition
2001-Invalid Acquirer Reference Data; Documentation was Neither Required nor Received	The acquirer must use this message reason code to notify the issuer that the combination of Primary Account Number and Acquirer Reference Data on the chargeback message does not match the information contained in the first presentment, and that documentation sent by the issuer was received or that no documentation was required to be sent.
2002-Non-receipt of Required Documentation to Support Chargeback	<p>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.</p> <p>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.</p>
2003-Correct Transaction Date Provided	<p>Acquirers must use this message reason code in cases where the chargeback may be remedied by providing the correct transaction date.</p> <p>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.</p>

Message Reason Code	Definition
2004-Invalid Acquirer Reference Data on Chargeback; Documentation was Received	The acquirer must use this message reason code to notify the issuer that the combination of Acquirer Reference Data/Primary Account Number on the chargeback message does not match the information contained in the first presentment and that documentation that was received to support the issuer's first chargeback.
2005-Corrected Merchant Location/Description Provided	<p>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.</p> <p>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.</p>
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	<p>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.</p> <p>The Data Record must contain the date of the credit and, optionally, the Acquirer's Reference Data (ARD) of the credit.</p>
2700-See Corresponding Documentation/Chargeback Remedied	<p>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.</p> <p>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.

Message Reason Code	Definition
2702-Past Chargeback Time Limit	The acquirer must use this message reason code when the issuer's first chargeback is processed past the time limit allowed for the chargeback.
2703-Requested Transaction Documentation Provided (Hardship Variance)	The acquirer must use this message reason code when processing a second presentment within the guidelines of a Hardship Variance that has been approved by Mastercard. A Hardship Variance may be granted in case of a natural disaster, and must be applied for by the acquirer, and approved by Mastercard.
2704-Invalid Data Record Text	The acquirer must use this message reason code when information that is required to appear in the first chargeback's Data Record as stated in this guide, and the required message text (DE 72 [Data Record]) is missing or incomplete and the lack of such information renders the chargeback invalid.
2705-Correct MCC Provided	The acquirer must use this message reason code when remedying a chargeback by showing that the merchant business code (MCC) assigned to the merchant is different from the MCC appearing on the first presentment.
2706-Authorization Advised Suspicious	The acquirer must use this message reason code as described in the Suspicious Transaction table in section Proper Use for Acquirer's Second Presentment.
2707-No Authorization Required or Attempted	The acquirer must use this message reason code when the transaction amount was below the applicable floor limit, and the merchant did not request an authorization.
2708-Account was Not Listed on the Applicable Electronic Warning Bulletin as of the Transaction Date	The acquirer must use this message reason code to remedy chargebacks for message reason code 4807 when the acquirer's investigation reveals that the issuer had not included the account number in the applicable Electronic Warning Bulletin as of the date the card was first presented to the merchant for payment.
2709-Documentation Received was Illegible	The acquirer must use this message reason code only when information that is relevant to the first chargeback is illegible to the point where it cannot be established that the first chargeback is valid. Acquirers must make every attempt to qualify the documentation before using this message reason code. If an arbitration case is filed as the result of the chargeback, and Mastercard Dispute Resolution Management staff can validate that the documentation is legible, it will be determined that the acquirer processed an invalid second presentment.

Message Reason Code	Definition
2710-Scanning Error-Unrelated Documents or Partial Scan	<p>This message reason code deals solely with the quality of the Mastercom scan of the documentation. Do not use this message reason code if the substance of the documentation received shows that the issuer processed an invalid first chargeback. The acquirer must use this message reason code when the first chargeback documentation does not correspond to the transaction being charged back (for example, the documentation concerns a different transaction) or when the documentation is incomplete because of a scanning error.</p> <p>For example, the documentation provided is a partial scan with missing information, or it relates to another card or to another transaction.</p>
2713-Invalid Chargeback	<p>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.</p> <p>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.</p> <p>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.</p>
2870-Chip Liability Shift	<p>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.</p> <p>If the second presentment message reason code 2870 is valid, the issuer is prohibited from pursuing the dispute with an arbitration case.</p>
2871-Chip/PIN Liability Shift	<p>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.</p> <p>If the second presentment message reason code 2871 is valid, the issuer is prohibited from pursuing the dispute with an arbitration case.</p>

Chapter 3 Single Message System Chargebacks

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

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Overview

The Single Message System (formerly known as the Mastercard Debit Switch® (MDS)) processes financial transactions. Authorization, clearing, and settlement occur in a single message.

This section contains information about exception processing of financial transactions processed on the Single Message System. Exception processing occurs:

- When an acquirer determines an error has been made, the acquirer can correct the error through an adjustment. An issuer may have the option of a chargeback.
- When the issuer determines a transaction may be invalid, the issuer may return the transaction to the acquirer as a chargeback.

The Single Message System will process a reversal transaction for the amount of the exception which will transfer the disputed funds between the two parties.

Issuers and acquirers that are connected to the Single Message System process exceptions using the Single Message Transaction Manager. Refer to the *Single Message Transaction Manager User Guide* for information.

Exception Transaction Types

Customers must support the following types of exceptions:

- Adjustment performed by the acquirer
- Chargeback and Correction of a Chargeback performed by the issuer
- Representment (also known as "second presentment") and Correction of Representment performed by the acquirer

Supporting Documentation

For procedures to process supporting documentation, refer to Mastercard Connect® > Technical Resource Center > Mastercom System.

Acquirer Adjustment Reason Codes

The following message reason codes are available for an acquirer to perform Single Message System adjustments and corrections.

Reason Code	Description
06	Correction of a Representment

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

Message Reason Code 06-Correction of a Representation

The acquirer may use this message reason code to correct a representation.

Acquirer Correction

The table shown below details the requirements for this adjustment message reason code.

Correction Condition	The acquirer is reversing a representation, thereby canceling the original representation.
Time Frame	Between 1 and 10-calendar days after the representation settlement date.
Adjustment Message Reason Code	06
Supporting Documents	None
Additional Information	None
Notes	<p>The acquirer has the option of submitting a new representation. However, the required representation documentation must be provided within 10-calendar days of the original representation date.</p> <p>The Single Message Transaction Manager only allows one correction per representation. When the acquirer determines an error occurred with the corrected representation, the acquirer must submit the <i>MDS Exception Item Processing Request (Form 500)</i> with a Single Message Transaction Manager screen print of the Adjustment History window within 10-calendar days of the original representation settlement date.</p>

Issuer Chargeback

An issuer chargeback is not available for this message reason code.

Message Reason Code 10-Correct a Terminal Malfunction

The acquirer may use this message reason code to correct a terminal malfunction.

Acquirer Correction

The table shown below details the requirements for this adjustment message reason code.

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

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.

Adjustment Condition	The acquirer is reversing an adjustment.
Time Frame	Between 1 and 10-calendar days after the original adjustment settlement date.
Adjustment Message Reason Code	85
Supporting Documents	None
Additional Information	Optional

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 <i>MDS Exception Item Processing Request</i> (Form 500) with a Single Message Transaction Manager screen print of the Adjustment History window within 10-calendar days of the original adjustment.
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Issuer Chargeback

An issuer chargeback is not available for this message reason code.

Chargeback Reason Codes

The following message reason codes are available for an issuer to perform Single Message System chargebacks and corrections.

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

Correction of a Chargeback

The issuer may use this message reason code to reverse a chargeback.

Issuer Correction

The table shown below details the requirements for this chargeback message reason code.

Correction Condition	The issuer is reversing a chargeback.
Time Frame	Between 1 and 10-calendar days after the chargeback settlement date.
Adjustment Message Reason Code	03
Supporting Documents	None
Additional Information	None
Notes	<p>The issuer has the option of submitting a new chargeback.</p> <p>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 <i>MDS Exception Item Processing Request</i> (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.</p>

Acquirer Representation

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.

Chargeback Condition	The cardholder contacted the issuer alleging that some or all of the funds debited from the cardholder's account as the result of an ATM withdrawal were not dispensed.
Time Frame	Between 5 and 120-calendar days from the transaction settlement date
Chargeback Message Reason Code	17
Supporting Documents	None

Notes	<p>The issuer may chargeback only the disputed amount.</p> <p>This chargeback must not be used for fraud disputes.</p> <p>When a chargeback is for the full amount of the original transaction, any ATM access fee may be included in the chargeback amount.</p>
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Acquirer Representment (Second Presentment)

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

Second Presentment Condition	The acquirer can provide evidence that the funds were correctly dispensed.
Time Frame	<p>For India domestic ATM transactions: Within five-business days of the chargeback settlement date.</p> <p>For Nigeria domestic ATM transactions that are not On-U: Within two-business days.</p> <p>For all other transactions: 45-calendar days from the chargeback settlement date.</p>
Second Presentment Message Reason Code	13
Supporting Documents	<p>Supporting documentation must be provided within 10-calendar days of the representment settlement date.</p> <p>The supporting documentation must come from the ATM or PIN-based In-branch journal and, at minimum, must include:</p> <ul style="list-style-type: none"> • Account accessed • The ATM or PIN-based In-branch Terminal financial activity that occurred immediately before and after the disputed transaction occurred without any errors. • ATM or PIN-based In-branch Terminal number • Primary account number read from Track 2 of the magnetic stripe or from the chip • Transaction amount • Transaction date and time • Transaction trace • Transaction type

Notes	<p>Supporting documentation must be in English or accompanied by an English translation.</p> <p>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.</p> <p>When applicable, domestic rules must be provided with supporting documentation.</p> <p>An On-Us transaction is a domestic transaction for which the issuer and acquirer is the same Customer.</p>
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Mastercard Automated Reversal

The table shown below details the automated reversal process.

Mastercard Automated Reversal Condition	<p>Both of the following:</p> <ul style="list-style-type: none"> • Acquirer representment supporting documentation was not provided through Mastercom within 10-calendar days of the representment settlement date. • Both the issuer and the acquirer are not in Europe
Time Frame	11-calendar days from the representment settlement date
Mastercard Automated Reversal Message Reason Code	19
Supporting Documents	None
Notes	Mastercard will credit the issuer and debit the acquirer.

Cardholder Disputed Amount (U.S. Shared Deposits Only)

Chargeback rules on this subject appear in the "Domestic Chargeback" appendix.

Defective/Not as Described-Intra-U.S. Region and U.S. Territories Only

Chargeback rules on this subject appear in the "Domestic Chargeback" appendix.

Chip Liability Shift

The issuer may use message reason code 70 when the cardholder disputed an unauthorized transaction performed with an EMV chip card.

Issuer Chargeback

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

Counterfeit Fraud

Chargeback Condition	All of the following: <ul style="list-style-type: none">• The cardholder contacted the issuer alleging that the transaction was fraudulent.• Both the issuer and the acquirer are located in a country or region that has adopted a domestic or intraregional chip liability shift, or that participates in the Global Chip Liability Shift Program for interregional transactions as shown in the below tables.• The transaction was conducted with a counterfeit card at a magnetic stripe reading-only ATM or POS terminal.• The validly issued card was a hybrid card.• The fraudulent transaction must be reported to the Fraud and Loss Database on or before the date the chargeback is processed.
Time Frame	For Maestro ATM transactions: Between 5 and 90-calendar days from the transaction settlement date. For all other transactions: Between 5 and 120-calendar days from the transaction settlement date.

Supporting Documents	<p>One of the following:</p> <ul style="list-style-type: none">• Cardholder letter, email, message or completed <i>Dispute Resolution Form-Fraud</i> (Form 412) stating both of the following:<ul style="list-style-type: none">– Neither the cardholder nor anyone authorized by the cardholder engaged in the transaction.– The cardholder or another person authorized by the cardholder was in possession and control of all valid cards issued to the account at the time of the transaction.• Cardholder letter, email, message or <i>Dispute Resolution Form-Fraud</i> (Form 412) stating that neither the cardholder nor anyone authorized by the cardholder engaged in the transaction and an issuer certification letter verifying counterfeit. <p>For subsequent counterfeit transactions occurring after the account was closed, a copy of the original cardholder letter, email, message or completed <i>Dispute Resolution Form-Fraud</i> (Form 412) and the issuer's written certification stating the date the account was closed.</p>
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Notes	<p>Supporting documentation must be in English or accompanied by an English translation.</p> <p>Supporting documentation must be provided within 10-calendar days of the chargeback settlement date.</p> <p>A completed <i>Dispute Resolution Form-Fraud</i> (Form 412) must be the result of contact with the cardholder.</p>
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Lost, Stolen, or Never Received Fraud

Chargeback Condition	<p>All of the following:</p> <ul style="list-style-type: none">• The cardholder contacted the issuer alleging that the transaction was fraudulent.• Both the issuer and the acquirer are located in a country or region that has adopted a domestic or intraregional chip liability shift, or that participates in the Global Chip Liability Shift Program for interregional transactions as shown in the below tables.• The transaction was conducted at a magnetic stripe reading-only POS terminal without PIN as CVM.• The transaction was conducted with a hybrid card.• The fraudulent transaction must be reported to the Fraud and Loss Database on or before the date the chargeback is processed.
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Time Frame	<p>For Maestro ATM transactions: Between 5 and 90-calendar days from the transaction settlement date.</p> <p>For all other transactions: Between 5 and 120-calendar days from the transaction settlement date.</p>
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Supporting Documents	<ul style="list-style-type: none"> • Cardholder letter, email, message or completed <i>Dispute Resolution Form-Fraud</i> (Form 412) stating: <ul style="list-style-type: none"> – 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 <i>Dispute Resolution Form-Fraud</i> (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.
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Notes	<p>Supporting documentation must be in English or accompanied by an English translation.</p> <p>Supporting documentation must be provided within 10-calendar days of the chargeback settlement date.</p> <p>A completed <i>Dispute Resolution Form-Fraud</i> (Form 412) must be the result of contact with the cardholder.</p>
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Chip Liability Shift Program for Domestic and Intra-regional Transactions

The following table identifies the effective dates for the Chip Liability Shift for domestic and intra-regional transactions.

Table 1: Chip Liability Shift Program for Domestic and Intra-regional Transactions

A chip liability shift in...	Effective for transactions dated on or after...
Domestic Programs	
Asia/Pacific	
American Samoa	12 April 2019 for ATM transactions
Australia	13 April 2012 for Mastercard ATM transactions 12 April 2019 for Maestro and Cirrus ATM transactions
Bangladesh	16 October 2015 for ATM transactions
Bhutan	16 October 2015 for ATM transactions
Brunei Darussalam, Cambodia, Christmas Island, Cocos (Keeling) Islands, Cook Islands, Fiji, French Polynesia, Guam, Heard and McDonald Islands, Hong Kong SAR	12 April 2019 for ATM transactions
India	31 December 2018 for ATM transactions
Indonesia	1 January 2022 for ATM transactions

Single Message System Chargebacks
Chip Liability Shift Program for Domestic and Intraregional Transactions

A chip liability shift in...	Effective for transactions dated on or after...
Domestic Programs	
Kiribati, Lao People's Democratic Republic, Macao SAR, Malaysia	12 April 2019 for ATM transactions
Maldives	16 October 2015 for ATM transactions
Marshall Islands, Micronesia, Federated States of, Mongolia, Myanmar, Nauru	12 April 2019 for ATM transactions
Nepal	18 April 2018 for ATM transactions
New Caledonia	12 April 2019 for ATM transactions
New Zealand	13 April 2012 for Mastercard ATM transactions
Niue, Norfolk Island, Northern Marianna Islands, Palau, Papua New Guinea, Philippines, Pitcairn, Samoa, Singapore, Solomon Islands	12 April 2019 for ATM transactions
Sri Lanka	16 October 2015 for ATM transactions
Thailand, Timor-Leste, Tokelau, Tonga, Tuvalu, U.S. Minor Outlying Islands, Vanuatu, Vietnam, Wallis and Futuna	12 April 2019 for ATM transactions
Canada	<ul style="list-style-type: none"> • 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

Single Message System Chargebacks
Chip Liability Shift Program for Domestic and Intraregional Transactions

A chip liability shift in...	Effective for transactions dated on or after...
Domestic Programs	
United States region (consisting of the United States)	<ul style="list-style-type: none"> • 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:	
Australia, Christmas Island, Cocos (Keeling) Islands, Cook Islands, New Zealand, Niue, Norfolk Island, and Tokelau	13 April 2012 for Mastercard ATM transactions 12 April 2019 for Maestro and Cirrus ATM transactions
Bangladesh, Bhutan, Maldives, and Sri Lanka	16 October 2015
India	31 December 2018
Indonesia	1 January 2022 for ATM transactions
Korea, Republic of	16 October 2020 for ATM transactions
Nepal	18 April 2018
All other countries and territories	12 April 2019 for ATM transactions
Europe region	1 January 2005 for all transactions
Latin America and the Caribbean region	1 January 2005 for all transactions
Intercountry Programs	
Germany and United States	1 January 2015 through 20 October 2016 for Debit Mastercard ATM transactions
Germany and Puerto Rico	
Germany and U.S. Virgin Islands	

Chip Liability Shift Program for Interregional Transactions

The following table identifies the effective dates for the Chip Liability Shift for interregional transactions.

Table 2: Chip Liability Shift Program for Interregional Transactions

In this region...	The following countries and territories participate...	Effective for transactions dated on or after...
Asia/Pacific	All	Currently in effect for Maestro POS transactions
	Australia and New Zealand	31 December 2015 (Mastercard ATM transactions)
	Bangladesh, Bhutan, Maldives, and Sri Lanka	16 October 2015 for ATM transactions
	India	31 December 2018 for ATM transactions
	Indonesia	1 January 2022 for ATM transactions
	Nepal	18 April 2018 for ATM transactions
	All other countries and territories	19 April 2013 (Maestro ATM transactions)
	All other countries and territories	20 October 2017 (Mastercard and Cirrus ATM transactions)
Canada	All	<ul style="list-style-type: none"> 31 December 2015 for Maestro POS transactions Currently in effect for ATM transactions
Europe	All	Currently in effect for all transactions
Latin America and the Caribbean	All	Currently in effect for Maestro POS transactions
	Mexico	1 September 2014 for all transactions
	Puerto Rico and U.S. Virgin Islands	<ul style="list-style-type: none"> 19 April 2013 for Maestro ATM transactions 21 October 2016 for Mastercard and Cirrus ATM transactions
	All other countries and territories	<ul style="list-style-type: none"> 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

In this region...	The following countries and territories participate...	Effective for transactions dated on or after...
United States	All	<ul style="list-style-type: none"> • 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 E 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 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 E 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.

Term	Definition
Technical Fallback Transaction	In a technical fallback transaction, either the chip or the Hybrid POS Terminal failed, as shown by the presence of a value of 01, 79, or 80 in DE 22 (Point-of-Service Entry Mode), subfield 1 (POS Terminal PAN Entry Mode) in the Financial Transaction Request/0200 message and authorized online. Refer to the <i>Single Message System Specifications</i> manual for Data Element values.

Term	Definition
Hybrid POS Terminal	<p>A POS Terminal that:</p> <ol style="list-style-type: none"> 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. <p>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 <i>Single Message System Specifications</i> manual.</p>

Acquirer Representment (Second Presentment)

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

Second Presentment Condition	<p>One of the following:</p> <ul style="list-style-type: none"> • The card is not a hybrid card (meaning the service code is not 2xx or 6xx) • The issuer previously charged back two or more transactions involving the same card account prior to the authorization approval date of the disputed transaction for reason code 70 or 74 • The issuer previously charged back more than 15 transactions involving the same card account for reason code 70 or 74 • The transaction was not properly reported to 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. • A hybrid card was used at a hybrid POS terminal and the transaction was properly identified as fallback • The transaction involved an issuer or acquirer located in a country or region without an applicable domestic or intraregional Chip Liability Shift or that does not participate in the Global Chip Liability Shift for interregional transactions • The chargeback was invalid.
Time Frame	<p>For Nigeria domestic transactions: Within two-business days</p> <p>For all other transactions: 45-calendar days from the chargeback settlement date</p>

Second Presentment Message Reason Code	13
Supporting Documents	An explanation and documentation supporting the Second Presentment Condition.
Notes	Supporting documentation must be in English or accompanied by an English translation. Supporting documentation must be provided within 10-calendar days of the chargeback settlement date.

Transaction Amount Differs

The issuer may use message reason code 71 when the cardholder contacted the issuer alleging that the cardholder was billed an incorrect amount.

Issuer Chargeback

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

Chargeback Condition	The billing discrepancy could be for one of the following reasons: <ul style="list-style-type: none"> • The merchant's addition error that resulted in an incorrect total on the TID or other documentation. • The merchant increased the transaction amount without the cardholder's permission. • The imprinted amount or printed amount on the TID was processed instead of the correct transaction amount as evidenced by other information on the TID or documentation. • The cardholder paid for goods or services by other means. "Other means" may include the same card.
Time Frame	Between 5 and 120-calendar days from the transaction settlement date
Chargeback Message Reason Code	71
Supporting Documents	None
Notes	The issuer may chargeback only the disputed amount.

Acquirer Representment (Second Presentment)

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

Second Presentment Condition	One of the following: <ul style="list-style-type: none"> The acquirer can provide evidence that the amount debited from the cardholder's account was correct. The chargeback was invalid.
Time Frame	For Nigeria domestic transactions: Within two-business days. For all other transactions: 45-calendar days from the chargeback settlement date
Second Presentment Message Reason Code	13
Supporting Documents	The merchant's explanation and documentation supporting the Second Presentment Condition.
Notes	Supporting documentation must be in English or accompanied by an English translation.

Mastercard Automated Reversal

The table shown below details the automated reversal process.

Mastercard Automated Reversal Condition	Both of the following: <ul style="list-style-type: none"> Acquirer representment supporting documentation was not provided through Mastercom within 10-calendar days of the representment settlement date. Both the issuer and the acquirer are not in Europe
Time Frame	11-calendar days from the representment settlement date
Mastercard Automated Reversal Message Reason Code	19
Supporting Documents	None
Notes	Mastercard will credit the issuer and debit the acquirer.

Duplicate Transaction

The issuer may use reason code 73 when the cardholder contacted the issuer alleging that the cardholder's account has been debited more than once for the same transaction.

Issuer Chargeback

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

Chargeback Condition	An issuer can determine that the transaction is a duplicate when the ATM or POS terminal number, transaction amount, transaction date, and authorization response code are identical for the transactions in question.
Time Frame	Between 5 and 120-calendar days from the transaction settlement date
Chargeback Message Reason Code	73
Supporting Documents	None
Notes	<p>Mastercard strongly recommends the issuer use message reason code 17-Cash Disputes-ATM Only for ATM transactions.</p> <p>Mastercard strongly recommends the issuer use message reason code 71-Disputed Amount for Maestro POS transactions to charge back the transaction as paid by other means. "Other means" may include the same card.</p>

Acquirer Representment (Second Presentment)

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

Second Presentment Condition	<p>One of the following:</p> <ul style="list-style-type: none"> • The acquirer can provide evidence to support two separate transactions, or proof that a credit was issued. • The chargeback was invalid.
Time Frame	<p>For Nigeria domestic transactions: Within two-business days.</p> <p>For all other transactions: 45-calendar days from the transaction settlement date</p>
Second Presentment Message Reason Code	13
Supporting Documents	The merchant's explanation and documentation supporting the Second Presentment Condition.

Notes	Supporting documentation must be in English or accompanied by an English translation.
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Mastercard Automated Reversal

The table shown below details the automated reversal process.

Mastercard Automated Reversal Condition	Both of the following: <ul style="list-style-type: none"> Acquirer representment supporting documentation was not provided through Mastercom within 10-calendar days of the representment settlement date. Both the issuer and the acquirer are not in Europe
Time Frame	11-calendar days from the representment settlement date
Mastercard Automated Reversal Message Reason Code	19
Supporting Documents	None
Notes	Mastercard will credit the issuer and debit the acquirer.

No Cardholder Authorization

The issuer may use reason code 74 when the cardholder contacted the issuer alleging that the cardholder did not participate in or authorize the transaction.

Issuer Chargeback

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

Chargeback Condition	<p>One of the following:</p> <ul style="list-style-type: none"> • 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 transaction is an intra-Brazil contactless magnetic stripe transaction that exceeds BRL 50 and online PIN was not the CVM. DE 22 (Point of Service Entry Mode), subfield 1 (POS Terminal PAN Entry Mode) contained a value of 91 and DE 61 (Point of Service [POS] Data), subfield 11 (POS Card Data Terminal Input Capability Indicator) contained a value of 3 or 4.
Time Frame	Between 5 and 120-calendar days from the transaction settlement date
Chargeback Message Reason Code	74
Supporting Documents	None
Notes	This message reason code must not be used for Mastercard Consumer-Presented Quick Response (QR) transactions.

Acquirer Representation (Second Presentment)

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

Second Presentment Condition	<p>One of the following conditions is met:</p> <ul style="list-style-type: none"> • The transaction was approved and PIN was the CVM • Fraud Notification Service (FNS): The issuer previously charged back two or more transactions involving the same card account prior to the authorization approval date of the disputed transaction for reason code 70 or 74 • FNS: The issuer previously charged back more than 35 transactions involving the same card account for reason code 70 or 74 • The issuer did not properly report the transaction to the Fraud and Loss Database on or before the chargeback date • The merchant was located in a signature waiver country as defined in the <i>Transaction Processing Rules</i> manual, chapter 3-Acceptance Procedures, section Merchant Acceptance Procedures, subsection Maestro Cardholder Verification-PIN and Signature Requirements and can provide a cardholder signed transaction receipt. • A Digital Secure Remote Payment (DSRP) transaction, DE 48, subelement 42 (Electronic Commerce Indicators), subfield 1 (Electronic Commerce Security Level Indicator and UCAF Collection Indicator), position 3 (UCAF Collection Indicator) is set to 2 in authorization, or any subsequent transaction for related partial shipment or recurring payment occurred. Refer to Appendix E for Digital Secure Remote Payment transaction identification requirements. • The acquirer determines the chargeback is otherwise invalid.
Time Frame	<p>For Nigeria domestic transactions: Within two business days.</p> <p>For all other transactions: 45-calendar days from the chargeback settlement date</p>
Second Presentment Message Reason Code	13
Supporting Documents	The merchant's explanation and documentation supporting the Second Presentment Condition.
Notes	Supporting documentation must be in English or accompanied by an English translation.

Mastercard Automated Reversal

The table shown below details the automated reversal process.

Mastercard Automated Reversal Condition	Both of the following: <ul style="list-style-type: none"> Acquirer representment supporting documentation was not provided through Mastercom within 10-calendar days of the representment settlement date. Both the issuer and the acquirer are not in Europe
Time Frame	11-calendar days from the representment settlement date
Mastercard Automated Reversal Message Reason Code	19
Supporting Documents	None
Notes	Mastercard will credit the issuer and debit the acquirer.

Credit Not Received

The issuer may use reason code 75 to dispute one of the following:

- An account was not credited.
- An account was debited instead of credited.

Issuer Chargeback

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

Chargeback Condition	The cardholder contacted the issuer alleging that the cardholder's account was not credited for a refund from a merchant or was inaccurately debited instead of credited.
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Time Frame	<p>When the transaction was identified with one of the following MCCs:</p> <ul style="list-style-type: none"> • Airlines and Air Carrier (MCCs 3000 through 3350, 4511) • Car Rental Agencies (MCCs 3351 through 3500, 7512) • Cruise Lines (MCC 4411) • Lodging-Hotels, Motels, Resorts (MCCs 3501 through 3999, 7011) • Motor Home and Recreational Vehicle Rental (MCC 7519) • Real Estate Agents and Managers—Rentals (MCC 6513) • Theatrical Producers, Ticket Agencies (excluding Motion Picture) (MCC 7922) • Travel Agencies and Tour Operators (MCC 4722) <p>And one of the following:</p> <ol style="list-style-type: none"> 1. For transactions completed using a card issued in either Canada or the United States at a merchant located in either Canada or the United States, both of the following: <ul style="list-style-type: none"> – Between 5 and 120-calendar days from the original delivery or performance date specified by the merchant. – Within 540-calendar days from the Settlement Date of the original transaction. 2. For all other transactions, both of the following: <ul style="list-style-type: none"> – Between 5 and 120-calendar days from the latest anticipated delivery or performance date specified by the merchant. For cases involving merchant-provided vouchers for future use, the voucher expiration date is considered the latest anticipated delivery or performance date specified by the merchant. – Within 365-calendar days from the original expected delivery or performance date specified by the merchant. <p>For transactions not identified with one of the MCCs listed above: Between 5 and 120-calendar days from the transaction settlement date.</p> <p>The 120-calendar days begin on one of the following:</p> <ul style="list-style-type: none"> • The date the service was canceled or the goods were returned. • The date on the credit documentation. • The date on the cardholder letter when the credit documentation was undated. • The date the issuer receives an undated cardholder letter. • The date the Timeshare was canceled.
Chargeback Message Reason Code	75
Supporting Documents	None

Notes	<p>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.</p> <p>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 an 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.</p> <p>For transactions in which value or assets are purchased for gambling, investment or similar purposes: This chargeback right is only available for a transaction in which the purchased value or assets failed to appear in the account agreed to between the cardholder and the merchant. For the avoidance of doubt, chargeback rights are not available for</p> <ol style="list-style-type: none"> 1. refunds, withdrawals or transfer requests, 2. terms and conditions or account access, 3. winnings, gains or losses, or 4. use or subsequent use. <p>A second presentment must contain documentation of the value or asset either appearing in, or transferred to, the account agreed to between the cardholder and the merchant.</p>
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Acquirer Representment (Second Presentment)

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

Second Presentment Condition	<p>The acquirer can provide evidence to support one of the following:</p> <ul style="list-style-type: none"> • The credit was processed to the cardholder's account. • The timeshare cancellation occurred more than 14-calendar days from the timeshare agreement date. • The transaction was correctly processed. • The chargeback was invalid.
Time Frame	<p>For Nigeria domestic transactions: Within two-business days.</p> <p>For all other transactions: 45-calendar days from the chargeback settlement date</p>
Second Presentment Message Reason Code	13
Supporting Documents	The merchant's explanation and documentation supporting the Second Presentment Condition.

Notes	Supporting documentation must be in English or accompanied by an English translation.
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Mastercard Automated Reversal

The table shown below details the automated reversal process.

Mastercard Automated Reversal Condition	Both of the following: <ul style="list-style-type: none"> Acquirer representation supporting documentation was not provided through Mastercom within 10-calendar days of the representation settlement date. Both the issuer and the acquirer are not in Europe
Time Frame	11-calendar days from the representation settlement date
Mastercard Automated Reversal Message Reason Code	19
Supporting Documents	None
Notes	Mastercard will credit the issuer and debit the acquirer.

Goods or Services Not Provided

The issuer may use reason code 79 when the cardholder claims goods or services were not received.

Issuer Chargeback

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

Chargeback Condition	The cardholder contacted the issuer alleging the cardholder's account has been debited for goods or services that were to be shipped, delivered or otherwise provided and were not received by the expected delivery date.
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Time Frame

When the transaction was identified with one of the following MCCs:

- Airlines and Air Carrier (MCCs 3000 through 3350, 4511)
- Car Rental Agencies (MCCs 3351 through 3500, 7512)
- Cruise Lines (MCC 4411)
- Lodging-Hotels, Motels, Resorts (MCCs 3501 through 3999, 7011)
- Motor Home and Recreational Vehicle Rental (MCC 7519)
- Real Estate Agents and Managers—Rentals (MCC 6513)
- Theatrical Producers, Ticket Agencies (excluding Motion Picture) (MCC 7922)
- Travel Agencies and Tour Operators (MCC 4722)

And one of the following:

1. For transactions completed using a card issued in either Canada or the United States at a merchant located in either Canada or the United States, both of the following:
 - Between 5 and 120-calendar days from the original delivery or performance date specified by the merchant.
 - Within 540-calendar days from the Settlement Date of the original transaction.
2. For all other transactions, both of the following:
 - Between 5 and 120-calendar days from the latest anticipated delivery or performance date specified by the merchant.
For cases involving merchant-provided vouchers for future use, the voucher expiration date is considered the latest anticipated delivery or performance date specified by the merchant.
 - Within 365-calendar days from the original expected delivery or performance date specified by the merchant.

For transactions not identified with one of the MCCs listed above: Between 5 and 120-calendar days from the transaction settlement date or the date the goods or services were to be provided. One of the following conditions must be met before processing the chargeback:

- When the date the goods or services were to be provided as agreed upon by the merchant and the cardholder has passed.
 - When a specific delivery date is not provided, the issuer must wait 30-calendar days from the transaction settlement date.
 - When the determination has been made that the merchant will not provide the goods or services because, for example, the merchant is no longer in business.
 - When the cardholder canceled the order for goods or services, the goods or services were not provided, and the cardholder did not receive a credit.
 - 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, one of the following:
 - For transactions completed using a card issued in either Canada, the United States, or one of the U.S. Territories at a merchant located in either
-

Canada, the United States, or one of the U.S. Territories: Within 120-calendar days of the Settlement Date of the first presentment.

The U.S. Territories consist of American Samoa, Guam, Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands.

- For all other transaction: Within 540-calendar days from the Settlement 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.

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 pre-compliance, followed by a compliance case (when applicable), when a system limitation prevents a valid chargeback.

Chargeback Message Reason Code	79
Supporting Documents	None
Notes	<p>The issuer may chargeback only the disputed amount.</p> <p>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.</p> <p>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 an 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.</p> <p>For transactions in which value or assets are purchased for gambling, investment or similar purposes: This chargeback right is only available for a transaction in which the purchased value or assets failed to appear in the account agreed to between the cardholder and the merchant. For the avoidance of doubt, chargeback rights are not available for</p> <ol style="list-style-type: none"> 1. refunds, withdrawals or transfer requests, 2. terms and conditions or account access, 3. winnings, gains or losses, or 4. use or subsequent use. <p>A second presentment must contain documentation of the value or asset either appearing in, or transferred to, the account agreed to between the cardholder and the merchant.</p>

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: <ul style="list-style-type: none"> • The goods or services were provided. • The merchant was willing and able to provide the goods or services and the cardholder refused to accept the goods or services. • The merchant and the cardholder agreed to provide the goods or services at a later date. • The chargeback was invalid.
Time Frame	For Nigeria domestic transactions: Within two-business days. For all other transactions: 45-calendar days from the chargeback settlement date
Second Presentment Message Reason Code	13
Supporting Documents	The merchant's explanation and documentation supporting the Second Presentment Condition.
Notes	Supporting documentation must be in English or accompanied by an English translation.

Mastercard Automated Reversal

The table shown below details the automated reversal process.

Mastercard Automated Reversal Condition	Both of the following: <ul style="list-style-type: none"> • Acquirer representment supporting documentation was not provided through Mastercom within 10-calendar days of the representment settlement date. • Both the issuer and the acquirer are not in Europe
Time Frame	11-calendar days from the representment settlement date
Mastercard Automated Reversal Message Reason Code	19
Supporting Documents	None
Notes	Mastercard will credit the issuer and debit the acquirer.

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: <ul style="list-style-type: none"> • The transaction was authorized offline by the chip. • The transaction was submitted into clearing more than seven-calendar days after the transaction date. • The cardholder's account is closed or the cardholder's account does not contain sufficient funds to cover the transaction amount.
Time Frame	Between 5 and 120-calendar days from the transaction settlement date
Chargeback Message Reason Code	80
Supporting Documents	None
Notes	None

Acquirer Representment (Second Presentment)

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

Second Presentment Condition	The acquirer can provide evidence to support one of the following: <ul style="list-style-type: none"> • The transaction date is within the seven-calendar day time limit. • The cardholder's account is open. • The chargeback was invalid.
Time Frame	For Nigeria domestic transactions: Within two-business days. For all other transactions: 45-calendar days from the chargeback settlement date
Second Presentment Message Reason Code	13
Supporting Documents	The merchant's explanation and documentation supporting the Second Presentment Condition.

Notes	Supporting documentation must be in English or accompanied by an English translation.
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Mastercard Automated Reversal

The table shown below details the automated reversal process.

Mastercard Automated Reversal Condition	Both of the following: <ul style="list-style-type: none"> Acquirer representation supporting documentation was not provided through Mastercom within 10-calendar days of the representation settlement date. Both the issuer and the acquirer are not in Europe
Time Frame	11-calendar days from the representation settlement date
Mastercard Automated Reversal Message Reason Code	19
Supporting Documents	None
Notes	Mastercard will credit the issuer and debit the acquirer.

Invalid Adjustment-Account Closed

An issuer may use message reason code 95 to chargeback an invalid adjustment when the account is closed.

Issuer Chargeback

The table shown below details the requirements for this chargeback message reason code.

Chargeback Condition	Both of the following: <ul style="list-style-type: none"> The account is closed. The acquirer's adjustment must have been processed between 11 and 45-calendar days after the transaction settlement date.
Time Frame	Between 1 and 20-calendar days after the adjustment settlement date.
Chargeback Message Reason Code	95
Supporting Documents	None
Additional Information	Optional
Notes	None

Acquirer Representation (Second Presentment)

Representation is not available for this message reason code.

Invalid Adjustment-Insufficient Funds

An issuer may use message reason code 96 to chargeback an invalid adjustment when the account has insufficient funds.

Issuer Chargeback

The table shown below details the requirements for this chargeback message reason code.

Chargeback Condition	Both of the following: <ul style="list-style-type: none">• The account does not have sufficient funds.• The acquirer's adjustment must have been processed between 11 and 45-calendar days after the transaction settlement date.
Time Frame	Between 1 and 20-calendar days after the adjustment settlement date.
Chargeback Message Reason Code	96
Supporting Documents	None
Additional Information	Optional
Notes	None

Acquirer Representation (Second Presentment)

Representation is not available for this message reason code.

Chapter 4 Single Message System Chargebacks for Non-Mastercard BIN Maestro Card-Not-Present (CNP) Debit Transactions

This chapter contains information about chargeback processing for non-Mastercard BIN Maestro card-not-present (CNP) debit card transactions processed on the Single Message System.

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Overview

This chapter describes the chargebacks and second presentments available for a U.S. region or U.S. Territory issued debit card with a primary account number (PAN) starting with a number other than 510000-559999 or 222100-272099 and enabled with Maestro functionality that transacts card-not-present at a Maestro merchant located in the U.S. region or a U.S. Territory. The U.S. Territories consist of American Samoa, Guam, Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands.

Acquirer Adjustment Reason Codes

The following message reason codes are available for an acquirer to perform Single Message System adjustments and corrections.

- 06 - Correction of a Representment
- 10 - Correction of a Terminal Malfunction
- 85 - Adjustment Reversal

For more information refer to chapter 3-Single Message System Chargebacks.

Issuer Correction and Adjustment Reason Codes

The following message reason codes are available for an issuer to perform Single Message System corrections and adjustments.

- 03 - Correction of a Chargeback
- 95 - Invalid Adjustment: Account Closed
- 96 - Invalid Adjustment: Insufficient Funds

For more information refer to chapter 3-Single Message System Chargebacks.

Issuer Chargebacks and Acquirer Second Presentments

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 issuer deemed the account not to be in good standing (a "stated" account) before filing the chargeback.
- A card-not-present transaction was declined by the issuer and subsequently approved through Stand-In processing with an approval response as specified in the Single Message System Specifications with the following exceptions:
 - The issuer generated an approval response after previously declining the transaction.
 - The merchant can prove that the cardholder initiated the transaction request.

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 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 10-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.

Chargeback

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

Required Authorization Not Obtained

Chargeback Condition. Both of the following:

- Authorization was required.
- Authorization was not properly obtained.

Time Frame.

The issuer must wait 5-calendar days from the Settlement Date of the disputed transaction before submitting a chargeback but not to exceed 120-calendar days from the Settlement Date of the disputed transaction.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the disputed transaction is counted as day zero.

Message Reason Code. 08 (Authorization-related Chargeback).

Supporting Documents. None.

Notes. None.

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 transaction record. As a result, a difference in PANs must not be the sole reason for an acquirer's second presentment.

Required Authorization Obtained

Second Presentment Condition. The transaction was authorized.

Time Frame. The Settlement Date of the Second Presentment must be on or before the 45th calendar day of the Settlement Date of the chargeback.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 13 (Invalid Chargeback)

Supporting Documents. Both of the following:

- The date the issuer authorized the disputed transaction.
- The authorization response code provided by the issuer, its agent, or Mastercard On-Behalf for the disputed transaction.

Notes. None.

Credit Previously Issued

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

Time Frame. The Settlement Date of the Second Presentment must be on or before the 45th calendar day of the Settlement Date of the chargeback.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 11 (Credit Issued)

Supporting Documents. Both of the following:

- The date of the credit (refund) transaction.
- Optionally, the Switch Serial Number of the credit (refund) transaction.

Notes.

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.

For the avoidance of doubt:

- A refund provided by the merchant includes a refund transaction, as identified with a value of 20 (Credit [Purchase Return] in DE 3 (Processing Code), subfield 1 (Cardholder transaction type) of the clearing record, or MoneySend Payment Transaction Fast Refund to the original card as described in the *Mastercard MoneySend and Funding Transactions Program Standards*.
- **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.

Duplicate Chargeback

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

Time Frame. The Settlement Date of the Second Presentment must be on or before the 45th calendar day of the Settlement Date of the chargeback.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 01 (Duplicate Chargeback)

Supporting Documents. The Settlement Date and Switch Serial Number of the original chargeback.

Notes. Not available for ATM transactions.

Invalid Chargeback

Second Presentment Condition. The chargeback does not meet the prerequisites for the message reason code. This includes when the chargeback was processed beyond the applicable chargeback time frame.

Time Frame. The Settlement Date of the Second Presentment must be on or before the 45th calendar day of the Settlement Date of the chargeback.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 13 (Invalid Chargeback).

Supporting Documents. Optionally, the reason the acquirer believes the chargeback to be invalid.

Notes. Not available for ATM transactions.

Arbitration Case Filing

For information on continuing a dispute, refer to Chapter 5 Pre-Arbitration and Arbitration Case Filing.

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.

Single Message System Chargebacks for Non-Mastercard BIN Maestro Card-Not-Present (CNP) Debit Transactions Cardholder Dispute Chargeback

- 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.
- Failure to credit shipping or handling charges for buyer’s remorse cancellations or returns.

Gambling and Investment Chargebacks. Chargebacks are available to the issuer for transactions in which value or assets are purchased for gambling, investment or similar purposes and they are not provided according to the contractual terms and conditions agreed to between the cardholder and the merchant.

Additionally, chargebacks are available when the value or assets are made inaccessible for use in violation of the contractual terms and conditions. This may include, but is not limited to, when the value or assets are unable to be withdrawn by the cardholder or are transferred to an account outside the cardholder’s control without the cardholder’s authorization.

An issuer has no chargeback rights related to the use or authorized transfer of such value or assets, or on any winnings, gains or losses resulting from the use of such value or assets. An example includes, but is not limited to, when the value or assets are subsequently exchanged or otherwise utilized in a separate, non-Mastercard transaction.

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 an 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).

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.

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 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 10-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.

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.
- The merchant refused to adjust the price, repair, or replace the goods or other things of value, or issue a credit.

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 goods: The cardholder returned the goods or informed the merchant the goods were available for pickup.

And one of the following:

- When delivered from the merchant, the goods arrived broken or could not be used for the intended purpose.
- Goods and services did not conform to their description. Examples include, but are not limited to:
 - The cardholder claims that the quality or workmanship of the product is not as described.
 - The cardholder claims that the specified color, size, or quantity is not as described.
- The merchant did not honor the terms and conditions of the contract with the cardholder including, but not limited to, 100 percent money back guarantee, written promises, or return policy.

Time Frame. One of the following:

- For disputes involving the interruption of ongoing services: 120-calendar days from when the services ceased. The issuer must wait 5-calendar days from the Settlement Date of the disputed transaction before submitting a chargeback but not to exceed 540-calendar days from the Settlement Date of the disputed transaction.
- For all other disputes involving Goods or Services Were Either Not as Described or Defective: One of the following:
 - Between 15 and 120-calendar days from the delivery/cancellation date of the goods or services.
 - Between 15 and 120-calendar days from the Settlement Date of the disputed transaction.

When a Single Message Transaction Manager limitation prevents a valid chargeback from being processed more than 120-calendar days from the Settlement Date of the disputed transaction, the issuer must file a pre-compliance and (when applicable) a compliance case.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the disputed transaction is counted as day zero.

Message Reason Code. 53 (Cardholder Dispute-Defective/Not as Described)

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.

Notes. This chargeback is not available when proper disclosure of the condition of the goods is made at the time of the sale, such as when goods are sold in "as is" condition.

This chargeback is not available for transactions identified with one of the following MCCs: 3000 through 3999, 4411, 4511, 4722, 6513, 7011, 7512, 7519, or 7922 and the merchant provided a voucher for future use and that provision of voucher was properly disclosed in the merchant's terms and conditions. Refer to the **Travel/Entertainment Services Not Provided/Not as Described and Merchant Voucher Issued** section for a possible chargeback.

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 disputes involving the 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 Settlement Date of the disputed transaction before submitting a chargeback but not to exceed 120-calendar days from the Settlement Date of the disputed transaction. The issuer does not need to wait 30-calendar days when the issuer learns the merchant will not provide the goods or services (for example, the merchant is no longer in business), in such cases the issuer must wait five-calendar days before charging back the disputed transaction.
- For disputes involving the 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.

The issuer does not need to wait 30-calendar days when the issuer learns the merchant will not provide the goods or services (for example, the merchant is no longer in business), in such cases the issuer must wait five-calendar days before charging back the disputed transaction.

- For disputes involving the interruption of ongoing services: Within 120- calendar days of the date the cardholder becomes aware that the service ceased. The issuer must wait 5-calendar days from the Settlement Date of the disputed transaction before submitting a chargeback but not to exceed 540-calendar days from the Settlement Date of the disputed transaction.
- For disputes 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: Between 5 and 540-calendar days from the Settlement Date of the first presentment.
- For disputes 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: Between 5 and 120-calendar days of the Settlement Date of the first presentment.
- For disputes 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: Between 5 and 120-calendar days from the expiration date printed on the card.
- For all other disputes involving Goods or Service Not Provided: The Settlement Date of the chargeback must be between 5 and 120-calendar days from the Settlement Date of the disputed transaction.

When a Single Message Transaction Manager limitation prevents a valid chargeback from being processed more than 120-calendar days from the Settlement Date of the disputed transaction, the issuer must file a pre-compliance and (when applicable) a compliance case.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the disputed transaction is counted as day zero.

Message Reason Code. 53 (Cardholder Dispute-Defective/Not as Described)

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.

Notes.

This chargeback is not available for transactions identified with one of the following MCCs: 3000 through 3999, 4411, 4511, 4722, 6513, 7011, 7512, 7519, or 7922 and the merchant provided a voucher for future use and that provision of voucher was properly disclosed in the merchant's terms and conditions. Refer to the **Travel/Entertainment Services Not Provided/Not as Described and Merchant Voucher Issued** section for a possible chargeback.

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 merchandise is not received and one of the following occurred:

- 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 delivery 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

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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.

Travel/Entertainment Services Not Provided/Not as Described and Merchant Voucher Issued

Chargeback Condition. Both of the following:

1. The cardholder contacted the issuer claiming all of the following:
 - The cardholder engaged in the transaction.
 - The purchased goods or services were not received due to merchant cancellation.
 - The merchant provided a voucher for future use in lieu of a refund and that provision of voucher was properly disclosed in the merchant’s terms and conditions.
 - The merchant is unable or unwilling to honor the voucher in violation of the voucher terms and conditions.
2. The transaction was identified with one of the following MCCs:
 - Airlines and Air Carrier (MCCs 3000 through 3350, 4511)
 - Car Rental Agencies (MCCs 3351 through 3500, 7512)
 - Cruise Lines (MCC 4411)
 - Lodging-Hotels, Motels, Resorts (MCCs 3501 through 3999, 7011)
 - Motor Home and Recreational Vehicle Rental (MCC 7519)
 - Real Estate Agents and Managers—Rentals (MCC 6513)
 - Theatrical Producers, Ticket Agencies (excluding Motion Picture) (MCC 7922)
 - Travel Agencies and Tour Operators (MCC 4722)

Time Frame.

For transactions completed using a card issued in the United States at a merchant located in the United States, both of the following:

- Within 120-calendar days from the original delivery or performance date specified by the merchant.
- Between 5 and 540-calendar days from the Central Site Business Date of the original transaction.

For all other transactions, the issuer must wait 5-calendar days from the Settlement Date of the disputed transaction and both of the following:

- Within 120-calendar days from the latest anticipated delivery or performance date specified by the merchant.
For cases involving merchant-provided vouchers for future use, the voucher expiration date is considered the latest anticipated delivery or performance date specified by the merchant.
- Within 365-calendar days from the original expected delivery or performance date specified by the merchant.

Message Reason Code. 53 (Cardholder Dispute-Defective/Not as Described)

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.

Message Text. None.

Notes. None.

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.

The issuer must wait 5-calendar days from the Settlement Date of the disputed transaction before submitting a chargeback but not to exceed 120-calendar days from the Settlement Date of the disputed transaction.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the disputed transaction is counted as day zero.

Message Reason Code. 53 (Cardholder Dispute-Defective/Not as Described)

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.

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 agreed to provide a refund and failed to process that refund.
- The merchant failed to disclose its refund policy at the time of the transaction and is unwilling to accept a return or cancellation of goods or services.
- The merchant has not responded to the return or the cancellation of goods or services.
- The merchant posted a credit for a reduced amount without proper disclosure.
- The merchant failed to issue a Value Added Tax (VAT) credit.

Time Frame. One of the following:

- Between 5 and 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 must wait 5-calendar days from the Settlement Date of the disputed transaction before submitting a chargeback 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.

When a Single Message Transaction Manager limitation prevents a valid chargeback from being processed more than 120-calendar days from the Settlement Date of the disputed transaction, the issuer must file a pre-compliance and (when applicable) a compliance case.

Message Reason Code. 53 (Cardholder Dispute-Defective/Not as Described)

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.

Notes.

