Global Payments Card Processing Malaysia Sdn Bhd

globalpayments

MERCHANT CARD SERVICES ACCEPTANCE GUIDE

CONTENTS

1. INTRODUCTION

This guide gives you simple and concise procedures for completing transactions with Visa, MasterCard and JCB cards.

Please use this guide to help you minimise risk and fraud, avoid unnecessary operating costs, improve profitability and provide the best possible service to your customers.

If you have any questions regarding this guide, please contact our Merchant Helpdesk, HSBC Card Centre.
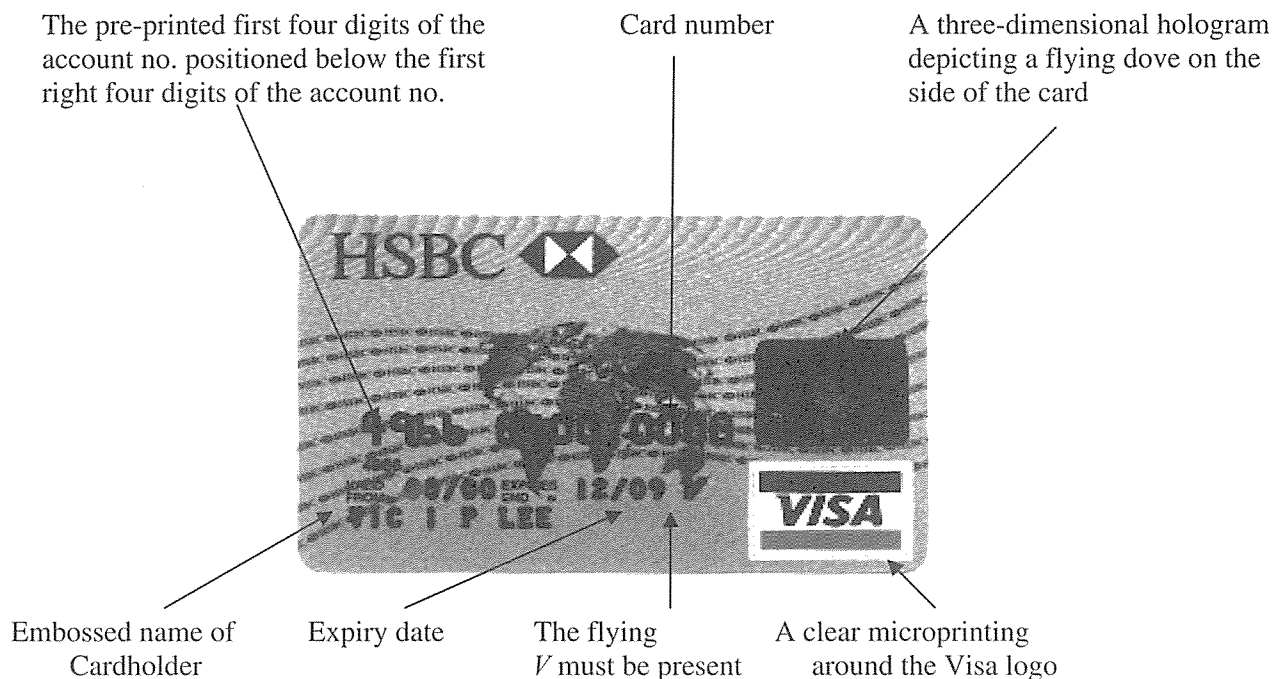
Important Note

This guide is not intended to be a definitive statement of merchant obligations and it cannot be used in the case of a dispute or chargeback.

2. CARD DESIGN AND SECURITY FEATURES

Please note the important card specifications and security features of the Visa, MasterCard and JCB cards.

VISA CARD-DESIGN 1
FRONT

The pre-printed first four digits of the account no. positioned below the first right four digits of the account no.

Card number

A three-dimensional hologram depicting a flying dove on the side of the card

Embossed name of Cardholder

Expiry date

The flying *V* must be present

A clear microprinting around the Visa logo

BACK

A new two-colour (blue and gold) Visa signature panel with larger typeface

3-digit verification value printed on the signature panel after the full or truncated account no.

VISA CARD-DESIGN 2
FRONT

The pre-printed first four digits
of the account no.

