



**AMERICAN EXPRESS**

# Notification of Changes

**U.S.**

**April 2024**

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# Summary of Changes – Merchant Policy

These articles were previously announced in the prior U.S. Notification of Changes.

Effective date	Subject	Description of change	Page number
April 12, 2024	<a href="#">CID Mismatch</a>	Enhanced Card Not Present (ISO 4540 / F29) support requirements.	5
April 12, 2024	<a href="#">Compelling Evidence</a>	Updated Compelling Evidence requirements for e-Commerce and Recurring Billing Transactions.	7
October 11, 2024	<a href="#">Variable Authorizations</a>	<ul style="list-style-type: none"><li>Introduced new and enhanced policies and capabilities for Authorizations.</li><li>Updated references from Non-Standard to Variable Authorizations.</li></ul>	12

## About this Section – Merchant Policy

<p>Purpose</p>	<p>The Notification of Changes – U.S. contains the release of scheduled changes in the <i>Merchant Regulations</i>.</p>
<p>How this document is organized</p>	<p>The Notification of Changes contains detailed information about specific policies. Each change is listed separately and includes:</p> <ul style="list-style-type: none"> <li>• Overview</li> <li>• Effective date</li> <li>• Merchant benefits and implications</li> <li>• Edition of the <i>Merchant Regulations</i> in which the change will appear</li> <li>• Updated text in the <i>Merchant Regulations</i> – for each subject, there are cross references to the <i>Merchant Regulations</i> where text is updated</li> </ul>
<p>When changes are released and when they become effective</p>	<p>The Notification of Changes is published twice a year, in April and October, in accordance with the release of the <i>Merchant Regulations</i>. Each change will have an effective date.</p> <ul style="list-style-type: none"> <li>• Changes published in the April release that take effect the following October or on such other date as we set forth in the Notification of Changes.</li> <li>• Changes published in the October release that take effect the following April or on such other date as we set forth in the Notification of Changes.</li> </ul> <p>Where a scheduled change is to take effect during the period between two editions of the <i>Merchant Regulations</i>, the change will be included in the edition of the <i>Merchant Regulations</i> covering the period during which the change shall take effect, noting the effective date of the change and marked with a change icon alongside the title of a section or subsection.</p>
<p>Contact information</p>	<p>If you have additional questions, contact Merchant Services at 1-800-528-5200, or contact your American Express representative.</p>

# CID Mismatch

<p>Overview</p>	<p>Enhanced Card Not Present (ISO 4540 / F29) Support required to request a Chargeback Reversal where validation of the CID was attempted and a "No match" response was received.</p>
<p>Effective date</p>	<p><b>April 12, 2024</b></p>
<p>Merchant benefits and implications</p>	<p>Merchants will be protected from Card Not Present fraud Chargebacks (ISO 4540 / F29) where the Transaction contained an Authorization Approval and you attempted to validate the CID and received a "no match" response (i.e., CID Verification Result of "N").</p> <p><b>Note:</b> Merchant will continue to be protected from Card Not Present fraud Chargebacks (ISO 4540 / F29) where the Transaction did not receive a response, or received an "unchecked" response (i.e., CID Verification Result of blank or "U".)</p>
<p>Edition of the <i>Merchant Regulations</i></p>	<p>April 2024</p>
<p>Text in the <i>Merchant Regulations</i></p>	<p>Review the highlighted text in the following sections/subsections that support this policy.</p> <ul style="list-style-type: none"> <li>Chapter 11 "Chargeback and Inquiries Subsection 11.6.3</li> </ul>

11.6.3 Fraud

Table 11-20: Card Not Present (ISO 4540 / F29)

Card Not Present (ISO 4540 / F29)	
Description	The Cardmember denies participation in a mail order, telephone order, application-initiated, or Internet Charge.
Information provided with the Chargeback	<ul style="list-style-type: none"> <li>Charge Data</li> </ul>
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> <li>Proof of Delivery to the Cardmember's billing address, or</li> <li>Proof that a valid Authorization Approval was obtained, <b>and that</b> you attempted to validate the CID <b>and the response received was:</b> <ul style="list-style-type: none"> <li>a "no match,"</li> <li>an "unchecked,"</li> <li><del>no response</del> <del>you received a "no match" response, or</del> <del>CID verification was not performed did not receive a response or you received an "unchecked" response, or</del></li> </ul> </li> <li>Proof that you validated the address via Authorization and shipped goods to the validated address, or</li> <li>Proof that a Credit which directly offsets the Disputed Charge has already been processed, or</li> <li>Compelling Evidence as defined in <a href="#">Subsection 11.7.2, "Compelling Evidence for Card Not Present Fraud (ISO 4540/F29)"</a></li> </ul>

