The Visa® merchant aggregation model covers all commerce types, including the face-to-face and e-commerce environments, and helps to increase card acceptance for merchants who do not have a traditional acquiring relationship. The key participants in this model are the acquirer, Payment Facilitator, and sponsored merchant. The acquirer remains responsible for the acts of both the Payment Facilitators and the sponsored merchants.

A Payment Facilitator (formerly Payment Service Provider) is a third party agent that may:

• Sign a merchant acceptance agreement on behalf of an acquirer
• Receive settlement of transaction proceeds from an acquirer, on behalf of a sponsored merchant

A sponsored merchant is a merchant whose payment services are provided by a Payment Facilitator. Aside from rules that require an acquirer effect the merchant agreement and settlement, all Visa merchant requirements apply equally to a sponsored merchant.

The Payment Facilitator operating regulations apply to all Visa Inc. regions (AP, Canada, CEMEA, LAC, and US)¹ and define participant roles and obligations.

A Model That Benefits Everyone

The Payment Facilitator model has a positive impact on all key stakeholders in the payment processing system. Below are examples of benefits afforded to each participant.

Acquirers

• Reduces the cost of signing and supporting merchants with low sales volume and/or specialized needs.
• Broadens the types of merchants and the number of merchants eligible for payment acceptance (e.g., charities, individuals/professionals, community and sports events, farmer’s markets, etc.).
• Provides Visa payment acceptance options to payment environments that traditionally accept cash and checks.

For More Information

Agents: Contact your Visa acquirer.

Acquirers: Contact your Visa Account Executive or call (416) 860-8600 (in Canada) or (888) 847-2242 (in the U.S.) to speak with a Visa subject matter expert.

¹ Excluding Visa Europe

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Issuers
- Offers an opportunity for increased card volumes.

Merchants
- Offers cost-effective merchant processing solutions for smaller merchants, or merchants in emerging channels.
- Provides merchants with additional payment-acceptance-related service and support.

Visa has established a clear set of responsibilities and eligibility requirements for all program participants as outlined in the following table.

<table>
<thead>
<tr>
<th>Participant</th>
<th>Key Responsibilities</th>
<th>Program Eligibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquirer</td>
<td>• Contracts with a Payment Facilitator to enable sponsorship of merchants.</td>
<td>• Must be in good standing in all Visa risk management programs in order to sponsor Payment Facilitators.</td>
</tr>
<tr>
<td></td>
<td>• Monitors compliance of Payment Facilitator in accordance with the Visa International Operating Regulations.</td>
<td>• Must meet the minimum risk rating standards and minimum equity requirement of US $100 million required by Visa.</td>
</tr>
<tr>
<td></td>
<td>• Conducts due diligence of Payment Facilitator and ensures proper due diligence occurs during the signing of sponsored merchants.</td>
<td></td>
</tr>
<tr>
<td>Payment</td>
<td>• Contracts with an acquirer to provide Visa payment services to sponsored merchants.</td>
<td>• Must be located within the acquirer’s jurisdiction.</td>
</tr>
<tr>
<td>Facilitator</td>
<td>• Contracts with sponsored merchants to enable Visa payment acceptance.</td>
<td>• Cannot be listed on the Terminated Merchant File (TMF), or similar files.</td>
</tr>
<tr>
<td></td>
<td>• Monitors compliance of sponsored merchant activity in accordance with the Visa International Operating Regulations.</td>
<td>• Cannot act as a sponsor for another Payment Facilitator.</td>
</tr>
<tr>
<td></td>
<td>• Receives settlement of transaction proceeds from the acquirer on behalf of the sponsored merchant.</td>
<td></td>
</tr>
<tr>
<td>Sponsored</td>
<td>• Contracts with a Payment Facilitator.</td>
<td>• Must meet certain MCC restrictions on participating as a sponsored merchant.</td>
</tr>
<tr>
<td>Merchant</td>
<td>• Sells products and services to Visa cardholders.</td>
<td>• Must sign a direct merchant agreement with an acquirer when annual Visa sales exceed US $100,000 (sponsored merchant can maintain Payment Facilitator relationship for payment services).</td>
</tr>
<tr>
<td></td>
<td>• Accepts Visa products as payment.</td>
<td>• Must be located within the acquirer’s jurisdiction.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Cannot be listed on the TMF, or similar files.</td>
</tr>
</tbody>
</table>

Other General Requirements

To register a Payment Facilitator, an acquirer must send the appropriate registration to Visa to confirm that it has performed a comprehensive risk and financial review, as specified in Third Party Agent Due Diligence Risk Standards. Acquirers must submit all registration materials using the Visa Membership Management online application, or as otherwise specified by Visa.

There is an initial registration fee of US $5,000 and annual renewal fee of US $5,000, per Payment Facilitator-acquirer relationship, in the AP, Canada, CEMEA, LAC, and US regions.

The Payment Facilitator operating rules are subject to, and a part of, the Visa International Operating Regulations. For further information on Payment Facilitator requirements, including rules pertaining to chargeback liabilities, merchant descriptors, convenience fees, and all other aspects of the Payment Facilitator program, please consult the Visa International Operating Regulations on the Visa Publication Center available through Visa Online.

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2 If a Payment Facilitator exceeds US $50 million in annual Visa transaction volume, the acquirer must meet a minimum equity requirement of US $500 million or manage all sponsored merchant funding directly.

3 The Visa International Operating Regulations provide detailed guidance on the entities that qualify as Payment Facilitators and how to determine their location.

4 Excluded merchant types (but may be signed under direct acquiring agreements): Internet pharmacies, Internet pharmacy referral sites, and outbound telemarketers. Merchants belonging to high-brand risk merchant category codes, as defined in the Visa International Operating Regulations, are only eligible to participate in the High-Risk Internet Payment Facilitator program. Please consult the Visa International Operating Regulations for further details.