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Fraud prevention measures on remote card payments outside 3-D Secure

1. Context of the work

EU Directive No. 2015/2366 of 25 November 2015 on payment services, known as DSP¹, transposed into French law into the Monetary and Financial Code², provides for the use of a strong customer authentication system for electronic payments, as well as for transactions carried out through a means of remote communication likely to involve a risk of fraud³. However, EU Delegated Regulation No. 2018/389 of 27 November 2017 (or RTS for standard technical standards) provides for exemptions⁴ concerning, in particular, transactions carried out in favour of a trusted beneficiary, recurring transactions, low-value transactions or transactions with a low level of risk.

In France, the gradual implementation of strong customer authentication for remote payments made by credit card was carried out as part of the migration plan adopted by the Observatory⁵.

This implementation was made possible by the deployment of the second version of the 3-D Secure protocol, intended for the management of exchanges between the merchant, the cardholder and their payment service providers (PSP), for the purpose of authentication of payments over the Internet. Version 2.0 of the protocol allows the management of strong remote payment authentication using the various solutions currently offered to cardholders by PSP issuers, and which also supports requests for exemption from strong customer authentication.

The implementation of strong customer authentication has reduced the fraud rate on remote payments made via 3-D Secure. The fraud rate now appears to be under control on all these payments, including those with a strong customer authentication exemption (Figure 1).

¹ Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market

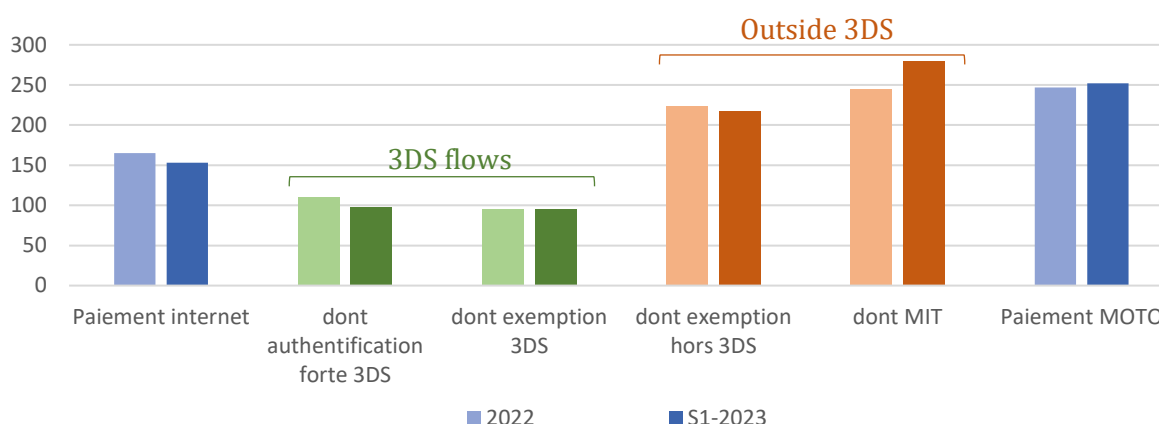
² Articles L. 133-1 et seq.

³ Article L. 133-4, I of the Monetary and Financial Code

⁴ Articles 11 to 18 of EU Regulation No 2018/389

⁵ Chapter 1 of the 2018 annual report of the Observatory

Figure No. 1: card fraud rate (in € of fraud / € 100,000 of payments)



Conversely, the fraud rate remains structurally higher today on payments made remotely outside 3-D Secure, including MIT-type (Merchant Initiated Transaction) payments, as well as MOTO (for Mail Order – Telephone Order) payments.

By nature, these payments, which do not give rise to any authentication at the time of their issuance, are much more exposed to fraud than payments transiting through the 3-D Secure protocol:

- such payments may be initiated by any person who has been able to obtain the data recorded on the bank card (number and expiry date for MOTO payments, and visual cryptogram in addition for MIT payments), without this person even needing to be in possession of the card or to be able to have access to the strong customer authentication device for remote payments;
- in particular, a merchant may transmit payments to his PSP that do not correspond in reality to any product or service delivered to the cardholder, for example, by reusing payment card data previously used in legitimate transactions;
- in terms of MOTO payments in particular, these are based on the communication by the payer of the number of their credit card and its expiry date through an insecure channel (telephone conversation, email, mailing, fax ...); then on the handling by an operator who ensures their entry on the merchant's payment terminal. This situation promotes internal or external fraud by misappropriation of payment data.

