



AP 11884.1 Introducing Mastercard Transaction Enablement: Interchange for Acquirers in Australia

Type:
Bulletin announcement

Category:
Operations

Audience:
Acquirer
Branded Processor
Network Enablement Partner
Processor

Region:
Asia/Pacific

Country or Territory:
Australia

Brand:
Mastercard®
Debit Mastercard

Product or service:
Mastercard Transaction Enablement:
Interchange

Action indicator:
Mandated

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Effective:
17 April 2026

Executive overview

Effective 17 April 2026, Mastercard will launch Mastercard Transaction Enablement: Interchange, an on-behalf interchange qualification service, for all acquirers in Australia as part of value-added service to Mastercard's Core Network enhancement. Mastercard Transaction Enablement: Interchange will assign the applicable valid Interchange Rate Designator (IRD) on behalf of acquirers, designed to streamline the interchange process by helping to reduce errors, simplifying processing, improve transaction accuracy, and increasing speed to market.

Effective date details

Date	Details
17 April 2026	Mastercard Transaction Enablement: Interchange becomes effective for all acquirers, assigning the applicable IRD for transactions

Customer benefit

Mastercard Transaction Enablement: Interchange will qualify the most applicable IRD on behalf of the acquirer based on the clearing details submitted to Mastercard.

Enabling Mastercard Transaction Enablement: Interchange for all acquirers helps ensure the integrity and validity of all Mastercard transactions. Acquirers may benefit from fewer rejects and processing interruptions, decreased losses stemming from clearing rejects, and simplified interchange and back-office system management.

Mastercard recommends that all acquirers review their back-end processing systems to assess any potential impacts, and any changes required to reconcile interchange amounts to avoid clearing processing issues. If desired, customers can also conduct testing of the Mastercard Transaction Enablement: Interchange before the enablement date to understand the impact, if any, to their reconciliation process.

What Mastercard is doing

Mastercard will enable Mastercard Transaction Enablement: Interchange solution, an on-behalf interchange qualification service, for all acquirers in Australia as part of a value-added service to Mastercard's Core Network enhancement.

Version history

Date	Description of change
15 July 2025	Initial publication date

Mastercard Transaction Enablement: Interchange overview

Mastercard Transaction Enablement: Interchange will help streamline and simplify the management of interchange programs, helping to reduce the effort and resources required to build, maintain or support these capabilities.

Mastercard Transaction Enablement: Interchange benefits

Acquirers may benefit from:

- Minimizing losses stemming from clearing rejections due to incorrect interchange qualification
- Simplifying the interchange program derivation process with minimal development required
- Improving customers' speed to market by allowing them to quickly adopt interchange programs that enable and optimize their business expansion
- Minimizing efforts in interchange management
- Optimizing back-end processes

Issuers may benefit from:

- Improved interchange accuracy
- Faster transaction processing

How Mastercard Transaction Enablement: Interchange works

The following is a high-level overview of how the interchange program is derived by the Mastercard Transaction Enablement: Interchange and applied to acquirer-submitted clearing data.

1. Acquirers submit their Mastercard clearing transactions

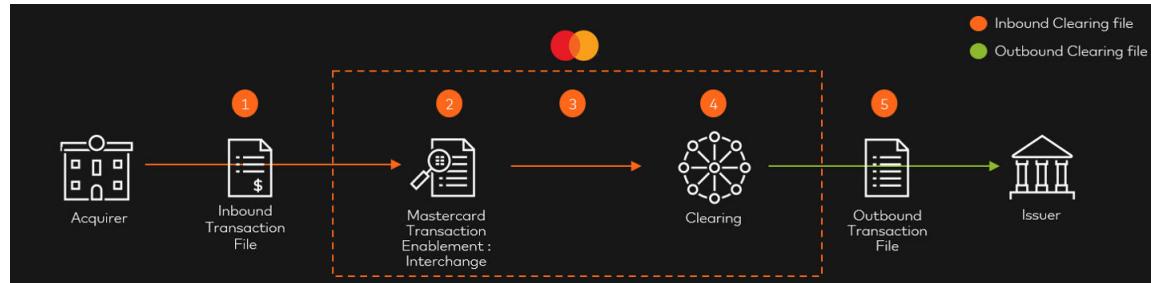
NOTE: An inbound request for clearing can be a First Presentment/1240-200 message within an R111 bulk file or streamed online through Real-Time Clearing (RTC)

The acquirer sends the Private Data Subelement (PDS) 0158 (Business Activity), subfield (SF) 4 (Interchange Rate Designator) in the First Presentment/1240-200 clearing message with a value present or equal to spaces (blank).

