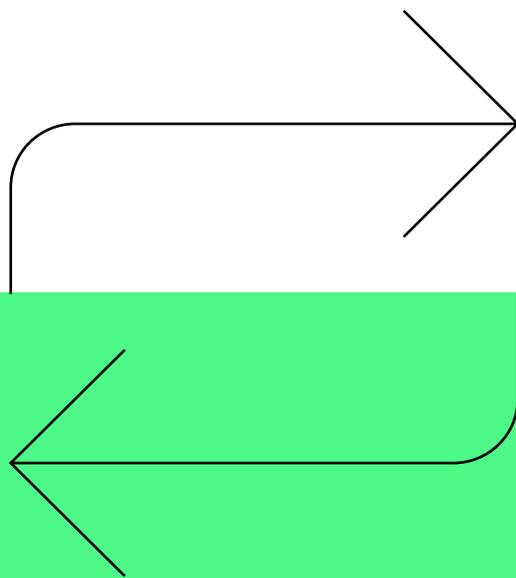


# Scheme requirements for subscription merchants

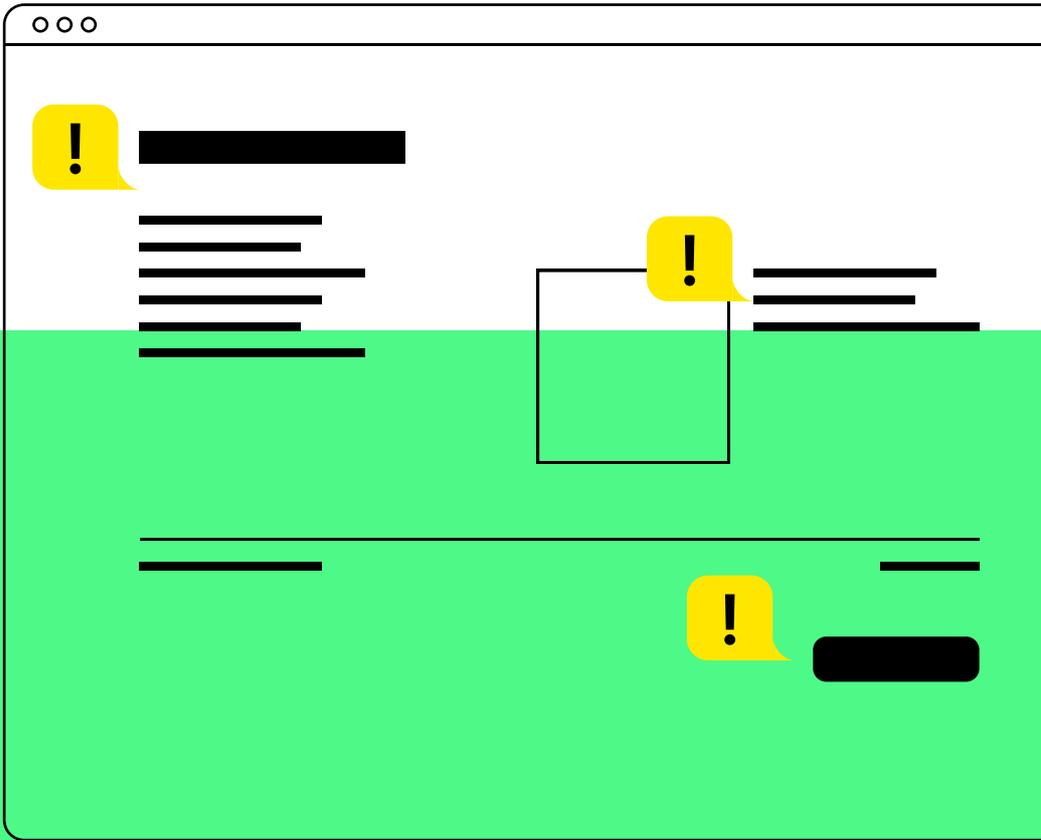
Essential Visa/Mastercard requirements  
for subscription businesses at a glance



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1. General website requirements
  - 1.2 Contact details
  - 1.3 Merchant location
2. Subscription business model requirements
  - 2.1 Subscription terms
  - 2.2 Transaction receipt
  - 2.3 Cancellation procedure
  - 2.4 Additional requirements for long-term subscriptions
3. Negative option billing business model requirements
  - 3.1 Definition
  - 3.2 Requirements
4. Non-compliance
5. Links & resources

