

Generally, surcharging requires the merchant to jump through some hoops and neither First Data nor TSYS have any direct involvement with implementing this fee, but do require notification from the merchant that they will be implementing one. The merchant should abide by the rules set forth by Visa, MasterCard, Discover when implementing a surcharge. I did some research on my own for this (below) which you may reference, but ultimately, the merchant is wholly liable if they step outside of the regulations in place by the card brands.

\*Can surcharge on our VT but must follow the rules and notify Visa and Mastercard

#### General SURCHARGE Rules:

- Surcharging is typically a percentage of the transaction
- You cannot surcharge any Debit transactions (signature or pin).
- Ensure the surcharge amount does not vary with each customer/transaction
- If surcharging at the *brand level* (all Visa & MasterCard transactions), the surcharge amount must be *no higher than the MDR* (Merchant Discount Rate) or surcharge cap.
  - MDR = the average effective interchange rate and average of all network fees (MasterCard and Visa) for one or twelve months. If the MDR cannot be determined, MasterCard and Visa has a cost of acceptance for their cards by merchant category on their sites. Attached below for reference; but please confirm on the website for the latest rates.
- If surcharging at the *product level* (only Visa Rewards cards, only Visa Signature cards, only Visa Traditional, etc.), the surcharge must be *MDR less the Durbin Amendment Cap (0.05% + \$0.22)*
- Surcharge amount cannot exceed 4%, even if the MDR is greater than 4%
- Cannot assess a surcharge on both the brand level and product level
- Surcharge must be included in the transaction amount
- Merchant cannot assess both a surcharge AND a convenience fee
- Surcharge must be returned on refunds
- Surcharge cannot be charged on refunds or pin/signature debit transactions
- It is the responsibility of the MERCHANT to ensure proper adherence to all of the surcharge processing rules and to comply with all laws.
- States that prohibit surcharging:
  - California
  - Colorado
  - Connecticut
  - Florida
  - Kansas

- Maine
- Massachusetts
- New York
- Oklahoma
- Texas
- A Merchant must, at both the point of entry into the Merchant Outlet and the Point-of-Transaction, clearly and prominently disclose any US Credit Card Surcharge that will be assessed
  - The disclosure at the Point-of-Transaction must include all of the following:
    - The exact amount or percentage of the US Credit Card Surcharge
    - A statement that the US Credit Card Surcharge is being assessed by the Merchant and is only applicable to credit Transactions
    - A statement that the US Credit Card Surcharge amount is not greater than the applicable Merchant Discount Rate for Visa Credit Card Transactions at the Merchant
  - Merchants with Acceptance Devices that offer Cardholder choice for debit Transactions in the form of "credit" and "debit" buttons must ensure that:
    - Visa debit Card Transactions are not assessed a US Credit Card Surcharge
    - It is made clear to the Cardholder that surcharges are not permitted on debit Transactions regardless whether a Cardholder selects the "credit" or "debit" button
  - For an Electronic Commerce Transaction, a Mail/Phone Order Transaction, and an Unattended Transaction, the Cardholder must be provided the opportunity to cancel the Transaction subsequent to the US Credit Card Surcharge disclosure.

**Table 5 4: Surcharge Disclosure – US Region and US Territories**

Transaction Type	Point-of-Entry	Point-of-Transaction
Face-to-Face Transaction	Main entrance(s) of the Merchant Outlet, in a minimum 32-point Arial font, but in any case no smaller or less prominent than surrounding text	Every customer checkout or payment location, in a minimum 16-point Arial font, but in any case no smaller or less prominent than surrounding text
Electronic Commerce Transaction	The first page that references credit card brands accepted, in a minimum 10-point Arial font, but in any case no smaller or less prominent than surrounding text	Checkout page, in a minimum 10-point Arial font, but in any case no smaller or less prominent than surrounding text
Mail order Transaction	The first page of the catalog that references credit card brands accepted, in a minimum 8 point Arial font, but in any case no smaller or less prominent than surrounding text	Mail order form, in a minimum 10-point Arial font, but in any case no smaller or less prominent than surrounding text
Telephone order Transaction	The first page of the catalog that references credit card brands accepted, in a minimum 8-point Arial font, but in any case no smaller or less prominent than surrounding text	Verbal notice from the telephone order clerk, including US Credit Card Surcharge amount
Unattended Cardholder-Activated Terminal	Main entrance(s) of the Merchant Outlet (if applicable), e.g. gas (petrol) station store, in a minimum 32-point Arial font, but in any case no smaller or less prominent than surrounding text	On the Unattended Cardholder-Activated Terminal or virtual disclosure on the payment terminal screen, in a minimum 16-point Arial font, but in any case no smaller or less prominent than surrounding text

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*Steps for surcharging on First Data:*

\*Not available on North

\*Must be Omaha/Omaha using one of the certified terminals below and can ONLY accept MasterCard and Visa entitlements. Discover, Amex, Pin Debit and all other entitlements cannot be enabled on an account that is implementing a surcharge. Surcharging can also be done through a software vendor that supports it, but the agent must contact the vendor to confirm this is possible.