While the technical standards in force theoretically include the possibility of implementing a MOTO payment authentication solution, this possibility is not used in practice and no uniform solution for the authentication of these payments has been identified to this date.

In addition, MOTO payments and non- 3-D Secure internet payments are sometimes diverted from their original purpose to allow a merchant to accept customer-initiated internet payments (CIT), thus bypassing the strong customer authentication obligation imposed by the DSP2.

These findings lead the Observatory to adopt recommendations that aim to prevent fraud on remote payments made outside 3-D Secure.

These recommendations, published on 10 June 2024 in their initial version, have been the subject of successive adjustments. The current version also takes into account the contributions of the 2025/2026 roadmap, validated at the plenary meeting of the Observatory on 19 June 2024.

2. Scope of recommendations

Typology of payments covered by the OSMP action plan

These recommendations apply to all remote payments without strong customer authentication made outside 3-D Secure, namely:

- on the one hand, MOTO payments ;
- on the other hand, non-3-D Secure internet payments, including MIT payments (for which only the strong customer authentication performed during the validation of the mandate uses the 3-D Secure channel), as well as CIT payments requesting the benefit of an exemption without transiting through the 3-D Secure protocol (then referred to as DTA payment for direct to authorisation).

As an exception, these recommendations do not apply:

- to non-3-D Secure internet payments recognized as strongly authenticated by the issuing PSP, such as payments made using a mobile wallet solution, for which the merchant, PSP, scheme or mobile solution provider provide a strong customer authentication solution in compliance with PSD2;
- electronic payments initiated by legal entities by means of dedicated payment procedures or protocols that are only made available to payers who are not consumers, when the competent authorities have acquired the certainty that said procedures and protocols guarantee security levels at least equivalent to those provided for by the DSP2⁶;

Geographical scope

The OSMP action plan applies to all remote transactions made with a card issued by a payment service provider (PSP) authorized or located in France.

These recommendations already applies to payments for which the acquiring PSP is located in the European Economic Area (EEA) and from May, 12th 2025, to payments for which the acquiring PSP and the beneficiary merchant are located in the United Kingdom or Switzerland.

Since fraud levels are very high with international transactions, the OSMP action plan will also apply to one-leg transactions, for which the acquiring PSP is located outside the EEA, according to a specific roadmap (cf. recommendation n°3 *quater*). This roadmap takes into account the level of use of 3-D Secure in these countries.

Actors in charge

These recommendations are intended to be implemented by merchants who accept such payments, by their technical acceptance providers, by the various card schemes as well as by all PSPs, whether they are issuers and/or acquirers.

⁶ Such payments shall be exempt from the strong customer authentication obligation pursuant to Article 17 of EU Regulation No 2018/389.

3. Recommendations for remote payments outside 3-D Secure

3.1 Use of MOTO payments and non-3-D Secure internet payments only when the use of another payment method is not possible

The high rate of fraud on these payments requires limiting MOTO payments, as well as non- 3-D Secure internet payments (other than those recognized as authenticated by the issuing PSP, for example when using a wallet) to the only use cases for which these payment methods are intended.

In particular, internet payments that may benefit from an exemption from strong customer authentication are intended to be presented via 3-D Secure. Indeed, this protocol allows the management of exemption requests, and the strong customer authentication request of the client when the exemption request is rejected via soft decline.

In any case, the issuing PSP is in charge to enforce a strong customer authentication, even if an exemption request has been sent to it. The *Data Share Only* feature included in 3-D Secure protocol is consequently not compliant with these recommendations. In order to promote frictionless, when a payment is eligible to several exemption categories (for example, low value payment exemption and Transaction Risk Analysis exemption), the merchant and the acquiring PSP are invited to request the exemption which is better supported by the issuing PSPs, for example the TRA exemption inside the 2.2 version, today mostly deployed, of 3-D Secure protocol.