This chargeback is not available transactions identified with one of the following MCCs: 3000 through 3999, 4411, 4511, 4722, 6513, 7011, 7512, 7519, or 7922 and the merchant provided a voucher for future use and that provision of voucher was properly disclosed in the merchant's terms and conditions. Refer to the **Travel/Entertainment Services Cancelled/Returned and Credit Not Processed** section for a possible chargeback.

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."

Travel/Entertainment Services Cancelled/Returned and Credit Not Processed

Chargeback Condition.

The cardholder contacted the issuer claiming one of the following:

- The merchant agreed to provide a refund and failed to process that refund.
- The merchant failed to disclose its refund policy at the time of the transaction and is unwilling to accept the cardholder's return or cancellation of goods or services.
- The merchant has not responded to the cardholder's return or cancellation of goods or services.
- The merchant posted a credit for a reduced amount without proper disclosure.

In addition, the transaction was identified with one of the following MCCs:

- Airlines and Air Carrier (MCCs 3000 through 3350, 4511)
- Car Rental Agencies (MCCs 3351 through 3500, 7512)
- Cruise Lines (MCC 4411)
- Lodging-Hotels, Motels, Resorts (MCCs 3501 through 3999, 7011)
- Motor Home and Recreational Vehicle Rental (MCC 7519)
- Real Estate Agents and Managers—Rentals (MCC 6513)
- Theatrical Producers, Ticket Agencies (excluding Motion Picture) (MCC 7922)
- Travel Agencies and Tour Operators (MCC 4722)

Time Frame. Both of the following time frames:

1. 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 date on the credit documentation is counted as day zero.
 - When the credit documentation is undated, the date on the cardholder letter, email, message, or *Dispute Resolution Form—Cardholder Dispute Chargeback* (Form 1221) is counted as day zero.
 - When the cardholder letter is undated, the receipt date of the documentation by the issuer is counted as day zero.
 - The issuer must wait 5-calendar days from the Settlement Date of the disputed transaction before submitting a charge back 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.
2. For transactions completed using a card issued in the United States at a merchant located in the United States: Between 5 and 540-calendar days from the Settlement Date of the original transaction.

For all other transactions: Between 5 and 365-calendar days from the original expected delivery or performance date specified by the merchant.

Message Reason Code. 53 (Cardholder Dispute-Defective/Not as Described)

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.

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

When the merchant informed the cardholder of its refund policy at the time of purchase, the cardholder must abide by that policy. For example, the cardholder's sales slip clearly indicates that the refund policy is "in-store credit only" or "no refunds."

Counterfeit Goods

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

Chargeback Condition. The cardholder contacted the issuer claiming both of the following:

- The cardholder engaged in the transaction.
- The cardholder claims that the goods were purported to be genuine but were counterfeit.

Time Frame. One of the following:

- For disputes involving delayed delivery: The issuer must wait 5-calendar days from the Settlement Date of the disputed transaction before submitting a chargeback but not to exceed 120-calendar days of the date the goods and services were received.
- For all other counterfeit goods disputes: Between 5 and 120- calendar days from the Settlement Date of the disputed transaction.

When a Single Message Transaction Manager limitation prevents a valid chargeback from being processed more than 120-calendar days from the Settlement Date of the disputed transaction, the issuer must file a pre-compliance and (when applicable) a compliance case.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the disputed transaction is counted as day zero.

Message Reason Code. 53 (Cardholder Dispute-Defective/Not as Described)

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.

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. Between 5 and 120-calendar days from the Settlement Date of the disputed transaction.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the disputed transaction is counted as day zero.

Message Reason Code. 53 (Cardholder Dispute-Defective/Not as Described).

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.

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. 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. The Settlement Date of the chargeback must be on or before the 120th calendar day from the Settlement Date of the disputed transaction.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the disputed transaction is counted as day zero.

Message Reason Code. 53 (Cardholder Dispute-Defective/Not as Described).

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

1. The Supporting Documentation must specify "PCS" or "Payment Cancellation Service" as well as the date the PAN was listed in the Payment Cancellation Services (PCS).
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.

In addition, the Supporting Document must specify the date and the Switch Serial Number of the original chargeback for Cardholder Dispute of a Recurring Transaction (refer to the Cardholder Dispute of a Recurring Transaction table) which contained the cardholder's letter, email, message or completed Dispute Resolution Form describing the cardholder's dispute.

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

Notes. 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. Between 5 and 120-calendar days from the Settlement Date of the disputed subsequent transaction.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the disputed transaction is counted as day zero.

Message Reason Code. 53 (Cardholder Dispute-Defective/Not as Described)

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.

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 Maestro account because the cardholder provided the Maestro account information 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.

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 F of the *Transaction Processing Rules*) 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.

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Debit Transactions
Transaction Did Not Complete

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. Between 5 and 120-calendar days from the Settlement Date of the disputed transaction.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the disputed transaction is counted as day zero.

Message Reason Code. 53 (Cardholder Dispute-Defective/Not as Described)

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. The issuer must provide the Switch Serial Number of the transactions that represented the actual use of the accommodations. When the cardholder used the accommodations but did not use his or her 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. The three-digit ISO currency code of the transaction currency in which the rate was quoted, and the rate quoted expressed in that currency.
5. No additional documentation is required.

Notes. None

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.

Between 5 and 120-calendar days from the Settlement Date of the disputed transaction.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the disputed transaction is counted as day zero.

Message Reason Code. 53 (Cardholder Dispute-Defective/Not as Described)

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 Condition** was met.

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. The issuer must wait 5-calendar days from the Settlement Date of the disputed transaction before submitting a chargeback but not to exceed 120- calendar days of the cancellation date.

When a Single Message Transaction Manager limitation prevents a valid chargeback from being processed more than 120-calendar days from the Settlement Date of the disputed transaction, the issuer must file a pre-compliance and (when applicable) a compliance case.

Message Reason Code. 53 (Cardholder Dispute-Defective/Not as Described)

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 14-calendar days of the agreement date.

When the dispute involves the cancellation of a timeshare, the supporting document must specify the disputed transaction was for a timeshare.

Notes. None.

Credit Posted as a Purchase

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

Time Frame. Between 5 and 120-calendar days from the Settlement Date of the disputed transaction.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the disputed transaction is counted as day zero.

Message Reason Code. 53 (Cardholder Dispute-Defective/Not as Described)

Supporting Documents. 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 transaction 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. The Settlement Date of the Second Presentment must be on or before the 45th calendar day of the Settlement Date of the chargeback.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 00 (See Corresponding Documentation/Chargeback Remedied)

Supporting Documents. The merchant's explanation and documentation.

When the Second Presentment is in response to a 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.

When the Second Presentment is in response to a 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.

Notes. A merchant or acquirer statement that the cardholder never contacted the merchant to cancel the recurring transaction is not a valid second presentment.

Credit Previously Issued

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

Time Frame. The Settlement Date of the Second Presentment must be on or before the 45th calendar day of the Settlement Date of the chargeback.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 11 (Credit Previously Issued)

Supporting Documents. One of the following:

- When the credit was processed to the cardholder's Maestro account: The date of the credit transaction and optionally, the Switch Serial Number of the credit transaction.
- When the credit was processed by other means: The date of the credit transaction and compelling evidence showing the credit was processed. Examples include, but are not limited to: bank transfer, store credit, check, cash, prepaid card.

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.

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

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.

For the avoidance of doubt:

- A refund provided by the merchant includes a refund transaction, as identified with a value of 20 (Credit [Purchase Return] in DE 3 (Processing Code), subfield 1 (Cardholder transaction type) of the clearing record, or MoneySend Payment Transaction Fast Refund to the original card as described in the *Mastercard MoneySend and Funding Transactions Program Standards*.
- **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.

Duplicate Chargeback

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

Time Frame. The Settlement Date of the Second Presentment must be on or before the 45th calendar day of the Settlement Date of the chargeback.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 01 (Duplicate Chargeback)

Supporting Documents. Mastercard recommends that the acquirer provides the Settlement Date and Switch Serial Number of the original chargeback with its second presentment.

Notes. Not available for ATM transactions.

Past Chargeback Time Limit

Second Presentment Condition. The issuer's chargeback is processed past the time frame specified for the chargeback.

Time Frame. The Settlement Date of the Second Presentment must be on or before the 45th calendar day of the Settlement Date of the chargeback.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 02 (Past Chargeback Time Limit)

Supporting Documents. None.

Notes. Not available for ATM transactions.

Chargeback Documentation Not Provided

Second Presentment Condition. The required chargeback supporting documentation was not provided.

Time Frame. The Settlement Date of the Second Presentment must be between 10 and 45th calendar day of the Settlement Date of the chargeback.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 2002 (Non-receipt of Required Documentation to Support Chargeback Required supporting documentation not received)

Supporting Documents. None.

Notes. The acquirer must accept supporting documentation as long as the acquirer has not processed a second presentment.

Chargeback Documentation was Illegible

Second Presentment Condition. The required chargeback supporting documentation was illegible.

Time Frame. The Settlement Date of the Second Presentment must be on or before the 45th calendar day of the Settlement Date of the chargeback.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 2709 (Documentation Received was Illegible Supporting documentation is illegible)

Supporting Documents. None

Notes. 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.

Invalid Chargeback

Second Presentment Condition. The chargeback does not meet the prerequisites for the message reason code.

Time Frame. The Settlement Date of the Second Presentment must be on or before the 45th calendar day of the Settlement Date of the chargeback.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 13 (Invalid Chargeback)

Notes. Not available for ATM transactions.

Arbitration Case Filing

For information on continuing a dispute, refer to Chapter 5 Pre-Arbitration and Arbitration Case Filing.

Fraud-related Chargebacks

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

- **37**-No Cardholder Authorization
- **49**-Questionable Merchant Activity

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:

- **Authorization Approval after the FNS Date.** The issuer approved the transaction after submitting two or more chargebacks involving the same card account (for this purpose, "account" means primary account number [PAN] and expiration date) for any of the following message reason codes: 37 or 70.
- **FNS Counter Exceeds 35 Fraud-Related Chargebacks.** The issuer submitted more than 35 chargebacks in aggregate involving the same account (as defined above) for message reason codes 48 or 70.
- **ATM transactions.**
- **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 53-Cardholder Dispute when the cardholder acknowledges participation in the original transaction.
- **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 53-Cardholder Dispute regarding chargeback requirements for non-fraud digital goods transactions.

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 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 10-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.

Chargeback

The tables in this section detail the conditions under which an issuer may process a 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.
- 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. Between 5 and 120-calendar days from the Settlement Date of the disputed transaction.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the disputed transaction is counted as day zero.

Message Reason Code. 37 (No Cardholder Authorization)

Supporting Documents. 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.

Notes.

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

- The 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). This requirement does not apply when the card was issued in the U.S. Territories of Puerto Rico and the U.S. Virgin Islands.
- The issuer reported 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 No Cardholder Authorization 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 transaction 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 Maestro card account (for this purpose, “account” means primary account number [PAN], or PAN and expiration date) for message reason codes 70 and/or 74.

This condition has been met when the authorization date of the disputed transaction is after the date populated in DE 48 (Additional Data), subelement 19 (Fraud Notification Information), subfield 1 (Fraud Notification Service Date) of the Advice Reason Code/0489 message.

Time Frame. The Settlement Date of the Second Presentment must be on or before the 45th calendar day of the Settlement Date of the chargeback.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 13 (Invalid chargeback)

Supporting Documents. Documentation stating **FNS**

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.

Notes. None.

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 70, and/or 74.

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Debit Transactions
Not Reported to the Fraud and Loss Database

This condition has been met when DE 48 (Additional Data), subelement 19 (Fraud Notification Service), subfield 2 (Fraud Notification Service Chargeback Counter) of the Advice Reason Code/0489 is 16 or greater.

Time Frame. The Settlement Date of the Second Presentment must be on or before the 45th calendar day of the Settlement Date of the chargeback.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 13 (Invalid Chargeback)

Supporting Documents. Documentation stating **FNS COUNT NN**.

Replace **NN** with the value present in DE 48 (Additional Data), subelement 19 (Fraud Notification Service), subfield 2 (Fraud Notification Service Chargeback Counter) of the Advice Reason Code/0489.

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.

Notes. None.

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 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. The Settlement Date of the Second Presentment must be on or before the 45th calendar day of the Settlement Date of the chargeback.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 13 (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 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.

Notes. None.

Account Takeover

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

Time Frame. The Settlement Date of the Second Presentment must be on or before the 45th calendar day of the Settlement Date of the chargeback.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 13 (Representation)

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.

Notes. None

Addendum Charges

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

Time Frame. The Settlement Date of the Second Presentment must be on or before the 45th calendar day of the Settlement Date of the chargeback.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 13 (Representation)

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.

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 Financial Transaction/0210 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. The Settlement Date of the Second Presentment must be on or before the 45th calendar day of the Settlement Date of the chargeback.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 13 (Representment)

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.

Notes. None

Compelling Evidence for Airline Transactions

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

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

Time Frame. The Settlement Date of the Second Presentment must be on or before the 45th calendar day of the Settlement Date of the chargeback.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 13 (Representment)

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.

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- 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.

Notes. None.

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. The Settlement Date of the Second Presentment must be on or before the 45th calendar day of the Settlement Date of the chargeback.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 13 (Representment)

Supporting Documents. All of the following:

- A description of the goods or services being provided.
- The start date of the original recurring transaction.
- When Card Validation Code 2 (CVC 2) was used in the original transaction and was successfully matched: State CVC 2 was used in the original transaction and was successfully matched.
- One of the following:
 - The transaction was properly identified as a recurring transaction. Refer to the *Single Message System Programs and Services* and *Single Message System Specifications* 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.

Notes. None.

Compelling Evidence for E-commerce and MO/TO Transactions

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

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

Time Frame. The Settlement Date of the Second Presentment must be on or before the 45th calendar day of the Settlement Date of the chargeback.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 13 (Representment)

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.
- 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.
- 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.

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.

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. The Settlement Date of the Second Presentment must be on or before the 45th calendar day of the Settlement Date of the chargeback.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 13 (Representment)

Supporting Documents. Reason for the second presentment.

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 *Transaction Processing Rules*, Appendix F.

Time Frame. The Settlement Date of the Second Presentment must be on or before the 45th calendar day of the Settlement Date of the chargeback.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 13 (Representment)

Supporting Documents. All of the following:

- The primary account number (PAN).
- The cardholder's name.
- 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.

Notes. None.

Credit Previously Issued

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

Time Frame. The Settlement Date of the Second Presentment must be on or before the 45th calendar day of the Settlement Date of the chargeback.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 11 (Credit Previously Issued)

Supporting Documents. Documentation specifying the date and the Switch Serial Number of the credit 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.

Notes.

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.

For the avoidance of doubt:

- A refund provided by the merchant includes a refund transaction, as identified with a value of 20 (Credit [Purchase Return] in DE 3 (Processing Code), subfield 1 (Cardholder transaction type) of the clearing record, or MoneySend Payment Transaction Fast Refund to the original card as described in the *Mastercard MoneySend and Funding Transactions Program Standards*.
- **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.

Duplicate Chargeback

Second Presentment Condition. 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.

Time Frame. The Settlement Date of the Second Presentment must be on or before the 45th calendar day of the Settlement Date of the chargeback.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 01 (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.

Notes. None.

Past Chargeback Time Limit

Second Presentment Condition. The issuer's chargeback is processed past the time frame specified for the chargeback.

Time Frame. The Settlement Date of the Second Presentment must be on or before the 45th calendar day of the Settlement Date of the chargeback.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 02 (Past Chargeback Time Limit)

Supporting Documents. None.

Notes. Not available for ATM transactions.

Chargeback Documentation Not Provided

Second Presentment Condition. The required chargeback supporting documentation was not provided.

Time Frame. The Settlement Date of the Second Presentment must be between 10 and 45th calendar day of the Settlement Date of the chargeback.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 2002 (Non-receipt of Required Documentation to Support Chargeback Required supporting documentation not received)

Supporting Documents. None.

Notes. The acquirer must accept supporting documentation as long as the acquirer has not processed a second presentment.

Chargeback Documentation was Illegible

Second Presentment Condition. The required chargeback supporting documentation was illegible.

Time Frame. The Settlement Date of the Second Presentment must be on or before the 45th calendar day of the Settlement Date of the chargeback.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 2709 (Documentation Received was Illegible Supporting documentation is illegible)

Supporting Documents. None.

Notes. 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.

Arbitration Case Filing

For information on continuing a dispute, refer to Chapter 5 Pre-Arbitration and Arbitration Case Filing.

Questionable Merchant Activity

This section provides information for an issuer and acquirer in handling a dispute when a merchant is listed in the Questionable Merchant Audit Program (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 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.

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 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 10-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.

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.
- The issuer must have properly reported the transaction to the Fraud and Loss Database. All fraud type codes are eligible.

Time Frame. 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.
- Between 5 and 120-calendar days of the Settlement 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.

When a Single Message Transaction Manager limitation prevents a valid chargeback from being processed more than 120-calendar days from the Settlement Date of the disputed transaction, the issuer must file a pre-compliance and (when applicable) a compliance case.

Message Reason Code. 49 (Questionable Merchant Activity)

Supporting Documents. Documentation specifying PROGRAM QMAP BULLETIN NO. **NNNN**

Notes.

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

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

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. Within 30-calendar days of the date specified in the written Mastercard notification.

When a Single Message Transaction Manager limitation prevents a valid chargeback from being processed more than 120-calendar days from the Settlement Date of the disputed transaction, the issuer must file a pre-compliance and (when applicable) a compliance case.

Message Reason Code. 49 (Questionable Merchant Activity)

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

Notes. 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 transaction 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:

- The claim of coercion was not substantiated against the merchant as determined by Mastercard.
- The issuer did not include the written notification from Mastercard advising of the substantiated claim of coercion as Supporting Documentation.

Time Frame. The Settlement Date of the Second Presentment must be on or before the 45th calendar day of the Settlement Date of the chargeback.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 13 (Invalid Chargeback)

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

- A copy of the written notification from Mastercard that the claim of coercion against the merchant was not substantiated.
- Documentation stating the written notification from Mastercard substantiating the claim of coercion was not provided in the chargeback.

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.

Notes. None.

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. The Settlement Date of the Second Presentment must be on or before the 45th calendar day of the Settlement Date of the chargeback.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 13 (Invalid Chargeback)

Supporting Documents. Documentation specifying the chargeback was performed beyond the applicable chargeback timeframe.

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.

Notes. None.

Improper Fraud Reporting

Second Presentment Condition. The transaction was not properly reported to the Fraud and Loss Database on or before the chargeback date. 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. The Settlement Date of the Second Presentment must be on or before the 45th calendar day of the Settlement Date of the chargeback.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 13 (Invalid Chargeback)

Supporting Documents. Documentation stating that the transaction was not properly reported to the Fraud and Loss Database on or before the chargeback date.

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.

Notes. None.

Ineligible Fraud

Second Presentment Condition. The fraud type under which the transaction was reported in the Fraud and Loss Database is not eligible for chargeback.

Time Frame. The Settlement Date of the Second Presentment must be on or before the 45th calendar day of the Settlement Date of the chargeback.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 13 (Invalid Chargeback)

Supporting Documents. Documentation stating that the fraud type under which the transaction was reported in the Fraud and Loss Database is not eligible for chargeback.

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.

Notes. None.

Not Listed in Mastercard Announcement

Second Presentment Condition. One of the following:

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

Time Frame. The Settlement Date of the Second Presentment must be on or before the 45th calendar day of the Settlement Date of the chargeback.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 13 (Invalid Chargeback)

Supporting Documents. Documentation stating the merchant was not listed in a Mastercard Announcement or that the transaction did not occur within the period 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.

Notes. None.

Credit Previously Issued

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

Time Frame. The Settlement Date of the Second Presentment must be on or before the 45th calendar day of the Settlement Date of the chargeback.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 11 (Credit Previously Issued)

Supporting Documents. Documentation stating the date and, optionally, the Switch Serial Number of the credit 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.

Notes.

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.

For the avoidance of doubt:

- A refund provided by the merchant includes a refund transaction, as identified with a value of 20 (Credit [Purchase Return] in DE 3 (Processing Code), subfield 1 (Cardholder transaction type) of the clearing record, or MoneySend Payment Transaction Fast Refund to the original card as described in the *Mastercard MoneySend and Funding Transactions Program Standards*.
- **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.

Duplicate Chargeback

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

Time Frame. The Settlement Date of the Second Presentment must be on or before the 45th calendar day of the Settlement Date of the chargeback.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 01 (Duplicate Chargeback)

Supporting Documents. Mastercard recommends that the acquirer provides the Settlement Date and Switch Serial Number of the original chargeback with its second presentment.

Notes. Not available for ATM transactions.

Past Chargeback Time Limit

Second Presentment Condition. The issuer's chargeback is processed past the time frame specified for the chargeback.

Time Frame. The Settlement Date of the Second Presentment must be on or before the 45th calendar day of the Settlement Date of the chargeback.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 02 (Past Chargeback Time Limit)

Supporting Documents. None

Notes. Not available for ATM transactions.

Arbitration Case Filing

For information on continuing a dispute, refer to Chapter 5 Pre-Arbitration and Arbitration Case Filing.

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.
- 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 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 10-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.

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. Between 5 and 120-calendar days of the Settlement Date of the dispute transaction.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the disputed transaction is counted as day zero.

Message Reason Code. 34 (POI Error)

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 both transactions were processed through the Mastercard network, documentation stating the Switch Serial Number of the first valid transaction.

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.

Notes.

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. Between 5 and 120-calendar days of the Settlement Date of the disputed transaction.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the disputed transaction is counted as day zero.

Message Reason Code. 34 (POI Error)

Supporting Documents. Both of the following:

- A cardholder letter, email, message or completed Dispute Resolution Form— Point-of-Interaction (POI) Errors (Form 1240) describing the cardholder's complaint in sufficient detail to enable all parties to understand the dispute, including the transaction amount that should have been billed.
- Documentation detailing the correct transaction amount. Examples include, but are not limited to:
 - A receipt or invoice including the correct transaction amount.
 - The final hotel or car rental bill.
 - Merchant email confirming price.

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

Refer to Chapter 3-Single Message Chargebacks, Cash Dispute-ATM Only.

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. Between 5 and 120-calendar days of the Settlement Date of the disputed transaction.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the disputed transaction is counted as day zero.

Message Reason Code. 34 (POI Error)

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.

Notes. The Cardholder Dispute chargeback (message reason code 53) should be used to dispute a charge for loss, theft, or damage processed as a separate (addendum) transaction.

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 transaction 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. The Settlement Date of the Second Presentment must be on or before the 45th calendar day of the Settlement Date of the disputed transaction.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 00 (See Corresponding Documentation/Chargeback Remedied)

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.

Notes. None.

Transaction Amount Differs

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

Time Frame. The Settlement Date of the Second Presentment must be on or before the 45th calendar day of the Settlement Date of the disputed transaction.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 00 (See Corresponding Documentation/Chargeback Remedied)

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.

Notes. None.

ATM Disputes

Refer to Chapter 3-Single Message Chargebacks, Cash Dispute-ATM Only.

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. The Settlement Date of the Second Presentment must be on or before the 45th calendar day of the Settlement Date of the disputed transaction.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 00 (See Corresponding Documentation/Chargeback Remedied)

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.

Notes. None.

Credit Previously Issued

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

Time Frame. The Settlement Date of the Second Presentment must be on or before the 45th calendar day of the Settlement Date of the disputed transaction.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 11 (Credit Previously Issued)

Supporting Documents. Documentation stating the date and, optionally, the Switch Serial Number of the credit 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.

Notes.

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.

For the avoidance of doubt:

- A refund provided by the merchant includes a refund transaction, as identified with a value of 20 (Credit [Purchase Return] in DE 3 (Processing Code), subfield 1 (Cardholder transaction type) of the clearing record, or MoneySend Payment Transaction Fast Refund to the original card as described in the *Mastercard MoneySend and Funding Transactions Program Standards*.
- **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.

Duplicate Chargeback

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

Time Frame. The Settlement Date of the Second Presentment must be on or before the 45th calendar day of the Settlement Date of the chargeback.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 01 (Duplicate Chargeback)

Supporting Documents. Mastercard recommends that the acquirer provides the Settlement Date and Switch Serial Number of the original chargeback with its second presentment.

Notes. Not available for ATM transactions.

Past Chargeback Time Limit

Second Presentment Condition. The issuer's chargeback is processed past the time frame specified for the chargeback.

Time Frame. The Settlement Date of the Second Presentment must be on or before the 45th calendar day of the Settlement Date of the chargeback.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 02 (Past Chargeback Time Limit)

Supporting Documents. None.

Notes. Not available for ATM transactions.

Chargeback Documentation Not Provided

Second Presentment Condition. The required chargeback supporting documentation was not provided.

Time Frame. The Settlement Date of the Second Presentment must be between 10 and 45th calendar day of the Settlement Date of the chargeback.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 2002 (Non-receipt of Required Documentation to Support Chargeback Required supporting documentation not received)

Supporting Documents. None.

Notes. The acquirer must accept supporting documentation as long as the acquirer has not processed a second presentment.

Chargeback Documentation was Illegible

Second Presentment Condition. The required chargeback supporting documentation was illegible.

Time Frame. The Settlement Date of the Second Presentment must be on or before the 45th calendar day of the Settlement Date of the chargeback.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 2709 (Documentation Received was Illegible Supporting documentation is illegible)

Supporting Documents. None.

Notes. 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.

Invalid Chargeback

Second Presentment Condition. The chargeback does not meet the prerequisites for the message reason code.

Time Frame. The Settlement Date of the Second Presentment must be on or before the 45th calendar day of the Settlement Date of the chargeback.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the chargeback is counted as day zero.

Message Reason Code. 13 (Invalid Chargeback)

Notes. Not available for ATM transactions.

Arbitration Case Filing

For information on continuing a dispute, refer to Chapter 5 Pre-Arbitration and Arbitration Case Filing.

Chapter 5 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
- Chapter 4-Single Message System Chargebacks for Non-Mastercard BIN Maestro Card-Not-Present (CNP) Debit Card Transactions
 - ATM Disputes
 - Authorization-related 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.

Definitions

Solely within Brazil, the term "Domestic Transaction" has the meaning defined in the *Mastercard Rules* as well as in the *Brazilian Mastercard Rules* and included below for convenience. In the event of any conflict between the definition included below and that in the *Mastercard Rules*, the *Mastercard Rules* will take precedence.

Domestic Transaction

A Transaction that occurs at a Card acceptance location in the same country as the country in which the Card was issued. A Transaction conducted with a Card bearing one or more of the Brand Marks, either alone or in combination with the marks of another payment scheme, and processed as a Transaction, as shown by the Card type identification in the Transaction record,

using either the Interchange System or a different network, qualifies as an Intracountry Transaction. "Domestic Transaction" is an alternative term for Intracountry Transaction.

Processing Platform

For all Mainland China domestic arbitration cases, the cases must be submitted and managed through the Mainland China Dispute Resolution Platform. Unless otherwise specified, the rules and process in this chapter that apply to Mastercom apply to Mainland China Dispute Resolution Platform. Mastercard strongly recommends daily review of the Mainland 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, pre-arbitration and arbitration cases in the single message system.

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 Settlement 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 Settlement 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 Settlement 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 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.

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. The reason is either typed into the Sender Memo field within the Mastercom Case Filing Application or included in Supporting Documentation.

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 in Mastercom.

For Single Message System transactions:

- – Enter the original switch serial number and Settlement Date into Mastercom and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
- When an original switch serial number and Settlement Date does not exist or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
- For Dual Message System transactions:
 - Enter the chargeback reference number and confirm 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, then a thorough description of the circumstances of the case in chronological order and all previously provided supporting documentation must be manually attached into Mastercom 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.

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 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. (The 45-calendar day time frame applies even when an issuer submitted an optional pre-arbitration case and unless the acquirer accepts the pre-arbitration.)

- 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.

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. 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.

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.

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 pre-arbitration case filing at the time the case is filed in Mastercom.

- For Single Message System transactions:
 - Enter the original switch serial number and Settlement Date into Mastercom and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.

- When an original switch serial number and Settlement Date does not exist or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
- For Dual Message System transactions:
 - Enter the chargeback reference number and confirm 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, then a thorough description of the circumstances of the case in chronological order and all previously provided supporting documentation must be manually attached into Mastercom 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.

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.

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.
-

Dual Message System and Non-Mastercard BIN Maestro Card-Not-Present (CNP) Debit Card Transactions

This section describes the process for filing, and responding to, pre-arbitration and arbitration cases for dual message system and non-Mastercard BIN Maestro card-not-present (CNP) debit card transactions.

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 Settlement Date or Central Site Business Date, as applicable, 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 Settlement Date or Central Site Business Date, as applicable, 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):
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System: The issuer must wait at least 10-calendar days from the Settlement Date of the second presentment for the supporting documentation before filing the pre-arbitration case. However, when second presentment supporting documentation is provided earlier than the 10-calendar day time frame, the issuer may file the pre-arbitration case as soon as the second presentment supporting document is received.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the disputed transaction is counted as day zero.

- For Dual Message System transactions: The issuer must wait at least eight-calendar days from the Central Site Business Date of the second presentment for the supporting documentation before filing the pre-arbitration case. However, when second presentment supporting documentation is provided earlier than the eight-calendar day time frame, the issuer may file the pre-arbitration case as soon as the second presentment supporting document is received.

The Central Site Business Date is present in PDS 0158 (Business Activity), subfield 5 (Central Site Business Date).

The Central Site Business Date of the disputed transaction is counted as day zero.

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 or 10-calendar day time frame (as applicable) 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 in Mastercom.

- For Single Message System transactions:
 - Enter the original switch serial number and Settlement Date into Mastercom and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System:
 - Enter the original switch serial number and Settlement Date and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist (which is typical for non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System) or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For Dual Message System transactions:
 - Enter the chargeback reference number and confirm 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, then a thorough description of the circumstances of the case in chronological order and all previously provided supporting documentation must be manually attached into Mastercom 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 unless the issuer escalates the pre-arbitration case to an arbitration case prior to the 30-calendar day time frame.

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 both of the following occurred:

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

An arbitration case must be filed within 45-calendar days of the Settlement Date or Central Site Business Date, as applicable, 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 within 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):
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System: the issuer must wait at least 10-calendar days from the Settlement Date of the second presentment for the supporting documentation before filing the arbitration case. However, when second presentment supporting documentation is provided earlier than the 10-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the disputed transaction is counted as day zero.

- For Dual Message System transactions: The issuer must wait at least eight-calendar days from the Central Site Business Date of the second presentment for the supporting documentation 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.

However, when second presentment supporting documentation is provided earlier than the eight-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Central Site Business Date is present in PDS 0158 (Business Activity), subfield 5 (Central Site Business Date).

The Central Site Business Date of the disputed transaction is counted as day zero.

Mastercard will consider the arbitration 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 or 10-calendar day time frame (as applicable) 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 pre-arbitration case filing at the time the case is filed in Mastercom.

For Single Message System transactions:

- Enter the original switch serial number and Settlement Date into Mastercom and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
- When an original switch serial number and Settlement Date does not exist or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.

For Dual Message System transactions:

- Enter the chargeback reference number and confirm 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, then a thorough description of the circumstances of the case in chronological order and all previously provided supporting documentation must be manually attached into Mastercom at the time the case is filed.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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 Settlement Date or Central Site Business Date, as applicable, 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 all of the following occurred:

- The original chargeback was valid.
- The Second Presentment failed to remedy the dispute.
- The second presentment Supporting Documentation was illegible (meaning blank or unreadable pages).

When an issuer chooses to file a pre-arbitration case the issuer must file the arbitration case within 45-calendar days of the Settlement Date or Central Site Business Date, as applicable, 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):
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System: the issuer must wait at least 10-calendar days from the Settlement Date of the second presentment for the supporting documentation before filing the arbitration case. However, when second presentment supporting documentation is provided earlier than the 10-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the disputed transaction is counted as day zero.

- For Dual Message System transactions: the issuer must wait at least eight-calendar days from the Central Site Business Date of the second presentment for the supporting documentation before filing the arbitration case. However, when second presentment supporting documentation is provided earlier than the eight-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Central Site Business Date is present in PDS 0158 (Business Activity), subfield 5 (Central Site Business Date).

The Central Site Business Date of the disputed transaction is counted as day zero.

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 or 10-calendar day time frame (as applicable), 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.

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 in Mastercom.

- For Single Message System transactions:
 - Enter the original switch serial number and Settlement Date into Mastercom and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System:
 - Enter the original switch serial number and Settlement Date and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist (which is typical for non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System) or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For Dual Message System transactions:
 - Enter the chargeback reference number and confirm 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, then a thorough description of the circumstances of the case in chronological order and all previously provided supporting documentation must be manually attached into Mastercom 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 unless the issuer escalates the pre-arbitration case to an arbitration case prior to the 30-calendar day time frame.

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.
- The second presentment Supporting Documentation was illegible (meaning blank or unreadable pages).

An arbitration case must be filed within 45-calendar days of the Settlement Date or Central Site Business Date, as applicable, 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 within 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):
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System: the issuer must wait at least 10-calendar days from the Settlement Date of the second presentment for the supporting documentation before filing the arbitration case. However, when second presentment supporting documentation is provided earlier than the 10-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the disputed transaction is counted as day zero.

- For Dual Message System transactions: the issuer must wait at least eight-calendar days from the Central Site Business Date of the second presentment for the supporting documentation before filing the arbitration case. However, when second presentment supporting documentation is provided earlier than the eight-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Central Site Business Date is present in PDS 0158 (Business Activity), subfield 5 (Central Site Business Date).

The Central Site Business Date of the disputed transaction is counted as day zero.

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 or 10-calendar day time frame (as applicable) 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 "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 (which is typical for non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System) 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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 Settlement Date or Central Site Business Date, as applicable, 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 Settlement Date or Central Site Business Date, as applicable, 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):
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System: the issuer must wait at least 10-calendar days from the Settlement Date of the second presentment for the supporting documentation before filing the arbitration case. However, when second presentment supporting documentation is provided earlier than the 10-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the disputed transaction is counted as day zero.

- For Dual Message System transactions: the issuer must wait at least eight-calendar days from the Central Site Business Date of the second presentment for the supporting documentation before filing the arbitration case. However, when second presentment supporting documentation is provided earlier than the eight-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Central Site Business Date is present in PDS 0158 (Business Activity), subfield 5 (Central Site Business Date).

The Central Site Business Date of the disputed transaction is counted as day zero.

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 or 10-calendar day time frame (as applicable), 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.

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 in Mastercom.

- For Single Message System transactions:
 - Enter the original switch serial number and Settlement Date into Mastercom and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
- For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System:
 - Enter the original switch serial number and Settlement Date and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist (which is typical for non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System) or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
- For Dual Message System transactions:
 - Enter the chargeback reference number and confirm 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, then a thorough description of the circumstances of the case in chronological order and all previously provided supporting documentation must be manually attached into Mastercom 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 unless the issuer escalates the pre-arbitration case to an arbitration case prior to the 30-calendar day time frame.

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.

An arbitration case must be filed within 45-calendar days of the Settlement Date or Central Site Business Date, as applicable, 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 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 within 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):
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System: the issuer must wait at least 10-calendar days from the Settlement Date of the second presentment for the supporting documentation before filing the arbitration case. However, when second presentment supporting documentation is provided earlier than the 10-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the disputed transaction is counted as day zero.

- For Dual Message System transactions: The issuer must wait at least eight-calendar days from the Central Site Business Date of the second presentment for the supporting documentation 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.

However, when second presentment supporting documentation is provided earlier than the eight-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Central Site Business Date is present in PDS 0158 (Business Activity), subfield 5 (Central Site Business Date).

The Central Site Business Date of the disputed transaction is counted as day zero.

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 Mastercard 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 (which is typical for non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System) 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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 non-Authorization-related chargeback was valid.
- The original non-Authorization-related chargeback must have been processed within the applicable authorization chargeback time frame.
This means, for example, a non-Authorization-related chargeback processed according to the Standards in Chapter 2 must have been processed within 90-calendar days of the Central Site Business Date of the disputed transaction in order for a change to chargeback reason to an Authorization-related chargeback.
- The Second Presentment remedied the original chargeback and identified that a valid Authorization-related chargeback is available and meets the chargeback conditions.
- A pre-arbitration case must be filed within both of the following time frames:
 - Within 45-calendar days of the Settlement Date or Central Site Business Date (as applicable) of the second presentment.
 - At least 30-calendar days prior to escalating to an arbitration case.
- 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 in Mastercom.

- For Single Message System transactions:
 - Enter the original switch serial number and Settlement Date into Mastercom and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System:
 - Enter the original switch serial number and Settlement Date and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist (which is typical for non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System) or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For Dual Message System transactions:
 - Enter the chargeback reference number and confirm that all previously provided supporting documentation (as described in the individual reason codes) links to the case.
-

Pre-Arbitration and Arbitration Case Filing Change of Chargeback Reason to an Authorization-related Chargeback

- When a chargeback reference number does not exist or does not link all previously provided Supporting Documentation, then a thorough description of the circumstances of the case in chronological order and all previously provided supporting documentation must be manually attached into Mastercom 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.

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).

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 unless the issuer escalates the pre-arbitration case to an arbitration case prior to the 30-calendar day time frame.

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 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 Settlement Date or Central Site Business Date, as applicable. If the issuer does not escalate by the 75th calendar day from the second presentment Settlement Date or Central Site Business Date, as applicable, 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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 within 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):
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System: the issuer must wait at least 10-calendar days from the Settlement Date of the second presentment for the supporting documentation before filing the arbitration case. However, when second presentment supporting documentation is provided earlier than the 10-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the disputed transaction is counted as day zero.

- For Dual Message System transactions: the issuer must wait at least eight-calendar days from the Central Site Business Date of the second presentment for the supporting documentation before filing the arbitration case. However, when second presentment supporting documentation is provided earlier than the eight-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Central Site Business Date is present in PDS 0158 (Business Activity), subfield 5 (Central Site Business Date).

The Central Site Business Date of the disputed transaction is counted as day zero.

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 or 10-calendar day time frame, as applicable, 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", 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 in Mastercom.

- For Single Message System transactions:
 - Enter the original switch serial number and Settlement Date into Mastercom and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
- For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System:
 - Enter the original switch serial number and Settlement Date and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist (which is typical for non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System) or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
- For Dual Message System transactions:
 - Enter the chargeback reference number and confirm 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, then a thorough description of the circumstances of the case in chronological order and all previously provided supporting documentation must be manually attached into Mastercom 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:** 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) 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.
 - **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 unless the issuer escalates the pre-arbitration case to an arbitration case prior to the 30-calendar day time frame. 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 Settlement Date or Central Site Business Date, as applicable. If the issuer does not escalate by the 75th-calendar day, 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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 within 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):
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System: the issuer must wait at least 10-calendar days from the Settlement Date of the second presentment for the supporting documentation before filing the arbitration case. However, when second presentment supporting documentation is provided earlier than the 10-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the disputed transaction is counted as day zero.

- For Dual Message System transactions: the issuer must wait at least eight-calendar days from the Central Site Business Date of the second presentment for the supporting documentation before filing the arbitration case. However, when second presentment supporting documentation is provided earlier than the eight-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Central Site Business Date is present in PDS 0158 (Business Activity), subfield 5 (Central Site Business Date).

The Central Site Business Date of the disputed transaction is counted as day zero.

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 or 10-calendar day time frame (as applicable) 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 in Mastercom.

- For Single Message System transactions:
 - Enter the original switch serial number and Settlement Date into Mastercom and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System:
 - Enter the original switch serial number and Settlement Date and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist (which is typical for non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System) or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For Dual Message System transactions:
 - Enter the chargeback reference number and confirm 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, then a thorough description of the circumstances of the case in chronological order and all previously provided supporting documentation must be manually attached into Mastercom 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 unless the issuer escalates the pre-arbitration case to an arbitration case prior to the 30-calendar day time frame.

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 Settlement Date or Central Site Business Date, as applicable. If the issuer does not escalate by the 75th calendar day, 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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 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).

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 within 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):
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System: the issuer must wait at least 10-calendar days from the Settlement Date of the second presentment for the supporting documentation before filing the arbitration case. However, when second presentment supporting documentation is provided earlier than the 10-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the disputed transaction is counted as day zero.

- For Dual Message System transactions: the issuer must wait at least eight-calendar days from the Central Site Business Date of the second presentment for the supporting documentation before filing the arbitration case. However, when second presentment supporting documentation is provided earlier than the eight-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Central Site Business Date is present in PDS 0158 (Business Activity), subfield 5 (Central Site Business Date).

The Central Site Business Date of the disputed transaction is counted as day zero.

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 or 10-calendar day time frame, as applicable, 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 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 in Mastercom.

- For Single Message System transactions:
 - Enter the original switch serial number and Settlement Date into Mastercom and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System:
 - Enter the original switch serial number and Settlement Date and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist (which is typical for non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System) or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For Dual Message System transactions:
 - Enter the chargeback reference number and confirm 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, then a thorough description of the circumstances of the case in chronological order and all previously provided supporting documentation must be manually attached into Mastercom 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 unless the issuer escalates the pre-arbitration case to an arbitration case prior to the 30-calendar day time frame.

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 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 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 Settlement Date or Central Site Business Date, as applicable. If the issuer does not escalate by the 75th calendar day, 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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 within 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):
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System: the issuer must wait at least 10-calendar days from the Settlement Date of the second presentment for the supporting documentation before filing the arbitration case. However, when second presentment supporting documentation is provided earlier than the 10-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the disputed transaction is counted as day zero.

- For Dual Message System transactions: the issuer must wait at least eight-calendar days from the Central Site Business Date of the second presentment for the supporting documentation before filing the arbitration case. However, when second presentment supporting documentation is provided earlier than the eight-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Central Site Business Date is present in PDS 0158 (Business Activity), subfield 5 (Central Site Business Date).

The Central Site Business Date of the disputed transaction is counted as day zero.

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.

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 or 10-calendar day time frame (as applicable) 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 "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 at the time the case is filed in Mastercom.

- For Single Message System transactions:
 - Enter the original switch serial number and Settlement Date into Mastercom and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System:
 - Enter the original switch serial number and Settlement Date and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist (which is typical for non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System) or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For Dual Message System transactions:
 - Enter the chargeback reference number and confirm 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, then a thorough description of the circumstances of the case in chronological order and all previously provided supporting documentation must be manually attached into Mastercom 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.

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** 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 unless the issuer escalates the pre-arbitration case to an arbitration case prior to the 30-calendar day time frame.

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 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 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 Settlement Date or Central Site Business Date, as applicable. If the issuer does not escalate by the 75th calendar day, 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

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

- **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 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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 chargeback conditions.
- 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.
- 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 in Mastercom.

- For Single Message System transactions:
 - Enter the original switch serial number and Settlement Date into Mastercom and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System:
 - Enter the original switch serial number and Settlement Date and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist (which is typical for non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System) or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For Dual Message System transactions:
 - Enter the chargeback reference number and confirm 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, then a thorough description of the circumstances of the case in chronological order and all previously provided supporting documentation must be manually attached into Mastercom 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.

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).

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 unless the issuer escalates the pre-arbitration case to an arbitration case prior to the 30-calendar day time frame.

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 Settlement Date or Central Site Business Date, as applicable. If the issuer does not escalate by the 75th calendar day, 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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 chargeback conditions.
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.
- The issuer must provide the supporting documentation required for a 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 in Mastercom.

- For Single Message System transactions:
 - Enter the original switch serial number and Settlement Date into Mastercom and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System:
 - Enter the original switch serial number and Settlement Date and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist (which is typical for non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System) or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For Dual Message System transactions:
 - Enter the chargeback reference number and confirm 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, then a thorough description of the circumstances of the case in chronological order and all previously provided supporting documentation must be manually attached into Mastercom at the time the case is filed.
-

Pre-Arbitration and Arbitration Case Filing Change of Chargeback Reason to a Cardholder Dispute Chargeback

- 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.

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).

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 unless the issuer escalates the pre-arbitration case to an arbitration case prior to the 30-calendar day time frame.

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 Settlement Date or Central Site Business Date, as applicable. If the issuer does not escalate by the 75th calendar day, 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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 within 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):
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System: the issuer must wait at least 10-calendar days from the Settlement Date of the second presentment for the supporting documentation before filing the arbitration case. However, when second presentment supporting documentation is provided earlier than the 10-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the disputed transaction is counted as day zero.

- For Dual Message System transactions: the issuer must wait at least eight-calendar days from the Central Site Business Date of the second presentment for the supporting documentation before filing the arbitration case. However, when second presentment supporting documentation is provided earlier than the eight-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Central Site Business Date is present in PDS 0158 (Business Activity), subfield 5 (Central Site Business Date).

The Central Site Business Date of the disputed transaction is counted as day zero.

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 or 10-

calendar day time frame (as applicable) 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 in Mastercom.

- For Single Message System transactions:
 - Enter the original switch serial number and Settlement Date into Mastercom and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System:
 - Enter the original switch serial number and Settlement Date and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist (which is typical for non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System) or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For Dual Message System transactions:
 - Enter the chargeback reference number and confirm 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, then a thorough description of the circumstances of the case in chronological order and all previously provided supporting documentation must be manually attached into Mastercom at the time the case is filed.
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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 unless the issuer escalates the pre-arbitration case to an arbitration case prior to the 30-calendar day time frame.

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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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, Installment-based Repayment, 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 at the start of a recurring payment or installment-based repayment arrangement or at the time of the initial transaction with respect to a partial shipment or related/delayed charge. In such cases, 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.
- Identity Check was not used to initiate the transaction (Identity Check is not applicable to a non-Mastercard BIN Maestro CNP debit card 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 within 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):
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System: the issuer must wait at least 10-calendar days from the Settlement Date of the second presentment for the supporting documentation before filing the arbitration case. However, when second presentment supporting documentation is provided earlier than the 10-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the disputed transaction is counted as day zero.

- For Dual Message System transactions: the issuer must wait at least eight-calendar days from the Central Site Business Date of the second presentment for the supporting documentation before filing the arbitration case. However, when second presentment supporting documentation is provided earlier than the eight-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Central Site Business Date is present in PDS 0158 (Business Activity), subfield 5 (Central Site Business Date).

The Central Site Business Date of the disputed transaction is counted as day zero.

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 or 10-calendar day time frame (as applicable) 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).
This requirement does not apply when both of the following occurred:
 - The card was issued in the Latin America and the Caribbean region.
 - The transaction did not occur at a CAT 2 device.
- The issuer reported the transaction to the Fraud and Loss Database in the Fraud Center application on Mastercard Connect..

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 in Mastercom.

- For Single Message System transactions:
 - Enter the original switch serial number and Settlement Date into Mastercom and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System:
 - Enter the original switch serial number and Settlement Date and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist (which is typical for non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System) or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For Dual Message System transactions:
 - Enter the chargeback reference number and confirm 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, then a thorough description of the circumstances of the case in chronological order and all previously provided supporting documentation must be manually attached into Mastercom at the time the case is filed.
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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 unless the issuer escalates the pre-arbitration case to an arbitration case prior to the 30-calendar day time frame.

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 Settlement Date or Central Site Business Date, as applicable. If the issuer does not escalate by the 75th calendar day, 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.
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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 within 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):
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System: the issuer must wait at least 10-calendar days from the Settlement Date of the second presentment for the supporting documentation before filing the arbitration case. However, when second presentment supporting documentation is provided earlier than the 10-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the disputed transaction is counted as day zero.

- For Dual Message System transactions: the issuer must wait at least eight-calendar days from the Central Site Business Date of the second presentment for the supporting documentation before filing the arbitration case.

However, when second presentment supporting documentation is provided earlier than the eight-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Central Site Business Date is present in PDS 0158 (Business Activity), subfield 5 (Central Site Business Date).

The Central Site Business Date of the disputed transaction is counted as day zero.

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 or 10 calendar day time frame (as applicable) 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 in Mastercom.

- For Single Message System transactions:
-

- Enter the original switch serial number and Settlement Date into Mastercom and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System:
 - Enter the original switch serial number and Settlement Date and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist (which is typical for non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System) or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For Dual Message System transactions:
 - Enter the chargeback reference number and confirm 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, then a thorough description of the circumstances of the case in chronological order and all previously provided supporting documentation must be manually attached into Mastercom at the time the case is filed.
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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 unless the issuer escalates the pre-arbitration case to an arbitration case prior to the 30-calendar day time frame.

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 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 Settlement Date or Central Site Business Date, as applicable. If the issuer does not escalate by the 75th calendar day, 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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 transaction was not a non-Mastercard BIN Maestro CNP debit card transaction.
- 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 within 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):
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System: the issuer must wait at least 10-calendar days from the Settlement Date of the second presentment for the supporting documentation before filing the arbitration case. However, when second presentment supporting documentation is provided earlier than the 10-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the disputed transaction is counted as day zero.

- For Dual Message System transactions: the issuer must wait at least eight-calendar days from the Central Site Business Date of the second presentment for the supporting documentation before filing the arbitration case. However, when second presentment supporting documentation is provided earlier than the eight-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Central Site Business Date is present in PDS 0158 (Business Activity), subfield 5 (Central Site Business Date).

The Central Site Business Date of the disputed transaction is counted as day zero.

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 or 10 calendar day time frame (as applicable) 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 in Mastercom.

- For Single Message System transactions:
 - Enter the original switch serial number and Settlement Date into Mastercom and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System:
 - Enter the original switch serial number and Settlement Date and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist (which is typical for non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System) or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For Dual Message System transactions:
 - Enter the chargeback reference number and confirm 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, then a thorough description of the circumstances of the case in chronological order and all previously provided supporting documentation must be manually attached into Mastercom at the time the case is filed.
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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 unless the issuer escalates the pre-arbitration case to an arbitration case prior to the 30-calendar day time frame.

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 Settlement Date or Central Site Business Date, as applicable. If the issuer does not escalate by the 75th calendar day, 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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 presentment 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 within 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):
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System: the issuer must wait at least 10-calendar days from the Settlement Date of the second presentment for the supporting documentation before filing the arbitration case. However, when second presentment supporting documentation is provided earlier than the 10-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the disputed transaction is counted as day zero.

