# VAMP Enhancements and Retirement of VDMP and VFMP

Operation Center

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# VAMP Enhancements and Retirement of VDMP and VFMP

## 1. VAMP Updates

1. As of March 31, 2025, Visa terminated its original Dispute Monitoring Program (VDMP) and Fraud Monitoring Program (VFMP).
2. As of March 31, 2024, Visa terminated the Visa Digital Goods Merchant Fraud Monitoring Program. (The VFMP applicable to the virtual goods industry had been discontinued.)
3. As of April 1, 2025, Visa launched the enhancement of Visa Acquirer Monitoring Program (VAMP).
4. New VAMP criteria take effect on 1st June 2025.
   - The threshold has been raised to the range of 0.5%~0.7% for identifying acquirers as Above Standard.
   - An acquirer will be considered as potentially exceeding the standard only when the total number of TC40 and TC15 transactions exceeds 1,500.
   - 1st October 2025: Excessive threshold enforcement begins.
   - 1st January 2026: Above Standard threshold enforcement begins.
   - 1st April 2026: Merchant Excessive threshold reduced from 2.2% to 1.5% in NA/EU/ASIAPAC.

## 2. Historical Rules

### 2.1. VDMP

| Level | VDMP |
|---|---|
| Level 1 (Early Warning ) | 0.65% and 75 chargebacks |
| Level 2 (Standard Program ) | 0.9% and 100 chargebacks |
| Level 3 (Excessive Program ) | 1.8% and 1000 chargebacks |

## 2.2. VFMP

| Level | VFMP |
|---|---|
| Level 1 (Early Warning ) | 0.65% and USD50000 |
| Level 2 (Standard Program ) | 0.9% and USD75000 |
| Level 3 (Excessive Program ) | 1.8% and USD250000 |

## 2.3. VAMP

VAMP Chargeback for CNP

| Level | VAMP before Oct 1, 2021 | VAMP after Oct 1, 2021 |
|---|---|---|
| Level 1 (Early Warning) | 0.45% and 375 chargebacks | 0.5% and 375 chargebacks |
| Level 2 (Standard Program) | 0.75% and 750 chargebacks | 1% and 750 chargebacks |

VAMP Fraud for CNP

| Level | VAMP before Oct 1, 2021 | VAMP after Oct 1, 2021 |
|---|---|---|
| Level 1 (Early Warning) | 0.45% and USD250,000 | 0.5% and USD250,000 |
| Level 2 (Standard Program) | 0.75% and USD500,000 | 1% and USD500,000 |

# 3. VAMP

## 3.1. VAMP Ratio Calculation

**Calculation formula:**

$$VAMP\ Ratio = \frac{\text{Count of Reported Fraud (TC 40)} + \text{Count of Processed Disputes (TC 15)}}{\text{Count of Total Settled Transactions (TC 05)}}$$

Monthly VAMP identifications will be determined by:

- Count of Reported Fraud (TC40): All card-absent fraud transactions reported to Visa by issuers.
- Count of Processed Disputes (TC15): It includes all payment chargebacks, both fraudulent and non-fraudulent, as identified by Visa's TC15 reporting.

| 10.Fruad | 11. Authorization | 12. Processing Errors | 13. Consumer Disputes |
|---|---|---|---|
| 10.1 EMV Liability Shift Counterfeit Fraud<br>10.2 EMV Liability Shift Non-Counterfeit Fraud<br>10.3 Other Fraud-Card Present Environment<br>10.4 Other Fraud-Card Absent Environment<br>10.5 Visa Fraud Monitoring Program | 11.1 Card Recovery Bulletin<br>11.2 Declined Authorization<br>11.3 No Authorization | 12.1 Late Presentment<br>12.2 Incorrect Transaction Code<br>12.3 Incorrect Currency<br>12.4 Incorrect Account Number<br>12.5 Incorrect Amount<br>12.6 Duplicate Processing/Paid by Other Means<br>12.7 Invalid Data | 13.1 Merchandise/Services Not Received<br>13.2 Cancelled Recurring<br>13.3 Not as Described or Defective Merchandise/Services<br>13.4 Counterfeit Merchandise<br>13.5 Misrepresentation<br>13.6 Credit Not Processed<br>13.7 Cancelled Merchandise/Services<br>13.8 Original Credit Transaction Not Accepted<br>13.9 Non-Receipt of Cash or Load Transaction Value |

- Count of Total Settled Transactions (TC05): The total count of all Visa captured payments.
- Minimum of 1,500 monthly fraud (TC40) and chargeback (TC15) at acquirer level.
- Data is calculated and reported on a calendar-month basis. The VAMP data for a specific month will be finalized and released in the subsequent month. For instance, the VAMP data for March will be compiled and communicated by early April, encompassing all TC40, TC15, and TC05 data generated throughout the natural month of March. This approach applies consistently to all other months as well.

## 3.2. VAMP Exemption

The purpose of VAMP is to reduce transaction fraud and chargebacks, thereby enhancing the security of cardholder transactions. Merchants can lower their VAMP ratios through the following approaches:

1. Chargebacks (TC15) resolved through pre-chargeback solutions, including but not limited to, RDR are excluded prior to VAMP calculations.

2. Fraud (TC40) that qualifies for Compelling Evidence 3.0 is excluded from VAMP calculations, depending on the timing of the data extract.

