WAY4 Service Packages

Agenda

1. Main Concept

2. Processing a transaction using Services

3. Fees

4. Service Package Parameters

5. Service Package Configuration

6. Additional Service Packages

Service Packages: Main Concept

Bank Services for Cardholders and Merchants

BANK

CONTRACT

Operations permitted to cardholder

Rules for operations processing

Other agreements

. . .

CLIENT

MERCHANT

Bank Services: example

Bank A

"Shopper" card Agreement

. . .

- Cash withdrawals at 'Bank A' ATMs are subject to a fee of 1% of the amount withdrawn + 3 EUR per each operation. The transaction amount is limited to 1000 USD.
- Balance inquiries at the ATMs of other banks are subject to a fee of 2 EUR per operation
- Additional bonus points are added to the customer's account when a purchase is made using the "Shopper" card at a preferred Merchant Point if the transaction amount exceeds 100 EUR.
- Bank A does not charge any fee for purchases in foreign currencies when these purchases are approved by the customer's signature. The purchase amount is limited to 1000 USD.

. . .

Service = Rule to process the transaction

SERVICE PACKAGE

Retail (Our VISA Card)

Credit (Our MC)

Retail E-commerce (VISA)
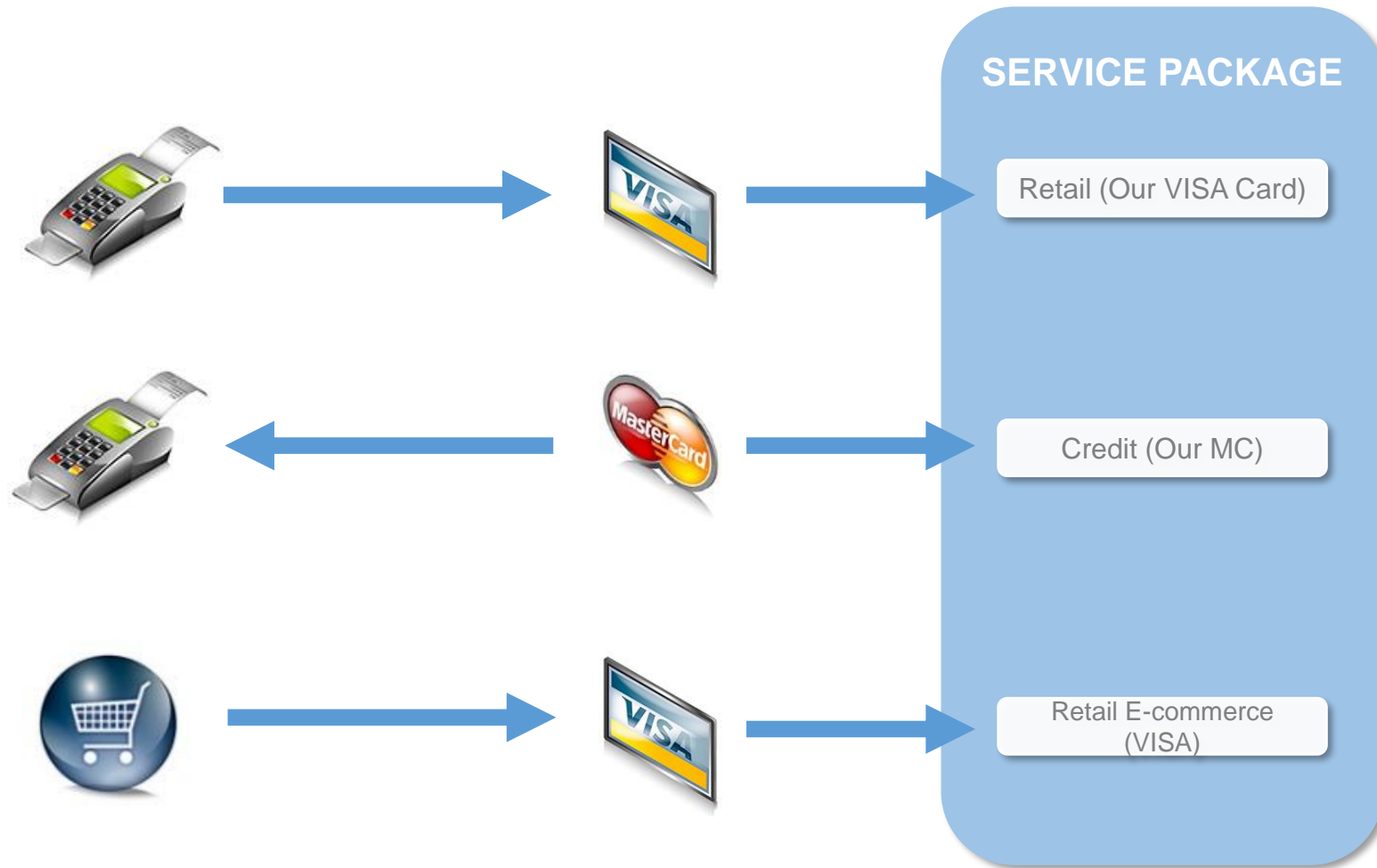
Examples of operations: constructing Service

Transaction Type	Counterparty	Transaction Conditions	Fees	Limitations	Special Conditions

Issuing Services

Transaction Type	Counterparty	Transaction Conditions	Fees	Limitations	Special Conditions
ATM Cash Withdrawal	MC Acq		FEE= 1%, Min =1USD	Maximum $1000 per day	
Retail (Goods Purchasing)	VISA Acq		FEE=1.7%		Bonuses
Retail (Goods Purchasing)	VISA Acq	E-Commerce	FEE= 1.7%+0.2%		
Balance Inquiry	Our ATM		FEE= 0,5 USD		
Yearly Fee for servicing account			FEE=10 USD		

Transaction description

Transaction processing rule

Acquiring Services

Transaction Type	Counterparty	Transaction Conditions	Fees	Limitations	Special Conditions
Retail (Goods Purchasing)	Our VISA Cards		FEE=1.5%		High Turnover => VIP Merchant Status
Cash	MasterCard		FEE=1%, Min 2 USD		

IF-THEN Construction

IF...

TRANSACTION TYPE

COUNTERPART

TRANSACTION AMOUNT & CURRENCY

TRANSACTION CONDITIONS

...

Transaction description

Service

THEN...

transaction is processed by this Service

Is transaction permitted for Contract?

Is a fee charged for this transaction?

Which accounts to use for posting transaction?

Transaction processing rule

Issuing and Acquiring Services

Device Services

Retail; Our VISA Cards, Chip: 2%

Retail: VISA Cards, Chip: 1.5%

Retail; Our VISA Cards, MSR: 3%

Retail: VISA Cards, MSR: 2.5%

Card Services

Retail, Our POS, Chip: 0%

Retail, VISA, Chip: 0%

ATM, Our ATM, Chip: 1.6%

…

Service Packages for Contract Hierarchy
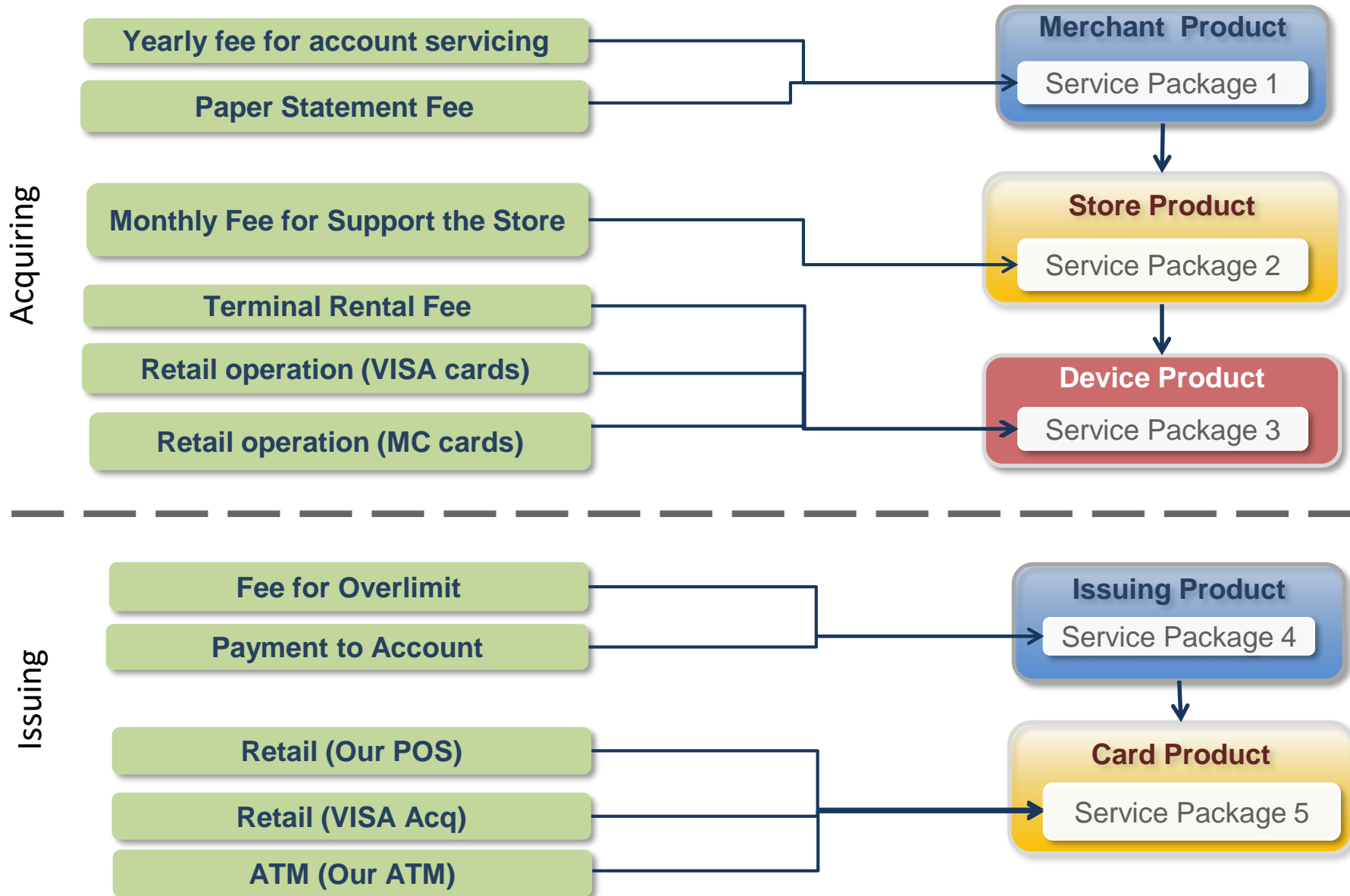
Acquiring

| Yearly fee for account servicing |
| Paper Statement Fee |

Merchant Product
> Service Package 1

| Monthly Fee for Support the Store |

Store Product
> Service Package 2

| Terminal Rental Fee |
| Retail operation (VISA cards) |
| Retail operation (MC cards) |

Device Product
> Service Package 3

- -

Issuing

| Fee for Overlimit |
| Payment to Account |

Issuing Product
> Service Package 4

| Retail (Our POS) |
| Retail (VISA Acq) |
| ATM (Our ATM) |

Card Product
> Service Package 5

Processing a Transaction using Services

Transaction Processing According to Service Rules: On-Us Transaction
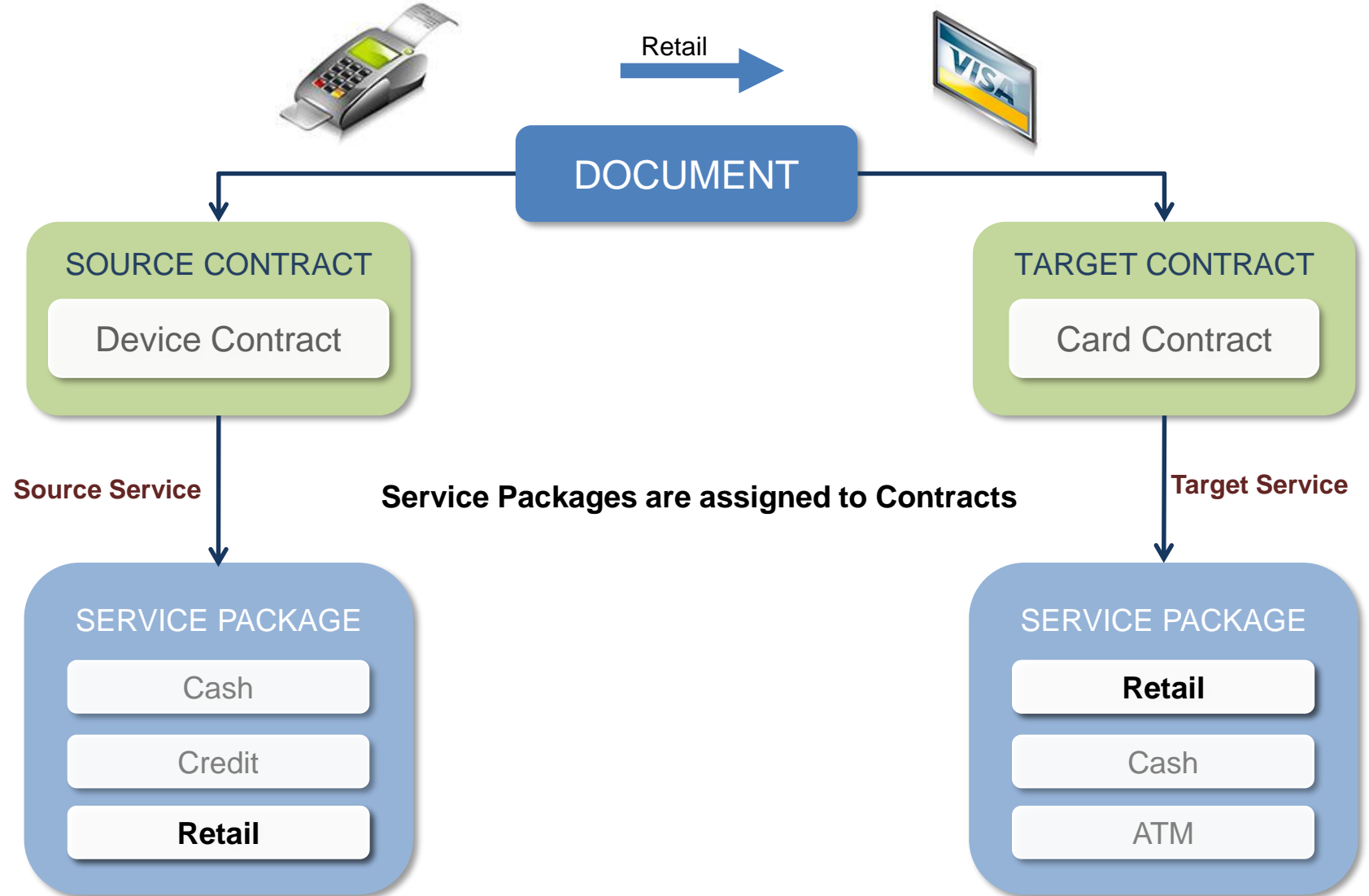
Retail

