

# Numerics Initiative Pricing Webinar

## U.S.

27<sup>th</sup> October 2021



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# Eight-Digit Issuing BIN

- 1 | To address an **industry shortage**, the International Organization for Standardization (ISO) expanded the length of the BIN standard from six to eight digits
- 2 | Visa is supporting this change with a client-focused plan; **most of the impacts are within client systems**; the issuing BIN is not used in VisaNet processing.
- 3 | Clients should be well underway **now** with their cross-functional plans to **ensure readiness** across their processing and downstream systems.



# What's changing in April 2022?

1. Acquirers and processors must be able to support 8-digit issuing BINs
2. **Issuers will only receive eight-digit BINs for new requests**
  - No more six-digit issuing BINs will be assigned after April 2022
  - Eight-digit BINs are already being requested and assigned now
3. Issuers can expand their existing six-digit BINs to eight digits on their own timelines, but should take pricing into consideration
4. Acquirers will no longer be provided ISO-assigned BINs
  - Six-digit Acquiring IDs will be assigned out of a separate pool



# Pricing Framework: Assignment and Annual Numeric Licensing Program (ANLP)

## Rationale for changes

- ✓ Announced in October 2019 to help clients develop their business case and inform their planning
- ✓ Encourages client adoption of new eight-digit industry standard
- ✓ Builds upon our Smart BIN Management approach to maximize existing six-digit BIN capacity
- ✓ Recognizes the need for client flexibility while actively supporting the change to the new 8-digit standard

# Assignment Pricing

Encourages efficient use of existing six-digit BINs and adoption of eight-digit BINs



# Assignment Pricing

Encouraging Maximized Use of Existing Six-Digit Numerics

Type	Prior	October 2020		April 2021		October 2021		April 2022	
		6-digit	8-digit	6-digit	8-digit	6-digit	8-digit	6-digit	8-digit
<b>Issuer BINs</b>	Initial 100  Duplicate 500	Initial 500  Duplicate 1,000	Waived	Initial 500  Duplicate 3,000	Waived	<b>Initial 500  Duplicate 5,000</b>	<b>500</b>	<b>No longer assigned</b>	<b>500</b>
<b>Other</b>	Special BINs 10,000	Pricing applies to 6- or 8-digit requests <b>5,000</b> for a Proprietary ATM or Private Label BIN Assignment <b>15,000</b> for a Special BIN or Special Acquiring ID Assignment							
<b>Acquiring IDs</b>	Not applicable	500		500		<b>500</b>		<b>500</b>	

All prices shown are in USD



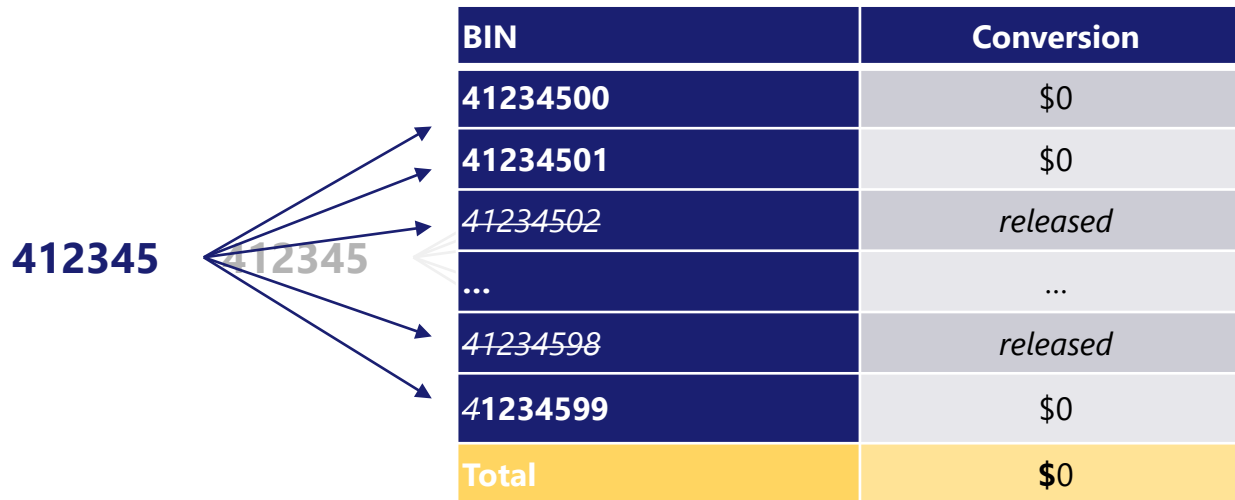
# Sample Assignment Pricing

## Scenario One

**If a client converts a six-digit BIN into eight-digit BINs, do they have to pay an assignment fee for each new eight-digit BIN?**

No, there are no assignment fees when you convert a six-digit BIN to an eight-digit BIN.