Card number

Dove hologram account no.
moved to the back of the card

HSBC ◁▷

The world's local bank

4921

VALID FROM ► 10/05 EXPIRES END ► 10/08

VIC 1 P LEE

VISA

Embossed name of Cardholder
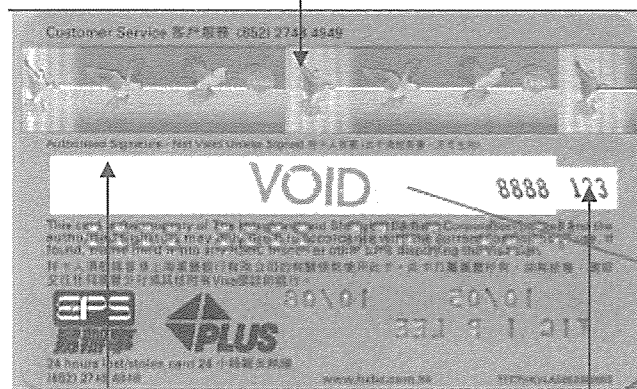
Expiry date

Redesigned Visa logo
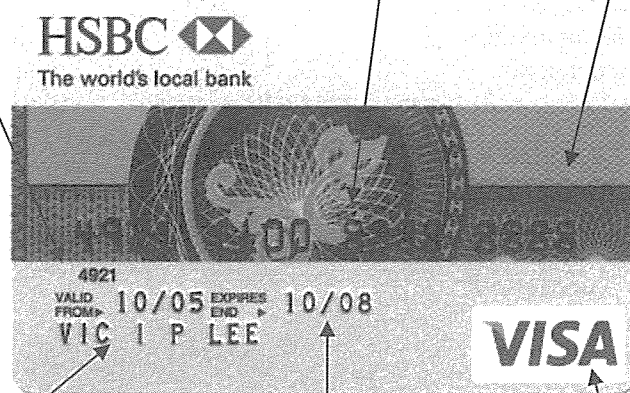
BACK

Redesigned Dove hologram and security features integrated with magnetic stripe
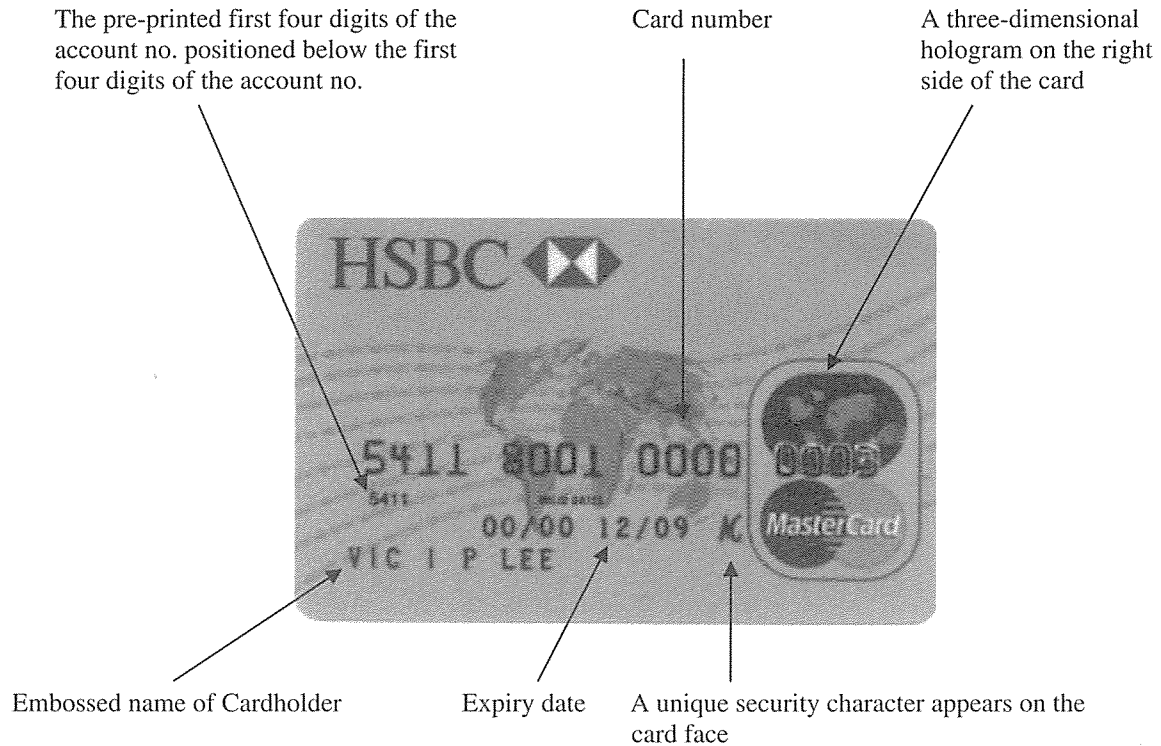
Customer Service 客戶服務 (852) 2748 4949

