

# PAYMENT CARD NETWORK SURVEY



**Survey Period:**  
Calendar Year 2015

# General Instructions

## About this Survey

Section 235.8 of the Federal Reserve Board's Regulation II requires payment card networks to file reports with the Board. This survey serves as this report. This survey solicits information from calendar year 2015 regarding (1) volumes and values of debit card transactions (including general-use prepaid card transactions) processed by the network; (2) interchange fees paid by acquirers and received by issuers; (3) network fees paid by acquirers and issuers; and (4) incentives paid to acquirers, merchants, and issuers. For purposes of this survey, **three-party systems** are not included. If your organization has both single-message and dual-message networks, complete a separate survey for each type of network.

## Your Participation

To achieve the most reliable results, it is important that you respond completely and accurately. Please leave no survey item blank.

There are **three possible ways** to answer a survey question:

**Enter a Value:** The actual numeric value of the data element.

**Enter a Zero:** When the calculated value equals zero. **Please do not enter a non-numeric value**, e.g. "NA" or "NR," when the value equals zero.

**Enter "NR" (Not Reported):** If your institution engages in the activity of the type being measured but you are unable to report a figure that reflects that activity. **Please do not enter "NA."**

**If for any reason you cannot provide complete data or you have questions**, please contact Jessica Stahl at 202-452-6452 or e-mail [debit.card.surveys@federalreserve.gov](mailto:debit.card.surveys@federalreserve.gov) for assistance.

**Please complete the survey by April 19, 2016.**

## Response Confidentiality and Burden

The Board will use the information collected in this survey to calculate and publish a list of the average interchange fees, average transaction values, and proportion of transactions for exempt and non-exempt issuers for each network (see 12 CFR 235.5 for a description of exempt issuers), noting whether the network is a single-message or dual-message network. The Board will not publish other network-specific information, such as transaction volumes and values or the number of merchant establishments participating on the network; the Board regards this individual organization information as confidential (5 U.S.C. § 552(b)(4)). However, the Board may use this information to publish aggregate or summary information that does not reveal any confidential information about each individual organization. If it should be determined subsequently that any additional individual organization information collected on this form must be released, the respondents will be notified.

Public reporting burden for this collection of information is estimated to be 75 hours per response, including the time to gather data in the required form and to review instructions and complete the information collection. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, N.W., Washington, D.C. 20551, or via e-mail to [regs.comments@frb.gov](mailto:regs.comments@frb.gov); and to the Office of Management and Budget, Paperwork Reduction Project (7100-0344), Washington, D.C. 20503. The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

## Section I: Respondent Information

1. Name of network covered in this response

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2. Contact person(s) by subsection of the survey for which responsible

Name		Email	
Subsection		Phone	

Name		Email	
Subsection		Phone	

Name		Email	
Subsection		Phone	

Name		Email	
Subsection		Phone	

3. Does your payment card network process both single-message transactions and dual-message transactions?  Yes  No

*If yes, complete a survey for each type of transaction. Additional log-in information will be required. Please email [debit.card.surveys@federalreserve.gov](mailto:debit.card.surveys@federalreserve.gov) for assistance.*

4. What type of transactions are reported in this response?  Single-message  Dual-message

5. Does your payment card network offer an interchange fee rate schedule that differentiates between exempt and non-exempt issuers?  Yes  No

6. Number of merchant establishments (i.e., separate locations) in the United States

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## Section II: Debit Card Transactions (including general-use prepaid card transactions)

**Please enter totals only for transactions related to debit cards linked to U.S.-domiciled accounts involving a merchant located in the United States during the calendar year (CY) 2015.**

**Include:** All debit card transactions (including general-use prepaid card transactions).  
Both consumer and business card transactions.

**Do Not Include:** ATM or credit card transactions.

1. CY 2015 debit card transactions	<b>Volume</b>	Value (\$)
1a. Settled purchase transactions (excluding pre-authorizations, denials, adjustments, returns, and cash back amounts)		
Card-present vs. card-not-present transactions	<b>Volume</b>	Value (\$)
1b. Allocate "1a. Settled purchase transactions" between the following categories: <i>1b.1 + 1b.2 = 1a</i>	<b>1a:</b>	<b>1a:</b>
1b.1 Card-present transactions		
1b.2 Card-not-present transactions		
<b>CY 2015 chargebacks and returns</b>	Volume	Value (\$)
1c. Total chargebacks <i>Report all chargebacks sent in CY 2015 regardless of the date the original purchase transaction took place.</i>		
1d. Total returns <i>Report all returns in CY 2015 regardless of the date the original purchase transaction took place.</i>		