Recommendation No. 1: limiting MOTO and MIT payments to use cases only or using another payment method is not possible

Merchants ensure:

- to accept payments by MOTO card only for contracts subscribed remotely by a channel (phone, mail ...) other than the Internet. They shall ensure the use of a proximity payment or a secure payment by internet whenever the nature of a contract and the terms of its subscription as well as the delivery of the goods or services ordered are compatible with such a payment (for example, point-of-sale payment at the time of delivery, made directly by the merchant, of goods ordered by telephone);
- to accept payments over the internet only via the secure 3-D Secure channel, except in cases where the payment is recognized as strongly authenticated by the issuer (for example when using a wallet integrating strong customer authentication) and use cases that do not allow the use of 3-D Secure, such as MIT payments.

In particular, merchants should never resort to non-3-D Secure internet payments and MOTO payments when the payment is made via the internet and was initiated by the customer (CIT).

Technical acceptance providers and acquiring payment service providers shall ensure compliance with this recommendation by merchants with whom they have entered into an acceptance contract.

3.2 Security of MIT payments

The use of the 3-D Secure protocol for all customer-initiated internet payments (CIT) should lead to the reservation of non-3-D Secure internet payments other than those recognized as

authenticated by the issuing PSP (for example when using a wallet integrating a strong customer authentication solution) to payments initiated by the merchant (MIT).

Each MIT payment must be associated with a valid chaining reference allowing the card issuer to ensure the consent of its cardholder to the payment presented or, when processing a dispute formulated by the cardholder, to reconcile the payment and the mandate previously validated by the means of a strong customer authentication.

If the absence of chaining can be detected upon acceptance of the payment by the issuing PSP, the analysis of the validity of the chaining (i.e. ensuring that the chaining presented corresponds to prior authentication) cannot be carried out in real time by the latter. As a result, invalid chaining, i.e. not corresponding to a payment mandate duly validated by the cardholder by the means of a strong customer authentication, can only be detected by making an a posteriori reconciliation that the issuing PSPs are invited to gradually implement.

Recommendation No. 2: valid MIT chaining

When issuing an MIT payment, merchants communicate to their PSP the chaining reference resulting from the validation by strong customer authentication of the payment mandate authorizing the payment.

Issuer PSPs are invited:

- **to gradually implement a reconciliation mechanism between the chaining of MIT payments and payment mandates validated by strong customer authentication;**
- **to notify merchants and technical acceptance providers of the anomalies identified in the chains presented in the MIT transactions they issue so that they can implement an action plan to remedy them;**
- **in the absence of remediation, to apply the velocity limit defined by Recommendation No. 3 to MIT payments presented by merchants and/or technical acceptance providers concerned by the use of invalid chaining references.**

Driven by the growth of the digital economy, MITs are particularly present in situations involving subscription payments, instalment payments, reservation-related payments, and payments through a third-party electronic/mobile payment solution. Discussions with priority merchants, who have submitted an action plan, have revealed that a significant portion of this “fraud” could be due to commercial disputes: for example, consumers disputing having signed a subscription report the transactions as fraudulent to their PSP. Since these transactions have not been subject to SCA, the PSP generally reimburse their customers after issuing a chargeback request to the merchant concerned. Consequently, the Observatory wishes to supplement its action plan with a new recommendation aimed at better securing these MITs, both against fraud and commercial disputes, in order to better protect consumers in these new use cases.

Recommendation No. 2a: Security of MITs

The strong customer authentication must be systematic, without any possible exemption, for the signing of MIT mandates. This is a regulatory requirement reiterated by the European Banking Authority (Q&A No. 4031 published on March 1, 2019).

In addition, and following an objective of ever-greater MIT security, the Observatory calls on players of the payments ecosystem to strengthen the transparency of MIT mandates in 3-D Secure authentication window. When applying SCA, the terms of the mandate should be

clearly exposed and reminded to the consumer (amount, frequency, beneficiary, due date, associated services etc.).