VOID   8888 123

EPS   PLUS

Updated tamper evident signature panel design

3-digit verification value printed outside the
signature panel

3

MASTERCARD CARD-DESIGN 1
FRONT

The pre-printed first four digits of the account no. positioned below the first four digits of the account no.

Card number

A three-dimensional hologram on the right side of the card

Embossed name of Cardholder

Expiry date

A unique security character appears on the card face

BACK

The word "MasterCard" is presented in multi-colour on a signature panel

3-digit validation code shown on the signature panel

MASTERCARD CARD-DESIGN 2
FRONT

The pre-printed first four digits of the account no.

Card number

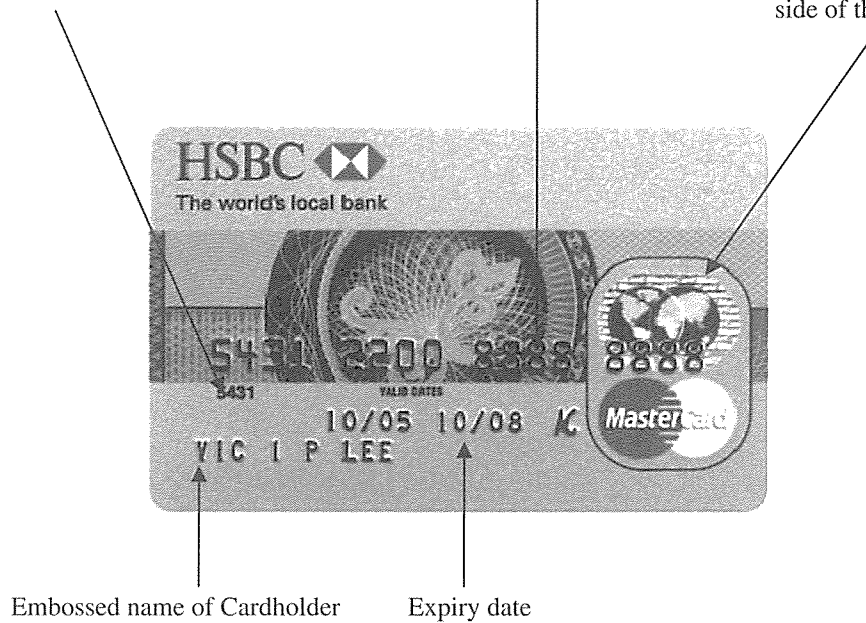A three-dimensional positioned hologram on the right side of the card