DOCUMENT

SOURCE CONTRACT

Device Contract

TARGET CONTRACT

Card Contract

Source Service

Service Packages are assigned to Contracts

Target Service

SERVICE PACKAGE

Cash

Credit

Retail

SERVICE PACKAGE

Retail

Cash

ATM

Retail

DOCUMENT

SOURCE CONTRACT

001-VISA_ACQ

TARGET CONTRACT

Card Contract

Source Service

Service Packages are assigned to Contracts

Target Service

SERVICE PACKAGE

SERVICE PACKAGE

Retail (Our POS)

Retail (VISA Acq)

ATM

Transaction Processing According to Service Rules: Acquiring Host

DOCUMENT

SOURCE CONTRACT

Our POS Contract

Retail

TARGET CONTRACT

001-VISA_ISS

Service Packages are assigned to Contracts

SERVICE PACKAGE

Retail MasterCard

Credit MasterCard

Retail VISA

Credit VISA
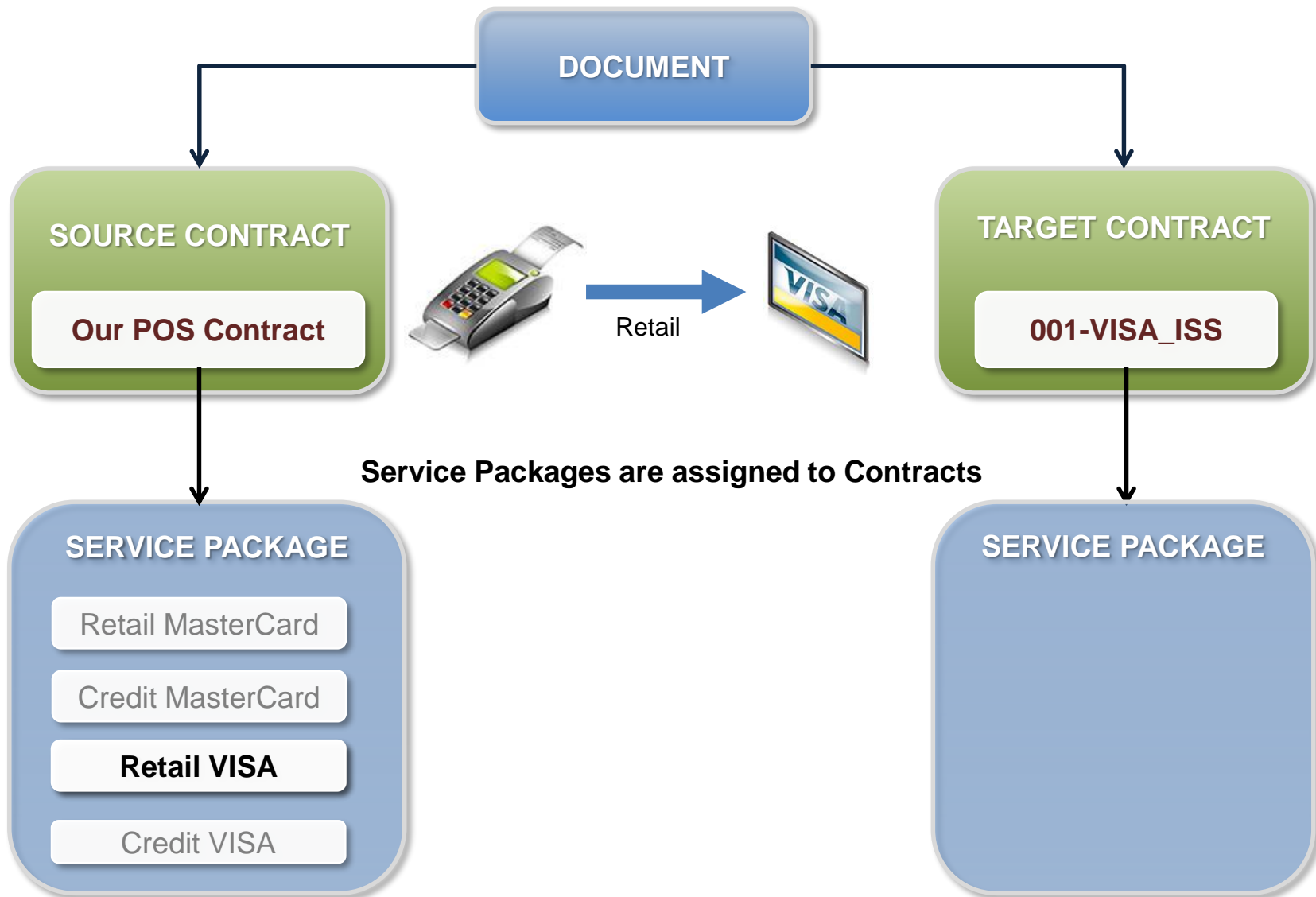
SERVICE PACKAGE

Source, Target and Miscellaneous Services

CARD SERVICE PACKAGE

TARGET SERVICES
- Retail
- Cash
- ATM

SOURCE SERVICES
- Retail Cbk

MISC SERVICES
- Yearly Fee
- Statement Fee

DEVICE SERVICE PACKAGE

TARGET SERVICES
- Retail Cbk

SOURCE SERVICES
- Credit
- Retail

MISC SERVICES
- Monthly Fee

Searching for an appropriate Service

**Service Choice
from several suitable**

IF PRIORITIES ARE SET

SERVICE WITH THE HIGHEST PRIORITY IS CHOSEN

IF PRIORITIES ARE NOT SET

SERVICE WITH MAXIMAL NUMBER OF PARAMETERS IS CHOSEN
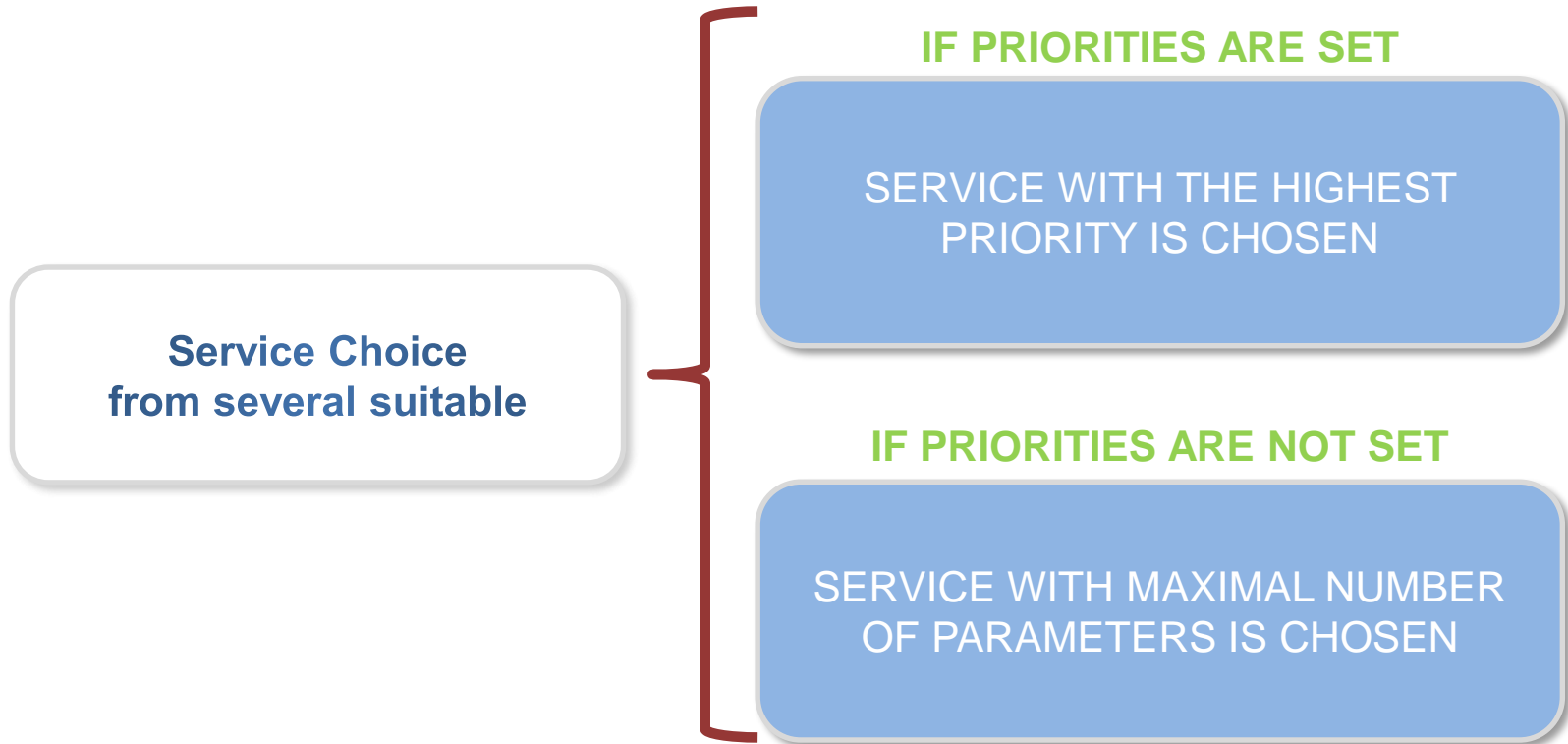
Example 1. Retail operation at our POS using VISA Card

	Transaction Type	Target Contract	Max Amount	Priority
Service 1	Retail	VISA Cards	1000 EUR	20
Service 2	Retail	EuroCard/ MasterCard		15
Service 3	Retail	VISA Cards		30
Service 4	Retail	VISA Cards	2000 EUR	10

Retail transaction at our POS using VISA card.

Transaction Amount = 50 EURO

Example 2. Incorrect Settings

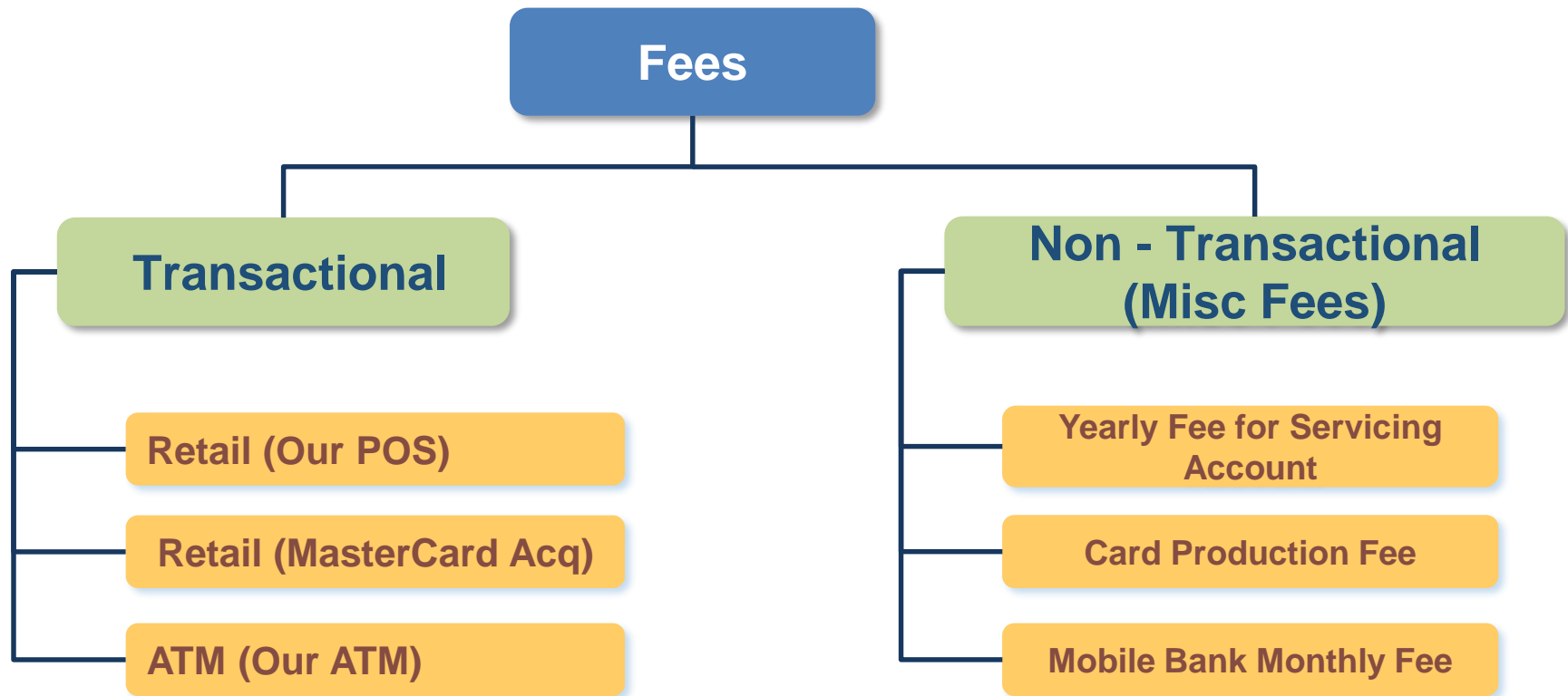|	Transaction Type	Device	Area	Max Amount	Priority
Service 1	ATM	VISA Cards		1000 EUR	20
Service 2	ATM	MasterCard	EU		15
Service 3	ATM	MasterCard		2000 EUR	30
Service 4	ATM	MasterCard			10

