



# Marketplace Guidelines

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## Introduction

The unique marketplace business models require special attention when handling payments, to ensure that all players in the process have the necessary information to process payments successfully.

This guide walks you through the necessary steps based on the marketplace requirements of Shift4 and the card schemes. Implementing and following these guidelines will ensure you provide your retailers and shoppers with a clear and smooth payment experience. This will protect your business from chargebacks and unnecessary fines and open your marketplace to new business opportunities.

## Onboarding with Shift4

Shift4's onboarding process for marketplaces consists of several steps which take into account the distinct regulatory and card scheme requirements governing marketplaces.

Upon onboarding, you will be asked to fill in a "Marketplace Questionnaire". Your responses will help us assess your monitoring levels and collect the information we need to register you with Visa.

Following submission of the questionnaire we will start a dedicated risk assessment process, which will also include a meeting with our risk team. This process is meant to validate the effectiveness of the marketplace's onboarding and monitoring controls. As part of the process, we will assess the marketplace's KYC processes, including aspects of licensing, processing history, etc.

Additional terms for marketplaces are detailed in [Shift4's Terms & Conditions](#). Restrictions and prohibitions can be found in the [Accepted Industry Policy](#).

## Visa's Guidelines

### ***Marketplace Guidelines***

Visa defines a marketplace as an online commerce website or mobile application that brings together multiple buyers and retailers. The marketplace handles the payment processing on behalf of the retailers through the online commerce website or app.

1. The marketplace is responsible for the transaction processing life cycle
  - a. The marketplace must manage each retailer's sales and refunds
  - b. The marketplace must manage the settlement payments to the respective retailers (this means distributing to the retailer the funds processed through the marketplace's platform)
  - c. The marketplace is liable for any disputes or chargebacks of its retailers
  - d. Both the marketplace and the retailers are subject to anti-money-laundering and anti-terror-financing regulations
2. The marketplace must ensure that each retailer does not exceed either of the following annual limits:
  - a. An annual Visa volume of USD 10 million
  - b. An annual Visa volume that is more than 10% of the marketplace's annual Visa volume
3. Marketplaces must be registered with Visa, and the registration must be renewed yearly. Shift4 handles the registration process and may reach out to you in order to collect information required for registration.
4. The Visa MCC for marketplaces that manage retailers from different industries is MCC 5262 – Marketplaces.

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**Note:**



- Franchises, travel agents and high-risk merchants are not eligible to be marketplaces, nor can they be retailers using a marketplace.
  - Shift4 may conduct an on-site audit of the marketplace to ensure that adequate risk management and controls are in place.
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## Payment Processing

Visa requires that marketplace transactions include information about retailers, for reporting purposes. The collection and sending of the retailer's information is done through the 'Seller Information' fields in the API, which consist of the retailer's ID, country and address.

Complete information on the fields can be found in the *Source Payment API* (parameter h15 – 'Seller Information') or the *Source Alternative Payment Methods API* (seller\_information) in our [Developer Portal](#).



**Note:** Sending the 'seller information' parameter is mandatory. You must test the use of the parameter successfully during integration in order to go live.

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The following guidelines detail requirements and best practices for sending the 'Seller Information' parameter in order to comply with Visa's marketplace requirements.

### Guidelines

- 'Seller Information' mandatory fields:
  - Seller ID
  - Seller Country
- The 'Seller Information' parameter should be sent in Capture or Sale requests only.
- The request's logic is based on the type of purchase: 'single retailer' or 'mixed basket'.

### Single Retailer

If the purchase is made from one retailer, the 'seller information' parameter should be sent:

- In 'Sale' if you use 'Sale'
- In 'Capture' if you are using a dual message of Authorisation + Capture
- In 'Capture' if you are using Authorisation + Incremental Authorisation + Capture

### Mixed Basket

If the purchase is made from two or more retailers, you must use 'Multiple Capture' and send the parameter in each 'Capture'.

## Marketplace's Website & Commercial Requirements

The purpose of the following guidelines is to ensure a clear and smooth payment process, in which the cardholder easily identifies the origins of a transaction shown on their card statement. This reduces chargebacks and increases your shoppers' trust and loyalty. In order to create clarity, follow the guidelines below:

1. On your website or mobile application:

- a. The marketplace name or brand should be presented prominently on the website or mobile application and must stand out over the names of the retailers-
  - b. The marketplace name or brand should be a part of the mobile app name and URL.
  - c. The retailer's country must be clearly presented on the marketplace website and throughout all the webpages that the cardholder views during the purchase process.
  - d. The following information should be presented on the website for at least 120 days from the purchase date:
    - i. Retailer's name
    - ii. Transaction date
    - iii. Transaction amount
    - iv. An easy way for the cardholder to contact the retailer and receive answers to questions regarding the purchase
2. On the transaction receipt: The name of the marketplace and the retailer must appear on the transaction receipt.
  3. The merchant descriptor (shown on the cardholder's card statement) must include the marketplace name. You are not required to include the retailer's name as part of the descriptor.

## ***Fees and Fines***

- **Foreign Retailer Fee:** Visa charges a 'foreign retailer' fee of 0.30% of the processed volume where the marketplace and the retailer are not in the same region.
- If the '*Seller Information*' parameter is sent without the mandatory fields (if it wasn't provided or if the retailer location is not available in the transaction message), the location of the retailer could not be identified and you might be charged 0.30% for domestic processed volume as well as the 0.30% for the foreign retailer volume (Domestic: where the retailer is in the same region as the marketplace).
- There is a penalty of up to €250k per month for failing to meet the marketplace requirements.

The fees will be charged at the beginning of each month for the activity of the previous month. They will appear on your statement as Adjustments as defined in the Agreement or the Operational Terms & Conditions.

## Mastercard Guidelines

Mastercard requires that marketplaces implement the following terms and obligations:

- Implement policies and procedures that include:
  - Collection of information about retailers and each of their principal owners as necessary or appropriate for customer identification and due diligence purposes
  - Verification that the information collected is true and accurate
  - Compliance with local laws and regulations relating to anti-money laundering, anti-terrorist financing, and sanction screening requirements
- Enter into a contract with each retailer before submitting transactions on its behalf, which must specify that Mastercard prohibits retailers from conducting a sale they know or should know is fraudulent or not authorised by the consumer, and that a violation of this requirement will result in termination of the contract without notice.
- Ensure that retailer names that are visible on the marketplace's website or mobile application, do not belong to other legal entities; this, in order to prevent unlawful usage of existing business trademark, including impersonation of these names to scam consumers. Where legally allowed, controls include matching retailer names with scam negative listing where they exist.
- Establish fraud loss control measures appropriate to the retailer's business, including, but not limited to, the detection of sales involving counterfeit goods or the infringement of intellectual property rights.
- Review and monitor its website or mobile application and business activities to confirm and reconfirm regularly that all transactions are legal (based on the applicable laws in the locations of the marketplace, cardholder, and retailer) and conducted in an ethical manner.
- Understand its liability for all acts, omissions, and customer service issues and its responsibility to manage cardholder disputes relating to transactions arising from retailers.



## Version Control

Version	Date	Changes
2.1	November 2023	Rebrand from Finaro to Shift4
2.0	June 2023	<ul style="list-style-type: none"><li>• New processing guidelines from Visa.</li><li>• Change in reporting.</li><li>• New marketplace guideline from Mastercard.</li></ul>
1.0	April 2020	First Release

## Need Support?

Contact our 24/7 Client Relations Centre for any additional information or technical issue:

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