



# AN 3814—Updates for the Business Risk Assessment and Mitigation Program

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## AN 3814—Updates for the Business Risk Assessment and Mitigation Program

Mastercard is announcing reminders for customers to comply with all Standards, and particularly with certain Standards described in this announcement, based on Mastercard observations of recent trends in illegal or brand-damaging activity.

### Version History

The version history of this announcement is as follows.

Date	Description of Change
23 Jan 2020	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.

<b>Type:</b>	Bulletin Announcement
<b>Audience:</b>	Acquirer, Processor
	Each customer must independently determine the impact on its operations.
<b>Brands:</b>	Mastercard®, Debit Mastercard®, Maestro®, Cirrus®
<b>Region:</b>	Global
<b>Category:</b>	Operations, Security
<b>Action Indicator:</b>	Attention warranted (Network-related)
<b>Effective Date:</b>	23 January 2020

### Overview

The Mastercard Standards require each customer to comply with all applicable laws and the Standards, and not to engage in or facilitate any action that is illegal, or that, in the opinion of Mastercard, damages or may damage the reputation of Mastercard and the integrity of the Mastercard Network.

The Business Risk Assessment and Mitigation (BRAM) program is intended to help ensure that Mastercard systems and marks are not used in any manner that is illegal, or that harms, or may harm the goodwill or reputation of Mastercard.

Accordingly, Mastercard implemented and administers the BRAM compliance program. This announcement:

- Reminds acquirers of their obligations set forth in the Standards, including the BRAM program
- Provides information pertaining to Mastercard observations of recent trends involving illegal or brand-damaging activity

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**Note:**

The products, services, and merchant models mentioned in this announcement do not represent an exhaustive list of illegal or brand-damaging activities.

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Mastercard appreciates its customers' ongoing cooperation in helping prevent illegal or brand-damaging merchant activity from entering the Mastercard payments network.

## **New Additions to the BRAM Program**

In addition to previously announced products and services, Mastercard is alerting acquirers that the following activities are illegal or brand-damaging and are prohibited as outlined in the BRAM program.

Mastercard advises its acquirers to review their merchant portfolios to identify any merchant participating in any of the activities listed below and to take the necessary actions to ensure such merchant's compliance with Mastercard Standards and applicable laws.

## **Digital Game Reseller Services**

Mastercard has received several formal complaints from digital game rights holders regarding merchants providing illegal commercial services related to digital games. Frequently, the merchant is selling gaming accounts, although such merchant may purport to be reselling digital content.

In these instances, the merchant often:

- Provides cardholders with account login credentials for digital games (which may have been stolen or set up for illegal commercial services).
- Enables the cardholder to download digital games, build in-game progression (also referred to in the digital gaming world as "leveling up"), or purchase virtual gaming currency.

Mastercard has been advised by digital game rights holders that these merchant goods and services are not authorized, are unlawful, and typically breach third party intellectual property (IP) and terms of service agreements for the platforms and games.

## **Sale of Government-issued Licenses**

Mastercard reminds customers that governments have requirements for obtaining licenses related to government-regulated activities, including but not limited to, driving, boating, fishing, and hunting. Oftentimes, these licenses are only distributed by their respective government agencies.

Recently, Mastercard has received a number of formal complaints from government agencies that certain electronic commerce (e-commerce) merchants are marketing the sale of government-issued licenses, for which these merchants do not have the legal authority to sell, offer, or distribute.

Mastercard determined that the merchant frequently represents to its acquirer that it sells electronic books (e-books) that provide guidance for obtaining these government licenses. However, the merchant

is actually marketing itself to consumers as selling or distributing government-issued licenses, directly or as a reseller.

### **Reminder of Illegal/Brand-Damaging Product (Previously Added to BRAM Program)**

Mastercard is reminding its acquirers that the following product is illegal, brand-damaging, or both and considered a prohibited product as set forth in the BRAM program Standards.

### **Circumvention Devices (Black Boxes)**

In November 2016, Mastercard announced the addition of black boxes to the BRAM program, effective 15 November 2016, as part of the Illegal Electronic Devices/Circumvention Devices category.

A black box is a device that enables a person to bypass technology designed to prevent access to copyrighted material. Such devices include, but are not limited to, devices that unscramble cable channels or circumvent paid television, cable, and streaming services via pre-installed applications. Therefore, the sale of a black box with pre-loaded applications intended to circumvent copyright protection technology was deemed, and is still deemed, a BRAM violation.

After November 2016, Mastercard observed a significant decline in BRAM violations associated with the sale of black boxes. However, Mastercard has identified a recent, significant increase in the number of merchants selling this illegal product.

### **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 or a regional Customer Engagement and Performance representative.