

## Contactless-Only Acceptance Device Permissions Will Be Expanded

**Global** | Acquirers, Issuers, Processors

**Visa Network; V PAY; Europe Processing**



**Overview:** The Visa Rules will be updated to expand contactless-only acceptance device permissions to additional merchant segments and countries.

Contactless is one form of entry mode for accepting transactions, and in accordance with the Visa Rules, merchants accepting contactless must continue to support other entry modes (e.g., magnetic stripe, contact chip). An exception to this rule exists to allow devices to accept contactless credentials only for specific use cases. **Effective 13 April 2019**, Visa policies around the deployment of contactless-only acceptance devices will be expanded to include more countries and additional merchant segments.

### Mark Your Calendar:

- Contactless-only expansion takes effect **(13 April 2019)**

### Background

Historically, contactless-only acceptance has been limited to specific countries and merchant segments, such as transit, vending and other unattended segments (e.g., tolls, parking, car washes). Over the past few years, Visa has engaged in a number of pilots to evaluate the expansion of contactless-only acceptance. Due to the success of those pilots, Visa is allowing contactless-only acceptance device deployment in new merchant segments and countries through the Visa Rules.

Visa has designed the expansion to ensure minimal to no impact to cardholders attempting to make purchases with a payment device that is not a contactless form factor. Therefore, the countries to be included in the program were carefully considered and added based on relative contactless issuance and acceptance penetration.

Contactless-only acceptance is an important tool in helping merchants (particularly smaller merchants) increase speed at checkout and reducing cost barriers associated with deploying and maintaining full acceptance payment terminals. As contactless acceptance adoption continues to increase around the world and as the business evolves, other merchant segments may be added to the program. In parallel, as contactless issuance grows, Visa may further expand contactless-only acceptance permissions to additional countries in the future.

### Summary of Changes

The following description outlines the parameters of the updated contactless-only program. Contactless-only acceptance is optional; however, if an acceptance device accepts only contactless payment devices, the merchant must comply with the requirements. In all cases, if a merchant deploys contactless-only acceptance devices, the device must accept all contactless form factors (e.g., contactless cards, phones or wearables enabled for contactless payments). In addition, for certain use cases below, a merchant would need to ensure they accept other entry modes (e.g., magnetic stripe and contact chip).

- Available for contactless-only globally:
  - **Unattended transactions at transit merchants (turnstile, fare gate or point of boarding):** Merchants in all regions continue to be permitted to deploy contactless-only acceptance devices. Acceptance requirements are unchanged, and these contactless-only terminals must accept all contactless payment devices.
- Available for contactless-only by country:
  - Merchants in the following countries will now be eligible to deploy contactless-only devices in the specified segments below:
    - **AP:** Australia, Hong Kong, Japan, Malaysia, Myanmar, New Zealand, Singapore and Taiwan
    - **Canada**
    - **CEMEA:** Georgia and Russia
    - **Europe:** All countries
    - **LAC:** Costa Rica
  - Merchants in the regions and countries above will be permitted to deploy contactless-only devices and are not required to accept other entry modes (e.g., magnetic stripe, contact chip) at the location in the following segments, subject to the described conditions:
    - **Face-to-Face or Unattended Transactions at Toll Merchants (Merchant Category Code 4784—Tolls and Bridge Fees):** The transaction amount at the contactless-only device must not exceed the Visa Easy Payment Service (VEPS) limit for the specific country, and all contactless payment devices must be accepted at the merchant outlet.
    - **Face-to-Face or Unattended Transactions for Donations:** There is no cap on the transaction amount on these acceptance devices, but all contactless payment devices must be accepted at the merchant outlet.
    - **All Other Unattended Transactions<sup>1</sup>:** The transaction amount at the contactless-only device must not exceed the VEPS limit for the specific country, and all contactless payment devices must be accepted at the merchant outlet.
  - Merchants in the regions and countries above will be permitted to deploy contactless-only devices but will also be required to honor all cards (e.g., magnetic stripe, contact chip) at the location in the following segment and conditions:
    - **All Other Face-to-Face Transactions:** All other face-to-face transactions are eligible for merchants to deploy contactless-only acceptance devices and have no cap on the transaction amount. However, an additional condition applies to this category; to deploy a contactless-only device, merchants must also have a full acceptance device that accepts all cards at the same merchant location. If a full acceptance device is not present, the merchant is ineligible to deploy contactless-only acceptance devices. This category is meant to address queue-busting scenarios to expedite the checkout process for contactless credential holders while still offering full acceptance for cardholders who do not have contactless credentials.

<sup>1</sup> The following transaction types are excluded: ATM cash disbursements, automated fuel dispenser transactions, transit merchant transactions not otherwise specified and quasi-cash transactions.

## Merchant and Acquirer Participation Requirements and Reminders

As a reminder, merchants located in countries or segments not included above are required to accept all Visa cards on all acceptance devices in accordance with the Visa Rules. Merchants permitted to deploy contactless-only acceptance devices are expected to use their judgment and not deploy these devices in areas where contactless devices may not be as prevalent. A permitted merchant that deploys contactless-only acceptance devices must continue to:

- Ensure that the acceptance device has only a contactless chip reader and does not have either a disabled contact chip reader or magnetic-stripe reader.
- Include the following values in the authorization request and clearing record:
  - POS entry mode code "07"
  - POS terminal entry capability "8"
  - If an unattended terminal, include the unattended cardholder-activated terminal (UCAT) indicator of "1" or "3"
- Mass transit merchants must follow additional requirements outlined in the Visa Rules.

## Issuer Requirements

No action is required from issuers. Contactless-only is an attempt to create card acceptance in environments that previously had no card acceptance, or to provide contactless-only terminals in addition to full acceptance to help in queue-busting environments. For clients issuing contactless cards, there will be no impact tied to these changes. Clients issuing cards that are not contactless-enabled may encounter scenarios where the cardholder is unable to use his / her card at the point of sale. However, these scenarios should be rare, as the framework is targeted to segments where card acceptance did not previously exist at all.

### Additional Resources

[\*Expansion of Contactless-Only Acceptance \(Advance Copy\)\*](#)

**Note:** For Visa Online resources, you will be prompted to log in.

### For More Information

**AP, Canada, CEMEA, LAC, U.S.:** Contact your Visa representative. Merchants should contact their acquirer.

**Europe:** Contact Visa customer support on your country-specific number, or email [CustomerSupport@visa.com](mailto:CustomerSupport@visa.com).

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