

Deferred Authorization Indicator Reminder

Global | Acquirers, Issuers, Processors, Agents

Visa Network



Overview: Acquirers and their merchants are reminded that effective 16 April 2021, the deferred authorization indicator is required for card-present and card-absent deferred transaction authorizations to help ensure more authorization approvals. Issuers are also reminded to use the deferred authorization indicator in their authorization decision processing.

Deferred authorizations occur when a merchant cannot complete an authorization at the time of transaction with the cardholder because of connectivity problems, systems issues or other limitations, and then later completes the authorization when they are able. Visa is reminding clients of the correct usage of the deferred authorization indicator as well as upcoming requirements.

Reminders for Acquirers and Merchants

As announced in the 28 March 2019 edition of the *Visa Business News*, **effective 16 April 2021**, an acquirer or merchant that submits a deferred authorization for a card-present or card-absent transaction must both:

- Include the deferred authorization indicator value of 5206 in Field 63.3 of the authorization request, and
- Obtain an authorization as follows:
 - For Merchant Category Code (MCC) 4111—Local and Suburban Commuter Passenger Transportation, Including Ferries; MCC 4112—Passenger Railways; and MCC 4131—Bus Lines: Within four days of the transaction date
 - For all other MCCs: Within 24 hours of the transaction date

Acquirers have been required to support the deferred authorization indicator since 18 October 2019.

Reminders for Issuers

Issuers have been required to accept the deferred authorization indicator value of 5206 in Field 63.3 since 12 April 2019. It is important that this information is utilized for authorization processing.

Issuers are reminded they must not decline an authorization solely on the basis that the Application Transaction Counter (ATC) is out of sequence, which is in violation of the Visa Rules (ID#: 0002064). Deferred authorizations in a card-present environment are likely to have the ATC out of sequence, which should be taken into account by the issuers when authorizing such transactions.

For More Information

Merchants and third party agents should contact their acquirer.

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