Cash withdrawal at our ATM for MasterCard issued in EU

Transaction Amount = 500 EURO

Fees

Examples of Fees

```
                        ┌─────────────┐
                        │    Fees     │
                        └──────┬──────┘
          ┌────────────────────┴────────────────────┐
  ┌───────────────┐                      ┌──────────────────────┐
  │ Transactional │                      │   Non - Transactional│
  └───────────────┘                      │     (Misc Fees)      │
                                         └──────────────────────┘
```

Transactional

- Retail (Our POS)
- Retail (MasterCard Acq)
- ATM (Our ATM)

Non - Transactional (Misc Fees)

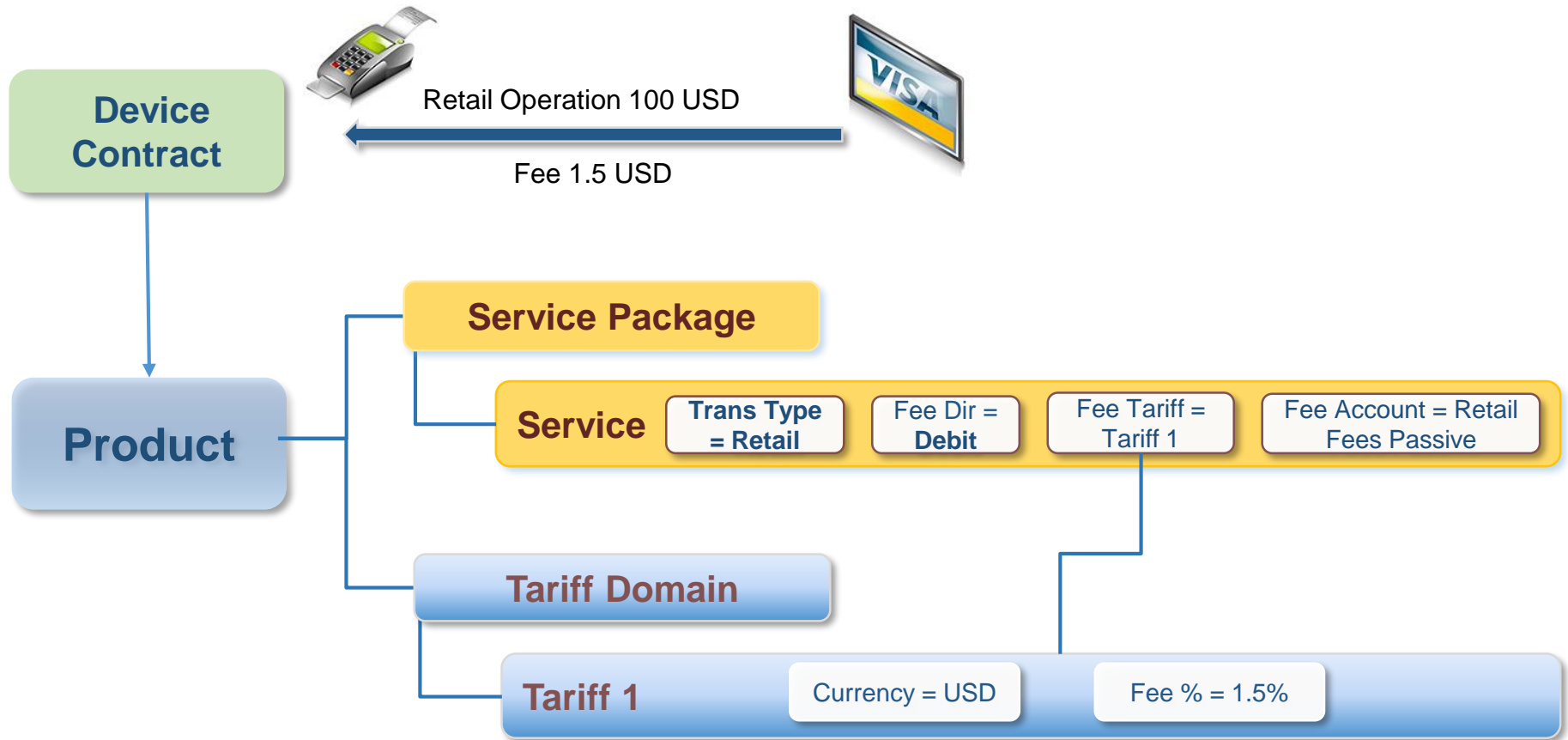- Yearly Fee for Servicing Account
- Card Production Fee
- Mobile Bank Monthly Fee

Fee Types for Misc Fees should be configured in:

- OpenWay\Full\Configuration Setup\Transaction Types\Fee Types
- OpenWay\Full\Configuration Setup\Transaction Types\Fee Types->[SubTypes]

Fee setup

Device Contract

Retail Operation 100 USD

Fee 1.5 USD

Product

Service Package

| **Service** | **Trans Type = Retail** | Fee Dir = **Debit** | Fee Tariff = Tariff 1 | Fee Account = Retail Fees Passive |

Tariff Domain

Tariff 1 | Currency = USD | Fee % = 1.5% |

Custom Fee

OpenWay\Full\Configuration Setup\Products\Service Packs → [Source] → [Custom Fee]

EXAMPLES OF CUSTOM FEE USING	
ADDITIONAL FEE	Additional Fee is is charged as a percentage to the main fee
BONUSES	Bonuses for specific transactions according to the loyalty program
ACCOUNTING REQUIREMENTS	Fee is posted to a specific account
FEE SEPARATION	1% of fee amount is charged to the main office and 2% of fee – to the branch office

Miscellaneous Fees

When ?

New Plastic is Produced → CARD PRODUCTION

CDU (Contracts Daily Update) → REGULAR FEES

Event is triggered → FEES CHARGED BY EVENT OPENING

MISC FEE

- CARD PRODUCTION
- REGULAR FEES
- FEES CHARGED BY EVENT OPENING

Fee Types registration

OpenWay → Full → Configuration Setup → Transaction Types → Fee Types

To register a <u>Fee type</u>:
- choose Target Contract category
- set Fee direction (Debit or Credit)
- set Charging Event (Period of time for regular Fees or some Specific Event)
- configure Fee subtypes (according to Fee Subtype we add Misc Service to Service Pack; setting account type for posting Fee)
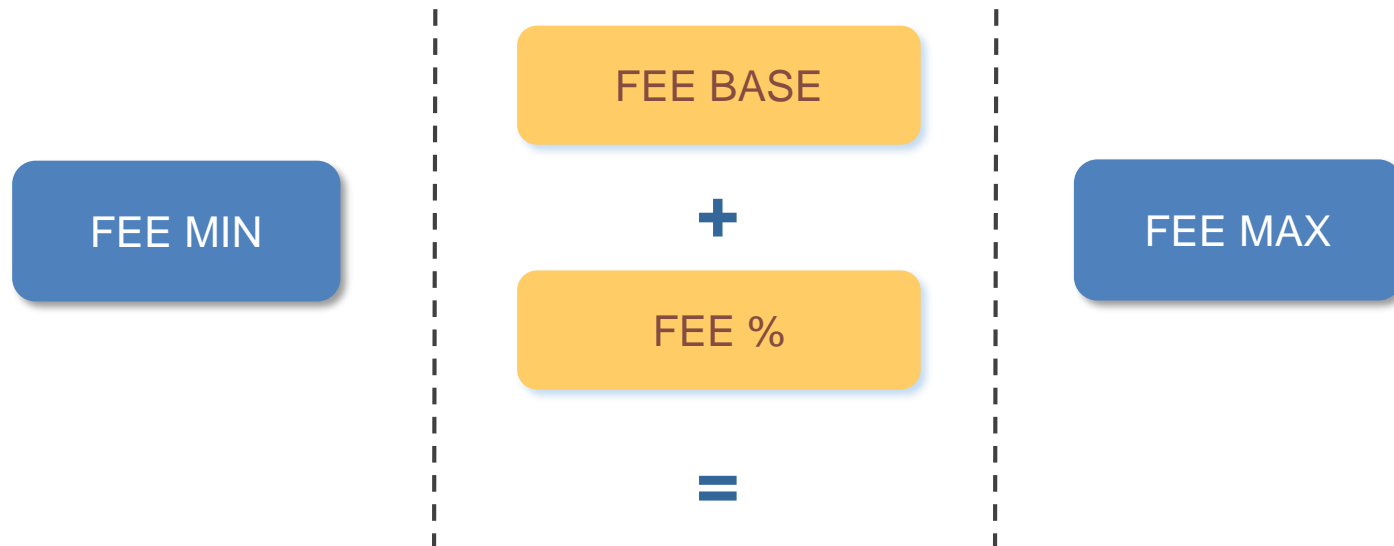
Fee calculation

FEE MIN

FEE BASE

+

FEE %

=

FEE MAX

FEE

$$Fee\ Amount = \min \left\{ FeeMax, \max\{FeeMin, FeeBase + TransAmount * \frac{Fee\ \%}{100} \} \right\}$$

Fee Amount: **could be Debit or Credit** (Fee Dir parameter)

Fee Calculation. Example 1

Transaction Amount = 100 USD, Fee = ?

FEE BASE = 2 USD

FEE MIN = 4 USD

+

FEE MAX = 0 USD
(not applied)

FEE % = 1.5%

=

FEE = max {$4, $2+$100*0,015} = $4
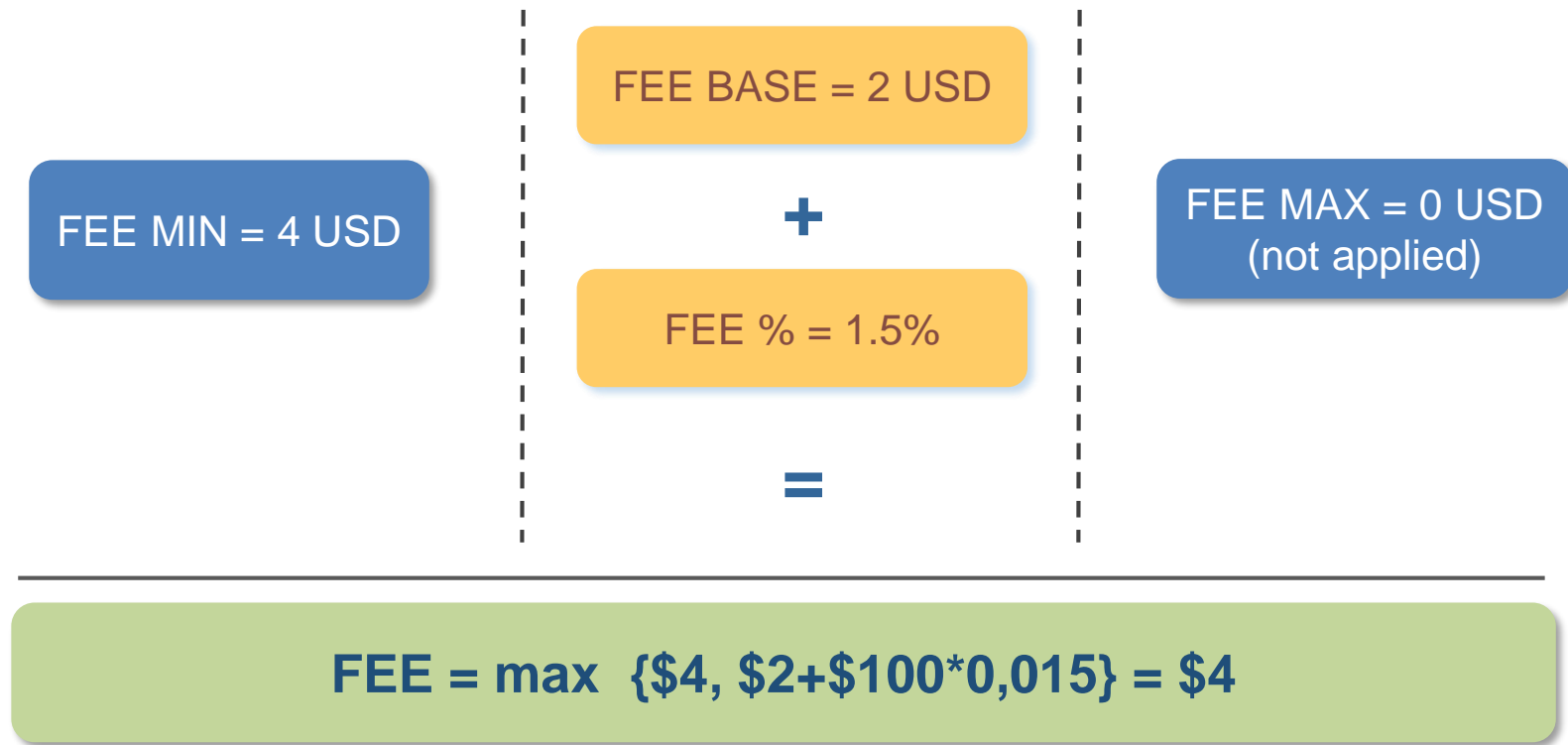
$$\textbf{Fee Amount} = \max\left\{\text{FeeMin}, \max\left\{\text{FeeMin}, \text{FeeBase} + \text{TransAmount} * \frac{\text{Fee \%}}{100}\right\}\right\}$$

1

2

3

Fee Calculation. Example 2

Transaction Amount = 90 USD.   Fee = ?