2. Mastercard applies the applicable interchange program on behalf of customers based on customer-submitted transaction data, within the First Presentment/1240-200 messages
 - If the acquirer continues with the applicable interchange program to populate PDS 0158, SF 4 with an interchange program value, Mastercard overrides the value with the interchange program qualified by Mastercard Transaction Enablement: Interchange
3. Mastercard ensures that all basic transaction information is present, validating the transaction details and IRD. The system checks for any errors or discrepancies and applies the applicable interchange rate based on the IRD
4. Mastercard will reject the transaction if the transaction is missing basic transaction information or considered invalid (business as usual process)
5. Mastercard clears and settles the financial transaction with Mastercard derived IRD

The following is a high-level overview of the business process flow and systems involved in transactions processed with Mastercard Transaction Enablement: Interchange.

Business process flow for Mastercard Transaction Enablement: Interchange



NOTE: In the instance of a member-to-member agreement where the acquirer and issuer have a specific agreement, acquirers must populate the Business Service Agreement (BSA) and Interchange Rate Designator (IRD) with all transaction details in the clearing file to Mastercard. Mastercard will continue to qualify all current global member-to-member agreements.

Reports accompanying Mastercard Transaction Enablement: Interchange

Mastercard will provide an optional report to assist acquirers in reconciling the IRD populated by Mastercard Transaction Enablement: Interchange.

Clearing Interchange Enhancement Reconciliation Data Report (IP755140-AA)

The Clearing Interchange Enhancement Reconciliation Data Report (IP755140-AA) is designed for acquirers to use in conjunction with the Clearing Detail Report (IP755120-AA) to support reconciliation efforts.

While the IP755120-AA report includes all transactions, the IP755140-AA report is more targeted and it includes only those transactions where the customer-submitted IRD has been updated by Mastercard Transaction Enablement: Interchange.

Key features of the IP755140-AA Report includes:

- Only updated transactions where Mastercard has modified the IRD
- Displays of both the original customer-submitted IRD and the Mastercard-derived IRD

Customers can sign up for this report delivered through bulk file TN70 (Production) and TN72 (Test). The report will be generated and sent after each clearing cycle, including cycle seven.

Mastercard Transaction Enablement: Interchange FAQs

1. **How does the Mastercard Transaction Enablement: Interchange work?**
Mastercard Transaction Enablement: Interchange applies the valid applicable interchange program on behalf of the acquirer based on customer-submitted transaction data to clear transactions.
2. **What field does Mastercard use to update the interchange program?**
Mastercard uses PDS 0158, SF 4 to update the derived interchange program.
3. **How should customers populate PDS 0158, SF 4: when sending to Mastercard**
Customers have two options when populating PDS 0158, SF 4:
 - Submit clearing transactions with an interchange program value and Mastercard overrides and replaces with a Mastercard-derived interchange program.
 - Submit clearing transactions with spaces or blanks and Mastercard automatically populates.
4. **How does Mastercard Transaction Enablement: Interchange qualify Member-to Member Agreements?**

In the instance of a member-to-member agreement where the acquirer and issuer have a specific agreement, Acquires must populate the Business Service Agreement (BSA) and the IRD with all transaction details in the clearing file to Mastercard.

5. **How does a customer know what rates were applied to individual transactions?**

Customers can opt to receive a Clearing Interchange Enhancement Reconciliation Data Report (IP755140-AA) to identify the transaction with updated IRDs and assist customers with reconciliation. The report (IP755140-AA) is offered to acquirers to use with Clearing detail report (IP755120-AA) to help ease acquirer reconciliation. Customers can sign up for this report delivered through bulk file TN70 (Production) and TN72 (Test).

6. **Are there fees charged for the Mastercard Transaction Enablement: Interchange?**

Mastercard Transaction Enablement: Interchange is a value-added service which is currently offered free of charge. As is the case today, Mastercard may periodically update its fees to reflect broader infrastructure improvements and enhancements to support continued innovation, reliability, and value across the network.

Related information

Information relevant to this bulletin announcement can be found on the Technical Resource Center through Mastercard Connect™. Depending on timing, information provided in this announcement may not be in a manual until after the effective date of this bulletin announcement. Refer to the Mastercard Transaction Enablement: Interchange Product Guide available in the Publications site on Mastercard Connect.

- *AP 11873 Modifying Intracountry Interchange Programs and Structures in Australia*
- *AP/MEA 11938 Introducing the Clearing Interchange Enhancement Reconciliation Report in Select Markets*
- *Mastercard Network Processing Dual Message Clearing System Guide*

Questions

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