

Risk Transference model :

A Risk management strategy where organisations shifts the financial burden of potential loss to another party.

Settlements:

Card Issuer<->Payment Network<->Merchant acquirer- 1 / 2 day

Card issuer <-> Customer - 40 days

Merchant acquirer <-> Merchant - 1 day

Customer <-> Merchant - 1 day

OTB - Open To Buy

Interchange fee - A transaction fee paid by an acquirer bank to issuer bank whenever a customer uses a credit or debit card to make a purchase. A key component of the payment processing ecosystem

ON-US : transactions where both the cardholder's account and the merchant's account are held at the same financial institution

Pro's - No interchange fee, faster Settlement, Higher profit margins

Opposite -> OFF-US

Transaction Quality qualifies the Acceptable Risk

ACH - Automated Clearing House, an electronic network that processes batches of financial transactions in the United States

- operates as a batch processing system, collecting transactions throughout the day and processing them in

groups rather than individually in real-time

Settlement cycle

Customer (Pays NN) → Card issuer (Pays NN-X) →
Settlement Bank (Gets NN-X) → Merchant acquirer (Pays
NN-X-Y) → Merchant

X +Y is called Merchant discount / Fee deducted

- Payment networks charges for transaction service, not deduct fee from payment as ACH does

HP Non-stop

UNIX Architecture - usually has 4 core CPU'S, a system Bus, a shared Memory and Internal storage.

Demerits :-

- Single point of failure
- Process Management
- Memory protection

HP Non-stop Advanced Architecture (NSAA)

- No single point of failure (redundancy)
- Linear Scalability
- Shared - Nothing architecture
- Fault tolerance

