

### **Eligibility to be a Mastercard Customer**

Mastercard welcomes additional risk-appropriate participants operating within the Mastercard Scheme. The following Assessment Criteria outline the considerations Mastercard will have in relation to the risk of participation by applicants.

Any entity may apply to become a Mastercard Customer (“Scheme Applicant”). No entity may participate in an Activity until that entity is approved to be a Mastercard Customer, has executed the applicable Licenses for the proposed Activity in a form acceptable to the Corporation, satisfied all licensing requirements and has paid all associated fees and other costs. Scheme Applicants may be asked to take certain actions to mitigate risks during the initial or subsequent assessment process as a condition to granting or maintaining its Mastercard License. The licensing entity will be Mastercard Asia/Pacific Pte Ltd.

The applicant must be able to engage in the card business (or particular Activity being applied for) from a local regulatory perspective.

### **Assessment Criteria to be a Mastercard Customer**

#### **1. ANTI-MONEY LAUNDERING (AML)**

Risk sought to be addressed:

- Money Laundering
- Terrorist Financing
- Sanctions Violations

All entities applying to participate in the Mastercard franchise (“Scheme Applicants”) are reviewed for money laundering and terrorist financing risks. This applies to both issuing and acquiring activities. License Applicant must demonstrate to the satisfaction of Mastercard ongoing maintenance of comprehensive anti-money laundering (“AML”) and sanctions compliance programs (Mastercard Standards, [Rule 1.2](#)) that safeguard Mastercard and the Interchange System from risk associated with money laundering, terrorist financing, and violation of sanctions.

Scheme Applicants must have a written AML compliance program that includes, at a minimum, the following:

1. A process to ensure thorough client identification and due diligence
2. Sufficient controls, resources, and monitoring systems for the prompt detection and reporting of suspicious activity
3. Compliance with all regulatory record-keeping and reporting requirements
4. Risk assessment processes designed to identify and apply appropriate risk management controls
5. A training program for all personnel whose duties require knowledge of the AML compliance program and requirements
6. An audit process to periodically test controls

Scheme Applicants are also required to have a written Sanctions compliance program that includes a policy, procedures, and controls. The Sanctions compliance program must address to the satisfaction of Mastercard, all Activity and include, at a minimum:

*Screening*

- An Issuer must screen its Cardholders and/or Service Providers and other representatives and agents (including, but not limited to, a program manager) at the time of onboarding and on an ongoing basis, against applicable sanctions lists, including, but not limited to, OFAC sanctions lists (such as the Specially Designated Nationals and Blocked Persons List [the “SDN List”])
- An Acquirer must screen its Merchants and Service Providers and other representatives and agents (including, but not limited to, a Third Party Processor [TPP]) at the time of onboarding, and on an ongoing basis, against applicable sanctions lists, including, but not limited to, OFAC sanctions lists (such as the SDN List)

*Prohibited Activity*

- No Activity may be conducted in a geography (country or region) that is the subject of applicable sanctions, such as those identified by OFAC
- No Activity may be conducted with a person, entity, or government on the OFAC sanctions lists (such as the SDN List)

A Customer must immediately cease any Activity with a person, entity, or government identified as listed on any of the OFAC sanctions lists. Furthermore, Scheme Applicants and Customers are required to be in compliance with applicable local laws and regulations at all times.

Based on the outcome of the review, Mastercard may determine that additional due diligence is required to further ascertain that the Scheme Applicant does not pose money laundering, terrorist financing or sanctions concerns, damage to the integrity or reputation of Mastercard systems and brand, and/or to address specific risks related to the Scheme Applicant’s profile. Those Scheme Applicants that are deemed to be of higher risk are given greater scrutiny and may be subject to a more detailed anti-money laundering assessment by Mastercard personnel or an independent third party, including a full review of their AML policy and procedures.

## **2. DATA SECURITY**

Risks sought to be addressed:

- Unauthorised access to personal and commercial data
- Unauthorised use of personal and commercial data
- Fraud

Scheme Applicants must indicate that they:

- are certified as Payment Card Industry/Data Security Standards (PCI/DSS) compliant for the activities subject to the license
- have a formal Business Continuity Program for emergency management, business recovery, disaster recovery, and pandemic events which is revised, updated and tested annually covering the activities subject to this license

### **3. FINANCIAL CONSIDERATIONS**

Risk sought to be addressed:

- Inability to settle 100% of transactions 100% of the time
- Inability to satisfy all obligations associated with Mastercard transactions
- Potential for insolvency
- Reputational damage to Mastercard and its brand

Scheme Applicants must provide 3 years' audited or unaudited financial statements for Mastercard to make an assessment of the applicants financial standing and ability to meet all financial obligations. Where customers and/or country operating environment conditions do not meet Mastercard minimum requirements or customer undertakes activities that could lead to increased or unacceptable risk, Mastercard may obtain protective arrangements such as a standby letter of credit or cash collateral to mitigate such risk.