

## Visa Rule Updates for Collection Agencies and Repayments of Debt or Overdue Receivables

Global (excluding Brazil) | Acquirers, Issuers, Processors, Agents

Visa Network



**Overview:** To support important new merchant segments, Visa is introducing a new merchant category code and rules for collection agencies. New rules are also being introduced for repayment of overdue receivables, and existing debt repayment rules will be updated.

Visa continually explores new opportunities to open acceptance in new sectors and create new volume for issuers and acquirers, such as with collection agencies and repayment of debt or overdue receivables. To support penetration of these sectors, Visa is introducing the following new requirements.

### Mandatory Use of New Merchant Category Code by Collection Agencies

Visa introduced the new Merchant Category Code (MCC) 7322—Collection Agencies in October 2022. A collection agency is defined as a merchant that collects payments of overdue receivables under contract or that collects overdue receivables that they have purchased from a third party.

MCC 7322 became available in VisaNet with the October 2022 VisaNet Business Enhancements release, and use of the new MCC will be mandatory **effective 15 April 2023** for merchants operating in this sector.

### New Collection Agency Rules

To promote transparency and reduce cardholder confusion, **effective 15 April 2023**, entities collecting debt or overdue receivables on behalf of another entity must disclose the following to the cardholder **before the transaction occurs**:

- Name of the original lender or creditor
- Information to identify the transaction such as:
  - Account / reference number from the original lender or creditor
  - Description of the debt or overdue receivables
  - Date of the repayment contract
- Instructions for the cardholder on how to obtain additional information about the underlying transaction

#### Mark Your Calendar:

- Use of MCC 7322—Collection Agencies becomes mandatory **(15 April 2023)**
- Collection agency and overdue receivables rules effective **(15 April 2023)**

Acquirers must immediately report to Visa any illegal transactions or activity by the entity collecting the debt or overdue receivables along with a remediation plan. Visa reserves the right to prohibit such a merchant from using Visa for collections if it has acted illegally or carries out actions that Visa deems likely to damage the Visa brand.

## Repayment of Overdue Receivables

Using Visa to repay overdue receivables provides convenience to cardholders and merchants, new transactions for issuers and acquirers, and transparency when used in compliance with the Visa Rules. To support penetration of this new segment, Visa is introducing new definitions and rules **effective 15 April 2023**.

### Overdue Receivable Definition

An overdue receivable is defined as money owed by one party (debtor) to another (creditor) that is not classified as a debt and is one of the following:

- Classified by the receivable owner as non-collectable
- Written off and/or sold to a third party
- Subject to a court order as the result of a bankruptcy or insolvency
- 120 calendar days past the due date for payment

### Overdue Receivable Rules

To protect issuers from excessive credit risk and provide cardholder transparency, **effective 15 April 2023**, an acquirer must ensure that a merchant accepting an overdue receivable transaction meets both of the following:

- Does not use a credit card or charge card<sup>1</sup>
- Includes the debt repayment indicator in the authorization request and clearing record

<sup>1</sup> Note that there is an existing exception for the Europe region (United Kingdom).

## Additional Resources

### Advance Copy of the Visa Rules

The advance copy of the upcoming Visa Rules illustrates the associated rule changes that will be reflected in the next edition of the publication. If there are any differences between the published version of the rules and this advance copy, the published version of the rules will prevail. The advance copy is not available for agents.

- [Revisions to Repayment of Debt and Disclosure Requirements for Debt and Overdue Receivable Merchants \(Advance Copy\)](#)

**Note:** For Visa Online resources, you will be prompted to log in.

## For More Information

**AP, CEMEA, LAC:** Contact your Visa representative.

**Canada and U.S.:** Contact [eSupport@visa.com](mailto:eSupport@visa.com) with questions.

**Europe:** Contact Visa customer support on your country-specific number, or email [CustomerSupport@visa.com](mailto:CustomerSupport@visa.com).

**Merchants and third party agents:** Contact your issuer or acquirer.

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