



The Mastercard updates revolve around merchant-branded pre-paid gift cards and updates to travel and entertainment merchants. The first change includes revised time limits on disputes involving merchant-branded gift cards where the merchant will not honor the card in the U.S. and Canada.

In cases involving the purchase of a merchant-branded prepaid gift card without an expiration date printed on the card: If that merchant subsequently goes out of business, two timeframes have been updated for that recovery scenario. For transactions completed using a card issued in either Canada or the United States at a merchant located in Canada or the United States, the timeframe for dispute is 120-calendar days from the Central Site Business Date of the first presentment. For all other transactions, the timeframe is within 540-calendar days from the Central Site Business Date of the first presentment.

In cases involving the purchase of a merchant-branded prepaid gift card with an expiration date printed on the card: If that merchant subsequently goes out of business, the dispute window is within 120-calendar days from the expiration date printed on the card. That time frame is within 120-calendar days from the transaction settlement date in all other cases.

Additionally, reason code MC 4853 has been updated – revising chargeback reasons and specific time limits. The included situations are:

- Goods or Services Not Provided,
- Goods or Services Were Either Not as Described or Defective, and
- Credit Not Processed.

The chargeback time limits have been updated for situations where the cardholder is claiming “Goods or Services Not Provided” or “Goods or Service Were Either Not as Described or Defective” and the disputes involving travel or entertainment services in the U.S. and Canada, where a credit voucher is provided in lieu of a refund.

The following criteria have been updated exclusively to travel and entertainment-service merchants for both situations. To qualify for this reason code, the cardholder must contact the issuer claiming the following things:

- The cardholder engaged in the transaction.
- The purchased goods or services were not received due to the merchant
- cancellation.
- The merchant provided a voucher for future use in lieu of a refund, and that provision of the voucher was properly disclosed in the merchant’s terms and conditions.
- The merchant is unable or unwilling to honor the voucher in violation of the voucher terms and conditions.

The second condition for this recovery type is that the travel and entertainment merchants must fall within one of the following merchant category codes:

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| • Airlines and Air Carrier (MCCs 3000 through 3350, 4511) | • Motor Home and Recreational Vehicle Rental (MCC 7519) |
| • Car Rental Agencies (MCCs 3351 through 3500, 7512) | • Real Estate Agents and Managers–Rentals (MCC 6513) |
| • Cruise Lines (MCC 4411) | • Theatrical Producers, Ticket Agencies (excluding Motion Picture) (MCC 7922) |
| • Lodging-Hotels, Motels, Resorts (MCCs 3501 through 3999, 7011) | • Travel Agencies and Tour Operators (MCC 4722) |

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Lastly, the following conditions have been updated for the “Credit Not Processed” recovery code, specific to travel and entertainment services that were canceled or returned, and a credit was not processed. In this case, both criteria would need to be met:

First, the cardholder must contact the issuer and claim all of the following:

- The merchant agreed to provide a refund and failed to process that refund.
- The merchant failed to disclose its refund policy at the time of the transaction and is unwilling to accept the cardholder’s return or cancellation of goods or services.
- The merchant has not responded to the cardholder’s return or cancellation of goods or services.
- The merchant posted a credit for a reduced amount without proper disclosure.

Secondly, to qualify for reason code “Credit Not Processed” 4853, the transaction must identify with one of the following MCCs:

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| • Airlines and Air Carrier (MCCs 3000 through 3350, 4511) | • Motor Home and Recreational Vehicle Rental (MCC 7519) |
| • Car Rental Agencies (MCCs 3351 through 3500, 7512) | • Real Estate Agents and Managers—Rentals (MCC 6513) |
| • Cruise Lines (MCC 4411) | • Theatrical Producers, Ticket Agencies (excluding Motion Picture) (MCC 7922) |
| • Lodging-Hotels, Motels, Resorts (MCCs 3501 through 3999, 7011) | • Travel Agencies and Tour Operators (MCC 4722) |

If the disputed transaction meets both criteria, the dispute will qualify for updated timeframes around travel and entertainment services that were canceled or returned, and a credit was not processed. The updated time frame for this specific scenario is as follows:

For transactions completed using a card issued in either Canada or the United States at a merchant located in Canada or the United States, the dispute must be made within 540-calendar days from the Central Site Business Date of the original transaction. For all other transactions, the dispute must be made within 365-calendar days from the original expected delivery or performance date specified by the merchant. There are additional criteria around the recovery time frame between 15 and 120-calendar days from the date on the credit documentation, the date the service was canceled, or the goods were returned.

When waiting the 15-calendar days that would cause the issuer to exceed the 120-calendar day time frame, the issuer may chargeback the transaction earlier than 15-calendar days.

When the credit documentation is dated, the date on the credit documentation is counted as day 0.

When the credit documentation is un-dated, the date on the cardholder letter, email, message, or Dispute Resolution Form (Cardholder Dispute Chargeback [Form 1221]) is counted as day 0.

When the cardholder letter is undated, the receipt date of the documentation by the issuer is counted as day 0.

Additionally, the issuer can immediately chargeback the transaction upon receiving one of the following forms of credit documentation:

- A letter from the merchant advising the issuer to obtain credit using a chargeback,
- Proof of an improperly disclosed in-store credit, or
- A TID voided by the merchant.

These Mastercard mandates are systemic updates implemented behind the scenes in Quavo’s Disputes as a Service™ offering. These changes are updated automatically in production environments, providing a seamless transition while ensuring your financial institution stays compliant with Mastercard updates.



Effective on April 16th, the International Organization for Standardization (ISO) has expanded the length of issuing BINs from 6 to 8 digits. Visa is supporting this change to drive innovation in the financial ecosystem.

- Acquirers and processors (issuer and acquirer) must support the new 8-digit BIN standard.
- Visa will only assign any newly requested issuing BINs as 8-digit.
- Visa allows issuers the discretion to expand any or all of their current issuing BINs to 8-digits and set their own timeline for the expansion.
- Visa will reclassify Acquiring BINs as Acquiring IDs and maintain the 6-digit length.

"If Visa clients are not ready to receive the new 8-digit issuing BIN for new BIN assignments, they may not be able to take advantage of new product innovations and may see a loss in operational efficiencies." As part of this Visa update, Quavo's QFDTM will now accept and recognize the use of 8-digit BIN numbers in addition to accepting 6-digit BIN numbers which have been the industry standard.

Quavo's Continued Support

All changes summarized in the 2022 April Mandates have been automatically updated in Quavo's QFD™ platform, ensuring client compliance. As part of Quavo's dedication to assuring compliance for our clients, our team of experts created various resources to guide your team through the latest mandate updates. Watch [our latest video](#) as Quavo's Technical Training Manager, Ben Anderson, walks through each update and the corresponding QFD™ changes.



Staying compliant is complicated. Quavo's Disputes as Service™ offerings are automatically updated with the latest bi-annual association mandates ensuring compliance within your financial institution. Continued support after onboarding removes the need for your team to sift through lengthy mandates while providing a seamless transition. If you have any additional questions, please reach out to your Client Experience Representative.