# General website requirements



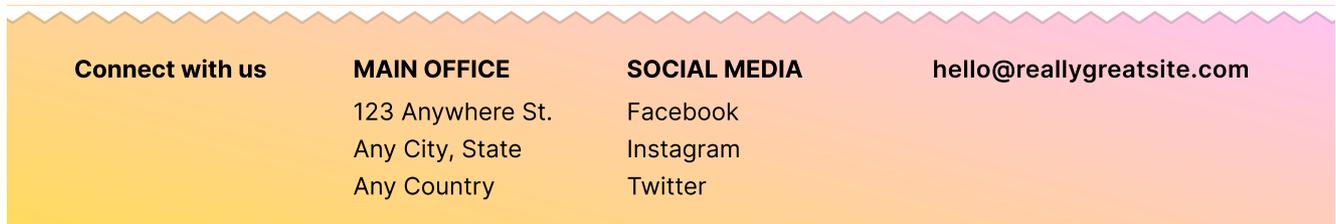
# Contact details

The following **contact information** must be displayed on the website:

- Mailing address (for correspondence)
- Customer support number or customer support email

The information can be displayed in the website footer or on the Contacts page.

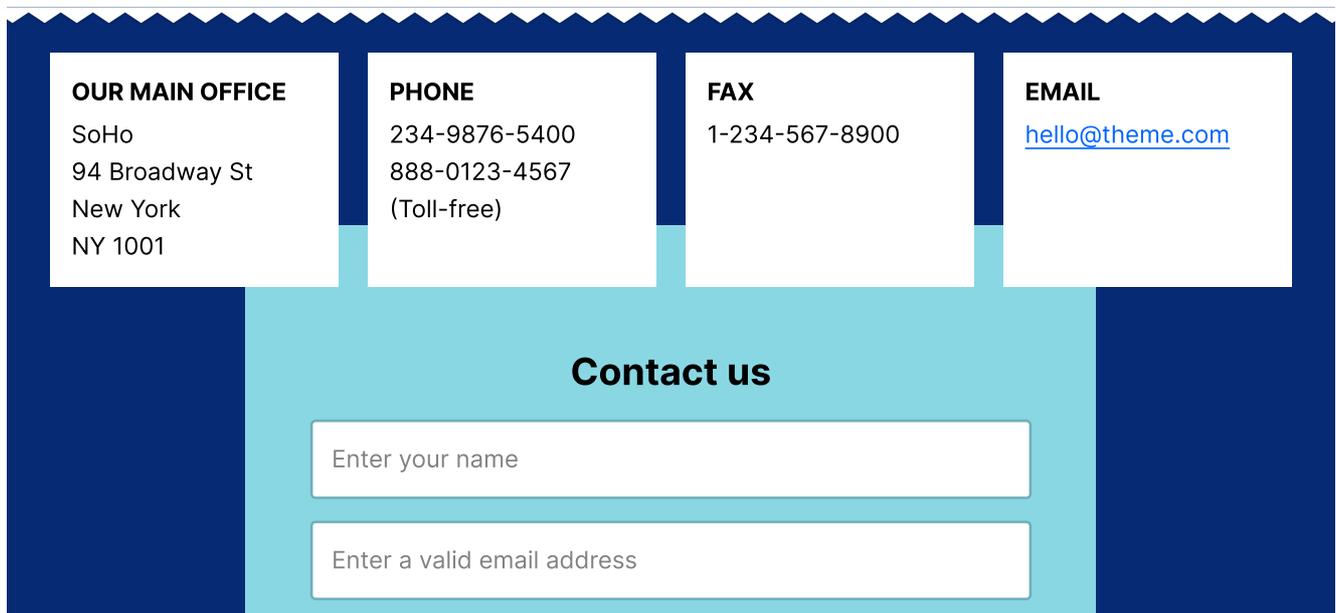
## Contact information in the website footer



A horizontal footer bar with a decorative scalloped top edge. The bar has a color gradient from yellow on the left to pink on the right. It is divided into four sections:

<b>Connect with us</b>	<b>MAIN OFFICE</b> 123 Anywhere St. Any City, State Any Country	<b>SOCIAL MEDIA</b> Facebook Instagram Twitter	<b>hello@reallygreatsite.com</b>
------------------------	--	---	----------------------------------

## Contact information on the Contacts page



A contact page layout with a dark blue background and a decorative scalloped top edge. It features four white boxes for contact information and a central light blue contact form.