- For Dual Message System transactions: the issuer must wait at least eight-calendar days from the Central Site Business Date of the second presentment for the supporting documentation before filing the arbitration case. However, when second presentment supporting documentation is provided earlier than the eight-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Central Site Business Date is present in PDS 0158 (Business Activity), subfield 5 (Central Site Business Date).

The Central Site Business Date of the disputed transaction is counted as day zero.

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 or 10-calendar day time frame (as applicable) 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, 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 in Mastercom.

- For Single Message System transactions:
 - Enter the original switch serial number and Settlement Date into Mastercom and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.

- For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System:
 - Enter the original switch serial number and Settlement Date and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist (which is typical for non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System) or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For Dual Message System transactions:
 - Enter the chargeback reference number and confirm 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, then a thorough description of the circumstances of the case in chronological order and all previously provided supporting documentation must be manually attached into Mastercom at the time the case is filed.
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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 unless the issuer escalates the pre-arbitration case to an arbitration case prior to the 30-calendar day time frame.

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 Settlement Date or Central Site Business Date, as applicable. If the issuer does not escalate by the 75th calendar day, 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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 within 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):
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System: the issuer must wait at least 10-calendar days from the Settlement Date of the second presentment for the supporting documentation before filing the arbitration case. However, when second presentment supporting documentation is provided earlier than the 10-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the disputed transaction is counted as day zero.

- For Dual Message System transactions: the issuer must wait at least eight-calendar days from the Central Site Business Date of the second presentment for the supporting documentation before filing the arbitration case. However, when second presentment supporting documentation is provided earlier than the eight-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Central Site Business Date is present in PDS 0158 (Business Activity), subfield 5 (Central Site Business Date).

The Central Site Business Date of the disputed transaction is counted as day zero.

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 or 10-calendar day time frame (as applicable) 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 in Mastercom.

- For Single Message System transactions:
 - Enter the original switch serial number and Settlement Date into Mastercom and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System:
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- Enter the original switch serial number and Settlement Date and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist (which is typical for non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System) or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For Dual Message System transactions:
 - Enter the chargeback reference number and confirm 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, then a thorough description of the circumstances of the case in chronological order and all previously provided supporting documentation must be manually attached into Mastercom at the time the case is filed.
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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 unless the issuer escalates the pre-arbitration case to an arbitration case prior to the 30-calendar day time frame.

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 Settlement Date or Central Site Business Date, as applicable. If the issuer does not escalate by the 75th calendar day, 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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 Settlement Date or Central Site Business Date, as applicable, 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 at the time the case is filed in Mastercom.

- For Single Message System transactions:
 - Enter the original switch serial number and Settlement Date into Mastercom and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System:
 - Enter the original switch serial number and Settlement Date and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist (which is typical for non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System) or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For Dual Message System transactions:
 - Enter the chargeback reference number and confirm 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, then a thorough description of the circumstances of the case in chronological order and all previously provided supporting documentation must be manually attached into Mastercom at the time the case is filed.
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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 unless the issuer escalates the pre-arbitration case to an arbitration case prior to the 30-calendar day time frame.

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 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 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 Settlement Date or Central Site Business Date, as applicable. If the issuer does not escalate by the 75th-calendar day, 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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 within 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):
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System: the issuer must wait at least 10-calendar days from the Settlement Date of the second presentment for the supporting documentation before filing the arbitration case. However, when second presentment supporting documentation is provided earlier than the 10-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the disputed transaction is counted as day zero.

- For Dual Message System transactions: the issuer must wait at least eight-calendar days from the Central Site Business Date of the second presentment for the supporting documentation before filing the arbitration case. However, when second presentment supporting documentation is provided earlier than the eight-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Central Site Business Date is present in PDS 0158 (Business Activity), subfield 5 (Central Site Business Date).

The Central Site Business Date of the disputed transaction is counted as day zero.

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 at the time the case is filed in Mastercom.

- For Single Message System transactions:
 - Enter the original switch serial number and Settlement Date into Mastercom and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System:
 - Enter the original switch serial number and Settlement Date and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist (which is typical for non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System) or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For Dual Message System transactions:
 - Enter the chargeback reference number and confirm 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, then a thorough description of the circumstances of the case in chronological order and all previously provided supporting documentation must be manually attached into Mastercom 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.

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** 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 unless the issuer escalates the pre-arbitration case to an arbitration case prior to the 30-calendar day time frame.

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 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 from the date present in the Submitted Date field specified within 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 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 Settlement Date or Central Site Business Date, as applicable. If the issuer does not escalate by the 75th calendar day, 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

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** 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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 chargeback conditions.
- 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 in Mastercom.

- For Single Message System transactions:
 - Enter the original switch serial number and Settlement Date into Mastercom and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
- For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System:
 - Enter the original switch serial number and Settlement Date and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist (which is typical for non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System) or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
- For Dual Message System transactions:
 - Enter the chargeback reference number and confirm that all previously provided supporting documentation (as described in the individual reason codes) links to the case.

Pre-Arbitration and Arbitration Case Filing
Change of Chargeback Reason to a No Cardholder Authorization Chargeback

- When a chargeback reference number does not exist or does not link all previously provided Supporting Documentation, then a thorough description of the circumstances of the case in chronological order and all previously provided supporting documentation must be manually attached into Mastercom 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.
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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 unless the issuer escalates the pre-arbitration case to an arbitration case prior to the 30-calendar day time frame.

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 Settlement Date or Central Site Business Date, as applicable. If the issuer does not escalate by the 75th-calendar day, 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.
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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 within 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):
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System: the issuer must wait at least 10-calendar days from the Settlement Date of the second presentment for the supporting documentation before filing the arbitration case. However, when second presentment supporting documentation is provided earlier than the 10-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the disputed transaction is counted as day zero.

- For Dual Message System transactions: the issuer must wait at least eight-calendar days from the Central Site Business Date of the second presentment for the supporting documentation before filing the arbitration case. However, when second presentment supporting documentation is provided earlier than the eight-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Central Site Business Date is present in PDS 0158 (Business Activity), subfield 5 (Central Site Business Date).

The Central Site Business Date of the disputed transaction is counted as day zero.

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 or 10-calendar day time frame, as applicable, 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 in Mastercom.

- For Single Message System transactions:
 - Enter the original switch serial number and Settlement Date into Mastercom and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System:
 - Enter the original switch serial number and Settlement Date and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist (which is typical for non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System) or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For Dual Message System transactions:
 - Enter the chargeback reference number and confirm 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, then a thorough description of the circumstances of the case in chronological order and all previously provided supporting documentation must be manually attached into Mastercom at the time the case is filed.
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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 unless the issuer escalates the pre-arbitration case to an arbitration case prior to the 30-calendar day time frame.

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 Settlement Date or Central Site Business Date, as applicable. If the issuer does not escalate by the 75th-calendar day, 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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 at the time the case is filed in Mastercom.

- For Single Message System transactions:
 - Enter the original switch serial number and Settlement Date into Mastercom and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System:
 - Enter the original switch serial number and Settlement Date and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist (which is typical for non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System) or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For Dual Message System transactions:
 - Enter the chargeback reference number and confirm 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, then a thorough description of the circumstances of the case in chronological order and all previously provided supporting documentation must be manually attached into Mastercom at the time the case is filed.
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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 unless the issuer escalates the pre-arbitration case to an arbitration case prior to the 30-calendar day time frame.

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 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 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 Settlement Date or Central Site Business Date, as applicable. If the issuer does not escalate by the 75th calendar day, 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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 within 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):
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System: the issuer must wait at least 10-calendar days from the Settlement Date of the second presentment for the supporting documentation before filing the arbitration case. However, when second presentment supporting documentation is provided earlier than the 10-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the disputed transaction is counted as day zero.

- For Dual Message System transactions: the issuer must wait at least eight-calendar days from the Central Site Business Date of the second presentment for the supporting documentation before filing the arbitration case. However, when second presentment supporting documentation is provided earlier than the eight-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Central Site Business Date is present in PDS 0158 (Business Activity), subfield 5 (Central Site Business Date).

The Central Site Business Date of the disputed transaction is counted as day zero.

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 at the time the case is filed in Mastercom.

- For Single Message System transactions:
 - Enter the original switch serial number and Settlement Date into Mastercom and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System:
 - Enter the original switch serial number and Settlement Date and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist (which is typical for non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System) or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For Dual Message System transactions:
 - Enter the chargeback reference number and confirm 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, then a thorough description of the circumstances of the case in chronological order and all previously provided supporting documentation must be manually attached into Mastercom at the time the case is filed.
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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.

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** 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 unless the issuer escalates the pre-arbitration case to an arbitration case prior to the 30-calendar day time frame.

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 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 from the date present in the Submitted Date field specified within 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 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 Settlement Date or Central Site Business Date, as applicable. If the issuer does not escalate by the 75th calendar day, 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

Pre-Arbitration and Arbitration Case Filing Acquirer Reference Data (ARD) Does Not Match or is Invalid

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 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 Mastercom Case Filing Application will allow the issuer to withdraw the arbitration case at any time before Mastercard rules on the case.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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 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 chargeback conditions.
- 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 in Mastercom.

- For Single Message System transactions:
 - Enter the original switch serial number and Settlement Date into Mastercom and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System:
 - Enter the original switch serial number and Settlement Date and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist (which is typical for non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System) or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For Dual Message System transactions:
 - Enter the chargeback reference number and confirm 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, then a thorough description of the circumstances of the case in chronological order and all previously provided supporting documentation must be manually attached into Mastercom 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.
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- 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 unless the issuer escalates the pre-arbitration case to an arbitration case prior to the 30-calendar day time frame.

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 Settlement Date or Central Site Business Date, as applicable. If the issuer does not escalate by the 75th-calendar day, 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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 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" 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.
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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 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-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. 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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

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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.
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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 within 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):
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System: the issuer must wait at least 10-calendar days from the Settlement Date of the second presentment for the supporting documentation before filing the arbitration case. However, when second presentment supporting documentation is provided earlier than the 10-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the disputed transaction is counted as day zero.

- For Dual Message System transactions: the issuer must wait at least eight-calendar days from the Central Site Business Date of the second presentment for the supporting documentation before filing the arbitration case. However, when second presentment supporting documentation is provided earlier than the eight-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Central Site Business Date is present in PDS 0158 (Business Activity), subfield 5 (Central Site Business Date).

The Central Site Business Date of the disputed transaction is counted as day zero.

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 or 10-calendar day time frame (as applicable) 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 in Mastercom.

- For Single Message System transactions:
 - Enter the original switch serial number and Settlement Date into Mastercom and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System:
 - Enter the original switch serial number and Settlement Date and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist (which is typical for non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System) or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For Dual Message System transactions:
 - Enter the chargeback reference number and confirm 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, then a thorough description of the circumstances of the case in chronological order and all previously provided supporting documentation must be manually attached into Mastercom 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 unless the issuer escalates the pre-arbitration case to an arbitration case prior to the 30-calendar day time frame.

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 Settlement Date or Central Site Business Date, as applicable. If the issuer does not escalate by the 75th calendar day, 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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):
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System: the issuer must wait at least 10-calendar days from the Settlement Date of the second presentment for the supporting documentation before filing the arbitration case. However, when second presentment supporting documentation is provided earlier than the 10-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the disputed transaction is counted as day zero.

- For Dual Message System transactions: the issuer must wait at least eight-calendar days from the Central Site Business Date of the second presentment for the supporting documentation before filing the arbitration case. However, when second presentment supporting documentation is provided earlier than the eight-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Central Site Business Date is present in PDS 0158 (Business Activity), subfield 5 (Central Site Business Date).

The Central Site Business Date of the disputed transaction is counted as day zero.

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 or 10-calendar day time frame (as applicable) 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 application that the reason for the filing is "POI-ATM" 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 in Mastercom.

- For Single Message System transactions:
 - Enter the original switch serial number and Settlement Date into Mastercom and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System:
 - Enter the original switch serial number and Settlement Date and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist (which is typical for non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System) or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For Dual Message System transactions:
 - Enter the chargeback reference number and confirm 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, then a thorough description of the circumstances of the case in chronological order and all previously provided supporting documentation must be manually attached into Mastercom 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 of 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 unless the issuer escalates the pre-arbitration case to an arbitration case prior to the 30-calendar day time frame.

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 escalate the pre-arbitration to an arbitration case upon rejection of the pre-arbitration case when all of the following:

- 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 Settlement Date or Central Site Business Date (as applicable) 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 within 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.

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 pre-arbitration case filing at the time the case is filed in Mastercom.

- For Single Message System transactions:

- Enter the original switch serial number and Settlement Date into Mastercom and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
- When an original switch serial number and Settlement Date does not exist or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
- For Dual Message System transactions:
 - Enter the chargeback reference number and confirm 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, then a thorough description of the circumstances of the case in chronological order and all previously provided supporting documentation must be manually attached into Mastercom at the time the case is filed.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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 a 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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 within 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):
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System: the issuer must wait at least 10-calendar days from the Settlement Date of the second presentment for the supporting documentation before filing the arbitration case. However, when second presentment supporting documentation is provided earlier than the 10-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the disputed transaction is counted as day zero.

- For Dual Message System transactions: the issuer must wait at least eight-calendar days from the Central Site Business Date of the second presentment for the supporting documentation before filing the arbitration case. However, when second presentment supporting documentation is provided earlier than the eight-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Central Site Business Date is present in PDS 0158 (Business Activity), subfield 5 (Central Site Business Date).

The Central Site Business Date of the disputed transaction is counted as day zero.

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 or 10-calendar day time frame (as applicable) 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 in Mastercom.

- For Single Message System transactions:
 - Enter the original switch serial number and Settlement Date into Mastercom and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System:
 - Enter the original switch serial number and Settlement Date and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist (which is typical for non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System) or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For Dual Message System transactions:
 - Enter the chargeback reference number and confirm 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, then a thorough description of the circumstances of the case in chronological order and all previously provided supporting documentation must be manually attached into Mastercom 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 unless the issuer escalates the pre-arbitration case to an arbitration case prior to the 30-calendar day time frame.

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 Settlement Date or Central Site Business Date, as applicable. If the issuer does not escalate by the 75th calendar day, 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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:

- 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 at the time the case is filed in Mastercom.

- For Single Message System transactions:
 - Enter the original switch serial number and Settlement Date into Mastercom and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System:
 - Enter the original switch serial number and Settlement Date and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist (which is typical for non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System) or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For Dual Message System transactions:
 - Enter the chargeback reference number and confirm 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, then a thorough description of the circumstances of the case in chronological order and all previously provided supporting documentation must be manually attached into Mastercom 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 unless the issuer escalates the pre-arbitration case to an arbitration case prior to the 30-calendar day time frame.

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 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 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 Settlement Date or Central Site Business Date, as applicable. If the issuer does not escalate by the 75th calendar day, 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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 within 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):
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System: the issuer must wait at least 10-calendar days from the Settlement Date of the second presentment for the supporting documentation before filing the arbitration case. However, when second presentment supporting documentation is provided earlier than the 10-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the disputed transaction is counted as day zero.

- For Dual Message System transactions: the issuer must wait at least eight-calendar days from the Central Site Business Date of the second presentment for the supporting documentation before filing the arbitration case. However, when second presentment supporting documentation is provided earlier than the eight-calendar day time frame, the issuer may file the arbitration case as soon as the second presentment supporting document is received.

The Central Site Business Date is present in PDS 0158 (Business Activity), subfield 5 (Central Site Business Date).

The Central Site Business Date of the disputed transaction is counted as day zero.

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 at the time the case is filed in Mastercom.

- For Single Message System transactions:
 - Enter the original switch serial number and Settlement Date into Mastercom and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System:
 - Enter the original switch serial number and Settlement Date and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist (which is typical for non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System) or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For Dual Message System transactions:
 - Enter the chargeback reference number and confirm 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, then a thorough description of the circumstances of the case in chronological order and all previously provided supporting documentation must be manually attached into Mastercom 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.

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** 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 unless the issuer escalates the pre-arbitration case to an arbitration case prior to the 30-calendar day time frame.

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 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 from the date present in the Submitted Date field specified within 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 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 Settlement Date or Central Site Business Date, as applicable. If the issuer does not escalate by the 75th calendar day, 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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 chargeback conditions.
- 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 in Mastercom.
For Single Message System transactions:
 - 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 in Mastercom.
 - Enter the original switch serial number and Settlement Date into Mastercom and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System:
 - Enter the original switch serial number and Settlement Date and confirm that all previously provided Supporting Documentation (as described in the individual reason codes) links to the case.
 - When an original switch serial number and Settlement Date does not exist (which is typical for non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System) or does not link all previously provided Supporting Documentation, then a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) must be manually attached into Mastercom at the time the case is filed.
 - For Dual Message System transactions:
 - Enter the chargeback reference number and confirm 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, then a thorough description of the circumstances of the case in chronological order and all previously provided supporting documentation must be manually attached into Mastercom 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 unless the issuer escalates the pre-arbitration case to an arbitration case prior to the 30-calendar day time frame.

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 Settlement Date or Central Site Business Date, as applicable. If the issuer does not escalate by the 75th calendar day, 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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.

For Brazil Domestic Transactions when DE 43 (Card Acceptor Name/Location), subfield 6 (Card Acceptor Country Code) contains a value of BRA (Brazil): Information relevant to the case must be in either English or Portuguese.

For all other transactions: 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 Mainland China domestic arbitration cases, the decision will be post in the Mainland 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.

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.

- When information relevant to the appeal was previously provided during the dispute process (meaning chargeback, presentment, arbitration) and that information was not in English, the appeal must include information relevant to the case in English. This includes providing a English translation of relevant dispute text (for example, DE 72, Sender Memo, Receiver Memo) and supporting documentation.
- 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 the franchise appeals team.
- 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. The Principal or Compliance contact may provide their own translation of relevant dispute information. Such translation must be received by Mastercard within 10-calendar days of the email requesting the appeal.

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 Domestic South Africa Disputes

This chapter contains information about dispute processing for domestic South Africa Single Message acquired transactions.

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Overview

The Single Message System (formerly known as the Mastercard Debit Switch® (MDS)) processes financial transactions. Authorization, clearing, and settlement occur in a single message.

This section contains information about disputing domestic South Africa financial transactions acquired on the Single Message System through the pre-compliance and compliance process.

Refer to the Mastercom User Guide for information about processes and tasks that allow issuers and acquirers to process disputes using the Mastercom user interface (UI). The *Mastercom User Guide* is published on Mastercard Connect® > Technical Resource Center > Mastercom System.

Domestic Transaction

The term "Domestic Transaction" as used in this chapter has the meaning set forth in the Definitions chapter of *Mastercard Rules*, and included below for convenience. In the event of a conflict between this definition and that in the *Mastercard Rules*, the definition in the *Mastercard Rules* will govern.

A Transaction that occurs at a Card acceptance location in the same country as the country in which the Card was issued. A Transaction conducted with a Card bearing one or more of the Brand Marks, either alone or in combination with the marks of another payment scheme, and processed as a Transaction, as shown by the Card type identification in the Transaction record, using either the Interchange System or a different network, qualifies as an Intracountry Transaction. "Domestic Transaction" is an alternative term for Intracountry Transaction.

Adjustments Initiated on or after 8 January 2024

Adjustments for Correction of a Representment (06) and Adjustment Reversal (85) are not available.

Correct a Terminal Malfunction

This section describes the process for filing a pre-compliance case to correct a terminal malfunction.

Acquirer submission of a pre-compliance case

An acquirer may file a pre-compliance case against an issuer to correct a terminal malfunction seeking funds from the issuer (a debit adjustment) or seeking to return funds to the issuer (a credit adjustment).

When an adjustment is for the full amount of the original ATM transaction, any ATM access fee must be included in the adjustment amount.

The acquirer must file the pre-compliance case within the following time frames:

- 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.

Violation Code. Select "Domestic Debit Adj" or "Domestic Credit Adj", as applicable, from the Violation Code drop-down menu.

Supporting Documents. None.

Sender Memo. Include "10" in the Sender Memo.

Issuer Response to the Pre-Compliance Case

Responding to a pre-compliance adjustment is not enabled within the Mastercom Case Filing application.

Refer to the individual disputes section later in this section for options.

Disputes Initiated on or before 7 January 2024

This section describes the dispute process for chargebacks initiated on or before 7 January 2024:

- When both a chargeback and the associated second presentment occurred on or before 7 January 2024, then the issuer and acquirer follow the standard pre-arbitration process described in Chapter 5-Pre-Arbitration and Arbitration Case Filing.
- When a chargeback occurred on or before 7 January 2024, the second presentment did not occur on or before 7 January 2024, and the acquirer wants to process a second presentment on or after 8 January 2024, the acquirer must file a second presentment pre-compliance case as described in the next section (Acquirer submission of a second presentment pre-compliance case).

Acquirer submission of a second presentment pre-compliance case.

An acquirer may file a second presentment pre-compliance case against an issuer to second present a chargeback that was initiated on or before 7 January 2024.

The acquirer must file the second presentment pre-compliance case with sufficient time to ensure the issuer has 30-calendar days to respond as well as to ensure the case is escalated (if necessary) within the compliance time frame (refer to the Acquirer Escalation to a Compliance Case section for the applicable compliance escalation time frame).

Violation Code. Select "Other" from the Violation Code drop-down menu.

For cases involving **Cash Dispute-ATM Only**, include "17" in the Sender Memo, and provide system logs (not information typed by the acquirer) as Supporting Documentation such that all parties are able to determine the amount of funds dispensed by the ATM or PIN-based In-branch Terminal which, at minimum, must include:

- Account accessed.
- The ATM or PIN-based In-branch Terminal financial activity that occurred immediately before and after the disputed transaction occurred without any errors.
- ATM or PIN-based In-branch Terminal number.
- Primary account number read from Track 2 of the magnetic stripe or from the chip.
- Terminal status.
- Transaction amount.
- Transaction date and time.
- Transaction trace.
- Transaction type.

In addition to the system logs, the acquirer may provide a transaction report. When provided, the transaction report must be accompanied by an explanation describing each element of the report.

For cases involving **Transaction Amount Differs**, include "71" in the Sender Memo, provide the merchant's explanation and documentation that the amount debited from the cardholder's account was correct as Supporting Documentation.

For cases involving **Duplicate Transaction**, include "73" in the Sender Memo, provide the merchant's explanation and documentation supporting two separate transactions as Supporting Documentation.

For cases involving **No Cardholder Authorization**, include "74" in the Sender Memo, and

- The transaction was approved and PIN was the CVM: Include "Transaction approved and PIN was CVM" in the Receiver Memo or as Supporting Documentation.
- 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: Include "FNS" in the Receiver Memo or as Supporting Documentation.
- FNS: The issuer charged back more than 35 transactions involving the same card account for reason code 70 or 74: Include "FNS" in the Receiver Memo or as Supporting Documentation.
- The issuer did not properly report the transaction to the Fraud and Loss Database on or before the chargeback date: Include "Fraud not reported" in the Receiver Memo or as Supporting Documentation.
- 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: Include "DSRP" in the Receiver Memo or as Supporting Documentation.

Refer to Appendix E for Digital Secure Remote Payment transaction identification requirements.

- When the merchant processed a credit/refund, adjustment, or reversal to the cardholder's account: Include the date of the credit/refund, adjustment, or reversal and, optionally, the Acquirer Reference Data (ARD) or Switch Serial Number (as applicable) of the credit/refund, adjustment, or reversal transaction in the Receiver Memo or as Supporting Documentation.

For cases involving **Credit Not Received**, include "75" in the Sender Memo, and

- The credit was processed to the cardholder's account: Include the merchant's explanation and documentation as Supporting Documentation.
- The timeshare cancellation occurred more than 14-calendar days from the timeshare agreement date: Include the merchant's explanation and documentation as Supporting Documentation.
- The transaction was correctly processed: Include the merchant's explanation and documentation as Supporting Documentation.

For cases involving **Goods or Services Not Provided**, include "79" in the Sender Memo, provide the merchant's explanation and documentation as Supporting Documentation when one of the following applies:

- The goods or services were provided.
- The merchant was willing and able to provide the goods or services and the cardholder refused to accept the goods or services.
- The merchant and the cardholder agreed to provide the goods or services at a later date.

For cases involving **Late Presentment**, include "80" in the Sender Memo, provide the merchant's explanation and documentation as Supporting Documentation when one of the following applies:

- The transaction date is within the seven-calendar day time limit.
- The cardholder's account is open.

For **all cases**, include the applicable two-digit chargeback code in the Sender Memo, and:

- When the merchant processed a credit/refund, adjustment, or reversal to the cardholder's account: Include the date of the credit/refund, adjustment, or reversal and, optionally, the Acquirer Reference Data (ARD) or Switch Serial Number (as applicable) of the credit/refund, adjustment, or reversal transaction in the Receiver Memo or as Supporting Documentation.
- When the issuer processed a pre-compliance case for the same transaction more than once: Include "Duplicate dispute" in the Receiver Memo or as Supporting Documentation. Mastercard recommends that the acquirer also provide the processing date and compliance case number of the original pre-compliance.
- When the issuer's pre-compliance case is processed past the time frame specified for the dispute: Include "Past time frame" in the Receiver Memo or as Supporting Documentation.
- When the pre-compliance case does not meet the requirements of the dispute: Include "Invalid dispute" in the Receiver Memo or as Supporting Documentation.

Issuer Response to the Pre-Compliance Case

The issuer has three options in response to a pre-compliance case:

1. Accept the pre-compliance case and thereby financial liability for the case within 30-calendar days of the pre-compliance case filing date.
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.
2. Take no action. The pre-compliance case will automatically be rejected (often referred to as "auto rejected") after 30-calendar days from the pre-compliance case filing date.
3. Reject the pre-compliance case within 30-calendar days of the pre-compliance case filing. The issuer must explain the invalidity as either Supporting Documentation or in the Receiver Memo.

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

When applicable, domestic rules must be provided.

Acquirer Escalation to a Compliance Case

The acquirer may escalate the pre-compliance case to a compliance case after the pre-compliance case was rejected and before 45-calendar days of the chargeback settlement date have passed when both of the following occurred:

- The acquirer's pre-compliance case was valid.
- The issuer's response failed to properly address the issuer's claim.

The acquirer must include the reason why the acquirer believes the issuer's response to be invalid in either the Sender Memo or as Supporting Documentation.

The acquirer escalation may include Supporting Documentation that directly addresses information provided in the issuer's response to the pre-compliance case.

The acquirer may withdraw the compliance case at any time prior to a Mastercard decision 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.

Issuer Response to the Compliance Case

The issuer has three options in response to a compliance case:

1. Accept the compliance case and thereby financial liability for the case within 10-calendar days of the compliance case filing date.
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.
2. Reject the compliance case with a rebuttal in the Receiver Memo that specifically addresses the information contained in the compliance case filing within 10-calendar days of the

compliance 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. The case will be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

Mastercard will not consider any information provided in compliance that was required (but not provided) in pre-compliance.

The issuer may accept the compliance case at any time before Mastercard rules on the case.

3. Take no action. The compliance case will be automatically rejected after 10-calendar days from the compliance case filing date, and available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The issuer may accept the compliance case at any time before Mastercard rules on the case.

Disputes Initiated on or after 8 January 2024

The following sections describe the conditions, time frames and documentation necessary to file, and respond to, a pre-compliance and a compliance case.

Disputes fall into four categories:

- Authorization-related disputes, which are not available for domestic South Africa Single Message acquired transactions.
- Cardholder dispute, which includes Cash Dispute-ATM Only (code 17), Goods or Services Not Provided (code 79), and Credit Not Received (code 75).
- Fraud, which includes No Cardholder Authorization (code 74).
- Point-of-Interaction Error, which includes Transaction Amount Differs (code 71), Duplicate Transaction (code 73), and Late Presentment (code 80).

Adjustments are available for:

- An acquirer to Correct a Terminal Malfunction (code 10).
- An issuer to return an Invalid Adjustment for Account Closed (code 95) or Insufficient Funds (code 96).

Cash Dispute-ATM Only

This section describes the process for filing, and responding to, a pre-compliance and, when applicable, a compliance case for a claim that some or all of the funds debited from the cardholder's account as the result of an ATM withdrawal were not dispensed.

Issuer submission of a pre-compliance case

An issuer may file a pre-compliance case against an acquirer when 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.

The issuer must dispute only the amount the cardholder claims was not dispensed. However, when the dispute is for the full amount of the original transaction, any ATM access fee may be included in the disputed amount.

This dispute must not be used for fraud.

The issuer must file the pre-compliance case in accordance with both of the following time frames:

- Five-calendar days from the transaction settlement date have passed, meaning no earlier than day six.
The Settlement Date is present in DE 15 (Date, Settlement).
The Settlement Date of the disputed transaction is counted as day zero.
- Sufficient time to ensure the acquirer has 30-calendar days to respond as well as to ensure the case is escalated (if necessary) within the compliance time frame (refer to the Issuer Escalation to a Compliance Case section for the applicable compliance escalation time frame).

Mastercard strongly recommends submitting the pre-compliance case as soon as possible (to allow sufficient time to escalate to a compliance case, when necessary, in light of time zone differences, weekends, and holidays).

Violation Code

For dual issued intra-currency transactions identified in DE 63 (Network Data), subfield 2 (Interchange Rate Indicator) equals 2 (Intra-country): Select "Intra Currency CB" from the Violation Code drop-down menu.

For all other transactions: Select "Domestic CB POI Err" from the Violation Code drop-down menu.

Supporting Documents

For dual issued intra-currency transactions identified in DE 63 (Network Data), subfield 2 (Interchange Rate Indicator) equals 2 (Intra-country): None.

For all other transactions: A completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a).

Sender Memo. Include "17" in the Sender Memo

Acquirer Response to the Pre-Compliance Case

The acquirer has three options in response to a pre-compliance case:

1. Accept the pre-compliance case and thereby financial liability for the case within 30-calendar days of the pre-compliance case filing date.
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.
2. Take no action. The pre-compliance case will automatically be rejected (often referred to as "auto rejected") after 30-calendar days from the pre-compliance case filing date.

3. Reject the pre-compliance case within 30-calendar days of the pre-compliance case filing date for one of the following reasons and provide the specified information.

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

When applicable, domestic rules must be provided.

- The acquirer can provide system logs (not information typed by the acquirer) as Supporting Documentation such that all parties are able to determine the amount of funds dispensed by the ATM or PIN-based In-branch Terminal which, at minimum, must include:
 - Account accessed
 - The ATM or PIN-based In-branch Terminal financial activity that occurred immediately before and after the disputed transaction occurred without any errors.
 - ATM or PIN-based In-branch Terminal number
 - Primary account number read from Track 2 of the magnetic stripe or from the chip
 - Terminal status
 - Transaction amount
 - Transaction date and time
 - Transaction trace
 - Transaction type
- In addition to the system logs, the acquirer may provide a transaction report. When provided, the transaction report must be accompanied by an explanation describing each element of the report.
- When the merchant processed a credit/refund, adjustment, or reversal to the cardholder's account: Include the date of the credit/refund, adjustment, or reversal and, optionally, the Acquirer Reference Data (ARD) or Switch Serial Number (as applicable) of the credit/refund, adjustment, or reversal transaction in the Receiver Memo or as Supporting Documentation.
- When the issuer processed a pre-compliance case for the same transaction more than once: Include "Duplicate dispute" in the Receiver Memo or as Supporting Documentation. Mastercard recommends that the acquirer also provide the processing date and compliance case number of the original pre-compliance case.
- When the issuer's pre-compliance case is processed past the time frame specified for the dispute: Include "Past time frame" in the Receiver Memo or as Supporting Documentation.
- When the pre-compliance case does not meet the requirements of the dispute: Include "Invalid dispute" in the Receiver Memo or as Supporting Documentation.

Issuer Escalation to a Compliance Case

The issuer may escalate the pre-compliance case to a compliance case after the pre-compliance case was rejected and before 120-calendar days of the transaction settlement date have passed when both of the following occurred:

- The issuer's pre-compliance case was valid.
- The acquirer's response failed to properly address the issuer's claim.

The issuer must include the reason why the issuer believes the acquirer's response to be invalid in either the Sender Memo or as Supporting Documentation.

The issuer escalation may include Supporting Documentation that directly addresses information provided in the acquirer's response to the pre-compliance case.

The issuer may withdraw the compliance case at any time prior to a Mastercard decision 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 the Compliance Case

The acquirer has three options in response to a compliance case:

1. Accept the compliance case and thereby financial liability for the case within 10-calendar days of the compliance case filing date.
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.
2. Reject the compliance case with a rebuttal in the Receiver Memo that specifically addresses the information contained in the compliance case filing within 10-calendar days of the compliance 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. The case will be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.
Mastercard will not consider any information provided in compliance that was required (but not provided) in pre-compliance.

The acquirer may accept the compliance case at any time before Mastercard rules on the case.

3. Take no action. The compliance case will be automatically rejected after 10-calendar days from the compliance case filing date, and available for Mastercard review as described in the Mastercard Review Process section later in this chapter.
The acquirer may accept the compliance case at any time before Mastercard rules on the case.

Transaction Amount Differs

This section describes the process for filing, and responding to, a pre-compliance and, when applicable, a compliance case for a claim that the cardholder was billed an incorrect amount.

Issuer submission of a pre-compliance case

An issuer may file a pre-compliance case against an acquirer when the cardholder contacted the issuer alleging that the cardholder was billed an incorrect amount. Examples of billing discrepancies include, but are not limited to:

- The merchant's addition error that resulted in an incorrect total on the transaction receipt or other documentation.
- The merchant increased the transaction amount without the cardholder's permission.
- The printed amount on the transaction receipt was processed instead of the correct transaction amount as evidenced by other information on the transaction receipt or documentation.
- The cardholder paid for goods or services by other means. "Other means" may include the same card.

The issuer must dispute only the difference between the amount the cardholder was billed and the amount the cardholder claims the cardholder should have been billed.

The issuer must file the pre-compliance case in accordance with both of the following time frames:

- Five-calendar days from the transaction settlement date have passed, meaning no earlier than day six.
The Settlement Date is present in DE 15 (Date, Settlement).

The Settlement Date of the disputed transaction is counted as day zero.

- Sufficient time to ensure the acquirer has 30-calendar days to respond as well as to ensure the case is escalated (if necessary) within the compliance time frame (refer to the Issuer Escalation to a Compliance Case section for the applicable compliance escalation time frame).

Mastercard strongly recommends submitting the pre-compliance case as soon as possible (to allow sufficient time to escalate to a compliance case, when necessary, in light of time zone differences, weekends, and holidays).

Violation Code. Select "Domestic CB POI Err" from the Violation Code drop-down menu.

Supporting Documents. None

Sender Memo. Include "71" in the Sender Memo

Acquirer Response to the Pre-Compliance Case

The acquirer has three options in response to a pre-compliance case:

1. Accept the pre-compliance case and thereby financial liability for the case within 30-calendar days of the pre-compliance case filing date.
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.
2. Take no action. The pre-compliance case will automatically be rejected (often referred to as "auto rejected") after 30-calendar days from the pre-compliance case filing date.
3. Reject the pre-compliance case within 30-calendar days of the pre-compliance case filing date for one of the following reasons and provide the specified information.
Supporting documentation must be in English or accompanied by an English translation.

When applicable, domestic rules must be provided.

- The acquirer can provide the merchant's explanation and documentation that the amount debited from the cardholder's account was correct.
- When the merchant processed a credit/refund, adjustment, or reversal to the cardholder's account: Include the date of the credit/refund, adjustment, or reversal and, optionally, the Acquirer Reference Data (ARD) or Switch Serial Number (as applicable) of the credit/refund, adjustment, or reversal transaction in the Receiver Memo or as Supporting Documentation.
- When the issuer processed a pre-compliance case for the same transaction more than once: Include "Duplicate dispute" in the Receiver Memo or as Supporting Documentation.

Mastercard recommends that the acquirer also provide the processing date and compliance case number of the original pre-compliance case.
- When the issuer's pre-compliance case was processed past the time frame specified for the dispute: Include "Past time frame" in the Receiver Memo or as Supporting Documentation.
- When the pre-compliance case does not meet the requirements of the dispute: Include "Invalid dispute" in the Receiver Memo or as Supporting Documentation.

Issuer Escalation to a Compliance Case

The issuer may escalate the pre-compliance case to a compliance case after the pre-compliance case was rejected and before 120-calendar days of the transaction settlement date have passed when both of the following occurred:

- The issuer's pre-compliance case was valid.
- The acquirer's response failed to properly address the issuer's claim.

The issuer must include the reason why the issuer believes the acquirer's response to be invalid in either the Sender Memo or as Supporting Documentation.

The issuer escalation may include Supporting Documentation that directly addresses information provided in the acquirer's response to the pre-compliance case.

The issuer may withdraw the compliance case at any time prior to a Mastercard decision 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 the Compliance Case

The acquirer has three options in response to a compliance case:

1. Accept the compliance case and thereby financial liability for the case within 10-calendar days of the compliance case filing date.
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.
2. Reject the compliance case with a rebuttal in the Receiver Memo that specifically addresses the information contained in the compliance case filing within 10-calendar days of the

compliance 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. The case will be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

Mastercard will not consider any information provided in compliance that was required (but not provided) in pre-compliance.

The acquirer may accept the compliance case at any time before Mastercard rules on the case.

3. Take no action. The compliance case will be automatically rejected after 10-calendar days from the compliance case filing date, and available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The acquirer may accept the compliance case at any time before Mastercard rules on the case.

Duplicate Transaction

This section describes the process for filing, and responding to, a pre-compliance and, when applicable, a compliance case for a claim that the cardholder's account has been debited more than once for the same transaction.

Issuer submission of a pre-compliance case

An issuer may file a pre-compliance case against an acquirer when the cardholder contacted the issuer alleging that the cardholder's account has been debited more than once for the same transaction.

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.

Mastercard strongly recommends the issuer use Cash Disputes-ATM Only (code 17) to dispute ATM transactions.

Mastercard strongly recommends the issuer use Transaction Amount Differs (code 71) for Maestro POS transactions to dispute the transaction as paid by other means. "Other means" may include the same card.

The issuer must file the pre-compliance case in accordance with both of the following time frames:

- Five-calendar days have passed from the transaction settlement date, meaning no earlier than day six.
The Settlement Date is present in DE 15 (Date, Settlement).
The Settlement Date of the disputed transaction is counted as day zero.
- Sufficient time to ensure the acquirer has 30-calendar days to respond as well as to ensure the case is escalated (if necessary) within the compliance time frame (refer to the Issuer Escalation to a Compliance Case section for the applicable compliance escalation time frame).

Mastercard strongly recommends submitting the pre-compliance case as soon as possible (to allow sufficient time to escalate to a compliance case, when necessary, in light of time zone differences, weekends, and holidays).

Violation Code. Select "Domestic CB POI Err" from the Violation Code drop-down menu.

Supporting Documents. None

Sender Memo. Include "73" in the Sender Memo

Acquirer Response to the Pre-Compliance Case

The acquirer has three options in response to a pre-compliance case:

1. Accept the pre-compliance case and thereby financial liability for the case within 30-calendar days of the pre-compliance case filing date.
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.
2. Take no action. The pre-compliance case will automatically be rejected (often referred to as "auto rejected") after 30-calendar days from the pre-compliance case filing date.
3. Reject the pre-compliance case within 30-calendar days of the pre-compliance case filing date for one of the following reasons and provide the specified information.
Supporting documentation must be in English or accompanied by an English translation.

When applicable, domestic rules must be provided.

- The acquirer can provide the merchant's explanation and documentation supporting two separate transactions.
- When the merchant processed a credit/refund, adjustment, or reversal to the cardholder's account: Include the date of the credit/refund, adjustment, or reversal and, optionally, the Acquirer Reference Data (ARD) or Switch Serial Number (as applicable) of the credit/refund, adjustment, or reversal transaction in the Receiver Memo or as Supporting Documentation.
- When the issuer processed a pre-compliance case for the same transaction more than once: Include "Duplicate dispute" in the Receiver Memo or as Supporting Documentation. Mastercard recommends that the acquirer also provide the processing date and compliance case number of the original pre-compliance case.
- When the issuer's pre-compliance case was processed past the time frame specified for the dispute: Include "Past time frame" in the Receiver Memo or as Supporting Documentation.
- When the pre-compliance case does not meet the requirements of the dispute: Include "Invalid dispute" in the Receiver Memo or as Supporting Documentation.

Issuer Escalation to a Compliance Case

The issuer may escalate the pre-compliance case to a compliance case after the pre-compliance case was rejected and before 120-calendar days of the transaction settlement date have passed when both of the following occurred:

- The issuer's pre-compliance case was valid.
- The acquirer's response failed to properly address the issuer's claim.

The issuer must include the reason why the issuer believes the acquirer's response to be invalid in either the Sender Memo or as Supporting Documentation.

The issuer escalation may include Supporting Documentation that directly addresses information provided in the acquirer's response to the pre-compliance case.

The issuer may withdraw the compliance case at any time prior to a Mastercard decision 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 the Compliance Case

The acquirer has three options in response to a compliance case:

1. Accept the compliance case and thereby financial liability for the case within 10-calendar days of the compliance case filing date.
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.
2. Reject the compliance case with a rebuttal in the Receiver Memo that specifically addresses the information contained in the compliance case filing within 10-calendar days of the compliance 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. The case will be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.
Mastercard will not consider any information provided in compliance that was required (but not provided) in pre-compliance.

The acquirer may accept the compliance case at any time before Mastercard rules on the case.
3. Take no action. The compliance case will be automatically rejected after 10-calendar days from the compliance case filing date, and available for Mastercard review as described in the Mastercard Review Process section later in this chapter.
The acquirer may accept the compliance case at any time before Mastercard rules on the case.

No Cardholder Authorization

This section describes the process for filing, and responding to, a pre-compliance and, when applicable, a compliance case for a claim that the cardholder did not participate in or authorize the transaction.

Issuer submission of a pre-compliance case

An issuer may file a pre-compliance case against an acquirer when the cardholder contacted the issuer alleging that the cardholder did not participate in or authorize the transaction, and one of the following occurred:

- 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).

Additionally, the disputed transaction was not a Mastercard Consumer-Presented Quick Response (QR) transaction.

The issuer must file the pre-compliance case in accordance with both of the following time frames:

- Five-calendar days from the transaction settlement date, meaning no earlier than day six. The Settlement Date is present in DE 15 (Date, Settlement).
The Settlement Date of the disputed transaction is counted as day zero.
- Sufficient time to ensure the acquirer has 30-calendar days to respond as well as to ensure the case is escalated (if necessary) within the compliance time frame (refer to the Issuer Escalation to a Compliance Case section for the applicable compliance escalation time frame).

Mastercard strongly recommends submitting the pre-compliance case as soon as possible (to allow sufficient time to escalate to a compliance case, when necessary, in light of time zone differences, weekends, and holidays).

Violation Code. Select "Domestic CB Fraud" from the Violation Code drop-down menu.

Supporting Documents. None

Sender Memo. Include "74" in the Sender Memo

Acquirer Response to the Pre-Compliance Case

The acquirer has three options in response to a pre-compliance case:

1. Accept the pre-compliance case and thereby financial liability for the case within 30-calendar days of the pre-compliance case filing date.
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.
2. Take no action. The pre-compliance case will automatically be rejected (often referred to as "auto rejected") after 30-calendar days from the pre-compliance case filing date.

3. Reject the pre-compliance case within 30-calendar days of the pre-compliance case filing date for one of the following reasons and provide the specified information.

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

When applicable, domestic rules must be provided.

- The transaction was approved and PIN was the CVM: Include "Transaction approved and PIN was CVM" in the Receiver Memo or as Supporting Documentation.
- 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: Include "FNS" in the Receiver Memo or as Supporting Documentation.
- FNS: The issuer previously charged back more than 35 transactions authorized involving the same card account for reason code 70 or 74: Include "FNS" in the Receiver Memo or as Supporting Documentation.
- The issuer did not properly report the transaction to the Fraud and Loss Database on or before the chargeback date: Include "Fraud not reported" in the Receiver Memo or as Supporting Documentation.
- 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: Include "DSRP" in the Receiver Memo or as Supporting Documentation.
Refer to Appendix F for Digital Secure Remote Payment transaction identification requirements.
- When the merchant processed a credit/refund, adjustment, or reversal to the cardholder's account: Include the date of the credit/refund, adjustment, or reversal and, optionally, the Acquirer Reference Data (ARD) or Switch Serial Number (as applicable) of the credit/refund, adjustment, or reversal transaction in the Receiver Memo or as Supporting Documentation.
- When the issuer processed a pre-compliance case for the same transaction more than once: Include "Duplicate dispute" in the Receiver Memo or as Supporting Documentation. Mastercard recommends that the acquirer also provide the processing date and compliance case number of the original pre-compliance case.
- When the issuer's pre-compliance case was processed past the time frame specified for the dispute: Include "Past time frame" in the Receiver Memo or as Supporting Documentation.
- When the pre-compliance case does not meet the requirements of the dispute: Include "Invalid dispute" in the Receiver Memo or as Supporting Documentation.

Issuer Escalation to a Compliance Case

The issuer may escalate the pre-compliance case to a compliance case after the pre-compliance case was rejected and before 120-calendar days of the transaction settlement date have passed when both of the following occurred:

- The issuer's pre-compliance case was valid.
- The acquirer's response failed to properly address the issuer's claim.

The issuer must include the reason why the issuer believes the acquirer's response to be invalid in either the Sender Memo or as Supporting Documentation.

The issuer escalation may include Supporting Documentation that directly addresses information provided in the acquirer's response to the pre-compliance case.

The issuer may withdraw the compliance case at any time prior to a Mastercard decision 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 the Compliance Case

The acquirer has three options in response to a compliance case:

1. Accept the compliance case and thereby financial liability for the case within 10-calendar days of the compliance case filing date.
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.
2. Reject the compliance case with a rebuttal in the Receiver Memo that specifically addresses the information contained in the compliance case filing within 10-calendar days of the compliance 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. The case will be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.
Mastercard will not consider any information provided in compliance that was required (but not provided) in pre-compliance.

The acquirer may accept the compliance case at any time before Mastercard rules on the case.
3. Take no action. The compliance case will be automatically rejected after 10-calendar days from the compliance case filing date, and available for Mastercard review as described in the Mastercard Review Process section later in this chapter.
The acquirer may accept the compliance case at any time before Mastercard rules on the case.

Credit Not Received

This section describes the process for filing, and responding to, a pre-compliance and, when applicable, a compliance case for a claim that the cardholder's account was not credited or was debited instead of credited.

Issuer submission of a pre-compliance case

An issuer may file a pre-compliance case against an acquirer when 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.

The issuer should dispute 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 an 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.

For transactions in which value or assets are purchased for gambling, investment or similar purposes: This chargeback right is only available for a transaction in which the purchased value or assets failed to appear in the account agreed to between the cardholder and the merchant. For the avoidance of doubt, chargeback rights are not available for

1. refunds, withdrawals or transfer requests,
2. terms and conditions or account access,
3. winnings, gains or losses, or
4. use or subsequent use.

A pre-compliance response must contain documentation of the value or asset either appearing in, or transferred to, the account agreed to between the cardholder and the merchant.

When the transaction was identified with one of the following MCCs:

- Airlines and Air Carrier (MCCs 3000 through 3350, 4511)
- Car Rental Agencies (MCCs 3351 through 3500, 7512)
- Cruise Lines (MCC 4411)
- Lodging-Hotels, Motels, Resorts (MCCs 3501 through 3999, 7011)
- Motor Home and Recreational Vehicle Rental (MCC 7519)
- Real Estate Agents and Managers—Rentals (MCC 6513)
- Theatrical Producers, Ticket Agencies (excluding Motion Picture) (MCC 7922)
- Travel Agencies and Tour Operators (MCC 4722)
-

The issuer must file the pre-compliance case in accordance with all of the following time frames:

- Five-calendar days have passed (meaning no earlier than day six) from the latest anticipated delivery or performance date specified by the merchant.
For cases involving merchant-provided vouchers for future use, the voucher expiration date is considered the latest anticipated delivery or performance date specified by the merchant.

- Within 365-calendar days from the original expected delivery or performance date specified by the merchant.
- Sufficient time to ensure the acquirer has 30-calendar days to respond as well as to ensure the case is escalated (if necessary) within the compliance time frame (refer to the Issuer Escalation to a Compliance Case section for the applicable compliance escalation time frame).

For transactions not identified with one of the MCCs listed above, the issuer must file the pre-compliance case in accordance with all of the following time frames:

- Five-calendar days have passed from the transaction settlement date, meaning no earlier than day six.
For cases involving merchant-provided vouchers for future use, the voucher expiration date is considered the latest anticipated delivery or performance date specified by the merchant.
- Within 120-calendar days from one of the following:
 - The date the service was canceled or the goods were returned.
 - The date on the credit documentation (refund receipt).
 - The date on the cardholder letter when the credit documentation (refund receipt) was undated.
 - The date the issuer receives an undated cardholder letter.
 - The date the timeshare was canceled.
- Sufficient time to ensure the acquirer has 30-calendar days to respond as well as to ensure the case is escalated (if necessary) within the compliance time frame (refer to the Issuer Escalation to a Compliance Case section for the applicable compliance escalation time frame).

Mastercard strongly recommends submitting the pre-compliance case as soon as possible (to allow sufficient time to escalate to a compliance case, when necessary, in light of time zone differences, weekends, and holidays).

Violation Code. Select "Domestic CB Dispute" from the Violation Code drop-down menu.

Supporting Documents. None

Sender Memo. Include "75" in the Sender Memo

Acquirer Response to the Pre-Compliance Case

The acquirer has three options in response to a pre-compliance case:

1. Accept the pre-compliance case and thereby financial liability for the case within 30-calendar days of the pre-compliance case filing date.
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.
2. Take no action. The pre-compliance case will automatically be rejected (often referred to as "auto rejected") after 30-calendar days from the pre-compliance case filing date.
3. Reject the pre-compliance case within 30-calendar days of the pre-compliance case filing date for one of the following reasons and provide the specified information.

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

When applicable, domestic rules must be provided.