Small issuer exemption:

Transactions using cards of exempt vs. non-exempt issuers

Volume

Value (\$)

1e. Allocate "1a. Settled purchase transactions" between the following categories:  
 $1e.1 + 1e.2 = 1a$

1a:	1a:
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1e.1 Settled purchase transactions made with a debit card issued by exempt issuers

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1e.2 Settled purchase transactions made with a debit card issued by non-exempt issuers (include all transactions by non-exempt issuers, even though some transactions might be exempt)

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General-use prepaid card transactions vs. all other debit card transactions

Volume

Value (\$)

1f. Allocate "1a. Settled purchase transactions" between the following categories:  
 $1f.1 + 1f.2 = 1a$

1a:	1a:
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1f.1 General-use prepaid card transactions

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1f.2 All other debit card transactions

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General-use prepaid card exemption:

Exempt vs. non-exempt general-use prepaid card transactions

**Volume**

Value (\$)

1g. Allocate "1f.1 General-use prepaid card transactions" between the following categories:  
 $1g.1 + 1g.2 = 1f.1$

1f.1:	1f.1:

1g.1 General-use prepaid card transactions exempt from the interchange fee standard (include all general-use prepaid card transactions by exempt issuers and exempt transactions by non-exempt issuers)  
 $1g.1.1 + 1g.1.2 = 1g.1$

1g.1.1 General-use prepaid card transactions by exempt issuers

1g.1.2 General-use prepaid card exempt transactions by non-exempt issuers

1g.2 General-use prepaid card transactions not exempt from the interchange fee standard (only include non-exempt transactions by non-exempt issuers)

2. CY 2015 interchange fees

Dollars (\$)

2a. Interchange fees paid by acquirers and received by issuers (gross interchange fees)

2a.1 Interchange fees reimbursed to acquirers as a result of chargebacks  
*Report all chargebacks sent in CY 2015 regardless of the date the original purchase transaction took place.*

2a.2 Interchange fees reimbursed to acquirers as a result of returns  
*Report all returns in CY 2015 regardless of the date the original purchase transaction took place.*


Interchange fees on chargebacks

2b. For cases when a chargeback involves an entire purchase transaction, does your payment card network refund to acquirers all the interchange fees?  Yes  No  
*If your answer is "Yes" proceed to question 2c.*

2b.1 If your answer to 2b. was "No" does your payment card network refund to acquirers any or all of the ad valorem component of the interchange fees for these types of chargebacks?  Yes  No

2b.2 If your answer to 2b. was "No" does your payment card network refund to acquirers any or all of the fixed per-transaction component of the interchange fees for these types of chargebacks?  Yes  No

2c. For cases when a chargeback involves only a portion of the transaction, does your payment card network refund to acquirers all the interchange fees?  Yes  No  
*If your answer is "Yes" proceed to question 2d.*

2c.1 If your answer to 2c. was "No" does your payment card network refund to acquirers any or all of the ad valorem component of the interchange fees for these types of chargebacks?  Yes  No

2c.2 If your answer to 2c. was "No" does your payment card network refund to acquirers any or all of the fixed per-transaction component of the interchange fees for these types of chargebacks?  Yes  No

Please provide any explanatory comments you believe may be necessary for 2b and 2c:

Interchange fees on returns

2d. For cases when a customer returns an entire purchase transaction to a merchant, does your payment card network refund to acquirers all the interchange fees?  Yes  No  
*If your answer is "Yes" proceed to question 2e.*

2d.1 If your answer to 2d. was "No" does your payment card network refund to acquirers any or all of the ad valorem component of the interchange fees for these types of returns?  Yes  No

2d.2 If your answer to 2d. was "No" does your payment card network refund to acquirers any or all of the fixed per-transaction component of the interchange fees for these types of returns?  Yes  No

2e. For cases when a customer returns only a portion of the purchase transaction to a merchant, does your payment card network refund to acquirers all the interchange fees?  Yes  No  
*If your answer is "Yes" proceed to question 2f.*

2e.1 If your answer to 2e. was "No" does your payment card network refund to acquirers any or all of the ad valorem component of the interchange fees for these types of returns?  Yes  No

2e.2 If your answer to 2e. was "No" does your payment card network refund to acquirers any or all of the fixed per-transaction component of the interchange fees for these types of returns?  Yes  No

Please provide any explanatory comments you believe may be necessary for 2d and 2e:



Card-present vs. card-not-present interchange fees

Dollars (\$)

