

## Compliance Notification

# Discover<sup>®</sup> Partial Authorization Mandate

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Discover announced a November 1, 2011 extension to the mandate requiring Partial Authorization approval functionality for all card present merchant transactions. This mandate applies to all card present merchants, in all industries, for all Discover card types. Merchants conducting non-face-to-face transactions, which includes all e-commerce, mail order, telephone order, recurring payment and unattended (cardholder activated) terminal transactions are exempt from the requirements.

### **Background**

Today, cardholders and merchants may experience declines at the point of sale when using their Discover card because:

- Customers do not always know the available balance on their card
- Customers frequently try to purchase more than the balance available in their accounts

### **Benefits**

Partial authorization functionality provides an alternative to a declined transaction by permitting the card issuer to return an authorization approval for a partial amount, thus permitting the cardholder to use the balance available on their card and select an alternative form of payment for the remainder of the sale.

### **Frequently Asked Questions**

Listed below are questions you might have.

**Q.** Do all Issuers support Partial Authorization approvals?

**A.** All Discover card issuers support Partial Authorization approvals (since April 17, 2009).

**Q.** When do I need to implement Partial Authorization?

**A.** Card present merchants must support Partial Authorization approvals no later than November 1, 2011.

**Q.** Do we need to send a Reversal on Partial Authorization Approvals that are not completed?

**A.** Reversals are not required; however we recommend that reversals are sent if a card transaction cannot be completed with an additional form of payment.

**Q.** Is Partial Authorization approval functionality required for Prepaid or stored value products only or all Discover card products?

**A.** Partial Authorization approvals are intended for Prepaid and stored value products as well as products designated as Credit.

Thank you for your continued business, and we look forward to providing you with exceptional processing services both now and in the future.

**Contact Persons:** If you have any questions regarding this change, please contact customer service

**Date: August 3, 2010**

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