At the same time, issuing PSPs are encouraged, where possible, to provide their customers with MIT mandate management tools, for example, by providing a dashboard to identity ongoing MIT mandates and, if wished by the customer, to contest or terminate them.

Finally, as soon as they have a proof of the signature of the mandate by SCA, issuing PSPs are invited to better distinguish fraud from commercial disputes, in the processing of disputes as well as in regulatory reporting on payment fraud.

3.3 Limitation of the velocity of MOTO payments and internet payments outside 3-D Secure and specific measures applicable to priority merchants to fight fraud

The prevention of fraud on MOTO payments and on non- 3-D Secure Internet payments (outside of cases where the operation is considered by the issuing PSP as strongly authenticated) requires limiting velocity, i.e. the cumulative amount of purchases made with the same card from the same merchant during a period of 24 hours (sliding).

$$\text{Velocity} = \text{cumulative amount of purchases} / \text{card} / \text{merchant} / 24 \text{ hours}$$

Velocity is measured separately for MOTO payments on the one hand, and for non-3-D Secure internet payments on the other.

The Observatory invites the issuing PSPs to reject any operation leading to the exceeding of this limit, by soft decline when the characteristics of the operation allow this mode of rejection.

This velocity limit does not concern:

- the sectors that are temporarily exempted ; these sectoral exemptions will however be removed following a specific roadmap (cf. Appendix 2) ;
- MIT payments associated with a technically valid chaining reference and for which the merchant and the technical acceptance provider have not been identified as issuing payments associated with chaining references presenting anomalies.

In addition, individual derogations may be granted, depending on the rate of fraud observed for each merchant, and according the procedure defined in Appendix 3⁷.

Conversely, the exemption may be waived, upon decision of an issuing PSP and for the duration of its choice, for a merchant whose MCC benefits from an exemption but who makes inappropriate use of MOTO payments or internet payments outside 3-D Secure, or whose fraud rate on these payments appears insufficiently controlled with regard to the criteria defined by the issuing PSP.

Recommendation No. 3: velocity limit and implementation of a soft decline mechanism

The PSP issuers reject, by soft decline where possible, MOTO payments and non-3-D Secure Internet payments recognized as not strongly authenticated by the issuer, as soon as the amount of the payment would lead to the exceeding of the velocity limit defined by this recommendation.

The velocity limit is assessed over a period of 24 sliding hours, and is measured separately:

⁷ A merchant is identified, when issuing a card payment, by the value entered in the *Merchant ID field* included in the data of this payment.

- on the one hand, for MOTO payments;
- on the other hand, for internet payments outside 3-D Secure. For this payment category, the velocity measurement does not take into account either CIT payments authenticated by the issuer (for instance by mobile wallet), or MIT payments associated with a valid chaining reference.

For MOTO payments, the velocity limit is set at 500 euros since 10 June 2024.

For internet payments outside 3-D Secure, with a acquiring PSP located in EEA, United Kingdom and Switzerland, the velocity limit has been lowered to:

- €500 on 10 June 2024 ; €250 on 9 September 2024 ; €100 on 14 octobre 2024 ; €50 on 10 February 2025 ; €30 on 10 March 2025 ; €10 on le 10 April 2025 ; €1.01 from 12 May 2025 onwards.

From this date, internet payments outside 3-D Secure, which are strictly higher than 1 euro, will no longer be admitted. This rule does (i) neither apply to CITs recognized by the issuer as strongly authenticated, (ii) nor to MITs associated to a valid chaining reference, (iii) nor to 0 euro information requests, and (iii) nor to 0 euro pre-authorizations.

Merchants are invited to check the qualification of their authorization requests ≤ 1 euro, to make a difference between authorization requests and other use cases (card verification, balance inquiry, preauthorization etc.), because this limit will be lowered down to 0.01 euro from **12 January 2026**.

The following are excluded from the application of this recommendation:

- payments accepted by merchants who benefit from an exemption (for the type of payment concerned) granted under the conditions defined in Appendix 2 or 3;
- MIT payments that are associated with a valid chaining reference;
- MOTO payments that have been the subject of strong cardholder authentication.

