Intermediary Models and Merchant Contract Certification Update

The Commitments permit a Visa Europe acquirer to be able to claim the fixed Cross-Border Domestic Interchange Programme (CBDIP) Multi-lateral Interchange Fees (0.20%/0.30%) where the following conditions are met:

1. The Acquirer is a cross-border acquirer (Principal, Associate or Group member).
2. The Merchant is the entity that completes the POS transaction, belonging to the same group of companies (or franchise), that have a single merchant relationship.
3. There is an unblended, MIF Plus Plus contract between the Acquirer and Merchant (that completes transactions with the cardholder).
4. The cross-border acquired domestic transaction is secure and identified in processing with a Single Merchant Identifier that has been provided by Visa Europe.

These points are illustrated in the diagram below:

Intermediary Models

Acquirers that may wish to include an intermediary entity within their acquiring model, subject to compliance with the Visa Europe Operating Regulations, must therefore provide sufficient evidence to substantiate:

i) That the intermediary entity is acting on behalf of the Acquirer when contracting with the merchant that completes the transaction (with the cardholder).

ii) That the agreement between the intermediary entity and the merchant is on an unblended, MIF Plus Plus basis.

iii) That the merchant outlets being registered under each contract belong to the same group of companies, or franchise arrangement, for which there is a single merchant relationship.

The above rules are in addition to all principles within the Visa Europe Operating Regulations, including the soon to be published rules on acquiring facilitator models.

In the first instance please contact your Relationship Manager for advice.

Member Action - Certification Statements

Acquirers must use one of the following certification statements on merchant contracts being registered on to the CBDIP (signed by an authorised signatory of the Acquirer), depending on whether there is an intermediary between the cross-border acquirer and the merchant completing the transactions with the cardholder.
Intermediary Models and Merchant Contract Certification Update

Certification Statement Type 1 - for Acquiring models without Intermediary Entity

I certify that the extract of MIF Plus Plus pricing (which I have redacted to take out any sensitive confidential pricing information) is a true copy of the relevant extract of the merchant agreement entered into with [Merchant Name] dated [Date] under [Contract Number].

I also certify that this merchant agreement does not blend the MSCs paid in relation to Visa / V PAY card transactions with the MSCs paid in relation to any other payment system transactions.

Signed by an authorised signatory of [the Acquirer]

Certification Statement Type 2 - for Acquiring models with Intermediary Entity

I certify that the extract of MIF Plus Plus pricing (which I have redacted to take out any sensitive confidential pricing information) is a true copy of the relevant extract of the merchant agreement entered into by the [Intermediary Name] and the [Merchant Name] dated [Date] under [Contract Number].

I also certify that this merchant agreement does not blend the MSCs paid in relation to Visa / V PAY card transactions with the MSCs paid in relation to any other payment system transactions.

I also certify that [Intermediary Name] is acting on behalf of [the Acquirer] when contracting with the [Merchant Name].

Signed by an authorised signatory of [the Acquirer]

Reminder: MIF Plus Plus Pricing – Refer to Attachment 4, Member Letter 63/14 for more information

MIF Plus Plus means pricing in a merchant agreement where the MSCs for Visa and V PAY card transactions referred to in the merchant agreement and on invoices are broken down into three separate components, as follows:

1. the MIF;
2. all other fees payable to Visa on Visa and V PAY card transactions; and
3. the acquirer’s fees (including their margin).

In order to confirm that there is a MIF Plus Plus merchant agreement, Visa Europe will require acquirers to provide relevant extracts of the contract showing the three components of the MIF Plus Plus pricing separately in relation to consumer card transactions; and may request that relevant extracts of the contract are audited by an independent third party, in order to demonstrate compliance with the Commitments.

An example of how Visa Europe anticipates this information might appear in the relevant section of a merchant agreement is set out below. Acquirers must ensure that confidential information has been redacted before such an extract is sent to Visa Europe.

<table>
<thead>
<tr>
<th>MIF Plus Plus Example for Illustration</th>
<th>Visa and V PAY Card Transactions</th>
<th>Other Payment Systems Transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consumer</strong></td>
<td><strong>Credit &amp; Def. Debit</strong></td>
<td><strong>Imm. Debit &amp; Prepaid</strong></td>
</tr>
<tr>
<td>Average Visa MIF</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Visa scheme and processing fees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquirer costs + margin</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Merchant Service Charge</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 This includes scheme, processing, rebates and Visa Inc. fees. Acquirers do not have to differentiate between Visa Europe and Visa Inc. fees.