



# Signature Best Practices

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**U.S. Payments Forum**

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## About the U.S. Payments Forum

The U.S. Payments Forum, formerly the EMV Migration Forum, is a cross-industry body focused on supporting the introduction and implementation of EMV chip and other new and emerging technologies that protect the security of and enhance opportunities for payment transactions within the United States. The Forum is the only non-profit organization whose membership includes the entire payments ecosystem, ensuring that all stakeholders have the opportunity to coordinate, cooperate on, and have a voice in the future of the U.S. payments industry. Additional information can be found at <http://www.uspaymentsforum.org>.

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## 1. Introduction

In connection with payment card transaction processing, each payment network, acquirer processor and various other industry stakeholders have specific written requirements, recommendations and guidelines, which include signature line printing. In late 2017 and early 2018, payment networks made changes to signature requirements, as it relates to the Cardholder Verification Method (CVM).

This white paper concerns the storage and capture of signatures at physical point-of-sale (POS) locations only, where goods and/or services are purchased at that location. No coding changes are required of the EMV kernel in the terminal or in card personalization to implement these changes. In fact changes to the EMV kernel or card personalization should specifically be avoided. No changes are required for testing and certification of EMV applications (level 3). A merchant should consult with their acquirer or ISV to accommodate the change to consumer experience.

The Forum strongly encourages stakeholders to consult network-specific guidance on the technical implementation recommendations for these changes. The information is intended to provide relevant stakeholders – including merchants, acquirer processors, consumers and payment networks – with suggested best practices with respect to capturing and storing signatures on receipts. This white paper does not replace or propose any approach inconsistent with applicable rules or requirements published by payment networks, processors, EMVCo or other stakeholders. Merchants, acquirers, processors, integrators and others ultimately need to make their own independent decisions regarding signatures, keeping in mind applicable rules, requirements and guidance.

## 2. Stakeholders

The U.S. Payments Forum Communications and Education Working Committee created a sub-group to provide an educational resource for the industry identifying signature requirements. The Working Committee compiled data from several sources in order to do this, including U.S. Payments Forum members, issuers, acquirer processors, merchants, payment networks and EMV® specifications.

Several stakeholder groups are impacted by signature requirements for payment cards. Examples of areas which may be impacted for stakeholders are as follows:

1. Acquirer processors: trouble-shooting information, dispute processing
2. Issuers: dispute and error resolution
3. Merchants: dispute, return processing and error resolution
4. Consumers: dispute resolution and return processing
5. Payment networks (domestic and global): operating rules

## 3. Signature Recommendations by Payment Network

Table 1 shows signature recommendations by payment network for card-present transactions. This is not an all-inclusive list and does not include e-commerce or delivery signature requirements. Merchants, acquirers, processors, integrators and others ultimately need to make their own independent decisions regarding signatures, keeping in mind applicable rules, requirements and store processes.

Table 1 shows considerations with signature by payment network and notes whether the item is:

- Required. If the item is required, a failure to comply will result in a fine or other penalty.
- Recommended. If the item is recommended, there is no penalty for non-compliance.
- Optional. If the item is optional, there is no penalty for non-compliance.
- Conditional. If the item is conditional, there is a penalty for non-compliance under certain conditions.

These recommendations include both the consumer and merchant receipt.

Table 2 includes the impact to chargebacks, if any.

**Table 1. Signature Impact Table by Payment Network**

Key: RQ – Required; RM – Recommended; OPT – Optional; CD – Conditional

<u>Payment Network</u>	<u>Effective Date</u>	<u>Contact</u>	<u>Contactless</u>	<u>Amount</u>	<u>Cash Back*</u>	<u>Merchant Category Code (MCC) Restrictions</u>	<u>Entry Capability</u>	<u>Geographic Applicability</u>
American Express	4/13/2018	OPT	OPT	No restrictions	No restrictions	4829, 6010, 6051	n/a	Global unless local law supersedes
Discover Network **	4/13/2018	OPT	OPT	OPT	OPT	No MCC restrictions	All entry codes	Transaction acquired in U.S., U.S. Protectorates, Canada, Mexico, Caribbean
Mastercard	4/13/2018	OPT	OPT	OPT	OPT	No MCC restrictions	All	Transactions acquired in U.S. and Canada
Visa	Effective 4/14/2018 in U.S., U.S. territories, and Canada and 8/13/2018 globally except where local law supersedes	OPT where Terminal Entry Capability is 5	OPT where Terminal Entry Capability is 5	No restrictions based on transaction amount	Cashback is not supported on PINless transactions	No MCC restrictions	OPT where Terminal Entry Capability is 5. Entry mode is not a factor	Transactions acquired in U.S. and Canada (effective 4/14/2018), globally unless local law supersedes (effective 8/13/2018)
NYCE Payment Network	4/15/2018	OPT where Terminal Entry Capability is 5, No CVM	OPT where Terminal Entry Capability is 7, No CVM	No restrictions based on transaction amount	Cashback is not supported on PINless transactions	No MCC restrictions	OPT where Terminal Entry Capability is 5 or 7 and No CVM	Transactions acquired in U.S.

