

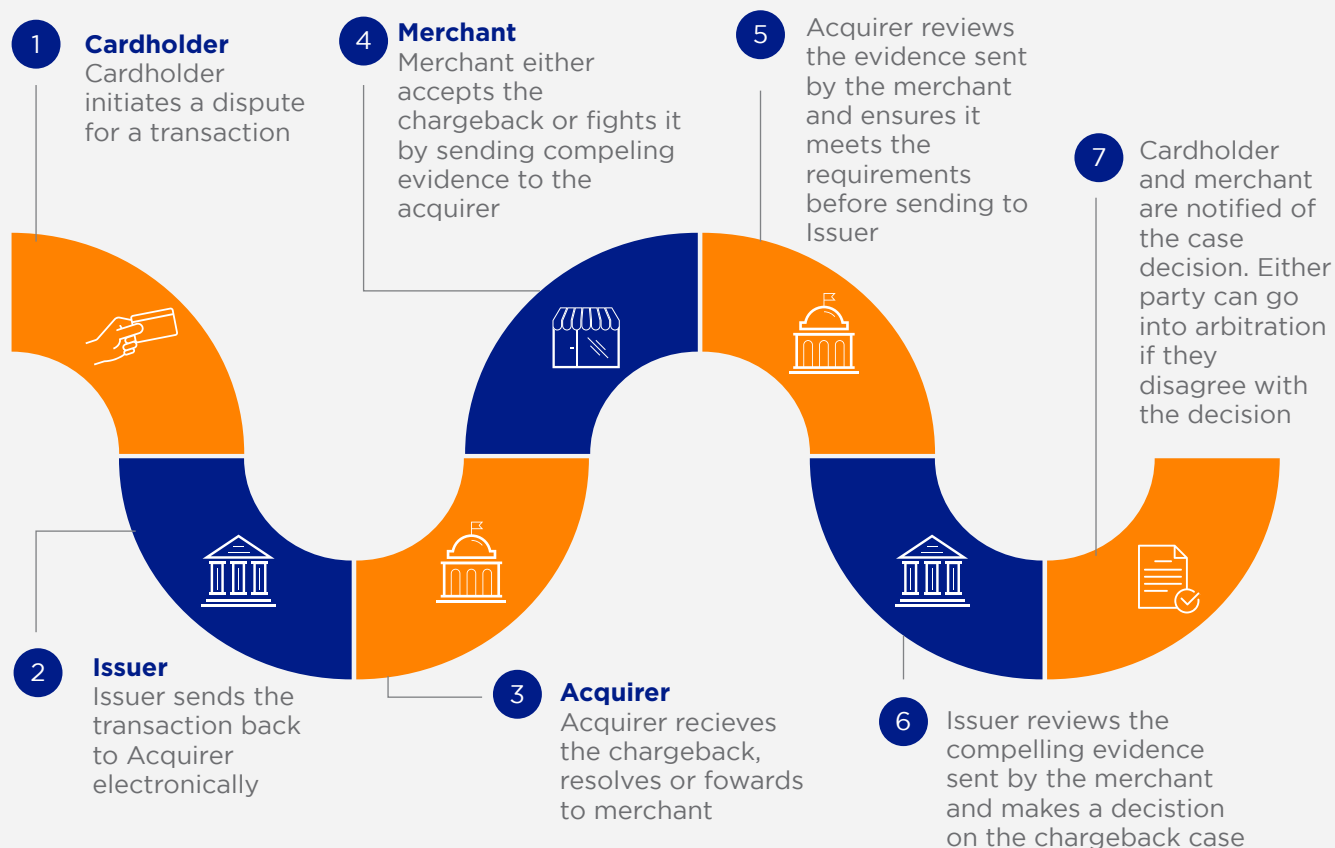
Dispute Management

MERCHANT GUIDELINES

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What is Dispute / Chargeback? - A dispute provides an Issuer with a way to return a contested transaction. It is basically a transaction that is returned as a financial liability by the issuer to your acquirer. Generally, chargebacks can be associated with unsatisfactory customer service / product, poor service delivery or suspected fraudulent activity on the card.

1.1 Chargeback Process Flow



1.2 Dispute Stages

CBK	Chargeback - A transaction wherein an Issuer returns to an Acquirer (<i>As per Scheme rules and regulations, Issuers have the right to chargeback up to 120 days in general and 540 days for service-related chargeback</i>).
REP	Representment - Acquirer presents the merchant documents or returns the transaction to the Issuer which was previously charged back by the Issuer.
P-ARB	Pre-Arbitration - Issuer or Acquirer makes one last attempt to sort out the dispute directly with the Acquirer before filing the case with Schemes.
ARB	Arbitration - When both members are not able to resolve the dispute, a case may be filed to the Dispute Arbitrator Committee (<i>\$500.00 filing fee to the losing member</i>).

