



AN 2360—Mastercard Installment Payment Service for Poland

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AN 2360—Mastercard Installment Payment Service for Poland

Mastercard is announcing the Mastercard Point-of-Interaction (POI) Installment Service for Poland. In addition to the technical requirements, this announcement contains the regulatory framework and other domestic requirements to be followed by participating customers for the deployment of the service in Poland.

Version History

The version history of this announcement is as follows.

Date	Description of Change
11 Mar 2019	Initial publication date

At-A-Glance

The At-A-Glance table provides key information about the systems and groups affected by this announcement, action indicators that specify the appropriate action, and the required implementation date or dates.

Type:	Bulletin Announcement
Audience:	Acquirer, Issuer, Processor
	Each customer must independently determine the impact on its operations.
Brands:	Mastercard®, Debit Mastercard®, Maestro®
Country:	Poland
System:	Authorization, Clearing
Category:	Operations, POI
Action Indicator:	Program or service requirement
	Testing recommended
Effective Date:	1 March 2020

Overview

As announced in the following documents, Mastercard enhanced authorization and clearing processing to support the option of installment payment transactions:

- ["Global 560—Miscellaneous Core Systems Updates"](#), Release 16.Q4
- ["Global 515—Installment Payment Processing"](#), Release 16.Q2
- ["Global 120—MasterCard Installment Payment Service—Point-of-Interaction Eligibility and Enablement"](#), Release 16.Q4

Participating customers in Poland must support the technical enhancements described in:

- ["Global 120—MasterCard Installment Payment Service—Point-of-Interaction Eligibility and Enablement"](#), Release 16.Q4
- Mastercard Installment Payment Service—Point-of-Interaction Implementation Guide
- Mastercard Installment Payment Service—User Guide

The documents are available on Mastercard Connect™.

Under the installments service, the cardholder is given the option to pay for an eligible purchase in accordance with a payment schedule, applicable interest rate, and fees (if any) agreed with the participating issuer. This functionality enables cardholders to determine the timing of payments for a purchase, introducing the opportunity for the following benefits:

- For consumers, card-based installments represent a simple and more controllable way to get access to funds. With the option to choose between paying in full or in installments, consumers can choose a payment method that suits their budget. Installments are therefore a flexible budgeting tool that can help increase loyalty and front-of-wallet behavior.
- By offering extra payment flexibility, retailers benefit from more prospective customers and more high-ticket sales, and acquirers can increase their merchant acquisition rates and grow their revenue volumes.
- By offering installments, participating issuers can differentiate their offerings, resulting in higher card volumes and business growth.

Regulatory Framework for Installments

The following provides detailed requirements for the Mastercard POI Installment Service for Poland.

Applicable Installments Model

Participating customers must make the necessary development changes to support the issuer-financed model. This is the only model that can be used for the Mastercard POI Installment Service transaction processing in Poland.

Issuer-Financed Model—General Overview

For issuer-financed installments, the participating issuer is responsible for determining eligible cardholders, obtaining their consent to participate in the installments service, and making any necessary amendments to the cardholder agreements to offer the service. As noted earlier, the terms of the installments service (such as timing, interest rate, and fees) are between the participating issuer and the cardholder and, as such, the issuer remains responsible for any financial risk relating to offering the installments service to cardholders.

Issuers participating in installment payments must register for the new Mastercard POI Installment Service using the Installment Payment Service application via Mastercard Connect. In parallel, participating issuers must be prepared to support the enhanced authorization request and response aimed at receiving and sending sufficient information about payment options and installment payment parameters to the point-of-sale (POS) or virtual POS (VPOS) terminal.

Acquirers offering this service at the POS terminal will first send the authorization request for the full amount validated with a valid cardholder verification method (CVM) and specify that the terminal is capable of installment payments. Based on the current state of the cardholder account, the participating issuer confirms the eligibility of the card and the transaction for installment payments via the authorization response. The participating issuer has the possibility to determine upfront the exact conditions for its cardholder to benefit from the service. In the authorization response, when a cardholder card and transaction are eligible for installment payments, installment options are passed to the POS or VPOS terminal, which must prompt for the cardholder decision to complete the payment—either in full amount or in installments.

For POS transactions, the pay via installment offer must be displayed on the POS terminal screen or PIN-pad if a separate PIN-pad device is used. If the cardholder chooses to pay in installments, the POS

terminal must present the installment options received from the participating issuer in the authorization response. The installment options should be displayed on the screen of the POS terminal. The selected installment option must be entered on the POS terminal by the cardholder, and the transaction is finalized. If the cardholder does not want to pay in installments, then the relevant selection must be made on the POS terminal.