Transaction Amount = 100 USD.   Fee = ?

Transaction Amount = 200 USD.   Fee = ?

FEE BASE = 0 USD

FEE MIN = 0 USD

+

FEE % = 3% (≤100 USD)
FEE % = 2% (>100 USD)

FEE MAX = 0 USD

=
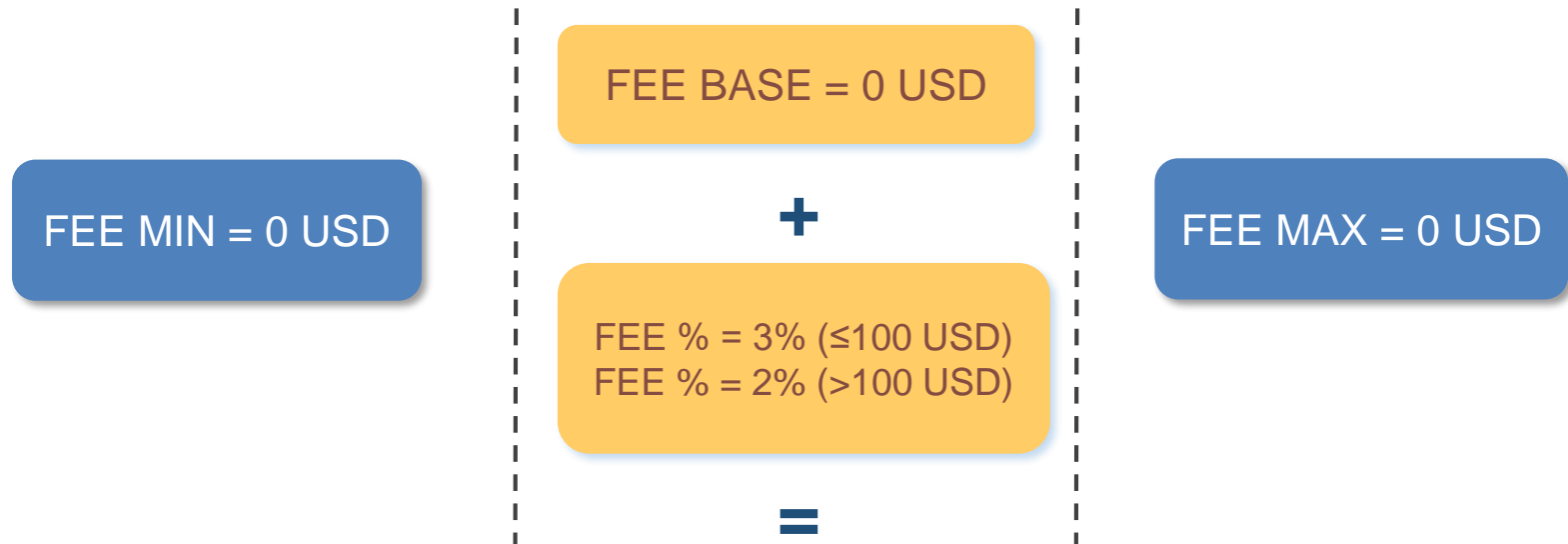
TrAm = 90 USD;   FEE = $0+$90*0,03 = $2.7
TrAm = 100 USD; FEE = $0+$100*0,03 = $3
TrAm = 200 USD; FEE = $0+$200*0,02 = $4

We need to set two Services to apply different Fee rules (≤100 USD, >100 USD)

Current Service Parameters

[Approve]

SERVICE PACKAGE

| Approve | ◄ ◄ ► ►| | 1 of 1 |

Date From: 01/05/2015

OK   Cancel

SERVICE

MasterCard (Unique) 3%

VISA (Retail) 1%

…

SERVICE_APPROVED

MasterCard (Unique) 2,5%
01.02.2007 – 01.05.2015

MasterCard (Unique) 3%
01.05.2015 – 01.01.2100

VISA (Retail) 0.5%
01.02.2007 –01.05.2015

VISA (Retail) 1%
01.05.2015 – 01.01.2100

…
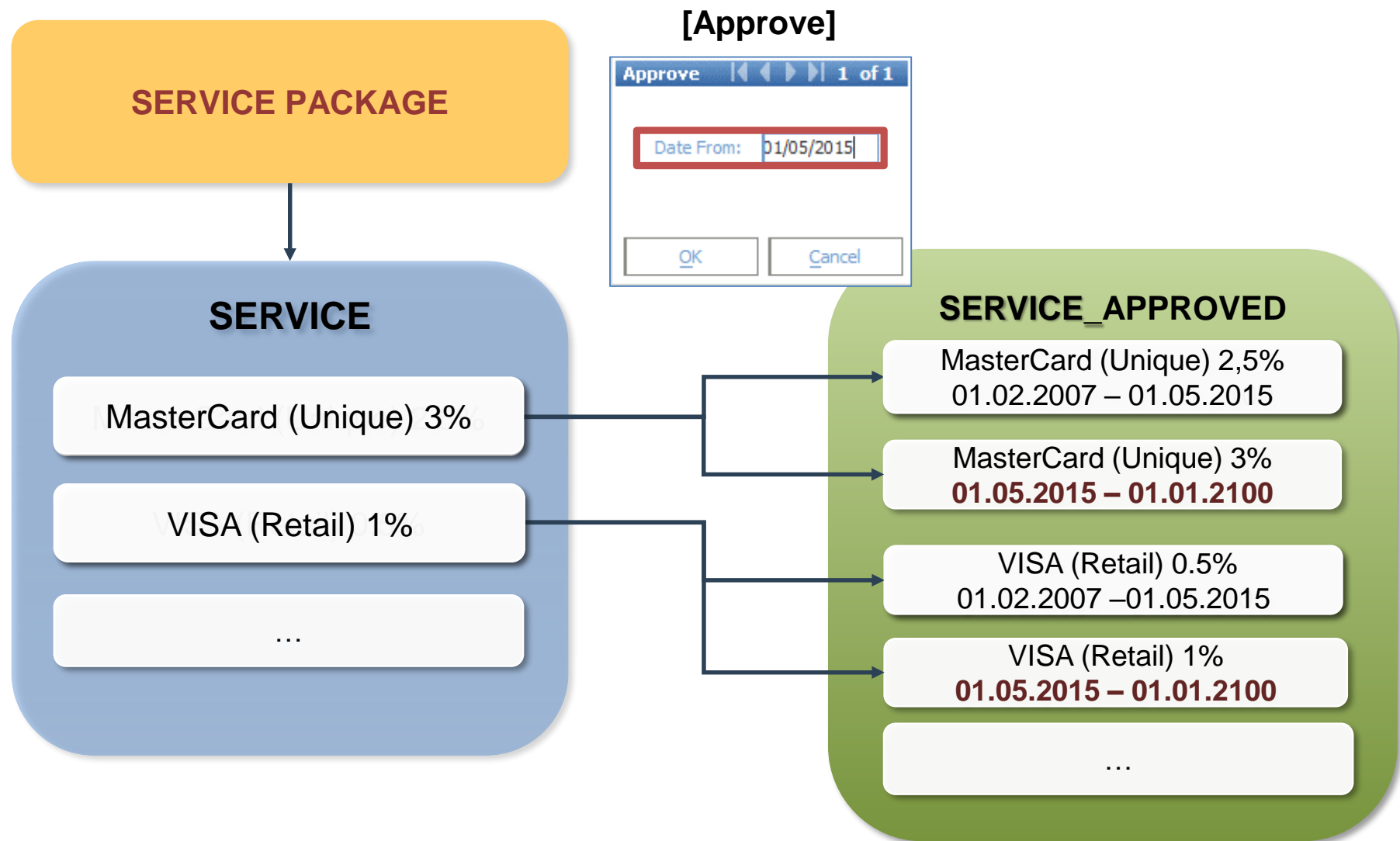
Full→ Configuration Setup → Products → Service Packs → [Approved]

Manuals

<OW_HOMES>\manuals\russian\Product_management\Service_Packages.pdf

Conclusion

✓ 1. Main Concept

✓ 2. Processing a transaction using Services

✓ 3. Fees

✓ 4. Service Package Parameters

✓ 5. Service Package Configuration

✓ 6. Additional Service Packages

GO ahead!

Tariffs in WAY4

Contents

1. Tariff Function in WAY4

2. Data Structure of the Tariff Module

3. Tariff Setup

4. Working with Tariffs

Tariff Function in WAY4

Tariffs in WAY4

Tariff – a set of the Product parameters with their numerical values

```
                        ┌─────────────────────────┐
                        │   Product Parameters    │
                        └─────────────────────────┘
           ┌─────────────────┘               └─────────────────┐
  ┌──────────────────┐                              ┌──────────────────┐
  │ Static Parameters│                              │Dynamic Parameters│
  └──────────────────┘                              └──────────────────┘
     ├── Contract Currency                             ├── Fees
     ├── Contract Number                               ├── Interest Rates
     └── Card Contract Type                            └── Limits
```

Static Parameters are set only once and, as a rule, do not change during the Product life cycle

Dynamic Parameters can be changed many times during the life cycle. Can be specified using Tariffs
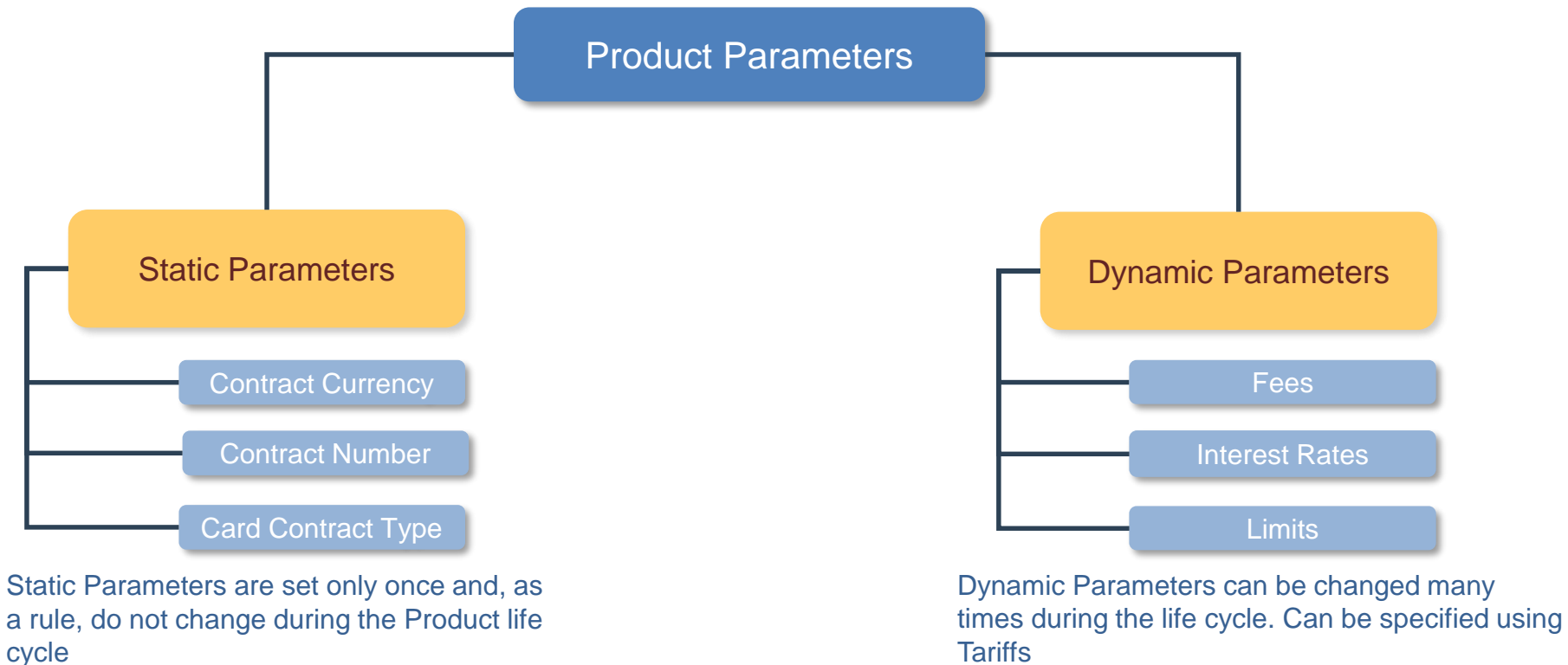
Bank Product Analysis
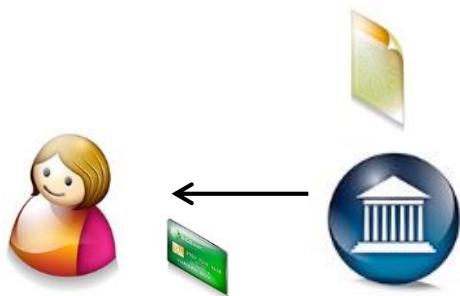
Product Parameters	Value
Numeration Algorithm	CH000123
Contract Currency	RUR
Contract Sub-type	VISA Classic Chip Card
Billing Cycle	12th
Minimal Payment	10%
Minimal Payment Due Date	25th
Allowed operations and fees	• Retail charge free • Cash Withdrawal fee 2% min 30 RUR • Payment Fee 100 RUR
Card Production Fee	200 RUR
Loan Interest Rate	5%
Penalty for overdue debt (OVD)	15%
Daily limit for cash withdrawal	3000 RUR
Monthly limit for cash withdrawal	50000 RUR
Discount Rate	0,5 %
…	