HSBC
The world's local bank

5431 2200 8888
5431
VALID DATES
10/05 10/08
VIC I P LEE
MasterCard

Embossed name of Cardholder

Expiry date

BACK

Customer Service 客戶服務 (852) 2748 4848

SAMPLE 000 123

Cirrus

The word "MasterCard" is presented in multi-colour on a signature panel

3-digit validation code shown on the signature panel
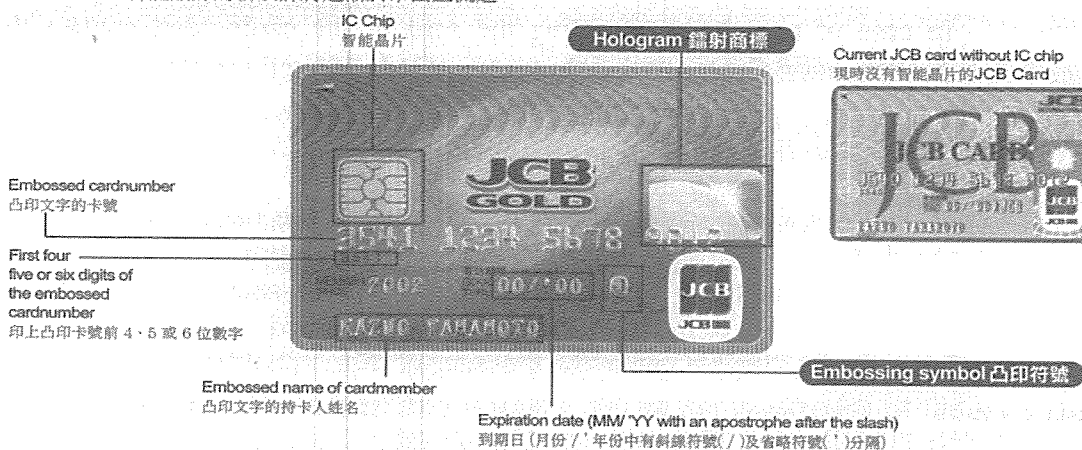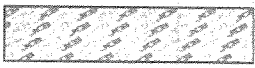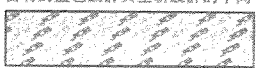
JCB card identification and security features
JCB card 的識別與保安設計

Note:

- The card may have a JCB subsidiary company name or cobrand company name or mark where "JCB CARD" appears in the center of the card
- Colors, background or name of the card may vary
- The new designs with IC chip will be introduced gradually
- 卡面印有附屬公司名稱、聯營公司名稱或有「JCB Card」標記印在卡的中央
- 卡面的顏色、底色及發卡機構名稱均有所不同
- 嵌上智能晶片的新設計將逐漸於市面上流通

IC Chip
智能晶片

Hologram 鐳射商標

Current JCB card without IC chip
現時沒有智能晶片的JCB Card

Embossed cardnumber
凸印文字的卡號

First four five or six digits of the embossed cardnumber
印上凸印卡號前 4、5 或 6 位數字

Embossed name of cardmember
凸印文字的持卡人姓名

Embossing symbol 凸印符號

Expiration date (MM/ 'YY with an apostrophe after the slash)
到期日（月份 /「'」年份中有斜線符號(/)及省略符號('）分隔）

Check these security features before accepting a card for payment
收卡前，請檢查以下的保安設計

	New design 新設計	Current design 現有設計
Hologram 鐳射商標	JCB logo printed below the hologram JCB 標記印在鐳射商標之下	JCB logo printed inside the hologram JCB標記印在鐳射商標之內
Embossing symbol 凸印符號	Embossing symbol J is after the expiration date 凸印符號「J」位於到期日之後	★ JCB or ★ JCB G embossed after the expiration date 凸印符號「★JCB」或「★JCB G」位於到期日之後
Signature panel 簽名欄	Light blue and green design 淺藍色及綠色設計	Light blue and new design, two variations 舊有的藍色設計與全新設計的不同

New signature panel
新簽名欄

Old signature panel
舊簽名欄

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3. ACCEPTANCE PROCEDURES FOR MANUAL IMPRINTERS

3.1 Check the Card

- Check the card numbers, expiry date, cardholder's name and signature on the card. Do not accept a card which has expired or is without a signature.

- Check all the other features of the card carefully to see if there is any sign of them having been tampered with or altered.

- Retain the Card until the transaction is completed (obtain the authorisation code and then complete the sales slip and check the signature against the card presented).

- In case of any doubt regarding the card or the cardholder, contact the Authorisation Centre stating that it is a 'Code 10' call for assistance.

3.2 Prepare the Sales Slip

3.2.1 The card numbers, expiry date, cardholder's name and the merchant name must be imprinted clearly on all sales slip copies by using the imprinter provided by the Bank. Never write anything in the imprinted area of the sales slip. Pay special attention to the number 6, 8 and 0. If not clearly imprinted, process a new sales slip and destroy the illegible one in the presence of the cardholder.

3.2.2 Complete the following information on the sales slip.

- transaction date
- description of merchandise or service rendered, if any
- the related bill or invoice number
- total dollar amount of sales (including tips for restaurants)
- authorisation code obtained from the Authorisation Centre

3.2.3 Ask the cardholder to sign the sales slip and verify the signature signed on the slip against the signature on the card.