For VPOS transactions, in the case of non-face-to-face environment transactions, the installment options are displayed at the checkout stage; and the cardholder chooses installment options on the web site or the in-mobile app of the merchant.

Transaction Flow Requirements

The following stages describe the transaction flow for the issuer-financed model:

1. For a transaction above the minimum threshold, the participating acquirer must populate the specific value of the Installments Indicator (MCINST) in Data Element (DE) 48 (Additional Data—Private Use), subelement 95 (Mastercard Promotion Code) in the Authorization Request/0100 message, which informs the issuer that the POS or VPOS terminal is installments-capable.
2. When a participating acquirer sends an Authorization Request/0100 message with the Installments Indicator (meaning the final authorization, not pre-authorization), Mastercard checks the individual card and transaction based on the issuer account range installments participation list and any filtering criteria set up by the participating issuer. If the issuer is participating, and the transaction characteristics match the filtering criteria set up by the issuer, Mastercard forwards the authorization request message including the Installments Indicator to the issuer.
3. When a participating issuer receives an authorization request message from Mastercard with the Installments Indicator, the issuer decides to approve or decline the transaction for the full amount based on standard authorization criteria. The issuer then decides on the applicability of installments payment for that particular transaction. The issuer responds with the following payment options available for the cardholder:
 - F—"Pay in full only"
 - B—"Pay in full or Pay in installments"

If the installments payment is applicable, the issuer defines the conditions of the installments and includes the Installments Indicator and any other installments-related parameters (as detailed in the Mastercard Installment Payment Service—Point-of-Interaction Implementation Guide, 25 January 2018) in the Authorization Request Response/0110 message in the following data element.

Within DE 112:

- Subelement 022, subfield 5 (First Installment Amount)
- Subelement 022, subfield 6 (Subsequent Installment Amount)
- Subelement 022, subfield 7 (Total Amount Due)

Note:

Subelement 022, subfield 7 (Total Amount Due) must include data on the total cost of funding provided to the respective cardholder.

In Poland, issuers must use DE 112 (Additional Data), subelements 021 (Installment Payment Data 1) and 022 (Installment Payment Data 2). For the installments tenures, issuers must present three possible individual options to be selected by the cardholder— **three**, **six**, and **12** months. Subelement 023 (Installment Payment Data 3) is not applicable in Poland.

4. The acquirer receives an authorization response message and verifies the presence of the Installments Indicator and other installments information sent by the issuer. If the Installments Indicator is not present in the authorization response message, then no installments option must be presented to the cardholder. In both scenarios (payment in full or in installments), the transaction is processed and cleared for the full amount.
5. The cardholder is offered the choice of payment in full or in installments:

Option a—If the cardholder choice is payment in installments, then the terminal must present the available installment options from the issuers' response provided in DE 112. The cardholder should press the button corresponding to the chosen installment tenure (select one option out of three, as described previously) and confirm the choice in the usual way (by pressing the appropriate button). If the cardholder could not select the installment tenure, Mastercard recommends that the screen step-back should be added to the selection page of "Full payment" or "Installment payment." The next step is a summary screen displaying that the installment was selected and showing the number of installments that was chosen, the purchase amount, and the installment amount. The cardholder will confirm it in the usual way (by pressing the appropriate button). It is the last possibility for the cardholder to cancel the installment. After the cardholder's final confirmation, the transaction is finalized; and the receipt will be printed for a face-to-face transaction and created for a non-face-to-face environment. Receipt content is specified later in this announcement.

Option b—If the choice is "Full payment," then the transaction is finalized as a full amount payment. In case of a timeout of the POS or VPOS terminal at the stage of installment options selection, the transaction should be finalized as a "Full payment."

6. This step focuses on the requirement for the acquirer to pass private data subelement (PDS) 0181 in the clearing message, reflecting the installment payment choice selected by the cardholder. The acquirer submits the mandatory transaction details for clearing. In case the cardholder selected payment in installments, the acquirer **must** include the additional installments fields within PDS 0181 as described in the Mastercard Installment Payment Service—Point-of-Interaction Implementation Guide.
7. The participating issuer reflects each installment payment amount and the respective costs in the cardholder's monthly statement.
8. Settlement for these transactions will be for the full amount, and the funds transfer will be performed in accordance with standard settlement processing.

Customer Impact

This announcement affects the indicated customers and platforms.

Acquirer Impact

This solution is for acquirers that only process dual message transactions.

Note:

Participation in the Mastercard POI Installment Service is mandatory for all acquirers if merchants submit transactions with a country code for Poland.

