

## High-Brand Risk Acquiring Program Updates

**AP, Canada, CEMEA, Europe, LAC** | *Acquirers, Issuers, Processors, Agents*  
**Visa, Interlink, Plus Networks; V PAY; Europe Processing**

**Overview:** Effective 17 October 2020, Visa will introduce new rules for high-brand risk merchants requiring global registration with Visa and expand the categories identified as high-brand risk.

Visa is expanding the existing high-brand risk (HBR) merchant registration program globally and adding categories to the list of merchants warranting additional oversight. Additionally, clarification has been added to the Visa Rules to specify that the HBR requirements apply only to merchants operating in the card-absent environment.

**Effective 17 October 2020**, HBR acquirers must register their HBR merchants through Visa Online. The program will provide consistent HBR acquiring standards globally to reduce the financial, reputational and legal risks associated with card-absent high-brand risk transactions. The primary program objectives and benefits include:

- Improved quality of merchant onboarding practices by acquirers
- Improved data and transparency of high-brand risk transactions
- Assurance that HBR merchants are located in the acquirer's jurisdiction in compliance with the Visa Rules

Acquirers of HBR merchants are encouraged to use this advance notice to adjust their processes to comply with the updated requirements. Acquirers that have not registered their HBR merchants as of **17 April 2021** may be subject to non-compliance assessments.

### Program Scope

As a reminder, the Visa Rules require that acquirers only enter HBR transactions into the payment system after applying for and receiving written Visa approval of High-Brand Risk Acquirer Registration (ID#: 0026383). High-Brand Risk Acquirer Registration applicants must meet the following criteria:

- Be investment-grade and have at least USD 100 million in equity capital<sup>1</sup>
- Comply with the Visa Rules and all requirements and policies
- Conduct appropriate due diligence to ensure compliance with the *Visa Global Acquirer Risk Standards*

#### Mark Your Calendar:

- Acquirers should begin to register all high-brand risk merchants **(17 October 2020)**
- Deadline for acquirers to register all high-brand risk merchants **(17 April 2021)**

#### Related Training From Visa Business School:

- [Risk](#)

- Be in good standing in all Visa risk management programs
- Complete and fully remediate an on-site operation review, if required

<sup>1</sup> Visa may waive these requirements in exchange for assurance and evidence of the imposition of risk controls satisfactory to Visa. Such controls and requirements may include, but are not limited to, the pledging of additional collateral.

## Program Enhancements

**Effective 17 October 2020**, card-absent merchants in the following merchant category codes (MCCs) are classified as high-brand risk and must be registered with Visa.

Transaction Type	MCC	Description
Card-Absent Transactions	MCC 5962—Direct Marketing—Travel-Related Arrangement Services	Sale of travel-related services such as timeshares and discount vacation travel clubs via outbound telemarketing calls or mass emailing
	MCC 5966—Direct Marketing—Outbound Telemarketing Merchant	Sale of products or services using outbound telemarketing; examples include services such as unsolicited tech support desks or credit card protection
	MCC 5967—Direct Marketing—Inbound Teleservices Merchant	Adult content and services such as website subscriptions and video streaming
	MCC 7273—Dating Services <sup>2</sup>	Dating and escort-related services such as online classified ads that include escort services or monthly subscriptions to dating websites
	MCC 7995—Betting, including Lottery Tickets, Casino Gaming Chips, Off-Track Betting, and Wagers at Race Tracks	Funding for games of chance such as placement of wagers on an outcome or purchase of chips at a gambling establishment

Transaction Type	MCC	Description
Cross-Border Card-Absent Transactions	MCC 5122—Drugs, Drug Proprieties, and Druggist Sundries	Sale of prescription-required drugs
	MCC 5912—Drug Stores and Pharmacies	
	MCC 5993—Cigar Stores and Stands	Sale of tobacco-based products such as cigarettes, electronic cigarettes, vaping devices and smokers' supplies

In the cases below, Visa is **not** classifying the entire MCC as high-brand risk, but rather a particular activity within the general classification.

High-Brand Risk Activity Requiring Registration	MCC	Transaction Type
Cyberlockers and similar remote digital file-sharing services where uploaded content is accessible to the public or the service pays uploaders for content <sup>2</sup>	MCC 4816—Computer Network / Information Services	Card-Absent Transactions
Games of skill such as daily fantasy sports gaming where consumers pay a fee to enter and the outcome of the game is determined by skill instead of luck <sup>2</sup>	MCC 5816—Digital Goods—Games	
Purchase of cryptocurrency, funding of crypto wallets or funding of initial coin offerings (ICO) <sup>2</sup>	MCC 6051—Non-Financial Institutions— Foreign Currency, Non-Fiat Currency (for example: Cryptocurrency), Money Orders (Not Money Transfer), Account Funding (not Stored Value Load), Travelers Cheques, and Debt Repayment	

<sup>2</sup> New addition to the list of high-brand risk categories

## Merchant Registration

Acquirers may register their HBR merchants via the [Program Request Management \(PRM\)](#) tool, a self-service, web-based workflow system available at Visa Online. Acquirers should use the High-Risk Merchant (HRM) module within PRM for these registrations. The new HBR categories will be added to the tool in October 2020.

During registration, key information about the merchant is gathered and provided to Visa for review such as the merchant's URL(s), principal identity / identities, business address, dates of site inspection and approved monthly sales volume.

