Mastercard is dedicated to making payments safe, simple, and smart.
Service Provider Overview

• Mastercard does not object to a Customer’s use of a third party, but does need to know what third party(ies) support a particular Customer, and the nature of the support provided.

• A Service Provider may only perform the Program Services it is registered to perform.

• Registration of Service Providers allows Mastercard to identify and mitigate potential risks that any 3rd party may present.

• Rules concerning Service Providers are set forth in Chapter 7 of the Mastercard Rules
Service Providers are classified into \textbf{eight} categories based on the services provided.

Service Provider Categories

1. Independent Sales Organization (ISO)
2. Data Storage Entity (DSE)
3. Third Party Processor (TPP)
4. Digital Wallet Operator (DWO)
5. Payment Facilitator (PF)
6. Merchant Monitoring Service Program (MMSP)
7. Digital Activity Service Provider (DASP)
8. Service Provider Registration Facilitator (SPRF)
Independent Sales Organization (ISO)

Performs services that do not have access to card holder data:

- Customer Service
- Point of Interaction (POI) Terminal deployment
- Cardholder and/or Merchant statement preparation
- Cardholder and/or Merchant solicitation, including application processing
- Merchant Education & Training
**Data Storage Entity (DSE)**

Performs services that **do** have access to cardholder data and must be PCI Compliant:

- **External hosting of payment applications**
  (ex: website shopping carts)

- **POI Terminal servicing**

- **Encryption Key Loading**

- **Computer-based storage of Account or Transaction Data including Merchant website hosting**
Third Party Processor

Performs services that **do** have access to cardholder data and must be PCI Compliant:

- **Authorization & Clearing**
- **Chargebacks**
- **Customer Service**
- **Fraud Control / Risk Monitoring**
- **Switching Services**
Third Party Processors are classified as Type I and Type II.

Type I

- Provides Program Services for more than 100 million in transactions
- Must enter into a direct agreement with Mastercard
- Issuer/Acquirer must register the relationship with Mastercard via MC Connect

Type II

- Provides Program Services for less than 100 million in transactions
- Issuer/Acquirer must register the relationship with Mastercard
Registering an ISO, TPP, & DSE Relationship

**Step 1:**
- Register & Provision a Company

**Step 2:**
- “Click here to Provision and Manage your Service Providers”

**Step 3:**
- Create New Registration

*If the Service Provider is already registered by your company, you can modify service details by selecting Services ➔ Program Services ➔ Store*
Registering a Type I TPP

**Step 1:**

• Submit TPP registration Form 919 to TPP_Registration@Mastercard.com

**Step 2:**

• Submit an Attestation of Compliance demonstrating compliance with PCI Data Security Standards in accordance with the Mastercard Site Data Protection Program to PCIReports@Mastercard.com

**Step 3:**

• Submit SSAE16 and Business Continuity forms to TPRMRequest@Mastercard.com
Digital Wallet Operator **Pass-through**

- Registration is **not** required by Mastercard
- Wallet ID is **not** passed during Auth & Clearing Records
- Merchant on Record is the **Merchant**

Funding Stage
Mastercard Account data is entered by the Cardholder

Digital Wallet Operator

Stores
Mastercard Account data provided by the Cardholder

Receives
Mastercard Account data from DWO when initiated by the cardholder

Payment Stage
Digital Wallet Operator **Staged**

- Registration **is** required by Mastercard
- Wallet ID **is** passed during Auth & Clearing Records
- Merchant on Record is the DWO
- PCI certification **required**
Digital Wallet Operator **Staged**

**Funding Stage**

**Three** ways to fund the staged wallet:

1. Before → Prepaid/top up
2. During → Back to Back authorization
3. After → Repayment
Digital Wallet Operator **Staged**

**Payment Stage**

- A separate transaction transfer money from the wallet to the retailer to pay for the services or goods purchased.
- Funds transfer to an account designated by the retailer or held by the Staged DWO for or on behalf of the retailer.
Registering Digital Wallet Operator Staged

**Step 1:**

- Validate compliance with the Site Data Protection (SDP) as described in Rule 10.3.2 of the Security Rules and Procedures manual and contact SDP@Mastercard.com

**Step 2:**

- Accurately fill out form 1123, D-Wallet Registration.
- This is located on MC Connect under Library ➔ Forms.

**Step 3:**

- Complete and submit the form to d_wallet_registration@Mastercard.com
Payment Facilitator

Overview & Comparison
Rules concerning Payment Facilitators are set forth in Chapter 7 of the Mastercard Rules manual.
**Acquirer’s Responsibilities**

**Payment Facilitator Model**

- Register **each** Payment Facilitator
- Register **all** high risk submerchants in MRP tool
- MATCH query on **each** proposed submerchant
- Submerchant **must** be in the same area of use as the Acquirer
- Submit **all** non-processed transactions quarterly on form 1235
- Enter into a **direct** Merchant Agreement when submerchant combined Mastercard/Maestro sales volume exceeds the $1,000,000 USD threshold
- **100%** responsible for all activity of the Payment Facilitator & each of its Submerchants.
Payment Facilitator
Responsibilities

Payment Facilitator Model

- **Must** be PCI Compliant
- **Must** conduct thorough due diligence on each submerchant contracted
- **Must** monitor each submerchant’s activity to ensure compliance with Mastercard’s standards and applicable law and regulations
- **Must** only use settlement funds to pay submerchants
- **Must** not be a submerchant of any other PF, nor be a PF for another PF
Payment Facilitator Registrations

**Total: 818**

- **Canada**: 18
- **United States**: 158
- **Latin America / Caribbean**: 68
- **Europe**: 324
- **Asia / Pacific**: 219
- **Middle East / Africa**: 31

* Based on Acquirer location
Marketplace vs. Payment Facilitator
Overview & Comparison

Franchise Management, Global Registrations
What’s the **cardholder’s** experience like?
Cardholder Experience:

- If the cardholder searches for, selects, pays for the goods or services on the same website, **without** being directed to any third party the merchant is a *marketplace*.

- The cardholder’s statement will have the marketplace’s name.

- Most marketplaces are not Payment Facilitators and **do not** need to be registered with Mastercard.
Payment Facilitators

Cardholder Experience:

• When the cardholder is ready to pay for the goods or services, they are directed to the Payment Facilitator’s website to process the payment.

• Cardholder interacts with the submerchant for refunds and customer service.

• Cardholder’s statement will have both the PF & Submerchant name.