MasterCard Chargeback Assessment Standards

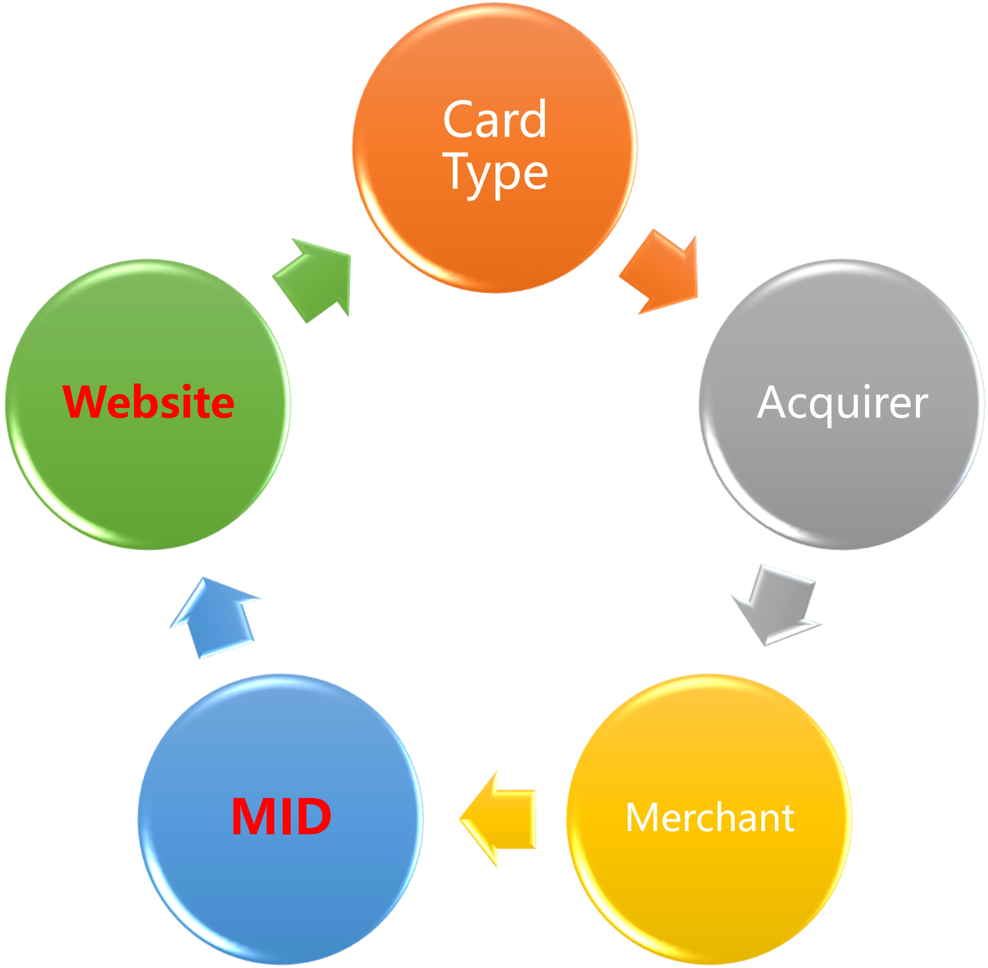
Operation Center

April 10, 2025

Dimensions of Assessment

Control and assessment dimensions of chargebacks:

- Once a merchant exceeds MasterCard's required standard, it will need to remain below the threshold for three consecutive months in order to exit the monitoring.
- If the card organization detects that a merchant is intentionally evading assessment, the card organization reserves the right to tighten the assessment criteria for that merchant.



MasterCard Chargeback Assessment Standard

Excessive Chargeback Program (ECP)

Excessive Chargeback Merchant (ECM)

High Excessive Chargeback Merchant (HECM)

Level	New Assessment Standard
ECM	1.5% and 100 chargebacks
HECM	3% and 300 chargebacks

Mastercard chargeback calculating method:

MasterCard Chargeback Rate = MasterCard Chargeback orders of current month / MasterCard success orders of last month

If a merchant exceeds ECM standard, and the acquirer delays submitting the merchant's ECM rectification report to Mastercard, the card organization will charge the acquirer an assessment fee of 500 USD per day for the first 15 days after the deadline, and then 1000 USD per day thereafter until the acquirer finally submits the ECM rectification report.

