



Authorization

28 March 2019

Revised Implementation Dates for New Deferred Authorization Indicator

Global | Acquirers, Issuers, Processors, Agents

Visa, Interlink Networks



Overview: Visa has extended the dates for implementing a new indicator for card-present and card-absent transactions when merchants defer transaction authorization.

Deferred authorization occurs when a merchant cannot complete an authorization at the time of the transaction with the cardholder due to connectivity, systems issues or other limitations, and then later completes the authorization when it is able to do so.

To alleviate the confusion that deferred authorizations can sometimes cause issuers, Visa previously announced that it would require merchants and acquirers to identify deferred authorizations by 12 April 2019.

In response to feedback and to allow more time for clients to prepare their authorization systems, Visa has postponed the previously announced implementation dates for rules pertaining to deferred authorization indicators to **April 2019, October 2019 and April 2021**, as detailed below.

Acquirers and Merchants

Beginning 12 April 2019 as optional, and becoming mandatory for all deferred authorization requests by **16 April 2021**, an acquirer or merchant that submits a deferred authorization for a card-present or card-absent transaction must both:

- Include the deferred authorization indicator value of 5206 in Field 63.3 of the authorization request; and
- Obtain an authorization as follows:
 - For Merchant Category Code (MCC) 4111—Local and Suburban Commuter Passenger Transportation, Including Ferries; MCC 4112—Passenger Railways; and MCC 4131—Bus Lines: Within four days of the transaction date
 - For all other MCCs: Within 24 hours of the transaction date

Effective 18 October 2019, acquirers must be able to support sending this indicator if a merchant includes it, but will not be required to send it in all deferred authorization requests until **16 April 2021**.

Mark Your Calendar:

- Acquirers and merchants may optionally include the new deferred authorization indicator in authorization requests (**12 April 2019**)
- Acquirers' systems must be capable of supporting the deferred authorization indicator (**18 October 2019**)
- Merchants and acquirers must include the deferred authorization indicator and follow the time frames for obtaining authorization (**16 April 2021**)

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Issuers

Starting with the April 2019 Business Enhancements release, issuers may receive the deferred authorization indicator value of 5206 in Field 63.3. Issuers do not need to make changes to their systems to accommodate this new indicator beyond being able to accept it; this data is informational only to aid with authorization processing.

Additional Resources

Updates to Deferred Authorization Requirements to Include Card Absent Transactions (Advance copy)

For additional technical information on the deferred authorization indicator, refer to the following article in the *April 2019 and July 2019 VisaNet Business Enhancements Global Technical Letter and Implementation Guide, Effective: 7 March 2019*:

- Article 2.13—New Message Reason Code for Deferred Authorizations

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 and third party agents should contact their issuer or acquirer.

Europe: Contact Visa customer support on your country-specific number, or email CustomerSupport@visa.com.

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