By derogation to recommendation No.3, merchants, benefiting from a sectoral exemption for MOTO payments but accepting an important volume of MOTO payments and whose exposure to fraud for these payments is frequently higher than the average of all merchants, will be qualified as priority and subject to a velocity limit, if no action plan is presented to the Banque de France. These terms aim at incentivising the implementation of a dialogue between the merchants concerned and the issuing PSPs. The identification of priority merchants is done by the issuing PSPs in association with the Banque de France, and in accordance with criteria set out in Appendix 4. This approach is in line with the prospect of a progressive replacement of sectoral exemptions by individual derogations, granted according to the terms and criteria defined in Appendix 3.

Recommendation No. 3a: specific measures applicable to merchants identified as priority merchants for fraud reduction on MOTO payments

Merchants benefiting from a sectoral exemption for MOTO payments but accepting an important volume of MOTO payments and whose exposure to fraud for these payments is frequently higher than the average, in accordance with criteria set out in Appendix 4, are identified as priority merchants and subject to specific measures.

Merchants identified as priority merchants, and who have been notified by their acquiring PSPs as well as through card schemes, must present an action plan to the Banque de France.

In the absence of such a plan, which must be validated by the Banque de France one month after the notification of the merchant as priority, the latter will be subject to a velocity limit for its MOTO payments, which will be gradually decreased down to 500 euros. The calendar would be communicated by the Banque de France to the merchant.

Likewise, merchants accepting an important volume of MIT payments and whose exposure to fraud for these payments is frequently higher than the average of all merchants, will be qualified as priority and subject to specific measures implemented by the issuing PSPs (rejection of 0-euro information requests, rejection of MIT transactions with an high-risk fraud score....). This approach aims first at preventing manifestly inadequate use of MITs with regard to the business model (e.g. Internet payments made in the presence of the cardholder), but also at incentivising the setup of a dialogue between the priority merchant and the issuing PSPs. The identification of those priority merchants is done by the issuing PSPs in association with the Banque de France, and in accordance with criteria set out in Appendix 4.

Recommendation No. 3b: specific measures applicable to merchants identified as priority merchants for fraud reduction on MIT payments

Merchants accepting an important volume of MIT payments and whose exposure to fraud for these payments is frequently higher than the average, in accordance with criteria set out in Appendix 4, are identified as priority merchants and subject to specific measures.

Merchants identified as priority merchants, and who have been notified by their acquiring PSPs as well as through card schemes, must present an action plan to the Banque de France.

In the absence of such a plan, which must be validated by the Banque de France one month after the notification of the merchant as priority, the latter will be subject to specific measures, which are proposed by the issuing PSPs and validated by the Banque de France.

The Observatory has also decided in June 2025 to extend its action plan to so-called one leg transactions, carried out with a card issued in France by a merchant using an acquiring PSP established outside the EEA. These international transactions represent only 1% of flows but 12% of fraud amounts among online card-based payments, showing a record fraud rate of nearly 2%.

Recommendation No 3c on one-leg transactions: velocity limit for non-3D Secure internet payments outside 3-D Secure with an acquiring PSP established outside the European economic area (EEA)

With the exception of the United Kingdom and Switzerland, which are treated as equivalent to the European Economic Area (EEA), the velocity limit for non-3D Secure internet transactions with a card issued in France will be gradually lowered:

- For acquiring PSPs located in the Europe zone (out of the EEA, the United Kingdom and Switzerland) and in the Pacific Franc monetary zone (New Caledonia, French Polynesia, Wallis and Futuna) to €250 on 13 October 2025, €100 on 12 November 2025, €30 on 12 January 2026, and €1.01 on 10 March 2026;
- For acquiring PSPs located in Africa and the Middle East to €2,000 on 12 January 2026, €1,000 on 13 April 2026, €500 on 11 May 2026, €250 on 10 June 2026 and €100 on 10 July 2026;
- For acquiring PSPs located in North America, South America, Asia and Oceania Pacific, to €2,000 on 10 March 2026, €1,000 on 10 June 2026 and €500 on 10 September 2026.

The exact distribution of countries by region is specified in Annex 5, following a discussion with the international card payment schemes.