- if the signature matches, complete the sale

- if it does not match, if possible, request the customer to present an identity card for verification before requesting a 'Code 10' call from the Authorisation Centre.

3.2.4 Obtain an authorisation code for the sale transaction.

- phone the Authorisation Centre and give the following information
  - merchant and outlet number
  - card number on the card
  - card expiry date
  - total amount of sales (including tips)
  - security code indent printed on the signature panel of the card

- ensure that the authorisation code number obtained from the Bank is written in the 'Authorisation Code' box clearly.

- ensure that the code is obtained on the transaction date except under special conditions such as Hotel Service or Car Rental.

- if the transaction is declined and no instruction is issued from the Authorisation Centre to pick up the card, return the card to the cardholder and destroy the sales slip in the presence of the cardholder.

- if the cardholder presents another card, special care must be taken to check the card and follow the acceptance procedure from the very beginning again.

3.2.5 Upon completion of the transaction, return the card and the customer copy of the completed sales slip to the customer. Retain the Bank copy of the sales slip for settlement and keep the merchant copy for records.

3.3 Settlement

- Complete a deposit slip (with the merchant name, account and outlet number imprinted) and total amount

- Mail the batch of sales slips to Card Centre or send to the nearest HSBC branch within three (3) days of the transaction date.

- Payment will be made to the specified merchant account under advice.

4. ACCEPTANCE PROCEDURES FOR ELECTRONIC DATA CAPTURE TERMINAL (EDC) and CHIP CARD PROCESSING

4.1 Authorisation Process for Non Chip Cards

- Check the card carefully (same procedures as mentioned under Section 3.1).

- Swipe the card steadily through the terminal.

- Compare the **embossed** card account number and expiry date shown on the terminal display with the card presented. If the numbers match, continue the process, if not, contact Authorisation Centre for a 'Code 10' call for assistance.

- Enter the transaction amount and send the on-line authorisation request.

- The electronic printer will automatically print an approval code on the sales slip.

- Let the customer sign the sales slip and compare the signature with the one on the back of the card. If the signature does not match, request the identity document (ID Card or Passport) from customer, if possible, for verification and contact the Authorisation Centre for assistance.

- Return the card together with the customer's copy of the sales slip to the customer.

- If the transaction is declined through the terminal, the merchant should return the card to the customer and request if he / she has another card or if he / she would prefer to complete the transaction by cash.

- In case of any doubt regarding the card or the cardholder during the course of transaction, call for 'Code 10' authorisation.
  Ensure to call ONLY Authorisation Centre for any referred transaction.

(For more details on the operations of EDC terminal, please refer to the Processing Guide for EMV Transactions on Verifone Omni 3750).

4.2   Terminal Failure

-       Sometimes 'No Line', 'Comm Error' or 'No Carrier' message may be
        displayed. Under such circumstances, process the transaction again.

-       If the terminal repeatedly fails to respond properly, contact the EDC
        Terminal Technical Helpdesk immediately.

4.3   Chip Card Processing

Key points to be noted while doing chip transactions

-       Look for the presence of chip on the card.

        Lookout for the chip on the card
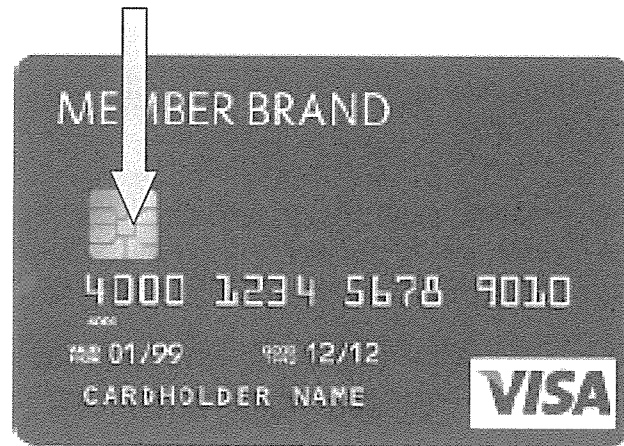
-       If it is a chip card, insert chip card in the direction shown by the terminal –
        DO NOT SWIPE

-       Chip card must be fully inserted in the reader and remain in the reader until
        the transaction is completed.

