Visa Rules   26 March 2020

Contactless-Only Device Acceptance Will Be Expanded Globally

Global | *Acquirers, Issuers, Processors, Agents*
Visa Network; V PAY

Overview: The Visa Rules will be updated to expand contactless-only device acceptance globally, as well as to add additional merchant segments.

Contactless-only acceptance is currently limited to a select number of use cases in specific markets. In April 2019, Visa updated policies around the deployment of contactless-only acceptance devices. Visa will further expand contactless-only to all regions and additional merchant segments **effective 18 April 2020**.

Background

Historically, contactless-only acceptance has been limited to a select number of countries and merchant segments, such as transit, vending and other unattended segments. Over the past few years, Visa has added new merchant segments and countries into the Visa Rules for contactless-only acceptance.

Contactless-only is an important tool in helping merchants increase speed at checkout and in assisting merchants that face significant cost barriers for deploying and maintaining full acceptance payment terminals. As contactless acceptance adoption continues to increase around the world and as the business evolves, so does the possibility of (i) further displacing cash in new segments, (ii) supporting merchants' operational efficiencies in segments and environments where "full acceptance" may not be viable—specifically for merchants in low-margin, low-volume locations—and (iii) enabling merchants to provide differentiated consumer experiences.

Visa has designed the expansion to ensure minimal to no impact to cardholders attempting to make purchases with a card or other payment device without a contactless form factor.

Summary of Changes

Parameters of the updated contactless-only program are outlined below.

- Contactless-only acceptance is optional; however, if an acceptance device accepts only contactless payment devices, the merchant must comply with the requirements below.

- Merchants must consider any operational impacts of their individual business when choosing to deploy contactless-only solutions, where permitted.

> **Mark Your Calendar:**
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> - Contactless-only expansion takes effect globally **(18 April 2020)**
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> - Contactless-only for queue-busting in the U.S. takes effect **(17 April 2021)**

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Merchants in all regions and countries will be permitted to deploy contactless-only devices in the following segments and conditions:

- **Face-to-face transactions**

Segment	Maximum Transaction Amount	Other Requirements
Donations and Charities	No maximum transaction amount	All cards must be accepted on the merchant's website or application.[1]
Merchant Category Code (MCC) 4784—Tolls and Bridge Fees	The transaction amount must not exceed the Visa Easy Payment Service (VEPS) limit for the specific country.	All cards must be accepted at other terminals on the site / premises.
All other segments that enable faster customer throughput (i.e., "queue-busting") [2]	No maximum transaction amount	All cards must be accepted at other terminals on the site / premises; if a full acceptance device is not present, the merchant is ineligible to deploy contactless-only acceptance devices.

[1] Effective 17 April 2021 for acceptance devices deployed on or before 18 April 2020.

[2] Effective 17 April 2021 in the US.

- **Unattended transactions**

Segment	Maximum Transaction Amount	Other Requirements
Mass Transit (at the turnstile, fare gate, or point of boarding)	No maximum transaction amount	For non-passenger vehicles, all cards must be accepted at other terminals on the site / premises (e.g., a ticket machine / booth).
MCC 5552—Electric Vehicle Charging and MCC 7523—Parking Lots, Parking Meters and Garages	No maximum transaction amount	All cards must be accepted at other terminals on the site / premises, or via the merchant's website or mobile application.
In the AP, Canada, CEMEA, Europe & LAC Regions **All other segments,[3] excluding:** • ATM Cash Disbursements • Automated fuel dispenser transactions • Transit merchant transactions not otherwise specified • Quasi-cash transactions	The transaction amount must not exceed the VEPS limit for the specific country.	If the unattended cardholder-activated terminal (UCAT) is capable of processing transactions above the applicable VEPS limit for the specific country, all cards must be accepted at the UCAT.

[3] For unattended toll payments (MCC 4784), all cards must be accepted at other terminals on the site / premises, or via the merchant's website or mobile application.

Participation Requirements and Reminders

A permitted merchant that deploys contactless-only acceptance devices must continue to:

- Accept all contactless-enabled payment devices

- Ensure that the acceptance device has only a contactless chip reader and does *not* have either a disabled / blocked contact chip reader or magnetic-stripe reader.

- Include the following values in the authorization request and clearing record:

    - POS entry mode code "07"

    - POS terminal entry capability "8"

    - If an unattended terminal, include the UCAT indicator of "1" or "3"

- Mass transit merchants must follow additional requirements outlined in the Visa Rules (which remain unchanged).

Issuer Requirements

No action is required by issuers.

Contactless-only is an attempt to create electronic payment acceptance in environments that previously had little-to-no card acceptance, or to provide contactless-only terminals in addition to full acceptance to help in queue-forming environments, enabling merchants to provide a differentiated customer experience.

Clients issuing contactless cards, or whose cards may be provisioned into other contactless-enabled payment devices, will not be affected by these changes. Clients issuing non-contactless cards, and whose cards may not be provisioned into other contactless-enabled payment devices, may encounter scenarios where the cardholder is unable to use their card at the point of sale. However, these scenarios should be rare, as the framework is targeted to segments where card acceptance did not previously exist, or where alternate acceptance channels are enabled.

For More Information

Merchants and third party agents should contact their acquirer.