



Overview of the MasterCard and Diners Club Alliance

Terminal and payment system change requirements and considerations

MasterCard has entered into a multi-faceted alliance with Diners Club North America and Diners Club International. This alliance provides enhanced global acceptance to Diners Club North America Cardmembers and enhanced acceptance in the U.S. and Canada regions for Diners Club International Cardmembers.

This article provides a brief overview of the alliance, describes the changes retailers and their payment service providers should expect, and outlines the schedule that MasterCard and Diners Club are working towards.

North American alliance

Diners Club Cards issued in the United States and Canada will be reissued to function as MasterCard cards. The reissued cards will carry account numbers drawn from the MasterCard BIN range, have the MasterCard Mark on the front of the Card, and be processed under MasterCard Rules. With these changes, these cards will be accepted at almost 24 million merchant locations worldwide where MasterCard credit cards are accepted.

The goal of the North American alliance is to provide enhanced global acceptance of Diners Club Cards, with as little impact on merchants as possible. The reissued Cards will include the MasterCard Mark and Hologram on the front of the Card, and will have new primary account numbers (PANs) that have a 16-digit account number beginning with "5." These reissued Cards must be accepted and processed by members worldwide the same as any MasterCard credit card transaction.

International alliance

Diners Club Cards issued by Diners Club International franchises outside the United States and Canada will be issued, over time, to include the MasterCard Mark on the back of the Card. Merchants that accept MasterCard credit cards in the U.S. and Canada regions will accept and process Diners Club Card transactions like any other MasterCard credit card transaction, once the merchant's point-of-sale (POS) terminals and systems are enabled.

Diners Club Cards issued outside the US and Canada regions will maintain their existing 14-digit account numbers, which begin with "36." These Cards will function as Diners Club Cards outside the United States and Canada regions-accepted at Diners Club locations and processed and paid by Diners Club.

Implementation timeline

The implementation of the MasterCard and Diners Club alliance will be phased in over time:

- In the fourth quarter of 2004, MasterCard began processing Diners Club Cards in the U.S. and Canada regions with a 14-digit account number (beginning with "36") from merchants and their respective acquirers who completed the technical POS and systems conversions, as required under the MasterCard International Global Clearing Management System (GCMS) Release 04.2. All remaining MasterCard merchants in the U.S. and Canada regions should now prepare for their POS devices and systems (for airlines "and reservations systems") to accept the 14-digit "36" cards and process them over the MasterCard network.

- During the 4th quarter of 2004, existing Diners Club Cards issued in the Canada region were reissued with new 16-digit 5XXXX BIN range with a MasterCard Mark on the front of the card.
- Beginning the 2nd quarter of 2005, existing Diners Club Cards in the U.S. region will be reissued with a new 16-digit 5XXXX BIN range and the MasterCard Mark on the front of the card.

Understanding the impact

The MasterCard and Diners Club Alliance will impact merchants in the U.S. and Canada regions as follows:

- All MasterCard merchants in the U.S. and Canada regions will now accept and process Diners Club purchases as MasterCard transactions, regardless of whether they previously accepted Diners Club Cards.
- Customer receipts should show international Diners Club 36XXXX transactions as MasterCard transactions instead of Diners Club transactions.
- Current Diners Club-branded merchants in the U.S. and Canada regions will begin to receive payments from their MasterCard acquiring bank for the 36XXX Cards, rather than from Diners Club in the USA or Canada, once they have made the terminal enabling changes.

For MasterCard merchants in the U.S. and Canada regions, these changes are mandatory and correspond with MasterCard International GCMS Release 04.2. **There are no changes required outside the U.S. and Canada regions.**

Fortunately, the steps that merchants must take are straightforward. While certain readiness steps are required by all merchants, many requirements only apply to brick-and-mortar merchants or e-Commerce merchants. MasterCard has provided these readiness steps as a checklist:

Modify In-house POS applications used in the U.S. and Canada regions (brick-and-mortar merchants only)

- Physical POS applications and devices (e.g., terminals) should recognize the 14 digit Diners Club BINs (360000-369999) as

normal MasterCard transactions.

- POS applications should route Diners Club BINs (36000-36999) transactions as MasterCard transactions.
- Terminal totals should include the Diners Club BINs (36000-36999) transactions as MasterCard transactions.
- Customer receipts should reflect the Diners Club BINs (36000-36999) transactions as MasterCard transactions.

Recertify In-house POS applications with upstream applications (brick-and-mortar merchants only)

- POS applications should be recertified with the acquirer or processor's front-end application as necessary.

Coordinate Terminal Updates (Brick and Mortar Merchants Only)

- If required, work with POS device providers and acquirers or processor's to update POS devices.

Modify payments options on Web site (e-commerce merchants only)

- Card account number validation routines (client side or server side) should recognize 14-digit account numbers starting with "36" as valid MasterCard BINs.
- Pull-down menus should show MasterCard as a payment option, but merchants need to recognize and support a 14-digit 36XXXX account number as a valid MasterCard BIN in addition to the normal MasterCard 16-digit account numbers in the 5 series BIN.

Adjust payment processing engine (e-Commerce merchants Web sites in the U.S. and Canada regions only)

- Server-side payment processing applications must be configured to accept and process 14-digit account numbers from the 36XXXX BIN range as normal MasterCard transactions (for example, route to MasterCard acquirer for authorization and settlement, instead of Diners Club.)
- Confirmation pages returned after transaction authorization, and customer receipts sent back to the customer via email should show 36XXXX transactions as MasterCard transactions.

Contact acquirer or processor to learn about anticipated changes (all merchants)

- Acquirer or processor-specific plans to support the required changes.
- Acquirer or processor-specific deployment schedule.
- Program manager contact information.

Handle reissued Diners Club 5XXXXX Cardmember data (all merchants)

- Diners Club acceptors currently initiating recurring transactions, processing subscriptions, or keeping card information on file will need to update card information as account numbers change.
- Work with Diners Club or your MasterCard acquirer to address account number changes relating to the new 5XXXXX Card information for existing Cardmembers.
- eCommerce merchants accepting transactions in the U.S. and Canada regions should be prepared to prompt Diners Club Cardmembers for new Card information the next time they return to the Web site.
- Merchants should be sensitive to the phased plan to reissue Diners Club Cards with a 5XXXXX BIN range; Canada region Cardmembers were impacted in 4th quarter 2004, U.S. region Cardmembers will be impacted in 2nd quarter 2005.

Update merchant chargeback processing procedures (all merchants)

- Diners Club transactions within the U.S. and Canada regions processed through MasterCard will be subject to MasterCard Exception Item (for example, Chargeback) Rules. Diners Club rules will no longer apply.
- Merchants should update in-house procedures to reflect that chargebacks should be submitted to the merchant's MasterCard acquirer, rather than to Diners Club.

Train in-house staff (all merchants)

- Merchant sales clerks, telephone order reps, and customer service staff should be trained to understand the MasterCard and Diners Club alliance
- In-house staff must understand that the merchant now can process Diners Club Cards as MasterCard transactions in the U.S. and Canada regions.

Additional resources

Contact your MasterCard Acquirer or Email MasterCard:

MasterCard_DinersAcceptance@mastercard.com

Order marketing materials

www.MasterCardAcquirer.com

Reissued card samples

U.S. and Canada card



International card



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