



AN 5822 Revised Standards for Cardholder-initiated Transactions and Merchant-initiated Transactions

Type:

Bulletin Announcement

Category:

Operations
Point of Interaction
Rules/Standards

Audience:

Acquirer
Issuer
Processor

Region:

Global

Brand:

Mastercard®
Debit Mastercard®
Maestro®

Product or Service:

Rules and Policies

Action Indicator:

Attention warranted (Network-related)
Attention warranted (Program/service-related)

System:

Authorization
Clearing
Single Message System

Published:

2 November 2021

Effective:

7 June 2022
14 October 2022

Executive Overview

Mastercard is announcing a framework for the identification of transactions involving stored credentials, including the introduction of new cardholder-initiated transaction (CIT) and merchant-initiated transaction (MIT) indicators.

Effective date details

Date	Details
7 June 2022	U.S. region acquirers and their service providers must comply with the revised Standards when processing transactions for merchants that store cardholder credentials.
14 October 2022	Acquirers in all other regions and their service providers must comply with the revised Standards when processing transactions for merchants that store cardholder credentials.

Customer benefit

Stored credentials provide a seamless way for cardholders to transact online, in-app, or in person with their favorite merchants. A stored credential can be used in either a CIT or a MIT transaction.

The stored credential framework for CITs and MITs will provide customers with a greater level of detail about payments involving the use of stored credentials. These may be submitted on a recurring basis (subscription, standing order, and unscheduled credential-on-file payments), in installments, as a partial shipment of the cardholder's original order, or as a related charge. Other types of MITs that merchants will be able to identify include "no show" charges under the Guaranteed Reservation Service, and authorizations being resubmitted after a previous decline.

By providing a greater level of detail in card-not-present (CNP) transactions, the new identifiers will support improved authorization logic and transaction risk management.

What Mastercard is doing

Mastercard is announcing the following revisions to the Standards:

- Defining the terms Credential-on-file Transaction, Stored Credential, Cardholder-initiated Transaction (CIT), and Merchant-initiated Transaction (MIT).

- Introducing Standards for identifying particular types of CITs and MITs, including MIT subcategories.
- Requiring the population of CIT and MIT indicators in authorization request and financial transaction request messages for electronic commerce (e-commerce) and credential-on-file transactions. The CIT indicator will be optional for face-to-face transactions that represent the first in a series of merchant-initiated payments.
- Clarifying that a transaction must contain the credential-on-file indicator (in addition to a CIT or MIT indicator, as applicable) when the cardholder:
 - Previously authorized the merchant to store the account data for use in future transactions, and
 - Agreed to the merchant's use of the stored Mastercard or Maestro account data to conduct the transaction being submitted.
- Requiring the recurring payment indicator to be populated in a CNP CIT that starts a series of recurring payments, as well as on each subsequent recurring payment.

Version history

Date	Description of change
2 November 2021	Initial publication date

Revised Standards

To view marked revisions, refer to the attachment associated with this announcement. Additions are underlined; deletions are indicated with a strikethrough.

Related information

- [AN 5524 Cardholder Initiated Transaction and Merchant Initiated Transaction Indicators](#)

Questions

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