<b>OUR MAIN OFFICE</b> SoHo 94 Broadway St New York NY 1001	<b>PHONE</b> 234-9876-5400 888-0123-4567 (Toll-free)	<b>FAX</b> 1-234-567-8900	<b>EMAIL</b> <a href="mailto:hello@theme.com">hello@theme.com</a>
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**Contact us**

Enter your name

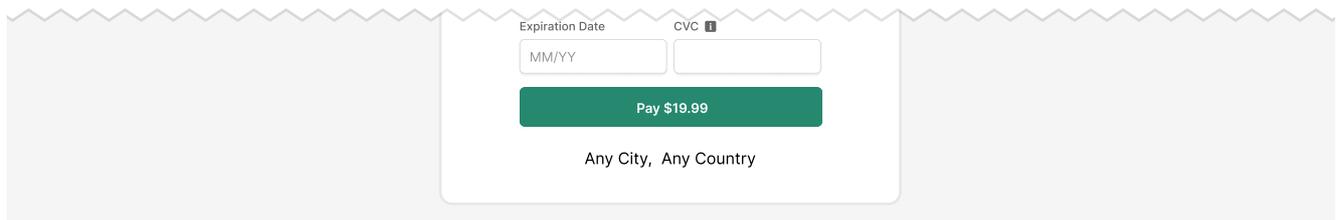
Enter a valid email address

# Merchant location

The following **location information** must be displayed on the website:

- The merchant's website must include information on the merchant's location. At least the city and country of the legal entity need to be added
- We recommend adding the required information to the website footer or the checkout screen
- For EU merchants, specifying the full address is highly recommended
- If the company is registered in the UAE or the USA, the emirate/state needs to be specified as well (e.g., Wilmington, Delaware, the USA)

## Merchant location disclosure on the checkout screen

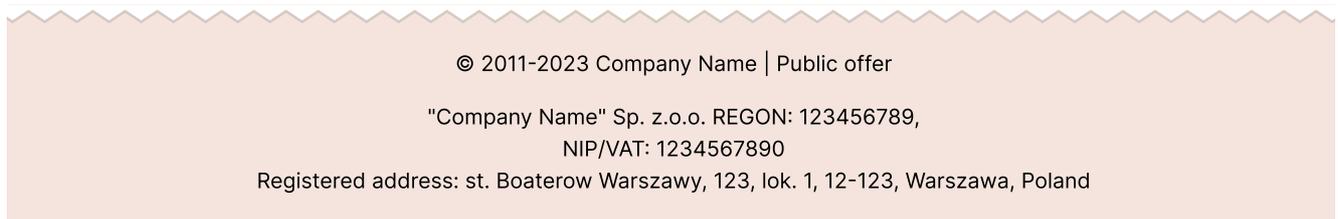


Expiration Date  CVC

[Pay \\$19.99](#)

