



The Visa Payment Facilitator Model

Expanding access to sellers

For More Information

Agents: Contact your Visa acquirer.

Acquirers: Contact your Visa Account Executive or Account Manager.

The Visa® merchant aggregation model covers all commerce types, including the face-to-face and e-commerce environments, and helps to increase electronic payment acceptance for merchants who do not have a traditional acquiring relationship. The key participants in this model are the acquirer, payment facilitator, and sponsored merchant.

The acquirer remains responsible for the acts of both the payment facilitators and the sponsored merchants.

In an acquiring context, a payment facilitator is a third party agent that may:

- Sign a merchant acceptance agreement on behalf of an acquirer.
- Receive settlement of transaction proceeds from an acquirer, on behalf of a sponsored merchant.

A sponsored merchant is a merchant whose payment services are provided by a payment facilitator. Aside from rules that require an acquirer to sign the merchant agreement and settle, all Visa merchant requirements apply equally to a sponsored merchant.

The payment facilitator operating regulations apply to all Visa regions and define participant roles and obligations.

A Model That Benefits Everyone

The payment facilitator model has a positive impact on all key stakeholders in the payment processing system. Below are examples of benefits afforded to each participant.

Acquirers

- Reduces the cost of signing and supporting long-tail merchants, or those with specialized needs.
- Broadens the types of merchants and the number of merchants eligible for payment acceptance (e.g., charities, individuals/ professionals, community and sports events, farmer's markets, etc.).
- Provides Visa payment acceptance options to payment environments that traditionally accept cash and checks.

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Issuers

- Offers an opportunity for increased card volumes.

Merchants

- Offers cost-effective merchant processing solutions for smaller merchants, or merchants in emerging channels.
- Provides merchants with additional payment-acceptance-related service and support.

Cardholders

- Increases payment acceptance utility and convenience by providing more merchant locations that accept Visa products and more channels to make purchases.

Payment Facilitators

- Provides a unique way to participate in the Visa payment system.

Visa has established a clear set of responsibilities and eligibility requirements for all program participants as outlined in the following table.

PARTICIPANT	KEY RESPONSIBILITIES	PROGRAM ELIGIBILITY
Acquirer	<ul style="list-style-type: none">• Contracts with a payment facilitator to enable sponsorship of merchants.• Monitors compliance of payment facilitator in accordance with the Visa Rules.• Conducts due diligence of payment facilitator and ensures proper due diligence occurs during the signing of sponsored merchants.	<ul style="list-style-type: none">• Must be in good standing in all Visa risk management programs in order to sponsor payment facilitators.• Must meet the minimum risk rating standards and minimum equity requirement of US \$100 million required by Visa.¹
Payment Facilitator	<ul style="list-style-type: none">• Contracts with an acquirer to provide Visa payment services to sponsored merchants.• Contracts with sponsored merchants to enable Visa payment acceptance.• Monitors compliance of sponsored merchant activity in accordance with the Visa Rules.• Receives settlement of transaction proceeds from the acquirer on behalf of the sponsored merchant.	<ul style="list-style-type: none">• Must be located within the acquirer's jurisdiction.²• Cannot be listed on the Terminated Merchant File (TMF), or similar files.• Cannot act as a sponsor for another payment facilitator, marketplace or other entities outlined in the Visa Rules.
Sponsored Merchant	<ul style="list-style-type: none">• Contracts with a payment facilitator.• Sells products and services to Visa cardholders.• Accepts Visa products as payment.	<ul style="list-style-type: none">• Must meet certain MCC restrictions on participating as a sponsored merchant.³• Must sign a direct merchant agreement with an acquirer when annual Visa sales exceed US \$100,000⁴ (sponsored merchant can maintain payment facilitator relationship for payment services).• Must be located within the acquirer's jurisdiction.• Cannot be listed on the TMF, or similar files.

Other General Requirements

To register a payment facilitator, an acquirer must send the appropriate registration to Visa to confirm that it has performed a comprehensive risk and financial review, as specified in *Third Party Agent Due Diligence Risk Standards*. Acquirers must submit all registration materials using the Program Request Management online application, or as otherwise specified by Visa.

The payment facilitator operating rules are subject to, and a part of, the Visa Rules. For further information on payment facilitator requirements, including rules pertaining to disputes, merchant descriptors, convenience fees, and all other aspects of the payment facilitator program, please consult the [Visa Rules](#).

¹ If a payment facilitator exceeds US \$50 million in annual Visa transaction volume, the acquirer must meet a minimum equity requirement of US \$500 million or manage all sponsored merchant funding directly.

² The Visa Rules provide detailed guidance on the entities that qualify as payment facilitators and how to determine their location.

³ Excluded merchant types (but may be signed under direct acquiring agreements): Internet pharmacies, Internet pharmacy referral sites, and outbound telemarketers. Merchants belonging to high-brand risk merchant category codes, as defined in the Visa Rules, are only eligible to participate in the High-Risk Internet payment facilitator program. Please consult the Visa Rules for further details.

⁴ In the AP Region (Australia, Hong Kong, India, New Zealand), Canada Region, Europe Region, US Region: USD 1 million.