# Compelling Evidence

Overview	Updated the Compelling Evidence requirements for e-Commerce and Recurring Billing Transactions.
Effective date	<b>April 12, 2024</b>
Merchant benefits and implications	The new Compelling Evidence criteria is streamlined, making it simpler to understand and easier for Merchants to use.
Edition of the <i>Merchant Regulations</i>	April 2024
Text in the <i>Merchant Regulations</i>	<p>Review the highlighted text in the following sections/subsections that support this policy.</p> <ul style="list-style-type: none"> <li>• Chapter 11 "Chargebacks and Inquiries" Subsection 11.7.2</li> </ul>

11.7.2 Compelling Evidence for Card Not Present Fraud (ISO 4540/F29)

**Table 11-38: Allowable Compelling Evidence for Card Not Present fraud (ISO 4540 / F29)**

Item #	Allowable Compelling Evidence for Card Not Present fraud (ISO 4540 / F29) Chargeback Reversal request must include one (1) of the following items:
1	For Transactions involving the shipment of goods or services, proof that the Transaction contains a shipping address that matches a previously used shipping address from an undisputed Transaction, or
2	For Airline or other passenger transportation Transactions, one (1) of the following must be provided: <ul style="list-style-type: none"> <li>• Evidence that the Cardmember participated in the flight or transportation (e.g., scanned boarding pass, or passenger manifest), or</li> <li>• Credits of frequent flyer miles or loyalty point program rewards earned or redeemed for the flight or travel in question, showing a direct connection to the Cardmember, or</li> <li>• Proof of receipt of the flight or transportation ticket at the Cardmember's billing address, or</li> <li>• Proof that the Transaction contains the designated passenger name that matches a previously used passenger name from an undisputed Transaction,</li> </ul> Or,



E-commerce Merchants must adhere to policy noted in item three (3) rather than attempting to provide incomplete evidence such as usage details or billing authorization.

Item #	Allowable Compelling Evidence for Card Not Present fraud (ISO 4540 / F29) Chargeback Reversal request must include one (1) of the following items:
3	<p>For e-commerce Transactions involving the sale of <del>Digital</del> goods or services, provide all of the following:</p> <ul style="list-style-type: none"> <li>a. Description of goods or services. <del>Cardmember name linked to the account with the Merchant and</del></li> <li>b. Date and time the goods or services were purchased and when the Cardmember downloaded, accessed, or was provided the goods or services. <del>Description of the goods or services and the date/time they were purchased and downloaded, accessed, or provided to the Cardmember,</del></li> <li>c. Proof that the Cardmember participated in at least one prior undisputed e-Commerce Transaction at the Merchant using the same Payment Credential for the same unique Account in the twelve (12) months preceding the Chargeback processing date, including the following information for the undisputed Transaction(s) and disputed Transaction: <del>Proof that the device and Card used for the disputed Transaction was used in a previous Transaction that was not disputed and the following information is currently linked to the Cardmember account with the Merchant:</del> <ul style="list-style-type: none"> <li>i. The customer name and login information linked to the Cardmember account at the Merchant. <del>Device ID</del></li> <li>ii. Two or more of the following, which must be the same for the previous undisputed Transaction(s) and the disputed Transaction: <del>IP address and geographical location</del> <ul style="list-style-type: none"> <li>a. Device ID</li> <li>b. The full IP address</li> <li>c. Email address used to receive confirmation of the Transaction from the Merchant</li> </ul> </li> <li>iii. <del>Device name (if available),</del></li> </ul> </li> <li>d. Proof that the Merchant verified the Cardmember on the Merchant website or platform, in order to complete the Transaction. Examples include:           <ul style="list-style-type: none"> <li>i. Proof that the Cardmember password was captured by the Merchant in order to complete the Transaction</li> <li>ii. Proof of prior history with Device ID and IP address used for the disputed Transaction</li> <li>iii. Proof that Two Factor Authentication was performed in order for the Cardmember to complete the Transaction</li> <li>iv. Proof that the Merchant validated the Card and the Cardmember at the time of the Transaction using AAV (Automated Address Verification) verification response of "Y" or CID/CVV verification response of "Y"</li> </ul> </li> </ul> <p>Or,</p>