Any City, Any Country

## Merchant location disclosure in the website footer



© 2011-2023 Company Name | Public offer

"Company Name" Sp. z.o.o. REGON: 123456789,  
NIP/VAT: 1234567890

Registered address: st. Boaterow Warszawy, 123, lok. 1, 12-123, Warszawa, Poland

# Subscription business model requirements



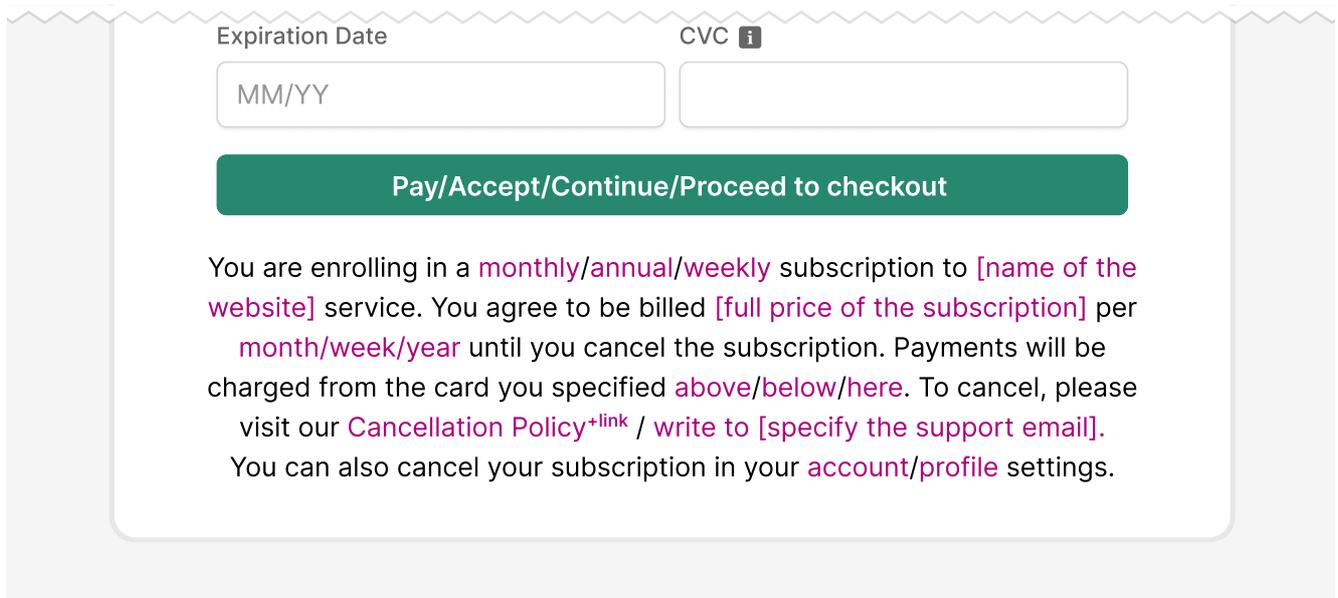
# Subscription terms

The following **subscription information** must be displayed on the website:

- Total purchase price of the subscription
- Description of the service to be purchased (e.g., subscription to the website, trial access, premium plan)
- Frequency of further charges (monthly, weekly, annual)
- How the cardholder will be notified of any changes to the agreement (e.g., by email)
- The last four digits of the card that will be used to make payments
- Explanation of how to cancel the subscription (e.g., link to the Cancellation Policy)

## Disclaimer

We suggest adding the following disclaimer under the *Pay/Accept/Continue/Proceed to checkout* button:



The image shows a checkout form with two input fields: "Expiration Date" (MM/YY) and "CVC" (with an information icon). Below the fields is a green button labeled "Pay/Accept/Continue/Proceed to checkout". Underneath the button is a disclaimer text block with several terms in pink, such as "[name of the website]", "[full price of the subscription]", and "[specify the support email]".

Expiration Date      CVC ⓘ

MM/YY

**Pay/Accept/Continue/Proceed to checkout**

You are enrolling in a **monthly/annual/weekly** subscription to **[name of the website]** service. You agree to be billed **[full price of the subscription]** per **month/week/year** until you cancel the subscription. Payments will be charged from the card you specified **above/below/here**. To cancel, please visit our **Cancellation Policy<sup>+link</sup>** / write to **[specify the support email]**. You can also cancel your subscription in your **account/profile** settings.

# Subscription terms (Disclaimer)

Here are some examples of subscription disclaimers used by the largest subscription services for reference:

## Disney+

By clicking "Agree & Subscribe," you are enrolling in automatic payments for the Disney Bundle of the monthly fee (currently \$12.99/month (plus tax where applicable)) that will continue until you cancel. You can cancel at any time, through your account settings or by contacting us, effective at the end of the billing period. There are no refunds or credits for partial months or years. You also agree that our Subscriber Agreement applies.

**AGREE & SUBSCRIBE**

## IPSY

**Total (USD) \$29.99**

Your subscription will automatically renew and charge your card the subscription price according to the order summary above until you cancel your subscription. You can cancel automatic renewal at any time by logging in and visiting your "Account" page on IPSY.com

Glam Bags are available in the U.S., U.S. Territories, & Canada. U.S. shipping is free. Taxes will apply to all bag orders shipped within the U.S. Canadian shipping is \$2.95. All shipments incur a handling fee. [Learn more](#)

Refreshments is a new subscription service. You will receive a Free Trial for the Refreshments products for the first month only. After the first month, you will automatically be charged for subsequent Refreshments products that are added to your monthly subscription unless you modify or cancel your recurring order. You may modify or cancel these automatic renewals at any time by logging into your ipsy.com account and clicking on the Refreshments section on ipsy.com. [See more](#)

**PLACE ORDER**

## Winc

Summary		
Subtotal	\$58.96	
Coupon/Voucher	-\$29.01	
Shipping included	<del>\$9.00</del> \$0.00	
Tax	TBD	
<b>Total</b>	<b>\$29.95</b>	

Each month on the 20th you'll be charged \$59.95 for credits that can be used on the wines of your choice. Unused credits rollover, so you can save up to buy a case, or use them monthly - up to you! Or, if you're all wined up, you can skip a charge any month.