<u>Payment Network</u>	<u>Effective Date</u>	<u>Contact</u>	<u>Contactless</u>	<u>Amount</u>	<u>Cash Back*</u>	<u>Merchant Category Code (MCC) Restrictions</u>	<u>Entry Capability</u>	<u>Geographic Applicability</u>
STAR	4/2018	OPT	OPT	OPT	Cashback is not supported on PINless transactions	No MCC restrictions	No restrictions	Transactions acquired in the U.S.
Armed Forces Financial Network (AFFN)		OPT where Terminal Entry Capability is 5, No CVM	OPT where Terminal Entry Capability is 7, No CVM	No restriction on transaction amount	Not supported	No MCC restrictions	OPT where Terminal Entry Cap is 5 or 7 and No CVM	Transactions acquired in U.S.
PULSE	4/13/2018	OPT	OPT	OPT	OPT	No MCC restrictions	All Discover Debit Card and PULSE PAY® Express (PPE) card-present transactions	Transactions acquired in U.S., Canada, Mexico and Caribbean
UnionPay International	4/2018	OPT	OPT	OPT	OPT	No MCC restrictions	All	Transactions acquired in U.S. and Canada
SHAZAM	7/1/2018	OPT	OPT	No restriction on transaction amount	Not supported without PIN	No MCC restriction	OPT where Terminal Entry Capability is 5 and CVM is not PIN	Transactions acquired in the U.S.
Accel	4/1/2018	OPT	OPT	OPT	Cashback is not supported on PINless transactions	No MCC restrictions	No restrictions	Transactions acquired in the U.S.

\* Cash Back is defined as receiving cash as part of a POS transaction. It is not the same as Cash Advance.

\*\* Discover Network signature requirements apply to all card-present transactions processed by Discover Network including JCB and UnionPay transactions when applicable.

Terminal entry capability as referred to above is based on ISO 8583 values. Please consult with your acquirer for more information.

## 4. Considerations

Please note the following considerations when using this document:

- No special rules apply for fleet network transactions.
- No special rules apply for unattended merchants.
- No special rules apply for online or offline authorization.
- Car rental/hotel and other transactions where the final amount is not known upon authorization may have other signature requirements.
- Not included are:

- Scenarios where merchants may prefer to continue prompting for signature, such as transactions where a tip is added.
- Signature when required for cardholder’s acceptance of additional terms and conditions of a sale should determine whether continuing to capture a signature should still apply for their business needs. Such as:
  - Restricted refund
  - Return or cancellation policies
- Signature upon delivery.
- E-commerce transactions.
- Certification for signature may still be required. Consult with the acquirer or approval vendor for more information.
- Terminal CVM processing does not change.

## 5. Chargebacks

There are no changes to chargeback codes with this modification.

**Table 2. Chargeback Impact Table by Payment Network**

<u>Payment Network</u>	<u>Chargeback Notes</u>
American Express	No changes
Discover Network	For transactions after 4/13/2018, issuers will no longer have the ability to initiate UA-01-Fraud Card Present disputes for failure to obtain a signature. All other dispute rules may apply.
Mastercard	No changes
Visa	Acquirers in the U.S., U.S. Territories and Canada will not be required to fulfill a retrieval request for copies of receipts for transactions on or after 14 April 2018 at EMV-enabled merchants. Effective in all regions (except where local law supersedes) for transactions completed on or after 13 October 2018, issuers may no longer request copies of transaction receipts, nor raise compliance cases related to the validity or presence of signature for transactions at EMV-enabled merchants. For non-EMV-enabled merchants, acquirers must continue fulfilling retrieval requests for transactions on or after these effective dates.
PULSE	For Pulse Pay Express (PPE) transactions after 4/13/2018, issuers will no longer have the ability to initiate UA-01-Fraud Card Present disputes for failure to obtain a signature. All other dispute rules may apply.
NYCE Payment Network	Chargeback rules have been modified to no longer require the capture of signature for transactions conducted at a chip-enabled POS terminal.
STAR	Chargeback rules have been modified to remove the conditions for missing signature in fraud chargebacks and representments.
UnionPay International	Chargeback rules have been amended no longer requiring signature for transactions acquired in U.S. and Canada.

<u>Payment Network</u>	<u>Chargeback Notes</u>
SHAZAM	Signature capture (available for representment or not) has no bearing in resolution of a dispute.
Accel	Modified Exception Processing Rules for new signature optional policy, including removal of fraud chargeback rights for missing signature and representment documentation.

## 6. References/Resources

<https://newsroom.mastercard.com/2017/10/19/no-more-signing-on-the-dotted-line/>

<http://about.americanexpress.com/news/pr/2017/amex-eliminates-signature-requirement-worldwide.aspx>

<http://visacorporate.tumblr.com/post/169621606538/visa-makes-signature-optional-for-emv-merchants-in>

<https://investorrelations.discover.com/newsroom/press-releases/press-release-details/2017/Discover-Will-No-Longer-Require-Signatures-at-Checkout/default.aspx>

[www.nyceinfomanager.com](http://www.nyceinfomanager.com)

NYCE Network Update N-01-18 *NYCE Announces Signature Optional effective April 15,2018*

NYCE Payment NETWORK UPDATE: N-11-18 Announced January 22, 2018

<https://usa.visa.com/dam/VCOM/global/support-legal/documents/visa-nosigflyer-us-can-040518.pdf>

## 7. Legal Notice

This information does not constitute legal advice and should not be relied on for any legal purpose, whether statutory, regulatory, contractual or otherwise. All warranties of any kind are disclaimed, including all warranties relating to or arising in connection with the use of or reliance on the information set forth herein. Any person that uses or otherwise relies in any manner on the information set forth herein does so at his or her sole risk.

Without limiting the foregoing, it is important to note that the information provided in this document is limited to the payment networks and other sources specifically identified, and that applicable rules, processing, liability and/or results may be impacted by specific facts or circumstances.

Additionally, each payment network determines its own rules, requirements, policies and procedures, all of which are subject to change.

Merchants, issuers, acquirers, processors and others implementing EMV chip technology in the U.S. are therefore strongly encouraged to consult with all applicable stakeholders regarding applicable rules, requirements, policies and procedures for transaction receipts, including but not limited to their respective payment networks, testing and certification entities, and state and local requirements.