Product Components in WAY4

Product

Contract Sub-Type
Numeration rules, Contract Parameters

Service Package
Allowed operations
Transaction processing rules
Limits

Accounting Scheme
Account lifecycle
Accounting Rules
Rules for Interest Accrual
Due Normalization rules

Tariff Domain
Fees
Limits
Interests
Due period
GL Numbers

…
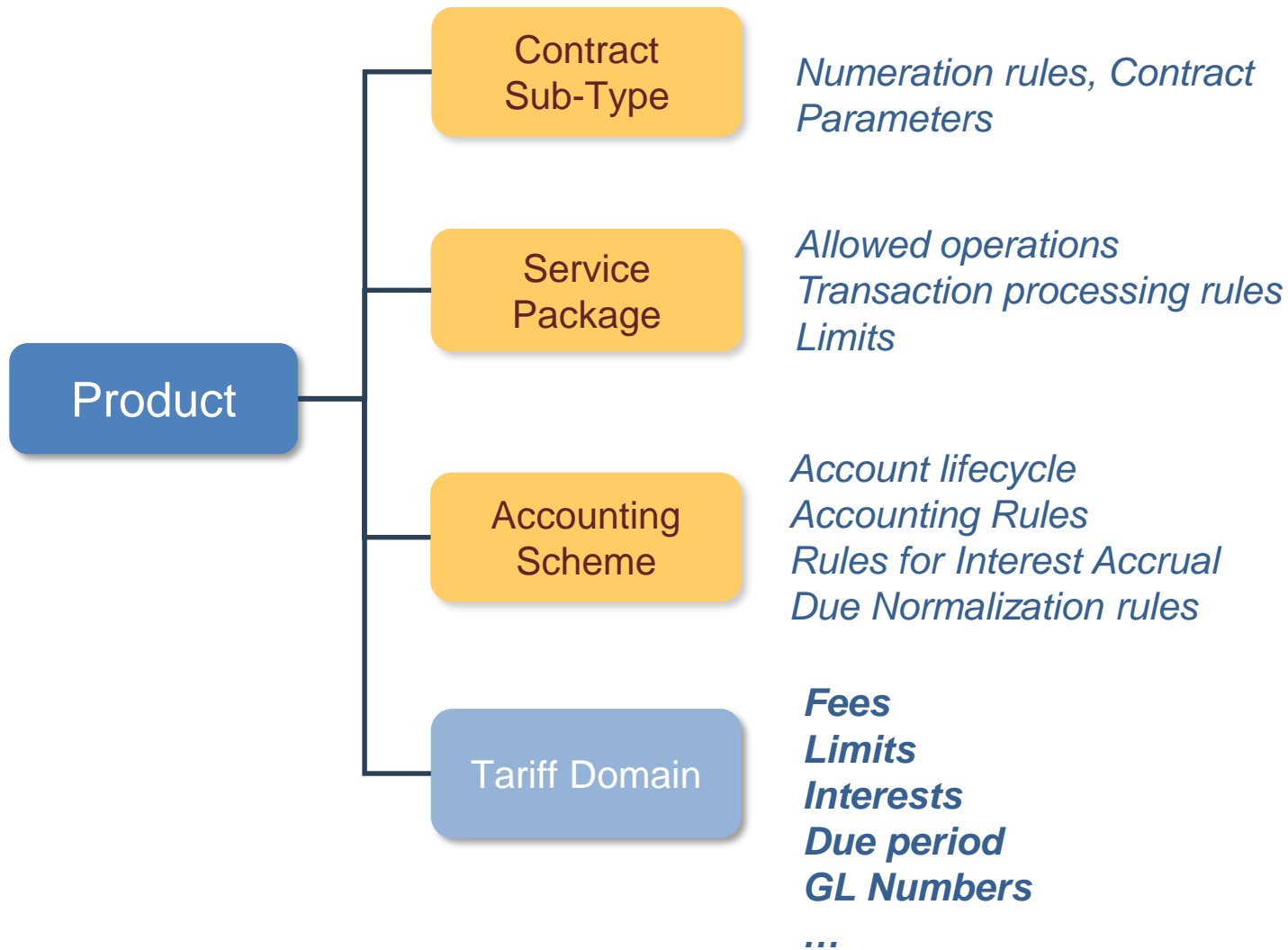
Tariffs and Product Components

Card Contract

Cash Withdrawal at ATM 1000 RUR

Fee 5 RUR

Product

Contract Sub-Type

Service Package

Service — Trans Type = ATM | Fee Dir = Debit | Fee Tariff = Tariff 1

Accounting Scheme

Tariff Domain

Tariff 1 — Currency = RUR | Fee % = 0.5%
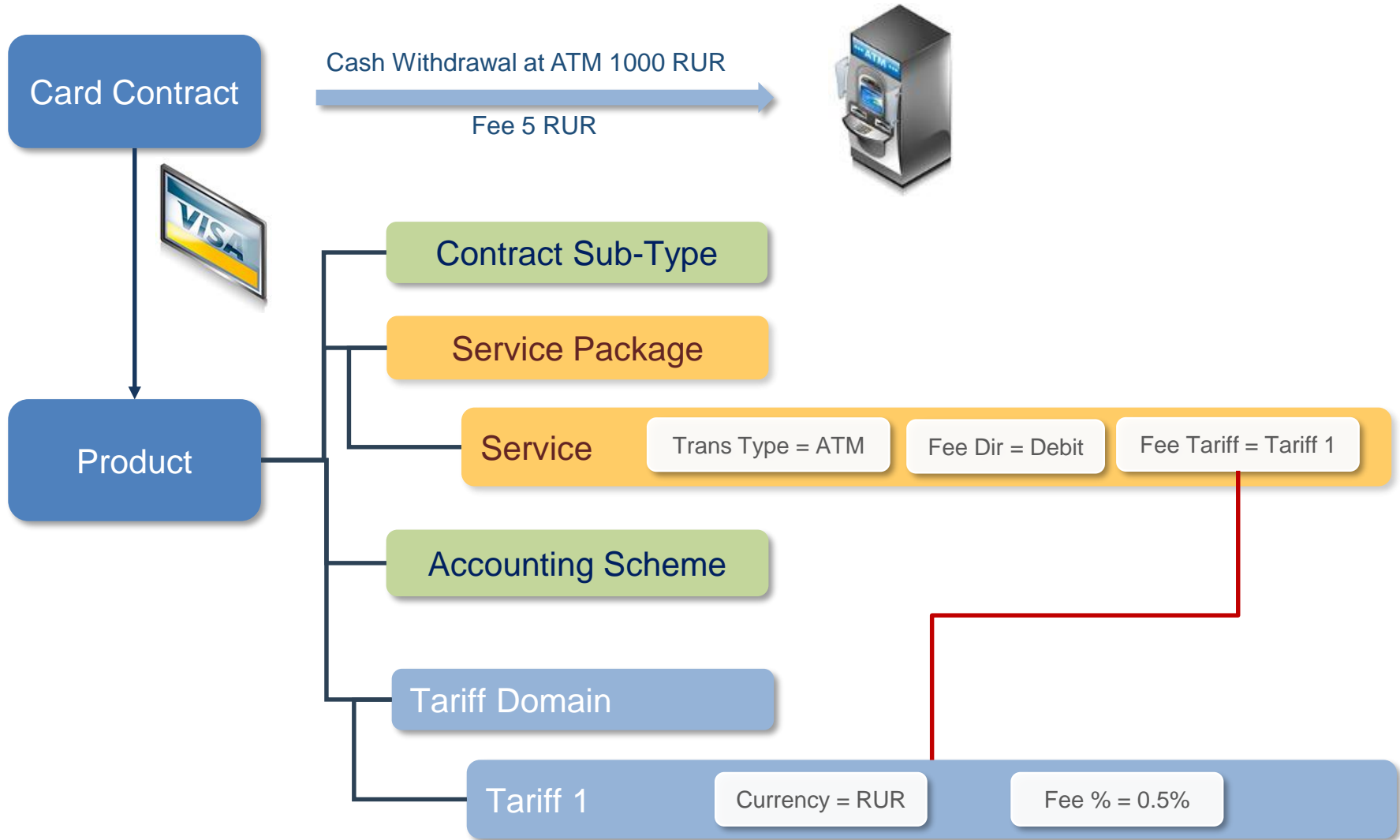
Product Numerical Parameters Setup. Tariffs aren't used

Service Package A

Source	Trans Type	Fee
VISA Acq	Retail	
Our ATM	ATM	0.5%
…	…	
VISA Acq	ATM	1.2%

Source	Trans Type	Fee
VISA Acq	Retail	
Our ATM	ATM	0.6%
…	…	
VISA Acq	ATM	1.4%

Service Package B

Source	Trans Type	Fee
VISA Acq	Retail	
Our ATM	ATM	0.5%
…	…	
VISA Acq	ATM	1.2%

Source	Trans Type	Fee
VISA Acq	Retail	
Our ATM	ATM	0.6%
…	…	
VISA Acq	ATM	1.4%

Service Package C

Source	Trans Type	Fee
VISA Acq	Retail	
Our ATM	ATM	0.5%
…	…	
VISA Acq	ATM	1.2%

Source	Trans Type	Fee
VISA Acq	Retail	
Our ATM	ATM	0.6%
…	…	
VISA Acq	ATM	1.4%

[Approve]

Service Approved

Product Numerical Parameters Setup. Tariffs are used

Service Package A

Source	Trans Type	Fee
VISA Acq	Retail	
Our ATM	ATM	Tariff 1
…	…	
VISA Acq	ATM	Tariff 2

Service Package B

Source	Trans Type	Fee
VISA Acq	Retail	
Our ATM	ATM	Tariff 1
…	…	
VISA Acq	ATM	Tariff 2

Service Package C

Source	Trans Type	Fee
VISA Acq	Retail	
Our ATM	ATM	Tariff 1
…	…	
VISA Acq	ATM	Tariff 2

Tariff Type	Tariff Value		
Tariff 1	0.5%	0.6%	…
Tariff 2	1.2%	1.4%	…
…	…	…	…
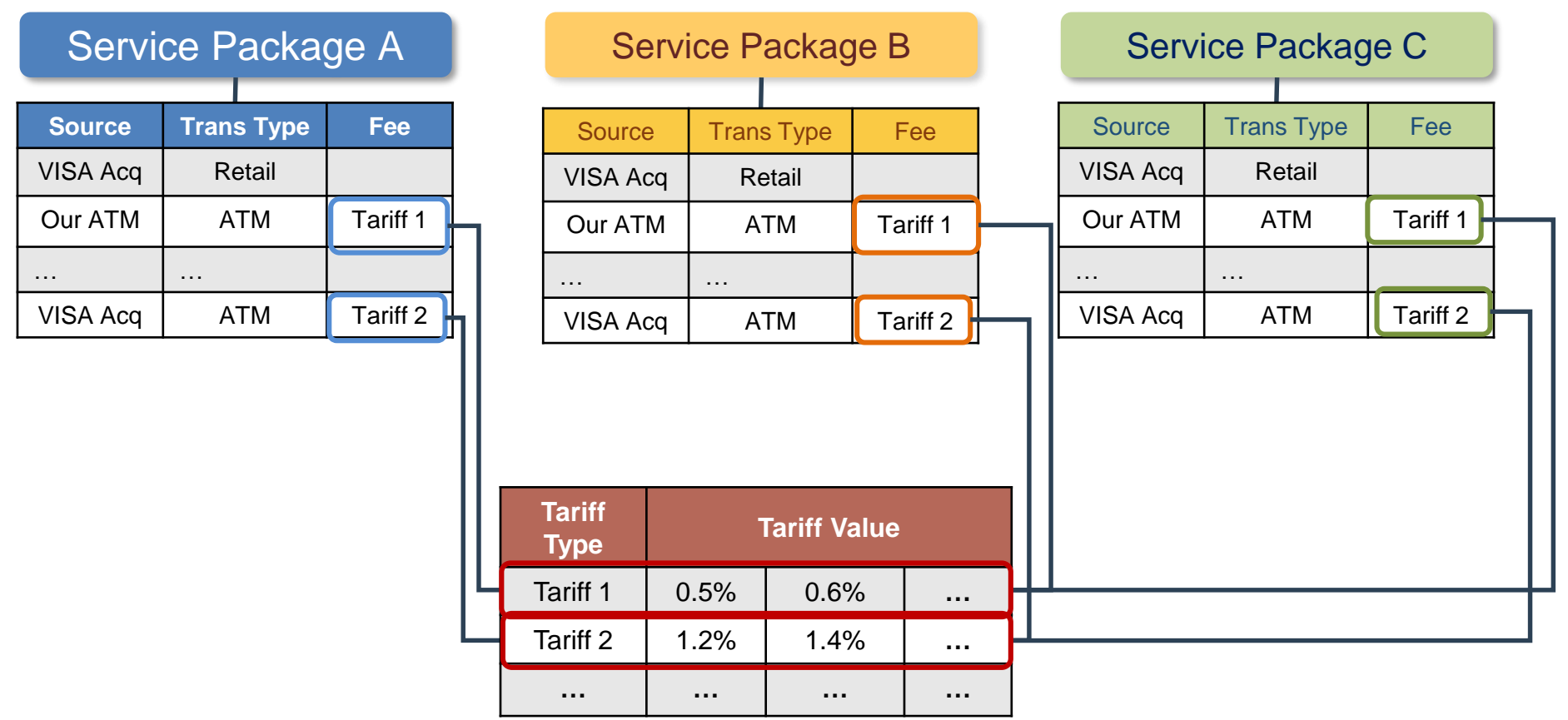
Tariff Dictionary

Tariff Management using the Tariff Dictionary

Standard approach: manual input of Tariffs

Cardholder fees

Merchant A fees

Merchant B fees

...