## Limited Existing Merchant Exemption

Acquirers processing for merchants contracted prior to 17 October 2020 in one of the four new HBR categories (MCCs 4816, 5816, 6051 and 7273) might not currently hold High-Brand Risk Acquirer Registration. In such cases Visa will grant an exception to the acquirer registration requirement; however, acquirers must register these merchants with Visa and apply for the exemption via the PRM tool.

Exemption requests will require proof of the merchant contract date. Contracting with any new merchants in these categories after 17 October 2020 will require High-Brand Risk Acquirer Registration.

## Fee Schedule

Registration fees are USD 500 per merchant annually. The initial registration fee is billed at the time of registration, and annual renewal billing will occur each September beginning in 2022; renewal billing applies to all merchants registered in the previous calendar year. Visa will send acquirers a preliminary annual renewal bill each August. For example, a merchant registered in October 2020 will be assessed the initial registration fee and will be issued a renewal fee in September 2022.<sup>3</sup>

Visa processes annual fees through integrated billing. Acquirers must enter any changes to the preliminary renewal bill into the HRM module within the PRM tool. To avoid the renewal fee, acquirers must submit all terminations by 1 September of each year.

<sup>3</sup> In Europe the fee becomes applicable and initial billing will take place in April 2021, and annual renewal billing will occur in September 2022.

## Frequently Asked Questions

Question	Answer
<b>Are pharmacies that process domestic card-absent transactions classified as high-brand risk?</b>	Pharmacies that process domestic card-absent transactions are not considered high-brand risk and registration is not required. Pharmacies that process cross-border card-absent transactions must be registered.
<b>Do card-present HBR merchants have to be registered?</b>	No, card-present transactions are not classified as high-brand risk and registration is not required.
<b>Do the acquirers of card-present HBR merchants have to register as an HBR acquirer?</b>	No, only those acquirers contracting with merchants processing card-not-present HBR transactions must register.
<b>When should acquirers begin registering HBR merchants?</b>	Acquirers should begin to register their existing and new HBR merchants beginning 17 October 2020. Acquirers will have six months to register their existing and new HBR merchants, with a deadline of 17 April 2021.
<b>Will acquirers be notified of any potential issues with their HBR merchants?</b>	<ul style="list-style-type: none"><li>• Acquirers may be contacted via email with any concerns or questions regarding their HBR merchants.</li><li>• Acquirers may be asked to investigate the concern(s) and provide their findings back to Visa.</li><li>• Potential issues include but are not limited to the sale of prohibited products, sales into unapproved jurisdictions, attempts to intentionally miscode merchants or providing one merchant with multiple accounts to load balance disputes.</li></ul>
<b>Can an HBR acquirer lose their license to acquire HBR merchants?</b>	Yes. HBR acquirers must maintain good standing within Visa's risk compliance programs. If an acquirer is placed under corporate risk reduction measures, for example, they may lose their status and must reapply.
<b>Will the merchant registration fee be refunded if an acquirer terminates a merchant after registration?</b>	The merchant registration fee is nonrefundable.
<b>Is Visa providing certification that my onboarding checks are effective and my HBR merchant is not of concern to Visa?</b>	No, successful HBR merchant registration is not a verification that the merchant is in good standing. The registration is a confirmation that the acquirer has provided specific required information that should be part of all acquirers' onboarding processes. Acquirers still retain liability for the transactions processed by their merchants.

### Additional Resources

#### Advance Copy of the Visa Rules

The advance copy of the upcoming Visa Rules illustrates the associated rule changes that will be reflected in the next edition of the publication. If there are any differences between the published version of the rules and this advance copy, the published version of the rules will prevail.

- [Enhancement of High-Brand Risk Acquiring Rules \(Advance Copy\)](#)
- [Enhancement of High-Brand Risk Acquiring Rules \(Advance Copy\)](#) (V PAY—Europe only)

## Documents & Publications

[Online Pharmacy Guide for Acquirers](#)

[Visa Global Acquirer Risk Standards](#) (clients and processors only)

[Visa Global Brand Protection Program Guide for Acquirers](#)

## Online Resources

Access the [PRM](#) tool at Visa Online.

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

## For More Information

For assistance, email [AcquirerRisk@visa.com](mailto:AcquirerRisk@visa.com). Third party agents should contact their issuer or acquirer.

---

Notice: This Visa communication is furnished to you solely in your capacity as a customer of Visa Inc. (through its operating companies of Visa U.S.A Inc., Visa International Service Association, Visa Worldwide Pte. Ltd, Visa Europe Ltd., Visa International Servicios de Pago España, S.R.L.U. and Visa Canada Corporation) or its authorized agent, or as a participant in the Visa payments system. By accepting this Visa communication, you acknowledge that the information contained herein (the "Information") is confidential and subject to the confidentiality restrictions contained in the Visa Rules, which limit your use of the Information. You agree to keep the Information confidential and not to use the Information for any purpose other than in your capacity as a customer of Visa Inc. or as a participant in the Visa payments system. You may disseminate this Information to a merchant participating in the Visa payments system if: (i) you serve the role of "acquirer" within the Visa payments system; (ii) you have a direct relationship with such merchant which includes an obligation to keep Information confidential; and (iii) the Information is designated as "affects merchants" demonstrated by display of the storefront icon () on the communication. A merchant receiving such Information must maintain the confidentiality of such Information and disseminate and use it on a "need to know" basis and only in their capacity as a participant in the Visa payments system. Except as otherwise provided, the Information may only be disseminated within your organization on a need-to-know basis to enable your participation in the Visa payments system. Visa is not responsible for errors in or omissions from this publication.