-       If a chip card is accidentally swiped on a chip terminal:

        -   Terminal will automatically identify it as a chip card
        -   Terminal will force the cashier to insert chip instead of doing a swipe.

-       If terminal request for PIN, ask cardholder to enter PIN accordingly.

5. ACCEPTANCE PROCEDURES FOR DEBIT CARDS

5.1 Authorisation Process for Debit Card

- Check the card carefully (same procedures as mentioned under Section 3.1).

- Swipe (non chip card) / insert (chip card) through the terminal.

- Compare the card account number and expiry date shown on the terminal display with the card presented. If the numbers match, continue the process, if not, contact Authorisation Centere for a 'Code 10' call for assistance.

- Enter the transaction amount.

- Merchant to pass the Pin pad to the cardholder to select the account type and to key in the PIN.

- The electronic printer will automatically print an approval code on the sales slip.

- Merchant to return the card together with the cardholder's copy of the sales slip to the customer.

6. ACCEPTANCE PROCEDURE FOR MAIL ORDER / TELEPHONE ORDER (MO/TO)

6.1 Card Acceptance Procedure

- For mail order transaction, customer to complete and sign the mail order form and return the form to the Merchant. The Mail Order Form shall contain the following info:

    (a)   the type of card
    (b)   the cardholder's account number
    (c)   the cardholder's name
    (d)   the card expiry date
    (e)   the transaction amount (in Malaysian Ringgit)
    (f)   the transaction date
    (g)   the Merchant's name and address
    (h)   the brief description of the goods or services supplied

(i)   the cardholder's postal address/telephone

(j)   the method of delivery

(k)   the cardholder's signature

For Telephone Order transaction, Merchant to record the customer's order onto the Mail Order/Telephone Order Authorisation Form (pre-agreed by the Bank).

– Merchant to check and ensure that information are recorded properly, clearly and correctly in the Mail Order/Telephone Order Authorisation Form.

– Merchant to obtain approval code and mark the approval code and date clearly on the Mail Order/Telephone Order Authorisation Form.

– Merchant to imprint the Merchant Name, Merchant Account and Outlet No. on the Deposit Slip.

– Merchant to mark the Deposit Date, No. of Slips, Gross Amount, Discount and Net Amount in the related fields on the Deposit Slip.

– Merchant to send the Bank Copy of the Deposit Slip together with Mail Order/Telephone Order Authorisation form to the Bank Card Centre for processing.

– Bank to process the transaction and make payment to Merchant accordingly.

6.2   Mail Order / Telephone Order Authorisation Form

The following describes the information required by the form:

Merchant Details
– Date
– Merchant No. & Outlet No.
– Merchant Name
– Contact Person
– Telephone No.
– Fax No.

Fax No. Transaction Details
– Cardholder Name

- Credit Card Number
- Expiry Date
- Transaction Amount (please mark down the currency)
- Authorization Code
- Total Gross Amount
- Merchant Discount Rate
- Total Nett Amount
- Remarks (if any)

<u>Authorised Signatories and Company Chop</u>

- Form must be signed by Authorised signatory
- Company chop to be affixed.

6.3 Important Notes

- If the authorization request is declined by the Card Issuer, Merchant could either ask the Customer to use another card for payment or settle by other payment methods.

- All approved mail/telephone order transactions require to be sent to the Bank Card Centre for processing within three (3) days of the transaction date.

7. ACCEPTANCE PROCEDURES FOR RECURRING PAYMENT SERVICE

- Merchant may provide the option to its customers to settle their payment through the Recurring Payment Service, which is by way of authority through the Standing Instruction Form.

- Merchant has to obtain the prior proper authority from the cardholder for the Recurring Payment via the confirmation on the Standing Instruction form.

- Merchant to submit the recurring list (in the format and transmission mode required) to the Bank on an agreed pre-defined periodic basis. The following info is required on the recurring list:
  - Card Number
  - Card Expiry Date
  - Transaction Amount (in Malaysian Ringgit)
  - Transaction Date
  - Reference Number, if any

- Upon receipt of the recurring list from the Merchant, the Bank will execute the debiting of the cardholder's card for the amount specified in the list.

- The Bank will provide the Merchant with a successful approved list and an unsuccessful list 'rejected' for whatever reason. The Merchant is responsible to notify the cardholder of the unsuccessful debit and payment to be resolved directly with the cardholder.