Item #	Allowable Compelling Evidence for Card Not Present fraud (ISO 4540 / F29) Chargeback Reversal request must include one (1) of the following items:
	<p>In addition, provide three (3) or more of the following:</p> <ul style="list-style-type: none"> <li>▪ Proof that the Merchant validated the Card and the Cardmember prior to or at the time of purchase and received an AVV (Automated Address Verification) verification response of "Y" or CSC (Card Security Code) verification response of "Y";</li> <li>▪ Proof that the customer account with the Merchant was accessed by the Cardmember and successfully verified by the Merchant on or before the Transaction date;</li> <li>▪ Proof that the Cardmember password or CDCVM was captured by the Merchant in order to complete the Transaction;</li> <li>▪ Phone number and/or email address linked to the customer profile held by the Merchant.</li> </ul>
4	<p>For Recurring Billing Transactions, all of the following must be provided: <del>For Recurring Billing Transactions initiated on the Merchant's website all of the following must be provided:</del></p> <ol style="list-style-type: none"> <li>a. Proof that the Cardmember agreed in writing to authorize the Merchant to bill the Cardmember's Card account on a periodic basis for the goods or services. <del>Proof of a legally binding contract held between the Merchant and the Cardmember, and</del></li> <li>b. Cardmember name and login information linked to the Cardmember account with the Merchant. <del>Proof the Cardmember accessed the Merchant's website or application to establish services on or before the Transaction date, and</del></li> <li>c. Proof that the Cardmember participated in at least one prior undisputed Recurring Billing Transaction for the same goods or services at the Merchant using the same Payment Credential for the same unique Account, including: <del>Proof the Cardmember received the goods or services, and</del> <ol style="list-style-type: none"> <li>i. Description of goods or services for the previous, undisputed Transaction(s) and the disputed Transaction.</li> <li>ii. Date and time of purchase of the previous, undisputed Transaction(s) and disputed Transaction.</li> </ol> </li> <li>d. Evidence showing how the Merchant notified the Cardmember of the Recurring Billing Transaction, including: <del>Proof of a previous Transaction that was not disputed</del> <ol style="list-style-type: none"> <li>i. The communication sent to the Cardmember after the first customer-initiated Recurring Billing Transaction for the same goods or services,</li> <li>ii. And, if the disputed Transaction was an annual or semi-annual Merchant-Initiated Transaction, provide details about how the Merchant obtained the Cardmember's express consent of the upcoming renewal.                     <ol style="list-style-type: none"> <li>a. Date and time of the notification regarding the upcoming Recurring Billing [renewal /Transaction]</li> <li>b. Communication method and the Cardmember's contact information used for the notification (e.g., if the communication was sent by email, provide the Cardmember's email address)</li> </ol> </li> </ol> </li> </ol> <p>Or,</p>

Item #	Allowable Compelling Evidence for Card Not Present fraud (ISO 4540 / F29) Chargeback Reversal request must include one (1) of the following items:
5	<p>For Transactions involving the sale of website search and/or advertising services to promote consumer products or services, all of the following must be provided:</p> <ul style="list-style-type: none"> <li>a. Proof of a legally binding contract held between the Merchant and the Cardmember, and</li> <li>b. Details of the initial ad-service setup, including at least two (2) of the following items:               <ul style="list-style-type: none"> <li>i. Purchaser's IP address and geographical location at the date and time of the initial ad-service setup</li> <li>ii. Email address of purchaser</li> <li>iii. Company name or purchaser name, and</li> </ul> </li> <li>c. Proof the Cardmember has accessed the Merchant's website to establish services on or before the Transaction date, and</li> <li>d. Proof that the device and Card used for the disputed Transaction was used in a previous Transaction that was not disputed. In addition, provide the following information that is currently linked to the Cardmember account with the Merchant:               <ul style="list-style-type: none"> <li>i. Device ID</li> <li>ii. IP address and geographical location</li> <li>iii. Device name (if available), and</li> </ul> </li> <li>e. Proof that the Cardmember received the goods or services, and</li> <li>f. Description of the goods or services and the date they were provided.</li> </ul>