- The credit was processed to the cardholder’s account: Include the merchant’s explanation and documentation as Supporting Documentation.
- The timeshare cancellation occurred more than 14-calendar days from the timeshare agreement date: Include the merchant’s explanation and documentation as Supporting Documentation.
- The transaction was correctly processed: Include the merchant’s explanation and documentation as Supporting Documentation.
- When the merchant processed a credit/refund, adjustment, or reversal to the cardholder’s account: Include the date of the credit/refund, adjustment, or reversal and, optionally, the Acquirer Reference Data (ARD) or Switch Serial Number (as applicable) of the credit/refund, adjustment, or reversal transaction in the Receiver Memo or as Supporting Documentation.
- When the issuer processed a pre-compliance case for the same transaction more than once: Include “Duplicate dispute” in the Receiver Memo or as Supporting Documentation. Mastercard recommends that the acquirer also provide the processing date and compliance case number of the original pre-compliance case.
- When the issuer’s pre-compliance case was processed past the time frame specified for the dispute: Include “Past time frame” in the Receiver Memo or as Supporting Documentation.
- When the pre-compliance case does not meet the requirements of the dispute: Include “Invalid dispute” in the Receiver Memo or as Supporting Documentation.

Issuer Escalation to a Compliance Case

The issuer may escalate the pre-compliance case to a compliance case after the pre-compliance case was rejected and when both of the following occurred:

- The issuer’s pre-compliance case was valid.
- The acquirer’s response failed to properly address the issuer’s claim.

The issuer may escalate the pre-compliance case to a compliance case within one of the following time frames:

When the transaction was identified with one of the following MCCs:

- Airlines and Air Carrier (MCCs 3000 through 3350, 4511)
- Car Rental Agencies (MCCs 3351 through 3500, 7512)
- Cruise Lines (MCC 4411)
- Lodging-Hotels, Motels, Resorts (MCCs 3501 through 3999, 7011)
- Motor Home and Recreational Vehicle Rental (MCC 7519)
- Real Estate Agents and Managers—Rentals (MCC 6513)
- Theatrical Producers, Ticket Agencies (excluding Motion Picture) (MCC 7922)
- Travel Agencies and Tour Operators (MCC 4722)

Both of the following:

- Within 120-calendar days from the latest anticipated delivery or performance date specified by the merchant. For cases involving merchant-provided vouchers for future use, the voucher expiration date is considered the latest anticipated delivery or performance date specified by the merchant.
- Within 365-calendar days from the original expected delivery or performance date specified by the merchant.

For transactions not identified with one of the MCCs listed above, the issuer must file the compliance case within 120-calendar days from one of the following:

- The date the service was canceled or the goods were returned.
- The date on the credit documentation (refund receipt).
- The date on the cardholder letter when the credit documentation (refund receipt) was undated.
- The date the issuer receives an undated cardholder letter.
- The date the timeshare was canceled.

The issuer must include the reason why the issuer believes the acquirer's response to be invalid in either the Sender Memo or as Supporting Documentation.

The issuer escalation may include Supporting Documentation that directly addresses information provided in the acquirer's response to the pre-compliance case.

The issuer may withdraw the compliance case at any time prior to a Mastercard decision 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 the Compliance Case

The acquirer has three options in response to a compliance case:

1. Accept the compliance case and thereby financial liability for the case within 10-calendar days of the compliance case filing date.
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.
2. Reject the compliance case with a rebuttal in the Receiver Memo that specifically addresses the information contained in the compliance case filing within 10-calendar days of the compliance 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. The case will be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.
Mastercard will not consider any information provided in compliance that was required (but not provided) in pre-compliance.

The acquirer may accept the compliance case at any time before Mastercard rules on the case.

3. Take no action. The compliance case will be automatically rejected after 10-calendar days from the compliance case filing date, and available for Mastercard review as described in the Mastercard Review Process section later in this chapter.
The acquirer may accept the compliance case at any time before Mastercard rules on the case.

Goods or Services Not Provided

This section describes the process for filing, and responding to, a pre-compliance and, when applicable, a compliance case for a claim that 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.

Issuer submission of a pre-compliance case

An issuer may file a pre-compliance case against an acquirer when the cardholder contacted the issuer alleging that 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.

This pre-compliance case must not be used when the merchant was willing and able to provide the goods or services and the cardholder refused to accept the goods or services.

Staged Digital Wallet. A transaction to fund a Staged Digital Wallet (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 an 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.

For transactions in which value or assets are purchased for gambling, investment or similar purposes: This chargeback right is only available for a transaction in which the purchased value or assets failed to appear in the account agreed to between the cardholder and the merchant. For the avoidance of doubt, chargeback rights are not available for:

1. refunds, withdrawals or transfer requests,
2. terms and conditions or account access,
3. winnings, gains or losses, or
4. use or subsequent use.

A pre-compliance response must contain documentation of the value or asset either appearing in, or transferred to, the account agreed to between the cardholder and the merchant.

When the transaction was identified with one of the following MCCs:

- Airlines and Air Carrier (MCCs 3000 through 3350, 4511)
- Car Rental Agencies (MCCs 3351 through 3500, 7512)
- Cruise Lines (MCC 4411)
- Lodging-Hotels, Motels, Resorts (MCCs 3501 through 3999, 7011)
- Motor Home and Recreational Vehicle Rental (MCC 7519)
- Real Estate Agents and Managers—Rentals (MCC 6513)

- Theatrical Producers, Ticket Agencies (excluding Motion Picture) (MCC 7922)
- Travel Agencies and Tour Operators (MCC 4722)

The issuer must file the pre-compliance case in accordance with all of the following time frames:

- Five-calendar days have passed (meaning no earlier than day six) from the latest anticipated delivery or performance date specified by the merchant.
For cases involving merchant-provided vouchers for future use, the voucher expiration date is considered the latest anticipated delivery or performance date specified by the merchant.
- Within 365-calendar days from the original expected delivery or performance date specified by the merchant.
- Sufficient time to ensure the acquirer has 30-calendar days to respond as well as to ensure the case is escalated (if necessary) within the compliance time frame (refer to the Issuer Escalation to a Compliance Case section for the applicable compliance escalation time frame).

For transactions not identified with one of the MCCs listed above, the issuer must file the pre-compliance case in accordance with one of the following time frames:

- Five-calendar days have passed (meaning no earlier than day six) from one of the following events:
 - The transaction settlement date when a specific delivery date was not provided.
 - The date the goods or services were to be provided as agreed upon by the merchant and the cardholder has passed.
 - 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.
 - The cardholder canceled the order for goods or services, the goods or services were not provided, and the cardholder did not receive a credit.
- For disputes 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: Between five and 540-calendar days from the transaction settlement date.
- For disputes 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: Between five and 120-calendar days from the expiration date printed on the card.
For disputes involving merchant-provided vouchers for future use, the voucher expiration date is considered the latest anticipated delivery or performance date specified by the merchant.
- For all other disputes, five-calendar days have passed from the transaction settlement date.

In addition, the issuer must file the pre-compliance case with sufficient time to ensure the acquirer has 30-calendar days to respond as well as to ensure the case is escalated (if necessary) within the compliance time frame (refer to the Issuer Escalation to a Compliance Case section for the applicable compliance escalation time frame).

Mastercard strongly recommends submitting the pre-compliance case as soon as possible (to allow sufficient time to escalate to a compliance case, when necessary, in light of time zone differences, weekends, and holidays).

Violation Code. Select "Domestic CB Dispute" from the Violation Code drop-down menu.

Supporting Documents. None

Sender Memo. Include "79" in the Sender Memo

Acquirer Response to the Pre-Compliance Case

The acquirer has three options in response to a pre-compliance case:

1. Accept the pre-compliance case and thereby financial liability for the case within 30-calendar days of the pre-compliance case filing date.
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.
2. Take no action. The pre-compliance case will automatically be rejected (often referred to as "auto rejected") after 30-calendar days from the pre-compliance case filing date.
3. Reject the pre-compliance case within 30-calendar days of the pre-compliance case filing date for one of the following reasons and provide the specified information.
Supporting documentation must be in English or accompanied by an English translation.

When applicable, domestic rules must be provided.

- The acquirer can provide the merchant's explanation and documentation that the goods or services were provided.
- The acquirer can provide the merchant's explanation and documentation that the merchant was willing and able to provide the goods or services and the cardholder refused to accept the goods or services.
- The acquirer can provide the merchant's explanation and documentation that the merchant and the cardholder agreed to provide the goods or services at a later date.
- When the merchant processed a credit/refund, adjustment, or reversal to the cardholder's account: Include the date of the credit/refund, adjustment, or reversal and, optionally, the Acquirer Reference Data (ARD) or Switch Serial Number (as applicable) of the credit/refund, adjustment, or reversal transaction in the Receiver Memo or as Supporting Documentation.
- When the issuer processed a pre-compliance case for the same transaction more than once: Include "Duplicate dispute" in the Receiver Memo or as Supporting Documentation. Mastercard recommends that the acquirer also provide the processing date and compliance case number of the original pre-compliance case.
- When the issuer's pre-compliance case was processed past the time frame specified for the dispute: Include "Past time frame" in the Receiver Memo or as Supporting Documentation.
- When the pre-compliance case does not meet the requirements of the dispute: Include "Invalid dispute" in the Receiver Memo or as Supporting Documentation.

Issuer Escalation to a Compliance Case

The issuer may escalate the pre-compliance case to a compliance case after the pre-compliance case was rejected and when both of the following occurred:

- The issuer's pre-compliance case was valid.
- The acquirer's response failed to properly address the issuer's claim.

The issuer may escalate the pre-compliance case to a compliance case within one of the following time frames:

When the transaction was identified with one of the following MCCs:

- Airlines and Air Carrier (MCCs 3000 through 3350, 4511)
- Car Rental Agencies (MCCs 3351 through 3500, 7512)
- Cruise Lines (MCC 4411)
- Lodging-Hotels, Motels, Resorts (MCCs 3501 through 3999, 7011)
- Motor Home and Recreational Vehicle Rental (MCC 7519)
- Real Estate Agents and Managers—Rentals (MCC 6513)
- Theatrical Producers, Ticket Agencies (excluding Motion Picture) (MCC 7922)
- Travel Agencies and Tour Operators (MCC 4722)

Both of the following:

- Within 120-calendar days from the latest anticipated delivery or performance date specified by the merchant. For cases involving merchant-provided vouchers for future use, the voucher expiration date is considered the latest anticipated delivery or performance date specified by the merchant.
- Within 365-calendar days from the original expected delivery or performance date specified by the merchant.

For transactions not identified with one of the MCCs listed above, the issuer must file the compliance case within 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 compliance case:

- When the date the goods or services were to be provided as agreed upon by the merchant and the cardholder has passed.
- When a specific delivery date is not provided, the issuer must wait 30-calendar days from the transaction settlement date.
- When the determination has been made that the merchant will not provide the goods or services because, for example, the merchant is no longer in business.
- When the cardholder canceled the order for goods or services, the goods or services were not provided, and the cardholder did not receive a credit.
- 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 Settlement 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.

The issuer must include the reason why the issuer believes the acquirer's response to be invalid in either the Sender Memo or as Supporting Documentation.

The issuer escalation may include Supporting Documentation that directly addresses information provided in the acquirer's response to the pre-compliance case.

The issuer may withdraw the compliance case at any time prior to a Mastercard decision 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 the Compliance Case

The acquirer has three options in response to a compliance case:

1. Accept the compliance case and thereby financial liability for the case within 10-calendar days of the compliance case filing date.
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.
2. Reject the compliance case with a rebuttal in the Receiver Memo that specifically addresses the information contained in the compliance case filing within 10-calendar days of the compliance 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. The case will be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.
Mastercard will not consider any information provided in compliance that was required (but not provided) in pre-compliance.

The acquirer may accept the compliance case at any time before Mastercard rules on the case.

3. Take no action. The compliance case will be automatically rejected after 10-calendar days from the compliance case filing date, and available for Mastercard review as described in the Mastercard Review Process section later in this chapter.
The acquirer may accept the compliance case at any time before Mastercard rules on the case.

Late Presentment

This section describes the process for filing, and responding to, a pre-compliance and, when applicable, a compliance case for a claim that the transaction was authorized offline by the chip and submitted into clearing more than seven-calendar days after the transaction date.

Issuer submission of a pre-compliance case

An issuer may file a pre-compliance case against an acquirer when all of the following occurred:

- The issuer used good-faith efforts to collect the transaction amount from the cardholder and was unsuccessful.
- The transaction was authorized offline by the chip.

- The transaction was submitted 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.

The issuer must file the pre-compliance case in accordance with both of the following time frames:

- Five-calendar days have passed from the transaction settlement date, meaning no earlier than day six.
The Settlement Date is present in DE 15 (Date, Settlement).
The Settlement Date of the disputed transaction is counted as day zero.
- Sufficient time to ensure the acquirer has 30-calendar days to respond as well as to ensure the case is escalated (if necessary) within the compliance time frame (refer to the Issuer Escalation to a Compliance Case section for the applicable compliance escalation time frame).

Mastercard strongly recommends submitting the pre-compliance case as soon as possible (to allow sufficient time to escalate to a compliance case, when necessary, in light of time zone differences, weekends, and holidays).

Violation Code. Select "Domestic CB POI Err" from the Violation Code drop-down menu.

Supporting Documents. None

Sender Memo. Include "80" in the Sender Memo

Acquirer Response to the Pre-Compliance Case

The acquirer has three options in response to a pre-compliance case:

1. Accept the pre-compliance case and thereby financial liability for the case within 30-calendar days of the pre-compliance case filing date.
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.
2. Take no action. The pre-compliance case will automatically be rejected (often referred to as "auto rejected") after 30-calendar days from the pre-compliance case filing date.
3. Reject the pre-compliance case within 30-calendar days of the pre-compliance case filing date for one of the following reasons and provide the specified information.
Supporting documentation must be in English or accompanied by an English translation.

When applicable, domestic rules must be provided.

- The acquirer can provide the merchant's explanation and documentation that the transaction date is within the seven-calendar day time limit.
- The acquirer can provide the merchant's explanation and documentation that the cardholder's account is open.
- When the merchant processed a credit/refund, adjustment, or reversal to the cardholder's account: Include the date of the credit/refund, adjustment, or reversal and, optionally, the Acquirer Reference Data (ARD) or Switch Serial Number (as applicable) of

the credit/refund, adjustment, or reversal transaction in the Receiver Memo or as Supporting Documentation.

- When the issuer processed a pre-compliance case for the same transaction more than once: Include “Duplicate dispute” in the Receiver Memo or as Supporting Documentation. Mastercard recommends that the acquirer also provide the processing date and compliance case number of the original pre-compliance case.
- When the issuer’s pre-compliance case was processed past the time frame specified for the dispute: Include “Past time frame” in the Receiver Memo or as Supporting Documentation.
- When the pre-compliance case does not meet the requirements of the dispute: Include “Invalid dispute” in the Receiver Memo or as Supporting Documentation.

Issuer Escalation to a Compliance Case

The issuer may escalate the pre-compliance case to a compliance case after the pre-compliance case was rejected and before 120-calendar days of the transaction settlement date have passed when both of the following occurred:

- The issuer’s pre-compliance case was valid.
- The acquirer’s response failed to properly address the issuer’s claim.

The issuer must include the reason why the issuer believes the acquirer’s response to be invalid in either the Sender Memo or as Supporting Documentation

The issuer escalation may include Supporting Documentation that directly addresses information provided in the acquirer’s response to the pre-compliance case.

The issuer may withdraw the compliance case at any time prior to a Mastercard decision 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 the Compliance Case

The acquirer has three options in response to a compliance case:

1. Accept the compliance case and thereby financial liability for the case within 10-calendar days of the compliance case filing date.
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.
2. Reject the compliance case with a rebuttal in the Receiver Memo that specifically addresses the information contained in the compliance case filing within 10-calendar days of the compliance 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. The case will be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.
Mastercard will not consider any information provided in compliance that was required (but not provided) in pre-compliance.

The acquirer may accept the compliance case at any time before Mastercard rules on the case.

3. Take no action. The compliance case will be automatically rejected after 10-calendar days from the compliance case filing date, and available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The acquirer may accept the compliance case at any time before Mastercard rules on the case.

Invalid Adjustment-Account Closed

This section describes the process for filing, and responding to, a pre-compliance and, when applicable, a compliance case for a claim that the cardholder's account was closed at the time of the adjustment.

Issuer submission of a pre-compliance case

An issuer may file a pre-compliance case against an acquirer when the cardholder's account is closed and the acquirer's adjustment was processed between 11 and 45-calendar days after the adjustment settlement date.

The issuer must file the pre-compliance case with sufficient time to ensure the acquirer has 30-calendar days to respond as well as to ensure the case is escalated (if necessary) within the compliance time frame (refer to the Issuer Escalation to a Compliance Case section for the applicable compliance escalation time frame).

Mastercard strongly recommends submitting the pre-compliance case as soon as possible (to allow sufficient time to escalate to a compliance case, when necessary, in light of time zone differences, weekends, and holidays).

Violation Code. Select "Other" from the Violation Code drop-down menu.

Supporting Documents. None

Sender Memo. Include "95" in the Sender Memo

Acquirer Response to the Pre-Compliance Case

The acquirer has three options in response to a pre-compliance case:

1. Accept the pre-compliance case and thereby financial liability for the case within 30-calendar days of the pre-compliance case filing date.
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.
2. Take no action. The pre-compliance case will automatically be rejected (often referred to as "auto rejected") after 30-calendar days from the pre-compliance case filing date.
3. Reject the pre-compliance case within 30-calendar days of the pre-compliance case filing date for one of the following reasons and provide the specified information.
When applicable, domestic rules must be provided.

- When the issuer processed a pre-compliance case for the same transaction more than once: Include "Duplicate dispute" in the Receiver Memo or as Supporting Documentation. Mastercard recommends that the acquirer also provide the processing date and compliance case number of the original pre-compliance case.
- When the issuer's pre-compliance case was processed past the time frame specified for the dispute: Include "Past time frame" in the Receiver Memo or as Supporting Documentation.
- When the pre-compliance case does not meet the requirements of the dispute: Include "Invalid dispute" in the Receiver Memo or as Supporting Documentation.

Issuer Escalation to a Compliance Case

The issuer may escalate the pre-compliance case to a compliance case after the pre-compliance case was rejected and before 45-calendar days of the adjustment settlement date have passed when both of the following occurred:

- The issuer's pre-compliance case was valid.
- The acquirer's response failed to properly address the issuer's claim.

The issuer must include the reason why the issuer believes the acquirer's response to be invalid in either the Sender Memo or as Supporting Documentation.

The issuer escalation may include Supporting Documentation that directly addresses information provided in the acquirer's response to the pre-compliance case.

The issuer may withdraw the compliance case at any time prior to a Mastercard decision 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 the Compliance Case

The acquirer has three options in response to a compliance case:

- Accept the compliance case and thereby financial liability for the case within 10-calendar days of the compliance case filing date.
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 compliance case with a rebuttal in the Receiver Memo that specifically addresses the information contained in the compliance case filing within 10-calendar days of the compliance 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. The case will be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.
Mastercard will not consider any information provided in compliance that was required (but not provided) in pre-compliance.

The acquirer may accept the compliance case at any time before Mastercard rules on the case.

- Take no action. The compliance case will be automatically rejected after 10-calendar days from the compliance case filing date, and available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The acquirer may accept the compliance case at any time before Mastercard rules on the case.

Invalid Adjustment-Insufficient Funds

This section describes the process for filing, and responding to, a pre-compliance and, when applicable, a compliance case for a claim that the cardholder's account had insufficient funds at the time of the adjustment.

Issuer submission of a pre-compliance case

An issuer may file a pre-compliance case against an acquirer when the cardholder's account had insufficient funds at the time of the adjustment and the acquirer's adjustment was processed between 11 and 45-calendar days after the adjustment settlement date.

The issuer must file the pre-compliance case with sufficient time to ensure the acquirer has 30-calendar days to respond as well as to ensure the case is escalated (if necessary) within the compliance time frame (refer to the Issuer Escalation to a Compliance Case section for the applicable compliance escalation time frame).

Mastercard strongly recommends submitting the pre-compliance case as soon as possible (to allow sufficient time to escalate to a compliance case, when necessary, in light of time zone differences, weekends, and holidays).

Violation Code. Select "Other" from the Violation Code drop-down menu.

Supporting Documents. None

Sender Memo. Include "96" in the Sender Memo

Acquirer Response to the Pre-Compliance Case

The acquirer has three options in response to a pre-compliance case:

1. Accept the pre-compliance case and thereby financial liability for the case within 30-calendar days of the pre-compliance case filing date.
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.
2. Take no action. The pre-compliance case will automatically be rejected (often referred to as "auto rejected") after 30-calendar days from the pre-compliance case filing date.
3. Reject the pre-compliance case within 30-calendar days of the pre-compliance case filing date for one of the following reasons and provide the specified information.
When applicable, domestic rules must be provided.

- When the issuer processed a pre-compliance case for the same transaction more than once: Include "Duplicate dispute" in the Receiver Memo or as Supporting Documentation. Mastercard recommends that the acquirer also provide the processing date and compliance case number of the original pre-compliance case.
- When the issuer's pre-compliance case was processed past the time frame specified for the dispute: Include "Past time frame" in the Receiver Memo or as Supporting Documentation.
- When the pre-compliance case does not meet the requirements of the dispute: Include "Invalid dispute" in the Receiver Memo or as Supporting Documentation.

Issuer Escalation to a Compliance Case

The issuer may escalate the pre-compliance case to a compliance case after the pre-compliance case was rejected and before 45-calendar days of the adjustment settlement date have passed when both of the following occurred:

- The issuer's pre-compliance case was valid.
- The acquirer's response failed to properly address the issuer's claim.

The issuer must include the reason why the issuer believes the acquirer's response to be invalid in either the Sender Memo or as Supporting Documentation.

The issuer escalation may include Supporting Documentation that directly addresses information provided in the acquirer's response to the pre-compliance case.

The issuer may withdraw the compliance case at any time prior to a Mastercard decision 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 the Compliance Case

The acquirer has three options in response to a compliance case:

1. Accept the compliance case and thereby financial liability for the case within 10-calendar days of the compliance case filing date.
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.
2. Reject the compliance case with a rebuttal in the Receiver Memo that specifically addresses the information contained in the compliance case filing within 10-calendar days of the compliance 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. The case will be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.
Mastercard will not consider any information provided in compliance that was required (but not provided) in pre-compliance.

The acquirer may accept the compliance case at any time before Mastercard rules on the case.

3. Take no action. The compliance case will be automatically rejected after 10-calendar days from the compliance case filing date, and available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The acquirer may accept the compliance 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 have passed from the compliance case filing submission date.
- The Filed-Against Customer rejects the case filing.

Mastercard may 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 Filing 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.

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.

When Mastercard Dispute Resolution staff requests specific documentation from a Customer, the Customer must provide that documentation.

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). 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 the franchise appeals team.
- 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 7 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 when another Customer, whether directly or indirectly, has violated any of the *Mastercard Rules* or Standards and such violation directly caused the Customer to experience a financial loss.

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 (with the Single Message Transaction Manager limitation exception noted below). The only exception is described in the Invalid Subsequent First Presentment section later in this chapter.
- To circumvent chargeback and arbitration time frames (including any cycle within that process). The only exception is described in the Valid Chargeback Exceeding System Availability section later in this chapter.
- 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 more than once (once by the issuer as a result of a chargeback and again through a refund(s) 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. For the avoidance of doubt, financial loss in the Dual Message System means a First Presentment/1240 message was processed. The only exception is the compliance case for MoneySend Receiving Institution or Payment Transactions.
- 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).

In addition, an issuer may file a compliance case when a Single Message Transaction Manager limitation prevents a valid chargeback from being processed more than 120-calendar days from the Settlement Date of the disputed transaction.

Definitions

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.

Translations

When the Filing Customer and Filed-Against Customer do not share a common language, each Customer must provide an English translation of the relevant section(s) of the original non-English documentation.

When the Filing Customer and Filed-Against Customer share a common language, an English translation of the documentation is not necessary in the pre-compliance filing or the pre-compliance response.

When the Filing Customer escalates a pre-compliance case to a compliance case, the Filing Customer must provide:

- An English translation of the relevant information from the pre-compliance case filing; including an English translation of the Sender Memo and supporting documentation.
- An English translation of the relevant information from the Filed-Against Customer's pre-compliance response; including an English translation of the Receiver Memo and supporting documentation.

The Filing Customer must provide the English translation in such a way that the English translation links to the original non-English documentation.

When the Filing Customer does not provide the required translation(s), Mastercard will likely rule against the Filing Customer.

When the Filed-Against Customer rejects a compliance case, the Filed-Against Customer may provide a rebuttal in English in the Receiver Memo that specifically addresses the information contained in the compliance case filing

Processing Platform

For all Mainland China domestic compliance cases, the cases must be submitted and managed through the Mainland China Dispute Resolution Platform. Unless otherwise specified, the rules and process in this chapter that apply to Mastercard apply to Mainland China Dispute Resolution Platform. Mastercard strongly recommends daily review of the Mainland 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 User Guide* available on **Mastercard Connect** > **Technical Resource Center** > **References**.

Compliance Case Processing

The following table provides an overview of each step in a compliance case along with general requirements. Additional detailed requirements are described later in this chapter.

<p>Pre-compliance Filing</p>	<p>The first step in a compliance case is filing a pre-compliance case. Pre-compliance is required, with the exception of:</p> <ul style="list-style-type: none"> • Fee Collection/1740 Message • Invalid Return of Processed Adjustment (China Domestic Only) <p>The Filing Customer determines the case filing amount and must not exceed the transaction amount, with the exception of MoneySend RI and Payment Transaction cases. The case filing amount cannot be modified after filing by the Filing Customer or partially accepted by the Filed-Against Customer. As a result, when a case is filed for an excessive amount, Mastercard will likely hold the Filing Customer responsible for the fines and fees associated with the case.</p> <p>Multiple individual transactions may be combined into one pre-compliance case (often referred to as batching) provided that the issuer ICA, acquirer ICA, and rules violation are all the same, with the exception of Valid Chargeback Exceeding System Availability.</p> <p>The Filing Customer is responsible for ensuring that legible copies of all relevant documentation are linked to the case filing. Relevant documentation varies upon the compliance case and includes, but is not limited to, Message Text, Sender or Receiver Memo text, and supporting documentation.</p> <ul style="list-style-type: none"> • When the pre-compliance case does not involve a chargeback, the Filing Customer must attach all relevant documentation to the pre-compliance case filing. • When the pre-compliance case involves a chargeback (for example when a second presentment is rejected due to an edit), the Filing Customer can enter the chargeback reference number and confirm that all previously provided supporting documentation links to the case filing. <p>When the chargeback reference number or the relevant supporting documentation does not link to the pre-compliance case filing, the Filing Customer must attach the following supporting documentation to the pre-compliance case filing:</p> <ul style="list-style-type: none"> – A thorough description of the circumstances of the case in chronological order. – All relevant documentation. <p>The Filing Customer may withdraw the case for any reason at any time before the Filed-Against Customer accepts the case or Mastercard rules on the case.</p>
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Pre-compliance Response	<p>Upon receiving a pre-compliance case, the Filed-Against Customer has three options:</p> <ul style="list-style-type: none">• Accept the pre-compliance case and thereby financial responsibility within 30-calendar days of the pre-compliance case submit date. 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-compliance case with a rebuttal and any relevant documentation within 30-calendar days of the pre-compliance case filing date.• Take no action. After 30-calendar days the pre-compliance case will automatically be rejected (often referred to as "auto rejected"). A pre-compliance case automatically rejected by Mastercom will display a Status of "Rejected" and a Rejected by User ID of "Auto". A pre-compliance case automatically rejected by the China Dispute Resolution Platform will display a Status of "Rejected" and a Rejected by User ID of "Auto".
Compliance Filing	<p>When the pre-compliance case is rejected (by the Filed-Against Customer, Mastercom, or China Dispute Resolution Platform, as applicable), and the Filing Customer continues to believe the case is valid, then the Filing Customer may escalate the pre-compliance case to a compliance case (with the exception of Send OI) in accordance with the Case Filing Requirements section later in this chapter.</p> <p>Mastercard will not consider any information provided in compliance that was required (but not provided) in pre-compliance.</p> <p>The Filing Customer may withdraw the compliance case for any reason at any time before the Filed-Against Customer accepts the case or Mastercard rules on the case.</p>

Compliance Filing Response	<p>Upon receiving a compliance case, the Filed-Against Customer has three options:</p> <ul style="list-style-type: none">• Accept the compliance case and thereby financial responsibility for the disputed transaction within 10-calendar days of the compliance case filing date. 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 compliance case with a rebuttal in the Receiver Memo within 10-calendar days of the escalation date. Mastercard will not consider any information provided in compliance that was required (but not provided) in pre-compliance. Once the compliance is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter. The Filed-Against Customer may choose to accept the compliance case at any time before Mastercard rules on the case.• Take no action. The compliance case will automatically be rejected after 10-calendar days from the escalation date. The Filed-Against Customer may choose to accept the compliance case at any time before Mastercard rules on the case.
Mastercard Review	<p>After rejection of a compliance case, Mastercard will review and determine responsibility for the case as described in the Mastercard Review Process section later in this chapter.</p> <p>Mastercard will not consider any information provided in compliance that was required (but not provided) in pre-compliance.</p>

Timeframes and Requirements

Single Message Transaction Manager Limitation that Restricts Chargeback Cycles

Pre-compliance Condition.

Both of the following:

- An issuer may file a pre-compliance case when a Single Message Transaction Manager limitation prevents a valid chargeback from being processed more than 120-calendar days from the Settlement Date of the disputed transaction.
- The Filing Customer suffered a financial loss directly due to the violation.

Pre-compliance Time Frame.

At least 30-calendar days prior to escalating the pre-compliance case to a compliance case.

Pre-compliance Supporting Documentation.

Specify the chargeback reason and provide the supporting documentation as set forth in the applicable message reason code.

For non-Mastercard BIN Maestro CNP debit card transactions processed on the Single Message System: 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).

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

The first chargeback time frame.

Notes.

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

Case Filing Requirements

The following sections provide detailed information on the conditions, time frames, and documentation necessary to submit, and respond to, a compliance case.

Missing, Invalid, or Inaccurate Authorization Data

This section describes the process for filing, and responding to, a pre-compliance and, when applicable, a compliance case for a claim that data was missing, invalid, or inaccurate in an authorization message processed on the Dual Message System.

Issuer Submission of a Pre-Compliance Case

An issuer may file a pre-compliance case against an acquirer when one or both of the following occurred:

- Any of the mandatory data elements supplied in the Authorization Request/0100 message were missing, invalid or inaccurate.
This includes when the transaction was a MoneySend Payment Transaction in which Mastercard and the issuer (as the Receiving Institution) did not agree 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 message.
- Any of the optional data elements supplied in the Authorization Request/0100 message were invalid or inaccurate.

In addition, the issuer suffered a financial loss directly due to the violation.

The issuer must file the pre-compliance case with sufficient time to ensure the acquirer has 30-calendar days to respond as well as to ensure the case is escalated (if necessary) within the compliance time frame (refer to the Issuer Escalation to a Compliance Case section for the applicable compliance escalation time frame).

Mastercard strongly recommends submitting the pre-compliance case as soon as possible (to allow sufficient time to escalate to a compliance case, when necessary, in light of time zone differences, weekends, and holidays).

The issuer must provide all of the following information as Supporting Documentation:

- The specific authorization data elements and values asserted to be missing, invalid, or inaccurate.
- Documentation that the authorization data elements and values, as received, misrepresented the nature of the transaction.
An example includes, but is not limited to, a copy of the clearing message containing a different value than the value included in the corresponding data element(s) in the authorization message.
- An issuer statement explaining why the missing, invalid, or inaccurate authorization data elements and values resulted in the transaction being approved.
- An issuer statement explaining why the transaction would not have been approved if complete, valid, and accurate authorization data elements and values had been received.
- Documentation proving, to the satisfaction of Mastercard, that the issuer would not have suffered the financial loss had the authorization data elements and values been present (when mandatory), valid, and accurate and that the filing was not based solely on the data being missing (when mandatory), invalid, or inaccurate.

Acquirer Response to the Pre-Compliance Case

The acquirer has three options in response to a pre-compliance case:

1. Accept the pre-compliance case and thereby financial liability for the case within 30-calendar days of the pre-compliance case filing date.
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.
2. Reject the pre-compliance case within 30-calendar days of the pre-compliance case filing date.
The acquirer should explain the reason for the rejection as either Supporting Documentation or in the Receiver Memo in an attempt to resolve the case before escalation to a compliance case.
3. Take no action. The pre-compliance case will automatically be rejected (often referred to as "auto rejected") after 30-calendar days from the pre-compliance case filing date.

Issuer Escalation to a Compliance Case

The issuer may escalate the pre-compliance case to a compliance case after the pre-compliance case was rejected and before 120-calendar days of the Central Site Business Date of the transaction have passed when both of the following occurred:

- The issuer's pre-compliance case was valid.
- The acquirer's response failed to properly address the issuer's claim.

The issuer escalation may include Supporting Documentation that directly addresses information provided in the acquirer's response to the pre-compliance case.

The Central Site Business Date of the First Presentment/1240 message of a transaction is counted as day zero. The Central Site Business Date is present in PDS 0158 (Business Activity), subfield 5 (Central Site Business Date).

The issuer may withdraw the compliance case at any time prior to a Mastercard decision on the case.

Acquirer Response to the Compliance Case

The acquirer has three options in response to a compliance case:

1. Accept the compliance case and thereby financial liability for the case within 10-calendar days of the compliance case filing date.
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.
2. Reject the compliance case with a rebuttal in the Receiver Memo that specifically addresses the information contained in the compliance case filing within 10-calendar days of the compliance case filing date. The case will be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.
Mastercard will not consider any information provided in compliance that was required (but not provided) in pre-compliance.

The acquirer may accept the compliance case at any time before Mastercard rules on the case.

3. Take no action. The compliance case will be automatically rejected after 10-calendar days from the compliance case filing date, and available for Mastercard review as described in the Mastercard Review Process section later in this chapter.
The acquirer may accept the compliance case at any time before Mastercard rules on the case.

Inaccurate Clearing Data That Restricts Chargeback Cycles

This section describes the process for filing, and responding to, a pre-compliance and, when applicable, a compliance case for a claim that inaccurate clearing data resulted in a chargeback or second presentment being rejected or unable to be processed

Submission of a Pre-Compliance Case

An issuer or acquirer (the Filing Customer) may file a pre-compliance case when both of the following occurred:

- The clearing data provided in the first presentment, chargeback, or second presentment message was inaccurate, causing a valid chargeback cycle (chargeback or second presentment) to be rejected or unprocessed.

As used herein, "inaccurate" means data that did not accurately reflect the conditions that were present at the point of interaction at the time a transaction occurred or data that did not match data provided in the authorization message.

- The Filing Customer suffered a financial loss directly due to the violation.

When the Filing Customer is the issuer: The issuer must file a pre-compliance case with sufficient time to ensure the acquirer has 30-calendar days to respond as well as to ensure the case is escalated (if necessary) within the compliance time frame (refer to the Escalation to a Compliance Case section for the applicable compliance escalation time frame).

Mastercard strongly recommends submitting the pre-compliance case as soon as possible (to allow sufficient time to escalate to a compliance case, when necessary, in light of time zone differences, weekends, and holidays).

The issuer must provide all of the following information as Supporting Documentation:

- The chargeback reason and the supporting documentation required by the chargeback.
- Documentation specifying the data elements causing, or that will cause, the chargeback to be rejected or unable to be processed.
- Documentation identifying the values the issuer believes should have been provided in the clearing messages.

In addition, when the transaction was assigned an Original Switch Serial Number: The issuer must provide a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a)

When the Filing Customer is the acquirer: The acquirer must file the pre-compliance case with sufficient time to ensure the issuer has 30-calendar days to respond as well as to ensure the case is escalated (if necessary) within the compliance time frame (refer to the Escalation to a Compliance Case section for the applicable compliance escalation time frame).

Mastercard strongly recommends submitting the pre-compliance case as soon as possible (to allow sufficient time to escalate to a compliance case, when necessary, in light of time zone differences, weekends, and holidays).

The acquirer must provide all of the following information as Supporting Documentation:

- Documentation specifying the data elements causing, or that will cause, the second presentment to be rejected or unable to be processed.
- Documentation identifying the values the acquirer believes should have been provided in the First Chargeback/1442 message.
- A valid remedy as required by the chargeback.

In addition, when the transaction was assigned an Original Switch Serial Number: The acquirer must provide a completed *Dispute Resolution Management Case Filing Form-SMS Linked Case Filing* (Form 682a).

Response to the Pre-Compliance Case

The Filed-Against Customer has three options in response to a pre-compliance case:

1. Accept the pre-compliance case within 30-calendar days of the pre-compliance case filing date and thereby financial liability for the case.
Mastercard will automatically move funds for an accepted case by either generating a Global Clearing Management System (GCMS) "On-Behalf" Fee Collection/1740 message using message reason code 7800 or a MCBS Billing Event.
2. Reject the pre-compliance case within 30-calendar days of the pre-compliance case filing date.
The Filed Against Customer should explain the reason for the rejection as either Supporting Documentation or in the Receiver Memo in an attempt to resolve the case before escalation to a compliance case.
3. Take no action. After 30-calendar days from the pre-compliance case filing, the pre-compliance case will automatically be rejected (often referred to as "auto rejected").

Escalation to a Compliance Case

When the Filing Customer is the issuer: The issuer may escalate the pre-compliance case to a compliance case after the pre-compliance case was rejected and before one of the following time frames has passed:

- 45-calendar days from the date that the chargeback was rejected or unable to be processed.
- The chargeback time frame.

And both of the following occurred:

- The issuer's pre-compliance case was valid.
- The acquirer's response failed to properly address the issuer's claim.

The issuer escalation may include Supporting Documentation that directly addresses information provided in the acquirer's response to the pre-compliance case.

The issuer may withdraw the compliance case at any time prior to a Mastercard decision on the case (regardless of the acquirer response to the compliance case).

When the Filing Customer is the acquirer: The acquirer may escalate the pre-compliance case to a compliance case after the pre-compliance case was rejected and before 45-calendar days from the date that the second presentment was rejected or unable to be processed have passed when both of the following occurred:

- The acquirer's pre-compliance case was valid.
- The issuer's response failed to properly address the acquirer's claim.

The acquirer escalation may include Supporting Documentation that directly addresses information provided in the issuer's response to the pre-compliance case.

The acquirer may withdraw the compliance case at any time prior to a Mastercard decision on the case (regardless of the issuer response to the compliance case).

Response to the Compliance Case

The Filed-Against Customer has three options in response to a compliance case:

1. Accept the compliance case within 10-calendar days of the compliance case filing date and thereby financial liability for the case.
Mastercard will automatically move funds for an accepted case by either generating a Global Clearing Management System (GCMS) "On-Behalf" Fee Collection/1740 message using message reason code 7800 or a MCBS Billing Event.
2. Reject the compliance case with a rebuttal in the Receiver Memo that specifically addresses the information contained in the compliance case filing within 10-calendar days of the compliance case filing date
Mastercard will not consider any information provided in compliance that was required (but not provided) in pre-compliance. Once the compliance is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Filed-Against Customer may accept the compliance case at any time before Mastercard rules on the case.
3. Take no action. After 10-calendar days from the compliance case filing date, the compliance case will be automatically rejected and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.
The Filed-Against Customer may accept the compliance case at any time before Mastercard rules on the case.

Valid Chargeback Exceeding System Availability

This section describes the process for filing, and responding to, a pre-compliance and, when applicable, a compliance case for a claim that a valid chargeback was unable to be processed due to the transaction availability time frame supported by Single Message Transaction Manager or Claims Manager (as applicable) being exceeded.

Issuer Submission of Pre-compliance Case.

An issuer may file a pre-compliance case against an acquirer when one of the following occurred:

- A valid chargeback was prevented from being processed more than 120-calendar days from the Settlement Date of the disputed transaction on Single Message Transaction Manager due to the transaction availability time frame supported by Single Message Transaction Manager being exceeded.
- A valid chargeback was prevented from being processed more than 730-calendar days from the Central Site Business Date of the disputed transaction on Claims Manager due to the transaction availability time frame supported by Claims Manager being exceeded.

The issuer must file the pre-compliance case with sufficient time to allow the acquirer 30-calendar days to respond as well as to ensure the case is escalated (if necessary) within the compliance time frame (refer to the Issuer Escalation to a Compliance Case section for the applicable compliance escalation time frame).

Mastercard strongly recommends submitting the pre-compliance case as soon as possible (to allow sufficient time to escalate to a compliance case, when necessary, in light of time zone differences, weekends, and holidays).

The issuer must provide all of the following information as Supporting Documentation:

- The chargeback reason name or code.
- The supporting documentation required by the identified chargeback.

In addition, when the transaction was assigned an Original Switch Serial Number: The issuer must provide a completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a).

Acquirer Response to the Pre-Compliance Case

The acquirer has three options in response to a pre-compliance case:

1. Accept the pre-compliance case within 30-calendar days of the pre-compliance case filing date and thereby financial liability for the case.
Mastercard will automatically move funds for an accepted case by either generating a Global Clearing Management System (GCMS) "On-Behalf" Fee Collection/1740 message using message reason code 7800 or a MCBS Billing Event.
2. Reject the pre-compliance case within 30-calendar days of the pre-compliance case filing date.
The acquirer must explain the invalidity as either Supporting Documentation or in the Receiver Memo.
3. Take no action. After 30-calendar days from the pre-compliance case filing, the pre-compliance case will automatically be rejected (often referred to as "auto rejected").

Issuer Escalation to a Compliance Case.

The issuer may escalate the pre-compliance case to a compliance case after the pre-compliance case was rejected and within the applicable chargeback time frame when both of the following occurred:

- The pre-compliance was valid.
- The acquirer's response failed to properly address the issuer's claim.

For the avoidance of doubt, the applicable chargeback time frame does not exceed 120-calendar days.

The issuer escalation may include Supporting Documentation that directly addresses information provided in the acquirer's response to the pre-compliance case.

The issuer may withdraw the compliance case at any time prior to a Mastercard decision on the case (regardless of the acquirer response to the compliance case).

Acquirer Response to the Compliance Case

The acquirer has three options in response to a compliance case:

1. Accept the compliance case within 10-calendar days of the compliance case filing date and thereby financial liability for the case.
Mastercard will automatically move funds for an accepted case by either generating a Global Clearing Management System (GCMS) "On-Behalf" Fee Collection/1740 message using message reason code 7800 or a MCBS Billing Event.

2. Reject the compliance case with a rebuttal in the Receiver Memo that specifically addresses the information contained in the compliance case filing within 10-calendar days of the compliance case filing date.

Mastercard will not consider any information provided in compliance that was required (but not provided) in pre-compliance. Once the compliance is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The acquirer may accept the compliance case at any time before Mastercard rules on the case.

3. Take no action. After 10-calendar days from the compliance case filing date, the compliance case will be automatically rejected and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The acquirer may accept the compliance case at any time before Mastercard rules on the case

Invalid Subsequent First Presentment

This section describes the process for filing, and responding to, a pre-compliance and, when applicable, a compliance case for a claim that the merchant processed a new first presentment after being found responsible for that same transaction through the chargeback process.

Issuer Submission of a Pre-Compliance Case

An issuer may file a pre-compliance case against an acquirer when the merchant submitted a first presentment after being found responsible for that same transaction through the chargeback process. Refer to Chapter 1-General Information, Rights and Obligations.

The issuer must file the pre-compliance case with sufficient time to allow the acquirer 30-calendar days to respond as well as to ensure the case is escalated (if necessary) within the compliance time frame (refer to the Issuer Escalation to a Compliance Case section for the applicable compliance escalation time frame).

Mastercard strongly recommends submitting the pre-compliance case as soon as possible (to allow sufficient time to escalate to a compliance case, when necessary, in light of time zone differences, weekends, and holidays).

The issuer must provide all of the following information as Supporting Documentation:

- Acquirer Reference Data (ARD) of the original, disputed first presentment.
- ARD of the new, subsequent first presentment.
- Cardholder email, letter, message or completed Dispute Resolution Form— Pre-Compliance/ Compliance (Form 1185) stating that the new first presentment is a resubmission of a previous transaction that was charged back and the acquirer determined to be financially liable.

A 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 may be used instead of the cardholder email, letter, message or completed Dispute Resolution Form—Pre-Compliance/Compliance (Form 1185).

Acquirer Response to the Pre-Compliance Case

The acquirer has three options in response to a pre-compliance case:

1. Accept the pre-compliance case within 30-calendar days of the pre-compliance case filing date and thereby financial liability for the case.
Mastercard will automatically move funds for an accepted case by either generating a Global Clearing Management System (GCMS) "On-Behalf" Fee Collection/1740 message using message reason code 7800 or a MCBS Billing Event.
2. Reject the pre-compliance case within 30-calendar days of the pre-compliance case filing date.
The acquirer must explain the invalidity as either Supporting Documentation or in the Receiver Memo.
3. Take no action. After 30-calendar days from the pre-compliance case filing, the pre-compliance case will automatically be rejected (often referred to as "auto rejected").

Issuer Escalation to a Compliance Case

The issuer may escalate the pre-compliance case to a compliance case after the pre-compliance case was rejected and before 120-calendar days of the Central Site Business Date of the disputed transaction have passed when both of the following occurred:

- The pre-compliance was valid.
- The acquirer's response failed to properly address the issuer's claim.

The issuer escalation may include Supporting Documentation that directly addresses information provided in the acquirer's response to the pre-compliance case.

The issuer may withdraw the compliance case at any time prior to a Mastercard decision on the case (regardless of the acquirer response to the compliance case).

Acquirer Response to the Compliance Case

The acquirer has three options in response to a compliance case:

1. Accept the compliance case within 10-calendar days of the compliance case filing date and thereby financial liability for the case.
Mastercard will automatically move funds for an accepted case by either generating a Global Clearing Management System (GCMS) "On-Behalf" Fee Collection/1740 message using message reason code 7800 or a MCBS Billing Event
2. Reject the compliance case with a rebuttal in the Receiver Memo that specifically addresses the information contained in the compliance case filing within 10-calendar days of the compliance case filing date.
Mastercard will not consider any information provided in compliance that was required (but not provided) in pre-compliance. Once the compliance is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The acquirer may accept the compliance case at any time before Mastercard rules on the case.

3. Take no action. After 10-calendar days from the compliance case filing date, the compliance case will be automatically rejected and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.
The acquirer may accept the compliance case at any time before Mastercard rules on the case.

Same Day Processing of Chargeback Reversal and Second Presentment

This section describes the process for filing, and responding to, a pre-compliance and, when applicable, a compliance case to resolve the financial loss resulting from a chargeback reversal and a second presentment occurring on the same day.

A pre-compliance case for this reason is only permitted when the issuer is unable to file a pre-arbitration or, when applicable, an arbitration case.

Issuer Submission of a Pre-Compliance Case

An issuer may file a pre-compliance case against an acquirer when both of the following occurred:

- The issuer reversed a chargeback (and thereby cancelled the chargeback) on the same day that the acquirer processed a second presentment.
- The pre-arbitration or, when applicable, the arbitration case filing was rejected or unable to be processed.

The issuer must file the pre-compliance case with sufficient time to allow the acquirer 30-calendar days to respond as well as to ensure the case is escalated (if necessary) within the compliance time frame (refer to the Issuer Escalation to a Compliance Case section for the applicable compliance escalation time frame).

Mastercard strongly recommends submitting the pre-compliance case as soon as possible (to allow sufficient time to escalate to a compliance case, when necessary, in light of time zone differences, weekends, and holidays).

The issuer must provide one of the following:

- When the transaction was assigned an Original Switch Serial Number: A completed Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (Form 682a) as Supporting Documentation.
- For all other transactions: the Chargeback Reference Number as either Supporting Documentation or as text in the Sender Memo.

Acquirer Response to the Pre-Compliance Case

The acquirer has three options in response to a pre-compliance case:

1. Accept the pre-compliance case within 30-calendar days of the pre-compliance case filing date and thereby financial liability for the case.
Mastercard will automatically move funds for an accepted case by either generating a Global Clearing Management System (GCMS) "On-Behalf" Fee Collection/1740 message using message reason code 7800 or a MCBS Billing Event.

2. Reject the pre-compliance case within 30-calendar days of the pre-compliance case filing date.
The acquirer must explain the invalidity as either Supporting Documentation or in the Receiver Memo.
3. Take no action. After 30-calendar days from the pre-compliance case filing, the pre-compliance case will automatically be rejected (often referred to as "auto rejected").

Issuer Escalation to a Compliance Case

The issuer may escalate the pre-compliance case to a compliance case after the pre-compliance case was rejected and before 120-calendar days of the Central Site Business Date or Settlement Date of the transaction have passed when both of the following occurred:

- The pre-compliance was valid.
- The acquirer's response failed to properly address the issuer's claim.

The issuer escalation may include Supporting Documentation that directly addresses information provided in the acquirer's response to the pre-compliance case.

The issuer may withdraw the compliance case at any time prior to a Mastercard decision on the case (regardless of the acquirer response to the compliance case).

Acquirer Response to the Compliance Case

The acquirer has three options in response to a compliance case:

1. Accept the compliance case within 10-calendar days of the compliance case filing date and thereby financial liability for the case.
Mastercard will automatically move funds for an accepted case by either generating a Global Clearing Management System (GCMS) "On-Behalf" Fee Collection/1740 message using message reason code 7800 or a MCBS Billing Event.
2. Reject the compliance case with a rebuttal in the Receiver Memo that specifically addresses the information contained in the compliance case filing within 10-calendar days of the compliance case filing date.
Mastercard will not consider any information provided in compliance that was required (but not provided) in pre-compliance. Once the compliance is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The acquirer may accept the compliance case at any time before Mastercard rules on the case

3. Take no action. After 10-calendar days from the compliance case filing date, the compliance case will be automatically rejected and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.
The acquirer may accept the compliance case at any time before Mastercard rules on the case.