The acquirer must develop and deploy to the merchant's POS or VPOS terminal as a payment application that offers to cardholders the possibility to select installment payments. The usage of this possibility is conditional on the registration of the participating issuer in the installments service and the eligibility of the cardholder card and transaction. The conditions for the cardholder's eligibility are defined by the

issuer. The POS or VPOS terminal application must comply with the requirements detailed in this announcement.

For transactions at merchants working with Masterpass™ or for non-face-to-face electronic commerce (e-commerce) transactions at merchants where the card is registered or stored on file (credential-on-file), Mastercard recommends that acquirers initiate an authorization for each transaction with an amount that is greater than the country minimum installment limit.

In addition to deploying the installments-capable application on the POS or VPOS terminal, the participating acquirer must engage in training and education activities toward merchants' employees to create the necessary conditions of making this functionality available to cardholders at a wide scale.

Acquirer Exclusions

Acquirers must only deploy an installment transaction-capable application to merchants that transact transactions for the purchase of goods and services. Refer to the attached Merchant Exclusions document for a list of excluded card acceptor business codes (MCCs).

Note:

Acquirers with insignificant volumes should contact their local Mastercard representative for more information.

Issuer Impact

This issuer-financed installment payments solution is for participating issuers that process dual message transactions only.

Note:

The participation of issuers in the Mastercard POI Installment Service is optional.

Issuers participating in the service should be registered via Mastercard Connect. Participating issuers must support the enhanced authorization request and response aimed at receiving and sending sufficient information about payment options and installments parameters to the POS or VPOS terminal as described previously and in the following documents:

- "Global 560—Miscellaneous Core Systems Updates", Release 16.Q4
- "Global 515—Installment Payment Processing", Release 16.Q2
- "Global 120—MasterCard Installment Payment Service—Point-of-Interaction Eligibility and Enablement", Release 16.Q4

Participating issuers **must** populate the following in the Enhanced Authorization Response, at minimum, in the following data element.

Within DE 112:

- Subelement 022, subfield 5 (First Installment Amount)
- Subelement 022, subfield 6 (Subsequent Installment Amount)
- Subelement 022, subfield 7 (Total Amount Due)

Note:

Subelement 022, subfield 7 (Total Amount Due) must include data on the total cost of funding provided to the respective cardholder.

Participating issuers must be prepared to post and split the billing of the transaction amount in the cardholder's account according to the option selected at the POS or VPOS terminal at the moment of sale. The acquirer will send both authorization and clearing for the full amount, and the installments split will be handled by the participating issuer. In addition, participating issuers must clearly have their cardholders agreed, through various channels (such as general terms and conditions, credit contract, financial institution's web page, and statements of account), to the terms and conditions applicable to installment payments and informed about the outstanding amounts in connection with installment payments transactions performed by their cardholders, as required by law. If there are credit collection issues, the full responsibility is with the participating issuer that authorized the original full amount and offered the installment payment options.

The funding of the installment payments is entirely at the discretion of the participating issuer, which can either bear the cost and offer the option for free or transfer this cost to the cardholder. Mastercard requires that the participating issuer clearly communicates this aspect to the cardholder through the installment payment service's terms and conditions in a manner compliant with applicable law.

Other Impact

Merchants participating in the Mastercard POI Installment Service have no informative duty toward the cardholder, besides placing the special Mastercard installments mark at the POS or VPOS, presenting the installment options to assist the cardholder to decide, and printing the installment-specific information on the sales receipt reflecting the cardholder choice from the installment data provided by the participating issuer.

Sales Receipt

In addition to, and not in replacement of, any legal requirements regarding receipts, the required minimum information on the cardholder copy of the sales receipt (in addition to the usual data on the receipt) follows. The text must be in Polish for cardholders with a card issued in Poland, or in English for cardholders from other countries as shown in the following table.

Language	Receipt Text
Polish	Plan ratalny zostanie uruchomiony. W razie pytań skontaktuj się ze swoim bankiem.
English	Installment plan will be launched. If you have any questions, please contact your issuing bank.

Area of Use

Installment payments are not limited to domestic transactions. Acquirers must insert the Installments Indicator for cards issued out of Poland as well. However, participating issuers can decide whether to support installments on cross-border transactions.

Targeted Card Program

The Mastercard POI Installment Service is available for Mastercard cards, including debit and credit cards.

Chargeback Rules

Standard chargeback rules apply to installment payment transactions, as authorization and clearing are sent for the full amount of the purchase; and the split of the transaction into installments will take place in the participating issuer's back-office system. Individual installment payments are not eligible for chargeback.

Merchant Exclusions

Installment transactions are only allowed for the purchase of goods and services.