1.3 Card schemes have four dispute categories



Fraud - The Cardholder's bank has filed a dispute stating that their cardholder did not authorize or participate in a transaction conducted in a card absent / present environment.



Processing Error - A dispute submitted by the Cardholder's bank when a cardholder is incorrectly charged, e.g. the cardholder charged twice, incorrect amounts, merchant processed the transaction late, etc.



Authorization - The merchant processed a transaction where an authorization was required, but not obtained. The most common cause of this dispute is no or insufficient authorization was obtained to cover the amount of the transaction.



Consumer/Service-Related Disputes - The Cardholder's bank has filed a dispute stating that their cardholder did not receive the goods or services, not as described or defective, refund not processed, canceled prior to billing, etc.

1.4 Recommended best practices to minimize financial losses

Responding to a Dispute - Provide your Acquirer with information and relevant documents about the disputed transaction in a timely manner.

Common Disputes - Most disputes can be attributed to improper transaction processing and can be prevented with appropriate training and attention to detail. The following best practices will help to minimize disputes:

- a) Authorization - Do not complete a transaction without obtaining an authorization.
- b) Decline Authorization - Do not complete a transaction if authorization was declined.
- c) Expired Card - Do not accept a card after the "Good Thru" or "Valid thru" date.

Fraudulent Card Absent (E-Com) - Registering 3DS protection, this system provides protection to merchants on fraud chargeback and helps in reducing e-commerce fraud. These programs require customers to enter a password when using a card for online transaction.

Rules for Returns, Exchanges and Cancellations - As a merchant, you are responsible for establishing your merchandise return and cancellation policies. Clear disclosure of these policies can help you avoid misunderstanding and potential disputes.

a) Card-present transactions. Card schemes will accept that proper disclosure has occurred before a transaction is completed if the following (or similar) disclosure statements are legibly printed on the face of the transaction receipt near the cardholder signature area or in an area easily seen by the cardholder. If the disclosure is on the back of the transaction receipt or in a separate contract, it must be accompanied by a space for the cardholder's signature or initials. Your policies should be pre-printed on your transaction receipts; if not, write or stamp your refund or return policy information on the transaction receipt near the customer signature line before the customer signs (be sure the information is clearly legible on all copies of the transaction receipt). Failure to disclose your refund and return policies at the time of a transaction could result in a dispute should the customer return the merchandise.

b) Card absent transaction. For phone or mail order, your refund and credit policies may be mailed, emailed, or texted to the cardholder. As a reminder, the merchant must prove the cardholder received or acknowledged the policy in order for the disclosure to be proper. For the Internet or an Application - in the sequence of pages before final checkout, with a "click to accept" or other acknowledgement button, checkbox, or location for an electronic signature, or on the checkout screen, near the "submit" or click to accept button. The disclosure must not be on a link to a separate web page.

c) Timeshare Merchant. A full credit refund must be provided when the Cardholder cancels the Transaction within 14 calendar days of the contract date or the date the contract or related documents were received.

Estimated / Pre-Authorization - Give eligible merchants the ability to better process when the final amount of a transaction is not known. Prior to processing the final amount (Completion), the merchant must ensure that valid authorization has been obtained and does not exceed the authorized amount, and completion should be processed in accordance with card scheme timelines.

Delivery of Goods / Services - Goods and services must be delivered to the customer within the agreed time / location, and as described at the time of purchase. The merchant would generally require to obtain acknowledgement / proof that the cardholder received the goods and services.

DCC Transaction - If the Cardholder has chosen to use DCC service, the Cardholder must be offered a Transaction receipt that discloses all the following:

- a) The total Transaction amount in the local currency
- b) The total Transaction amount in the converted currency as agreed to by the cardholder
- c) The currency symbol or code of each; and
- d) The currency conversion rate used.

Charges for Loss, Theft, or Damage - A charge for loss, theft, or damage must be processed as a separate transaction from underlying rental, lodging, or other transactions. The merchant must provide a reason for the charge and a reasonable estimate of the cost of repairs to the cardholder and obtain the cardholder's authorization.

Processing Error - Merchant must process sale reversal or void the transaction to correct an error and avoid currency exchange loss e.g. Duplicate processing, Incorrect amount etc. Void can be performed only before the Z-Report on same day.

Parking fee and traffic fines - The merchant may charge the cardholder for any parking fines and other traffic violations, provided that they were incurred while the cardholder was in possession of the vehicle and the following conditions were met:

- a) The merchant must obtain an authorization for the charges
- b) Traffic fine invoices from civil authority with complete details of the violation
 - > License number
 - > Time and location of the violation
 - > Statute violated
 - > Amount of the penalty
- c) Timelines, Visa - within 90 calendar days of the rental return date or check-out date
- d) Timelines, Mastercard - must be presented within 30 days of receipt of the notification from local authorities.

