



System Requirements for Merchants

MasterCard® PayPass™

AN OVERVIEW OF THE POTENTIAL IMPACT TO MERCHANT OPERATIONS.

The implementation of MasterCard PayPass can deliver numerous benefits; however, some operational systems may need to be modified to allow contactless payment acceptance. The key to a successful implementation is to identify and address system impacts early, and this summary should help you get started. For a more detailed discussion of merchant implementation, refer to the *MasterCard PayPass Merchant Implementation Guide*. To request a copy, send an e-mail to paypass@mastercard.com.



Acceptance

- MasterCard PayPass acceptance begins with the installation of a PayPass reader at the point of sale. This reader may be a plug-in peripheral or built into the point-of-sale equipment.
- All MasterCard PayPass readers must carry MasterCard PayPass branding. The PayPass landing zone graphic indicates where cardholders should tap their card and when the POS is ready to accept MasterCard PayPass cards and devices. Without this graphic, the reader will not receive MasterCard approval and should not be purchased.
- POS materials such as door decals, danglers, take-ones, and posters should be on display to let cardholders know that PayPass is accepted at each merchant location.

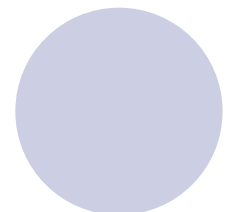
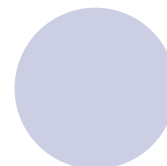
- Merchants that accept MasterCard PayPass must also be able to accept magnetic stripe cards with at least one accessible magnetic stripe terminal on the premises.

POS Hardware and Software

- The following MasterCard PayPass hardware implementation options are available:
 - Connect a PayPass reader or terminal to existing POS equipment such as ECRs and magnetic-stripe reading terminals
 - Replace existing terminals with ones that have a built-in PayPass reader
 - Install new POS equipment with a built-in PayPass reader

Your acquirer/processor can help you determine what type of reader or solution works best for your environment.

- It is strongly recommended that an integrated PayPass solution be deployed. This means that the ECR automatically communicates the purchase amount to the POS terminal eliminating the need for dual entry.
- The POS software will now need to communicate three possible POS entry modes: tapped, swiped, or keyed. The required software modifications to existing POS equipment will vary depending on the solution deployed. Ask your acquirer or PayPass equipment vendor what specific changes will be required to your existing equipment to implement this change.



- As all *PayPass* readers and terminals must be approved by MasterCard, be sure to ask for proof of this before procuring them.
- High-speed authorizations (i.e., broadband and DSL) are required to ensure you and your cardholders realize the optimal speed benefits of *PayPass* at the POS. *PayPass* merchant telecom lines should support an authorization time of less than 4 seconds.
- All POS solutions to be deployed should be rigorously tested in a controlled laboratory environment before being installed at a live site.

Transaction Processing

- To ensure that transactions are authorized and cleared correctly, a merchant must ensure that:
 - Their POS equipment communicates the POS Entry Mode (i.e., tapped, swiped, or keyed) to their payment processor.
 - Their acquirer/processor codes the transaction to indicate the correct POS Entry Mode and terminal card data input capability.

Ongoing Support

- To ensure a successful implementation, it is essential that processes are in place to support store clerks, managers, and other staff.
 - Large retailers' help desks should incorporate information on the *PayPass* program and be able to respond to inquiries or be able to transfer callers to external help desks as appropriate.
 - To ensure that field issues are effectively communicated, it may be necessary to develop a system to gather and address problems and determine fast and efficient solutions.

For more information on MasterCard *PayPass*, please contact your acquirer, processor, or ISO, or send an e-mail to paypass@mastercard.com.

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