

ADVANCING SECURITY WITH RISK AND BUSINESS ANALYTICS

ADVANCING COMMERCE™



“THIS BUSINESS RISK REVIEW WAS A GREAT OPPORTUNITY TO BETTER UNDERSTAND OUR BUSINESS AND POTENTIAL RISK. THE RECOMMENDATIONS WERE CRITICAL TO ASSISTING THE NATIONAL AUSTRALIA BANK IN BECOMING AN INDUSTRY LEADER.”

David Miller, Head of Industry Compliance, National Australia Bank

Risk Protection

The MasterCard Global Risk Management Program applies to all issuers, acquirers, and non-customers (service providers and payment facilitators). The program is a tool for assessing a customer’s current capability to manage, anticipate, and protect against inherent internal and external risks in the issuing and acquiring portfolio. The program also determines the effectiveness of existing fraud loss controls and other risk reduction measures and assists customers in identifying specific areas where such measures may be inadequate.

In addition, the program provides industry best practices to support business growth by enhancing the overall operational efficiency and profitability of the issuing and acquiring portfolio while maintaining losses at an acceptable level.

Consultative Review Process

The Global Risk Management Program Customer Consultative Review is optional and is available upon request by the customer. This review is consultation-oriented, and is conducted onsite. Upon confirmation of the review, MasterCard

conducts a comprehensive analysis of the customer's fraud and benchmarks the customer's fraud against country and regional peers. This information is shared with the customer prior to an onsite review to address critical vulnerabilities. The two-day onsite review is conducted by MasterCard staff in collaboration with the customer and involves employee meetings and a walkthrough of the customer's procedures and daily activities. Upon completion of the onsite review, key findings are shared prior to the formal submission of the report within the month. The report contains key findings, recommendations, and a project plan to track the implementation of recommendations.

Issuer Review Topics

An issuer review will cover the following topics, where applicable:

- Organizational structure
- Operational statistics
- Card acquisition channels
- Direct sales agency
- Card application process, including application fraud
- Credit scoring and bureau information
- Third-party onboarding
- Third-party risk management
- Account management, including credit limit management
- Authorization function, process, and performance
- Data security/PCIDSS
- Fraud loss control programs
- Description of customer implementation strategy with regard to EMV chip/PIN, MasterCard® SecureCode™, and MasterCard® MasterPass™ technologies
- Anti-money laundering policies
- Fraud detection performance and effectiveness
- Transaction verification strategy
- Fraud investigations
- Account Data Compromise (ADC) Event or Potential ADC Event identification and analysis
- System to Avoid Fraud Effectively (SAFE) fraud reporting
- Use of MasterCard Connect™
- Fraud-related chargebacks and recoveries
- Receipt and use of fraud reports
- Fraud loss budgeting and forecasting
- Management information systems analysis and methodology

Acquirer Review Topics

An acquirer review will cover the following topics, where applicable:

- Organizational structure
- Operational statistics
- Merchant acquisition channels (retail and e-commerce)
- Direct sales agency
- Merchant application process, including application fraud
- Merchant site inspections (retail and e-commerce)
- Member Alert to Control High-Risk (Merchants) (MATCH™)
- Credit bureau information
- Merchant agreements
- Point-of-sale (POS) terminal capability
- Description of customer implementation strategy with regard to EMV chip/PIN, MasterCard SecureCode, and MasterCard MasterPass technologies
- Anti-money laundering policies
- Merchant support and services
- Authorization function and process
- Data security/PCIDSS
- E-commerce and Internet site data integrity
- Fraud loss control programs and merchant monitoring
- Fraud detection performance and effectiveness
- Use of website monitoring solution to avoid potential illegal or brand-damaging violations
- Transaction verification strategy
- Fraud investigations
- ADC Event or Potential ADC Event identification and analysis
- Use of MasterCard Connect
- Receipt and use of fraud reports
- Acquirer compliance programs
- Management information systems analysis and methodology

 **For more information related to the Global Risk Management Program, please contact us at GRMP@mastercard.com.**