# Variable Authorizations

<p>Overview</p>	<p>This suite of new and enhanced policies and capabilities for Authorizations streamlines the way that Merchants do business with American Express while helping improve the Cardmember experience.</p>
<p>Effective date</p>	<p><b>October 11, 2024</b></p>
<p>Merchant benefits and implications</p>	<ul style="list-style-type: none"> <li>• Simple process for Merchants to update Authorization amounts.</li> <li>• Facilitates additional Cardmember spending at the Merchant.</li> <li>• Reduces excess holds against Cardmember account and minimizes Authorization declines.</li> </ul>
<p>Edition of the <i>Merchant Regulations</i></p>	<p>October 2024</p>
<p>Text in the <i>Merchant Regulations</i></p>	<p>Review the highlighted text in the following sections/subsections that support this policy.</p> <ul style="list-style-type: none"> <li>• Chapter 4 “Transaction Processing” Section 4.12</li> <li>• Chapter 5 “Authorizations” Section 5.2</li> <li>• Chapter 5 “Authorizations” Section 5.3</li> <li>• Chapter 5 “Authorizations” Section 5.4</li> <li>• Chapter 5 “Authorizations” Section 5.10</li> <li>• Chapter 11 “Chargeback and Inquiries” Subsection 11.6.1</li> <li>• Chapter 11 “Chargeback and Inquiries” Subsection 11.6.3</li> <li>• Glossary</li> </ul>

## 4.12 Processing Transactions for Specific Industries

Most policies and procedures in the *Merchant Regulations* are applicable to all Merchants, regardless of industry. Some Merchants classified in specific industries, however, are subject to additional policies and procedures. These policies and procedures are contained in [Chapter 5.4 "Variable Authorizations"](#) and [Chapter 12. "Specific Industries"](#).

## 5.2 The Purpose of Authorization

The purpose of an Authorization is to provide you with information that will help you determine whether or not to proceed with a Charge or Credit.

For every Charge, you are required to obtain an Authorization Approval except for Charges under a Floor Limit (see [Section 5.5. "Floor Limit"](#)). For every Credit, we recommend that you obtain an Authorization Approval for the full amount of the refund in accordance with [Section 4.9. "Processing a Credit"](#).

The Authorization Approval must be for the full amount of the Charge except for Merchants and/or Transaction types that we classify ~~in the industries listed in [Subsection 5.4.2 "Estimated Authorization-Charge Amount"](#)~~ [Section 5.4. "Estimated Authorization"](#).

An Authorization Approval does not guarantee that (i) the person making the Charge is the Cardmember, (ii) the Charge is in fact valid or bona fide, (iii) we will accept the Charge, (iv) you will be paid for the Charge, (v) you will not be subject to a Chargeback, or (vi) the Charge you submit will not be rejected.

## 5.3 Authorization Time Limit

Authorization Approvals for Charges are valid for seven (7) days after the Authorization date. You must obtain a new Approval if you submit the Charge to us more than seven (7) days after the original Authorization date.

Authorization Approvals for Credit are valid for seven (7) days. After seven (7) days, we recommend that you obtain a new Approval for Credit Authorization.

For Charges of goods or services that are shipped or provided more than seven (7) days after an order is placed, you must obtain an Approval for the Charge at the time the order is placed and again at the time you ship or provide the goods or services to the Cardmember.

The new Approval must be included in the Charge Record. If either of the Authorization requests is Declined, do not provide the goods or services or submit the Charge. If you do, you will be subject to a Chargeback.

Estimated ~~Authorization-Charge~~ Amounts for Merchants in eligible industries are valid for the time periods listed in [Table 5-1: Estimated Authorization-Charge Amount](#) in [Subsection 5.4.2](#). You must obtain a new Authorization if you do not submit the Charge to us within the Authorization Validity timeframe.

~~For Estimated Authorization time frames see [Subsection 5.4. "Estimated Authorization"](#).~~

## 5.4 ~~Variable Non-Standard Authorizations~~ ~~Estimated Authorization~~

You must submit a single Authorization for the full amount of a Charge, or you may utilize Variable Authorizations if the final Charge amount is not known at the time of the initial Authorization.

Variable Authorization is a suite of optional capabilities that allows Merchants to adjust the amount of a pending Authorization before the Charge is submitted.

Refer to the *Technical Specifications* to determine if Variable Authorization is available for your geographical region.

### 5.4.1 Estimated Authorization

The following Estimated Authorization procedures apply where the final Charge amount is not known at the time of Authorization.

