Contactless Payments Acceptance Mandate for Visa Europe

Based on Member Letter: VE 94/14

On 31 October 2014, the Visa Europe Board approved a resolution to mandate the acceptance of contactless payments at all face-to-face, semi-attended and unattended Visa terminals, including Mobile Acceptance Terminals (otherwise known as mobile point-of-sale or 'mPOS' terminals) where they are installed in a fixed merchant location.

With effect from **31 December 2015**, any terminal installation with a new Visa merchant, or any terminal infrastructure upgrade programme with an existing Visa merchant, must accept contactless payments.

With effect from **31 December 2019**, all Visa terminals deployed must accept contactless payments.

Visa Europe acquirers and processors should review this mandate and make the appropriate changes to their authorisation and clearing processing systems, disputes, risk, back-office processing and terminal infrastructure.

Introduction

Visa payWave was designed to provide consumers and merchants with a solution that is faster and more efficient than cash while maintaining the security features of EMV technology.

The cash displacement opportunity in Europe is very large and there is significant opportunity for all Visa Members to grow their revenues by penetrating this substantial pool of spend.

Furthermore, contactless acceptance now also provides the core technology used for the new wave of mobile and wearable contactless launches, e.g. Apple Pay and Google's Host Card Emulation (HCE).

At the end of September 2014, Visa Europe had more than 107 million contactless cards in issue, which are accepted at 2.1 million contactless POS terminals.

The Visa Europe Board has agreed that a contactless acceptance mandate is necessary in order to extend the success of contactless:

- To ensure all contactless cards, tags, wearables and mobile near field communication (NFC) devices are accepted by all merchants ubiquitously across the territory.

- To minimise infrastructure costs to acquirers by aligning the mandate with the natural replacement cycle for EMV terminals.

- To build on successful contactless acceptance mandates already introduced in Poland, the Czech Republic, Hungary, Poland and Slovakia.

Regulation changes

With effect from **31 December 2015** any terminal installation with a new Visa merchant, or any terminal infrastructure upgrade programme with an existing Visa merchant, must accept contactless payments.

With effect from **31 December 2019** all Visa terminals deployed must accept contactless payments.

This mandate applies to all face-to-face, semi-attended and unattended Visa terminals, including Mobile Acceptance Terminals (otherwise known as 'mPOS' terminals) where they are installed in a fixed merchant location.

Mobile Acceptance Terminals deployed in non-fixed merchant locations, automated fuel dispenser (AFD), ATM and bank branch terminals (for identification and validation purposes) are excluded from this mandate.

These changes do not apply to Visa Europe markets which have previously introduced contactless acceptance mandates: Czech Republic, Poland and Slovakia and Hungary.

Vendor impact

The timescales for compliance of this mandate should allow merchants to replace POS terminals and systems within existing EMV terminal replacement schedules.

For information, Appendix 1 (below) details a number of common acquirer scenarios along with clarification on whether these are in scope or out of scope of the initial effective date of 31 December 2015

Vendor action

Visa Europe vendors and processors should review this mandate and make the appropriate changes to their products and services.

As advised previously, all contactless enabled terminals must be compliant with Visa Contactless Payment Specification (VCPS) version 2.1.1 or above.

Vendors should also ensure that all newly deployed contactless enabled EMV devices are migrated to the latest EMV version and should adhere to all PCI requirements.

Vendors are also required to ensure products and services adhere to the latest version of the Visa payWave Test Tool (VpTT) in compliance with Visa Europe Contactless Terminal Requirements and Implementation Guidelines (TIG) version 1.3.