2f. Allocate “2a. Interchange fees paid by acquirers and received by issuers” between the following categories:

$$2f.1 + 2f.2 = 2a$$

2f.1 Interchange fees on card-present transactions

2f.2 Interchange fees on card-not-present transactions

2a:

**Small issuer exemption:**

**Interchange fees on transactions using cards of exempt vs. non-exempt issuers**

Dollars (\$)

2g. Allocate “2a. Interchange fees paid by acquirers and received by issuers” between the following categories:

$$2g.1 + 2g.2 = 2a$$

2g.1 Interchange fees paid to exempt issuers

2g.2 Interchange fees paid to non-exempt issuers (include all interchange fees paid to non-exempt issuers, even though some interchange fees might come from exempt transactions)

2a:

General-use prepaid card transactions vs. all other debit card transactions

Dollars (\$)

2h. Allocate “2a. Interchange fees paid by acquirers and received by issuers” between the following categories:

$$2h.1 + 2h.2 = 2a$$

2h.1 Interchange fees on general-use prepaid card transactions

2h.2 Interchange fees on all other debit card transactions

2a:

General-use prepaid card exemption:

Interchange fees on exempt vs. non-exempt card transactions

Dollars (\$)

2i. Allocate “2h.1 Interchange fees on general-use prepaid card transactions” between the following categories:

$$2i.1 + 2i.2 = 2h.1$$

2i.1 Interchange fees on exempt general-use prepaid card transactions (include interchange fees paid to exempt issuers for all general-use prepaid card transactions and paid to non-exempt issuers for exempt general-use prepaid card transactions)

$$2i.1.1 + 2i.1.2 = 2i.1$$

2i.1.1 Interchange fees paid to exempt issuers for all general-use prepaid card transactions

2i.1.2 Interchange fees paid to non-exempt issuers for exempt general-use prepaid card transactions

2i.2 Interchange fees on non-exempt general-use prepaid card transactions (only include interchange fees paid to non-exempt issuers for non-exempt transactions)

2h.1:

3. CY 2015 network fees

3a. Network fees received from acquirers and issuers

Dollars (\$)

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Network fees received from acquirers vs. issuers

3b. Allocate "3a. Network fees received from acquirers and issuers" between the following categories:

$$3b.1 + 3b.2 = 3a$$

3b.1 Network fees received from acquirers

3b.2 Network fees received from issuers

Dollars (\$)

3a:

Small issuer exemption:  
Network fees received from exempt vs. non-exempt issuers

3c. Allocate "3b.2. Network fees received from issuers" between the following categories:

$$3c.1 + 3c.2 = 3b.2$$

3c.1 Network fees received from exempt issuers

3c.2 Network fees received from non-exempt issuers (include network fees paid by non-exempt issuers, even though some transactions might be exempt)

Dollars (\$)

3b.2:

4. CY 2015 payments and incentives paid by network to acquirers, merchants, and issuers

Dollars (\$)

4a. Payments and incentives paid by network to acquirers, merchants, and issuers

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4b. Allocate "4a. Payments and incentives paid by network to acquirers, merchants, and issuers" between the following categories:

4a:
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$4b.1 + 4b.2 = 4a$

4b.1 Payments and incentives paid to acquirers and merchants

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4b.2 Payments and incentives paid to issuers

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Small issuer exemption:

Payments and incentives paid to exempt vs. non-exempt issuers

Dollars (\$)

4c. Allocate "4b.2 Payments and incentives paid to issuers" between the following categories

4b.2:
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$4c.1 + 4c.2 = 4b.2$

4c.1 Payments and incentives paid to exempt issuers

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4c.2 Payments and incentives paid to non-exempt issuers (include payments and incentives paid to non-exempt issuers, even though some transactions might be exempt)

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## Glossary of Terms

**Acquirer:** A person that contracts directly or indirectly with a merchant to provide settlement for the merchant's electronic debit transactions over a payment card network. An acquirer does not include a person that acts only as a processor for the services it provides to the merchant.

**Card-not-present transaction:** Settled purchase transaction where the purchaser does not physically present the card to the merchant, such as an Internet, telephone, or mail order transaction.

**Card-present transaction:** Settled purchase transaction where the purchaser physically presents the card to the merchant.

**Chargeback:** Transaction initiated by the issuer that reverses a purchase transaction, in whole or in part (due, for example, to customer disputes, fraud, processing errors, authorization issues, or non-fulfillment of copy requests), and transfers value from the acquirer to the issuer.