The implementation of velocity limits will be supervised by a steering committee under the aegis of the Observatory's "strong customer authentication" working group.

This steering committee will be responsible for:

- verifying that all legitimate use cases of MOTO payments and non- 3-D Secure internet payments have been taken into account and that the implementation of the velocity limit does not lead to the rejection of legitimate transactions;
- if necessary, adjusting the terms of implementation of this recommendation and in particular to propose changes to the list of activity sectors excluded from its application to differ the application dates for the 2nd and 3rd threshold.

3.4 Security of payments data transmitted by the payer during a MOTO payment

Merchants that accept MOTO payments must pay particular attention to the security of the payment data they handle, in order to prevent their misuse.

With regard to payments such as Telephone Order, the use of a voice server makes it possible to avoid the manipulation of data by an operator: the paying customer enters his payment data directly on the keyboard of his phone with voice frequencies (whether a landline, a mobile phone or a smartphone) and the server automatically transmits this data to the payment terminal, to allow the acceptance of the payment.

Depending on the use case, the customer may either be in contact only with the voice server (for example for the payment of an invoice: the customer will then enter the invoice reference before entering his payment data), or be in contact with an operator to whom he indicates the characteristics of the goods or services he wishes to order, before being in contact with the voice server at the time of making the payment.

Recommendation No. 4: securing payment data

Merchants who accept MOTO payments ensure the security of payment data communicated by customers. Merchants who accept payments by telephone (Telephone Order) ensure that, when possible, customers communicate their payment data to a controller (for example by typing on the phone keyboard or using a voice recognition mechanism) rather than to an operator.

Acquiring payment services providers shall ensure compliance with this recommendation by merchants with whom they have entered into an acceptance contract.

3.5 Experimentation with authentication of MOTO payments

The implementation of an authentication mechanism, even simple (a single authentication factor), for MOTO payments would improve the level of security since these payments are not currently the subject of any authentication.

In some cases, this authentication could rely on existing devices, such as mobile application authentication of payments made by phone, for cardholders enrolled in the strong mobile application authentication solution offered by their PSP, or by entering a single-use password received by SMS.

Some strong customer authentication solutions designed for internet payments appear incompatible with telephone payments, which do not allow the entry of an alphanumeric password. The particular typology of customers who use telephone payments (for example, customers who do not have internet access and/or a mobile phone line) should also be taken into consideration.

Recommendation No. 5: experimentation with authentication of MOTO payments

Merchants and payment service providers (PSPs) are encouraged to offer authentication solutions for MOTO -type payments tailored to each payment channel and the relevant customer typology.

The Observatory also calls on all actors of the payment chain (payment cards schemes, payment services providers, technical providers, electronic payment standard prescribers...) to work towards the development of a strong customer authentication solution for telephone payments (TO) in the course of 2026.

APPENDIX 1: Glossary

PSP: payment service provider.

Acquiring PSP: PSP of the beneficiary, i.e. the merchant who accepts payments by card.

Issuer PSP: PSP of the payer, i.e. PSP that issues the card.

CIT: Customer Initiated Transaction, transaction initiated by the customer. This category covers the majority of card payments made directly by the cardholder on e-commerce sites.

MIT: Merchant Initiated Transaction, transaction initiated by the merchant. This category corresponds in particular to payments whose exact amount is not known in advance, recurring payments (subscriptions) or split payments (payment in several times), according to an operation comparable to that of a SEPA debit: the customer subscribes to a mandate, validated by strong customer authentication, by which he authorizes the merchant to initiate one or more subsequent payments under predefined conditions (unit amount, ceiling, frequency, etc.).

MOTO: Mail Order – Telephone Order, payments for which the cardholder communicates to the merchant by telephone, postal mail, email, fax ... the number of his card and the expiration date, data that the merchant then enters on his electronic payment terminal. This payment method is intended for the payment of purchases made by telephone (for example: travel or hotel reservation) or by sending a purchase order on paper.

Chaining: cryptographic authentication reference, in the form of an alphanumeric string, communicated by the issuing PSP following the strong authentication of the client during the validation of the MIT mandate. This reference allows PSPs to identify the highly authenticated mandate under which one or more payments are then issued by the merchant.