Similarly, there are no configuration (PMCC) fees when you convert a six-digit BIN to an eight-digit BIN.



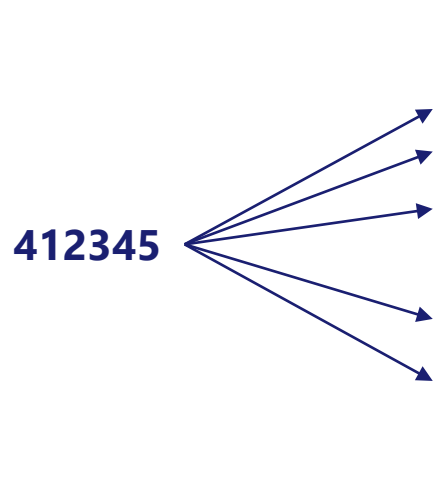
BIN	Conversion
41234500	\$0
41234501	\$0
41234502	<i>released</i>
...	...
41234598	<i>released</i>
41234599	\$0
<b>Total</b>	<b>\$0</b>

# Sample Assignment Pricing

## Scenario Two

**After April 2022, what would it cost to request 100 new consecutive eight-digit BINs to replicate a six-digit BIN? (e.g., 41234500, 41234501, 41234502, ... 41234598, 41234599)**

A series of **sequential numbers** would be subject to the Special BIN assignment fee, which is \$15,000 per BIN.



BIN	Special BIN Assignment Fee
41234500	\$15,000
41234501	\$15,000
41234502	\$15,000
...	...
41234598	\$15,000
41234599	\$15,000
<b>Total</b>	<b>\$1,500,000</b>

Please note that each eight-digit BIN would also be subject to the Annual Numeric Licensing Program fees.

In addition, issuers should take into consideration additional third-party fees (for example processing, card vendors, third party or domestic networks, etc.).



# Sample Assignment Pricing

## Scenario Three

Once I convert a six-digit BIN into eight-digit BINs, and have released my unused eight-digit BINs to Visa, can I request any of them back?

A **specific eight-digit BIN number** request, pending availability, would be subject to the Special BIN assignment fee, which is \$15,000 per BIN.

BIN	Conversion	Special BIN Assignment Fee
41234500	\$0	NA
41234501	\$0	NA
41234502	released	NA
...	...	
41234598	released	NA
41234599	released	\$15,000
<b>Total</b>	<b>\$0</b>	<b>\$15,000</b>

412345

*Previously released, but now requested back*

*No fee to convert from six to eight digits*

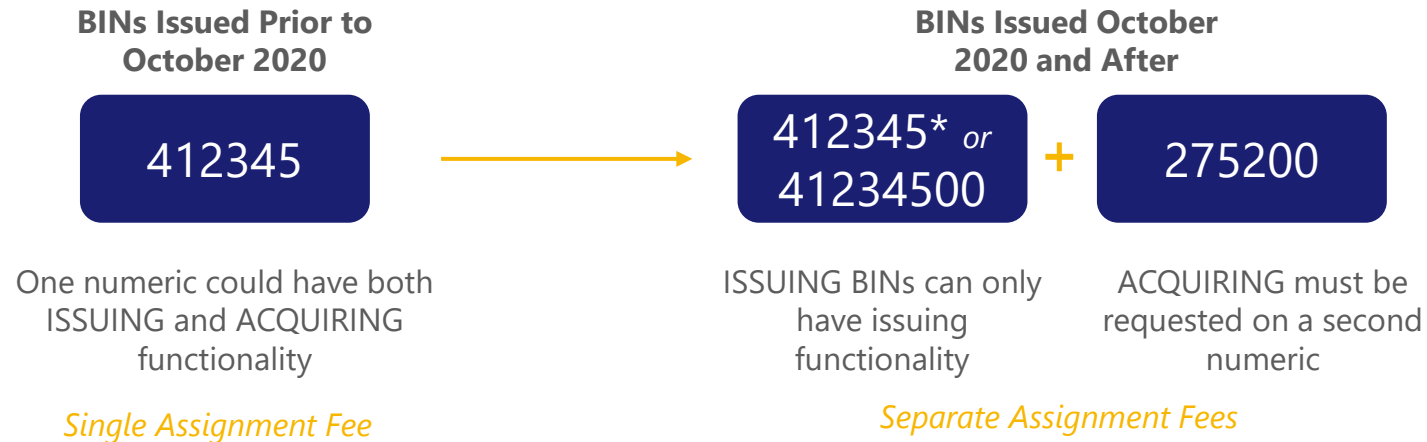
# Sample Assignment Pricing

## Scenario Four

**In the past, issuers were able to request a BIN with issuing and acquiring functionality. Is that still allowed, as issuing BINs move to eight digits, and acquiring IDs remain six digits?**

As of October 2020, Visa no longer allows issuing and acquiring functionality to be combined on a single numeric. If you require both functions, two separate numerics will need to be requested, and separate assignment fees will apply.