Mastercard prohibits acquirers to offer the Mastercard POI Installment Service to acceptance locations using any of the MCCs listed in the attached Merchant Exclusions document.

Transaction Amount

Participating issuers can decide on the minimum threshold amount for installment transactions, provided that such amount is higher than PLN 400.

Transaction Type

Participating acquirers offer installment payment functionality for both card-present (such as chip, magnetic stripe, and contactless) and card-not-present (such as electronic commerce [e-commerce] or mobile commerce [m-commerce]) transactions. Availability of the Mastercard POI Installment Service at cardholder-activated terminals (CATs) is a recommendation and not a requirement.

Applicable Installment Transaction Fees

The pricing applicable to installment transaction processing will be published in a future announcement.

Implementation

A Mastercard implementation project is required for issuers to enable the Mastercard POI Installment Service.

Issuers must sign the Mastercard Installment Payment Service Customer Enrollment form. To initiate the implementation process, an issuer or acquirer must contact its Mastercard regional office representative.

A Mastercard project implementation manager will clarify the implementation steps and build a mutually-agreed implementation plan.

Acceptance Mark

A merchant that participates in the Mastercard installments billing service must display the special Mastercard Acceptance Mark, which Mastercard will provide, at the POI.

Noncompliance

Any noncompliance with requirements stated in this announcement by participating issuers or acquirers will fall under noncompliance category B. Noncompliance assessments for each category are listed in section 2.1.4 of the Mastercard Rules manual.

Illustrations

The following diagrams illustrate the recommended screen flow for acquirer POS terminals.

POS Terminal Display 1 in Polish

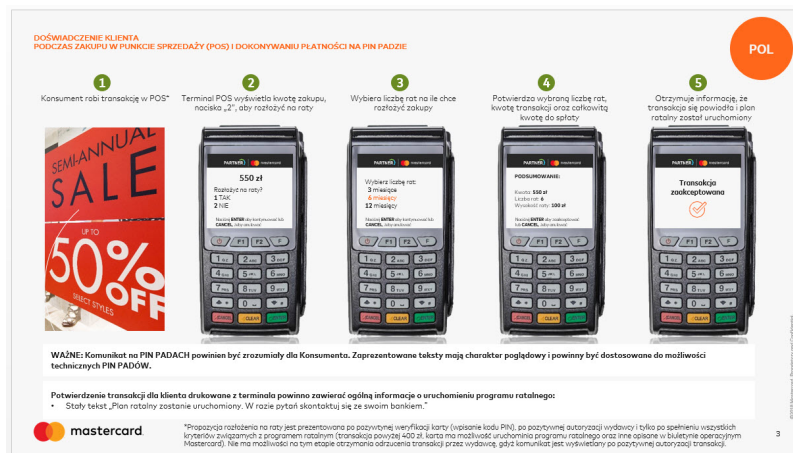


POS Terminal Display 1 in English

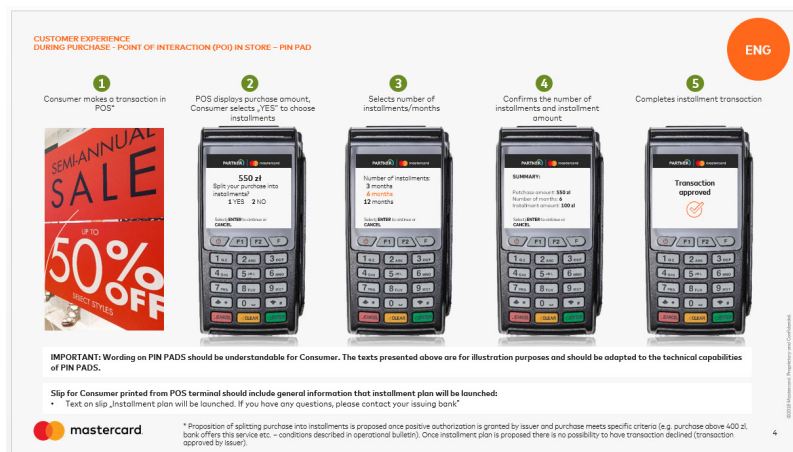


The next diagrams illustrate the recommended color display for the screen flows.

