

03 October 1996

To : Principal and Merchant Bank Members
Centre Manager (IML #07/96)

Subject : **The SingleConnect Service**

In Brief : *As part of the expansion of international single-message processing capabilities to support all Visa products, Visa has introduced the SingleConnect Service to allow Members worldwide to process point-of-sale and ATM transactions for all Visa products through a single connection to VisaNet.*

The SingleConnect Service supports Visa, Visa Electron, and Visa Interlink point-of-sale transactions, Visa and PLUS ATM transactions, and other Visa-approved transactions.

Action : *Please circulate this information to all appropriate staff within your organisation.*

Background

In 1993, Visa initiated the expansion of international single-message processing capabilities to support all Visa products. As part of this expansion, Visa has introduced the SingleConnect Service to allow Issuers and Acquirers worldwide the option of processing Visa, Visa Interlink, Visa Electron, PLUS ATM, and other Visa-approved transactions through a single VisaNet Integrated Payment (V.I.P.) System interface.

The SingleConnect Service

The SingleConnect Service supports both deferred clearing transactions and online financial transactions. Visa and Visa Electron point-of-sale (POS) transactions are currently processed using deferred clearing processing, where the authorisation is separate from the deferred financial clearing. Online financial processing, however, uses a single message to authorise, clear and settle, and requires Issuer posting data and increased processing disciplines (e.g., reversals).

The SingleConnect Service is available worldwide through the Single Message System (SMS) component of the V.I.P. System and provides Members with the following processing capabilities:

- Online financial transactions that are authorised, cleared and settled based on a single message
- Authorisation-only transactions
- Online deferred clearing transactions

Members electing to use the SingleConnect Service may also process exception items, file maintenance transactions and administrative and network management messages.

Benefits of the SingleConnect Service

- Single interface to VisaNet
- Processing compatibility between Visa and other single-message programs and systems
- Faster clearing and settlement for Acquirers
- Fewer reconciliation interfaces
- Reduced Issuer risk due to fewer deferred clearing transactions
- Use of existing single-message access to deposit accounts
- Possible reduction in software maintenance
- Flexibility for product or regional mandates

Acquirer Perspective

SingleConnect Acquirers may process online financial transactions when the final transaction amount is known. Acquirers may also submit separate authorisations and deferred clearings for merchants using estimated amounts or floor limits. The SingleConnect Service enables Acquirers to mix processing modes (online financial and deferred clearing) to accommodate merchant needs without the necessity of separate VisaNet interfaces.

Visa Interlink Acquirers, all existing US ATM Acquirers, and all new ATM acquiring endpoints must use the SingleConnect Service to process online financial transactions. The SingleConnect Service is optional for Visa and Visa Electron POS Acquirers.

Issuer Perspective

The SingleConnect Service may be suitable for Issuers electing to process all Visa products online. Participating Issuers may choose different processing options for different products or BINs. Because Issuers receive transactions as they were originated by Acquirers, participating Issuers may be required to support both online financial and online deferred clearing processing, depending on the product used in the transaction.

Visa Interlink Issuers must use the SingleConnect Service. The SingleConnect Service is optional for Visa, Visa Electron, and ATM card Issuers.

Automatic Conversion

VisaNet automatically converts SingleConnect Service online financial messages into online authorisation messages followed by deferred batch clearing records when transactions are destined for BASE I and BASE II Members.

For further information, Members may obtain the *SingleConnect Service Processing Overview* from their regional office.