Interest Rates

Due periods
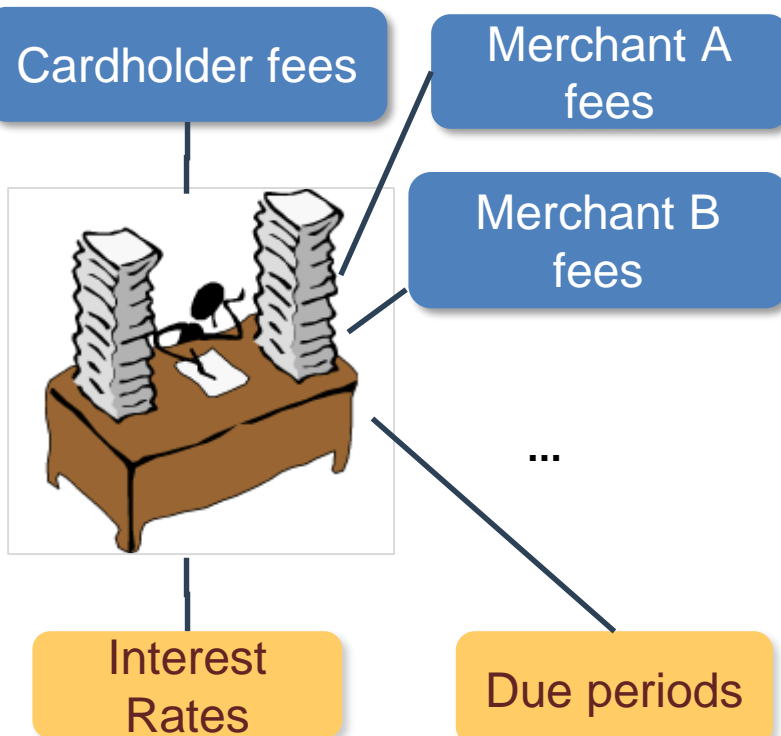
Loading the Tariff Dictionary
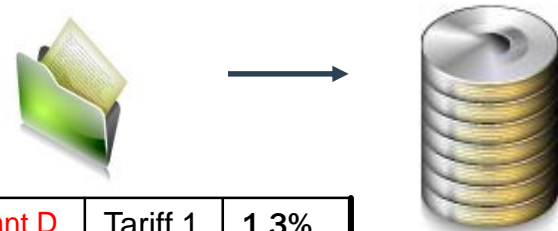
Merchant D	Tariff 1	1,3%
Merchant D	Tariff 2	2,1%
Merchant D	Tariff 3	3,8%
Merchant D	Tariff 4	1 day
Merchant D	Tariff 5	2 days
Merchant D	Tariff 6	3 days
Merchant E	Tariff 1	1,2%
Merchant E	Tariff 2	2,0%
...	...	

Personal Tariffs

POS 111 (Merchant A)   POS 222 (Merchant B)   POS NNN (Merchant B)

POS Service Package

Target Type	Trans Type	Fee	Value Days
Our MC Card	Retail	Tariff 1	Tariff 4
VISA Card	Retail	Tariff 2	Tariff 5
MC Card	Retail	Tariff 3	Tariff 6
...	...	...	...

Contracts	Tariff Type	Tariff Value
POS 111	Tariff 1	1.3%
POS 111	Tariff 2	2.1%
POS 111	Tariff 3	2.6%
POS 111	Tariff 4	1 day
POS 111	Tariff 5	2 days
POS 111	Tariff 6	1 day
POS 222	Tariff 1	1.2%
POS NNN	Tariff 2	2.2%
...	...	...

Batch File

CBS

Online Message

Tariff Module Data Structure

Data Structure

Tariff Domain
(TARIFF_DOMAIN)

Tariffs
(TARIFF)

Tariff Types
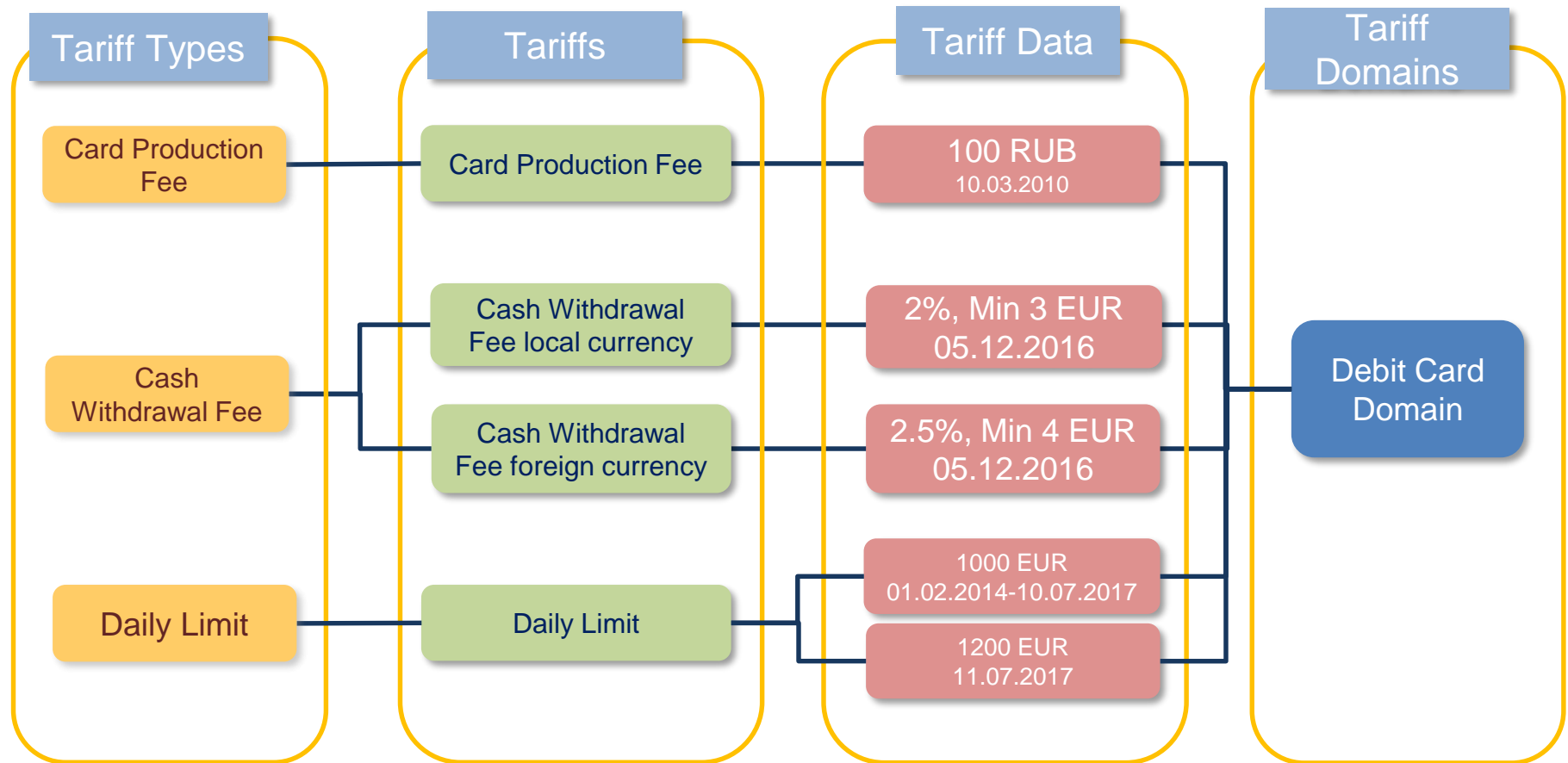(TARIFF_GROUP)

Tariff Data
(TARIFF_DATA)
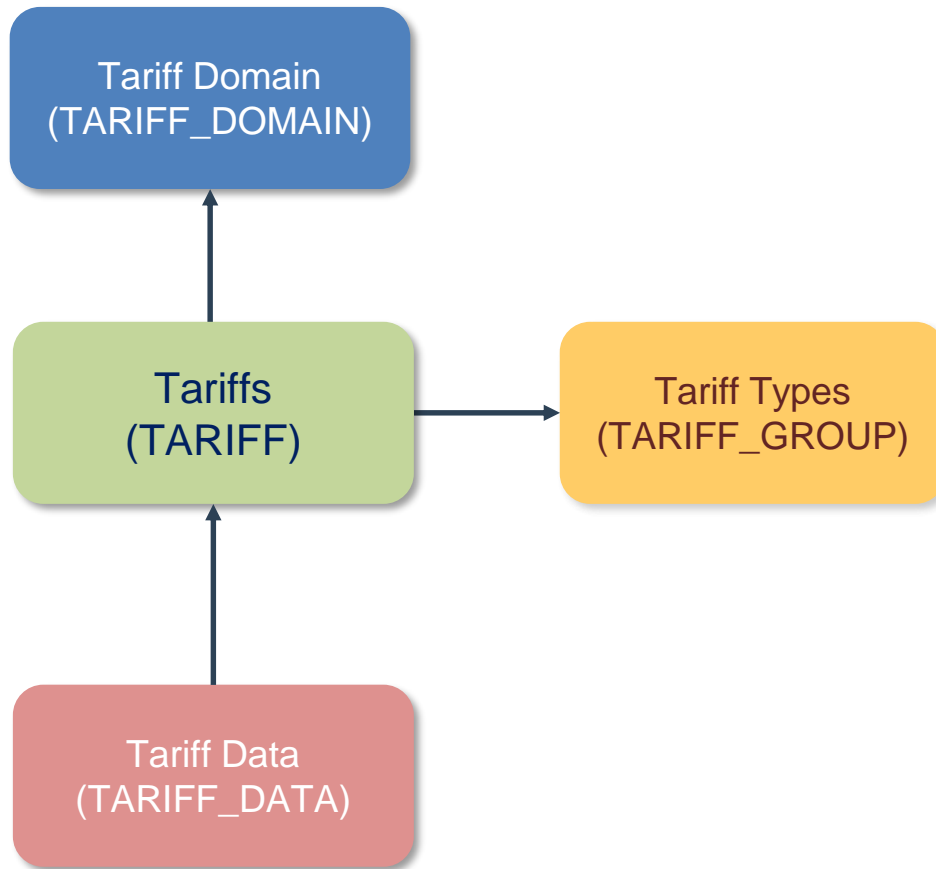
- *Each Tariff is based on one of the Tariff Types registered in the system*

- *Tariff Type is determined by the Tariff Role which defines the Tariff application*

- *Tariffs are grouped into Domains*

- *Within Tariff Domains numerical Tariff data and their effective dates are specified*

Data Structure. Example

Tariff Types

Card Production Fee

Cash Withdrawal Fee

Daily Limit

Tariffs

Card Production Fee

Cash Withdrawal Fee local currency

Cash Withdrawal Fee foreign currency

Daily Limit

Tariff Data

100 RUB
10.03.2010

2%, Min 3 EUR
05.12.2016

2.5%, Min 4 EUR
05.12.2016

1000 EUR
01.02.2014-10.07.2017

1200 EUR
11.07.2017

Tariff Domains

Debit Card Domain

Tariff Types and Tariff Roles. Example

Tariff Type

Name	Code		Role

Product Parameters	VALUE	
Billing Cycle	12th	**Billing Scheme**
Minimal Payment	10%	**Ageing**
Minimal Payment Due Date	25th	
Allowed operations and Fees	• Retail charge free • Cash Windrawal fee 2% min 30 RUR • Payment Fee 100 RUR	**Service**
Card Production Fees	200 RUR	
Loan Interest Rate	5%	**Interest**
Penalty for overdue debt (OVD)	15%	
Daily Limit of Cash Withdrawal	3000 RUR	**Usage**
Monthly Limit of Cash Withdrawal	50000 RUR	

Purpose of Tariff Domain

```
Tariff Domain
(TARIFF_DOMAIN)
        ↑
    Tariffs ────→ Tariff Types
    (TARIFF)      (TARIFF_GROUP)
        ↑
  Tariff Data
  (TARIFF_DATA)
```
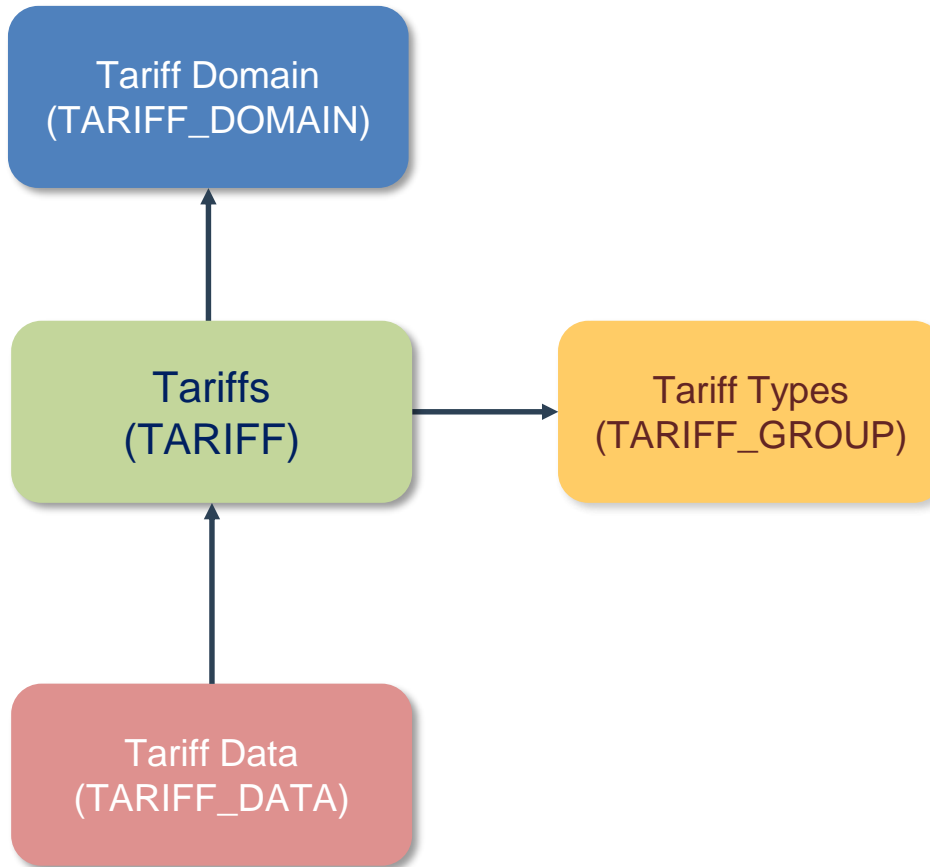
- *Tariff Domain is a set of Tariffs with their numerical values and effective dates*