In addition, each numeric will be subject to the Annual Numeric Licensing Program fees (i.e., utilized and underutilized).



\*Only available as six digits until April 2022

# Annual Numeric Licensing Program (ANLP)

Encourages full utilization of an issuer's portfolio and adoption of eight-digit BIN standard



# Annual Numeric Licensing Program – Pricing Basics

Fees Based on Numeric Activity over 12 Month Period




- BIN is considered utilized when transaction threshold is met or exceeded in any one month over the 12-month billing period; Utilized Fee applies
  - Utilized Fee applies if threshold met
  - Underutilized Fee applies if not
  - Higher Underutilized Fee provides client incentive to maintain an efficient BIN portfolio



# Annual Numeric Licensing Program - Pricing

Changes began in the 2020 Program year with additional changes in 2022

Type	2020 – 2021 Program Years			2022 Program Year		
	6-digit BINs	8-digit BINs	Acquiring IDs	6-digit BINs	8-digit BINs	Acquiring IDs
<b>Transaction Threshold</b>	1,000	100	100 <sup>1</sup>	1,000	100	100 <sup>1</sup>
<b>Utilized Fees</b>	200	Not applicable	200	200	Not applicable	200
<b>Underutilized Fees</b>	10,000	150 For converted 6-digit BINs	10,000	 15,000	150	10,000




<sup>1</sup>Currently, U.S. only uses Acquiring IDs for Plus and Interlink Acquiring

All prices shown are in USD



# Annual Numeric Program Pricing

Further changes for the 2023 Program year

Type	2022 Program Year			2023 Program Year		
	6-digit BINs	8-digit BINs	Acquiring IDs	6-digit BINs	8-digit BINs	Acquiring IDs
<b>Transaction Threshold</b>	1,000	100	100	1,000	100	 1,000
<b>Utilized Fees</b>	200	Not applicable	200	 2,500	 25	200
<b>Underutilized Fees</b>	15,000	150 For converted 6-digit BINs	10,000	15,000	150	10,000

All prices shown are in USD

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# Annual Numeric Licensing Program - Pricing

## Scenario One

**If I convert a six-digit BIN to 100 eight-digit BINs before 2022, how will I be billed under the Annual Numeric Licensing Program?**

You will be charged the underutilized fee if you do not return eight-digit BINs that do not meet the utilization thresholds. Utilization fees will not be assessed until the 2023 program year.

Eight-Digit Issuing BINs →

BIN	Transaction Count	2021	2022	2023
40000100	100 or more in any one month	\$0	\$0	\$25
40000101	100 or more in any one month	\$0	\$0	\$25
40000102	100 or more in any one month	\$0	\$0	\$25
...				
40000198	Fewer than 100 each month	\$150	\$150	\$150
40000199	Fewer than 100 each month	\$150	\$150	\$150
<b>Total</b>	<i>Assuming 50 utilized, and 50 underutilized</i>	<b>\$7,500</b>	<b>\$7,500</b>	<b>\$8,750</b>

50 utilized (rows 40000100-40000102)

50 underutilized (rows 40000198-40000199)

# Annual Numeric Licensing Program - Pricing

## Scenario Two

**How will an issuer’s fees change if they convert their portfolio from six-digit to eight-digit BINs and return the unused eight-digit BINs?**

Every client’s portfolio will be different. However, in the following example, an issuer has two six-digit BINs, one that is utilized and one that is underutilized:

Six-Digit Issuing BINs →

BIN	Transaction Count	2021	2022	2023
400001	1,000 or more in any one month	\$200	\$200	\$2,500
499999	Fewer than 1,000 each month	\$10,000	\$15,000	\$15,000
<b>Total</b>		<b>\$10,200</b>	<b>\$15,200</b>	<b>\$18,000</b>

But if you take those same BINs, and transition each into two separate eight-digit BINs (releasing the unused eight-digit BINs back to Visa), even if you now had two utilized and two underutilized eight-digit BINs, you would still have a smaller fee:

Eight-Digit Issuing BINs →

BIN	Transaction Count	2021	2022	2023
40000100	100 or more in any one month	\$0	\$0	\$25
40000101	Fewer than 100 each month	\$150	\$150	\$150
49999900	100 or more in any one month	\$0	\$0	\$25
49999901	Fewer than 100 each month	\$150	\$150	\$150
<b>Total</b>		<b>\$300</b>	<b>\$300</b>	<b>\$350</b>