Fee Collection/1740 Message

This section describes the process for filing, and responding to, a compliance case for a claim that a Fee Collection/1740 message was improperly processed.

Submission of a Compliance Case

The Filing Customer may submit a compliance case when one of the following occurred:

- Receipt of a Fee Collection/1740-782 message. Refer to Example 1 below.
- A Fee Collection/1740 message was improperly submitted a third time. Refer to Example 2 below. The party that improperly submitted the Fee Collection message the third time is typically determined to be financially responsible.

Example 1

Cycle 1:

- A Customer ("message originator") submits a Fee Collection/1740-700 - First Submission.
- The other Customer ("receiving Customer") disputes the fee and generates a Fee Collection/1740-780 - Return message.

Cycle 2:

- The message originator disputes the return of the fee and generates a Fee Collection/1740-781 - Resubmission message.
- The receiving Customer continues to dispute the fee and generates a Fee Collection/1740-782 - Arbitration Return message.

When the message originator wants to dispute the fee, the message originator should file a compliance case (instead of generating another Fee Collection/1740 message). The message originator then becomes the Filing Customer.

Example 2:

Cycle 1:

- A Customer ("message originator") submits a Fee Collection/1740-700 - First Submission.
- The other Customer ("receiving Customer") disputes the fee and generates a Fee Collection/1740-780 - Return message.

Cycle 2:

- The message originator disputes the return of the fee and generates a Fee Collection/1740-781 - Resubmission message.
- The receiving Customer continues to dispute the fee and generates a Fee Collection/1740-782 - Arbitration Return message.

Cycle 3:

- The message originator disputes the return of the fee and improperly generates another Fee Collection/1740 message.

Upon receiving the Fee Collection/1740 message (as shown in this example as Cycle 3) the receiving Customer should file a compliance case (instead of generating another Fee Collection/1740 message). The receiving Customer then becomes the Filing Customer.

The Filing Customer must file a compliance case within 45-calendar days of the invalid Fee Collection/1740 message.

The Filing Customer must provide a thorough description of the circumstances of the case in chronological order as Supporting Documentation. The description must include the Central Site Business Date of each Fee Collection message.

Refer to Chapter 15, Fee Collection, of the *Global Clearing Management System Reference Manual* for more information.

The Filing Customer may withdraw the compliance case at any time prior to a Mastercard decision on the case (regardless of the acquirer response to the compliance case).

Response to a Compliance Case

The Filed-Against Customer has three options in response to a compliance case:

1. Accept the compliance case within 10-calendar days of the compliance case filing date and thereby financial liability for the case.

Mastercard will automatically move funds for an accepted case by either generating a Global Clearing Management System (GCMS) "On-Behalf" Fee Collection/1740 message using message reason code 7800 or a MCBS Billing Event.

2. Reject the compliance case with a rebuttal in the Receiver Memo that specifically addresses the information contained in the compliance case filing within 10-calendar days of the compliance case filing date.

Mastercard will not consider any information provided in compliance that was required (but not provided) in pre-compliance. Once the compliance is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Filed-Against Customer may accept the compliance case at any time before Mastercard rules on the case.

3. Take no action. After 10-calendar days from the compliance case filing date, the compliance case will be automatically rejected and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Filed-Against Customer may accept the compliance case at any time before Mastercard rules on the case.

ATM Dynamic Currency Conversion

This section describes the process for filing, and responding to, a pre-compliance and, when applicable, a compliance case to address a cardholder's claim that Dynamic Currency Conversion (DCC), also known as POI Currency Conversion, was performed at an ATM located outside of Europe without the cardholder's consent.

For disputes by an issuer located within Europe regarding DCC at an ATM located within Europe, refer to Appendix A of this manual.

Issuer Submission of a Pre-Compliance Case

An issuer may file a pre-compliance case against an acquirer when all of the following occurred:

- The cardholder performed an ATM transaction.
- The ATM was not located in Europe.
- DCC was performed.
- The cardholder states that the cardholder did not consent to DCC

DCC requirements are described in the *Transaction Processing Rules*, 3.8 POI Currency Conversion.

The issuer must file the pre-compliance case with sufficient time to allow the acquirer 30-calendar days to respond as well as to ensure the case is escalated (if necessary) within the compliance time frame (refer to the Issuer Escalation to a Compliance Case section for the applicable compliance escalation time frame).

Mastercard strongly recommends submitting the pre-compliance case as soon as possible (to allow sufficient time to escalate to a compliance case, when necessary, in light of time zone differences, weekends, and holidays).

The issuer must provide both of the following as Supporting Documentation:

- Cardholder email, letter, message or completed Dispute Resolution Form—Pre-Compliance/ Compliance (Form 1185) describing the cardholder's complaint in sufficient detail to enable all parties to understand the dispute. The cardholder statement must specify the currency in which the cardholder expected the transaction to occur.
- An issuer explanation of how the issuer calculated the case filing amount.
The issuer must file the pre-compliance case for the partial transaction amount representing the difference between the transaction amount billed to the cardholder and the transaction amount in the currency in which the cardholder expected to be billed, excluding any amount related to the issuer's conversion of the transaction.

The currency exchange rate in effect on the date of the transaction must be used to calculate the partial amount

In addition, when the transaction was assigned an Original Switch Serial Number: The issuer must provide a completed *Dispute Resolution Management Case Filing Form-SMS Linked Case Filing* (Form 682a) must also be provided as Supporting Documentation.

Acquirer Response to the Pre-Compliance Case

The acquirer has three options in response to a pre-compliance case:

1. Accept the pre-compliance case within 30-calendar days of the pre-compliance case filing date and thereby financial liability for the case.
Mastercard will automatically move funds for an accepted case by either generating a Global Clearing Management System (GCMS) "On-Behalf" Fee Collection/1740 message using message reason code 7800 or a MCBS Billing Event.
2. Reject the pre-compliance case within 30-calendar days of the pre-compliance case filing date.

The acquirer must explain the invalidity as either Supporting Documentation or in the Receiver Memo.

The acquirer must not reject a pre-compliance case to argue the validity of the cardholder's claim that the cardholder did not consent to DCC.

3. Take no action. After 30-calendar days from the pre-compliance case filing, the pre-compliance case will automatically be rejected (often referred to as "auto rejected").

Issuer Escalation to a Compliance Case

The issuer may escalate the pre-compliance case to a compliance case after the pre-compliance case was rejected and before 120-calendar days of the Central Site Business Date or Settlement Date of the transaction have passed when both of the following occurred:

- The pre-compliance was valid.
- The acquirer's response failed to properly address the issuer's claim.

The issuer escalation may include Supporting Documentation that directly addresses information provided in the acquirer's response to the pre-compliance case.

The issuer may withdraw the compliance case at any time prior to a Mastercard decision on the case (regardless of the acquirer response to the compliance case).

Acquirer Response to the Compliance Case

The acquirer has three options in response to a compliance case:

1. Accept the compliance case within 10-calendar days of the compliance case filing date and thereby financial liability for the case.
Mastercard will automatically move funds for an accepted case by either generating a Global Clearing Management System (GCMS) "On-Behalf" Fee Collection/1740 message using message reason code 7800 or a MCBS Billing Event.
2. Reject the compliance case with a rebuttal in the Receiver Memo that specifically addresses the information contained in the compliance case filing within 10-calendar days of the compliance case filing date.
Mastercard will not consider any information provided in compliance that was required (but not provided) in pre-compliance. Once the compliance is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The acquirer may accept the compliance case at any time before Mastercard rules on the case.

3. Take no action. After 10-calendar days from the compliance case filing date, the compliance case will be automatically rejected and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.
The acquirer may accept the compliance case at any time before Mastercard rules on the case.

Merchant Not Listed or Improperly Listed on MATCH

This section describes the process for filing, and responding to, a pre-compliance and, when applicable, a compliance case for a claim that a merchant was either not listed or improperly listed on MATCH.

Refer to Chapter 11, MATCH System, of the *Security Rules and Procedures* manual for more information on the MATCH system.

Submission of a Pre-Compliance Case

An acquirer may file a pre-compliance case against another acquirer when all of the following occurred:

- The acquirer (referred to as the Filing Customer) signed a merchant agreement with a merchant.
- That same merchant was previously terminated by a previous acquirer (referred to as the Filed-Against Customer).
- The Filed-Against Customer failed to list or properly list the terminated merchant on MATCH.
- The Filing Customer experienced a financial loss directly caused by the failure of the Filed-Against Customer to list or properly list the merchant on MATCH.

The Filing Customer must file the pre-compliance case with sufficient time to allow the Filed-Against Customer 30-calendar days to respond as well as to ensure the case is escalated (if necessary) within the compliance time frame (refer to the Escalation to a Compliance Case section for the applicable compliance escalation time frame).

Mastercard strongly recommends submitting the pre-compliance case as soon as possible (to allow sufficient time to escalate to a compliance case, when necessary, in light of time zone differences, weekends, and holidays).

The Filing Customer must provide all of the following:

- A Filing Customer statement that a MATCH search was performed, the date of the MATCH search, and the MATCH search failed to find the merchant.
- A Filing Customer statement that the Filing Customer has to accept the chargebacks included in the case filing.
- The date the Filing Customer terminated the merchant.
- The date the Filing Customer listed the terminated merchant in MATCH.
- Evidence that the Filed-Against Customer terminated the merchant, and failed to list or properly list the terminated merchant on MATCH.
- The total transaction amount included in the case.
- Documentation of financial loss. The Filing Customer must provide a list of chargebacks for which the Filing Customer was held financially liable as directly attributed to the Filed-Against Customer not listing or improperly listing the merchant on MATCH.

The Filing Customer must provide all of the following information within eight calendar days of the pre-compliance submission date as Supporting Documentation through an unprotected (meaning editable) excel spreadsheet by email. The subject line of the email

must include the text "MATCH compliance case **NNNNNNNN**". **NNNNNNNN** must be replaced with the compliance case ID number.

- Chargeback date
- Disputed amount
- Merchant name
- When cleared through the Global Clearing Management System (GCMS): Chargeback reference number and Acquirer Reference Data (ARD)
- When the transaction was assigned an Original Switch Serial Number: The Filing Customer must provide a completed *Dispute Resolution Management Case Filing Form-SMS Linked Case Filing* (Form 682a).

Response to a Pre-Compliance Case

The Filed-Against Customer has three options in response to a pre-compliance case:

1. Accept the pre-compliance case within 30-calendar days of the pre-compliance case filing date and thereby financial liability for the case.
Mastercard will automatically move funds for an accepted case by either generating a Global Clearing Management System (GCMS) "On-Behalf" Fee Collection/1740 message using message reason code 7800 or a MCBS Billing Event.
2. Reject the pre-compliance case within 30-calendar days of the pre-compliance case filing date.
The Filed-Against Customer must explain the invalidity as either Supporting Documentation or in the Receiver Memo.
3. Take no action. After 30-calendar days from the pre-compliance case filing, the pre-compliance case will automatically be rejected (often referred to as "auto rejected").

Escalation to a Compliance Case

The Filing Customer may escalate the pre-compliance case to a compliance case after the pre-compliance case was rejected and before one of the following time frames have passed:

- Within 120-calendar days from the Filing Customer terminating the merchant's merchant agreement.
- When beyond 120-calendar days, 45-calendar days from the date the Filing Customer detected, or should have detected, that the Filed-Against Customer failed to list or properly list the terminated merchant on MATCH.

And when both of the following occurred:

- The pre-compliance was valid.
- The Filed-Against Customer's response failed to properly address the Filing Customer's claim.

The Filing Customer escalation may include Supporting Documentation that directly addresses information provided in the acquirer's response to the pre-compliance case.

The Filing Customer may withdraw the compliance case at any time prior to a Mastercard decision on the case (regardless of the Filed-Against Customer's response to the compliance case).

Response to the Compliance Case

The Filed-Against Customer has three options in response to a compliance case:

1. Accept the compliance case within 10-calendar days of the compliance case filing date and thereby financial liability for the case.

Mastercard will automatically move funds for an accepted case by either generating a Global Clearing Management System (GCMS) "On-Behalf" Fee Collection/1740 message using message reason code 7800 or a MCBS Billing Event.

2. Reject the compliance case with a rebuttal in the Receiver Memo that specifically addresses the information contained in the compliance case filing within 10-calendar days of the compliance case filing date.

Mastercard will not consider any information provided in compliance that was required (but not provided) in pre-compliance. Once the compliance is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Filed-Against Customer may accept the compliance case at any time before Mastercard rules on the case.

3. Take no action. After 10-calendar days from the compliance case filing date, the compliance case will be automatically rejected and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Filed-Against Customer may accept the compliance case at any time before Mastercard rules on the case.

Unspent Gift Card Funds

This section describes the process for filing, and responding to, a pre-compliance and, when applicable, a compliance case to obtain unspent gift card funds.

Issuer Submission of a Pre-Compliance Case

An issuer may file a pre-compliance case against an acquirer when both of the following occurred:

- The merchant deactivated a fraudulently purchased gift or prepaid card.
- A balance remains (unspent funds) on the fraudulently purchased gift or prepaid card.
- The issuer suffered a financial loss directly due to the violation.

The issuer must file the pre-compliance case with sufficient time to allow the acquirer 30-calendar days to respond as well as to ensure the case is escalated (if necessary) within the compliance time frame (refer to the Issuer Escalation to a Compliance Case section for the applicable compliance escalation time frame).

Mastercard strongly recommends submitting the pre-compliance case as soon as possible (to allow sufficient time to escalate to a compliance case, when necessary, in light of time zone differences, weekends, and holidays).

The issuer must provide documentation substantiating that a balance remained on the fraudulently purchase gift or prepaid card.

In addition, when the transaction was assigned an Original Switch Serial Number: The issuer must provide a completed *Dispute Resolution Management Case Filing Form-SMS Linked Case Filing* (Form 682a).

Acquirer Response to the Pre-Compliance Case

The acquirer has three options in response to a pre-compliance case:

1. Accept the pre-compliance case within 30-calendar days of the pre-compliance case filing date and thereby financial liability for the case.
Mastercard will automatically move funds for an accepted case by either generating a Global Clearing Management System (GCMS) "On-Behalf" Fee Collection/1740 message using message reason code 7800 or a MCBS Billing Event.
2. Reject the pre-compliance case within 30-calendar days of the pre-compliance case filing date.
The acquirer must explain the invalidity as either Supporting Documentation or in the Receiver Memo.
3. Take no action. After 30-calendar days from the pre-compliance case filing, the pre-compliance case will automatically be rejected (often referred to as "auto rejected").

Issuer Escalation to a Compliance Case

The issuer may escalate the pre-compliance case to a compliance case after the pre-compliance case was rejected, and before 120-calendar days of the Central Site Business Date of the transaction have passed when both of the following occurred:

- The pre-compliance was valid.
- The acquirer's response failed to properly address the issuer's claim.

The issuer escalation may include Supporting Documentation that directly addresses information provided in the acquirer's response to the pre-compliance case.

The issuer may withdraw the compliance case at any time prior to a Mastercard decision on the case (regardless of the acquirer response to the compliance case).

Acquirer Response to a Compliance Case

The acquirer has three options in response to a compliance case:

1. Accept the compliance case and thereby financial liability for the case.
Mastercard will automatically move funds for an accepted case by either generating a Global Clearing Management System (GCMS) "On-Behalf" Fee Collection/1740 message using message reason code 7800 or a MCBS Billing Event.
2. Reject the compliance case with a rebuttal in the Receiver Memo that specifically addresses the information contained in the compliance case filing within 10-calendar days of the compliance case filing date.
Mastercard will not consider any information provided in compliance that was required (but not provided) in pre-compliance. Once the compliance is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The acquirer may accept the compliance case at any time before Mastercard rules on the case.

3. Take no action. After 10-calendar days from the compliance case filing date, the compliance case will be automatically rejected and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The acquirer may accept the compliance case at any time before Mastercard rules on the case.

Acquirer Request for Cardholder Statement of Fraud

This section describes the process for filing, and responding to, a pre-compliance and, when applicable, a compliance case for the acquirer to obtain a cardholder statement that the transaction was fraudulent.

Acquirer Submission of a Pre-Compliance Case

An acquirer may file a pre-compliance case against an issuer to obtain a cardholder statement that the disputed transaction was fraudulent 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 acquirer must file the pre-compliance case with sufficient time to allow the issuer 30-calendar days to respond as well as to ensure the case is escalated (if necessary) within the compliance time frame (refer to the Acquirer Escalation to a Compliance Case section for the applicable compliance escalation time frame).

Mastercard strongly recommends submitting the pre-compliance case as soon as possible (to allow sufficient time to escalate to a compliance case, when necessary, in light of time zone differences, weekends, and holidays).

The acquirer must provide one of the following as Supporting Documentation:

- Evidence of legal reason requiring the cardholder statement of fraud. Examples include, but are not limited to, court order or subpoena.
- The acquirer's certification describing the legal reason for which the cardholder statement of fraud is required.

Issuer Response to a Pre-Compliance Case

The issuer has three options in response to a pre-compliance case:

1. Accept the pre-compliance case within 30-calendar days of the pre-compliance case filing date and thereby financial liability for the case.
Mastercard will automatically move funds for an accepted case by either generating a Global Clearing Management System (GCMS) "On-Behalf" Fee Collection/1740 message using message reason code 7800 or a MCBS Billing Event.

2. Reject the pre-compliance case within 30-calendar days of the pre-compliance case filing date and provide one of the following:
 - a. A cardholder statement that the transaction was fraudulent as Supporting Documentation.
When the *Dispute Resolution Form-Fraud* (Form 412) was the result of a verbal conversation with the cardholder, the issuer should contact the cardholder for a written statement (letter, email, or message) of fraud.
 - b. The acquirer's pre-compliance was invalid; this means that the acquirer failed to meet the requirements of the pre-compliance case.
The issuer must explain the invalidity as either Supporting Documentation or in the Receiver Memo.
3. Take no action. After 30-calendar days from the pre-compliance case filing, the pre-compliance case will automatically be rejected (often referred to as "auto rejected").

Acquirer Escalation to a Compliance Case

The acquirer may escalate the pre-compliance case to a compliance case after the pre-compliance case was rejected and before one of the following time frames have passed:

- 90-calendar days from the date on which the merchant notified the acquirer of the judicial request, law enforcement investigation, other legal action, or as required by applicable law or regulation.
- 90-calendar days from the date on which the acquirer became aware that the cardholder statement (that the disputed transaction was fraudulent) is required for legal reasons.

And both of the following occurred:

- The pre-compliance was valid.
- The issuer's response failed to properly address the acquirer's claim.

The acquirer escalation may include Supporting Documentation that directly addresses information provided in the issuer's response to the pre-compliance case.

The acquirer may withdraw the compliance case at any time prior to a Mastercard decision on the case (regardless of the issuer response to the compliance case).

Issuer Response to a Compliance Case

The issuer has three options in response to a compliance case:

1. Accept the compliance case within 10-calendar days of the compliance case filing date and thereby financial liability for the case.
Mastercard will automatically move funds for an accepted case by either generating a Global Clearing Management System (GCMS) "On-Behalf" Fee Collection/1740 message using message reason code 7800 or a MCBS Billing Event.
2. Reject the compliance case with a rebuttal in the Receiver Memo that specifically addresses the information contained in the compliance case filing within 10-calendar days of the compliance case filing date.
Mastercard will not consider any information provided in compliance that was required (but not provided) in pre-compliance. Once the compliance is rejected, the case will then be

available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The issuer may accept the compliance case at any time before Mastercard rules on the case.

3. Take no action. After 10-calendar days from the compliance case filing date, the compliance case will be automatically rejected and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The issuer may accept the compliance case at any time before Mastercard rules on the case.

Refund Transactions and Corrections

This section describes the process for filing, and responding to, a pre-compliance and, when applicable, a compliance case for a claim that a refund transaction was improperly reversed or adjusted.

Issuer Submission of a Pre-Compliance Case

An issuer may file a pre-compliance case against an acquirer when one of the following occurred:

- Both of the following occurred:
 - A reversal or adjustment of a refund transaction occurred more than one calendar day after the Settlement Date of the Financial Transaction Request/0200 message or the Central Site Business Date of the First Presentment/1240 message
Refer to the *Transaction Processing Rules*, section 2.13 Refund Transactions and Corrections.
 - The issuer suffered a financial loss directly due to the reversal or adjustment of the refund transaction occurring more than one calendar day after the Settlement Date of the Financial Transaction Request/0200 message or the Central Site Business Date of the First Presentment/1240 message.
- The cardholder claims that the refund reversal or adjustment was invalid.

The issuer must file the pre-compliance case with sufficient time to allow the acquirer 30-calendar days to respond as well as to ensure the case is escalated (if necessary) within the compliance time frame (refer to the Issuer Escalation to a Compliance Case section for the applicable compliance escalation time frame).

Mastercard strongly recommends submitting the pre-compliance case as soon as possible (to allow sufficient time to escalate to a compliance case, when necessary, in light of time zone differences, weekends, and holidays).

The issuer must provide one of the following as Supporting Documentation:

- Both of the following:
 - An issuer statement that the account was closed or not in good standing (a "stated" account) at the time of the refund reversal or adjustment. The issuer statement may be provided as text in the Sender Memo.
 - Account statements or account activity from system screens detailing the financial loss. An explanation of the activity must be provided when the information may not be clear to all parties. The documentation must include, in chronological order:

- The account balance before the refund transaction.
 - The account balance after the refund reversal or adjustment.
 - All of the financial activity between the above two events. For the avoidance of doubt, financial activity means the transaction amount. Non-financial activity (examples include but are not limited to merchant name, merchant location) is not required and may be redacted.
- A cardholder letter, email, message, or *Dispute Resolution Form—Pre-Compliance/Compliance* (Form 1185) describing the cardholder's complaint in sufficient detail to support a refund was due to the cardholder. This must include a reasonably specific description of the goods/ services purchased and the reason a refund was due to the cardholder.

In addition, for transactions assigned an Original Switch Serial Number: The issuer must provide a completed *Dispute Resolution Management Case Filing Form-SMS Linked Case Filing* (Form 682a).

Acquirer Response to the Pre-Compliance Case

The acquirer has three options in response to a pre-compliance case:

1. Accept the pre-compliance case within 30-calendar days of the pre-compliance case filing date and thereby financial liability for the case
Mastercard will automatically move funds for an accepted case by either generating a Global Clearing Management System (GCMS) "On-Behalf" Fee Collection/1740 message using message reason code 7800, or a MCBS Billing Event.
2. Reject the pre-compliance case within 30-calendar days of the pre-compliance case filing date when one of the following occurred:
 - The issuer's pre-compliance was invalid; this means that the issuer failed to meet the requirements of the pre-compliance case.
The acquirer must explain the invalidity as Supporting Documentation or as text in the Receiver Memo.
 - The reversal or adjustment was performed correctly; this means that both of the following occurred:
 - The reversal or adjustment of the refund transaction was due to a clerical error.
The acquirer must provide Supporting Documentation containing the acquirer's or merchant's explanation and documentation of the clerical error. This includes, by way of example and not limitation, a reversal due to a duplicate refund transaction requires (1) an explanation that a duplicate refund transaction was performed in error and (2) the 23-digit ARD of the valid refund transaction.
 - The reversal or adjustment of the refund transaction occurred within one calendar day of the Financial Transaction Request/0200 message or First Presentment/1240 message.
The Settlement Date of the Financial Transaction Request/0200 message or Central Site Business Date of the First Presentment/1240 message of the refund transaction is counted as day zero.

The acquirer must not reject a pre-compliance case:

- When the reversal or adjustment occurred more than one calendar day after the Financial Transaction Request/0200 message or Central Site Business Date of the First Presentment/1240 message.
 - To argue the validity of the cardholder's claim that the refund transaction was due to the cardholder.
3. Take no action. After 30-calendar days from the pre-compliance case filing, the pre-compliance case will automatically be rejected (often referred to as "auto rejected").

Issuer Escalation to a Compliance Case

The issuer may escalate the pre-compliance case to a compliance case after the pre-compliance case was rejected and before 120-calendar days of the Central Site Business Date from the refund transaction reversal or adjustment have passed when both of the following occurred:

- The pre-compliance was valid.
- The acquirer's response failed to properly explain and document the clerical error.

The issuer escalation may include Supporting Documentation that directly addresses information provided in the acquirer's response to the pre-compliance case.

Mastercard will not consider any information provided in compliance that was required (but not provided) in pre-compliance.

The issuer may withdraw the compliance case at any time prior to a Mastercard decision on the case (regardless of the acquirer response to the compliance case).

Acquirer Response to the Compliance Cas

The acquirer has three options in response to a compliance case:

1. Accept the compliance case within 10-calendar days of the compliance case filing date and thereby financial liability for the case.
Mastercard will automatically move funds for an accepted case by either generating a Global Clearing Management System (GCMS) "On-Behalf" Fee Collection/1740 message using message reason code 7800 or a MCBS Billing Event.
2. Reject the compliance case with a rebuttal in the Receiver Memo that specifically addresses the information contained in the compliance case filing within 10-calendar days of the compliance case filing date.
Mastercard will not consider any information provided in compliance that was required (but not provided) in pre-compliance. Once the compliance is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The acquirer may accept the compliance case at any time before Mastercard rules on the case.

3. Take no action. After 10-calendar days from the compliance case filing date, the compliance case will be automatically rejected and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.
The acquirer may accept the compliance case at any time before Mastercard rules on the case.

MoneySend Originating Institution

Send includes MoneySend Payment Transactions and Gaming Payment Transactions.

This section describes the process for filing, and responding to, a pre-compliance claim that:

- The Send Originating Institution (OI) either submitted a duplicate authorization message or submitted an authorization message for the wrong recipient, wrong amount, or wrong currency.
- The Receiving Institution (RI) has not posted the funds to the recipient account within six business days as required by *Mastercard MoneySend and Funding Transactions Program Standards* (or such updated time frame as may be published by Mastercard from time to time and in effect on the transaction date).

Submission of a Pre-Compliance Case

The Filing Customer (the Originating Institution (OI)) may file a pre-compliance case against a Filed-Against Customer (the Receiving Institution (RI)) when one of the following occurred:

- The OI submitted one of the following:
 - A second Authorization Request/0100 message or Financial Transaction/0200 message was submitted the same day as an Authorization Request/0100 or Financial Transaction/0200 message with the same transaction amount, transaction currency, and recipient account number.
 - An Authorization Request/0100 or Financial Transaction/0200 message with an incorrect transaction amount.
 - An Authorization Request/0100 or Financial Transaction/0200 message with an incorrect transaction currency.
 - An Authorization Request/0100 or Financial Transaction/0200 message with an incorrect recipient account number.
- The RI has not posted the funds to the Recipient account within six business days as required by *Mastercard MoneySend and Funding Transactions Program Standards* (or such updated time frame as may be published by Mastercard from time to time and in effect on the transaction date).

The Filing Customer must file the pre-compliance case within 60-calendar days of the date present in DE 15 Date, Settlement of the Authorization Request/0100 or Financial Transaction/0200 message.

The Filing Customer must provide all of the following information as Supporting Documentation:

- For claims of duplicate transaction:
 - A Filing Customer statement that the pre-compliance case is for a claim of Duplicate Transaction.
 - An explanation for the duplication message.

- The authorization log of both the original and duplicate Authorization Request/0100 or Financial Transaction/0200 message.
- The Acquirer Reference Data present in Data Element (DE) 31 (Acquirer Reference Data) of the First Presentment/1240 message.
- For claims of incorrect transaction amount:
 - A Filing Customer statement that the pre-compliance case is for a claim of incorrect transaction amount.
 - An explanation for the incorrect transaction amount.
 - The authorization log of the Authorization Request/0100 or Financial Transaction/0200 message containing the incorrect transaction amount.
 - The correct transaction amount.
 - The difference between the amount actually authorized and the amount intended to be authorized in Receiver Memo field.
 - The Acquirer Reference Data present in Data Element (DE) 31 (Acquirer Reference Data) of the First Presentment/1240 message.
- For claims of incorrect transaction currency:
 - A Filing Customer statement that the pre-compliance case is for a claim of incorrect transaction currency.
 - An explanation for the incorrect transaction currency.
 - The authorization log of the Authorization Request/0100 or Financial Transaction/0200 message containing the incorrect transaction currency.
 - The correct transaction currency.
 - The Acquirer Reference Data present in Data Element (DE) 31 (Acquirer Reference Data) of the First Presentment/1240 message.
- For claims of incorrect recipient:
 - A Filing Customer statement that the pre-compliance case is for a claim of incorrect recipient.
 - An explanation for the incorrect account number.
 - The authorization log of the Authorization Request/0100 or Financial Transaction/0200 message containing the incorrect account number.
 - The correct account number.
 - The Acquirer Reference Data present in Data Element (DE) 31 (Acquirer Reference Data) of the First Presentment/1240 message.
- For claims that the RI has not posted the funds to the recipient account within six business days as required by *Mastercard MoneySend and Funding Transactions Program Standards* (or such updated time frame as may be published by Mastercard from time to time and in effect on the transaction date):
 - A Filing Customer statement that the pre-compliance case is for a claim of funds not posted.
 - Details of the original approved transaction, including the Banknet Reference Number present in DE 63 (Network Data), subfield 2 (Banknet Reference Number) of the Authorization Request Response/0110 message or the Network Reference Number

- present in DE 63 (Network Data), subfield 3 (Network Reference Number) of the Financial Transaction Request Response/0210 message.
- The date present in DE 15 (Date, Settlement) of the Authorization Request Response/0110 or Financial Transaction Request Response/0210 message.
 - The transaction amount present in DE 4 (Amount, Transaction) of the Authorization Request Response/0110 or Financial Transaction Request Response/0210 message.
 - The Acquirer Reference Data present in Data Element (DE) 31 (Acquirer Reference Data) of the First Presentment/1240 message.
 - An OI statement that the OI has not submitted a valid Payment Transaction Reversal Request/0400 message and has not reversed previously provided First Presentment/1240 message for the Dual Message System or has not submitted a valid Acquirer Reversal Advice/0420 message for the Single Message System.

Response to a Pre-Compliance Case

The Filed-Against Customer (the Receiving Institution (RI)) has three options in response to a pre-compliance case:

1. Accept the pre-compliance case within 30-calendar days of the pre-compliance case filing date and thereby financial liability for the case.
Mastercard will automatically move funds for an accepted case by either generating a Global Clearing Management System (GCMS) "On-Behalf" Fee Collection/1740 message using message reason code 7800 or a MCBS Billing Event.
2. Reject the pre-compliance case within 30-calendar days of the pre-compliance case filing date.
The Filed-Against Customer must explain the invalidity as either Supporting Documentation or in the Receiver Memo.
3. Take no action. After 30-calendar days from the pre-compliance case filing, the pre-compliance case will automatically be accepted.
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.

Escalation to a Compliance Case

Escalation from pre-compliance to compliance is not enabled within the Mastercom Case Filing Application.

MoneySend Receiving Institution or Payment Transactions

This section describes the process for filing, and responding to, a pre-compliance and, when applicable, a compliance case for a claim that the clearing record associated with a Payment Transaction (including MoneySend) was not received within time frame.

Submission of a Pre-Compliance Case

The Filing Customer (the Receiving Institution (RI)) may file a pre-compliance case against a Filed-Against Customer (the Originating Institution (OI)) when all of the following occurred:

- The transaction was a Payment Transaction.

- The Authorization Response/0110 message contained an approval response.
- The Filing Customer did not receive the clearing record within one calendar day of the Authorization Request Response/0110 message containing an approval response. The date of the Authorization Request Response/0110 message is counted as day zero.
- The Filing Customer has not approved a valid Payment Transaction reversal request.

For the avoidance of doubt, when the clearing record:

- Is not received by the Filing Customer before the pre-compliance case is filed, then the transaction amount plus an amount of up to four percent of the transaction amount may also be included in the case filing amount to compensate the Filing Customer for the expense of advancing funds to the cardholder.
- Is received by the Filing Customer after one calendar day of the Authorization Request Response/0110 message and before the pre-compliance case is filed, then only an amount of up to four percent of the transaction amount may be filed to compensate the Filing Customer for the expense of advancing funds to the cardholder. When the pre-compliance case is filed for more than four percent of the transaction amount, Mastercard will likely hold the Filing Customer responsible for the fines and fees associated with the case.
- Is received by the Filing Customer after the pre-compliance case is filed, then the case filing amount cannot be changed. When a ruling decision is required then Mastercard will adjust the case filing amount to only four percent and likely hold the Filed-Against Customer responsible for the fines and fees.

The Filing Customer must file the pre-compliance case with sufficient time to allow the Filed-Against Customer 30-calendar days to respond as well as to ensure the case is escalated (if necessary) within the compliance time frame (refer to the Escalation to a Compliance Case section for the applicable compliance escalation time frame).

The Filing Customer must provide all of the following information as either Supporting Documentation or in the Sender Memo field:

- The Banknet Reference Number present within DE 63 (Network Data), subfield 2 (Banknet Reference Number) of the Authorization Request Response/0110 message.
- The date of the Authorization Request Response/0110 message containing the approval response.
- The transaction amount included in the Authorization Request Response/0110 message containing the approval response.

Response to a Pre-Compliance Case

The Filed-Against Customer (the Originating Institution (OI)) has three options in response to a pre-compliance case:

1. Accept the pre-compliance case within 30-calendar days of the pre-compliance case filing date and thereby financial liability for the case. Mastercard will automatically move funds for an accepted case by either generating a Global Clearing Management System (GCMS) "On-Behalf" Fee Collection/1740 message using message reason code 7800 or a MCBS Billing Event.

2. Reject the pre-compliance case within 30-calendar days of the pre-compliance case filing date.
The Filed-Against Customer (the Originating Institution (OI)) must explain the invalidity as either Supporting Documentation or in the Receiver Memo.
3. Take no action. After 30-calendar days from the pre-compliance case filing, the pre-compliance case will automatically be rejected (often referred to as "auto rejected").

Escalation to a Compliance Case

The Filing Customer may escalate the pre-compliance case to a compliance case after the pre-compliance case was rejected and before 45-calendar days from the date of the Authorization Request Response/0110 message approving the disputed transaction have passed when both of the following occurred:

- The pre-compliance was valid.
- The Filed-Against Customer's (the Originating Institution (OI)) response failed to properly address the Filing Customer's (the Receiving Institution (RI)) claim.

The Filing Customer escalation may include Supporting Documentation that directly addresses information provided in the Filed-Against (the Originating Institution (OI)) Customer's response to the pre-compliance case.

The Filing Customer may withdraw the compliance case at any time prior to a Mastercard decision on the case (regardless of the acquirer response to the compliance case).

Response to a Compliance Case

The Filed-Against Customer has three options in response to a compliance case:

1. Accept the compliance case within 10-calendar days of the compliance case filing date and thereby financial liability for the case.
Mastercard will automatically move funds for an accepted case by either generating a Global Clearing Management System (GCMS) "On-Behalf" Fee Collection/1740 message using message reason code 7800 or a MCBS Billing Event.
2. Reject the compliance case with a rebuttal in the Receiver Memo that specifically addresses the information contained in the compliance case filing within 10-calendar days of the compliance case filing date.
Mastercard will not consider any information provided in compliance that was required (but not provided) in pre-compliance. Once the compliance is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Filed-Against Customer may accept the compliance case at any time before Mastercard rules on the case.
3. Take no action. After 10-calendar days from the compliance case filing date, the compliance case will be automatically rejected and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.
The Filed-Against Customer may accept the compliance case at any time before Mastercard rules on the case.

Invalid Return of Processed Adjustment (Mainland China Domestic Only)

This section describes the process for filing, and responding to, a pre-compliance and, when applicable, a compliance case for a claim that a processed adjustment was invalid.

Refer to Appendix F China Domestic Adjustments for more information.

Acquirer Submission of a Pre-Compliance Case

Pre-compliance is optional, the acquirer may direct file a compliance case.

Consider skipping the optional pre-compliance step, especially when the pre-compliance timeframe will cause the compliance timeframe to be exceeded.

The acquirer may file a pre-compliance case when the return of a processed adjustment was invalid.

When the acquirer chooses to file the optional pre-compliance case, then the case must be filed within 15-calendar days of the Settlement Date of the invalid adjustment.

An acquirer choosing to file the optional pre-compliance must provide a thorough description of the circumstance of the case in chronological order as Supporting Documentation.

Issuer Response to a Pre-Compliance Case

The issuer has three options in response to a pre-compliance case:

1. Accept the pre-compliance case within 30-calendar days of the pre-compliance case filing date and thereby financial liability for the case.
Mastercard will automatically move funds for an accepted case by either generating a Global Clearing Management System (GCMS) "On-Behalf" Fee Collection/1740 message using message reason code 7800 or a MCBS Billing Event.
2. Reject the pre-compliance case when the Filing Customer's pre-compliance was invalid; this means that the Filing Customer failed to meet the requirements of the pre-compliance case.
The issuer must explain the invalidity as either Supporting Documentation or in the Receiver Memo.
3. Take no action. After 30-calendar days from the pre-compliance case filing, the pre-compliance case will automatically be rejected (often referred to as "auto rejected").

Acquirer Escalation to a Compliance Case

When the acquirer:

- Did not submit a pre-compliance case, then the acquirer:
 - May submit a compliance case when the return of a processed adjustment was invalid.
 - Must file a compliance case within 45-calendar days of the invalid return of the processed adjustment.
 - Must provide a thorough description of the circumstance of the case in chronological order
- Submitted a pre-compliance case, then the acquirer:
 - May escalate the pre-compliance case to a compliance case after the pre-compliance case was rejected and both of the following:

- The original pre-compliance was valid.
- The issuer's response failed to properly address the acquirer's claim.
- Must escalate after rejection of the pre-compliance case and must not exceed 45-calendar days of the invalid return of the processed adjustment.
- May provide new information that directly addresses the issuer's explanation.
The acquirer may withdraw the compliance case at any time prior to a Mastercard decision on the case (regardless of the acquirer response to the compliance case).

Issuer's Response to a Compliance Case

The issuer has three options in response to a compliance case:

1. Accept the compliance case within 10-calendar days of the compliance case filing date and thereby financial liability for the case.
Mastercard will automatically move funds for an accepted case by either generating a Global Clearing Management System (GCMS) "On-Behalf" Fee Collection/1740 message using message reason code 7800 or a MCBS Billing Event.
2. Reject the compliance case with a rebuttal in the Receiver Memo that specifically addresses the information contained in the compliance case filing within 10-calendar days of the compliance case filing date.
Mastercard will not consider any information provided in compliance that was required (but not provided) in pre-compliance. Once the compliance is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The issuer may accept the compliance case at any time before Mastercard rules on the case.

3. Take no action. After 10-calendar days from the compliance case filing date, the compliance case will be automatically rejected and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.
The issuer may accept the compliance case at any time before Mastercard rules on the case.

Interchange Discrepancy (Non—Brazil Domestic)

This section describes the process for filing, and responding to, a pre-compliance and, when applicable, a compliance case for a claim of interchange loss.

Issuer Submission of a Pre-Compliance Case

An issuer may file a pre-compliance case against an acquirer when the issuer has performed its own research and can document that one or more transactions were assigned an improper interchange rate. **This pre-compliance case is not a request for Mastercard to perform an investigation; rather the issuer must perform the investigation and properly substantiate the claim.**

The issuer must file the pre-compliance case with sufficient time to allow the acquirer 30-calendar days to respond as well as to ensure the case is escalated (if necessary) within the compliance time frame (refer to the Issuer Escalation to a Compliance Case section for the applicable compliance escalation time frame).

Mastercard strongly recommends submitting the pre-compliance case as soon as possible (to allow sufficient time to escalate to a compliance case, when necessary, in light of time zone differences, weekends, and holidays).

The issuer must provide all of the following information within eight calendar days of the pre-compliance submission date as Supporting Documentation both through Mastercom and an unprotected (meaning editable) excel spreadsheet by email. The subject line of the email must include the text "Interchange compliance case **NNNNNNNN**". **NNNNNNNN** must be replaced with the compliance case ID number.

1. Column A must contain the issuer ICA for each transaction.
2. Column B must contain the acquirer ICA for each transaction.
3. Column C must contain the Acquirer Reference Data (ARD) for Dual Message Systems transactions or the Original Switch Serial Number for Single Message System transactions.
4. Column D must contain the Merchant ID (MID) code present in Data Element (DE) 42 (Card Acceptor ID Code) of the First Presentment/1240 message.
5. Column E must contain the merchant name and location present in DE 43 (Card Acceptor Name/Location) and its subfields of the First Presentment/1240 message.
6. When applicable, column F must contain the three-digit Wallet Identification Number (WID) assigned to the Staged DWO in either:
 - PDS 0207 of the First Presentment/1240 message.
 - DE 48 (Additional Data), subelement 26 (Wallet Program Data) of the Financial Transaction Request/0200 message.
7. When applicable, column G must contain the Payment Facilitator ID present in DE 48, subelement 37, subfield 1 (Payment Facilitator ID) of the First Presentment/1240 or Financial Transaction Request/0200 message. When this information is not applicable, column G is to be left blank.
8. Column H must contain the MCC present in:
 - DE 26 (Card Acceptor Business Code [MCC]) of the First Presentment/1240 message.
 - DE 18 (Merchant Type) of the Financial Transaction Request/0200 message.
9. Column I must contain the transaction amount.
10. Column J must contain the billed and improper interchange.
11. Column K must contain the appropriate interchange (according to the issuer).
12. Column L must contain the difference between columns J and K.

In addition, the issuer must provide all of the following information within eight calendar days of the pre-compliance submission date as Supporting Documentation:

- The issuer's explanation and documentation properly substantiating the claim in English, or accompanied by an English translation, as to why the issuer believes the interchange described above to be included in column J to be improper.
- The issuer's explanation in English, or accompanied by an English translation, as to why the issuer believes the interchange described above to be included in column L to be appropriate.
- When the transaction was assigned an Original Switch Serial Number: The issuer must provide a completed *Dispute Resolution Management Case Filing Form-SMS Linked Case Filing* (Form 682a).

Acquirer Response to the Pre-Compliance Case

The acquirer has three options in response to a pre-compliance case:

1. Accept the pre-compliance case within 30-calendar days of the pre-compliance case filing date and thereby financial liability for the case.
Mastercard will automatically move funds for an accepted case by either generating a Global Clearing Management System (GCMS) "On-Behalf" Fee Collection/1740 message using message reason code 7800 or a MCBS Billing Event.
2. Reject the pre-compliance case within 30-calendar days of the pre-compliance case filing date.
The acquirer must explain the invalidity as either Supporting Documentation or in the Receiver Memo.
3. Take no action. After 30-calendar days from the pre-compliance case filing, the pre-compliance case will automatically be rejected (often referred to as "auto rejected").

Issuer Escalation to a Compliance Case

The issuer may escalate the pre-compliance case to a compliance case after the pre-compliance case was rejected and before 120-calendar days of the Central Site Business Date or Settlement Date of the transaction have passed when both of the following occurred:

- The pre-compliance was valid.
- The acquirer's response failed to properly address the issuer's claim.

The issuer escalation may include Supporting Documentation that directly addresses information provided in the acquirer's response to the pre-compliance case.

The issuer may withdraw the compliance case at any time prior to a Mastercard decision on the case (regardless of the acquirer response to the compliance case).

Acquirer Response to the Compliance Case

The acquirer has three options in response to a compliance case:

1. Accept the compliance case and thereby financial liability for the case.
Mastercard will automatically move funds for an accepted case by either generating a Global Clearing Management System (GCMS) "On-Behalf" Fee Collection/1740 message using message reason code 7800 or a MCBS Billing Event.
2. Reject the compliance case with a rebuttal in the Receiver Memo that specifically addresses the information contained in the compliance case filing within 10-calendar days of the compliance case filing date.
Mastercard will not consider any information provided in compliance that was required (but not provided) in pre-compliance. Once the compliance is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter

The acquirer may accept the compliance case at any time before Mastercard rules on the case.

3. Take no action. After 10-calendar days from the compliance case filing date, the compliance case will be automatically rejected and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.
The acquirer may accept the compliance case at any time before Mastercard rules on the case.

All Other Rules Violations - Third-Party Processed Transactions

This section describes the process for filing, and responding to, a pre-compliance and, when applicable, a compliance case for a violation not previously addressed within this chapter and the transaction was a third-party processed transaction where both Customers are located in the EEA, Gibraltar or the United Kingdom and have not agreed to any other compliance procedure.

Submission of a Pre-Compliance Case

The Filing Customer (either the issuer or acquirer) may file a pre-compliance case when all of the following occurred:

- The transaction was a third-party processed transaction.
- Both customers are located in the EEA, Gibraltar or the United Kingdom.
- Both Customers have not agreed to any other compliance procedure.
- A Mastercard rule was violated.
- The Filing Customer suffered a financial loss directly due to the violation.

The Filing Customer must file the pre-compliance case with sufficient time to allow the Filed-Against Customer 30-calendar days to respond as well as to ensure the case is escalated (if necessary) within the compliance time frame (refer to the Filing Customer Escalation to a Compliance Case section for the applicable compliance escalation time frame).

Mastercard strongly recommends submitting the pre-compliance case as soon as possible (to allow sufficient time to escalate to a compliance case, when necessary, in light of time zone differences, weekends, and holidays).

The Filing Customer must provide all of the following:

- 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:
 - Relevant details of the third-party processing arrangement.
 - A statement that the Customers have not agreed to any other compliance procedure.
 - The applicable Mastercard scheme rules violation.
- Documentation to support the pre-compliance case.
- If applicable, the Filing Customer must provide transaction logs, equivalent data elements and explanation.

Filed-Against Customer Response to a Pre-Compliance Case

The Filed-Against Customer has three options in response to a pre-compliance case:

1. Accept the pre-compliance case within 30-calendar days of the pre-compliance case filing date and thereby financial liability for the case.
Mastercard will automatically move funds for an accepted case by either generating a Global Clearing Management System (GCMS) "On-Behalf" Fee Collection/1740 message using message reason code 7800 or a MCBS Billing Event.
2. Reject the pre-compliance case when the Filing Customer's pre-compliance was invalid; this means that the Filing Customer failed to meet the requirements of the pre-compliance case.
The Filed-Against Customer must explain the invalidity as either Supporting Documentation or in the Receiver Memo.
3. Take no action. After 30-calendar days from the pre-compliance case filing, the pre-compliance case will automatically be rejected (often referred to as "auto rejected").

Filing Customer Escalation to a Compliance Case

The Filing Customer may escalate the pre-compliance case to a compliance case after the pre-compliance case was rejected and before 120-calendar days of the violation have passed when both of the following occurred:

- The pre-compliance was valid.
- The Filed-Against Customer's response failed to properly address the Filing Customer's claim.

The Filing Customer escalation may include Supporting Documentation that directly addresses information provided in the Filed-Against Customer's response to the pre-compliance case.

The Filing Customer may withdraw the compliance case at any time prior to a Mastercard decision on the case (regardless of the acquirer response to the compliance case).

Filed-Against Customer Response to a Compliance Case

The Filed-Against Customer has three options in response to a compliance case:

1. Accept the compliance case within 10-calendar days of the compliance case filing date and thereby financial liability for the case.
Mastercard will automatically move funds for an accepted case by either generating a Global Clearing Management System (GCMS) "On-Behalf" Fee Collection/1740 message using message reason code 7800 or a MCBS Billing Event.
2. Reject the compliance case with a rebuttal in the Receiver Memo that specifically addresses the information contained in the compliance case filing within 10-calendar days of the compliance case filing date.
Mastercard will not consider any information provided in compliance that was required (but not provided) in pre-compliance. Once the compliance is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Filed-Against Customer may accept the compliance case at any time before Mastercard rules on the case.

3. Take no action. After 10-calendar days from the compliance case filing date, the compliance case will be automatically rejected and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Filed-Against Customer may accept the compliance case at any time before Mastercard rules on the case.

All Other Rules Violations

This section describes the process for filing, and responding to, a pre-compliance and, when applicable, a compliance case for a violation not previously addressed within this chapter.

Submission of a Pre-Compliance Case

The Filing Customer (either the issuer or acquirer) may file a pre-compliance case when both of the following occurred:

- A rule was violated.
- The Filing Customer suffered a financial loss directly due to the violation.
- The transaction was not a third-party processed transaction 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."

The Filing Customer must file the pre-compliance case with sufficient time to allow the Filed-Against Customer 30-calendar days to respond as well as to ensure the case is escalated (if necessary) within the compliance time frame (refer to the Filing Customer Escalation to a Compliance Case section for the applicable compliance escalation time frame).

Mastercard strongly recommends submitting the pre-compliance case as soon as possible (to allow sufficient time to escalate to a compliance case, when necessary, in light of time zone differences, weekends, and holidays).

The Filing Customer must provide documentation and, when necessary, an explanation as Supporting Documentation to support the pre-compliance case.

In addition, when the transaction was assigned an Original Switch Serial Number: The Filing Customer must provide a completed *Dispute Resolution Management Case Filing Form-SMS Linked Case Filing* (Form 682a)

Filed-Against Customer Response to a Pre-Compliance Case

The Filed-Against Customer has three options in response to a pre-compliance case:

1. Accept the pre-compliance case within 30-calendar days of the pre-compliance case filing date and thereby financial liability for the case.
Mastercard will automatically move funds for an accepted case by either generating a Global Clearing Management System (GCMS) "On-Behalf" Fee Collection/1740 message using message reason code 7800 or a MCBS Billing Event.
2. Reject the pre-compliance case when the Filing Customer's pre-compliance was invalid; this means that the Filing Customer failed to meet the requirements of the pre-compliance case.
The Filed-Against Customer must explain the invalidity as either Supporting Documentation or in the Receiver Memo.
3. Take no action. After 30-calendar days from the pre-compliance case filing, the pre-compliance case will automatically be rejected (often referred to as "auto rejected").

Filing Customer Escalation to a Compliance Case

The Filing Customer may escalate the pre-compliance case to a compliance case after the pre-compliance case was rejected and before 120-calendar days from the violation have passed when both of the following occurred:

- The original pre-compliance was valid.
- The Filed-Against Customer's response failed to properly address the Filing Customer's claim.

