

## Visa FAQ – Sports Gambling

Visa shared the following with ICBA Bancard in response to our enquiry on Visa actions relative to the overturn of the Professional and Amateur Sports Protection Act (PASPA), a federal law that banned state sponsored sports wagering. This overturn may affect your credit and/or debit card issuing program(s).

ICBA Bancard encourages its issuers to review the parameters of their current program and consult with your processing partner to determine what, if any, changes need to be made to your issuing program or MCC code approval structure.

Please note: Visa volume is expected to increase very quickly. For Visa issuers that continue to blanket decline, increased customer calls should be expected.

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By overturning PASPA, states may now establish their own regulated sports betting businesses and legally allow betting on individual sporting events.

This decision has been covered widely in the media including speculation about how states, sports leagues and financial institutions will approach managing legal sports wagering transactions going forward.

### Talking Points

- Visa makes its payment services available for all transactions that are consistent with local, federal, and international laws.
- Legal gambling transactions, including sports wagering, are permitted under the Visa rules and Visa transactions will be accepted as valid provided the transactions are categorized under the appropriate gambling merchant category codes (MCCs).
- Visa continues to monitor changes in state and federal legislation closely following the Supreme Court decision and will make Visa services available aligned with related legislative changes.

**See below for detailed information on legal gambling MCCs and data elements.**

### FAQ

#### **Q: What did the Supreme Court rule?**

The Supreme Court ruled in favor of overturning PASPA, a federal law that banned state sponsored sports wagering. With PASPA overturned, states may now establish their own regulated sports betting businesses.

#### **Q: What are Visa's current rules for handling legal gambling transactions?**

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#### **Q: What are the gambling MCCs? What data elements are included in gambling transactions? Why does Visa have four MCCs?**

- A complete list of gambling MCCs can be found below. See Visa Merchant Data Standards Manual for complete definitions of MCCs.
- Globally, MCC 7995 is used to categorize all gambling transactions. In 2015, Visa introduced MCCs 7800, 7801, and 7802 for facilitating legal gambling transactions in the U.S. for those

gambling merchants registered and verified by Visa, including card-not-present (CNP) gambling transactions.

- In order to process under the legal gambling 7800 MCC series, Visa requires a unique Merchant Verification Value (MVV) in each authorization message. A valid MVV is provided only to legal gambling merchants that have registered with Visa by completing an enhanced due diligence review verifying merchant legality and adequate geo-location and age validation controls. VisaNet performs an edit check, which validates the MVV, and any transactions without an approved MVV will not be processed within VisaNet.

MCC	Description / Region	Data Elements	Use Cases / Examples
7995	In the U.S., this MCC is used for card-present gambling merchants and unregistered online gambling merchants.  Outside the U.S., this MCC is used to capture all gambling transactions.	Transactions DO NOT require an MVV and Visa does not validate an MVV in this MCC.  For card present transactions, a quasi-cash/online gambling indicator may be present, if the type of goods (i.e. wager) sold can be easily converted to cash (e.g poker chips)  For all card absent transactions in 7995, a quasi-cash/online gambling indicator must be present.	Card present: A cardholder buys chips at a cashier window, presenting a card at the physical POS  Unregistered online gambling merchant: a consumer places a wager at Bet365, online merchant based in the UK.
7800	In the U.S., this MCC is used for both card-present and card-absent lottery transactions for those merchants registered and verified by Visa.	Transactions must include a Visa-issued MVV.  Transactions will NOT include the quasi-cash/online gambling indicator	A cardholder purchases a Michigan iLottery (internet) ticket or the Ohio Lottery sales at kiosks.
7801	In the U.S., this MCC is used for card-absent (mobile app and online) gambling transactions for those merchants registered and verified by Visa.	All transactions must include a Visa-issued MVV AND the quasi-cash/online gambling indicator	Consumer places a wager (or loads their mobile gaming account) in a card-absent environment, IF the merchant has been approved by Visa. Example: MGM or William Hill App
7802	In the U.S., this MCC is used for card-absent horse and dog racing for those merchants registered and verified by Visa	All transactions must include a Visa-issued MVV AND the quasi-cash/online gambling indicator	Consumer places a wager (or loads their mobile gaming account) to bet at the Kentucky Derby, IF the merchant has been approved by Visa. Example: Twinspires.com

**Q: What is an unregistered online gambling merchant? Why does Visa allow transactions from these types of merchants?**

- An unregistered online merchant is either 1). A merchant outside the U.S. processing legally in another jurisdiction or 2). A U.S. merchant that does not meet Visa's strict MVV requirements.
- MCC 7995 is a global MCC and currently there are numerous merchants (both U.S. and non-U.S.) processing in the MCC.

**Q: How can the legal gambling MCCs help issuers make decisions on the authorizations of these transactions?**

- Issuers should continue to provide individual authorization decisions based on unique transaction level data and cardholder risk profile.
- Issuers should recognize transactions processed under MCCs 7800, 7801 and 7802 originate only from approved gambling merchants, registered and verified by Visa. In order to process under these MCCs, Visa requires an associated unique MVV. Transactions in these MCCs without an approved MVV will not be processed.
- By registering legal gambling merchants, acquirers must use MVVs to differentiate their authorization requests from those presented from potentially unlawful online gambling merchants.

**Q: Why is the Quasi-Cash/Online Gambling indicator not included on all transactions?**

- The quasi-cash/online gambling indicator is required for all card-absent (online) gambling transactions and some card-present gambling transactions when the goods purchased can be easily converted to cash.
- For example, for card-present transactions, the purchase of poker chips requires the quasi-cash indicator; however, the purchase of a bingo card or a lottery ticket does not require the quasi-cash indicator.

**Q: Can issuers use Stand In Processing (STIP) to block gambling transactions?**

Issuers can use STIP to decline online gambling transactions only in MCC 7995. STIP cannot be utilized to block legal gambling transactions in MCCs 7800, 7801, and/or 7802.

**Q: How are gambling transactions processed for Mobile Wager Apps?**

- In the U.S., card-absent gambling transactions, including account-funding transactions in mobile apps are processed in MCC 7801 for those merchants registered and verified by Visa.
- Unregistered gambling merchants must process card-absent transactions in MCC 7995.
- Mobile wager apps are funded with AFT transactions, which include the AFT Indicator, applicable MCC and BAI. See Section 7.4.1.1 of Visa Rules for complete definition.
- Issuers can identify a card-present from card-absent transactions from the POS Entry Mode, POS Condition Code, and other fields.

**Q: How does Visa enforce the rule that acquirers clearly identify Internet gambling transactions?**

The Global Brand Protection Program monitors online gambling transactions to ensure that they are properly identified and contain the required data elements. Failure to comply may result in financial assessments, corporate risk condition measures and, at the extreme, expulsion from the Visa system.

**Q: What changes will Visa be making to rules following this ruling?**

Visa will closely monitor changes in state and federal legislation following the Supreme Court decision and make Visa services available aligned with related legislative changes.