

## Authorization Approval Code for Purchase Return Transactions

Discover, Mastercard, and Visa will require an authorization approval code for processing purchase return (refund) transactions starting April 17, 2020 (Discover and Visa) and October 16, 2020 (Mastercard).

This change should help reduce cardholder disputes (chargebacks) and related customer inquiries by providing a real-time return transaction status to cardholders and card issuers.

Please reference our [Developer Center](#) for future updates to support Return Authorizations processing and the below information on technical readiness, certification requirements, financial impacts and operational notes.

### Summary:

<b>Location(s) affected:</b>	Global (all countries)
<b>Processing method(s):</b>	All processing methods and channels
<b>Date(s) effective:</b>	<ul style="list-style-type: none"> <li>American Express &amp; OptBlue (Canada and US): not applicable.</li> <li>Discover (Canada and US): April 17, 2020.</li> <li>Mastercard (Global): October 16, 2020.</li> <li>Visa (Global): April 17, 2020.</li> </ul>
<b>Financial impact(s):</b>	<ul style="list-style-type: none"> <li>For USA only: Visa will apply a processing integrity noncompliance fee of \$0.20 USD starting July 1, 2020, for applicable transactions. However, we obtained a fee waiver on your behalf until December 31, 2020, which will provide additional time to help you support Return Authorizations.</li> <li>Authorization fees are the same for return authorizations as sales authorizations in accordance with your Schedule A.</li> </ul>
<b>Technical impact(s):</b>	<p>Please see below table for details on certification testing requirements.</p> <ul style="list-style-type: none"> <li>Support approval, declined, and partial approval authorization response codes.</li> <li>Support our Technical Processing Specifications. Please reference our <a href="#">Developer Center</a> for future updates to our technical specifications, as per below dates: <ul style="list-style-type: none"> <li>Tandem platform Host Capture System (HCS): February 2020.</li> <li>Tandem platform Terminal Capture System (TCS): April 2020.</li> <li>Stratus platform: April 2020.</li> <li>Orbital Gateway: April 2020.</li> </ul> </li> <li>Certification required, except for Orbital Gateway, Card-Not-Present Batch Refunds (Stratus), and Card-Present Host Capture System (Tandem) processing methods.</li> <li>Third-party Point-of-Sale software provider(s) and processor(s) certification required.</li> <li>Software Development Kit users must utilize our current Merchant Services Development Kit (MSDK) version in order to implement new payment network technical changes, such as Return Authorizations. Please reference the MSDK section in our <a href="#">Developer Center</a> for additional information.</li> </ul>
<b>Operational notes:</b>	<ul style="list-style-type: none"> <li>Declined authorization approval responses may require adjustment of your customer returns policy, such as providing a store-credit or an alternate form of credit to the customer.</li> </ul>

Processing methods and certification requirements:

Processing Methods	Certification Requirements
<ol style="list-style-type: none"> <li>1. Card-Not-Present Batch Returns – electronic commerce/ MOTO (Stratus platform)</li> <li>2. Orbital Gateway</li> <li>3. Chase Mobile Checkout</li> </ol>	<ul style="list-style-type: none"> <li>• Certification is not required.</li> <li>• Refund Authorization requests will be submitted to the payment brands, on your behalf by us, and the approval code will be included in the transaction response message, as per our processing specifications.</li> <li>• For declined authorization requests, we will send you the decline/error response code and this will be the notification to provide an alternate return method for the cardholder.</li> </ul>
<ol style="list-style-type: none"> <li>4. Card-Present Host Capture System (Tandem platform)</li> </ol>	<ul style="list-style-type: none"> <li>• Certification is not required.</li> <li>• Host Capture terminals will be auto-enabled to support the card issuer response for Online Return Authorizations. You can continue submitting refunds as you do today.</li> </ul>
<ol style="list-style-type: none"> <li>5. Card-Present - Terminal Capture System – Retail (Tandem platform)</li> <li>6. Card-Present &amp; Card-Not-Present (Stratus Online &amp; Retail platform)</li> </ol>	<ul style="list-style-type: none"> <li>• Certification is required.</li> <li>• Please reference technical processing specifications on our <a href="#">Developer Center</a> which will be updated April 2020.</li> </ul>
<ol style="list-style-type: none"> <li>7. Authorizations via Tandem platform and Settlement via Stratus platform (120/96 Byte format)</li> </ol>	<ul style="list-style-type: none"> <li>• Certification is required.</li> <li>• Return Authorization data field(s) populated as per 120/96 Byte technical processing specifications format.</li> </ul>
<ol style="list-style-type: none"> <li>8. POS devices provided by us (stand-alone non-integrated equipment)</li> </ol>	<ul style="list-style-type: none"> <li>• Certification is not required and we will update the POS device software.</li> </ul>
<ol style="list-style-type: none"> <li>9. POS devices provided by third-party or proprietary payment processing solutions</li> </ol>	<ul style="list-style-type: none"> <li>• Certification is required depending on processing method.</li> <li>• Please reference applicable technical processing specifications on our <a href="#">Developer Center</a>.</li> </ul>
<ol style="list-style-type: none"> <li>10. Third-Party Processors and Payment Application software Vendors (integrators)</li> </ol>	<ul style="list-style-type: none"> <li>• Certification is required depending on processing method.</li> <li>• Please contact your vendor to request and obtain updated payment application software solution(s), as needed.</li> <li>• Return Authorizations response data, such as the approval code, must be captured and included in the settlement transaction.</li> </ul>
<ol style="list-style-type: none"> <li>11. Reporting file(s)</li> </ol>	<ul style="list-style-type: none"> <li>• Authorization reporting file(s), such as the “PTI-Generic File” will be enhanced to include Return Authorizations data, which will change the file formatting and respective data fields.</li> <li>• Please reference applicable technical processing specifications on our <a href="#">Developer Center</a>.</li> </ul>
<ol style="list-style-type: none"> <li>12. Airline merchants/processing</li> </ol>	<ul style="list-style-type: none"> <li>• Optional support.</li> </ul>

**We're here to help**

If you have questions or need more information, please contact us.

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