You can cancel any time by live chat, or by texting 855-282-5829. We'll try not to take it personally.

**Place order**

# Transaction receipt

1. A transaction receipt must be sent after the first purchase and after each subsequent payment (even if it was unsuccessful for some reason – then the reason needs to be specified).
2. The transaction receipt needs to be sent immediately after the transaction.
3. The transaction receipt must include the following information:
  - Merchant's name and location (at least country, state (if any), and city)
  - Transaction amount along with the currency symbol
  - Transaction date
  - Description of the purchased services (e.g., subscription to the website, trial access, premium plan)
  - Card network/scheme name (Visa or Mastercard accordingly)
  - Payment credentials (the last four digits of the card that was used)
  - Subscription/trial terms (length, auto-renewable nature, price, etc.)
  - Links to Cancellation and Refund Policy (or Terms & Conditions, if the Cancellation Policy is part of it)

To fulfil the last two requirements, we recommend adding text like the following to the transaction receipt:

Subscription is auto-renewable. It means you will be charged [full price of the product] every month/quarter/year until you cancel it. To cancel, please visit our [Cancellation Policy<sup>+link</sup>](#) / write to [specify the support email]. Also, you can manage your subscription in your [account/profile](#) settings

## Additionally, we recommend:

- Choosing a clear design for transaction receipts
- Specifying the email subject for transaction receipts:

*Option 1* | [name of the website] subscription/trial/premium plan purchase

*Option 2* | Your order/purchase on [name of the Website]

# Cancellation procedure

## The Merchant *must*:

1. Provide an easy cancellation online method. Cancellation may be performed via:

### Better user experience

- Separate cancellation button placed on the website
- Cancellation button in the user's account on the website
- Via support email. But in this case, relevant instructions along with the email need to be displayed to the user in the Cancellation Policy and in the User's profile (preferably)

2. Inform users of the Cancellation and Refund Policy and collect their acceptance prior to the checkout page. This can be done by:

#### Option 1

- Adding a clickable *Click to accept* button along with the disclosure of the Cancellation & Refund terms ([example 1](#), [example 2](#))

#### Option 2

- By including a separate clickable link to the Cancellation and Refund Policies (or Terms & Conditions if the Cancellation Policy is part of it) in the disclaimer of the general payment terms

3. Include information on how to cancel the subscription and receive a refund in each transaction receipt and notification on upcoming charges. This can be done by:

#### Option 1

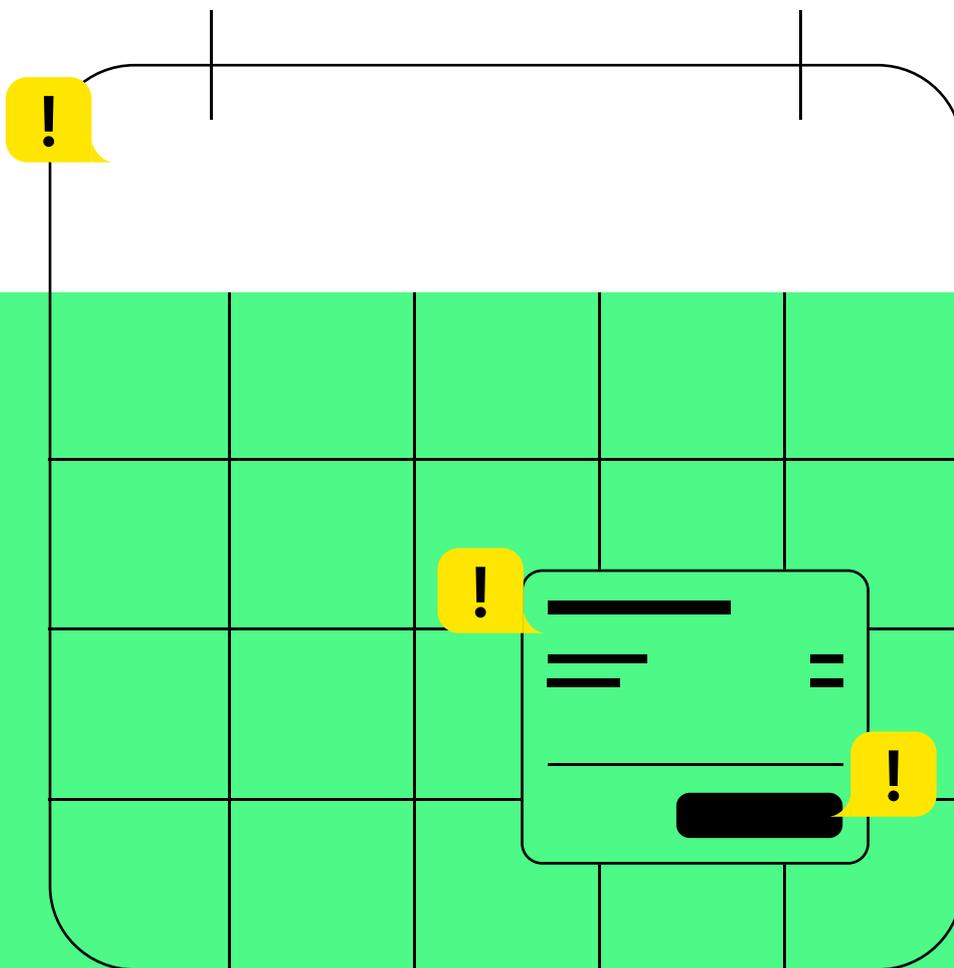
- By adding a disclaimer along with links to Cancellation and Refund Policies (or Terms & Conditions, if the Cancellation Policy is part of it) to the email

To cancel, please visit our [Cancellation Policy](#)<sup>+link</sup> / write to [\[specify the support email\]](#). Also, you can manage your subscription in your [account/profile](#) settings. Before requesting a refund, please check our [Refund Policy](#)<sup>+link</sup>

#### Option 2

- Specifying the cancellation and refund rules directly in the receipts.

# Negative option billing business model requirements



# Definition

## Mastercard

A negative option billing merchant offers a cardholder the opportunity to purchase a subscription service to automatically receive one or more physical products (such as cosmetics, health-care products, or vitamins), digital goods or services on a recurring basis (such as weekly, monthly, semi-annually, or annually). In this section, the term "product" refers to a physical product or a digital good.

### Card-Not-Present Transactions

#### 5.4.2 Negative Option Billing Merchants

A negative option billing Merchant offers a Cardholder the opportunity to purchase a subscription service to automatically receive one or more physical products (such as cosmetics, health-care products, or vitamins), Digital Goods or services on a recurring basis (such as weekly, monthly, semi-annually, or annually). As used in this section, the term "product" means or a physical product or a Digital Good.

The subscription service may be initiated by an agreement between the Cardholder and the Merchant whereby the Cardholder agrees to receive from the Merchant a sample of the product or services (either complimentary or at a nominal price) for a trial period. The sample may be larger, equal to, or smaller than the product provided by the Merchant during the subscription period. For the purposes of this Rule 5.4.2, a trial period means a preset length of time during which the Cardholder may evaluate the characteristics of the product or service such as its quality or usefulness to determine whether the Cardholder wants to either:

- Purchase the product or service on a one-time basis or recurring basis;
- or –
- Return the product (if possible) to the Merchant

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Transaction Processing Rules • 20 December 2022

## Visa

A merchant that requires a cardholder to expressly reject the merchant's offer of additional goods and/or services during the transaction process or expressly decline to participate in future transactions.

A Merchant that requires a Cardholder to expressly reject the Merchant's offer of additional goods and/or services during the Transaction process or expressly decline to participate in future Transactions.

# Requirements

1. The Merchant must provide a **full disclaimer** prior to the payment credentials collection.

*We recommend using the following text:*

By continuing, you agree that if you do not cancel at least 24 hours before the end of the **monthly/3-month/6 months** trial, you will be charged **[full price of the subscription]** per **month/3 months/6 months** until you cancel your subscription. You can cancel it by contacting our customer support team via email at **[specify the email]**/in your **account/another** option.