- You may obtain an Estimated Authorization for a good faith estimate of the final Charge amount. Do not overestimate the Authorization amount. You must inform the Cardmember of any estimated amount for which Authorization will be requested and must obtain the Cardmember's consent to the estimated amount before initiating the Authorization request.
- Estimated Authorization amounts must be greater than zero (\$0.00).
- You must inform the Cardmember that the amount of the Estimated Authorization is not final and may change.
- For travel industries (e.g., lodging, cruise line, and car rental), upon reservation or check-in, determine the estimated amount of Charges based upon the daily rate and the expected number of days, plus taxes and any known incidental amounts. You must not include an amount for any possible damage to or theft in the Estimated Authorization. You may obtain Authorization and submit intermittently (no less than daily) throughout the duration of travel.
- For car rental periods exceeding four (4) months, you shall obtain Authorization for the amount of each of the monthly rental periods of a multi-month rental immediately prior to each such monthly rental period. You represent and warrant hereunder that your multi-month rental program complies with Applicable Law.
- Regardless of the industry, you must submit the corresponding Charge as soon as you become aware of the amount to be charged. For any amount of the Charge that exceeds the amount for which you obtained an Authorization, you must obtain the Cardmember's consent.
- You should indicate that the Authorization amount is an estimated amount by placing the Estimated Authorization indicator in the Authorization message. Refer to the *Global Credit Authorization Guide* for additional information about Estimated Authorization messages.
- For pre-Authorization at Automated Fuel Pumps, see [Section 12.7 "Gas/Petroleum"](#).

### 5.4.2 Estimated Authorization-~~Charge~~ Amount

If we classify or otherwise determine that you are in an industry that is eligible for Estimated ~~Authorization-  
Charge~~ variance in Table 5-1: Estimated ~~Authorization-  
Charge~~ Amount, then the Authorization Approval is valid for ~~Authorization-  
Charge~~ amounts that are within the corresponding Estimated ~~Authorization-  
Charge~~ variance percentage as listed in the table.

If the Estimated ~~Authorization-  
Charge~~ Amount falls within the range listed in Table 5-1: Estimated ~~Authorization-  
Charge~~ Amount, then no further Authorization action is necessary.

Estimated Authorization percentages listed below do not apply to Partially Approved Authorizations.

**Table 5-1: Estimated Authorization-~~Charge~~ Amount**

Industry	MCC	Estimated <del>Authorization- Charge</del> Variance +/-	Authorization Validity Period
Eating Places, Restaurants	5812	30% <sup>2</sup>	7 days
Drinking Places	5813	30% <sup>2</sup>	7 days
Grocery Stores (Card Not Present)	5411	15% <sup>1</sup>	7 days
Retail Stores (Card Not Present)	All MCCs	15% <sup>1</sup>	7 days
Taxicabs & Limousines	4121	20%	7 days
Car Rental	7512	15%	Duration of rental
Lodging	7011	15%	Duration of stay
Motor Home & RV Rentals	7519	15%	7 days
Steamship & Cruise Lines	4411	15%	Duration of cruise
Truck Rental	7513	15%	7 days
Fast Food Restaurants	5814	30% <sup>2</sup>	7 days
Beauty & Barber Shops	7230	20%	7 days
Health & Beauty Spas	7298	20%	7 days

<sup>1</sup> The 15% Estimated ~~Authorization-  
Charge~~ variance for Retail and Grocery only applies to Card Not Present Charges.

<sup>2</sup> The Estimated ~~Authorization-  
Charge~~ variance at Restaurant, Fast Food, and Drinking Places for debit and prepaid Charges is 20%.

Example for clarification: A hotel obtains an Estimated Authorization at check-in for \$1,000. The Estimated ~~Authorization-  
Charge~~ variance for lodging Merchants is 15%. The final amount at check-out is \$1,150. No additional Authorization is required since the final Charge is within 15% of the Estimated Authorization amount.

### 5.4.3 Incremental Authorization

Incremental Authorization allows a Merchant to request an increase in the amount of a previously approved Authorization. Merchants may submit an Incremental Authorization request if the following conditions are met:

- The original Authorization request was submitted as an Estimated Authorization, and contained the Estimated Authorization indicator
- The Estimated Authorization request was Approved
- The Charge has not been Submitted

If the final Charge amount is greater than the amount of the Estimated Authorization Approval (plus any Estimated ~~Authorization-Charge~~ **Authorization-Charge** variance in [Table 5-1: Estimated Authorization-Charge Amount](#)) then you may request an Incremental Authorization for the amount that is greater than the previously Approved amount.

You must inform the Cardmember of any increase in the estimated amount for which Authorization will be requested and must obtain the Cardmember's consent to the increased amount before initiating the Incremental Authorization request.

In addition, if you perform an Incremental Authorization the following will apply:

- If the Incremental Authorization request is declined or otherwise not Approved, then the original Estimated Authorization approval will continue to be valid for the duration of the Authorization validity period.
- The data elements required in our *Technical Specifications* (e.g., point of service data codes) from the initial Estimated Authorization will apply to the final Charge. If the Card is no longer available at the time of the Incremental Authorization request, you must request the Incremental Authorization as a "Card-on-file" Charge in accordance with the *Technical Specifications*.
- An Incremental Authorization Approval does not increase the Authorization validity period.
- Refer to the *Technical Specifications* (including the *Global Credit Authorization Guide*) for additional information about Incremental Authorization messages.