The Filing Customer escalation may include Supporting Documentation that directly addresses information provided in the acquirer's response to the pre-compliance case.

The Filing Customer may withdraw the compliance case at any time prior to a Mastercard decision on the case (regardless of the acquirer response to the compliance case).

Filed-Against Customer Response to a Compliance Case

The Filed-Against Customer has three options in response to a compliance case:

1. Accept the compliance case within 10-calendar days of the compliance case filing date and thereby financial liability for the case.

Mastercard will automatically move funds for an accepted case by either generating a Global Clearing Management System (GCMS) "On-Behalf" Fee Collection/1740 message using message reason code 7800 or a MCBS Billing Event

2. Reject the compliance case with a rebuttal in the Receiver Memo that specifically addresses the information contained in the compliance case filing within 10-calendar days of the compliance case filing date

Mastercard will not consider any information provided in compliance that was required (but not provided) in pre-compliance. Once the compliance is rejected, the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Filed-Against Customer may accept the compliance case at any time before Mastercard rules on the case.

3. Take no action. After 10-calendar days from the compliance case filing date, the compliance case will be automatically rejected and the case will then be available for Mastercard review as described in the Mastercard Review Process section later in this chapter.

The Filed-Against Customer may accept the compliance 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 have passed from the compliance case filing submission date.
- The Filed-Against Customer rejects the case filing.

Mastercard may 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 Filing 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 Mainland China domestic compliance cases, the decision will be posted in the Mainland 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.

When Mastercard Dispute Resolution staff requests specific documentation from a Customer, the Customer must provide that documentation.

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). 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 the franchise appeals team.
- 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 8 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.

For transactions in which value or assets are purchased for gambling, investment or similar purposes: This chargeback right is only available for a transaction in which the purchased value or assets failed to appear in the account agreed to between the cardholder and the merchant. For the avoidance of doubt, chargeback rights are not available for

1. refunds, withdrawals or transfer requests,
2. terms and conditions or account access,
3. winnings, gains or losses, or
4. use or subsequent use.

A second presentment must contain documentation of the value or asset either appearing in, or transferred to, the account agreed to between the cardholder and the merchant.

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 Nigeria domestic 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 Nigeria domestic 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 Nigeria domestic 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 time frame 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 to 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.

Table 3: 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 respond to a pre-compliance case filing.

Table 4: Good or Services were as Described or not Defective

Pre-Compliance Response Condition.	The Receiving Institution (RI) can provide evidence in response to the consumer's claims.
Time Frame.	Within 25-calendar days (two-business days for Nigeria domestic POS transactions) of the pre-compliance Submitted Date as shown in the Mastercom Case Filing application.
Supporting Documents.	The merchant's explanation and documentation in response to the cardholder's claims.
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.

Table 5: The OI's Pre-Compliance was Invalid

Pre-Compliance Response Condition.	The Originating Institution (OI) pre-compliance filing was invalid. For example, the pre-compliance case was filed after the applicable timeframe.
Time Frame.	Within 25-calendar days (two-business days for Nigeria domestic POS transactions) of the pre-compliance Submitted Date as shown in the Mastercom Case Filing application.
Supporting Documents.	The RI's explanation of why they believe the pre-compliance filing was invalid.
Notes.	None.

Compliance Case

The 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.

Table 6: The Consumer Continues to Dispute the Transaction

Compliance Condition.	The consumer continues to dispute the transaction.
Time Frame.	Escalate within 120-calendar days of one of the following: <ul style="list-style-type: none"> • The delivery date of the goods or services. • The transaction settlement date. • For interrupted services, the date the services ceased.
Supporting Documents.	A new consumer letter, email, message, or <i>Dispute Resolution Form-Cardholder Dispute Chargeback</i> (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 <i>Dispute Resolution Form-Cardholder Dispute Chargeback</i> (Form 1221) must be dated after the pre-compliance case response and must specifically address the rebuttal provided with the pre-compliance case response.
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Table 7: 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: <ul style="list-style-type: none"> • The delivery date of the goods or services. • The transaction settlement date. • For interrupted services, the date the services ceased.
Supporting Documents.	The OI's explanation of why they believe the pre-compliance response was invalid. When applicable , the supporting documentation must be attached upon escalation or within 10-calendar days of escalation.
Notes.	None.

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.

Table 8: Good or Services were not Provided

Pre-Compliance Condition.	One of the following: <ul style="list-style-type: none"> • The consumer contacted the Originating Institution (OI) claiming both of the following: <ul style="list-style-type: none"> – The consumer engaged in the transaction. – The purchased goods or services were not received. • Travel services arranged through an online travel agency or tour operator were not received and the travel agency or tour operator is no longer in business.
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Time Frame.

A pre-compliance case must be submitted a minimum of 30-calendar days prior to escalation as a compliance case. The pre-compliance must be submitted within one of the following time frames:

- In cases involving delayed delivery of goods or services **and** the delivery or performance date was **not** specified by the merchant: the OI must wait 30-calendar days from the transaction date before submitting a pre-compliance and not to exceed 90-calendar days from the transaction settlement date. However, the OI may file a pre-compliance case immediately (and not wait the 30-calendar days) upon learning the merchant will not provide the goods or services because, for example, for the merchant is no longer in business.
 - In cases involving delayed delivery of goods or services **and** the delivery or performance date was specified by the merchant **and** the latest anticipated delivery or performance date was specified by the merchant has passed: within 90-calendar days of the latest anticipated delivery or performance date specified by the merchant. However, the OI may file a pre-compliance case immediately (and not wait until the latest anticipated delivery or performance date has passed) upon learning the merchant will not provide the goods or services because, for example, for the merchant is no longer in business.
 - In cases involving interruption of ongoing services, within 90-calendar days of the date the consumer becomes aware that the service ceased. A pre-compliance case must not be processed after 540-calendar days from the Central Site Business Date of the first presentment.
 - In cases involving the purchase of a merchant-branded prepaid gift card without an expiration date printed on the card and that merchant subsequently goes out of business, 540-calendar days from the Central Site Business Date of the first presentment.
 - In cases involving the purchase of a merchant-branded prepaid gift card with an expiration date printed on the card and that merchant subsequently goes out of business, 90-calendar days from the expiration date printed on the card.
 - In all other cases: 90-calendar days from the transaction settlement date.
-

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.

Table 9: Good or Services were Provided

Pre-Compliance Response Condition.	The Receiving Institution can provide evidence in response to the consumer's claims.
Time Frame.	Within 25-calendar days (two-business days for Nigeria domestic POS transactions) of the pre-compliance Submitted Date as shown in the Mastercom Case Filing application.
Supporting Documents.	The merchant's explanation and documentation showing the goods or services were provided.
Notes.	None.

Table 10: The OI's Pre-Compliance was Invalid

Pre-Compliance Condition.	The Originating Institution (OI) pre-compliance filing was invalid. For example, the pre-compliance case was filed after the applicable timeframe.
Time Frame.	Within 25-calendar days (two-business days for Nigeria domestic POS transactions) of the pre-compliance Submitted Date as shown in the Mastercom Case Filing application.
Supporting Documents.	The RI's explanation of why they believe the pre-compliance filing was invalid.
Notes.	None.

Compliance Case

The Originating Institution (OI) may escalate a pre-compliance case within the required time frame to a compliance case filing when:

1. The consumer continues to dispute the transaction.
2. The RI did not respond to the pre-compliance case or the RI's response to the pre-compliance case was invalid.

The OI accepts responsibility for the transaction when the OI fails to escalate the pre-compliance to a compliance case filing within the required time frame.

The following tables detail the conditions under which an OI may escalate to a compliance case filing.

Table 11: The Consumer Continues to Dispute the Transaction

Compliance Condition.	The consumer continues to dispute the transaction.
Time Frame.	<p>Escalate within 120-calendar days of one of the following:</p> <ul style="list-style-type: none"> • The transaction settlement date. • The latest anticipated delivery or performance date specified by the merchant. • For interrupted ongoing services, the date the consumer became aware that the service ceased. • For merchant-branded prepaid gift cards where the merchant is out of business, the case must be escalated within 120-calendar days from the expiration date printed on the card or 540-calendar days from the transaction settlement of the first presentment if there is no expiration date on the card.
Supporting Documents.	<p>A new consumer letter, email, message, or <i>Dispute Resolution Form-Cardholder Dispute Chargeback</i> (Form 1221) dated after the merchant's documentation and specifically addressing the merchant's explanation provided with the pre-compliance case response.</p> <p>In addition:</p> <ul style="list-style-type: none"> • When the pre-compliance case response documentation includes a signed delivery receipt, the new consumer letter, email, message, or completed <i>Dispute Resolution Form-Cardholder Dispute Chargeback</i> (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 <i>Dispute Resolution Form-Cardholder Dispute Chargeback</i> (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: <ul style="list-style-type: none"> – 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. <p>Supporting documentation must be attached upon escalation or within 10-calendar days of escalation.</p>

Notes.	The new consumer letter, email, message or completed <i>Dispute Resolution Form-Cardholder Dispute Chargeback</i> (Form 1221) must be dated after the pre-compliance case response and must specifically address the rebuttal provided with the pre-compliance case response.
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Table 12: 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: <ul style="list-style-type: none"> • 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.

Table 13: Credit not Processed

Pre-compliance Condition.	The consumer contacted the Originating Institution (OI) claiming one of the following: <ul style="list-style-type: none">• The merchant failed to disclose its refund policy at the time of the transaction and is unwilling to accept a return or cancellation of goods or services.• The merchant has not responded to the return or the cancellation of goods or services.• The merchant posted a refund for a reduced amount without proper disclosure.• The merchant failed to issue a Value Added Tax (VAT) refund.
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Time Frame.	<p>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:</p> <ul style="list-style-type: none">• 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 <i>Dispute Resolution Form-Cardholder Dispute Chargeback</i> (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:<ul style="list-style-type: none">– 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.	<p>An OI statement within the pre-compliance case filing stating that the dispute reason is for "CREDIT NOT PROCESSED". Additionally, one of the following:</p> <ul style="list-style-type: none">• A consumer letter, email, message, or <i>Dispute Resolution Form-Cardholder Dispute Chargeback</i> (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.	<p>Proper Disclosure</p> <p>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.</p> <p>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."</p>
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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.

Table 14: Credit was Processed

Pre-Compliance Case Response Condition.	The merchant issued a refund to the consumer's account.
Time Frame.	Within 25-calendar days (two-business days for Nigeria domestic POS transactions) of the pre-compliance Submitted Date as shown in the Mastercom Case Filing application.
Supporting Documents.	<p>Compelling evidence showing the means by which the refund was processed. Examples include, but are not limited to, bank transfer, store credit, check.</p> <p>The Acquirer Reference Data (ARD) or transaction information of the refund transaction.</p>
Notes.	This pre-compliance case response is not available for ATM transactions.

Table 15: The OI's Pre-Compliance was Invalid

Pre-compliance Condition.	The Originating Institution (OI) pre-compliance filing was invalid. For example, the pre-compliance case was filing after the applicable time frame.
Time Frame.	Within 25-calendar days (two-business days for Nigeria domestic POS transactions) of the pre-compliance Submitted Date as shown in the Mastercom Case Filing application.
Supporting Documents.	The RI's explanation of why they believe the pre-compliance filing was invalid.
Notes.	None.

Compliance Case

The Originating Institution (OI) may escalate a pre-compliance case within the required time frame to a compliance case filing when:

1. The consumer continues to dispute the transaction.
2. The RI did not respond to the pre-compliance case or the RI's response to the pre-compliance case was invalid.

The OI accepts responsibility for the transaction when the OI fails to escalate the pre-compliance to a compliance case filing within the required time frame.

The following tables detail the conditions under which an OI may escalate to a compliance case filing.

Table 16: The Consumer Continues to Dispute the Transaction

Compliance Condition.	The consumer continues to dispute the transaction.
Time Frame.	Escalate within 120-calendar days of one of the following: <ul style="list-style-type: none"> • The date on the refund documentation. • The date the services were canceled or the goods were returned. • The transaction date for a VAT refund.

Supporting Documents.	<p>A new consumer letter, email, message, or <i>Dispute Resolution Form-Cardholder Dispute Chargeback</i> (Form 1221) dated after the pre-compliance case response and specifically addressing the merchant's explanation.</p> <p>When the original consumer letter, email, message, or <i>Dispute Resolution Form-Cardholder Dispute Chargeback</i> (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.</p> <p>Supporting documentation must be attached upon escalation or within 10-calendar days of escalation.</p>
Notes.	<p>The new consumer letter, email, message or completed <i>Dispute Resolution Form-Cardholder Dispute Chargeback</i> (Form 1221) must be dated after the pre-compliance case response and must specifically address the rebuttal provided with the pre-compliance case response.</p>

Table 17: The RI's Response to the Pre-Compliance Case was Invalid or Not Provided

Compliance Condition.	<p>The RI's response to the pre-compliance case was invalid or not provided.</p>
Time Frame.	<p>Escalate within 120-calendar days of one of the following:</p> <ul style="list-style-type: none"> • The date on the refund documentation. • The date the services were canceled or the goods were returned. • The transaction date for a VAT refund.
Supporting Documents.	<p>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.</p>
Notes.	<p>None.</p>

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.

Table 18: Paid by Other Means

Pre-compliance Condition.	The consumer contacted the Originating Institution (OI) alleging that the consumer paid for a transaction using one form of payment and subsequently paid for the same transaction using another form of payment. Either the original or subsequent transaction must have been a Merchant Presented QR transaction. In addition, both transactions may have been Merchant Presented QR transactions.
Time Frame.	A pre-compliance case must be submitted a minimum of 30-calendar days prior to escalation as a compliance case. The pre-compliance must be submitted between 5 and 90-calendar days from the transaction settlement date.
Supporting Documents.	<p>All of the following:</p> <ul style="list-style-type: none"> • 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 <i>Dispute Resolution Form-Point-of-Interaction (POI) Errors (Form 1240)</i> describing the consumer's complaint in sufficient detail to enable all parties to understand the dispute. The consumer letter, email, message or completed <i>Dispute Resolution Form-Point-of-Interaction (POI) Errors (Form 1240)</i> 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: <ul style="list-style-type: none"> – 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.

Table 19: Both Transaction were Valid

Pre-Compliance Case Response Condition.	The Receiving Institution can provide evidence that both transactions were valid and that the cardholder was not debited more than once for the same goods or services.
Time Frame.	Within 25-calendar days (two-business days for Nigeria domestic POS transactions) of the pre-compliance Submitted Date as shown in the Mastercom Case Filing application.
Supporting Documents.	The merchant's explanation and documentation supporting that both transactions were valid and the cardholder was not debited more than once for the same goods or services.
Notes.	None.

Table 20: The OI's Pre-Compliance was Invalid

Pre-compliance Condition.	The Originating Institution (OI) pre-compliance filing was invalid. For example, the pre-compliance case was filing after the applicable time frame.
Time Frame.	Within 25-calendar days (two-business days for Nigeria domestic POS transactions) of the pre-compliance Submitted Date as shown in the Mastercom Case Filing application.
Supporting Documents.	The RI's explanation of why they believe the pre-compliance filing was invalid.
Notes.	None.

Compliance Case

The Originating Institution (OI) may escalate a pre-compliance case within the required time frame to a compliance case filing when:

1. The consumer continues to dispute the transaction.
2. The RI did not respond to the pre-compliance case or the RI's response to the pre-compliance case was invalid.

The OI accepts responsibility for the transaction when the OI fails to escalate the pre-compliance to a compliance case filing within the required time frame.

The following tables detail the conditions under which an OI may escalate to a compliance case filing.

Table 21: The Consumer Continues to Dispute the Transaction

Compliance Condition.	The consumer continues to dispute the transaction.
Time Frame.	Escalate within 120-calendar days of the transaction settlement date.
Supporting Documents.	<p>A new consumer letter, email, message, or <i>Dispute Resolution Form-Cardholder Dispute Chargeback</i> (Form 1221) dated after the pre-compliance case response and specifically addressing the merchant's explanation.</p> <p>Supporting documentation must be attached upon escalation or within 10-calendar days of escalation.</p>
Notes.	The new consumer letter, email, message or completed <i>Dispute Resolution Form-Cardholder Dispute Chargeback</i> (Form 1221) must be dated after the pre-compliance case response and must specifically address the rebuttal provided with the pre-compliance case response.

Table 22: 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 the transaction settlement date.
Supporting Documents.	<p>The OI's explanation of why they believe the pre-compliance response was invalid.</p> <p>When applicable, the supporting documentation must be attached upon escalation or within 10-calendar days of escalation.</p>
Notes.	None.

Billed an Incorrect Amount

This section details the requirements for claims that the consumer was billed an incorrect amount.

Pre-Compliance Case

Table 23: Billed an Incorrect Amount

Pre-compliance Condition.	The consumer contacted the Originating Institution (OI) claiming the consumer was billed an incorrect amount. The billing discrepancy could be due to the merchant's addition error that resulted in an incorrect total on the TID or other documentation.
Time Frame.	A pre-compliance case must be submitted a minimum of 30-calendar days prior to escalation as a compliance case. The pre-compliance must be submitted within 90-calendar days from the transaction settlement date.
Supporting Documents.	<p>All of the following:</p> <ul style="list-style-type: none"> • 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 <i>Dispute Resolution Form-Point-of-Interaction (POI) Errors (Form 1240)</i> describing the consumer's complaint in sufficient detail to enable all parties to understand the dispute. The consumer letter, email, message or completed <i>Dispute Resolution Form-Point-of-Interaction (POI) Errors (Form 1240)</i> must specify the transaction amount that should have been billed. • Documentation detailing the correct transaction amount. Examples include, but are not limited to: <ul style="list-style-type: none"> - 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.

Table 24: Billed Correct Amount

Pre-Compliance Case Response Condition.	The RI can provide evidence that the consumer was billed the correct amount.
Time Frame.	Within 25-calendar days (two-business days for Nigeria domestic POS transactions) of the pre-compliance Submitted Date as shown in the Mastercom Case Filing application.
Supporting Documents.	The merchant's explanation and documentation.
Notes.	None.

Table 25: The OI's Pre-Compliance was Invalid

Pre-compliance Condition.	The Originating Institution (OI) pre-compliance filing was invalid. For example, the pre-compliance case was filing after the applicable time frame.
Time Frame.	Within 25-calendar days (two-business days for Nigeria domestic POS transactions) of the pre-compliance Submitted Date as shown in the Mastercom Case Filing application.
Supporting Documents.	The RI's explanation of why they believe the pre-compliance filing was invalid.
Notes.	None.

Compliance Case

The Originating Institution (OI) may escalate a pre-compliance case within the required time frame to a compliance case filing when:

1. The consumer continues to dispute the transaction.
2. The RI did not respond to the pre-compliance case or the RI's response to the pre-compliance case was invalid.

The OI accepts responsibility for the disputed transaction when the OI fails to escalate the pre-compliance to a compliance case filing within the required time frame.

The following tables detail the conditions under which an OI may escalate to a compliance case filing.

Table 26: The Consumer Continues to Dispute the Transaction

Compliance Condition.	The consumer continues to dispute the transaction.
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Time Frame.	Escalate within 120-calendar days of the transaction settlement date.
Supporting Documents.	A new consumer letter, email, message, or <i>Dispute Resolution Form-Cardholder Dispute Chargeback</i> (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 <i>Dispute Resolution Form-Cardholder Dispute Chargeback</i> (Form 1221) must be dated after the pre-compliance case response and must specifically address the rebuttal provided with the pre-compliance case response.

Table 27: 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 the transaction settlement date.
Supporting Documents.	The OI's explanation of why they believe the pre-compliance response was invalid. When applicable, the supporting documentation must be attached upon escalation or within 10-calendar days of escalation.
Notes.	None.

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.

Table 28: Duplicate Transaction

Pre-compliance Condition.	An Originating Institution (OI) can determine that the transaction is a duplicate when the merchant PAN, transaction amount, transaction date, and authorization response code are identical for the transactions in question.
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Time Frame.	A pre-compliance case must be submitted a minimum of 30-calendar days prior to escalation as a compliance case. The pre-compliance must be submitted between 5 and 90-calendar days from the transaction settlement date.
Supporting Documents.	Both of the following: <ul style="list-style-type: none"> • An OI statement within the pre-compliance case filing stating that the dispute reason is for "DUPLICATE TRANSACTION". • A consumer letter, email, message or completed <i>Dispute Resolution Form-Point-of-Interaction (POI) Errors</i> (Form 1240) describing the consumer's complaint in sufficient detail to enable all parties to understand the dispute. Sufficient transaction details to locate both transactions involved in the duplication. For example: transaction settlement dates and switch serial numbers, or acquirer reference data (ARDs).
Notes.	The OI may file a pre-compliance case for only the disputed amount.

Pre-Compliance Case Response

A Receiving Institution (RI) may respond to a pre-compliance case filing when:

1. Two separate transactions occurred.
2. The pre-compliance filing was invalid.

The following tables detail the conditions under which an RI may respond to a pre-compliance case filing.

Table 29: Separate Transactions

Pre-Compliance Case Response Condition.	The Receiving Institution can provide evidence to support two separate transactions, or proof that a refund was issued.
Time Frame.	Within 25-calendar days (two-business days for Nigeria domestic POS transactions) of the pre-compliance Submitted Date as shown in the Mastercom Case Filing application.
Supporting Documents.	The merchant's explanation and documentation supporting two separate transactions or proof that a refund was issued.
Notes.	When a credit was not processed to correct duplication, proof must clearly support that a duplication has not occurred. For example, different authorization codes or different TIDs.

Table 30: The OI's Pre-Compliance was Invalid

Pre-compliance Condition.	The Originating Institution (OI) pre-compliance filing was invalid. For example, the pre-compliance case was filing after the applicable time frame.
Time Frame.	Within 25-calendar days (two-business days for Nigeria domestic POS transactions) of the pre-compliance Submitted Date as shown in the Mastercom Case Filing application.
Supporting Documents.	The RI's explanation of why they believe the pre-compliance filing was invalid.
Notes.	None.

Compliance Case

The Originating Institution (OI) may escalate a pre-compliance case within the required time frame to a compliance case filing when:

1. The consumer continues to dispute the transaction.
2. The RI did not respond to the pre-compliance case or the RI's response to the pre-compliance case was invalid.

The OI accepts responsibility for the disputed transaction when the OI fails to escalate the pre-compliance to a compliance case filing within the required time frame.

The following tables detail the conditions under which an OI may escalate to a compliance case filing.

Table 31: The Consumer Continues to Dispute the Transaction

Compliance Condition.	The consumer continues to dispute the transaction.
Time Frame.	Escalate within 120-calendar days of the transaction settlement date.
Supporting Documents.	A new consumer letter, email, message, or <i>Dispute Resolution Form-Cardholder Dispute Chargeback</i> (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 <i>Dispute Resolution Form-Cardholder Dispute Chargeback</i> (Form 1221) must be dated after the pre-compliance case response and must specifically address the rebuttal provided with the pre-compliance case response.
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Table 32: 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 the transaction settlement date.
Supporting Documents.	The OI's explanation of why they believe the pre-compliance response was invalid. When applicable, the supporting documentation must be attached upon escalation or within 10-calendar days of escalation.
Notes.	None.

Chapter 9 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.

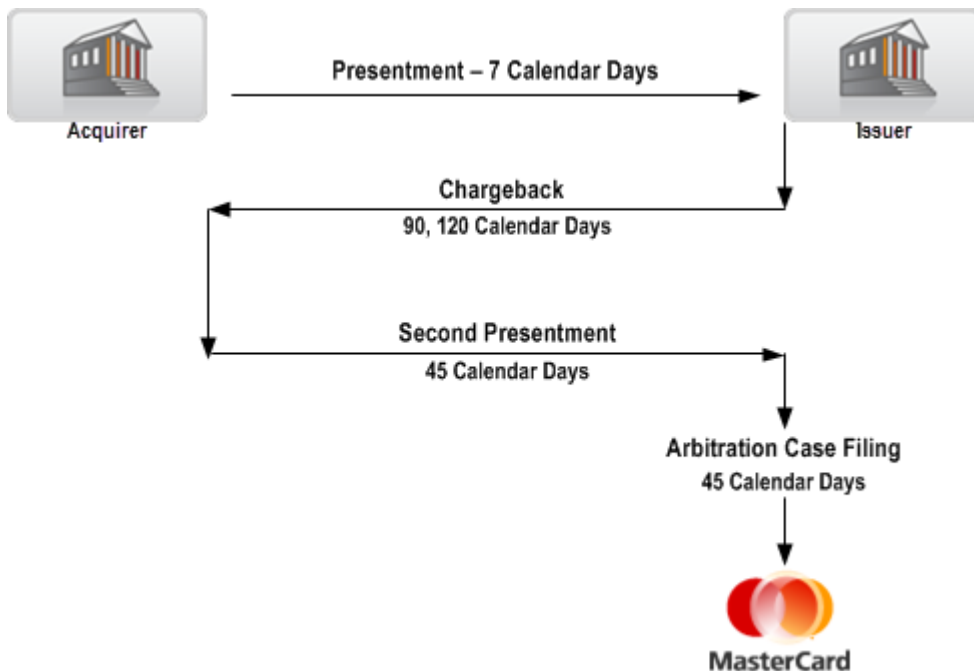
Processing Cycles

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



Processing Cycle	Time Frame
Presentment	The acquirer must send the presentment within seven-calendar days of the transaction date.
Chargeback	A chargeback for reason code 4870 (Chip Liability Shift) for a Maestro ATM transaction must be submitted within 90-calendar days from the settlement date or central site processing date of the disputed transaction. All other chargebacks must be submitted within 120-calendar days.
Second Presentment	The acquirer must send the second presentment within 45-calendar days of the Central Site Business Date of the chargeback.

Presentment

A transaction taking place at the ATM or PIN-based in-branch terminal is presented to the issuer electronically using Global Clearing Management System (GCMS).

Interregional transactions made outside Europe with European cards will be presented to Europe issuers by the Mastercard Single Message System using GCMS in USD.

The clearing presentment should be created by the acquirer as soon as possible and sent within seven-calendar days of the transaction date. Transactions that are not presented within this time frame may be subject to chargebacks under message reason code 4842 (Late Presentment), 4880 (Late Presentment) for Maestro ATM transactions, or 4811 (Stale Transactions).

For all transactions presented between 46-calendar days and one year from the transaction date, the acquirer will be charged a fee that will be transferred in full to the issuer.

Reversals

Whenever an acquirer identifies a partially completed transaction, or a not-completed transaction or an error in the presentment of a transaction, it must process a reversal covered by a Financial Message Reversal.

This can be a reversal for the transaction amount of the presentment (full reversal) or for a partial amount (partial reversal). This procedure must be used when a full or partial reversal in the authorization flow was received after presentment of the transaction. There is no time limit for the acquirer to issue a reversal.

Presentment must be for the full amount of the original transaction, in the currency of the original transaction, and may be altered only by a full or partial reversal:

- **A full reversal:** If a previously authorized transaction is fully reversed (for example, valid authorization request and response, and the corresponding reversal request and response messages are received) within the same clearing cycle, the transaction shall not appear in the clearing file.
- **A partial reversal:** If a previously authorized transaction is partially reversed (for example, valid authorization request and response, and the corresponding reversal request and

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.

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.

Message Reason Codes

The following message reason codes are allowed for ATM and for PIN-based in-branch terminal transactions completed with magnetic stripe or chip technology unless otherwise stated.

Reason Code	Description	Section
4808 ¹	Transaction Not Authorized	Message Reason Code 4808-Transaction Not Authorized

Reason Code	Description	Section
4834	Duplicate Processing of Transaction	Message Reason Code 4834-Duplicate Processing of Transaction
4842	Late Presentment (Mastercard® and Cirrus® only)	Message Reason Code 4842-Late Presentment
4846	Currency Errors	Message Reason Code 4846-Currency Errors
4859	ATM Dispute	Message Reason Code 4859-ATM Dispute
4870	Chip Liability Shift	Message Reason Code 4870-Chip Liability Shift
4880	Late Presentment (Maestro® only)	Message Reason Code 4880-Late Presentment

In addition to the above chargeback reasons, the following message reason codes may be used by Mastercard to automatically chargeback interregional transactions.

Reason Code	Description	Section
4804	Multiple Processing	Message Reason Code 4804-Multiple Processing
4809	Transaction not reconciled	Message Reason Code 4809-Transaction Not Reconciled
4811	Stale Transaction	Message Reason Code 4811-Stale Transaction

Message Reason Code 4804-Multiple Processing

The following sections describe the proper and improper use of message reason code 4804.

Proper Use of Message Reason Code 4804

Mastercard uses this reason code to automatically charge back any interregional transaction between a Europe acquirer and a non-Europe issuer if a previous presentment had already been matched to the pending file.

Improper Use of Second Presentment

Second presentments are not permitted. The acquirer may rectify the transaction details and submit a correct new first presentment.

Message Reason Code 4808-Transaction Not Authorized

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

The following sections describe the proper and improper use of message reason code 4808.

¹ Not available for interregional ATM transactions.

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

IPM Second Presentment Message Reason Code.	2713 Invalid Chargeback
Second Presentment Condition.	<ul style="list-style-type: none">• The transaction was presented within seven-calendar days of the pre-authorization or authorization approval date, and the pre-authorization or authorization was not reversed, or• The issuer has not permanently closed the account.
Supporting Documents.	None

DE 72 (Data Record).	PREAUTH MMDDYY or AUTH MMDDYY or ACCOUNT NOT CLOSED
Notes.	If the transaction authorization was identified as a pre-authorization, use PREAUTH . If the transaction authorization was not identified as a pre-authorization, use AUTH . Replace MMDDYY with the approval date of the disputed transaction.

Transaction Authorized

IPM Second Presentment Message Reason Code.	2008 Transaction Authorized
Second Presentment Condition.	The acquirer can substantiate that the transaction was approved.
Supporting Documents.	None
DE 72 (Data Record)	MMDDYY NNNNNN
Notes.	Replace MMDDYY with the date the issuer authorized the transaction. Replace NNNNNN with the authorization approval code.

Other message codes may apply; refer to Second Presentment for more details.

Message Reason Code 4809-Transaction Not Reconciled

The following sections describe the proper and improper use of message reason code 4809.

Proper Use of Message Reason Code 4809

Mastercard uses this reason code to automatically charge back any interregional transaction between a Europe acquirer and a non-Europe issuer in the following situation.

Mastercard was unable to reconcile the clearing presentment with the authorization details of a transaction and has determined that there is a discrepancy between the reference of the authorization request and the clearing presentment.

Improper Use of Acquirer's Second Presentment

Second presentments are not permitted. The acquirer may rectify the transaction details and submit a correct new first presentment.

Message Reason Code 4811-Stale Transaction

The following sections describe the proper and improper use of message reason code 4811.

Proper Use of Message Reason Code 4811

Mastercard uses this reason code to automatically charge back any interregional transaction between a Europe acquirer and a non-Europe issuer presented more than 120-calendar days after the transaction date.

Improper Use of Acquirer's Second Presentment

Second presentments are not permitted under this reason code.

Message Reason Code 4834-Duplicate Processing of Transaction

The following sections describe the proper and improper use of message reason code 4834.

Proper Use of Message Reason Code 4834

The issuer or the cardholder determines that a transaction has been submitted in duplicate. A transaction is considered duplicate if the terminal ID, the transaction amount, the date and the time of the transaction are the same.

Proper Use for Issuer's First Chargeback

The conditions shown below represent valid options that the issuer may choose to process a first chargeback for message reason code 4834.

Time Frame.	120 days
Supporting Documents.	None
DE 72 (Data Record).	FIRST REF NNNNNNNNNNNNNNNNNNNNNNNNNNNNNNN
Notes.	Replace NNNNNNNNNNNNNNNNNNNNNNNNNNNNNN with the Acquirer Reference Data (ARD) of the first transaction.

Interregional Transactions	
Time Frame	120 days
Supporting Documents	None
DE 72 (Data Record)	None
Notes	The issuer must charge back both transactions.

Supporting Documents.	Documentation indicating two separate transactions.
DE 72 (Data Record).	None
Notes.	For interregional transactions where no ARD was mentioned in the Data Record of the chargeback, the acquirer must provide documentation substantiating each transaction that was charged back.

Invalid Data Record

IPM Second Presentment Message Reason Code.	2704 Invalid Data Record Text
Second Presentment Condition.	The chargeback is invalid because the issuer failed to provide the original ARD in DE 72.
Supporting Documents.	None
DE 72 (Data Record).	None
Notes.	Applies to intra-European and inter-European transactions only.

Other message codes may apply; refer to Second Presentment for more details.

Message Reason Code 4842-Late Presentment

The following sections describe the proper and improper use of message reason code 4842.

Proper Use of Message Reason Code 4842

This message reason code is used when an intra-European and inter-European transaction was presented more than seven calendar days after the transaction date and the account is permanently closed.

Reason Code 4842 applies only to Cirrus® and Mastercard® transactions. For Maestro® transactions, refer to Message Reason Code 4880-Late Presentment (Maestro).

Proper Use for Issuer's First Chargeback

The issuer must use good-faith efforts to collect the transaction amount from the cardholder before exercising this chargeback right.

Improper Use for Issuer's First Chargeback

The issuer cannot submit a chargeback for message reason code 4842 if the account is in good standing.

This chargeback is not available when the transaction occurred with a Mastercard Commercial Payments Account. A Mastercard Commercial Payments Account transaction occurs when PDS 0002 (GCMS Product Identifier) was MAP (Mastercard Commercial Payments Account) in the First Presentment/1240 message.

Proper Use for Acquirer's Second Presentment

The conditions shown below represent valid options that the acquirer may choose to process a second presentment for message reason code 4842.

Other message codes may apply; refer to Second Presentment for more details.

Correct Transaction Date Provided

IPM Second Presentment Message Reason Code.	2003 Correct Transaction Date Provided
Second Presentment Condition.	The acquirer can show that the chargeback was invalid or can substantiate that the transaction date was not more than seven calendar days prior to the central processing date of the presentment.
Supporting Documents.	None
DE 72 (Data Record).	MMDDYY
Notes.	Replace MMDDYY with the correct transaction date

Account not Permanently Closed

IPM Second Presentment Message Reason Code.	2713 Invalid Chargeback
Second Presentment Condition.	The acquirer can show that the account is not permanently closed.
Supporting Documents.	None
DE 72 (Data Record).	MMDDYY
Notes.	Replace MMDDYY with the authorization date and code obtained after the chargeback date.

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 for Issuer's First Chargeback

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:

One of the following:

1. POI Currency Conversion (Dynamic Currency Conversion) was performed and the cardholder states that the cardholder did not consent to POI Currency Conversion.

Examples include but are not limited to:

- a. The transaction amount is displayed at the ATM in the local currency. The transaction is performed in the cardholder's currency.
- b. The transaction amount is displayed at the ATM both in local currency and the cardholder currency. The cardholder chooses local currency; however, the transaction is performed in the cardholder's currency.

POI Currency Conversion (Dynamic Currency Conversion) requirements are described in the *Transaction Processing Rules*, 3.8 POI Currency Conversion.

2. Currency conversion was performed incorrectly resulting in an incorrect amount being deducted from the cardholder's account as described below:
 - Cash was dispensed in the cardholder's currency, the cardholder agreed to be billed in that currency, but the transaction was processed in a different currency. For example: An ATM located in Mexico dispensed the cash in Euro. The cardholder's currency is Euros. The transaction was performed in Mexican Pesos.
This chargeback is not available when the cardholder's currency was displayed for information purposes only. For example: An ATM located in Mexico displayed the withdrawal amount in Pesos and also displayed the amount in Euros for informational purposes. The cardholder's currency is Euros. The transaction was performed in Pesos.
 - The transaction was processed in the incorrect currency. For example:
 - An ATM located in Mexico displayed the withdrawal amount as 24,000 Pesos. The cardholder's currency is Euros. The transaction was performed for 24,000 Euros.
 - An ATM located in Mexico displayed the withdrawal amount in Pesos. The cardholder's currency is Euros. The transaction was performed in U.S. Dollars.

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

Message Reason Code. 4834 (POI Errors) for Dual Message System transactions

4846 (Correct Transaction Currency Code Not Provided) for Dual Message System transactions may be used, however, this code will eventually be eliminated.

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.

In addition, for **Chargeback Condition 2** one of the following must be provided:

- The cardholder's billing statement displaying the disputed transaction.
- An issuer statement specifying the cardholder's billing currency.
- The ATM receipt displaying the total transaction amount and transaction currency. If no currency is identified on the ATM receipt, the transaction is deemed to have taken place in the currency that is legal tender at the ATM.

DE 72 (Data Record). Optionally, one of the following corresponding to the **Chargeback Condition**:

1. POI CURRENCY CONVERSION
2. INCORRECT CARDHOLDER CURRENCY

Notes. The issuer must charge back only the difference between the transaction amount and the transaction amount claimed by the cardholder, excluding any amount related to the issuer's conversion of the transaction. The currency exchange rate in effect on the date of the transaction must be used to calculate the partial amount.

Second Presentment

Currency Errors

Second Presentment Condition. The acquirer can document that the transaction was correctly processed using the correct transaction amount and currency code.

This second presentment is not available for POI currency conversion (DCC) disputes regarding the cardholder's agreement to the conversion. For the avoidance of doubt, this means that an acquirer cannot provide ATM journal or any other documentation as a valid second presentment.

Time Frame. Within 45-calendar days of the Central Site Business Date of the chargeback.

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

Supporting Documents. Explanation, if necessary, and documentation that the transaction was correctly processed using the correct transaction amount and currency code.

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.

Message Reason Code 4859-ATM Dispute

The following sections describe the proper use of message reason code 4859.

Proper Use of Message Reason Code 4859

The issuer receives a cardholder complaint advising that the cardholder did not receive, or received only in part, funds charged to his or her account as a result of an automated cash disbursement.

Improper Use of Message Reason Code 4859

This chargeback is not available when the transaction occurred with a Mastercard Commercial Payments Account. A Mastercard Commercial Payments Account transaction occurs when PDS

0002 (GCMS Product Identifier) was MAP (Mastercard Commercial Payments Account) in the First Presentment/1240 message.

Proper Use for Issuer's First Chargeback

The condition shown below represents a valid option that the issuer may choose to process a first chargeback for message reason code 4859.

Time Frame.	120 days
Supporting Documents.	None
DE 72 (Data Record).	RS3
Notes.	None

Proper Use For Acquirer's Second Presentment

The condition shown below represents a valid option that the acquirer may choose to process a second presentment for message reason code 4859.

Disbursement of Funds to Cardholder	
IPM Second Presentment Message Reason Code.	2700 Chargeback Remedied
Second Presentment Condition.	The acquirer can provide documentation verifying the disbursement of funds to the cardholder.

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.

Notes.

The Data Elements (DE) referred to above should contain the same information that would be included in the 0100/Authorization Request and 1240/First Presentment messages. If provided in a different format from the Mastercard Network or IPM, a key would be required to explain each field. Reasonable evidence of a successful disbursement of funds must be provided in the documentation supplied.

Other message codes may apply; refer to Second Presentment for more details.

Message Reason Code 4870-Chip Liability Shift

The following sections describe the proper and improper use of message reason code 4870.

Proper Use of Message Reason Code 4870

The Chip Liability Program allows participating Customers to charge back fraudulent magnetic stripe transactions resulting from counterfeit fraud.

This message reason code applies to intra-European and inter-European ATM transactions and to transactions in which one Customer is located in the Europe region and the other Customer is located in a participating country or territory in another region.

The following countries and regions participate in the Global Chip Liability Shift Program for interregional Mastercard, Maestro, and Cirrus ATM transactions.

Table 33: Global Chip Liability Shift Program for Interregional ATM Transactions

In this region...	The following countries and territories participate...	Effective for ATM transactions dated on or after...
Asia Pacific region	Australia and New Zealand	31 December 2015 (Mastercard)
	Bangladesh, Bhutan, Maldives, and Sri Lanka	16 October 2015 (all brands)
	India	31 December 2018 (all brands)
	Indonesia	1 January 2022 (all brands)
	Nepal	18 April 2018 (all brands)
	All other countries and territories	19 April 2013 (Maestro only)
	All other countries and territories	20 October 2017 (Mastercard and Cirrus)
Canada region	All	Currently in effect (all brands)
Europe region	All	Currently in effect (all brands)
Latin America and the Caribbean region	Mexico	1 September 2014 (all brands)
	Puerto Rico and U.S. Virgin Islands	19 April 2013 (Maestro only)
		21 October 2016 (Cirrus and Mastercard)
All other countries and territories	18 October 2013 (Mastercard) Currently in effect (Maestro and Cirrus)	
Middle East/Africa region	All	Currently in effect (all brands)

In this region...	The following countries and territories participate...	Effective for ATM transactions dated on or after...
United States region	All	19 April 2013 (Maestro only) 21 October 2016 (Cirrus and Mastercard)

The issuer may initiate a chargeback using message reason code 4870 for counterfeit fraud when:

- The issuer receives a cardholder letter alleging that the transaction was fraudulent, and that the cardholder was in possession of his or her card at the time of the transaction or the issuer certifies by means of a different document accompanying the cardholder's letter that this is a case of counterfeit fraud. The issuer must provide this documentation.
- The transaction was conducted with a hybrid counterfeit card at a magnetic stripe reading-only ATM and the validly issued card (if any) was a hybrid card.
- The transaction that occurred on the counterfeit card was reported to 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, 4870, or 4871.
- **FNS Counter Exceeds 35 Fraud-Related Chargebacks.** The issuer submitted more than 35 chargebacks in aggregate involving the same Mastercard, Maestro, or Cirrus account (as defined above) for message reason codes 4837, 4870, or 4871.
- This chargeback is not available when the transaction occurred with a Mastercard Commercial Payments Account. A Mastercard Commercial Payments Account transaction occurs when PDS 0002 (GCMS Product Identifier) was MAP (Mastercard Commercial Payments Account) in the First Presentment/1240 message.

NOTE: Technical Fallback is not permitted for intra-European and inter-European ATM transactions, and the issuer has a compliance right in cases of counterfeit fraud. Refer to Chapter 7 of the Transaction Processing Rules.

Proper Use for Issuer's First Chargeback

The condition shown below represents a valid option that the issuer may choose to process a first chargeback for message reason code 4870.

Time Frame.	120 days for Mastercard and Cirrus, 90 days for Maestro
Retrieval Request.	No
Supporting Documents.	Cardholder Documentation
DE 72 (Data Record).	None
Notes.	None

Proper Use for Acquirer's Second Presentment

The condition shown below represents a valid option that the acquirer may choose to process a second presentment for message reason code 4870.

Other message codes may apply; refer to Second Presentment for more details.

Chargeback Invalid

IPM Second Presentment Message Reason Code	2713 Chargeback invalid
Second Presentment Condition	The acquirer can show that the liability shift does not apply as: <ol style="list-style-type: none"> 1. The card involved was not a hybrid card according to the service code (DE 35 or DE 45) in the authorization request (that is, the value of the first position was not a 2 or 6). 2. The transaction was completed with chip. 3. The chargeback was otherwise invalid (for example, the terminal was hybrid).
Supporting Documents	<ul style="list-style-type: none"> • Intra-European and inter-European transactions-None • Interregional transactions-The acquirer must provide documentation showing that the chargeback was invalid.
DE 72 (Data Record).	Applies to intra-European and inter-European transactions only: <ol style="list-style-type: none"> 1. TRX Chip Liability Shift NA 2. Chip Transaction 3. Reason for return
Notes.	None

Fraud-related Chargeback Counter Exceeds Threshold

IPM Second Presentment Message Reason Code	2713 Invalid Chargeback
Second Presentment Condition.	The issuer submitted more than 35 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, 4870, and/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.

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.

Correct Transaction Date Provided	
IPM Second Presentment Message Reason Code.	2003 Correct transaction date provided
Second Presentment Condition.	The acquirer can substantiate that the transaction date was not more than seven-calendar days before the Central Site processing date of the presentment.
Supporting Documents.	Transaction printout
DE 72 (Data Record).	Correct transaction date
Notes.	Other message codes may apply; refer to Second Presentment for more details.

Chapter 10 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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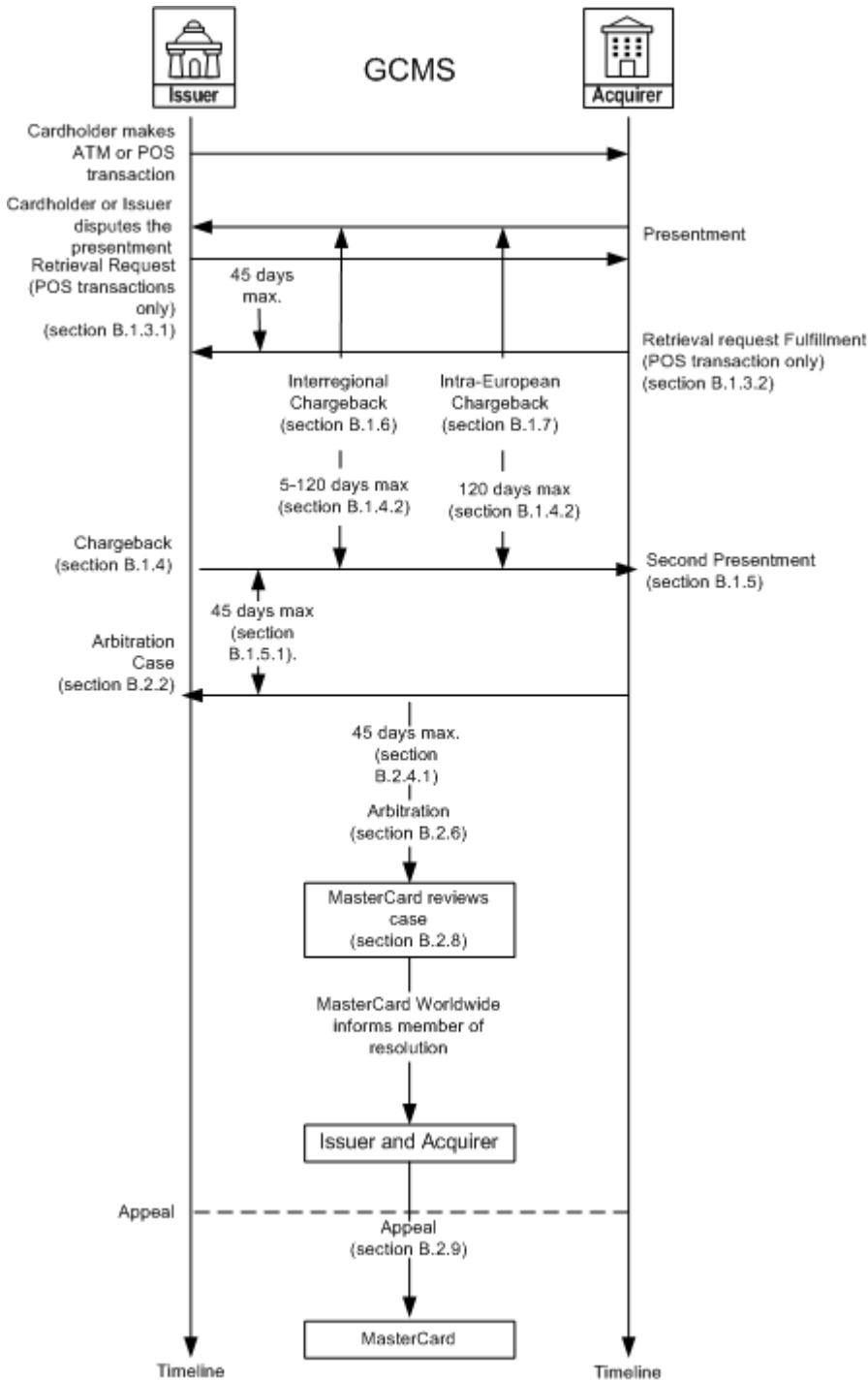
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Overview

This graphic presents the chargeback processing cycle.

Figure 2: Chargeback Processing Cycle Flow Overview



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.

Chargeback Reason	Customers		PIN-based?	Signature?
	Europe Customers Use Reason Code	Outside Europe Use Reason Code		
Disputed Amount	4831	71	Yes	Yes
Duplicate Transaction	4834	73	Yes	Yes
No Cardholder Authorization	4837	74	N/A	Yes
Goods or Services Not Provided	4855	79	Yes	N/A
Credit Not Received	4860	75	Yes	Yes
Chip Liability Shift ²	4870	70	Yes	Yes
Chip Transaction-Late Presentment	4880	80	Yes	No

In addition to the above chargeback reasons, the following chargeback reason codes may be used by Mastercard to automatically chargeback interregional transactions.

Chargeback Reason	Reason Code	PIN-based?	Signature?
Multiple Processing	4804	Yes	Yes
Transaction not reconciled	4809	Yes	Yes
Stale Transaction	4811	Yes	Yes

² According to schedule of countries joining the Chip Liability Shift as published in the *Global Operations Bulletins*.

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.

Chargeback Remedied	
IPM Second Presentment Message Reason Code	2700 Chargeback remedied
Second Presentment Condition.	The transaction was correctly processed.
Supporting Documents.	Documentation proving that the transaction was correctly processed.
DE 72 (Data Record).	None
Notes.	None

Interregional Message Reason Code 4834-Duplicate Transaction

The following sections describe the proper and improper use of message reason code 4834.

Proper Use of Interregional Message Reason Code 4834

A cardholder's account has been debited more than once for a single transaction.

To demonstrate that the transaction is a duplicate, the POS terminal transaction amount and the date and time of the transaction must be the same for the transactions in question.

Proper Use for Issuer's First Chargeback

For duplicated interregional transactions, the issuer must charge back both transactions.

Proper Use for Acquirer's Second Presentment

The condition shown below represents a valid option that the acquirer may choose to process a second presentment for message reason code 4834.

Chargeback Remedied	
IPM Second Presentment Message Reason Code.	2700 Chargeback remedied
Second Presentment Condition.	The acquirer can show that two separate transactions occurred.

