



Card Brand Announcements, Spring 2018 Part Two

Periodically the Card Brands release updates and new requirements for processing credit cards in the United States. All merchants are encouraged to read the following announcements, and contact their merchant service provider or Superior Financial Systems, Inc. if they have questions regarding the new information.

FinCEN Beneficial Owner Rule

Effective May 2017, any business that opens a NEW financial account of any kind – bank account, loan, merchant account, and others – is now required to declare the identity of all owners who retain 25% or greater control of the business, as well as at least one officer or owner who makes the majority of the decisions for the business. The requirement comes from the U.S. Treasury Department's Financial Crimes Enforcement Network (FinCEN), and is mandatory for all institutions that offer financial services to businesses.

Important Changes to Chargeback Disputes

The Card Brands are updating the requirements and rules governing cardholder disputes, or chargebacks. If you receive a chargeback dispute on a sale, you MUST respond to the chargeback with either an Acceptance or Rebuttal letter. Merchants will now have 30 days from the date of the chargeback to issue responses, an increase from the previous 20-day window. VISA will now identify all credits, adjustments, and reversals at the initiation of a dispute to ensure unnecessary disputes are not processed. MasterCard is updating their chargeback rules to move card present key-entered sale disputes to fatal status, meaning merchants can no longer provide a copy of a signed imprinted sales slip as proof of sale authorization. As a result, merchants are now allowed to refuse a MasterCard sale if chip and/or magnetic stripe cannot be read, which would force the merchant to key the sale.

False Solicitation and Phishing Schemes

It has come to our attention that merchants are receiving an increased number of calls from people and companies claiming false information regarding Superior Financial Systems, and the state of individual merchant accounts. These individuals represent themselves as being part of Superior Financial Systems, or affiliated with us in some way, and wish to see copies of your merchant statements in an attempt to confirm or validate their misleading statements.

Superior Financial Systems, Inc. does not, and will never, sell your company or personal information to outside vendors. If you are contacted by someone claiming to be affiliated with our company, ask them to verify information that only we would have access to, such as transactions processed that day, or the previous day's batch. If the caller cannot provide that information, they are committing fraudulent activity, and should be reported. We ask that any merchant who is contacted by anyone claiming to be affiliated with our company contact us to report the incident.

Superior Financial Systems, Inc. is the preferred merchant service provider for AAAS. We offer free, no obligation reviews of your current merchant account where we check for unnecessary fees, high discount rates, and incorrect setups of your equipment or merchant profile. If you have not reviewed your merchant account recently, let us help you ensure you are paying the least amount possible to process, while complying with all Card Brand rules and regulations. Contact Todd Lazar today and see what we have to offer.

Todd Lazar, Vice President of Sales

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