### 5.4.4 Authorization Reversal

- You must reverse an Authorization for an Approved Charge if you do not intend to send a Submission to American Express within the Authorization time limit or Authorization validity period. See [Section 5.3, "Authorization Time Limit"](#) and [Table 5-1: Estimated Authorization-Charge Amount](#) in [Subsection 5.4.2 "Estimated Authorization-Charge Amount"](#).
- If you determine that the final Charge amount is less than the amount of the Authorization Approval minus any Estimated ~~Authorization-Charge~~ **Authorization-Charge** variance listed on [Table 5-1: Estimated Authorization-Charge Amount](#), then you must reverse the difference between the final Charge amount and the amount of the Authorization.

You must submit a full or partial Authorization Reversal within 24 hours of determining that the previously Approved amount will not be submitted, or that the amount to be submitted will be less than the previously Approved amount. Refer to the *Technical Specifications* (including the *Global Credit Authorization Guide*) for additional information about Authorization Reversal messages.

Multiple Authorization requests within a single Charge can be reversed with a single Authorization Reversal when the reversal and all previous Authorization requests include the same Original Transaction Identifier. For example, an Estimated Authorization for \$100 plus an Incremental Authorization for \$50 may both be reversed by a single Authorization Reversal for \$150.

The reversed amount of the Charge must not be Submitted.

Example for clarification: A hotel obtains an Estimated Authorization at check-in for \$1,000. The Estimated ~~Authorization-Charge~~ **Authorization-Charge** variance for lodging Merchants is 15%. The final Charge at check-out is \$1,200, which exceeds the allowable variance. An Incremental Authorization request of \$200 is required.

Example for clarification: A hotel obtains an Estimated Authorization at check-in for \$1,000. The Estimated ~~Authorization-Charge~~ **Authorization-Charge** variance for lodging Merchants is 15%. The guest checks out a day earlier than expected and the final Charge at check-out is \$750. Since the difference exceeds the allowable variance, a Partial Authorization reversal is required.



There may be a fee assessed for Approved Charges for which you do not reverse or submit or for which you submit late. See [Subsection 14.2.2, "Authorization Fees"](#).

After a Charge Record has been submitted to us, however, the Authorization cannot be reversed, canceled or changed. For example, if you make an error in a Charge but have already submitted the Charge Record, you cannot systematically request a change in the Charge. You must instead, follow the procedures for Processing a Credit, as defined in [Section 4.9, "Processing a Credit"](#).

#### 5.4.5 Partial Authorization

Partial Authorization is an optional functionality of Prepaid and Debit Cards that allows Merchant to obtain an Authorization for less than the requested purchase amount. The Issuer can approve the Authorization for a partial amount when the Cardmember does not have sufficient funds to cover the full purchase amount requested. The Cardmember, then, has the option to pay for the outstanding amount of the purchase by other means.

Partial Authorization is not supported for the following Transaction types:

- Cross-border Transactions (Transactions in which the Merchant's currency is different than the Issuer currency)
- Recurring Billing

#### 5.4.6 Authorization on Credit

Authorization on Credit is a capability available in some areas that allows Merchants to send refund-specific Authorization Request messages to Issuers.

An Authorization on Credit may allow Issuers to display a pending credit to a Cardmember, thus improving the Cardmember experience during refunds.

The Authorization on Credit allows Issuers to match a refund or credit Transaction to the original purchase Transaction and may be required in certain geographic regions.

Check with your Processor or Terminal Provider, or refer to the *Technical Specifications* to determine if Authorization on Credit is available to you, and if it is required for your geographic region.

We recommend that you perform an additional Authorization as soon as the Charge amount exceeds the original Authorization by the Estimated Authorization percentage in the table in this section as follows:

- For Authorizations obtained intermittently — at least once per day.
- For Authorizations for estimated amounts at the point the amount of costs incurred exceeds the Authorization for estimated amounts by more than Estimated Amount percentage.

If we classify or otherwise determine that you are in one of the following industries, then the following Estimated Authorization procedures apply where the final Charge amount is not known at the time of Authorization.

You may only obtain an Estimated Authorization in the industries listed below. Do not overestimate the Authorization amount. You must obtain the Cardmember's consent to such estimated amount prior to requesting the Authorization.