The Visa Europe Contactless Team will launch a *Contactless Preparedness Plan* to introduce the mandate and its implications to ensure that all industry stakeholders across the European payments industry are ready prior to it becoming effective. Details of the launch are as follows:

Introducing the Visa Europe Contactless Acceptance Mandate	
What	Recap on the position and definition of contactless today; set out Visa Europe's vision for contactless in future; provide an overview of this mandate and its implications; and describe our 14-month *Contactless Preparedness Plan* to ensure industry readiness prior to this mandate becoming effective
When	Tuesday 2 December 2014, 13:00-14:30 GMT
Where	In person: Boardroom, Visa Europe, 1 Sheldon Square, London W2 6TT, or Conference: Contactless invites you to an online meeting using WebEx. Meeting Number: 841 711 570 Meeting Password: 36483054 To join this meeting (Now from mobile devices!) --- 1. Go to https://visaeurope.webex.com/visaeurope/j.php?MTID=mcc3d1102450be478ce0fd581a4b14793 2. If requested, enter your name and email address. 3. If a password is required, enter the meeting password: 36483054 4. Click "Join". 5. Follow the instructions that appear on your screen. --- Teleconference information --- Provide your phone number when you join the meeting to receive a call back. Alternatively, you can call: Call-in toll-free number: +44-800-7836988 (United Kingdom) Call-in number: +44-844-5610006 (United Kingdom) Attendee access code: 364 830 54 http://www.webex.com Global Access dial-in numbers: http://www.btconferencing.com/visa/globalaccess/

Vendors are reminded that sales of non-contactless capable equipment or services, to acquirers or merchants after 31 December 2015 may not be compliant with the mandate. Vendors should refer to Appendix 1 (New terminal implementation scenarios) for clarification.

If vendors are in any doubt, they are strongly encouraged to contact their local office or email: contactlessve@visa.com

Summary

Visa Europe is introducing a Contactless Acceptance Mandate in order to extend the success of contactless.

With effect from **31 December 2015**, any terminal installed with a new Visa merchant, or any terminal replaced as part of a terminal infrastructure upgrade programme with an existing Visa merchant, must accept contactless payments.

With effect from **31 December 2019**, all Visa terminals deployed must accept contactless payments.

Visa Europe vendors and processors should carefully review this mandate and make the appropriate changes to their product and services.

For more information

If you have any questions in relation to this letter or a specific query with regard to contactless acceptance,

please contact the Visa Europe Contactless Team at contactlessve@visa.com.

Appendix 1 – New terminal implementation scenarios

The following table details a number of common acquirer scenarios along with clarification on whether these are in scope or out of scope of the initial effective date.

Acquirer scenario	Implications effective from 31 December 2015
1. Merchant starts accepting Visa face-to-face payments	In-scope of the mandate since the merchant would be a new Visa merchant completing a terminal installation. Therefore, the merchant's terminals must accept contactless.
2. Visa merchant upgrades or replaces its face-to-face payments infrastructure	In-scope of the mandate since the activity would represent a terminal infrastructure upgrade programme with an existing Visa merchant (i.e. an upgrade or replacement of existing hardware and/or software payments infrastructure). Therefore, the new terminal infrastructure must accept contactless payments.
3. Visa merchant replaces faulty contact-only terminals	Out of scope of the mandate since the deployment would not be a terminal installation with a new Visa merchant (the merchant was pre-existing) and this does not represent a terminal infrastructure upgrade programme. Therefore, the replacement terminals would not need to accept contactless payments.
4. Visa merchant migrates from one acquirer to another	Out of scope of the mandate since the migration would not result in a new Visa merchant (the merchant was pre-existing to Visa). Therefore, the merchant would not need to accept contactless payments.
5. Visa merchant opens a new retail store or outlet	Out of scope of the mandate since the new store or outlet would not represent a new Visa merchant (the merchant was pre-existing to Visa) and this does not represent a terminal infrastructure upgrade programme (it is not an upgrade; it is a new store or outlet opening).
6. Visa merchant is taken-over by another merchant	Out of scope of the mandate since the acquisition of the Visa merchant would not result in a new Visa merchant (the merchant was pre-existing to Visa). Therefore the merchant would not need to accept contactless payments.

The definitions above seek to clarify that this mandate will not force unnecessary or unreasonable costs on merchants who choose not to rollout contactless before 31 December 2019.