Chargeback Remedied	
Supporting Documents.	Documentation supporting two separate transactions or proof that a credit was issued.
DE 72 (Data Record).	None
Notes.	None

Interregional Message Reason Code 4837-No Cardholder Authorization

The following sections describe the proper and improper use of message reason code 4837.

Neither the length of time between authorization approval and transaction presentment, nor the partial or full reversal of an approved authorization, have any effect upon the protection that an authentication occurring during authorization provides against fraud-related chargebacks (for example, Mastercard Identity Check 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).

Improper Use of Interregional Message Reason Code 4837

This chargeback may not be used in the following situations.

- The issuer submitted more than 35 chargebacks involving the same account (as defined above) for message reason code 4837 or 4870.
- 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.

NOTE on related MITs: The issuer should not use this chargeback reason code to dispute a merchant-initiated transaction (MIT) that the issuer or cardholder determines is related to a prior authenticated cardholder-initiated transaction (CIT) identified with SLI 212 or 242. The issuer should consider whether a different chargeback reason code may apply, such as Cardholder Dispute of a Recurring Transaction or Addendum Dispute. This chargeback

reason code may be used if neither the issuer nor the cardholder, after reasonable effort, can determine that the disputed MIT is related to a prior authenticated CIT. The acquirer may provide specific evidence that the disputed MIT is related to a prior authenticated CIT in a second presentment.

Refer to Appendix E 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 E 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 35 chargebacks involving the same account (as defined above) for message reason code 4837 or 4870.

Proper Use for Acquirer's Second Presentment

The conditions shown below represent valid options that the acquirer may choose to process a second presentment for message reason code 4837.

Invalid Chargeback

IPM Second Presentment Message Reason Code.	2713 Invalid chargeback
Second Presentment Condition.	The chargeback did not meet the requirements as stipulated under section Proper Use of Interregional Message Reason Code 4837.
Supporting Documents.	Copy of the authorization record
DE 72 (Data Record).	None
Notes.	None

Two or More Previous Fraud-related Chargebacks

IPM Second Presentment Message Reason Code.	2713 Invalid chargeback
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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 field of the chargeback message. If this field is present and contains a date value that is earlier than the authorization approval date of the disputed transaction, the acquirer may process a second presentment.

Fraud-related Chargeback Counter Exceeds Threshold

IPM Second Presentment Message Reason Code	2713 Invalid chargeback
Second Presentment Condition.	The issuer previously charged back more than 35 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.

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. For cases involving merchant-provided vouchers for future use, the voucher expiration date is considered the latest anticipated delivery or performance date specified by the merchant. If no such date is provided, the chargeback must be processed within 120 days of the Central Site Processing date.

For transactions identified with one of the following MCCs: 3000 through 3999, 4411, 4511, 4722, 6513, 7011, 7512, 7519, or 7922 and the merchant provided a voucher for future use and that provision of voucher was properly disclosed in the merchant's terms and conditions refer to the **Travel/Entertainment Services Not Provided/Not as Described and Merchant Voucher Issued** section for proper processing.

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 an 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.

For transactions in which value or assets are purchased for gambling, investment or similar purposes: This chargeback right is only available for a transaction in which the purchased value or assets failed to appear in the account agreed to between the cardholder and the merchant. For the avoidance of doubt, chargeback rights are not available for

1. refunds, withdrawals or transfer requests,
2. terms and conditions or account access,
3. winnings, gains or losses, or
4. use or subsequent use.

A second presentment must contain documentation of the value or asset either appearing in, or transferred to, the account agreed to between the cardholder and the merchant.

Travel/Entertainment Services Not Provided/Not as Described and Merchant Voucher Issued

Chargeback Condition	<p>Both of the following:</p> <ol style="list-style-type: none"> 1. The cardholder contacted the issuer claiming all of the following: <ul style="list-style-type: none"> - The cardholder engaged in the transaction - The purchased goods or services were not received due to merchant cancellation - The merchant provided a voucher for future use in lieu of a refund and that provision of voucher was properly disclosed in the merchant's terms and conditions - The merchant is unable or unwilling to honor the voucher in violation of the voucher terms and conditions 2. The transaction was identified with one of the following MCCs: <ul style="list-style-type: none"> - Airlines and Air Carrier (MCCs 3000 through 3350, 4511) - Car Rental Agencies (MCCs 3351 through 3500, 7512) - Cruise Lines (MCC 4411) - Lodging-Hotels, Motels, Resorts (MCCs 3501 through 3999, 7011) - Motor Home and Recreational Vehicle Rental (MCC 7519) - Real Estate Agents and Managers—Rentals (MCC 6513) - Theatrical Producers, Ticket Agencies (excluding Motion Picture) (MCC 7922) - Travel Agencies and Tour Operators (MCC 4722)
Time Frame	<p>Both of the following:</p> <ul style="list-style-type: none"> • Within 120-calendar days from the latest anticipated delivery or performance date specified by the merchant. For cases involving merchant-provided vouchers for future use, the voucher expiration date is considered the latest anticipated delivery or performance date specified by the merchant. • Within 365-calendar days from the original expected delivery or performance date specified by the merchant.
Message Reason Code	4855 (Goods or Services Not Provided)
Supporting Documents	<p>Cardholder email, letter, message or completed <i>Dispute Resolution Form-Cardholder Dispute Chargeback</i> (Form 1221) must include both of the following:</p> <ol style="list-style-type: none"> 1. 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 <i>Dispute Resolution Form-Cardholder Dispute Chargeback</i> (Form 1221) must document how each of the Chargeback Conditions was met. 2. A reasonably specific description of the goods/services purchased.
DE 72 (Data Record)	None
Notes	None

Proper Use for Acquirer's Second Presentment

The condition shown below represents a valid option that the acquirer may choose to process a second presentment for message reason code 4855.

Chargeback Remedied	
IPM Second Presentment Message Reason Code.	2700 Chargeback remedied
Second Presentment Condition.	The acquirer can show that goods or services were received by the cardholder.
Supporting Documents.	Documentation showing that goods or services were received by the cardholder.
DE 72 (Data Record).	None
Notes.	None

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 an 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.

For transactions in which value or assets are purchased for gambling, investment or similar purposes: This chargeback right is only available for a transaction in which the purchased value or assets failed to appear in the account agreed to between the cardholder and the merchant. For the avoidance of doubt, chargeback rights are not available for

1. refunds, withdrawals or transfer requests,
2. terms and conditions or account access,
3. winnings, gains or losses, or

4. use or subsequent use.

A second presentment must contain documentation of the value or asset either appearing in, or transferred to, the account agreed to between the cardholder and the merchant.

Proper Use for Acquirer's Second Presentment

The condition shown below represents a valid option that the acquirer may choose to process a second presentment for message reason code 4860.

Credit Issued	
IPM Second Presentment Message Reason Code.	2011 Credit issued
Second Presentment Condition.	The acquirer can show that a credit was processed.
Supporting Documents.	Documentation showing the date the credit was processed to the cardholder's account, and the reference number of that transaction.
DE 72 (Data Record).	None
Notes.	None

Interregional Message Reason Code 4870-Chip Liability Shift

The following section describes the proper use of message reason code 4870.

Proper Use of Interregional Message Reason Code 4870

The issuer may initiate a chargeback using reason code 4870 if the following apply.

The issuer must receive a cardholder letter, electronic message, or complete a *Dispute Resolution Form-Fraud* (Form 0412) alleging that the transaction was fraudulent, and the issuer must provide this letter.

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 Presentation/1240 message then the issuer may charge the item back under message reason code 4870.

In this region...	The following countries and territories participate...	Effective for Maestro POS transactions dated on or after...
Asia/Pacific region	All	Currently in effect
Canada region	All	31 December 2015
Latin America and the Caribbean region	All	Currently in effect
Middle East/Africa region	All	Currently in effect
United States region	All	1 October 2015 for all except automated fuel dispenser transactions (MCC 5542) 1 October 2017 for automated fuel dispenser transactions (MCC 5542)

Improper Use of Interregional Message Reason Code 4870

This code may not be used for properly identified contactless transactions.

The issuer must not use message reason code 4870 if:

- The issuer approved the transaction after submitting two or more chargebacks involving the same Maestro card account (for this purpose, "account" means primary account number [PAN], or PAN and expiration date) for reason codes 4837 or 4870.

- On or before 6 November 2023: The issuer submitted more than 15 chargebacks involving the same account (as defined above) for message reason code 4837 or 4870.

On or after 7 November 2023: The issuer submitted more than 35 chargebacks involving the same account (as defined above) for message reason code 4837 or 4870.

- Properly identified and authorized contactless transactions.
- 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 E 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

IPM Second Presentment Message Reason Code	2713 Invalid Chargeback
Second Presentment Condition	The acquirer can show that the liability shift does not apply as: <ul style="list-style-type: none"> • 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

IPM Second Presentment Message Reason Code	2713 Invalid Chargeback
Second Presentment Condition.	The issuer previously charged back two or more transactions involving the same Maestro card account before the authorization approval date of the disputed transaction for message reason code 4837 or 4870.
Supporting Documents.	None

DE 72 (Data Record).	None
Notes.	The Fraud Notification Service (FNS) alerts the acquirer in the event that the issuer has submitted two or more chargebacks involving the same account for reason code 4837 or 4870. FNS places the date on which the issuer submitted the second such fraud-related chargeback in the Fraud Notification Service Date subfield within the Fraud Notification Information of the chargeback message. If this field is present and contains a date value that is earlier than the authorization approval date of the disputed transaction, the acquirer may process a second presentment.

Fraud-related Chargeback Counter Exceeds Threshold

IPM Second Presentment Message Reason Code	2713 Invalid Chargeback
Second Presentment Condition.	On or before 6 November 2023: The issuer previously charged back more than 15 transactions involving the same account for message reason code 4837 or 4870. On or after 7 November 2023: The issuer previously charged back more than 35 transactions involving the same account for message reason code 4837 or 4870.
Supporting Documents.	None
DE 72 (Data Record).	None
Notes.	The Fraud Notification Service (FNS) provides the acquirer with the total number of fraud-related chargebacks submitted by the issuer involving the same account. FNS places the total chargeback count in the Fraud Notification Service Chargeback Counter subfield within the Fraud Notification Information field of the chargeback message. The acquirer may process a representment if this field is present and the chargeback counter value exceeds 15 (a value of 16 or more).

Interregional Message Reason Code 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	
IPM Second Presentment Message Reason Code.	2003 Correct transaction date provided
Second Presentment Condition.	The acquirer shows that the transaction was presented within the proper time frame.
Supporting Documents.	Documentation proving that the transaction was presented within the seven-calendar day time limit.
DE 72 (Data Record).	None
Notes.	None

Message Reason Codes for Intra-European and Inter-European Transactions

The following message reason codes are applicable to intra-European and inter-European POS, e-commerce, PIN-based in-branch, and Maestro contactless transactions unless otherwise indicated under the message reason code.

They apply to any type of Maestro transactions, such as Magnetic stripe or chip read transactions and Signature, PIN, or non-PIN based transactions, unless otherwise indicated under the message reason code.

Chargeback Message Reason Codes	Documentation Required	Retrieval Request Required	Section Name
4808 Transaction Not Authorized	No	No	Intra-European Message Reason Code 4808-Transaction Not Authorized
4831 Disputed Amount	Yes	No	Intra-European Message Reason Code 4831-Disputed Amount

Chargeback Message Codes	Documentation Required	Retrieval Request Required	Section Name
4834 Duplicate Processing of Transaction	No	No	Intra-European Message Reason Code 4834-Duplicate Processing of Transaction
4837 No Cardholder Authorization	Yes	No	Intra-European Message Reason code 4837-No Cardholder Authorization
4841 Canceled Recurring or Digital Goods Transactions	Yes	No	Intra-European Message Reason code 4841-Canceled Recurring or Digital Goods Transactions
4846 Currency Errors	Sometimes	No	Intra-European Message Reason Code 4846-Currency Errors
4855 Goods or Services not Delivered	Yes	No	Intra-European Message Reason Code 4855-Goods or Services Not Provided
4860 Credit not Received	Yes	No	Intra-European Message Reason Code 4860-Credit Not Received
4870 Chip Liability Shift	No	No	Intra-European Message Reason Code 4870-Chip Liability Shift
4880 Late Presentment	No	No	Intra-European Message Reason Code 4880-Late Presentment

Intra-European Message Reason Code 4808-Transaction Not Authorized

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

The following sections describe the proper and improper use of message reason code 4808.

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.

Transit First Ride Risk (FRR) Claims

The issuer may use this message reason code to charge back a transaction identified as a transit First Ride Risk (FRR) claim if any of the following conditions exist:

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 submitted 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.

Refer to section 5.6.1 Transit First Ride Risk Framework of the *Transaction Processing Rules* for more information.

Improper Use of Intra-European Message Reason Code 4808

The issuer may not use this message reason code for POS chip transactions that were below the applicable floor limit and authorized by the chip.

Proper Use for Issuer's First Chargeback

The condition shown below represents a valid use for issuer's first chargeback.

Time Frame.	120 days
Retrieval Request.	No
Supporting Documents.	None
DE 72 (Data Record).	None
Notes.	The full amount should be charged back, except when the processed amount is higher than the authorized amount. In this case the difference between both amounts may be charged back.

Proper Use for Acquirer's Second Presentment

The conditions shown below represent valid options that the acquirer may choose to process a second presentment for message reason code 4808.

Other message codes may apply; refer to Second Presentment in this appendix for more details.

Transaction Authorized

IPM Second Presentment Message Reason Code.	2008 Transaction authorized
Second Presentment Condition.	The acquirer can substantiate that the transaction was either approved: <ol style="list-style-type: none"> 1. Online by the issuer 2. Offline by the chip
Supporting Documents.	<ol style="list-style-type: none"> 1. None 2. None
DE 72 (Data Record).	<ol style="list-style-type: none"> 1. TRANS AUTH MMDDYY NNNNNN 2. CHIP TRANSACTION
Notes.	None

Other message codes may apply; refer to Second Presentment in this appendix for more details.

Expired Payment Guarantee

IPM Second Presentment Message Reason Code	2713 Invalid Chargeback
Second Presentment Condition	<ul style="list-style-type: none"> • The transaction was presented within seven-calendar days of the pre-authorization or authorization approval date, and the pre-authorization or authorization was not reversed, or • The transaction was a properly identified Maestro contactless aggregated transit transaction, or • The issuer has not permanently closed the account.
Supporting Documents.	None
DE 72 (Data Record)	PREAUTH MMDDYY or AUTH MMDDYY or ACCOUNT NOT CLOSED
Notes.	<p>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.</p> <p>This remedy does not apply to Maestro contactless transit aggregated transit transactions.</p>

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

Time Frame.	120-Calendar Days
Supporting Documents.	<p>Cardholder letter, electronic message, or completed Dispute Resolution Form indicating that:</p> <ol style="list-style-type: none"> 1. the amount billed was incorrect, and provide a copy of the TID or other documentation to confirm the actual amount of the transaction as agreed to by the cardholder 2. an unreasonable amount was charged. 3. the same goods or services debited to the cardholder's account were paid for in some other manner, and provide documentation showing that payment was made by an alternate payment method.
DE 72 (Data Record).	<ol style="list-style-type: none"> 1. None 2. UNREASONABLE AMOUNT 3. None
Notes.	For unreasonable amount disputes and Paid by Other Means, the chargeback may be for the full amount. For billing discrepancies, only the difference in amount may be charged back of the transaction.

Improper Merchant Surcharge (intra-European and inter-European transactions only)

Chargeback Condition.	An improper merchant surcharge was applied to the total transaction amount.
Time Frame.	<p>One of the following:</p> <ul style="list-style-type: none"> • 120-calendar days from the Central Site Business Date • 120-calendar days from the delivery date of the goods or services
Message Reason Code.	SURCHARGE
Supporting Documents.	<p>One of the following:</p> <ul style="list-style-type: none"> • A copy of the cardholder's receipt or invoice showing the improper surcharge. • A cardholder letter, email message or completed <i>Dispute Resolution Form-Point-of-Interaction (POI) Errors</i> (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

IPM Second Presentment Message Reason Code	2700 Chargeback Remedied
Second Presentment Condition.	<ol style="list-style-type: none"> The acquirer can show that the transaction was correctly processed. 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. For payment by other means disputes, the merchant provides an explanation that substantiates the validity of the transaction charged.
Supporting Documents.	<ol style="list-style-type: none"> Evidence that the transaction was correctly processed. For unreasonable amount disputes, documentation showing that the cardholder agreed to an amount range as reasonable and that the transaction did not exceed this amount range; for example, <ul style="list-style-type: none"> An itemized price list signed by the cardholder, and an itemized transaction receipt showing the transaction amount was calculated on the basis of this price list; or The cardholder's written agreement to a recurring payment arrangement with the merchant in which a maximum amount for each payment was specified. For payment by other means disputes, an appropriate merchant explanation and documentation showing two separate transactions.

DE 72 (Data Record).	None
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Improper Merchant Surcharge (Intra-European and Inter-European Transactions Only)

Second Presentment Condition.	The acquirer can provide specific evidence of proper processing in response to the cardholder's claims.
Time Frame.	Within 45-calendar days of the chargeback settlement date.

IPM Second Presentment Message Reason Code.	2700 (See Corresponding Documentation/Chargeback Remedied)
Supporting Documents.	The merchant's explanation and documentation.
DE 72 (Data Record).	None
Notes.	Only the amount reflecting the improper surcharge may be charged back. The total transaction amount must not be charged back.

Other message codes may apply; refer to Second Presentment in this appendix for more details.

Intra-European Message Reason Code 4834-Duplicate Processing of Transaction

The following sections describe the proper use of message reason code 4834.

Proper Use of Intra-European Message Reason Code 4834

The issuer or the cardholder determines that a transaction has been submitted in duplicate.

A transaction is considered a duplication if the terminal ID, the transaction amount in the original currency, the date, and the time of the transaction are the same.

Proper Use for Issuer's First Chargeback

The condition shown below represents a valid option that the issuer may choose to process a first chargeback for message reason code 4834.

Time Frame.	120 days
Retrieval Request.	No
Supporting Documents.	None
DE 72 (Data Record).	FIRST ARD NNNNNNNNNNNNNNNNNNNNNNNNNNNNN
Notes.	Issuer must provide the Acquirer Reference Data (ARD) of the first transaction in DE 72.

Proper Use for Acquirer's Second Presentment

The conditions shown below represent valid options that the acquirer may choose to process a second presentment for message reason code 4834.

Other message codes may apply; refer to Second Presentment in this appendix for more details.

Transaction Authorized

IPM Second Presentment Message Reason Code.	2008 Transaction authorized
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Second Presentment Condition.	The acquirer can substantiate that both transactions are valid and were authorized by PIN. The authorization date and code of both transactions must be entered in DE 72 (Data Record).
Supporting Documents.	None
DE 72 (Data Record).	PIN MMDDYY NNNNNN, MMDDYY NNNNNN
Notes.	None

Credit Previously Issued

IPM Second Presentment Message Reason Code	2011 Credit previously issued
Second Presentment Condition	The acquirer can show that a credit was issued. The central site processing date of the credit or reversal must be provided.
Supporting Documents	None
DE 72 (Data Record)	Credit MMDDYY (and optionally the Acquirer Reference Data (ARD))
Notes	None

Chargeback Remedied

IPM Second Presentment Message Reason Code.	2700 Chargeback remedied
Second Presentment Condition.	The acquirer provides two separate TIDs indicating two valid transactions.
Supporting Documents.	Two separate TIDs indicating two valid transactions.
DE 72 (Data Record).	None
Notes.	None

Invalid Data Record

IPM Second Presentment Message Reason Code.	2704 Invalid Data Record Text
Second Presentment Condition.	The chargeback is invalid because the issuer failed to provide the original ARD in DE 72 (Data Record).
Supporting Documents.	None

DE 72 (Data Record).

None

Other message codes may apply; refer to Second Presentment in this appendix for more details.

Intra-European Message Reason Code 4837-No Cardholder Authorization

The following sections describe the proper use of message reason code 4837.

Neither the length of time between authorization approval and transaction presentment, nor the partial or full reversal of an approved authorization, have any effect upon the protection that an authentication occurring during authorization provides against fraud-related chargebacks (for example, Mastercard Identity Check 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).
- 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).

NOTE on related MITs: The issuer should not use this chargeback reason code to dispute a merchant-initiated transaction (MIT) that the issuer or cardholder determines is related to a prior authenticated cardholder-initiated transaction (CIT) identified with SLI 212 or 242. The issuer should consider whether a different chargeback reason code may apply, such as Cardholder Dispute of a Recurring Transaction or Addendum Dispute. This chargeback reason code may be used if neither the issuer nor the cardholder, after reasonable effort, can determine that the disputed MIT is related to a prior authenticated CIT. The acquirer may provide specific evidence that the disputed MIT is related to a prior authenticated CIT in a second presentment.

Refer to Appendix E for Digital Secure Remote Payment transaction identification requirements.

- 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 E 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.
- On or before 6 November 2023: The issuer submitted more than 15 chargebacks involving the same account (as defined above) for message reason code 4837 or 4870.
On or after 7 November 2023: The issuer submitted more than 35 chargebacks involving the same account (as defined above) for message reason code 4837 or 4870.

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 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.

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: <ol style="list-style-type: none"> 1. Online by the issuer 2. Offline by the chip
Supporting Documents.	<ol style="list-style-type: none"> 1. None 2. None
DE 72 (Data Record).	<ol style="list-style-type: none"> 1. PIN MMDDYY NNNNNN 2. CHIP TRANSACTION
Notes.	None

Chargeback Remedied

IPM Second Presentment Message Reason Code.	2700 Chargeback remedied
Second Presentment Condition.	The authorization record and the clearing record identified the POS terminal as being hybrid.
Supporting Documents.	None.
DE 72 (Data Record).	Hybrid POI MMDDYY NNNNNN
Notes.	None

Invalid Chargeback

IPM Second Presentment Message Reason Code.	2713 Invalid Chargeback
Second Presentment Condition.	The chargeback did not meet the requirements as stipulated under section intra-European Message Reason code 4837-No Cardholder Authorization
Supporting Documents.	None
DE 72 (Data Record).	None

Two or More Previous Fraud-related Chargebacks

IPM Second Presentment Message Reason Code.	2713 Invalid Chargeback
Second Presentment Condition.	The issuer previously charged back two or more transactions involving the same Maestro card account before the authorization approval date of the disputed transaction for message reason code 4837 or 4870.
Supporting Documents.	None
DE 72 (Data Record).	One of the following: 1. FNS 2. NN MMDDYY NN MMDDYY AUTH MMDDYY
Notes.	The following applies to the use of DE 72 (Data Record): 1. Use FNS when the authorization approval date of the disputed transaction is later than the date value provided by the Fraud Notification Service in PDS 0200 of the First Chargeback/1442 message. 2. Use NN MMDDYY for a previous chargeback by replacing NN with the last two digits of the message reason code and MMDDYY with the Central Site Business Date. For AUTH MMDDYY , replace MMDDYY with the authorization approval date of the disputed transaction.

Other message codes may apply; refer to Second Presentment in this appendix for more details.

Improper Use for Acquirer's Second Presentment

Second presentments are not permitted for the following.

- Fraudulent parking garage and tollway transactions completed without CVM
- Fraudulent chip POS transactions completed without CVM or
- 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 an SDW, when the SDW funding transaction occurred during the consumer's purchase.

A transaction in which an 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

Time Frame.	120-calendar days
Retrieval Request.	No
Supporting Documents.	Cardholder letter, electronic message, or completed <i>Dispute Resolution Form</i> stating that the merchant was notified of the cancellation before the billing of the disputed transaction
DE 72 (Data Records).	None
Note.	None

Account Listed in Payment Cancellation Service (PCS)

Time Frame.	120-calendar days
Retrieval Request.	No

Supporting Documents.	None
DE 72 (Data Records).	RPCS MMDDYY
Note.	Replace MMDDYY with the date the account number was listed in the Payment Cancellation Service (PCS).

Cardholder Dispute of a Recurring Transaction

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

Chargeback Condition. The cardholder contacted the issuer claiming one of the following:

- The cardholder notified the merchant to cancel the recurring transaction and the merchant continued to bill the cardholder.
- The cardholder was not aware that the cardholder was agreeing to a recurring transaction.

Time Frame. Within 120-calendar days of the transaction settlement date.

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: <ul style="list-style-type: none"> • 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

Note.	None
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Subsequent Message Reason Code 4841 Chargeback

Time Frame.	120-calendar days
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Retrieval Request.	No
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Supporting Documents	None
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DE 72 (Data Records).	CBMMDDYY ARD XXXXXXXXXXXXXXXXXXXXXXXXX
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Note.	<p>The issuer can process any subsequent chargeback for this message reason code with the required DE 72 (Data Record) text.</p> <p>Replace MMDDYY with the date of the chargeback 4841 containing documentation.</p> <p>Replace Xs with the Acquirer Reference Data (ARD) of the previous message reason code 4841 chargeback containing documentation.</p>
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Proper Use for Acquirer's Second Presentment

The conditions shown below represent valid options that the acquirer may choose to process a second presentment for message reason code 4841.

Other message codes may apply; refer to Second Presentment in this appendix for more details.

Recurring Transactions

IPM Second Presentment Message Reason Code	2700
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Second Presentment Condition.	<p>The acquirer can substantiate one of the following:</p> <ul style="list-style-type: none"> • 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.
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Supporting Documents.	Documentation to support that the chargeback is remedied or invalid.
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DE 72 (Data Record).	None
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Notes.	None
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Other message codes may apply; refer to Second Presentment in this appendix for more details.

Digital Goods

IPM Second Presentment Message Reason Code.	2700 See Corresponding Documentation/Chargeback Remedied
Second Presentment Condition.	The acquirer can substantiate that the merchant offered purchase controls at the time of the transaction or transactions.
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.

Currency Errors

Chargeback Condition: One of the following:

1. POI Currency Conversion (Dynamic Currency Conversion) was performed and the cardholder states that the cardholder did not consent to POI Currency Conversion.
Examples include but are not limited to:
 - a. The transaction amount is displayed at the POS in the local currency. The transaction is performed in the cardholder's currency.
 - b. The transaction amount is displayed at the POS both in local currency and the cardholder currency. The cardholder chooses local currency; however, the transaction is performed in the cardholder's currency.

POI Currency Conversion (Dynamic Currency Conversion) requirements are described in the *Transaction Processing Rules*, 3.8 POI Currency Conversion.
2. Currency conversion was performed incorrectly resulting in an incorrect amount being deducted from the cardholder's account as described below.
 - Goods/services were priced in the cardholder's currency, the cardholder agreed to be billed in that currency, but the transaction was processed in a different currency. For example: A merchant located in Mexico quoted the hotel reservation in Euro. The cardholder's currency is Euros. The transaction was performed in Mexican Pesos.

This chargeback is not available when the cardholder's currency was displayed for information purposes only. For example: A merchant located in Mexico quoted the hotel reservation in Pesos and also displayed the amount in Euros for informational purposes. The cardholder's currency is Euros. The transaction was performed in Pesos.

- The transaction was processed in the incorrect currency. For example:
 - A merchant located in Mexico quoted the hotel reservation for 24,000 Pesos. The cardholder's currency is Euros. The transaction was performed for 24,000 Euros.
 - A merchant located in Mexico quoted the hotel reservation in Pesos. The cardholder's currency is Euros. The transaction was performed in U.S. Dollars.

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

Message Reason Code. 4846 (Correct Transaction Currency Code Not Provided)

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.

In addition, for Chargeback Condition 2 one of the following must be provided:

- The cardholder's billing statement displaying the disputed transaction.
- An issuer statement specifying the cardholder's billing currency.
- The transaction receipt displaying the total transaction amount and transaction currency. If no currency is identified on the transaction receipt, the transaction is deemed to have taken place in the currency that is legal tender at the POI.

DE 72 (Data Record). Optionally, one of the following corresponding to the Chargeback Condition:

1. POI CURRENCY CONVERSION
2. INCORRECT CARDHOLDER CURRENCY

Notes.

The issuer must charge back only the difference between the transaction amount and the transaction amount claimed by the cardholder, excluding any amount related to the issuer's conversion of the transaction. The currency exchange rate in effect on the date of the transaction must be used to calculate the partial amount.

This chargeback is not available to address verbal agreements of transaction currency between a cardholder and a merchant

Second Presentment

Currency Errors

Second Presentment Condition. The acquirer can document that the transaction was processed correctly using the correct transaction amount and currency code.

This second presentment is not available for POI currency conversion (DCC) disputes regarding the cardholder's agreement to the conversion. For the avoidance of doubt, this means that an

acquirer cannot provide terminal logs or any other documentation as a valid second presentment.

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

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

Supporting Documents. Documentation detailing that the transaction was correctly processed using the correct transaction amount and currency code. If necessary, an explanation to ensure that all parties understand the 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.

DE 72 (Data Record). None

Notes. None

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.

For transactions in which value or assets are purchased for gambling, investment or similar purposes: This chargeback right is only available for a transaction in which the purchased value or assets failed to appear in the account agreed to between the cardholder and the merchant. For the avoidance of doubt, chargeback rights are not available for

1. refunds, withdrawals or transfer requests,
2. terms and conditions or account access,

3. winnings, gains or losses, or
4. use or subsequent use.

A second presentment must contain documentation of the value or asset either appearing in, or transferred to, the account agreed to between the cardholder and the merchant.

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.

This chargeback takes precedence 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 prior to the issuer raising a chargeback:

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 reimbursement, or the claim was declined.
 - The merchant, bonding authority or similar scheme (including an insolvency practitioner) stated cardholders (or travelers) should contact their issuer for reimbursement and/or the bond is insufficient. For sake of clarity, the statement can either be a public statement such as on a website, advertisement, or similar, as well as direct communication with the cardholder (or traveler).
 - For Swedish domestic transactions: no additional requirement. The cardholder (or traveler) is not obligated to request reimbursement from a bonding authority or similar scheme.
 2. The travel service was not covered by a bonding authority or similar scheme according to local law, or neither the issuer nor cardholder after reasonable effort can determine whether the travel service was covered by a bonding authority or similar scheme according to local law.
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Failed Travel Merchant Intra-EEA and Domestic European Transactions Only

Time Frame. One of the following corresponding to the **Chargeback Condition:**

1. Within 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: Within 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: Within 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: Within 120-calendar days from the latest expected service date.

2. Within 120-calendar days from the latest expected service date.

In addition to both of the above (with the noted exceptions for German domestic transactions, Polish domestic transactions, and Swedish domestic transactions), when the transaction was identified with one of the following MCCs, the maximum time frame is 365-calendar days from the original expected delivery or performance date specified by the merchant:

- Airlines and Air Carrier (MCCs 3000 through 3350, 4511)
- Car Rental Agencies (MCCs 3351 through 3500, 7512)
- Cruise Lines (MCC 4411)
- Lodging-Hotels, Motels, Resorts (MCCs 3501 through 3999, 7011)
- Motor Home and Recreational Vehicle Rental (MCC 7519)
- Real Estate Agents and Managers—Rentals (MCC 6513)
- Theatrical Producers, Ticket Agencies (excluding Motion Picture) (MCC 7922)
- Travel Agencies and Tour Operators (MCC 4722)

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.

Failed Travel Merchant Intra-EEA and Domestic European Transactions Only

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, statement to contact the cardholder's issuer for reimbursement, 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.

Notes.

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.

Failure to address bond coverage or a request for reimbursement in the chargeback documentation does not invalidate the chargeback even if the travel service is covered by a bonding authority or similar scheme. 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.

When Chargeback Condition 1 is applicable (except Swedish domestic transactions): 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 an SDW, when the SDW funding transaction occurred during the consumer's purchase.

A transaction in which an 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.

Chargeback Remedied

IPM Second Presentment Message Reason Code.	2700 Chargeback remedied
Second Presentment Condition.	The acquirer can show that the goods or services were provided.
Supporting Documents.	Documentation showing that goods or services were received by the cardholder.
DE 72 (Data Record).	None

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

Second Presentment Condition. The acquirer can provide evidence in response to the cardholder's claims.

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

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

Supporting Documents. One of the following:

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

DE 72 (Data Record). None.

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.

Other message codes may apply; refer to Second Presentment in this appendix for more details.

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-calendar 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-calendar days from the date of cancellation before charging back the transaction.

If the credit receipt or merchant advisement is undated, the 30-calendar day waiting period is waived, and the 120-calendar day time frame will be calculated from the date of the cardholder letter.

In addition, when the transaction was identified with one of the following MCCs, the maximum time frame is 365-calendar days from the original expected delivery or performance date specified by the merchant:

- Airlines and Air Carrier (MCCs 3000 through 3350, 4511)
- Car Rental Agencies (MCCs 3351 through 3500, 7512)
- Cruise Lines (MCC 4411)
- Lodging-Hotels, Motels, Resorts (MCCs 3501 through 3999, 7011)
- Motor Home and Recreational Vehicle Rental (MCC 7519)
- Real Estate Agents and Managers—Rentals (MCC 6513)
- Theatrical Producers, Ticket Agencies (excluding Motion Picture) (MCC 7922)
- Travel Agencies and Tour Operators (MCC 4722)

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 an SDW, when the SDW funding transaction occurred during the consumer's purchase.

A transaction in which an 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.

For transactions in which value or assets are purchased for gambling, investment or similar purposes: This chargeback right is only available for a transaction in which the purchased value or assets failed to appear in the account agreed to between the cardholder and the merchant. For the avoidance of doubt, chargeback rights are not available for

1. refunds, withdrawals or transfer requests,
2. terms and conditions or account access,
3. winnings, gains or losses, or
4. use or subsequent use.

A second presentment must contain documentation of the value or asset either appearing in, or transferred to, the account agreed to between the cardholder and the merchant.

Proper Use for Issuer's First Chargeback

The conditions shown below represent valid options to process a first chargeback for message reason code 4860.

Credit Not Processed

Time Frame.	120-calendar days
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Supporting Documents.	<p>A cardholder letter, electronic message, or completed Dispute Resolution Form is required if any of the following:</p> <ul style="list-style-type: none"> • 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 <p>A cardholder letter, electronic message, or completed Dispute Resolution Form is not required if the documentation includes one of the following:</p> <ul style="list-style-type: none"> • 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 <p>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.</p>
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DE 72 (Data Record).	<p>For improper partial credit only: NNNNNNNNNNNNNNNNNNNNNNNNNNNNNN</p>
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Notes.	<p>Replace NNNNNNNNNNNNNNNNNNNNNNNNNNNNNNN with the Acquirer Reference Data (ARD) for the credit transaction.</p> <p>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.</p> <p>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).</p>
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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).	TIMESHARE

Notes.	An acquirer in the Europe region must ensure that a time-share merchant must provide a full credit refund when the conditions below are both met: <ul style="list-style-type: none"> • The transaction receipt was processed. • The cardholder canceled the transaction within 90-calendar days of the transaction date.
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Credit Posted as a Purchase

Time Frame.	120-calendar days
Supporting Documents.	None
DE 72 (Data Record).	None
Notes.	The chargeback amount must be twice the original transaction amount to offset the error.

Proper Use for Acquirer's Second Presentment

The condition shown below represents a valid option that the acquirer may choose to process a second presentment for message reason code 4860.

Other message codes may apply; refer to Second Presentment in this appendix for more details.

Credit Issued

IPM Second Presentment Message Reason Code.	2011 Credit issued
Second Presentment Condition.	The 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

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

Second Presentment Condition.	Any of the following: <ul style="list-style-type: none"> • 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: <ol style="list-style-type: none"> 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: <ol style="list-style-type: none">1. CRED MMDDYY NNNNNNNNNNNNNNNNNNNNNNNNNNNNN2. CREDIT MMDDYY XXXXXXXXXXXXX
Notes.	One of the following corresponding to the Supporting Documents: <ol style="list-style-type: none">1. Replace MMDDYY with the date the credit was performed. Optionally, replace NNNNNNNNNNNNNNNNNNNNNNNNNNNN 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. <p>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).</p>

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 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 E 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 E 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.
- 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.

Invalid Chargeback

IPM Second Presentment Message Reason Code.	2713 Invalid chargeback
Second Presentment Condition.	<ol style="list-style-type: none"> 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.	<ol style="list-style-type: none"> 1. Evidence that the terminal was properly identified in the authorization and clearing records as a hybrid terminal and the proper CVM was used. 2. None
DE 72 (Data Record).	None
Notes.	None

Transaction Authorized

IPM Second Presentment Message Reason Code.	2008 Transaction authorized
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Second Presentment Condition.	The transaction was authorized online and did not involve a hybrid card. The first value in the service code (DE 35 or DE 45) was not 2 or 6 and therefore did not indicate a hybrid card.
Supporting Documents.	None
DE 72 (Data Record).	INV SERVICE CODE
Notes.	None

Two or More Previous Fraud-related Chargebacks

IPM Second Presentment Message Reason Code.	2713 Invalid chargeback
Second Presentment Condition.	The issuer previously charged back two or more transactions involving the same Maestro card account before the authorization approval date of the disputed transaction for message reason code 4837 or 4870.
Supporting Documents.	None
DE 72 (Data Record).	One of the following: 1. FNS 2. NN MMDDYY NN MMDDYY AUTH MMDDYY
Notes.	The following applies to the use of DE 72 (Data Record): 1. Use FNS when the authorization approval date of the disputed transaction is later than the date value provided by the Fraud Notification Service in PDS 0200 of the First Chargeback/1442 message. 2. Use NN MMDDYY for a previous chargeback by replacing NN with the last two digits of the message reason code and MMDDYY with the Central Site Business Date. For AUTH MMDDYY , replace MMDDYY with the authorization approval date of the disputed transaction.

Other message codes may apply; refer to section Second Presentment Procedures in this appendix for more details.

Intra-European Message Reason Code 4880-Late Presentment

The following sections describe the proper use of message reason code 4880.

Proper Use of Intra-European Message Reason Code 4880

An intra-European transaction is presented more than seven calendar days after the transaction date and the account is permanently closed.

Improper Use for Issuer's First Chargeback

The issuer must use good-faith efforts to collect the transaction amount from the cardholder before exercising this chargeback right.

The issuer cannot submit a chargeback for message reason code 4880 if the account is in good standing.

Proper Use for Acquirer's Second Presentment

The conditions shown below represent valid options that the acquirer may choose to process a second presentment for message reason code 4880.

Correct Transaction Date Provided	
IPM Second Presentment Message Reason Code.	2003 Correct Transaction date provided
Second Presentment Condition.	The acquirer can substantiate that the transaction date was not more than seven calendar days before the Central Site processing date of the presentment.
Supporting Documents.	Transaction printout.
DE 72 (Data Record).	Correct transaction date

Other message codes may apply; refer to Second Presentment in this appendix for more details.

Domestic Chargeback Rules

The following section describes specific rules that are applicable to domestic Maestro transactions. In addition to the international rules set by Mastercard, domestic transactions are subject to the intra-European and inter-European Maestro rules, except where there is a specific domestic rule that varies the intra-European or inter-European rule.

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.

Chapter 11 CVM and Transit Limit Amounts

This appendix specifies contactless transaction and contactless transit aggregated transaction CVM limit amounts and transit first ride risk limits.

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Overview

The following sections present information on contactless and contactless transit aggregated transaction cardholder verification method (CVM) limit amounts and transit first ride risk limits. See Chapters 3 and 4 of *Transaction Processing Rules* for more information.

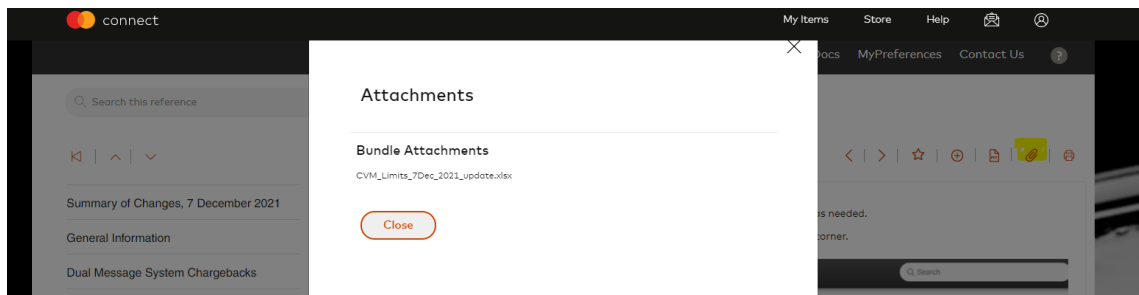
Mastercard will populate PDS 0044 (Program Participation Indicator), subfield 2 (Contactless Chargeback Eligibility Indicator) with the value of I (Ineligible for Chargeback) in the First and Second Presentment/1240 messages for any properly identified contactless transactions equal to or less than the applicable CVM limit amount and therefore ineligible for chargeback under reason code 4837-No Cardholder Authorization. For contactless transaction identification requirements, see Appendix E.

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.

Chapter 12 Domestic Chargebacks, Arbitration Case Filing, and Compliance Case Filing

This appendix contains domestic chargeback, arbitration case filing, and arbitration case filing rules.

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Participating Countries-Installment Billing Dispute (Reason Code 4850)

The following sections provide information on the proper and improper use of message reason code 4850.

Issuers may use this message reason code only for a dispute involving domestic transactions occurring in participating countries when the cardholder has agreed to either acquirer-financed or merchant-financed installment billing, as described in the *Transaction Processing Rules* manual.

Proper Use of Message Reason Code 4850

The issuer may 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 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 either of the following occurred:

- 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.

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

Time Frame.	120-calendar days
Retrieval Request.	No
Supporting Documents.	Documentation from the cardholder substantiating the correct number of installments
DE 72 (Data Record).	CORRECT INST NN
Notes.	In DE 72 (Data Record), replace NN with the correct number of installments.

Incorrect Installment Amount

Time Frame.	120-calendar days
Retrieval Request.	No
Supporting Documents.	Documentation from the cardholder substantiating the correct installment amount
DE 72 (Data Record).	CORRECT AMT \$\$\$\$\$\$

Notes.	Replace \$\$\$\$\$\$ with the correct installment amount. The chargeback may only be for the difference between the correct installment amount and the actual amount billed to the cardholder.
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Premature Processing of Installment

Time Frame.	120-calendar days
Retrieval Request.	No
Supporting Documents.	Documentation from the cardholder or the issuer substantiating the correct installment frequency
DE 72 (Data Record).	PREMATURE
Notes.	None

Not an Installment Transaction

Time Frame.	120-calendar days
Retrieval Request.	No
Supporting Documents.	Documentation from the cardholder or the issuer to substantiate that the transaction is not for installment payments
DE 72 (Data Record).	NOT AN INSTALLMENT TRANS
Notes.	None

Invalid Installment Acceleration

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
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Retrieval Request.	No
Supporting Documents.	None
DE 72 (Data Record).	4837 CB REF NNNNNNNN
Notes.	Replace NNNNNNNN 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

IPM Second Presentment Message Reason Code.	2700 See Corresponding Documentation/Chargeback Remedied
Time Frame	For Nigeria domestic 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 number of installments in the Financial Detail Addendum (Generic Detail)/1644 message is the same as the number of installments agreed by the cardholder at the POI.
Supporting Documents.	One of the following: <ul style="list-style-type: none"> • 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 Nigeria domestic 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: <ul style="list-style-type: none"> • 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

IPM Second Presentment Message Reason Code	2713 Invalid Chargeback
Time Frame	For Nigeria domestic 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

IPM Second Presentment Message Reason Code.	2713 Invalid Chargeback
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Time Frame	For Nigeria domestic 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 Nigeria domestic transactions: two-business days For all other transactions: 45-calendar days from the chargeback settlement date
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- **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.
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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.
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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.

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 Mexico domestic 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
- Chapter 15, "Additional U.S. Region and U.S. Territory Rules," Rule 5.11.2, "Charges to Cardholders."

Improper Use of Message Reason Code 4854

The issuer **may not** use this message reason code when the transaction was a Mastercard Commercial Payments Account transaction. A Mastercard Commercial Payments Account transaction occurs when PDS 0002 (GCMS Product Identifier) was MAP (Mastercard Commercial Payments Account) in the First Presentment/1240 message.

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.

Time Frame	60-calendar days after first learning about the dispute from the cardholder or within 120-calendar days of the Central Site Business Date
Message Reason Code.	One of the following: <ul style="list-style-type: none">• 4854 Dual Message System transactions• 54 for Debit Mastercard transactions processed on the Single Message System

Retrieval Request.	No
Supporting Documents.	All of the following: <ul style="list-style-type: none"> • Cardholder letter, email, <i>Dispute Resolution Form-Cardholder Dispute Chargeback</i> (Form 1221) fulfilling the prerequisites of the chargeback and the details of the nature of the dispute. • Copy of applicable law (when applicable)
DE 72 (Data Record).	None
Notes.	None

Disputed Surcharge

Time Frame.	Within 120-calendar days of the Central Site Business Date
Message Reason Code.	One of the following: <ul style="list-style-type: none"> • 4854 Dual Message System transactions • 54 for Debit Mastercard transactions processed on the Single Message System
Retrieval Request.	No
Supporting Documents.	Cardholder letter, email, <i>Dispute Resolution Form-Cardholder Dispute Chargeback</i> (Form 1221) describing the nature of the disputed surcharge.
DE 72 (Data Record).	None
Notes.	When the cardholder disputes only a part of the transaction amount, the issuer must prorate the Surcharge amount.

Proper Use for Acquirer's Second Presentment

The following conditions represent valid options that the acquirer can use to process a second presentment for message reason code 4854.

Deficiency Corrected	
IPM Second Presentment Message Reason Code	2700 See Corresponding Documentation/Chargeback Remedied
Second Presentment Condition.	The acquirer can document it corrected the deficiency that led to the chargeback.

Deficiency Corrected	
Supporting Documents.	One or both of the following: <ul style="list-style-type: none"> • Copy of the TID or invoice (when applicable) • Merchant's written rebuttal (when applicable)
DE 72 (Data Record).	None
Notes.	None

Invalid Chargeback

Invalid Chargeback	
IPM Second Presentment Message Reason Code	2713 Invalid chargeback
Second Presentment Condition.	The acquirer substantiates that the chargeback was invalid. (For example, the necessary supporting documentation failed to support the chargeback.)
Supporting Documents.	None
DE 72 (Data Record).	The reason for the invalidity
Notes.	None

Disputed Surcharge

Disputed Surcharge	
IPM Second Presentment Message Reason Code.	2700 See Corresponding Documentation/Chargeback Remedied
Second Presentment Condition.	The acquirer substantiates that the surcharge was correctly processed.
Supporting Documents.	Documentation proving the surcharge was correctly processed.
DE 72 (Data Record).	None
Notes.	None

Disputed Surcharge-Incorrect Pro-rated Calculation

Disputed Surcharge—Incorrect Pro-rated Calculation	
IPM Second Presentment Message Reason Code.	2700 See Corresponding Documentation/Chargeback Remedied
Second Presentment Condition.	The acquirer substantiates that the pro-rated surcharge was incorrectly calculated by the issuer.
Supporting Documents.	Documentation proving the surcharge was incorrectly calculated.
DE 72 (Data Record).	None
Notes.	None

Examples-Possible Chargeback Message Reason Code 4854 Remedies. The merchant's written rebuttal may include one of the following:

- An assertion based on the documentation that the merchant corrected the deficiency that led to the chargeback or otherwise resolved the complaint. For example, the merchant repaired or replaced the merchandise.
- Proof that the chargeback was invalid because the cardholder paid the disputed amount before contacting the merchant or issuer about the dispute.
- An assertion that the chargeback was invalid because the issuer's supporting documentation was not sufficient to substantiate a claim against the merchant.

Additional Remedies

Acquirers can use the following second presentment message reason codes to submit a Second Presentment/1240 for message reason code 4854.

- **2002**-Nonreceipt of required documentation to support chargeback
- **2004**-Invalid Acquirer Reference Data on chargeback; documentation was received
- **2011**-Credit previously issued
- **2700**-Chargeback remedied. See corresponding documentation.
- **2701**-Duplicate Chargeback
- **2702**-Past Chargeback Time Limit
- **2709**-Documentation received was illegible

Arbitration 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.
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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.
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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.

Adjustment Condition.	The acquirer has received a returned item or notice of non-payment for a non-negotiable item.
Time Frame.	One business day following receipt of the returned item or notice of non-payment for a non-negotiable item.
Adjustment Message Reason Code.	20
Supporting Documents.	One of the following: <ul style="list-style-type: none">• A copy of the front and back of the returned item• A copy of the notice of non-payment
Additional Information.	Optional
Notes.	The original returned or non-negotiable item must be sent to the issuer (the proof of completing such act rests with the acquirer) within three business days of the adjustment processing date, or, to the extent permitted under the Check Clearing for the 21st Century Act ("Check 21 Act"), 12 U.S.C. § 5001 et seq., a substitute check meeting the requirements of the Check 21 Act must be transmitted to the issuer within three business days of the adjustment processing date. The copy of the returned or non-negotiable item that is processed through the Mastercom system (the "Mastercom Copy") is not intended to qualify or meet the requirements of a substitute check under the Check 21 Act, and under no circumstances shall the acquirer or issuer treat such Mastercom Copy as a substitute check under the Check 21 Act.

Issuer Chargeback

The issuer may process a chargeback using message reason code 30–Cardholder Disputed Amount (U.S. Shared Deposits Only). Refer to the individual chargeback message reason code later in this section for requirements.

Empty Deposit Envelope (Reason Code 24)

The acquirer may use this message reason code when an empty deposit envelope was received.

Acquirer Adjustment

The table shown below details the requirements for this adjustment message reason code.

Adjustment Condition.	The acquirer has received an empty deposit envelope.
Time Frame.	Between 1 and 5-calendar days from the settlement date.
Adjustment Message Reason Code.	24
Supporting Documents.	None
Additional Information.	Optional
Notes.	None

Issuer Chargeback

The issuer may process a chargeback using message reason code 30–Cardholder Disputed Amount (U.S. Shared Deposits Only). Refer to the individual chargeback message reason code later in this section for requirements.