8. 'CODE 10' AUTHORISATIONS

The purpose of a 'Code 10' authorisation request is to stop or prevent fraudulent transactions.

Merchants may contact the Authorisation Centre for a 'Code 10' authorisation request if they suspect that a card has been altered or is counterfeit, or the customer is not the genuine holder.

When merchants make the call, they should have the customer's credit card and sales slip in hand to answer the operator's questions.

Once you have completed the call and followed our staff's instructions, no further action is required. If our staff instruct you to keep the card, do it only by peaceful means. Do not try to detain or arrest the customer. If the customer's attitude becomes threatening, return the card immediately.

9. RETURN AND EXCHANGE

Occasionally, a cardholder may request to return or exchange the merchandise. The following guidelines are suggested :

- To prevent fraudulent transactions, refunds are to be credited only to the credit card used in the original transaction. For a full refund, prepare a Payment Adjustment form to credit the cardholder for the full amount.

- For exchange of merchandise, follow these guidelines:

  - Even exchange. If customer exchanges merchandise for an item of the same value, no action to be taken.
  - Lesser value. Prepare a Payment Adjustment form to refund the difference.

- Greater value. Void the previous transaction if settlement has not been performed and process a new transaction.
- If settlement has been performed, prepare a Payment Adjustment form to refund the full amount and process a new transaction
- Cash refund should not be made under any circumstances.

10. CARD RECOVERY

If you recover a card, follow these steps:

- Advise the customer that you have been instructed to keep the card and inform the customer to call the card issuer for more information. Remember to be courteous.

- If you recover the card, cut the card in half lengthways. Becareful not to damage the hologram, magnetic stripe or embossed account number, because if the card has been altered or is counterfeit, these features are important evidence.

- Notify the Bank that the card has been recovered and ask for further instructions. You may be eligible for a monetary reward.

  If a card is left behind by a customer, inform our Authorisation Centre and follow the instructions given.

11. CHARGEBACKS

11.1 Prevention

A 'Chargeback' is a transaction rejected and returned by the card issuing bank to the merchant bank when a dispute or fraudulent transaction occurred. Most of the time, chargebacks are caused by improper procedures conducted at the point of sale. In many cases, the merchant bank will return the transaction to the merchant and request a refund for the chargeback, thus resulting in a loss in business.

Here are some useful guidelines which can help you to prevent unnecessary chargebacks.

- Ensure the cardholder has signed the sales slip properly.

- Do not complete the sale if the signature does not match with that on the card.

- If you have made an error on the sales slip, do not alter the information on the sales slip. Destroy the incorrect sales slip and complete a new one.

- If the card has not been signed, even if the cardholder signs it in your presence, you must verify the signature by checking the cardholder's appropriate identification and also obtain authorisation from Card Centre.

- If an EDC terminal has been installed, the merchant should compare the embossed card account number against the number printed on the sales slip. If the sales slip displays a different number, it means that the card has been altered.

- Ensure the sales slip is legible, an illegible sales slip may be returned as it may not be processed properly.

- If an EDC terminal has been installed, the merchant must insert or swipe the card through the terminal.

- All details on the card face must be clearly and properly imprinted on the sales slip. (Applicable to acceptance via manual imprinter)

11.2 Split Sale

Do not use two or more sales slips deliberately to split the sales in order to avoid authorisations. This is a typical 'split sale' for the card issuing bank to raise a valid chargeback.

11.3 Missing Imprint

If the cardholder's account number is found to be illegible, incomplete or omitted transactions processed under this condition are liable to be charged back by the card issuing bank.

11.4 Requested transaction information not received

The card issuing bank may request the sales slip copy from the merchant bank for verification. If you cannot produce the requested transaction copy within the

specified period, the transaction will be charged back as 'Requested transaction information not received'.

Merchants are advised to retain all related transaction documents for at least one year.

11.5   Common Chargeback Reasons

The followings are the most common chargeback reasons from Card Schemes which the merchant bank can return the transaction with the chargeback reason to the merchant.