MasterCard E-Commerce Fraud Monitoring

Excessive Fraud Merchant (EFM)

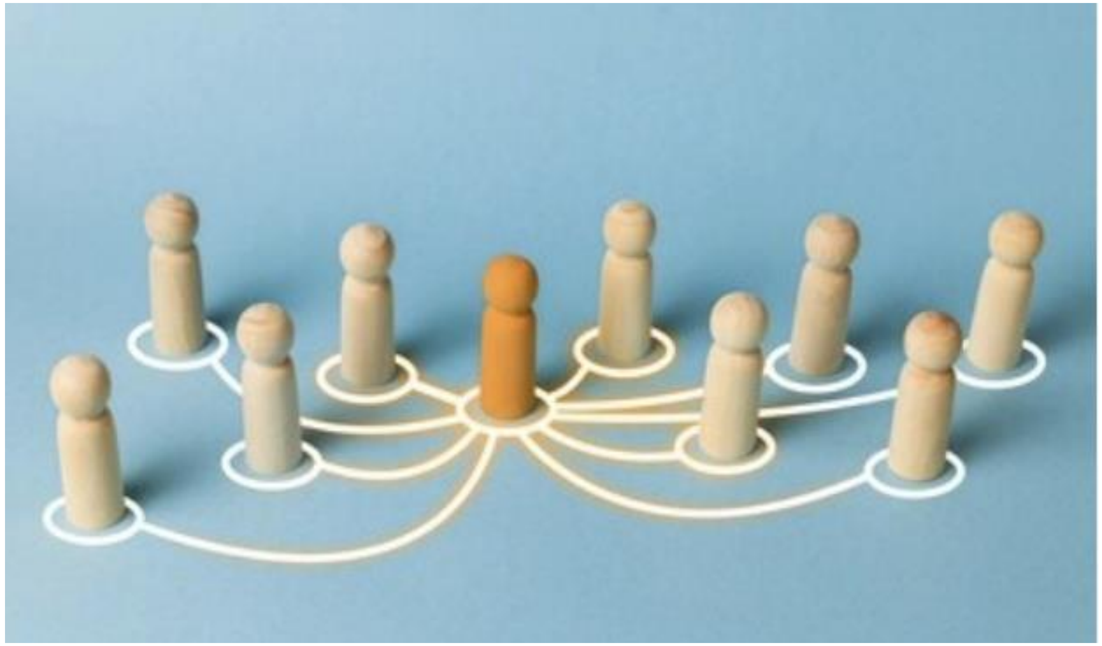
	Assessment Standard	Note
1	The number of success MasterCard transactions≥1000	
2	The amount of fraudulent chargebacks for MasterCard≥50000	4837 (No Cardholder Authorization): Fraudulent transaction 4863 (Cardholder Does Not Recognize -- Potential Fraud): No Cardholder Authorization
3	The fraudulent chargeback rate for MasterCard≥0.5%	4837 (No Cardholder Authorization): Fraudulent transaction 4863 (Cardholder Does Not Recognize -- Potential Fraud): No Cardholder Authorization
4	The proportion of 3D Secure transactions is less than 10% (for non-regulated markets) or less than 50% (for regulated countries).	

1. EFM conducts assessments on an overall merchant basis.
2. “regulated country”： countries requiring Strong Cardholder Authentication

Impact on Merchants that Exceed the Threshold

Once a merchant exceeds the threshold, negative impacts will be imposed on the merchant:

- Increase in merchant's cost due to the penalty
- May be recorded on the card scheme blacklist
- Increase in acquiring cost (impact brought by exceeding standards)
- Decrease in capability of acquirer



Merchants' chargeback rate should be controlled within the assessment standard of card schemes.

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