

06 February 2001

To: Principal and Associate Members  
Center Manager (IML #03/01)

Subject: **Visa/Plus ATM Network**  
**2003 ATM Initiative Processing Requirements**

***In Brief:*** *New Operating Principles mandate that all existing ATM Acquirers (including Acquirers that process through a Processor with an existing VisaNet endpoint) participate in the SingleConnect Service or Custom Payment Service ATM (CPS/ATM) by 1 October 2003 and meet tier II requirements. Enforcement mechanisms for existing Operating Regulations are also established.*

*ATM Acquirers that do not currently participate in the SingleConnect Service (processed through the Single Message System) or CPS/ATM will be required to certify. Existing CPS/ATM Acquirers may elect to re-certify to validate compliance with the new system edits applied to tier II data.*

***Action:*** *Please circulate to all appropriate personnel within your organisation.*

## **Background**

The key objective of the 2003 ATM Initiative is to increase the number of successfully completed ATM Transactions. Data integrity is critical to Transaction approval and accurate Settlement. This Initiative increases systematic enforcement of the requirements for CPS/ATM and the SingleConnect Service, and eliminates disbursement fees for non-compliant ATM Acquirers.

Acquirers of international ATM Transactions currently have three options for processing a Transaction:

- SingleConnect Service processed through the Single Message System (SMS)
- Dual Message Custom Payment Service ATM (CPS/ATM)
- Standard Dual Message BASEI/BASE II

Many of the requirements for an ATM Acquirer to receive higher disbursement fees are driven by matching data in the BASE I and BASE II messages. When the two messages match, Acquirers that have certified for CPS/ATM receive an increased disbursement fee. Acquirers that are not certified for CPS/ATM do not receive the higher fee, even if the messages match. Transactions processed through the Visa Single Message System always have matching Authorization and Settlement data, and receive the higher disbursement fee.

### **New Processing Requirements**

Single Message System processing is already mandated for all ATM Acquirers in the U.S.A. Region and for *new* ATM Acquirers in all Regions. The 2003 ATM Initiative mandates that all *existing* ATM Acquirers must be certified for SMS or CPS/ATM processing **by 1 October 2003** and meet tier II requirements. ATM Transactions that do not meet these criteria will lose all international disbursement fees. ATM Transactions that do not qualify for SMS or CPS/ATM **by 1 October 2004** will be assessed a minimum special ATM handling fee of US \$5.

**Effective 1 October 2004**, ATM Transactions submitted by a certified dual message CPS/ATM Acquirer that do not meet tier II requirements will be returned to the Acquirer for resubmission. ATM Transactions that are CPS/ATM qualified after resubmission will receive the disbursement fee. However, any ATM Transactions submitted for clearing by a certified dual message CPS/ATM Acquirer after three calendar days from transaction date will be settled (Acquirer does not receive international disbursement fee) and assessed a minimum special ATM handling fee of US \$5 per Transaction. ("Calendar days" exclude transaction date, central processing date, and Sunday.)

New system edits will be invoked to actively enforce ATM Processing requirements already defined in the *Visa International Operating Regulations* and summarized in the *Acquirer Impact* section below.

### **Issuer Impact**

Effective 1 October 2003, Cash Disbursement Fees will be rebated to the Issuer for international ATM transactions that are not SMS or CPS/ATM qualified and do not meet tier II requirements (refer to "ATM Disbursement Fee Impact" section for details).

### **Acquirer Impact**

ATM Acquirers who are not currently participating in the SingleConnect Service or CPS/ATM will be required to certify. Existing CPS/ATM Acquirers may meet the new system edits applied to tier II data based on review by Visa of their Transaction data content. The new processing requirements include system edits for:

- Current CPS/ATM requirements (see Attachment)
- Authorization and Clearing Transactions processed through the same network

- Track 2 for all ATM Transactions with POS Entry Mode Code value “02” or “90”
- Unique retrieval reference number
- Additional Authorization and Clearing message matching—Authorization Code, Acquirer ID, Merchant Category Code, account selection processing code. (Submission of the account selection code in the Clearing message is required.)

As part of the CPS/ATM certification, ATM Acquirers must ensure:

- Acceptance of all Visa ATM products
- Timely installation and use of Visa and Plus Routing Files
- No expiration date editing
- Acceptance of Visa ATM cards encoded with an Unrecognized Service Code
- Online Reversals are always processed when:
  - The ATM fails to dispense any funds following an Approval Response
  - The Cardholder cancels the Transaction, or the Transaction is canceled for any other reason after the Authorization Request has been sent
  - The Acquirer does not receive a response to an Authorization Request prior to a timeout by the host or ATM
  - The Acquirer receives an Approval Response after it has been timed out by the host or ATM

**ATM Disbursement Fee Impact**

The following chart depicts the impact of the 2003 ATM Initiative on the International ATM Cash Disbursement Fees.