For travel industries (e.g., lodging, cruise, and car rental), upon reservation or check-in, determine the estimated amounts of Charges based upon the daily rate and the expected number of days, plus taxes and any known incidental amounts, and obtain Authorization. You must not include an amount for any possible damage to or theft in the Estimated Authorization. You may obtain Authorization and submit intermittently (no less than daily) throughout the duration of travel.

For car rental periods exceeding four (4) months, you shall obtain Authorization for the amount of each of the monthly rental periods of a multi-month rental immediately prior to each such monthly rental period. You represent and warrant hereunder that your multi-month rental program complies with Applicable Law.

Regardless of the industry, you must submit the corresponding Charge no later than the Estimated Authorization Timeframe. For any amount of the Charge that exceeds the amount for which you obtained an Authorization, you must obtain the Cardmember's consent.

If the final amount of the Charge is:

- no greater than the amount for which you obtained Authorization plus the applicable Estimated Authorization percentage listed below of that amount, no further Authorization is necessary; or
- greater than the amount for which you obtained Authorization by more than the applicable Estimated Authorization percentage listed below of that amount, you must obtain a new Authorization. If you fail to obtain such Authorization, or your request for such Authorization is declined, we will have Chargeback rights for the amount in excess of the original Authorization amount plus the applicable Estimated Authorization percentage of that amount. For the avoidance of doubt, we will have Chargeback rights for the final amount of the Charge for reasons other than the failure to obtain an approved Authorization.

An Estimated Authorization is valid for the applicable Estimated Authorization timeframe listed below. You must obtain a new Approval if you do not submit the Charge to us within the Estimated Authorization timeframe.

For example in the lodging industry: If the Authorization was for \$1,000, and the total of purchases was no more than \$1,150, no further Authorization is necessary. However, if the total purchases were \$1,200, and you did not obtain additional Authorization, then we have Chargeback rights up to \$50.

Industry	Estimated Authorization Percentage	Estimated Authorization Timeframe
Beauty and Barber Shops	20%	Seven (7) days
Cruise Lines	15%	Duration of the cruise
Grocery (Card Not Present)	15%	Seven (7) days
Health and Beauty Spas	20%	Seven (7) days
Lodging (See Subsection 12.10.1)	15%	Duration of the stay
Motor Home & RV Rentals	15%	Seven (7) days

Industry	Estimated Authorization Percentage	Estimated Authorization Timeframe
Restaurants and Bars <sup>‡</sup>	30%	Seven (7) days
Retail (Card Not Present)	15%	Seven (7) days
Taxicabs and Limousines	20%	Seven (7) days
Truck Rentals	15%	Seven (7) days
Car Rentals (See Subsection 12.10.2)	15%	Duration of the rental agreement

<sup>‡</sup> The Estimated Authorization percentage for Prepaid Card and Debit Card Charges at Restaurants and Bars is 20%.

## 5.10 Authorization Reversal

~~We recommend that you reverse an Authorization for an Approved Charge if you do not intend to send a Submission to American Express within the Authorization time limits. See Section 5.3, "Authorization Time Limit".~~

~~You may reverse an Authorization for a corresponding Charge by initiating an Authorization reversal message.~~

~~There may be a fee assessed for Approved Charges for which you do not reverse or submit or for which you submit late. See Subsection 15.2.3, "Authorization Fees".~~

~~After a Charge Record has been submitted to us, however, the Authorization cannot be reversed, canceled or changed. For example, if you make an error in a Charge but have already submitted the Charge Record, you cannot systematically request a change in the Charge. You must instead, follow the procedures for Processing a Credit, as defined in Section 4.9, "Processing a Credit".~~

11.6.1 Authorization

**Table 11-3: Invalid Authorization (ISO 4521) / Charge amount exceeds authorization amount (A01)**

Invalid Authorization (ISO 4521) / Charge amount exceeds authorization amount (A01)	
Description	The amount of the Authorization Approval was less than the Charge amount you submitted. Certain exceptions apply, see <a href="#">Section 5.4, "Variable Authorization"</a> - <a href="#">Section 5.4, "Estimated Authorization"</a> .
Information provided with the Chargeback	<ul style="list-style-type: none"> <li>• Charge Data</li> </ul>
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> <li>• Proof that a valid Authorization Approval(s) <del>was</del> obtained for the full Charge amount in accordance with the Agreement unless exceptions apply, or</li> <li>• Proof that a Credit which directly offsets the Disputed Charge has already been processed</li> </ul>

Table 11-4: Invalid Authorization (ISO 4521) / No valid authorization (A02)