**Debit card:** Any card or other payment code or device, issued or approved for use through a payment card network to debit an account, regardless of the means of authorization, and regardless of whether the issuer holds the account. A debit card includes any general-use prepaid card. It does not include (1) any card or other payment code or device that is redeemable upon presentation at only a single merchant, or an affiliated group of merchants for goods or services, or (2) a check draft or similar paper instrument, or an electronic representation thereof.

**Debit card transaction:** Use of a debit card (including a general-use prepaid card) by a person as a form of payment in the United States to initiate a debit to an account. It does not include credit card transactions or transactions initiated at an ATM.

**Dual-message transaction:** Transaction type by which authorization information is carried in one message and clearing information is carried in a separate message as originated from the acquirer. Typically, these transactions are authenticated with a signature.

**Exempt general-use prepaid card transaction:** Transaction made using a general-use prepaid card that is exempt from the interchange fee standard in Regulation II, specifically (1) a transaction made using a general-use prepaid card that has been provided to a person pursuant to a federal, state, or local government-administered payment program through which the cardholder may use the debit card only to transfer or debit funds, monetary value, or other assets that have been provided pursuant to such program; (2) a transaction made using a general-use prepaid card that is (i) not issued or approved for use to access or debit any account held by or for the benefit of the cardholder (other than a subaccount or other method of recording or tracking funds purchased or loaded on the card on a prepaid basis), (ii) reloadable and not marketed or labeled as a gift card or gift certificate, and (iii) the only means of access to the underlying funds, except when all remaining funds are provided to the cardholder in a single transaction.

**Exempt issuer:** An issuer is exempt from the interchange fee standard for CY 2015 if that issuer has total worldwide banking and nonbanking assets, including assets of affiliates, other than trust assets under management, that are less than \$10 billion, as of December 31, 2014.

**Non-exempt card transaction:** Transaction made using a card issued by a non-exempt issuer, excluding any transaction made with a general-use prepaid card if the card is exempt from the interchange fee standard in Regulation II. A card transaction's non-exempt status does not depend on the amount of the interchange fee charged on the transaction.

General-use prepaid card: A card or other payment code or device that is (1) issued on a prepaid basis in a specified amount, whether or not that amount may be increased or reloaded, in exchange for payment and (2) redeemable upon presentation at multiple unaffiliated merchants for goods or services.

Interchange fees paid by acquirers and received by issuers: Any fee established, charged, or received by a payment card network and paid by a merchant or an acquirer for the purpose of compensating an issuer for its involvement in the debit card transaction.

Issuer: Any person that authorizes the use of a debit card to perform an electronic debit transaction.

Network fees received from acquirers and issuers: Total switch fees and other fees charged by card networks, including both fixed fees and per-transaction fees. Exclude fees for optional services related to transaction processing that may be provided by a card network or an affiliate of a card network. If fees are shared with other card programs or activities, allocate the fees based on the number of transactions. For example, if your institution collects a single fee for debit and credit card operations, allocate those fees to debit card operations based on the proportion of debit card transactions to total debit and credit card transactions.”

Number of merchant establishments: For a specific payment card network, the number of locations at which merchants accept payments on that network in the United States. For chains, report each location of the chain separately. For example, if a chain has 25 locations then report 25 establishments for that chain. If a location has 10 separate check-out lines with PIN terminals, report that as one location.

Payments and incentives paid by network to acquirers, merchants, and issuers: Payments made by the payment card network to acquirers, merchants, and issuers with respect to debit card transactions or debit-card-related activity. Acquirer, merchant, and issuer incentives may be based on reaching specified volume levels, marketing activities that promote the network’s brand, converting the issuer’s debit card base to a different signature network, or other activities. Exclude payments that a network pays an issuer for traditional banking services the issuer provides the network (e.g., transaction account services to the network).

Return: Transaction initiated by the acquirer that reverses a purchase transaction, in whole or in part (due, for example, to the return of goods by the cardholder), and transfers value from the acquirer to the issuer.

Settled purchase transaction: A debit card transaction that has been settled. Exclude transactions that are pre-authorizations, denials, adjustments, returns. Exclude cash back value but not transactions.

Single-message transaction: Transaction type by which authorization and clearing information is carried in one message as originated from the acquirer. Typically, these transactions are authenticated with a PIN.

Three-party systems: Systems where debit transactions are processed by an entity that acts as system operator and issuer, and may also act as the acquirer.

United States: The states, territories, and possessions of the U.S., the District of Columbia, the Commonwealth of Puerto Rico, or any political subdivision of any of the foregoing.