# Annual Numeric Licensing Program - Pricing

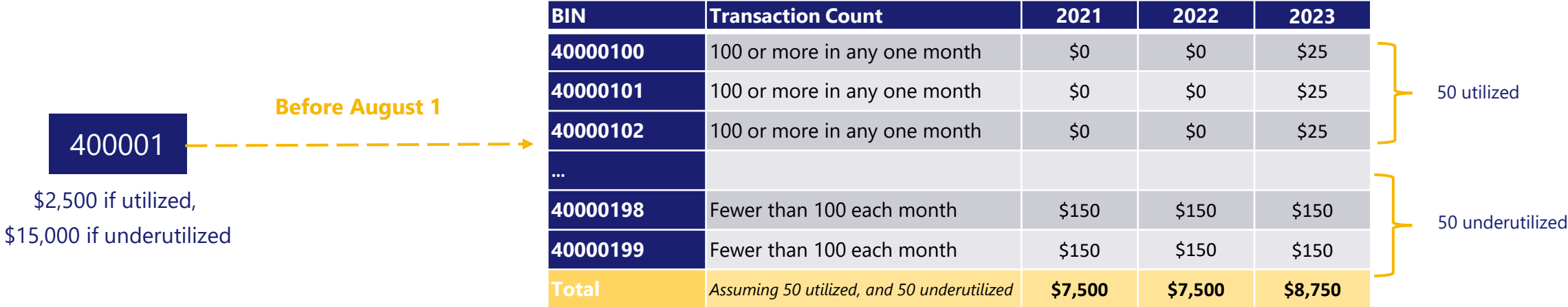
## Scenario Three

**Will fees be prorated throughout the year? For example, if an issuer has a six-digit BIN for half the year, then converts it to an eight-digit BIN, will they have to pay based on how much time the BIN spent at each length?**

No, fees will be assessed based on their configuration at the end of the program year.

While the program year ends June 30th, if a six-digit BIN is released on or before August 1, then it is exempt from that year's annual Numeric Licensing fees (both utilized and underutilized).

Similarly, if a six-digit BIN is submitted into the Issuer BIN Migration Tool for conversion into eight-digit BINs before August 1, then Visa will bill based on how many eight-digit BINs remain.



# Annual Numeric Licensing Program - Pricing

## Scenario Four

**Will clients be billed a separate fee for usage of Acquiring IDs if they were originally set up on the same numeric as an issuing BIN?**

Until clients convert the issuing portion of the BIN to eight digits, the numeric will continue to be assessed one fee, following the pricing schedule for six-digit BINs. After the client makes the decision to convert the BIN to eight digits, they will be charged the eight-digit fee as well as the acquiring fee.

	BIN	Transaction Count	2021	2022	2023
Six-Digit Issuing BIN with acquiring functionality →	<b>400001</b>	1,000 or more in any one month	\$200	\$200	\$2,500
	<b>Total</b>		<b>\$200</b>	<b>\$200</b>	<b>\$2,500</b>

**\*\*\*400001 migrated to 40000100\*\*\***

	Numeric	Transaction Count	2021	2022	2023
Eight-Digit Issuing BIN →	<b>40000100</b>	100 or more in any one month	\$0	\$0	\$25
Acquiring ID →	<b>123456</b>	1,000 or more in any one month	\$0	\$0	\$200
	<b>Total</b>		<b>\$0</b>	<b>\$0</b>	<b>\$225</b>

# Other Key Pricing Scenarios

## **If I'm converting a six-digit BIN to an eight-digit BIN, what other fees, besides Assignment and Annual Numeric Program fees, do I need to be aware of?**

There are several potential fees that issuers should consider when converting their portfolio from six-digit to eight-digit BINs. Every client's situation will be unique, but common scenarios to consider include:

- Certificate fees
- PMCC fees (configuration, project management)
- Processor initiation fees
- Card vendor fees
- Third-party network fees
- Minimum Approval Rate and System Integrity Fees
- Et al.





## Key Takeaways

1

Pricing changes announced in advance to support clients' business case and adoption plans

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2

New assignment pricing encourages clients to fully utilize their 6-digit BINs, and gain experience with 8-digit BINs

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3

Annual program incents adoption of the new eight-digit standard, with significant changes in the 2023 program year

# Numerics Resources



Numerics page on Visa Online

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Virtual Business Enhancements Release (vBER) webpage on Visa Online

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Global Technical Letter and Implementation Guide (GTLIG)

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Visa Business News (VBN)

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NumericsSupport@visa.com

# Numerics Initiative Pricing



Thank You