(a)   the Transaction is for any reason unlawful or unenforceable;

(b)   the price charged to the Cardholder was in excess of the price at which the goods supplied and/or the services performed would have been charged by the Merchant for cash;

(c)   the goods and/or services covered by the Transaction are rejected or returned or the Transaction or part thereof is validly cancelled or terminated by a Cardholder or if the Merchant fails to provide at all, or to the Cardholder's satisfaction, goods and/or services to the Cardholder;

(d)   the Cardholder advises the Bank that he has never received the relevant goods and/or services;

(e)   Cardholder signature is missing;

(f)   the Cardholder's signature on the sales slip or the terminal receipt or any other document required to be signed by the Cardholder does not match the signature on the Card used for the Transaction;

(g)   the copy of the sales slip or terminal receipt or any other document required to be signed by the Cardholder in relation to the Transaction presented to the Bank or retained by the Merchant is incompatible with any copy provided to the Cardholder;

(h)   the Cardholder's account number is found to be omitted, incomplete or invalid or Cardholder's account number is not imprinted;

(i)   the Transaction is posted more than once to Cardholder's account;

(j)   the Cardholder disputes the nature, quality or quantity of the goods and/or services covered by the Transaction;

(k)   the Bank has requested evidence in relation to the Transaction which the Merchant has failed to provide;

(l)   there has been any departure from the terms of the Agreement in relation to any Transaction;

(m)   the Cardholder disputes or denies the Transaction or the sales or delivery of goods and/or services covered by the Transaction within reasons;

(n)   the Cardholder complains in writing that he did not make or authorise the Transaction;

(o)   the Merchant has not obtained authorisation or, in seeking authorisation for the Transaction, the Merchant has given an incorrect Cardholder's name or account number to the Bank;

(p)   the sale or supply of any goods and/or services under the Transaction involves a violation of law or the rules or regulations of any governmental agency or other authority; and/or

(q)   there has been a breach by the Merchant of the Agreement, other than the breaches more specifically provided in this Clause 10.5, in connection with the Transaction or otherwise;

(r)   the Bank reasonably believes that the Transaction is irregular;

(s)   the issuing bank refuses to honour the Transaction presented by the Merchant; and/or

(t)   the circumstances of the Transaction were so suspicious that the Merchant should, on exercising reasonable care, have realised that the Card is a counterfeit or stolen and should have therefore declined the Transaction; and/or

(u)   any other event or circumstance, which the Bank shall have previously notified to the Merchant in writing, has occurred in relation to the Transaction.

12. FRAUD AWARENESS AND PREVENTION

12.1 For every credit card transaction you must

Retain the card until the transaction is complete	—	Check that the card has not been tampered with or altered
Check card number	—	Ensure that the number displayed on the terminal is the same as that embossed on the card
Perform a card imprint (not applicable to an EDC transaction)	—	The imprint will provide the card details and proves a card was present at the time of the sale
Obtain approval code and record on the sales draft	—	if you have an EDC terminal, ensure cards are 'inserted' or 'swiped' to obtain the approval code
Check signature	—	Ensure the signature is similar to the one on the signature Panel (if in doubt, ask for an identification document)

12.2 Indicators of counterfeit cards

Security Features (Visa)	—	Ensure that the first four preprinted digits match the first four embossed digits of the card number
	—	Check and ensure that the microprinting around the Visa logo is clear
Security Features (Visa)	—	Check and ensure that the three-dimensional hologram depicting a flying dove is located on the right side of the card

Security Features (MasterCard)	—	Check and ensure that the three-dimensional hologram is located on the right side of the card
	—	When the unique security character appears on the face of the card, there should be an indent - printed account number followed by a security code on the signature panel.

12.3 Indicators of lost/stolen cards

Signature Panel	—	Inspect the panel for any evidence of erasure or alterations
Cardholder Name	—	Check that the cardholder's appearance matches the name on the card (e.g. : European name, Asian cardholder)

12.4 If you are in doubt or suspicious about the card or card user

— ask the card user for proof of identity and check it carefully.

— call HSBC Authorisation Centre on 03-2072 8608 and state clearly 'this is a code 10 call'. You will then be advised on the next course of action.

13. IMPORTANT TELEPHONE CONTACTS

Authorisation Centre	03 – 2072 8608
Merchant Helpdesk	03 – 2026 8292
EDC Terminal Technical Helpdesk	1 800 882 229