## 3.3. Thresholds for Identification

New VAMP criteria take effect on 1st June 2025, with details as follows:

| Applicable Objects | Identification Level | Region | Threshold effective 1st June, 2025 - 31st March, 2026 | Updated threshold from 1st April 2026 |
|---|---|---|---|---|
| Acquirer | Early Warning | GLOBAL | ≥0.40% & <0.50% | ≥0.40% & <0.50% |
| | Above Standard | GLOBAL | ≥0.50% & <0.70% | ≥0.50% & <0.70% |
| | Excessive | GLOBAL | ≥0.70% | ≥0.70% |
| Merchant | Excessive | NA | ≥2.20% | ≥1.50% |
| | | EU | ≥2.20% | ≥1.50% |
| | | ASIAPAC | ≥2.20% | ≥1.50% |
| | | LAC | ≥1.50% | ≥1.50% |
| | | CEMEA | ≥2.20% | ≥2.20% |

1. Apply to all card-not-present transactions, domestic and cross border.
2. An acquirer will be considered as potentially exceeding the standard only when the total number of TC40 and TC15 transactions exceeds 1,500.
3. When an acquirer's VAMP ratio exceeds the threshold (≥0.5%), all merchants under this acquirer are deemed to have exceeded the VAMP threshold as well.
4. Merchant Excessive Identification level applies only if Acquirer VAMP Ratio < 0.5%.
5. CEMEA region Merchant Excessive only: Minimum of 150 combined Frauds (TC40) and chargebacks (TC15) and ≥ $75,000 USD Fraud and chargeback amount.

## 3.4. Fee Schedule

Effective from October 1, 2025, Fees will be assessed for each fraud and each chargeback transaction.

| Effective Time | Identification Level | Fee Schedule |
|---|---|---|
| January 1, 2026 | Acquirer Above Standard | USD 4 |
| October 1, 2025 | Acquirer Excessive | USD 8 |
| October 1, 2025 | Merchant Excessive | USD 8 |

**Note:**

1. If an acquirer is identified as Above Standard or Excessive, enforcement fees will apply to both the acquirer and its merchants. When the acquirer's VAMP Ratio < 0.5%, only merchants identified as Excessive will incur fees.
2. If an acquirer has no VAMP identifications over a 12-month period, they are granted a 3-month grace period for any first-time identifications after the 12-months with no-identifications. During this grace period, the acquirer is exempt from billing for both the identification that triggered the Grace Period as well as any new identifications. The next 12-month cycle to become eligible for another Grace Period begins the month the acquirer has no identifications.

## 3.5. VAMP Enumeration Monitoring

Similar to the transaction calculations for TC40 and TC15, a merchant's enumeration attack behavior will also be factored into the VAMP assessment. It is calculated as:

$$VAMP\ Enumeration = \frac{confirmed\ enumerated\ authorisation\ transactions\ (approved\ +\ declined)}{authorisation\ transactions(approved\ +\ declined)}$$

- confirmed enumerated authorisation transactions (approved + declined): Transactions that are identified via Visa Account Attack Intelligence (VAAI) model, including approved and declined transactions.
- authorisation transactions(approved + declined): In this part, approved and declined transactions are included.
- Statistics are compiled on a natural month basis.

| VAMP Enumeration Ratio | Merchant |
|---|---|
| Level | Excessive |
| Effective from April 1, 2025 | ≥20% & 30,000 enumerated authorization transactions |

## 3.6. Other Considerations

When the VAMP Ratio reaches the "Excessive" threshold, Visa will initiate monitoring and evaluation procedures for the acquirer, the merchant, and even the payment service provider involved. There are three primary scenarios that can lead to this "Excessive" trigger:

1. The VAMP data of an acquirer surpasses the threshold.
2. The VAMP data of a merchant exceeds the threshold.
3. The merchant's Enumeration Ratio exceeds the threshold.

**For example:**

- Scenario 1: If the overall VAMP rate of all merchants under an acquirer exceeds 0.7%, surpassing the acquirer's threshold ⇒ the acquirer will be identified as Excessive;
- Scenario 2: If the acquirer is fully compliant overall, but a specific merchant (Merchant A) has a VAMP rate of 2.2% ⇒ The acquirer will still be identified as Excessive due to this merchant;
- Scenario 3: If Merchant B is suffering card testing attacks with an enumeration rate of 25% and over 300,000 transactions ⇒ This will also trigger a VAMP identification of Excessive.

# 4. How Merchants Can Respond to VAMP Policies

To proactively mitigate the impact of VAMP update, merchants are advised to implement approaches below:

- Partner with professional acquiring institutions specializing in fraud attack prevention to reduce associated chargeback risks.
- Activate Visa Rapid Dispute Resolution (RDR) to decrease Visa-initiated chargebacks.
- Implement Smart 3D Secure Authentication to reduce fraud-related chargebacks.

In short, the evolution of VAMP signifies a major advancement in compliance efforts related to chargeback management. Regardless of regulatory changes, proactive risk prevention remains paramount. As a global digital payment service provider, Oceanpayment is committed to actively adapting to evolving industry policies and regulations, delivering secure and compliant payment solutions. For more information or assistance with operational challenges, please contact Oceanpayment through the channels below.

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