- *Tariff Domain can include several Tariffs with the same roles but with the different numerical values*

Tariff Domains for the Contract Hierarchy

Issuing Contract

Account Tariff Domain

Card Contract

Card Tariff Domain

Tariff	VALUE
Billing Cycle	12th
Minimal Payment	10%
Minimal Payment Due Date	25th
Allowed Operations and Fees	• Retail charge free • Cash Windrawal fee 2% min 30 RUR • Payment Fee 100 RUR
Card Production Fee	200 RUR
Loan Interest Rate	5%
Daily Limit of Cash Withdrawal	3000 RUR
Monthly Limit of Cash Withdrawal	50000 RUR

Tariff Domains corresponding to the Contract Hierarchy typically are not linked to each other

Tariff Domain Hierarchy. Analysis of Products

Debit Card Product A

Tariffs
Card Production Fee – 100 RUB
Daily Limit = 5000 RUB
Cash Withdrawal Local Curr – 1% min 30 RUB
Cash Withdrawal Foreign Curr – 1.5% min 50 RUB

VIP Card Product B

Tariffs
Card Production Fee – 400 RUB
Cash Withdrawal Local Curr – 1% min 30 RUB
Cash Withdrawal Foreign Curr – 1.4% min 50 RUB
Daily Limit = 20000 RUB

Credit Card Product C

Tariffs
Card Production Fee – 200 RUB
Cash Withdrawal Local Curr – 1% min 30 RUB
Cash Withdrawal Local Curr – 1.4% min 50 RUB
Daily Limit = 10000 RUB

Credit Card Product D
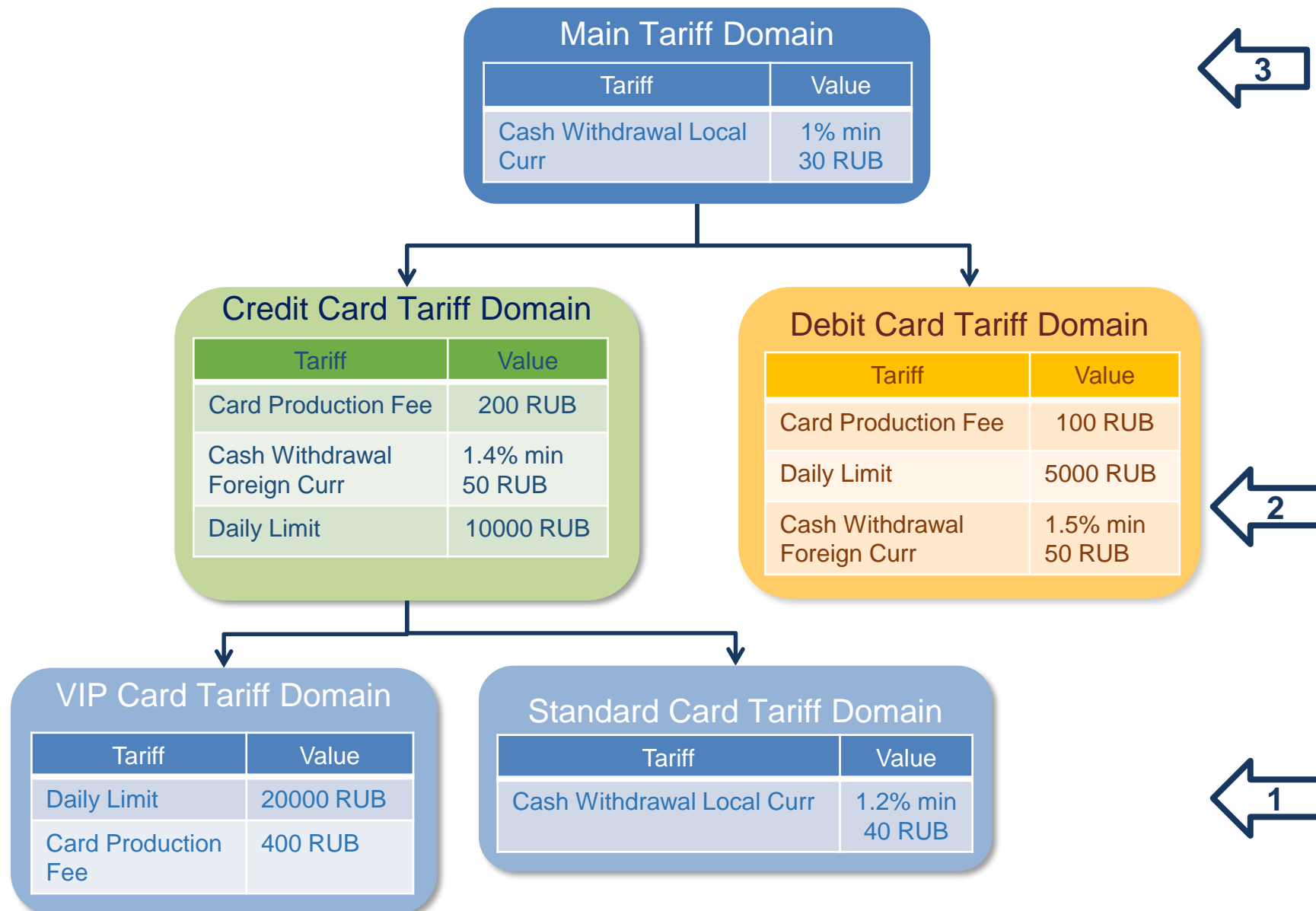
Tariffs
Card Production Fee – 200 RUB
Cash Withdrawal Local Curr – 1.2% min 40 RUB
Cash Withdrawal Local Curr – 1.4% min 50 RUB
Daily Limit = 10000 RUB

Tariff Domains Hierarchy

Main Tariff Domain

Tariff	Value
Cash Withdrawal Local Curr	1% min 30 RUB

3

Credit Card Tariff Domain

Tariff	Value
Card Production Fee	200 RUB
Cash Withdrawal Foreign Curr	1.4% min 50 RUB
Daily Limit	10000 RUB

Debit Card Tariff Domain

Tariff	Value
Card Production Fee	100 RUB
Daily Limit	5000 RUB
Cash Withdrawal Foreign Curr	1.5% min 50 RUB

2

VIP Card Tariff Domain

Tariff	Value
Daily Limit	20000 RUB
Card Production Fee	400 RUB

Standard Card Tariff Domain

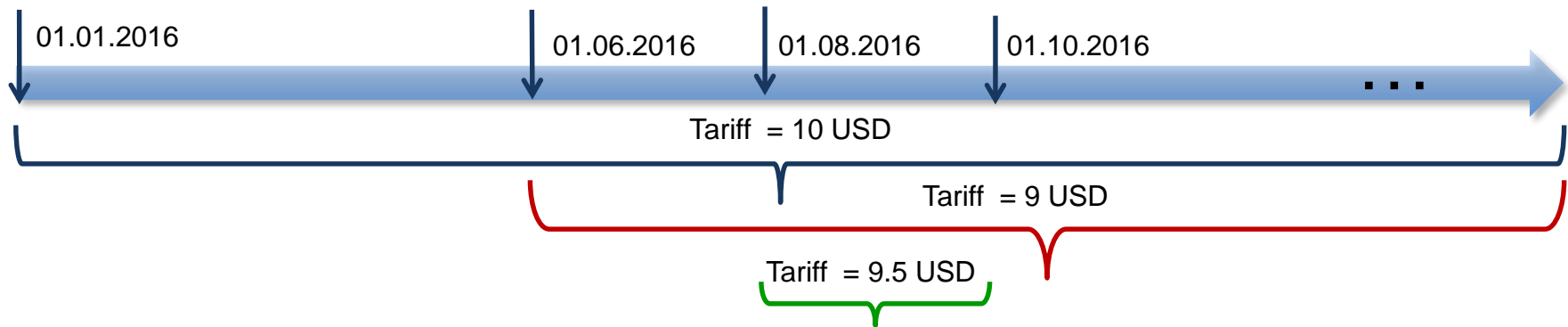| Tariff	Value
Cash Withdrawal Local Curr	1.2% min 40 RUB

1

WAY4 Issuing Basic. Tariffs

Tariff Numerical Data

- *In the* Date From *field only the future date can be set. It is not possible to specify the past or even current date. If you try to do that the Tariff won't be approved*

- *To activate the Tariff Data the Banking Date is used by default*

- *When processing a transaction it's possible to apply Tariff Data active on the transaction date (TARIFF_FROM_TRANS_DATE;)*

Overlapped periods

Tariff = 10 USD

Tariff = 9 USD

Tariff = 9.5 USD

	Start Date	FX Rate Type	Currency	Fee Min	Fee Max	Fee Base	Fee Rate Pcnt	Incr Pcnt	Apply Mode	Is Ready
	01/10/2016	Middle	USD	0,00	0,00	9,00	0,00	0,00	From Tariff	Ready
➡	01/08/2016	Middle	USD	0,00	0,00	9,50	0,00	0,00	From Tariff	Ready
	01/06/2016	Middle	USD	0,00	0,00	9,00	0,00	0,00	From Tariff	Ready
	01/01/2016	Middle	USD	0,00	0,00	10,00	0,00	0,00	From Tariff	Ready

Fee Data for Monthly Merchant Fee   << < > >>   2 of 4

Ins Del   Query   Cancel

Tariff Setup

Main Steps of the Tariff Setup

Tariff Setup

1. *Tariff Types*
2. *Tariff Domains, domains hierarchy*
3. *Grouping Tariffs into domains*