1.5 General documents required for a dispute

(Note: Documents required should be in PDF or TIFF format)



Retails Merchants / Transaction

- > POS slip
- > Invoices
- > Signed Delivery receipt



E-Commerce Transaction

- > Online Invoices with complete details of transaction
- > Signed Delivery receipt
- > Terms & Conditions or Cancellation policy acknowledged by the cardholder



Car Rental Merchants

- > Signed Rental Agreement with vehicle check-in & out report
- > Invoices, POS receipt, signed estimated cost for damage or repair (if any)
- > Traffic fine invoice from civil authority



Hotel Merchants

- > Guest registration
- > Hotel Invoice
- > Cancellation policy acknowledged by the cardholder (in case of "no show")



Airline Merchants

- > Ticket Copy
- > Invoice with Terms & Condition / Cancellation policy
- > Passenger manifest

1.6 Dispute Monitoring Program

Monitoring dispute rates can help merchants pinpoint problem areas in their businesses and improve prevention efforts. Card-absent merchants may experience higher disputes than card-present merchants as the card is not electronically read, which increases liability for disputes.

General recommendations for dispute monitoring include:

- Track disputes and dispute responses by conditions. Each condition is associated with unique business issues and requires specific remedy and reduction strategies.
- Track dispute activity as a proportion of sales activity.
- Include initial dispute amounts and net disputes after dispute response.
- Track card-present and card-absent disputes separately. If your business combines traditional retail with card-absent transactions, track the card-present and card-absent disputes separately. Similarly, if your business combines mail order/telephone order (MO/TO) and Internet sales, these disputes should also be monitored separately.

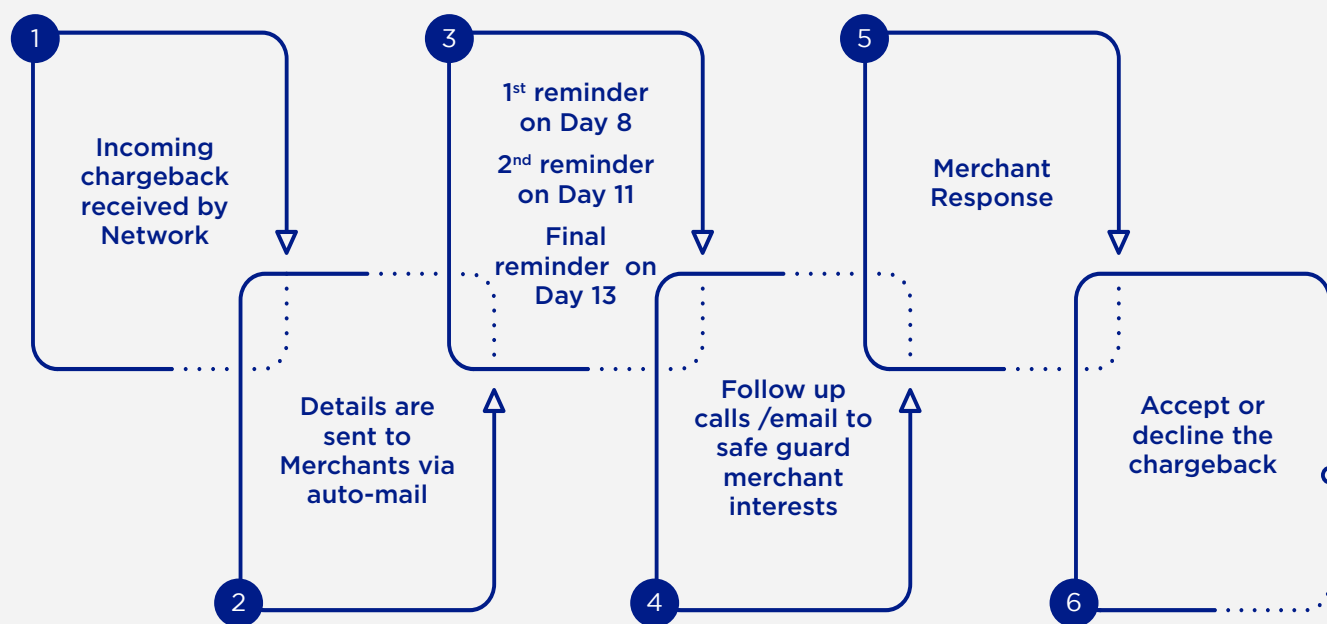
Visa will identify a Merchant Outlet under the VDMP standard program if it meets or exceeds both of the following monthly standard program thresholds:

- 100 Dispute count
- 0.9% ratio of Disputes-to-sales Transaction count

Mastercard will identify a Merchant Outlet under the ECP program if it meets or exceeds both of the following monthly standard program thresholds:

- 100 Number of Chargebacks, and
- 1.5% ratio of Disputes-to-sales Transaction count

1.7 Network International Dispute Process Flow



For dispute/chargeback inquiries and support, please email us at NIAcquiringChargebacks@network.ae