Error in Addition (Reason Code 25)

The acquirer may use this message reason code to correct an addition error with the cardholder’s deposit.

Acquirer Adjustment

The table shown below details the requirements for this adjustment message reason code.

Adjustment Condition	The acquirer is correcting an addition error with the cardholder’s deposit.
Time Frame.	Between 1 and 5-calendar days from the settlement date.
Adjustment Message Reason Code.	25
Supporting Documents.	None
Additional Information.	Optional
Notes.	None

Issuer Chargeback

The issuer may process a chargeback using message reason code 30–Cardholder Disputed Amount (U.S. Shared Deposits Only). Refer to the individual chargeback message reason code later in this section for requirements.

Error in Settlement (Reason Code 26)

The acquirer may use this message reason code to correct a settlement error.

Acquirer Adjustment

The table shown below details the requirements for this adjustment message reason code.

Adjustment Condition.	The acquirer is correcting an error settlement.
Time Frame.	Between 1 and 5-calendar days from the settlement date.
Adjustment Message Reason Code.	26
Supporting Documents.	None
Additional Information.	Optional
Notes.	None

Issuer Chargeback

The issuer may process a chargeback using message reason code 30–Cardholder Disputed Amount (U.S. Shared Deposits Only). Refer to the individual chargeback message reason code later in this section for requirements.

Customer Keyed Wrong Amount (Reason Code 27)

The acquirer may use this message reason code to correct a keying error with the cardholder's deposit.

Acquirer Adjustment

The table shown below details the requirements for this adjustment message reason code.

Adjustment Condition.	The acquirer is correcting a keying error with the cardholder's deposit.
Time Frame.	Between 1 and 5-calendar days from the settlement date.
Adjustment Message Reason Code.	27
Supporting Documents.	None
Additional Information.	Optional
Notes.	None

Issuer Chargeback

The issuer may process a chargeback using message reason code 30–Cardholder Disputed Amount (U.S. Shared Deposits Only). Refer to the individual chargeback message reason code later in this section for requirements.

Non-Cash Item Deposited (Reason Code 28)

The acquirer may use this message reason code when the acquirer received a non-cash item.

Acquirer Adjustment

The table shown below details the requirements for this adjustment message reason code.

Adjustment Condition.	The acquirer has received a non-cash item.
Time Frame.	One business day following receipt of the non-cash item.
Adjustment Message Reason Code.	28
Supporting Documents.	A copy of the front and back of the non-cash item
Additional Information.	Optional
Notes.	The original non-cash item must be sent to the issuer (the proof of completing such act rests with the acquirer) within three business days of the adjustment processing date.

Issuer Chargeback

The issuer may process a chargeback using message reason code 30–Cardholder Disputed Amount (U.S. Shared Deposits Only). Refer to the individual chargeback message reason code later in this section for requirements.

Foreign/Counterfeit Currency Deposited (Reason Code 29)

The acquirer may use this message reason code when foreign currency or counterfeit currency was deposited into an ATM.

Acquirer Adjustment

The table shown below details the requirements for this adjustment message reason code.

Adjustment Condition.	The acquirer is reversing a foreign or counterfeit currency deposit.
Time Frame.	Between 1 and 5-calendar days from the settlement date.
Adjustment Message Reason Code.	29
Supporting Documents.	None
Additional Information.	Optional

Notes. None

Issuer Chargeback

The issuer may process a chargeback using message reason code 30–Cardholder Disputed Amount (U.S. Shared Deposits Only). Refer to the individual chargeback message reason code later in this section for requirements.

Cardholder Disputed Amount (Reason Code 30)

The issuer may use this message reason code when the Shared Deposit adjustment is invalid.

Issuer Chargeback

The table shown below details the requirements for this adjustment message reason code.

Chargeback Condition.	The issuer is disputing the acquirer’s adjustment of a Shared Deposit as invalid. The acquirer must have submitted the adjustment six or more calendar days after the original transaction settlement date.
Time Frame.	Between 1 and 20-calendar days after the adjustment settlement date.
Chargeback Message Reason Code.	30
Supporting Documents.	None
Additional Information.	Optional
Notes.	None

Acquirer Representation

Representation is not available for this message reason code.

Arbitration Case Filing

An arbitration case filing is not available as a representation 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: <ul style="list-style-type: none">• 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:<ul style="list-style-type: none">– 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:<ul style="list-style-type: none">– The cardholder states that the quality or workmanship of the product is not as described.– The cardholder states that the specified color, size, or quantity is not as described.– Terms and conditions of a contract including, but not limited to, 100 percent money back guarantee, written promises, or return policy.
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Time Frame.	<p>One of the following:</p> <ul style="list-style-type: none">• 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. <p>In addition,</p> <ul style="list-style-type: none">• 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.	<p>Cardholder email, letter, message or completed <i>Dispute Resolution Form-Cardholder Dispute Chargeback</i> (Form 1221) stating all of the following:</p> <ul style="list-style-type: none">• 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.	<p>The issuer may chargeback only the disputed amount.</p> <p>This chargeback is not available for transactions identified with one of the following MCCs: 3000 through 3999, 4411, 4511, 4722, 6513, 7011, 7512, 7519, or 7922 and the merchant provided a voucher for future use and that provision of voucher was properly disclosed in the merchant’s terms and conditions. Refer to the Travel/Entertainment Services Not Provided/Not as Described and Merchant Voucher Issued section for a possible chargeback.</p> <p>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 an 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.</p> <p>Supporting documentation must be in English or accompanied by an English translation.</p> <p>Supporting documentation must be provided within 10-calendar days of the chargeback settlement date.</p>
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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.	<p>Cardholder email, letter, message or completed <i>Dispute Resolution Form-Cardholder Dispute Chargeback</i> (Form 1221) stating all of the following:</p> <ul style="list-style-type: none"> • The reason the cardholder believes that the goods are counterfeit • Disposition of the goods; Examples include but are not limited to: <ul style="list-style-type: none"> – 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 an 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.

Travel/Entertainment Services Not Provided/Not as Described and Merchant Voucher Issued

Chargeback Condition.

All of the following:

1. 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
 2. The cardholder contacted the issuer claiming all of the following:
 - The cardholder engaged in the transaction
 - The purchased goods or services were not received due to merchant cancellation
 - The merchant provided a voucher for future use in lieu of a refund and that provision of voucher was properly disclosed in the merchant's terms and conditions
 - The merchant is unable or unwilling to provide the goods or services in violation of the voucher terms and conditions
 3. The transaction was identified with one of the following MCCs:
 - Airlines and Air Carrier (MCCs 3000 through 3350, 4511)
 - Car Rental Agencies (MCCs 3351 through 3500, 7512)
 - Cruise Lines (MCC 4411)
 - Lodging-Hotels, Motels, Resorts (MCCs 3501 through 3999, 7011)
 - Motor Home and Recreational Vehicle Rental (MCC 7519)
 - Real Estate Agents and Managers—Rentals (MCC 6513)
 - Theatrical Producers, Ticket Agencies (excluding Motion Picture) (MCC 7922)
 - Travel Agencies and Tour Operators (MCC 4722)
-

Time Frame.	<p>For United States domestic transactions, both of the following:</p> <ul style="list-style-type: none"> • Between 5 and 120-calendar days from the original delivery or performance date specified by the merchant. • Between 5 and 540-calendar days from the Central Site Business Date of the original transaction. <p>For all other transactions, both of the following:</p> <ul style="list-style-type: none"> • Between 5 and 120-calendar days from the latest anticipated delivery or performance date specified by the merchant. For cases involving merchant-provided vouchers for future use, the voucher expiration date is considered the latest anticipated delivery or performance date specified by the merchant. • Between 5 and 365-calendar days from the original expected delivery or performance date specified by the merchant
Message Reason Code.	53
Supporting Documents.	<p>Cardholder email, letter, message or completed <i>Dispute Resolution Form-Cardholder Dispute Chargeback</i> (Form 1221) must include both of the following:</p> <ul style="list-style-type: none"> • 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 <i>Dispute Resolution Form-Cardholder Dispute Chargeback</i> (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.	None.

Acquirer Representment (Second Presentment)

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

Second Presentment Condition.	<p>The acquirer can provide evidence of one of the following:</p> <ul style="list-style-type: none"> • The dispute was corrected or resolved. • The goods were not counterfeit. • The chargeback was invalid.
Time Frame.	45-calendar days of the chargeback settlement date
Second Presentment Message Reason Code.	13
Supporting Documents.	The merchant’s explanation and documentation supporting the Second Presentment Condition.

Notes.	Supporting documentation must be in English or accompanied by an English translation. Supporting documentation must be provided within 10-calendar days of the representment settlement date.
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Arbitration Case Filing

General Use

Arbitration Case Filing Condition.	The acquirer failed to remedy the dispute.
Time Frame.	45-calendar days of the representment settlement date
Documentation Requirements.	All of the following: <ul style="list-style-type: none"> • <i>Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (682a)</i> • Second presentment supporting documentation as provided by the acquirer • A new cardholder email, letter, message or completed <i>Dispute Resolution Form-Cardholder Dispute Chargeback (Form 1221)</i> rebutting the merchant's explanation • Documentation supporting the new cardholder letter which may include: <ul style="list-style-type: none"> – 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. <i>A completed Dispute Resolution Form-Cardholder Dispute Chargeback (Form 1221) must be the result of contact with the cardholder.</i>

Counterfeit Goods

Arbitration Case Filing Condition.	The acquirer failed to remedy the dispute.
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Time Frame.	45-calendar days of the representment settlement date
Documentation Requirements.	<p>All of the following:</p> <ul style="list-style-type: none">• <i>Dispute Resolution Management Case Filing Form-SMS Linked Case Filing (682a)</i>• Second presentment supporting documentation as provided by the acquirer• A new cardholder email, letter, message or completed <i>Dispute Resolution Form-Cardholder Dispute Chargeback (Form 1221)</i> rebutting the merchant's explanation.• One of the following:<ul style="list-style-type: none">– 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.	<p>The issuer should send an email message to ipinquiries@Mastercard.com to report the cardholder's allegation of an intellectual property rights infringement.</p> <p>Supporting documentation must be in English or accompanied by an English translation.</p> <p>A completed <i>Dispute Resolution Form-Cardholder Dispute Chargeback (Form 1221)</i> must be the result of contact with the cardholder.</p>

Chapter 13 Transaction Identification Requirements

This appendix contains requirements for transaction identification. In the EEA, a Customer must identify Transactions in authorization and clearing messages using the values and in the fields defined by the registered switch of its choice.

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Transaction Date

The Transaction date appearing in DE 12 (Date and Time, Local Transaction) is specified as follows.

For the following Transaction...	The Transaction date is the date on which...
Face-to-Face	The products or services are exchanged.
Non-Face-to-Face	The products are shipped or services performed.
Vehicle Rental	The vehicle is returned, or, if applicable, the prepayment date.
Lodging	Checkout occurred, or if applicable, the prepayment date.
No-show	The Cardholder was expected to arrive at the lodging merchant and failed to appear.
Airline/Railway	The airline or railway ticket was issued.
Cruise Line	The transportation documents were issued.
On-board Cruise Line	The passenger disembarks.
Refund	The Merchant grants a credit or price adjustment.
All In-Flight Commerce Transactions except those involving mailed purchases	The flight departs from the originating city. The Transaction date for in-flight commerce mailed purchases is the shipment date unless otherwise disclosed to the Cardholder.
Mastercard Contactless Transit Aggregated	One or more contactless taps performed with one Mastercard Account and occurring at one transit Merchant are aggregated in a First Presentment/1240 message.
Maestro Contactless Transit Aggregated	A Financial Transaction Request/0200 (or in the Europe Region, an Authorization Request/0100) message is sent for an estimated or maximum amount in connection with the use of one Maestro Account at one transit Merchant.
Card-not-present purchase aggregation (U.S. Region only)	The Cardholder's multiple individual purchases involving one Mastercard Account that occurred at a Merchant registered in the Mastercard Micropayment Solution are aggregated by the Merchant into a total Transaction amount and submitted to the Acquirer.

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”).

Table 34: Contactless Transaction Values for Authorization Request/0100 or Financial Transaction Request/0200 Messages

Data Element	Subfield	Value
22 (Point of Service [POS] Entry Mode)	1 (POS Terminal PAN Entry Mode)	One of the following: <ul style="list-style-type: none"> • 07 (PAN auto-entry via contactless M/Chip) • 91 (PAN auto-entry via contactless magnetic stripe—the full track data had been read from the data on the card and transmitted within the authorization request in DE 35 [Track 2 Data] or DE 45 [Track 1 Data] without alteration or truncation)
61 (Point-of-Service [POS] Data)	11 (POS Card Data Terminal Input Capabilities)	One of the following: <ul style="list-style-type: none"> • 3 (Contactless M/Chip) • 4 (Contactless Magnetic Stripe)

Table 35: Contactless Transaction Values for First Presentment/1240 Messages

Data Element	Subfield	Value
22 (Point of Service Data Code)	1 (Terminal Data: Card Data Capability)	One of the following: <ul style="list-style-type: none"> • A (Contactless Magnetic Stripe [Proximity Chip]) • M (Contactless EMV/Chip [Proximity Chip])
	7 (Card Data: Input Mode)	One of the following: <ul style="list-style-type: none"> • A (PAN auto-entry via contactless magnetic stripe) • M (PAN auto-entry via contactless M/Chip)

Contactless Transit Aggregated Transactions

The Acquirer must identify each Contactless transit aggregated Transaction with the following values.

Table 36: Contactless Transit Aggregated Transaction Values for Authorization Request/0100 or Financial Transaction Request/0200 Messages

Data Element	Subfield	Value
18 (Merchant Type)		One of the following: <ul style="list-style-type: none"> • 4111 (Transportation—Suburban and Local Commuter Passenger, including Ferries) • 4131 (Bus Lines) • 4784 (Bridge and Road Fees, Tolls)
22 (Point-of-Service [POS] Entry Mode)	1 (POS Terminal PAN Entry Mode)	Any of the values shown in "Contactless Transaction Values for Authorization Request/0100 or Financial Transaction Request/0200 Messages." Please note that additionally, the value of 82 appears in Contactless debt repayment Transactions.
48 (Additional Data—Private Use)	1 (Transaction Category Code [TCC])	X (Airline and Other Transportation Services)
48 (Additional Data—Private Use), subelement 64 (Transit Program)	1 (Transit Transaction Type)	One of the following: <ul style="list-style-type: none"> • 03 (Post-authorized Aggregated) • 05 (Other) <p>NOTE: This value is only for contactless transit aggregated Transactions occurring at U.S. Region Merchant locations</p> <ul style="list-style-type: none"> • 06 (Post-authorized Aggregated Maestro)
61 (Point-of-Service [POS] Data)	1 (POS Terminal Attendance)	1 (Unattended terminal)
	3 (POS Terminal Location)	0 (On premises of merchant facility)
	4 (POS Cardholder Presence)	0 (Cardholder present)
	5 (POS Card Presence)	0 (Card present)
	6 (POS Card Capture Capabilities)	0 (Terminal/Operator has no card capture capability)

Data Element	Subfield	Value
	7 (POS Transaction Status)	<p>One of the following:</p> <ul style="list-style-type: none"> • 0 (Normal request) • 1 (Deferred authorization) <p>NOTE: This value is only for contactless transit aggregated Transactions occurring at U.S. Region Merchant locations.</p> <ul style="list-style-type: none"> • 4 (Pre-authorized request)
	10 (Cardholder-Activated Terminal Level)	0 (Not a CAT transaction)
	11 (POS Card Data Terminal Input Capability)	<p>One of the following:</p> <ul style="list-style-type: none"> • 3 (Contactless M/Chip) • 4 (Contactless Magnetic Stripe)

Table 37: Contactless Transit Aggregated Transaction Values for First Presentment/1240 Messages

Data Element/PDS	Subfield	Value
22 (Point of Service Data Code)	1 (Terminal Data: Card Data Capability)	<p>One of the following:</p> <ul style="list-style-type: none"> • A (PAN auto-entry via contactless magnetic stripe) • M (PAN auto-entry via contactless M/Chip)
	3 (Terminal Data: Card Capture Capability)	0 (No capture capability)
	4 (Terminal Operating Environment)	2 (On merchant premises; unattended terminal)
	5 (Card Present Data)	0 (Cardholder present)
	6 (Card Present Data)	1 (Card present)
	7 (Card Data: Input Mode)	<p>One of the following:</p> <ul style="list-style-type: none"> • A (PAN auto-entry via contactless magnetic stripe) • M (PAN auto-entry via contactless M/Chip)
26 (Merchant Business Code [MCC])		<p>One of the following:</p> <ul style="list-style-type: none"> • 4111 (Transportation-Suburban and Local Commuter Passenger, including Ferries) • 4131 (Bus Lines) • 4784 (Bridge and Road Fees, Tolls)

Data Element/PDS	Subfield	Value
PDS 0210 (Transit Transaction Program)	1 (Transit Transaction Type)	One of the following: <ul style="list-style-type: none"> • 03 (Post-authorized Aggregated) • 05 (Other) - effective 15 August 2022, applies to contactless transit aggregated Transactions occurring at U.S. Region Merchant locations • 06 (Post-authorized Aggregated Maestro)

Contactless-only Transactions

The Acquirer must identify each Contactless-only Transaction with the following values.

Table 38: Contactless-Only Transaction Values for Authorization Request/0100 or Financial Transaction Request/0200 Messages

Data Element	Subfield	Value
18 (Merchant Type)		An MCC approved to be Contactless-only as published by Mastercard from time to time.
22 (Point-of-Service [POS] Entry Mode)	1 (POS Terminal PAN Entry Mode)	Any of the values shown in "Contactless Transaction Values for Authorization Request/0100 or Financial Transaction Request/0200 Messages".
61 (Point-of-Service [POS] Data)	1 (POS Terminal Attendance)	1 (Unattended terminal)
	3 (POS Terminal Location)	One of the following: <ul style="list-style-type: none"> • 0 (On premises of merchant facility) • 1 (Off premises of merchant facility [merchant terminal—remote location])
	4 (POS Cardholder Presence)	0 (Cardholder present)
	5 (POS Card Presence)	0 (Card present)
	7 (POS Transaction Status)	0 (Normal request)
	10 (Cardholder-Activated Terminal Level)	One of the following: <ul style="list-style-type: none"> • 1 (Authorized Level 1 CAT: Automated dispensing machine with PIN) • 2 (Authorized Level 2 CAT: Self-service terminal) • 3 (Authorized Level 3 CAT: Limited-amount terminal)

Data Element	Subfield	Value
	11 (POS Card Data Terminal Input Capability)	One of the following: <ul style="list-style-type: none"> • 3 (Contactless M/Chip) • 4 (Contactless Magnetic Stripe)

Table 39: Contactless-Only Transaction Values for First Presentment/1240 Messages

Data Element	Subfield	Value
22 (Point of Service Data Code)	1 (Terminal Data: Card Data Capability)	One of the following: <ul style="list-style-type: none"> • A (PAN auto-entry via contactless magnetic stripe) • M (PAN auto-entry via contactless M/Chip)
	4 (Terminal Operating Environment)	One of the following: <ul style="list-style-type: none"> • 2 (On merchant premises; unattended terminal) • 4 (Off merchant premises; unattended) • 6 (Off cardholder premises; unattended)
	5 (Card Present Data)	0 (Cardholder present)
	6 (Card Present Data)	1 (Card present)
	7 (Card Data: Input Mode)	One of the following: <ul style="list-style-type: none"> • A (PAN auto-entry via contactless magnetic stripe) • M (PAN auto-entry via contactless M/Chip)
26 (Merchant Business Code [MCC])		An MCC approved to be contactless-only as published by Mastercard from time to time.

Payment Transactions

The Acquirer must identify each Payment Transaction, MoneySend Payment Transaction, and Gaming Payment Transaction, as applicable, with the following values.

Table 40: Payment Transaction Values for Authorization Request/0100 or Financial Transaction Request/0200 Messages

Data Element	Subfield	Value
3 (Processing Code)	1 (Cardholder Transaction Type)	28

Data Element	Subfield	Value
18 (Merchant Type)		<p>One of the following for Payment Transactions:</p> <ul style="list-style-type: none"> • 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) <hr/> <ul style="list-style-type: none"> • 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) • 7994 for Gaming Payment Transactions (Video Game Arcades/ Establishments) <hr/> <ul style="list-style-type: none"> • 7995 for Gaming Payment Transactions (Gambling Transactions, Europe, MEA, and U.S. 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 <i>MoneySend Program Guide</i>. • For Payment Transactions (other than MoneySend Payment Transactions), the program-defined MCC as described in the applicable Standards.
48 (Additional Data—Private Use)	TCC (Transaction Category Code)	Refer to the <i>Quick Reference Booklet</i> .
48 (Additional Data—Private Use)	77 (Payment Transaction Type Indicator)	Payment Transaction program type identified in the <i>Customer Interface Specification</i> and the <i>Single Message System Specifications</i> .

Table 41: Payment Transaction Values for First Presentment/1240 Messages

Data Element	Subfield	Value
3 (Processing Code)	1 (Cardholder Transaction Type)	28
26 (Merchant Business Code)		As described for DE 18 (Merchant Type) in the Authorization Request/0100 message
48 (Additional Data—Private Use)	PDS 0043 (Program Registration ID)	Payment Transaction program type

The value used for the Payment Transaction program type must be that which best describes the purpose of the Payment Transaction.

The Acquirer also should provide either the customer service phone number in PDS 0170 (Merchant Inquiry Information), subfield 1 (Customer Service Phone Number) or the URL address in PDS 0175 (Merchant URL) in the clearing message.

A Payment Transaction Detail addendum may also be submitted with a Payment Transaction. This addendum provides the Issuer and Cardholder with enhanced data about the Merchant, the recipient of funds, and other Transaction details.

In the Europe and United States Regions, Customers must refer to the Mastercard Gaming and Gambling Payments Program Standards for requirements relating to Gaming Payment Transaction message specifications, including applicable Payment Transaction program type values.

Electronic Commerce Transactions

The Acquirer must identify each electronic commerce Transaction with the following values.

Table 42: Electronic Commerce Transaction Values for Authorization Request/0100 or Financial Transaction Request/0200 Messages

Data Element	Subfield	Value
22 (Point-of-Service [POS] Entry Mode)	1 (POS Terminal PAN Entry Mode)	81 (PAN /Token entry via electronic commerce with optional Identity Check-AAV or DSRP cryptogram in UCAF)

Data Element	Subfield	Value
61 (Point-of-Service [POS] Data)	4 (POS Cardholder Presence)	One of the following: <ul style="list-style-type: none"> • 4 (Standing order/recurring transactions) [If the Transaction is the first payment in a recurring payment arrangement] • 5 (Electronic order)
61 (Point-of-Service [POS] Data)	10 (CAT Level)	6 (Electronic commerce)

Table 43: Electronic Commerce Transaction Values for First Presentment/1240 Messages

Data Element	Subfield	Value
22 (Point of Service Data Code)	5 (Cardholder Present Data)	One of the following: <ul style="list-style-type: none"> • 4 (Cardholder not present (standing order/ recurring transactions) [If the Transaction is the first payment in a recurring payment arrangement] • 5 (Cardholder not present [electronic order])
	7 (Card Data: Input Mode)	S (Electronic commerce)

Electronic Commerce Transactions at Automated Fuel Dispensers

Table 44: Authorization Request/0100, Authorization Advice/0120, Acquirer Reversal Advice/0420, and Financial Transaction Request/0200 Messages

Data Element	Subfield or Subelement	Field	Value	Description
18		Merchant Type	5542	Fuel Dispenser, Automated

Transaction Identification Requirements
Electronic Commerce Transactions at Automated Fuel Dispensers

Data Element	Subfield or Subelement	Field	Value	Description
22	01	POS Terminal PAN Entry Mode	09, 10, or 81	<p>09 = PAN/Token entry via electronic commerce containing DSRP cryptogram in DE 55 (Integrated Circuit Card [ICC] System-Related Data)</p> <p>10 = Credential on File</p> <p>81 = PAN/Token entry via electronic commerce with optional Identity Check-AAV or DSRP cryptogram in UCAF</p>
	02	POS Terminal PIN Entry Mode	2	Terminal does not have PIN entry capability
48	01	Transaction Category Code	T	Phone, Mail, or Electronic Commerce Order
	42/SF 1	Electronic Commerce Security Level Indicator and UCAF Collection Indicator	As appropriate	
61	1	POS Terminal Attendance	1	Unattended terminal (Cardholder-Activated Terminal [CAT], home PC, mobile phone, PDA)
	3	POS Terminal Location	4	On premises of Card acceptor facility (Cardholder terminal including home PC, mobile phone, PDA)

Transaction Identification Requirements
Electronic Commerce Transactions at Automated Fuel Dispensers

Data Element	Subfield or Subelement	Field	Value	Description
	4	POS Cardholder Presence	5	Cardholder not present (Electronic order [home PC, Internet, mobile phone, PDA])
	5	POS Card Presence	1	Card not present
	6	POS Card Capture Capabilities	0	Terminal/operator does not have card capture capability
	7	POS Transaction Status	0 or 4	0 = Normal request 4 = Preauthorized request
	8	POS Transaction Security	0	No security concern
	10	Cardholder-Activated Terminal Level	6	Authorized Level 6 CAT: Electronic Commerce
	11	POS Card Data Terminal Input Capability Indicator	6	Terminal supports key entry input only

Table 45: First Presentment/1240 Message

Data Element	Subfield or Subelement	Field	Value	Description
22	1	Terminal Data: Card Data Input Capability	6	Terminal supports key entry input only
	2	Terminal Data: Cardholder Authentication Capability	0	No electronic authentication capability
	3	Terminal Data: Card Capture Capability	0	No capture capability
	4	Terminal Operating Environment	2	On Card acceptor premises; unattended terminal

Data Element	Subfield or Subelement	Field	Value	Description
	5	Cardholder Present Data	5	Cardholder not present (Electronic order [PC, Internet, mobile phone, or PDA])
	6	Card Present Data	0	Card not present
	7	Card Data: Input Mode	7, R, or S	7 = Credential on File R = PAN/Token entry via Electronic commerce containing DSRP cryptogram in DE 55 (Integrated Circuit Card [ICC] System-Related Data) S = Electronic commerce
	12	PIN Capture Capability	0	No PIN capture capability
26	-	Card Acceptor Business Code (MCC)	5542	Fuel Dispenser, Automated
PDS	0023	Terminal Type	CT6	CAT Level 6 (Electronic commerce transaction)
PDS	0052	Electronic Commerce Security Level Indicator	As appropriate	

Digital Secure Remote Payment Transactions

A Digital Secure Remote Payment Transaction is an electronic commerce Transaction that contains cryptographic information, in the form of either full EMV chip data passed in DE 55 or a cryptographic value derived from an M/Chip cryptogram passed in the Digital Payment Data field. 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

Table 46: Authorization Request/0100 and Financial Transaction Request/0200 Messages

Data Element	Subfield/Subelement	Value
22 (Point-of-Service [POS] Entry Mode)	1 (POS Terminal PAN Entry Mode)	09 (PAN/Token entry via electronic commerce containing DSRP cryptogram in DE 55 [Integrated Circuit Card [ICC] System-Related Data])
48 (Additional Data—Private Use)	33 (PAN Mapping File Information)	Present when the Mastercard Digital Enablement Service performs token mapping.
	71 (On-behalf Services)	Present when the Mastercard Digital Enablement Service performs token mapping: Subfield 1 (On-behalf [OB] Service) = 50 (Mastercard Digital Enablement Service PAN Mapping); and Subfield 2 (On-behalf [OB] Result 1) = C (Conversion of Token to PAN completed successfully)
	71 (On-behalf Services)	Present when the Mastercard Digital Enablement Service performs cryptographic validation: <ul style="list-style-type: none"> • Subfield 1 = 51 (Mastercard Digital Enablement Service Chip Pre-Validation); and • Subfield 2 = V (Valid)
55 (Integrated Circuit Card [ICC] System-Related Data)		Contains chip data formatted in accordance with EMV specifications

Data Element	Subfield/Subelement	Value
61 (Point-of-Service [POS] Data)	3 (POS Terminal Location)	One of the following: <ul style="list-style-type: none"> • 2 (Off premises of card acceptor facility [cardholder terminal including home PC, mobile phone, PDA]); or • 4 (On premises of card acceptor facility [cardholder terminal including home PC, mobile phone, PDA])
	4 (POS Cardholder Presence)	5 (Electronic order [home PC, Internet, mobile phone, PDA])
	10 (Cardholder-Activated Terminal Level)	6 (Authorized Level 6 CAT: Electronic commerce)

Table 47: First Presentment/1240 Messages

Data Element	Subfield/PDS	Value
22 (Point-of-Service [POS] Data Code)	4 (Terminal Operating Environment)	One of the following: <ul style="list-style-type: none"> • 2 (On card acceptor premises; unattended terminal); or • 4 (Off card acceptor premises; unattended)
	5 (Cardholder Present Data)	5 (Cardholder not present [electronic order (PC, Internet, mobile phone, or PDA)])
	7 (Card Data: Input Mode)	R (PAN Entry via electronic commerce, including remote chip)
48 (Additional Data)	PDS 0023 (Terminal Type)	CT 6 (CAT level 6 [electronic commerce transaction])
55 (Integrated Circuit Card [ICC] System-Related Data)		Contains chip data formatted in accordance with EMV specifications

Digital Secure Remote Payment Transactions Containing Digital Payment Data

Table 48: Authorization Request/0100 and Financial Transaction Request/0200 Messages

Data Element	Subfield/ Subelement	Value
22 (Point-of-Service [POS] Entry Mode)	1 (POS Terminal PAN Entry Mode)	81 (PAN entry via electronic commerce, including chip)
48 (Additional Data—Private Use)	33 (PAN Mapping File Information)	Present when the Mastercard Digital Enablement Service performs token mapping.
	42 (Electronic Commerce Indicators), subfield 1 (Electronic Commerce Security Level Indicator and UCAF Collection Indicator)	All of the following: Position 1 = 2 Position 2 = 4 Position 3 = 2 or 6
	71 (On-behalf Services)	Present when the Mastercard Digital Enablement Service performs token mapping: Subfield 1 (On-behalf [OB] Result 1) = 50 (Mastercard Digital Enablement Service PAN Mapping); and Subfield 2 (On-behalf [OB] Service) = C (Conversion of Token to PAN completed successfully)
	71 (On-behalf Services)	Present when the Mastercard Digital Enablement Service performs cryptographic validation: Subfield 1 = 51 (Mastercard Digital Enablement Service Chip Pre-Validation); and Subfield 2 = V (Valid)

Transaction Identification Requirements
Digital Secure Remote Payment Transactions Containing Digital Payment Data

Data Element	Subfield/ Subelement	Value
61 (Point-of-Service [POS] Data)	3 (POS Terminal Location)	One of the following: <ul style="list-style-type: none"> • 2 (off premises of card acceptor facility [cardholder terminal including home PC, mobile phone, PDA]); or • 4 (On premises of card acceptor facility [cardholder terminal including home PC, mobile phone, PDA])
	4 (POS Cardholder Presence)	5 (Electronic order [home PC, Internet, mobile phone, PDA])
	10 (Cardholder-Activated Terminal Level)	6 (Authorized Level 6 CAT: Electronic commerce)
DE 104 (Digital Payment Data)	001 (Digital Payment Cryptogram)	Contains the DSRP cryptogram

Table 49: First Presentment/1240 Messages

Data Element	Subfield/PDS	Value
22 (Point-of-Service [POS] Data Code)	4 (Terminal Operating Environment)	One of the following: <ul style="list-style-type: none"> • 2 (On card acceptor premises; unattended terminal); or • 4 (Off card acceptor premises; unattended)
	5 (Cardholder Present Data)	5 (Cardholder not present [electronic order (PC, Internet, mobile phone, or PDA)])
	7 (Card Data: Input Mode)	5 (Electronic commerce)
48 (Additional Data)	PDS 0023 (Terminal Type)	CT 6 (CAT level 6 [electronic commerce transaction])
	PDS 0052 (Electronic Commerce Security Level Indicator)	All of the following: Position 1 = 2 Position 2 = 4 Position 3 = 2 or 6

Merchant-initiated Transactions following Digital Secure Remote Payment Transactions

Table 50: Authorization Request/0100 and Financial Transaction Request/0200 Messages

Data Element	Subfield/ Subelement	Value
22 (Point-of-Service [POS] Entry Mode)	1 (POS Terminal PAN Entry Mode)	10 (Credential-on-file) or 81 (PAN entry via electronic commerce, including chip)
48 (Additional Data—Private Use)	33 (PAN Mapping File Information)	Present when the Mastercard Digital Enablement Service performs token mapping.
	42 (Electronic Commerce Indicators), Subfield 1 (Electronic Commerce Security Level Indicator and UCAF Collection Indicator)	All of the following: Position 1 = 2 Position 2 = 4 Position 3 = 7 NOTE: Liability will depend on whether cryptographic data was present matching initial DSRP transaction.
	71 (On-behalf Services)	Present when the Mastercard Digital Enablement Service performs token mapping: Subfield 1 (On-behalf [OB] Service) = 50 (Mastercard Digital Enablement Service PAN Mapping); and Subfield 2 (On-behalf [OB] Result 1) = C (Conversion of Token to PAN completed successfully) NOTE: Value 51 (Mastercard Digital Enablement Service Chip Pre-Validation) does not appear in a partial shipment or recurring payment.

Table 51: First Presentment/1240 Messages

Data Element	Subfield/PDS	Value
22 (Point-of-Service [POS] Data Code)	4 (Terminal Operating Environment)	One of the following: <ul style="list-style-type: none"> • 2 (On card acceptor premises; unattended terminal); or • 4 (Off card acceptor premises; unattended)
	5 (Cardholder Present Data)	5 (Cardholder not present [electronic order (PC, Internet, mobile phone, or PDA)])
	7 (Card Data: Input Mode)	S (Electronic commerce)
48 (Additional Data)	PDS 0023 (Terminal Type)	CT 6 (CAT level 6 [electronic commerce transaction])
	PDS 0052 (Electronic Commerce Security Level Indicator)	All of the following: Position 1 = 2 Position 2 = 4 Position 3 = 7

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.

Transaction Type Identifier (TTI)

The Transaction Type Identifier (TTI), when present in a Transaction message, must contain a value that is valid and that most accurately describes the purpose for which the Transaction is being conducted. A TTI value must not be used for any purpose other than as set forth in the applicable Standards, including but not limited to the following:

- *Customer Interface Specification*
- *Single Message System Specifications*

- *IPM Clearing Formats*
- *Mastercard Gaming and Gambling Payments Program Standards*
- *Mastercard MoneySend and Funding Transactions Program Standards*

The TTI value is populated in DE 48, subelement 77 of Authorization Request/0100 messages and Financial Transaction Request/0200 messages and in PDS 0043 of First Presentment/1240 messages.

The following TTI values are no longer valid and must not appear in Transaction messages:

- C01 = Person-to-Person
- C05 = Payment Transaction for a reason other than those defined in values C01–C04
- C09 = Card Activation

Merchant Country of Origin

The Acquirer must populate the Merchant Country of Origin in each Transaction conducted by a Government Controlled Merchant, whether such country is the same as or different from the country in which the Merchant is located or the Transaction occurs, (a) in DE 48 (Additional Data—Private Use), subelement 37 (Additional Merchant Data), subfield 4 (Home Country ID) of Authorization Request/0100 and Authorization Advice/0120 messages, and (b) in PDS 0213 (Home Country ID) in First Presentment/1240 messages.

China Deposit Transactions

In China, the following Transaction Identification Requirements apply.

The Acquirer must identify each China Domestic Deposit Transaction with the following values.

Table 52: China Domestic Deposit Transaction Values for Financial Transaction Request/0200 Messages

Data Element	Subfield	Value
3 (Processing Code)	1 (Cardholder Transaction Type)	21 (Deposit)
61 (Point of Service [POS] Data)	7 (POS Transaction Status)	0 (Normal Request)

China Funds Transfer Transactions

In China, the following Transaction identification requirements apply.

The Originating Institution (Acquirer) must identify each China Funds Transfer Request with the following values.

Table 53: China Funds Transfer Request Values for Financial Transaction Request/0200 Messages

Data Element	Subfield	Value
3 (Processing Code)	1 (Cardholder Transaction Type)	10 (Funds Transfer - Funding)
25 (Point of Service Condition Code)		00 (Used for Payer Paid Funds Transfer) 66 (Used for Payee Paid Funds Transfer)
48 (Additional Data)	77 (Transaction Type Identifier)	D01 (Person to Person)
61 (Point of Service [POS] Data)	7 (POS Transaction Status)	0 (Normal Request)
102 (Account Identification-1)		Account Number of the Sending Account
103 (Account Identification-2)		Account Number of the Receiving Account
112 (Additional Data, China Use)	050 (Cardholder Identification Information)	If DE 25 equals 00, the Institution Region Code for the Receiving Institution (subfield 06) is mandatory

China Switch identifies each China Funds Transfer Funding Transaction with the following values.

Table 54: China Funds Transfer Funding Transaction Values for Financial Transaction Request/0200 Messages

Data Element	Subfield	Value
3 (Processing Code)	1 (Cardholder Transaction Type)	10 (Funds Transfer - Funding)
25 (Point of Service Condition Code)		00 (Used for Payer Paid Funds Transfer) 66 (Used for Payee Paid Funds Transfer)
48 (Additional Data)	77 (Transaction Type Identifier)	D01 (Person to Person)
61 (Point of Service [POS] Data)	7 (POS Transaction Status)	0 (Normal Request)
102 (Account Identification-1)		Account Number of the Sending Account
103 (Account Identification-2)		Account Number of the Receiving Account

Data Element	Subfield	Value
112 (Additional Data, China Use)	050 (Cardholder Identification Information)	If DE 25 equals 00, the Institution Region Code for the Receiving Institution (subfield 06) is mandatory

China Switch identifies each China Funds Transfer Payment Transaction with the following values.

Table 55: China Funds Transfer Payment Transaction for Financial Transaction Request/0200

Data Element	Subfield	Value
3 (Processing Code)	1 (Cardholder Transaction Type)	28 (Funds Transfer – Payment Transaction)
25 (Point of Service Condition Code)		00 (Used for Payer Paid Funds Transfer) 66 (Used for Payee Paid Funds Transfer)
48 (Additional Data)	77 (Transaction Type Identifier)	D01 (Person to Person)
102 (Account Identification-1)		Account Number of the Sending Account
103 (Account Identification-2)		Account Number of the Receiving Account
112 (Additional Data, China Use)	050 (Cardholder Identification Information)	If DE 25 equals 00, the Institution Region Code for the Receiving Institution (subfield 06) is mandatory

Cardholder-initiated Transactions (CITs)

The Acquirer must provide a Cardholder-initiated Transaction (CIT) value in Authorization Request/0100 and Financial Transaction Request/0200 messages, in addition to populating all other required data, when the Transaction occurs in an e-commerce environment and the Cardholder is authorizing the Merchant to store the credential for subsequent use.

These values may optionally be used in CITs occurring in other acceptance environments. When populated in an Authorization Request/0100 message, the same value may also be provided in the First Presentment/1240 message.

Table 56: Authorization Request/0100 and Financial Transaction Request/0200 Messages

Data Element/ Subelement	Value	Use this value when...	Examples
DE 48, subelement 22 (Multi-purpose Merchant Indicator) subfield 5 (Cardholder/Merchant Initiated Transaction Indicator)	C101 (Credentialon-file [ad hoc])	The Cardholder is authorizing the Merchant to store the Cardholder's Account data for subsequent use in connection with one or more later Transaction(s) with that Merchant (a "COF arrangement").	The Cardholder initiates a purchase and agrees that the Merchant may store the credential for future purchases.
	C102 (Standing Order [variable amount/fixed frequency])	The Cardholder is agreeing to a COF arrangement with the Merchant for a series of recurring payments of variable amount and fixed frequency and is initiating the first payment.	The Cardholder initiates the first in a series of monthly utility payments, where the amounts will vary based on electricity consumption.
	C103 (Subscription [fixed amount/fixed frequency])	The Cardholder is agreeing to a COF arrangement with the Merchant for a series of recurring payments fixed amount and fixed frequency and is initiating the first payment. The subscription arrangement may include an allowance for price changes to occur from time to time.	The Cardholder initiates the first in a series of quarterly newspaper subscription payments of fixed amounts.

Data Element/ Subelement	Value	Use this value when...	Examples
	C104 (Installment)	The Cardholder has expressly authorized a COF arrangement with the Merchant for an installment billing plan and is initiating the first payment. The installment billing must be for a single purchase of goods or services with a known amount and set frequency over a specified duration.	The Cardholder agrees to enter into an installment billing plan for the purchase of a television and to make the first payment.

Table 57: First Presentment/1240 Messages

Data Element/PDS	Value
PDS 0218 (Cardholder/Merchant Initiated Transaction Indicator)	<p>One of the following:</p> <ul style="list-style-type: none"> • C101 (Credential-on-file [ad hoc]) • C102 (Standing Order [variable amount/fixed frequency]) • C103 (Subscription [fixed amount/fixed frequency]) • C104 (Installment) <p>Refer to Table 29 for usage information.</p>

Merchant-initiated Transactions (MITs)

The Acquirer must identify each Merchant-initiated Transaction (MIT) in Authorization Request/0100 and Financial Transaction Request/0200 messages with one of the following values as applicable, in addition to populating all other required data. The value of M1XX means "Merchant-initiated recurring payment or installment" and the value of M2XX means "Merchant-initiated industry practice". When populated in an Authorization Request/0100 message, the same value may also be provided in the First Presentment/1240 message.

Table 58: Authorization Request/0100 and Financial Transaction Request/0200 Messages

Data Element/ Subelement	Value	Use this value when...	Examples
DE 48, subelement 22 (Multi-purpose Merchant Indicator), subfield 5 (Cardholder/Merchant Initiated Transaction Indicator)	M101 (Unscheduled Credential-on-file)	The Cardholder has expressly authorized the Merchant to store the Cardholder's Account data for subsequent use in connection with one or more later Transaction(s) with that Merchant (a "COF arrangement").	The Merchant initiates a Transaction to "topup" the Cardholder's tollway account based on a prearranged reload schedule.
	M102 (Standing Order [variable amount/fixed frequency])	The Cardholder has expressly authorized a COF arrangement with the Merchant for a series of recurring payments of variable amount and fixed frequency .	The Merchant initiates a Transaction for the Cardholder's next monthly utility payment.
	M103 (Subscription [fixed amount/fixed frequency])	The Cardholder has expressly authorized a COF arrangement with the Merchant for a series of recurring payments of fixed amount and fixed frequency , which may include an allowance for price changes to occur from time to time.	The Merchant initiates a Transaction for the Cardholder's next quarterly newspaper subscription payment.
	M104 (Installment)	The Cardholder has expressly authorized a COF arrangement for an installment billing plan relating to a single purchase of goods or services with a known amount and set frequency over a specified duration.	The Merchant initiates a Transaction for the Cardholder's next biweekly installment payment for the purchase of a television.

Data Element/ Subelement	Value	Use this value when...	Examples
	M205 (Partial Shipment)	One or more items in the Cardholder's purchase order was out of stock at the time that the Cardholder initiated payment. The Merchant initiates a separate Transaction for the remaining items when ready to be shipped.	The Cardholder originally ordered a hat and sunglasses, but the hat was out of stock. The Cardholder completes the purchase of the sunglasses and agrees to wait for the hat to be restocked. The Merchant initiates a partial shipment Transaction for the hat when back in stock.
	M206 (Related/Delayed Charge)	After completing a payment, the Cardholder owes an additional amount to the Merchant based on the original Transaction terms.	The Merchant initiates a related/delayed charge Transaction for mini-bar charges after the Cardholder has checked out of the hotel.
	M207 (No-show)	Under the Merchant's guaranteed reservation service policy, the Cardholder owes a no-show fee.	The Merchant initiates a Transaction to collect a no-show fee when the Cardholder does not cancel a guaranteed reservation within the previously disclosed cancellation time frame.
	M208 (Resubmission)	The Merchant's previous attempt to obtain authorization for a Transaction was declined but the Issuer's response does not prohibit the Merchant from trying again later.	<ul style="list-style-type: none"> The Merchant initiates an authorization request after receiving a previous "insufficient funds/over credit limit" response. The Merchant initiates a transit debt recovery Transaction.

Table 59: First Presentment/1240 Message

Data Element/PDS	Value
PDS 0218 (Cardholder/Merchant Initiated Transaction Indicator)	<p>One of the following:</p> <ul style="list-style-type: none"> • M101 (Unscheduled Credential-on-file) • M102 (Standing Order [variable amount/fixed frequency]) • M103 (Subscription [fixed amount/fixed frequency]) • M104 (Installment) • M205 (Partial Shipment) • M206 (Related/Delayed Charge) • M207 (No-show) • M208 (Resubmission) <p>Refer to Table 31 for usage information.</p>

Chapter 14 Mainland China Domestic Adjustments

This appendix contains rules and procedures for processing adjustments in the China Switch. The China Switch is only responsible for switching Mainland China domestic transactions. The information contained in this appendix is only used by Mainland China issuers and acquirers.

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Overview

The China Switch (CSW) processes authorization, clearing and settlement in a single message. CSW is only responsible for switching Mainland 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 Mainland China domestic adjustments and corrections.

Reason Code	Description
10	Correction of a Terminal Malfunction

Acquirer Adjustment

The tables in this section detail the conditions under which an adjustment may be processed.

Table 60: 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.

Message Reason Code.

10 (Correct a Terminal Malfunction)

Supporting Documents.

None.

Message Text.

None.

Notes.**ATM Access Fee**

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.

The Acceptance of Adjustment

An issuer must accept a debit adjustment providing the adjustment was processed within 10 calendar days of the settlement date of the original transaction.

A Mainland China issuer must accept a credit adjustment, regardless of the time frame.

Correction of Processed Adjustment

When the acquirer determines an error occurred with processing this message reason code 10, the acquirer may process an Adjustment Reversal.

After performing an Adjustment Reversal, the acquirer has the option of submitting a new adjustment message reason code 10.

The Adjustment Reversal must be processed between 1 and 10 calendar days after the adjustment settlement date.

Refer to *China Switch User Guide - Customer Portal* for the process of Adjustment Reversal.

Return of Processed Adjustment

The issuer may be able to return a processed adjustment if all of the following:

- The issuer receives an adjustment from the acquirer; and
- The acquirer's adjustment was processed between 11 and 45 calendar days after the transaction settlement date, and
- One of the following:
 - The cardholder account is closed; or
 - The cardholder account does not have sufficient funds or balance

The return must be processed between 1 and 20 calendar days after the adjustment settlement date.

If the acquirer does not accept the return of processed adjustment, a compliance case may be filed.

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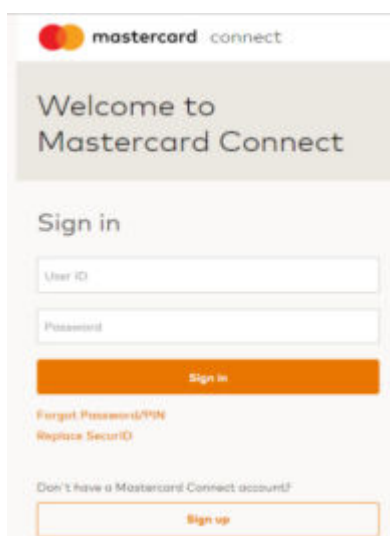
Accessing Forms

Procedure

Follow these steps to log on to Mastercard Connect.

1. Log on to **Mastercard Connect** using your RSA SecureID token.

Figure 3: Accessing Mastercard Connect



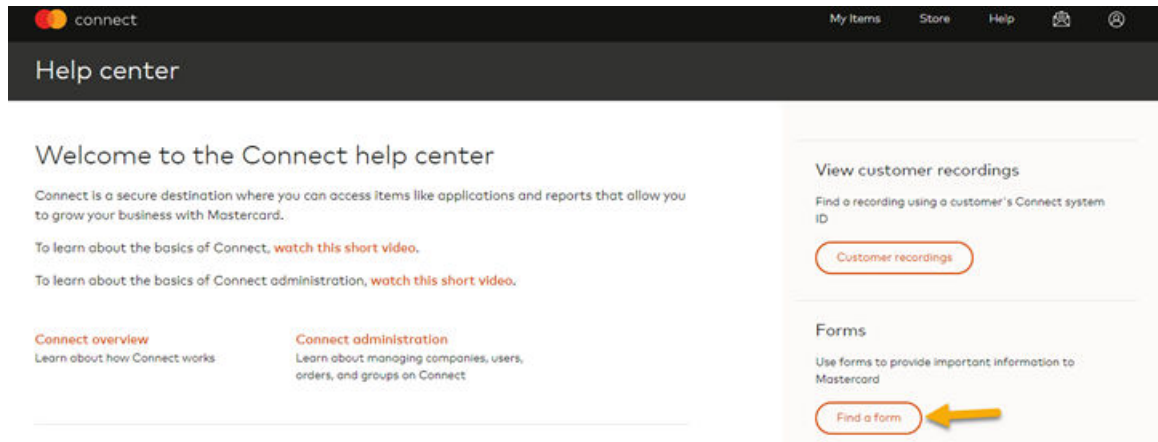
2. Select **Help** from the top menu.

Figure 4: Select Help



3. Select **Find a Form** from the bottom right of the Mastercard Connect screen.

Figure 5: Find a Form



4. Locate the desired form in the list.

Referenced Forms

The following forms have been referenced in this *Chargeback Guide*.

362	<i>Fraud and Loss Database Optional Report Selection Form</i>
412	<i>Dispute Resolution Form-Fraud</i>
500	<i>MDS Exception Item Processing Request</i>
682a	<i>Dispute Resolution Management Case Filing Form—SMS Linked Case Filing</i>
1185	<i>Expedited Billing Dispute Resolution Process Form-Pre-Compliance/Compliance</i>
1221	<i>Dispute Resolution Form-Cardholder Dispute Chargeback</i>
1240	<i>Dispute Resolution Form-Point-of-Interaction (POI) Errors</i>

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