

MasterCard Excessive Fraud - Merchant Program Guide



The MasterCard Excessive Fraud Merchant Compliance Program (EFM) is an initiative to reduce fraud for e-commerce transactions and measure compliance at the Merchant ID (MID) level using monthly fraud thresholds. A merchant is identified by the EFM program if **all** of the following conditions are met:

- Minimum of 1,000 e-commerce transactions in clearing;
- Monthly net fraud is greater than the currency threshold shown in the following table;
- Monthly net fraud is greater than the basis points threshold shown in the following table; and
- Penetration of 3DS and/or Data Only transactions is less than total card-not-present volume threshold below.

Currency Threshold (In EUR / USD)	Net Fraud bps Threshold	3DSpercent Threshold (EMV 3DS + Data Only)
50,000	50	50% (Europe) / 10% (U.S. and Canada)

How to Exit the Program

In order for a Merchant to exit the Program, the Merchant's MID must be below the EFM Program threshold for three consecutive months. Once that has been achieved, the status will be reset and the Merchant will be automatically removed by MasterCard.

MasterCard's Fine Assessment Structure (starting March 1st, 2020).

Number of Calendar Months in EFM Program	Assessment (in EUR / USD)	Total Accumulated Assessment (in EUR / USD)
1	0	0
2	500	500
3	1,000	1,500
4 to 6	5,000	Month 4 - 6,500
		Month 5 - 11,500
		Month 6 - 16,500
7 to 11	25,000	Month 7 - 41,500
		Month 8 - 66,500
		Month 9 - 91,500
		Month 10 - 116,500
		Month 11 - 141,500
12 to 18	50,000	Month 12 - 191,500
		Month 13 - 241,500
		Month 14 - 291,500
		Month 15 - 341,500
		Month 16 - 391,500
		Month 17 - 441,500
19+	100,000	Month 18 - 491,500

If a merchant is in both the Excessive Fraud Merchant Program (EFM) and Excessive Chargeback Program (ECP), then only the EFM assessments would apply; ECP assessments would not. However, if a merchant is not in EFM, but is still meeting the ECP thresholds, then ECP assessments would apply.

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