



AN 6934 Revised Standards for Europe Region Final Authorization Clearing Submission Acceleration

Type:

Bulletin announcement

Category:

Rules/Standards

Audience:

Acquirer
Merchant
Processor
Network enablement partner

Region:

Europe

Brand:

Mastercard®
Debit Mastercard®
Maestro®

Action indicator:

Attention warranted (brand-related)

System:

Authorization
Clearing

Published:

6 June 2023

Effective:

22 May 2024

Executive overview

As previously announced, to drive toward more immediate card payments and accelerate the clearing submission process, Mastercard is revising the Europe region final authorization performance Standards. A Europe region acquirer must submit the clearing record for each transaction authorized as a final authorization within three calendar days of the authorization approval date. Mastercard is postponing the effective date by one year to 22 May 2024.

Effective date details

Date	Details
22 May 2024	Revised Standards will take effect. The change of the Europe region final authorization clearing submission timeline from seven calendar days to three calendar days will become effective.

Customer benefit

Accelerated submission of clearing data for final authorization transactions will result in faster settlement of those transactions to acquirers. It will also provide acquirers with earlier validation of transaction status and net amounts, enabling them to provide more rapid access to funds and an enhanced payments value proposition to their merchants.

Accelerated clearing processing will also result in more rapid transaction posting to cardholder accounts. This will deliver an improved cardholder experience and greater clarity regarding account balances.

What Mastercard is doing

Mastercard recognizes that the speed of each and every payment is critical for our customers, consumers, and merchants. Consumers are now demanding more transparency, certainty, and immediacy; and merchants and business owners need faster confirmation of cash flow and ultimately funds availability.

Mastercard is also working to address various points of friction related to card payments, to sustain the growth of the card ecosystem for the benefit of all participants. These include challenges related to delays in clearing, which drive delays in posting to cardholder accounts and settlement to acquirers.

To drive toward more immediate card payments and enable faster clearing and subsequently faster settlement, Mastercard will take actions to accelerate the clearing submission process. This will include a revision of current performance Standards for clearing submissions, requiring Europe region acquirers to adhere to an updated Standard. The updated Standards will require acquirers in the Europe region that process transactions authorized with a final authorization request message to clear transactions within three calendar days. The three calendar days will include Saturdays, Sundays, and holidays.

Version history

Date	Description of change
6 June 2023	<ul style="list-style-type: none">• Postponed the effective date by one year to 22 May 2024.• Removed "Operations" from the Category field in the left column.• Revised the rules attachment to reflect the effective date of 22 May 2024.
15 November 2022	Initial publication date

Background

Mastercard recently extended clearing processing from six to seven days per week, providing more rapid confirmation of transaction status to acquirers and issuers.

For more details, refer to *AN 4752 Accelerated Card Payments Through Faster Clearing: Sunday Clearing Cycle*.

Mastercard also:

- Accelerated settlement of many transactions through modified daily settlement cut-off times and value date intervals
- Introduced an intra-day payment deadline, providing optimized settlement cut-offs that better align with local time zones
- Enabled same-day settlement when applicable

For more details, refer to *AN 4335 Revised Settlement Cut-Offs and Value Date and New Payment Deadlines for the Europe Region*.

Customer impact

Mastercard encourages customers to take appropriate actions to comply with the revised Standards.

Overview of revised Standards

This initiative is part of Mastercard's ongoing efforts to accelerate card payments.

This change will apply to all acquiring activities in the Europe region with transactions authorized with a final authorization request message, including but not limited to:

- Point-of-sale (POS) transactions
- Electronic commerce (e-commerce) transactions

This change will apply to all final authorization transactions completed with all Mastercard and Maestro-branded cards and for all product categories (consumer debit, consumer prepaid, consumer credit, and business).

This change will not impact Mastercard Send transactions, which will continue to follow the current Standards. It will be the responsibility of the acquirers to ensure that their merchants, payment facilitators, and payment service providers (PSPs) comply with the new Standards.

If the merchant business model usually requires more than three days to clear, for example split shipment or trial period, then the merchant should use preauthorization coding.

The seven-day authorization validity period for authorizations identified as final authorizations and the associated authorization-related chargeback rights will remain unchanged at this time. Interchange rate and interchange timeliness in the Europe region will not change.

Mastercard will exclude transactions acquired or occurring in the following countries from this change.

Excluded countries

Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russian Federation, Tajikistan, Turkey, Turkmenistan, Ukraine, Uzbekistan.

Revised Standards

To view marked revisions, refer to the attachment associated with this announcement. Additions are underlined; deletions are indicated with a strikethrough.

Related information

- *AN 4335 Revised Settlement Cut-Offs and Value Date and New Payment Deadlines for the Europe Region*
- *AN 4752 Accelerated Card Payments Through Faster Clearing: Sunday Clearing Cycle*

Questions

Customers with questions about the information in this announcement should contact Global Customer Service using the contact information on the Technical Resource Center.