1

Tariff Data

4. *Tariff Data setup and activation*

2

Rules for Tariff Choice

- *Service*
- *Account Template*
- *Usage Limiter*
- *…*

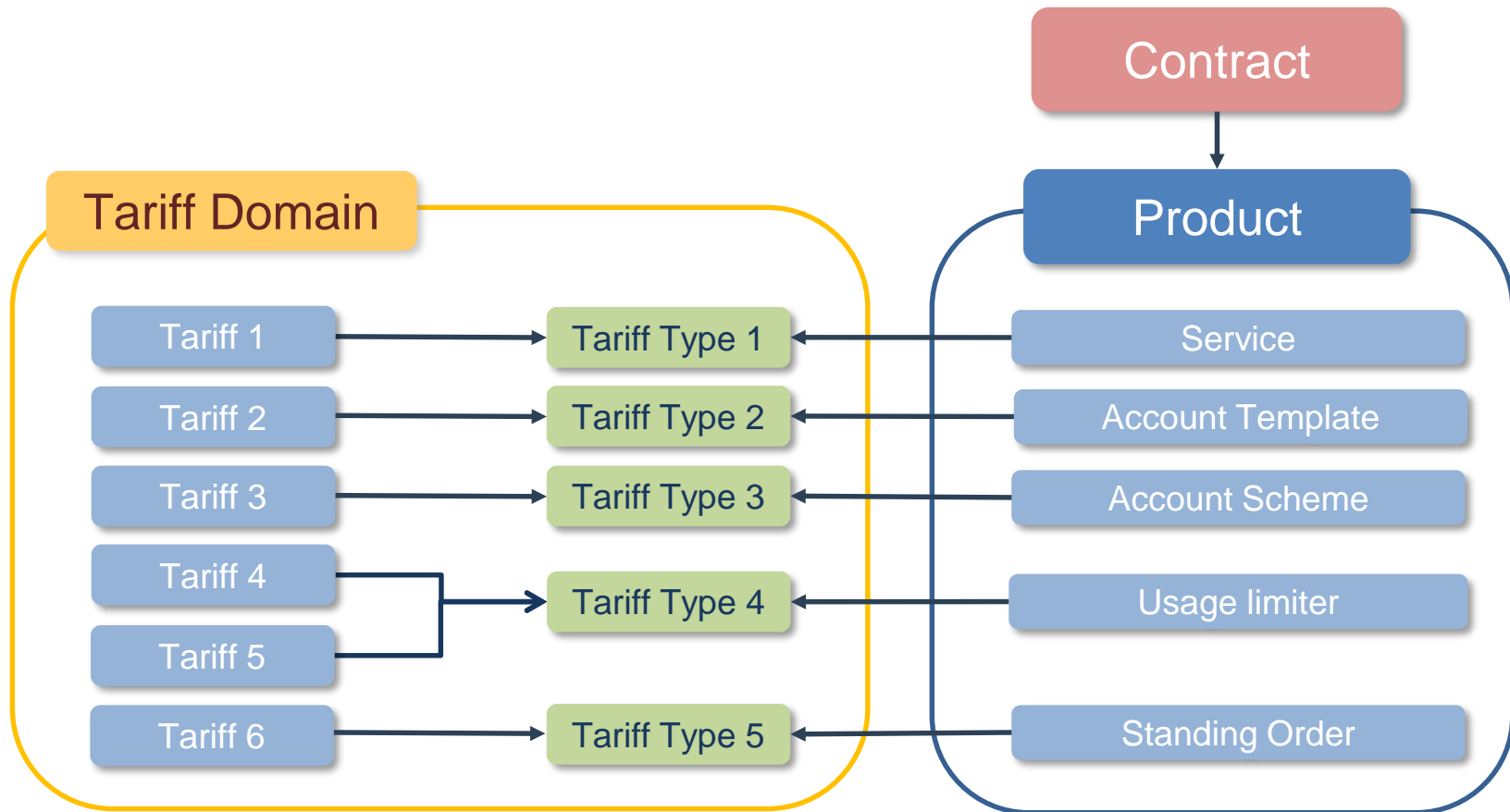3

Assigning Tariff Domain

- *To a Product*
- *To a Service Package*
- *To an Account Scheme*
- *By Event*
- *Individually*
- *…*
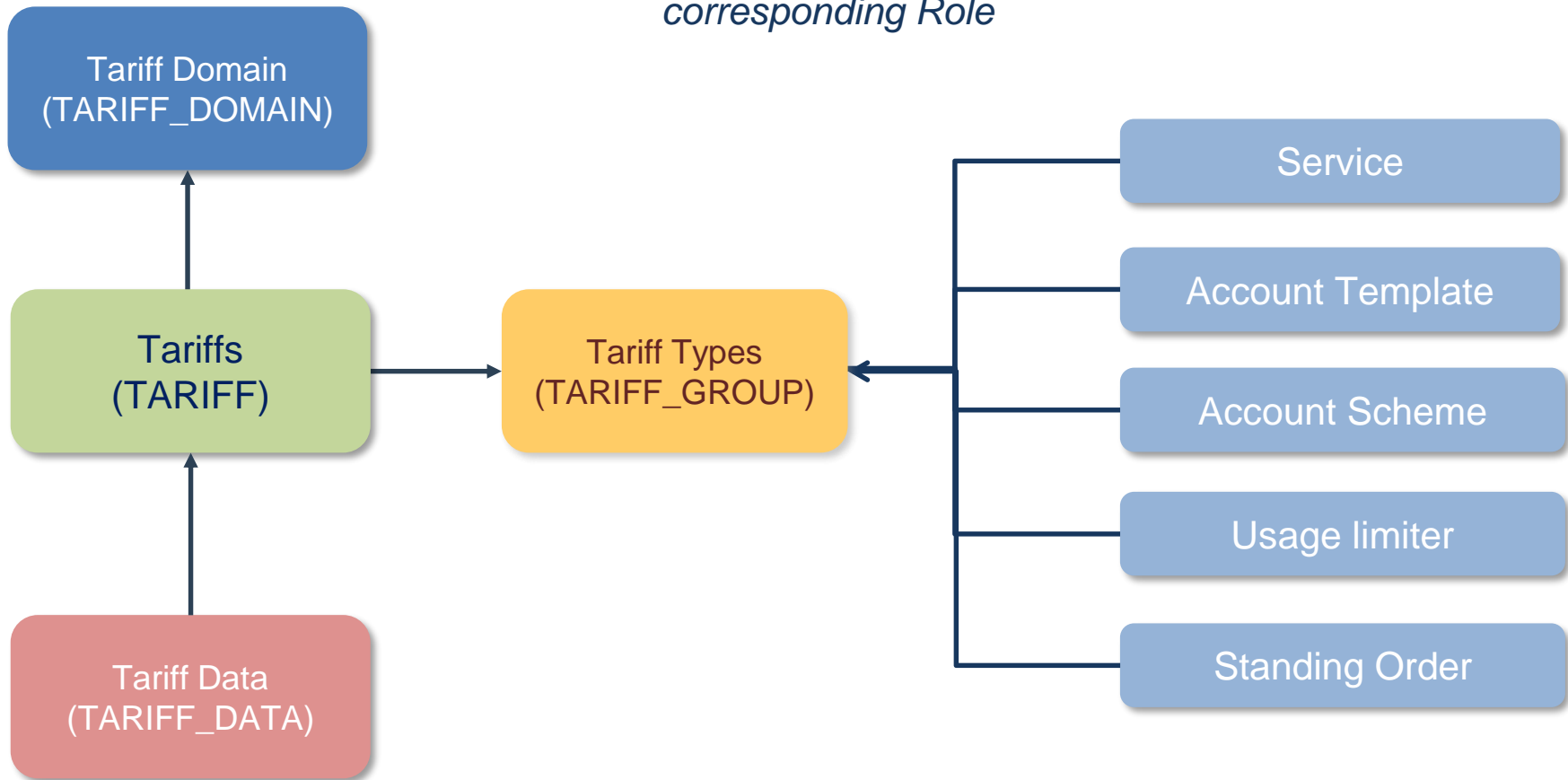
4

Using Tariffs in the Product Configuration

Rules for Tariff use:
- *Select a tariff type registered in the system and link it to the corresponding Product component*
- *Assign the Tariff Domain to the Contract*

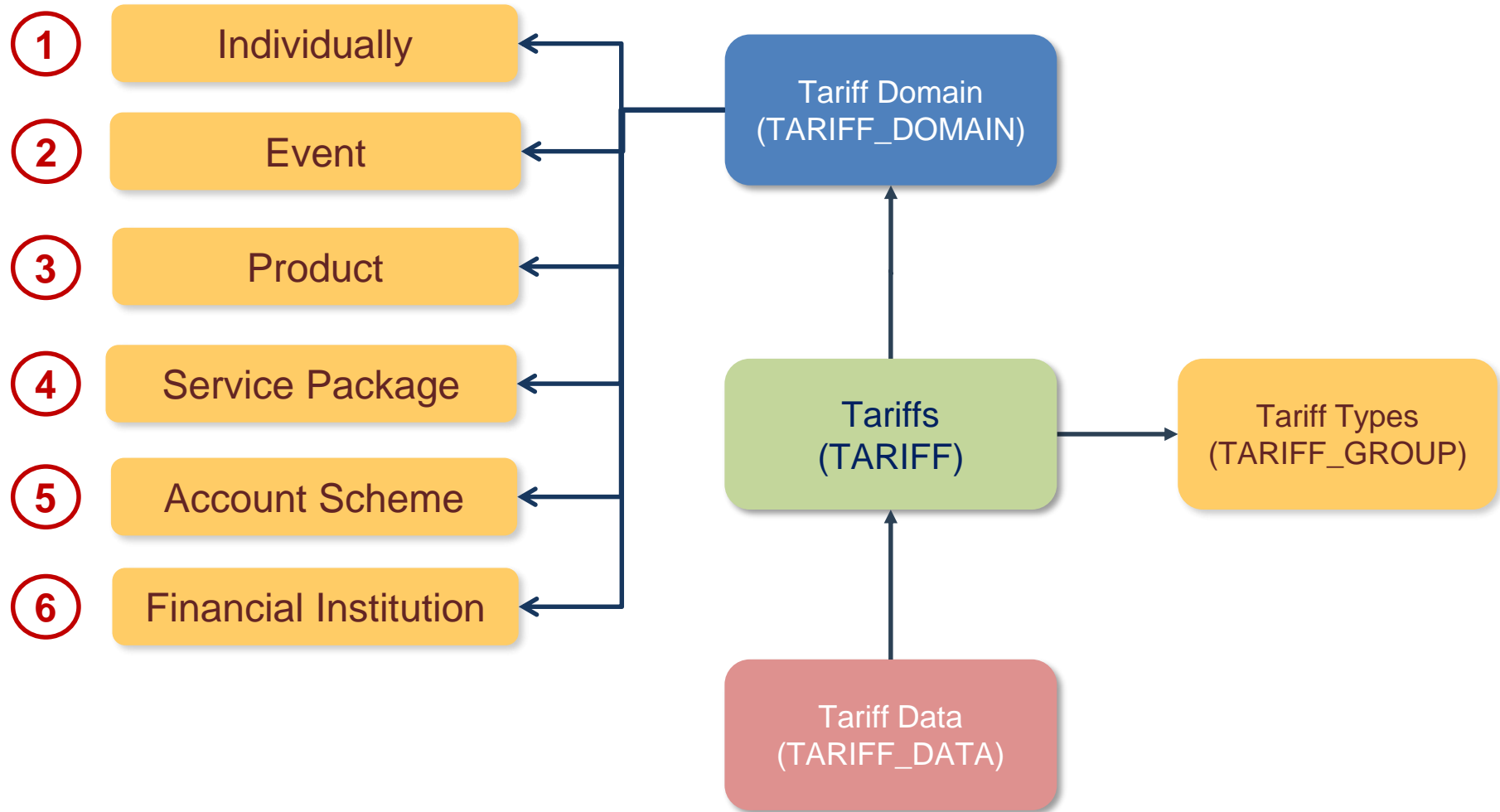# Selecting Tariff Type

Product Components refer to Tariff Types with the corresponding Role

Tariff Domain
(TARIFF_DOMAIN)

Tariffs
(TARIFF)

Tariff Data
(TARIFF_DATA)

Tariff Types
(TARIFF_GROUP)

Service

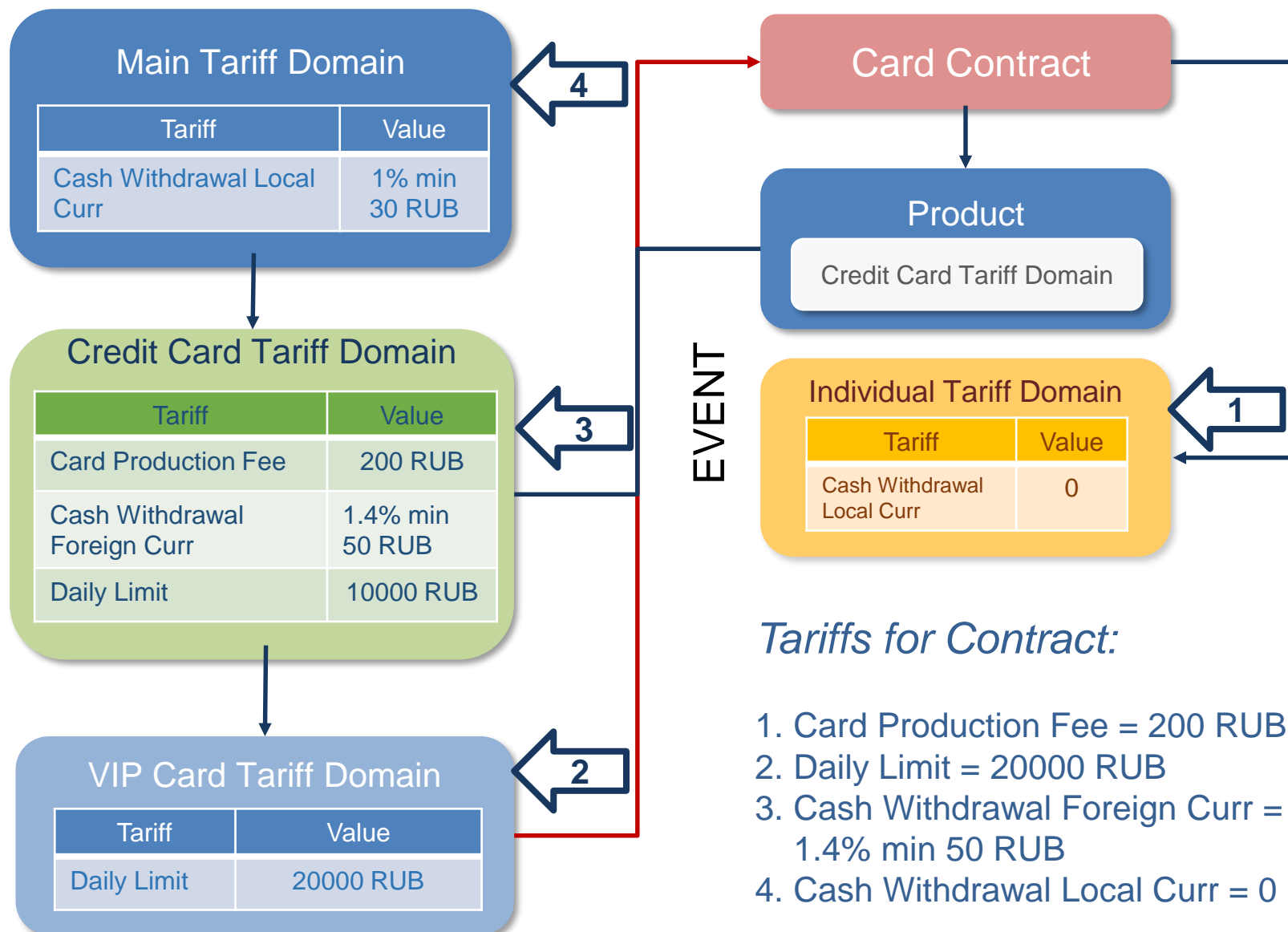Account Template

Account Scheme

Usage limiter

Standing Order

Selecting Tariff Domain

Tariff Domain selected in accordance with the Domain priority

Selecting Tariff Domain according to Priorities

Main Tariff Domain

Tariff	Value
Cash Withdrawal Local Curr	1% min 30 RUB

4

Card Contract

Product

Credit Card Tariff Domain

Credit Card Tariff Domain

Tariff	Value
Card Production Fee	200 RUB
Cash Withdrawal Foreign Curr	1.4% min 50 RUB
Daily Limit	10000 RUB

3

EVENT

Individual Tariff Domain

Tariff	Value
Cash Withdrawal Local Curr	0

1

VIP Card Tariff Domain

Tariff	Value
Daily Limit	20000 RUB

2

Tariffs for Contract:

1. Card Production Fee = 200 RUB
2. Daily Limit = 20000 RUB
3. Cash Withdrawal Foreign Curr = 1.4% min 50 RUB
4. Cash Withdrawal Local Curr = 0

Documentation

<OW_HOMES>\manuals\english\Tariff_management\Tariff_Management.pdf

<OW_HOMES>\manuals\english\Tariff_management\Export_import

CBS_Tariff_Data_Export_Import_UFX.pdf

Conclusion

✓ Tariff Function in WAY4

✓ Data Structure of the Tariff Module

✓ Tariff Setup

✓ Working with Tariffs

Good
For You!