Invalid Authorization (ISO 4521) / No valid authorization (A02)	
Description	The Charge you submitted did not receive a valid Authorization Approval; it was declined or the Card was expired. See <a href="#">Section 5.4, "Variable Authorization"</a> <del>Section 5.4, "Estimated Authorization"</del> for industry clarifications.
Information provided with the Chargeback	<ul style="list-style-type: none"> <li>Charge Data</li> </ul>
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> <li>Proof that <del>a</del> valid Authorization Approval(s) <del>were</del> was obtained for the full Charge amount in accordance with the Agreement unless exceptions apply, or</li> <li>Proof that a Credit which directly offsets the Disputed Charge has already been processed</li> <li>For a Transit Contactless Transaction, proof that:                             <ul style="list-style-type: none"> <li>An approved Account Status Check or Authorization was obtained within the Authorization Time Period, prior to the Submission of the corresponding Aggregated Charge for an amount that does not exceed the Chargeback Protection Threshold, or</li> <li>Authorization was obtained for an Aggregated Charge that exceeded the Chargeback Protection Threshold or the Authorization Time Period, or</li> <li>if the Account Status Check or Authorization was declined, the Transaction amount was less than or equal to the Declined Authorization Protection threshold</li> </ul> </li> </ul> <p>For "expired or not yet valid Card", the following support is also acceptable:</p> <ul style="list-style-type: none"> <li>Proof that the Charge was incurred prior to the Card Expiration Date or within the Valid Dates on the Card</li> </ul>

**Table 11-5: Invalid Authorization (ISO 4521) / Authorization approval expired (A08)**

Invalid Authorization (ISO 4521) / Authorization approval expired (A08)	
Description	The Charge was submitted after the Authorization Approval expired. See <a href="#">Section 5.3, "Authorization Time Limit"</a> and <a href="#">Section 5.4, "Variable Authorization"</a> .
Information provided with the Chargeback	<ul style="list-style-type: none"> <li>Charge Data</li> </ul>
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> <li>Proof that a valid Authorization Approval(s) were <del>Approval was</del> obtained in accordance with the Agreement, or</li> <li>Proof that a Credit which directly offsets the Disputed Charge has already been processed</li> </ul>

11.6.3 Fraud

**Table 11-19: No Valid Authorization (ISO 4755) / No Cardmember Authorization (F24)**

No Valid Authorization (ISO 4755) / No Cardmember Authorization (F24)	
Description	<p>The Cardmember claims they did not participate in this Charge. You submitted the Charge for payment, but the Charge was not Authorized, was declined or was submitted with an expired Authorization.</p> <p><b>Note:</b> If prior Authorization was provided for a lesser amount, the Chargeback amount is restricted to the difference of the Authorized amount and the submitted Transaction amount.</p> <p>For estimated <del>Authorization-Charge</del> amounts, the Chargeback amount is restricted to the difference of the Authorized amount plus the allowable percentage and the submitted Transaction amount. See <a href="#">Table 5-1: Estimated Authorization-Charge Amount</a> in <a href="#">Subsection 5.4.2 "Estimated Authorization-Charge Amounts"</a> and <a href="#">Chapter 12, "Specific Industries"</a>.</p>
Information provided with the Chargeback	<ul style="list-style-type: none"> <li>Charge Data</li> </ul>

**No Valid Authorization (ISO 4755) / No Cardmember Authorization (F24)**

Support required to request a Chargeback Reversal

- Proof that a Credit which directly offsets the Disputed Charge has already been processed, or
- Proof that you received a valid Authorization for the Charge
- For a Transit Contactless Transaction, proof that:
  - An approved Account Status Check or Authorization was obtained within the Authorization Time Period, prior to the Submission of the corresponding Aggregated Charge for an amount that does not exceed the Chargeback Protection Threshold, or
  - Authorization was obtained for an Aggregated Charge that exceeded the Chargeback Protection Threshold or the Authorization Time Period, or
  - if the Account Status Check or Authorization was declined, the Transaction amount was less than or equal to the Declined Authorization Protection threshold.

**Glossary**

**Authorization Reversal**

Authorization message used by a Merchant to cancel or reduce the amount of a previously approved Authorization once the final Charge amount is known.

**Estimated Authorization**

An Authorization for an estimated amount that differs when the final Charge amount is not known at the time of the Authorization from the final submission amount.

**Estimated Charge Amount**

~~Charge submission amount that varies from the Authorization amount within an allowable Estimated Charge variance.~~

**Incremental Authorization**

Authorization message used by a merchant to request an increase to the amount of a previously approved Estimated Authorization request.