<b>Non-Compliant ATM Transaction (Not SMS or CPS/ATM Qualified)</b>					
<b>Effective Date</b>	<b>International Disbursement Fee Paid by Issuer (including Incentive Fee)</b>	<b>Fee Rebated to Issuer</b>	<b>Net Fee Paid by Issuer</b>	<b>Fee Received by Acquirer</b>	<b>Handling Fee Paid by Acquirer</b>
Effective through 30 Sept 2003	US \$2.25	N/A	US \$2.25	US \$1.50	N/A
Effective 1 Oct 2003 through 30 Sept 2004	US \$2.25	US \$1.50	US \$0.75	US \$0.00	N/A
Effective 1 Oct 2004	US \$2.25	US \$2.25	US \$0.00	US \$0.00	US \$5*

\* Payable to Issuing Region

**Effective 1 October 2003**, Cash Disbursement Fees will be rebated to the Issuer for international ATM Transactions that are not SMS or CPS/ATM qualified and do not meet tier II requirements. The Acquirer will receive a zero Cash Disbursement Fee. The Cash Disbursement Fee rebated to the Issuer will be

US \$1.50 for international ATM Transactions, except in the following instances when the rebate is:

- US \$0.50 between U.S.A. and Canada including Visa TravelMoney ATM Transactions
- US \$1 between U.S.A. and Asia-Pacific including Visa TravelMoney ATM Transactions
- US \$1 for Visa TravelMoney ATM Transactions unless another amount is specified in Regional Operating Regulations

**Effective 1 October 2004**, the Cash Disbursement Fee rebated to the Issuer will be US \$2.25 for international ATM Transactions, except in the same instances listed above.

For more information, Please contact your Member Services Representative.

ATTACHMENT: Current CPS/ATM Program

## ATTACHMENT

### Current CPS/ATM Program

CPS/ATM allows accurate Settlement and improved management of the Cardholder's accounts through better matching of Authorization to Clearing messages using a unique Transaction Identifier. In addition, CPS/ATM ensures more timely delivery of Clearing Records by Acquirers.

**Effective 1 October 2003**, participation in the SingleConnect Service or CPS/ATM and compliance with tier II requirements is mandatory for ATM Acquirers. Acquirers who meet both the business and technical qualifications will receive tier II fees, as described below.

### ATM Cash Disbursement Fees and Tiered Service Definition

Visa has defined three different levels of International ATM service that correspond to different Interchange Reimbursement Fees. Each level provides different functionality and service to Cardholders.

Tier Level	Functionality
Tier I	Basic ATM Service
Tier II	Enhanced Functionality and Service
Tier III	International SuperSite Locations

#### Tier I: Basic ATM Service

A tier I Acquirer must adhere to the following requirements:

- Provide the basic cash withdrawal service
- Accept Visa Cards and Cards bearing the Plus symbol
- Comply with the applicable *Visa International Operations Regulation* requirements
- Use the V.I.P. multicurrency service for Authorization requests
- Use the Visa and Plus Routing Tables for Transaction routing

#### Tier II: Enhanced Functionality and Service

A tier II Acquirer must provide tier I functions, *and* all of the following:

- Participate in the SingleConnect ATM Service or, for dual-message Acquirers, participate in the CPS/ATM Service
- Comply with the Visa International Acquirer quality service standards
- Participate in the Card Verification Value service
- Provide one of the following customer account selection options:

Account Selection Option	Account Selection Option	Acquirer Must Send
“from account” selection option	checking or current account savings account credit card account	Appropriate “from account” processing code
“from account” selection not offered	none	“no account specified” (NAS) code

### Tier III: International SuperSite Locations

A tier III ATM is an approved ATM location at a major travel destination, designated an International Visa/Plus SuperSite location. A tier III ATM must provide tier I and tier II functions, *and* all of the following:

- Compliance with SuperSite graphic and signage standards
- 24-hour-a-day, 7-day-a-week availability
- Multilingual instructions and messages (at least 2, preferably 1 in English)
- At least 1000 of the total monthly international Transactions at a SuperSite location must be Visa/Plus
- Placement of a unique terminal ID in field 41 of the VIP message in order for VisaNet to report Transaction volume and pay the appropriate reimbursement fees

### **International ATM Cash Disbursement Fees**

An Issuer pays a fixed Cash Disbursement fee of US \$2.25 for each approved International Visa/Plus ATM Cash Disbursement. The Acquirer receives a fee based on the tiered service level for which it qualifies.

Tier Level	Interchange	International Fee	Total
Tier I	US \$1.50	n/a	US \$1.50
Tier II	US \$1.50	US \$0.75	US \$2.25
Tier III	US \$1.50	US \$1.50	US \$3

The following bilateral arrangements supersede the fees listed above:

- For Transactions between US and Canada, the fee is US \$0.50
- For Transactions between US and the Asia-Pacific Region, the fee is US \$1
- For interregional Visa TravelMoney Transactions, the fee is US \$1

To qualify for the tier II fee, an Acquirer must have completed the necessary service certifications and meet both business and technical qualifications.

Business and Technical Qualifications for Tier II Fees	
Business Qualifications	<p>Support all tier I functions:</p> <ul style="list-style-type: none"> <li>• Provide cash withdrawal</li> <li>• Use Visa routing table and Plus BIN table</li> <li>• Accept all valid Cards</li> <li>• Comply with <i>International Operating Regulations</i>, including but not limited to: <ul style="list-style-type: none"> <li>– Reversal processing</li> <li>– No expiration date editing</li> <li>– Acceptance of Visa ATM cards encoded with an Unrecognized Service Code</li> <li>– Compliance with Acquirer quality service levels</li> <li>– Compliance with customer account selection option standards</li> </ul> </li> </ul>
Technical Qualifications	<ul style="list-style-type: none"> <li>• Acquirer must participate in the Card Verification Service (CVV)</li> <li>• Acquirer must use the VIP multi-currency service for Authorization Requests</li> <li>• Acquirer must participate in SCS or meet CPS/ATM standards on each Transaction for dual messages:</li> <li>• BASE I/BASE II: <ul style="list-style-type: none"> <li>– Have Authorization and Clearing message matching (e.g. Account Number and Transaction amount fields)</li> <li>– Use payment service fields</li> <li>– Supply ATM name and location fields</li> <li>– Clear within three calendar days (the calendar day calculation excludes transaction date, central processing date, and Sunday)</li> </ul> </li> </ul>