**Surcharge supported terminals on First Data:**

- ICT220
- ICT250
- IWL222
- IWL252
- IWL255

- Not available on FD terminals.
- Merchant must enable surcharging with Ingenico directly
- Only other exception to these terminals would be to surcharge through a software vendor (agent must contact the vendor directly to confirm compatibility).

1. Merchant must notify Visa and MasterCard of surcharge *30 days prior to implementation*. URLs to more information and links to register with each of these respective card brands is below.

- MasterCard Information: <http://www.mastercard.us/merchants/support/surcharge-rules.html>
- MasterCard Application: [https://www.mastercard.us/en-us/surcharge-disclosure-webform.html#contentpar\\_text](https://www.mastercard.us/en-us/surcharge-disclosure-webform.html#contentpar_text)
- Visa Information: <http://www.visa.com/merchantsurcharging>
- Visa Application: <https://usa.visa.com/Forms/merchant-surcharge-notification-form.html>

2. Agent must complete the **MasterCard and Visa Acquirer Surcharge Notice Form** and submit in a ticket (ticket reason: Pricing Update) (Merchant solutions will send this completed form to [ISO-Surcharge@firstdata.com](mailto:ISO-Surcharge@firstdata.com)) along with:

- Summary of controls merchant has in place to NOT assess the surcharge to pin/signature debit.
- How merchant is notifying cardholder of surcharge (include screenshot or verbiage used).
- Attach a sample transaction receipt to validate the merchant is identifying the surcharge in accordance with the surcharging rules.
- Confirm POS equipment and when it was tested for surcharge support.
- Confirm merchant's front end platform.
- Confirm the merchant is not accepting American Express.

\*Please note that American Express allows surcharging as long as the surcharge fee is assessed equally to their competitors' credit and debit cards since they are the equivalent of an American Express card. As you know, surcharging is not allowed on debit. Since the fee is not assessed on debit equally, as determined by American Express, there would not be a level playing field and therefore would be out of compliance with American Express rules. If a surcharge is to be implemented and the merchant is accepting both credit and debit with other competitive cards, then they must not accept Amex as well.

#### *Steps for surcharging on TSYS:*

1. Merchant must notify Visa and MasterCard of surcharge *30 days prior to implementation*. URLs to more information and links to register with each of these respective card brands is below.

- MasterCard Information: <http://www.mastercard.us/merchants/support/surcharge-rules.html>
- MasterCard Application: [https://www.mastercard.us/en-us/surcharge-disclosure-webform.html#contentpar\\_text](https://www.mastercard.us/en-us/surcharge-disclosure-webform.html#contentpar_text)
- Visa Information: <http://www.visa.com/merchantsurcharging>
- Visa Application: <https://usa.visa.com/Forms/merchant-surcharge-notification-form.html>

**Surcharge supported terminals on TSYS:**

- IWL220 (INGEMV4 RETAIL/RESTAURANT & INGEMV3 RETAIL RESTAURANT APPLICATIONS)
- IWL250 (INGEMV4 RETAIL/RESTAURANT & INGEMV3 RETAIL RESTAURANT APPLICATIONS)

- ICT220CTL (INGEMV4 RETAIL/RESTAURANT & INGEMV3 RETAIL RESTAURANT APPLICATIONS)
- ICT220 (INGEMV4 RETAIL/RESTAURANT & INGEMV3 RETAIL RESTAURANT APPLICATIONS)
- ICT250 (INGEMV4 RETAIL/RESTAURANT & INGEMV3 RETAIL RESTAURANT APPLICATIONS)

*Discover revisions to their surcharge rules (only applies to TSYS merchants):*

- Surcharge cannot be greater than the cost of acceptance and must be assessed on all cards of the same type on other payment networks.
- Merchant must provide written notice of surcharge 30 days prior to implementation
- Acquirers must notify Discover of intent to surcharge from merchant
- Merchant must notify cardholders at point of entry notice of surcharge
- Merchant must notify cardholders at point of sale that a surcharge is being imposed, the amount or percentage of the surcharge, and a statement that the surcharge is not greater than the cost of acceptance.
- Surcharge must be listed as a separate line item on the receipt.

**First Data will NOT implement support of Discover surcharging on the Omaha platform due to the additional system updates needed to support this.**

For TSYS merchants to register for Discover surcharging, please have them register at <https://www.discoversurcharge.com/>

Visa mentions that you can give a discount for paying in cash  
<https://usa.visa.com/support/consumer/visa-rules.html#3>