POS Terminal Display 2 in Polish

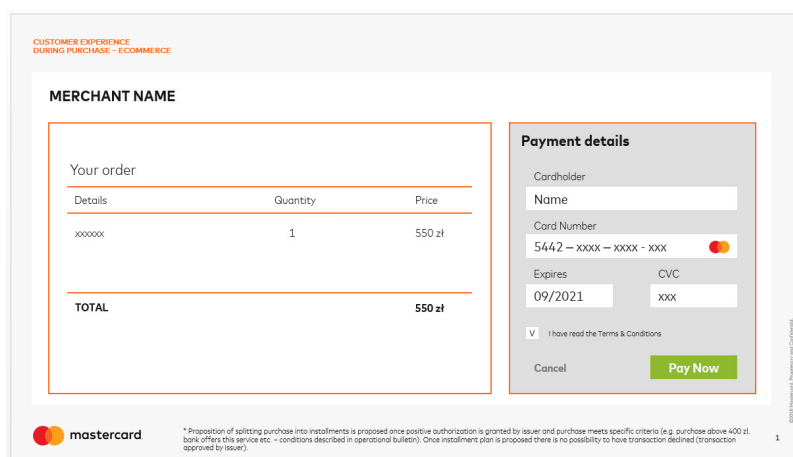


POS Terminal Display 2 in English



The last diagrams describe and illustrate the recommended e-commerce display on the check-out page.

E-Commerce Check-Out Display 1 in English



E-Commerce Check-Out Display 2 in English

CUSTOMER EXPERIENCE
DURING PURCHASE - E-COMMERCE

MERCHANT NAME

Your order	
	Price
TOTAL	550 zł

Payment has been processed

Cardholder
Name

Card Number
5442 -XXXX -XXXX -XXXX

Transaction ID:
xyz

Do you want to split your purchase into installments?

No, thank you **Yes, pay with installments**

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* Proposition of splitting purchase into installments is proposed once positive authorization is granted by issuer and purchase meets specific criteria (e.g. purchase above 400 zł, bank offers this service etc. - conditions described in operational bulletin). Once installment plan is proposed there is no possibility to have transaction declined (transaction approved by issuer).

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E-Commerce Check-Out Display 3 in English

CUSTOMER EXPERIENCE
DURING PURCHASE - E-COMMERCE

MERCHANT NAME

Your order	
	Price
TOTAL	550 zł

Select number of installments

Tenor	Installment amount	Total amount
<input type="checkbox"/> 3 months	200 zł	600 zł
<input checked="" type="checkbox"/> 9 months	70 zł	630 zł
<input type="checkbox"/> 12 months	60 zł	720 zł

Back to store **Continue**

mastercard

* Proposition of splitting purchase into installments is proposed once positive authorization is granted by issuer and purchase meets specific criteria (e.g. purchase above 400 zł, bank offers this service etc. - conditions described in operational bulletin). Once installment plan is proposed there is no possibility to have transaction declined (transaction approved by issuer).

3

E-Commerce Check-Out Display 4 in English

CUSTOMER EXPERIENCE
DURING PURCHASE - E-COMMERCE

MERCHANT NAME

Your order	
	Price
TOTAL	550 zł

Installments confirmation

Tenor	Installment amount	Total amount
<input checked="" type="checkbox"/> 9 months	70 zł	630 zł

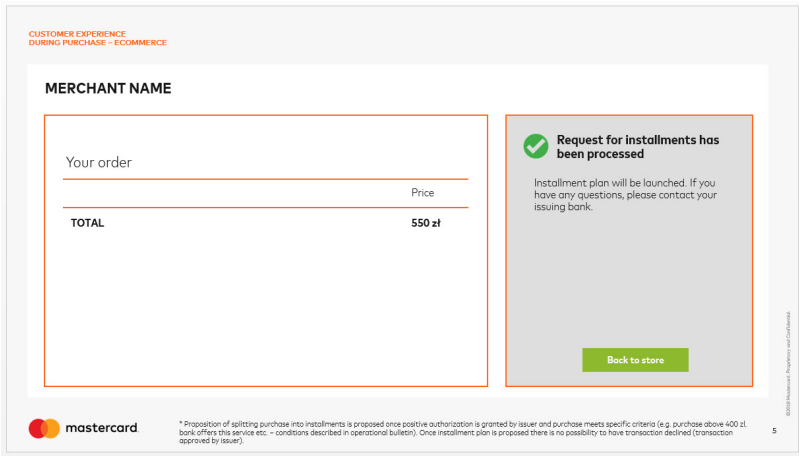
Back to installments selection **Confirm**

mastercard

* Proposition of splitting purchase into installments is proposed once positive authorization is granted by issuer and purchase meets specific criteria (e.g. purchase above 400 zł, bank offers this service etc. - conditions described in operational bulletin). Once installment plan is proposed there is no possibility to have transaction declined (transaction approved by issuer).

4

E-Commerce Check-Out Display 5 in English



Questions?

Customers with questions about the information in this announcement should contact the Global Customer Service team using the contact information provided on the Technical Resource Center home page.