2. Click-to-accept **button** must be placed along with the above disclaimer. It is also possible to collect the user's acceptance of general Terms & Conditions, Privacy Policy, and similar documents at this point as well.

**▲ Note:** While there is no strict requirement to use a checkbox, such an approach will be appreciated by acquirers and schemes.

3. A **transaction receipt** must be provided after each charge. The receipt must include the following information:

- Name of the merchant
- Description of the purchased goods/services (subscription to the website, trial access, premium plan, for example)
- Length of the trial period
- Disclosure that the subscription will be renewed at the full price
- Transaction amount and transaction date for initial payments (even if the trial is for free)
- Transaction amount and transaction date for subsequent charges
- Link to the cancellation policy
- Instruction on how the user can cancel a subscription (by contacting support/in the user's account)

4. **Notification reminders** must be sent no less than 3 days and no more than 7 days before the trial period ends. They should include the information listed in the clause above.

**▲ Note:** Although Visa/Mastercard did not expressly provide rules for merchants with a trial period of fewer than seven days, we recommend that merchants send a reminder notice as soon as possible before initiating the recurring transaction.

# Non-compliance

Compliance with the described rules is under persistent monitoring by Visa, Mastercard, and acquiring institutions. If they found any of the requirements are not fulfilled, the following penalties may be applied:



There will be a notification requesting to provide a remediation plan along with a non-compliance assessment of **1000 USD** (assessed immediately) for the confirmed violation. If the violation is not corrected by the deadline, the fine may increase up to **50K USD** and potentially more.



If the merchant is deemed non-compliant, it will be treated as a *Failure to Comply with a Standard*, non-compliance category B. Fines for the first violation start at **20K USD** and may increase up to **100K USD** or more for subsequent violations.

# Links & resources

1. [Mastercard Transaction Processing Rules](#)
2. [Visa Core Rules and Visa Product and Service Rules](#)
3. [Trial Subscription updates VISA Summary](#)
4. [Mastercard Rules](#)

Slides references

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## 1.1. Display of contact details

 [8.4.1 Merchant Website Requirements \(Visa Core Rules and Visa Product and Service Rules\)](#)

 [5.8.4.1. Merchant Website Requirements](#)

## 1.2. Merchant location disclosure

 [5.5.1 Disclosure of Merchant Name and Location \(MC Rules\)](#)

 [5.5.1 Disclosure of Merchant Name and Location \(MC Rules\)](#)

## 2.1. Subscription Terms Disclosure (Disclaimer)

 [5.8.10.1. Requirements for Partial Payments, Advance Payments, and Transactions Using Stored Credentials](#)

 [5.4.1 Subscription Billing Merchants](#)

## 2.2. Transaction Receipt

 [5.9.1.1 Transaction Receipt Delivery to Cardholders](#)

 [3.13 Providing a Transaction Receipt](#)

 [5.4.1 Subscription Billing Merchants](#)

## 2.3. Cancellation procedure

 [Table 5-20, General Requirements for Partial Payments, Advance Payments, and Transactions Using Stored Credentials and as applicable](#)

 [5.4.2.5 Disclosure to Cardholders of Return, Refund, and Cancellation Policies](#)

 [5.4.1.1.Card-Not-Present Transactions. Applicability of Standards](#)

## 2.4. Additional Mastercard requirement for those Merchant who suggests 6 monthly, annual, or similar long-term subscription

 [5.4.1.1.Card-Not-Present Transactions. Applicability of Standards](#)

## 3.1 Definition

 [5.8.16.2 Negative Option Transaction Requirements](#)

 [5.4.2. Negative option Billing Merchants](#)

## 3.2. Negative Option Billing Merchants Requirements

 [5.8.16.2. Negative Option Transaction Requirements](#)

 [Table 5-32, Required Disclosure/Transaction Receipt/Notification Content and Format for Negative Option Transactions](#)

 [5.4.1. Subscription Billing Merchants](#)

 [Card-Not-Present Transactions - 5.4.2 Negative Option Billing Merchants](#)

## What if no...

 [Table 1-13: Non-Compliance Assessments for Willful Violations of the Visa Rules](#)

 [2.1.2 Failure to Comply with a Standard \(MC Rules\)](#)

 [2.1.3 Noncompliance Categories \(MC Rules\)](#)

 [2.1.4 Noncompliance Assessments \(MC Rules\)](#)

For any questions, please contact your account manager