Soft decline: mechanism by which the PSP acquirer or issuer rejects a card payment with an exemption request while allowing the merchant (or its technical acceptance provider) to resubmit the payment request via the 3-D Secure protocol (so-called retry operation). The rejection is transparent for the cardholder who does not have to re-enter his payment data; however, the cardholder will have to validate the payment by strong authentication.

Velocity: cumulative amount of payments made using the same card with the same merchant during the same sliding reference period (24 hours).

APPENDIX 2: Sectoral exemptions to the velocity limit mechanism for MOTO transactions and roadmap for the end of these exemptions

The velocity limit on MOTO payments had been set at €500 since June 10, 2024, with the exception of merchants belonging to one of the following sectors identified by their Merchant Category Code (MCC).

Sectors that are exempted from the velocity limit on MOTO transactions since June 10, 2024

1771 CONCRETE
 2741 PRESS
 3000 to 3299 AIRLINE COMPANIES (*MCCs attributed individually*)
 3350 to 3449 CAR RENTAL COMPANIES (*MCCs attributed individually*)
 3500 to 3999 HOTEL COMPANIES (*MCCs attributed individually*)
 4011 RAILROADS
 4112 PASSENGER RAILWAYS
 4411 MARITIME TRANSPORT
 4511 AIR TRANSPORT
 4722 TRAVEL AGENCY
 4814 TELECOMMUNICATION SERVICES
 4900 SERVICES ELECTRIC, GAS, WATER, SANITARY
 5965 COMBINATION CATALOGUE AND RETAIL MERCHANTS
 6010 CREDIT DISTRIBUTION
 6012 FINANCIAL INSTITUTIONS
 6300 INSURANCE
 6513 LEASE LODGING
 7011 MOTELS HOTELS ACCOMMODATION
 7032 COLONIES AND HOLIDAY CAMPS OR SPORTS ACTIVITIES
 7033 OTHER TOURIST ACCOMMODATION
 7322 DEBT COLLECTION AGENCIES
 7512 CAR RENTAL AND LEASE
 8111 LEGAL SERVICES AND LAWYERS
 8220 HIGHER EDUCATION
 8398 SOCIAL AND CHARITABLE WORKS
 9405 PURCHASES BETWEEN AGENCIES OF THE SAME ADMINISTRATION

These exemptions were initially justified by legitimate use cases of the MOTO payment method and by a controlled fraud rate. However, noting that these exempted sectors still represent a significant share of flows and fraud on MOTO payments, the Observatory has decided to gradually lift these sectoral exemptions, so that a velocity limit of €500 applies to almost all sectors by the end of 2026. Only the catalog sales sector (MCC, 5965), but only for postal mail or email's purchases (ERT code 22 in CB's terminology) will continue to benefit from an exemption, in the absence of an authentication solution for card payments initiated on paper.

Lift of sectoral exemptions on MOTO transactions – Group No 1

For the following sectors, the velocity limit is fixed at €2,000 on 12 November 2025, €1,000 on 10 February 2026 and €500 on 11 May 2026, joining the other sectors already subject to the same velocity limit.

Contracted services

1771 CONCRETE
 2741 PRESS

Utility services

4814 TELECOMMUNICATION SERVICES
 4900 SERVICES ELECTRIC, GAS, WATER, SANITARY

Diverse services

6010 CREDIT DISTRIBUTION

6012 FINANCIAL INSTITUTIONS
 6300 INSURANCE
 6513 LEASE LODGING
 7032 COLONIES AND HOLIDAY CAMPS OR SPORTS ACTIVITIES
 7033 OTHER TOURIST ACCOMMODATION
Services to businesses and private organizations
 8111 LEGAL SERVICES AND LAWYERS
 8220 HIGHER EDUCATION
 8398 SOCIAL AND CHARITABLE WORKS

Lift of sectoral exemptions on MOTO transactions – Group No 2

For the following sectors, the velocity limit is fixed at €4,000 on 12 November 2025, €2,000 on 10 September 2026, €1,000 on 12 October 2026 and €500 on 12 November 2026, joining the other sectors already subject to the same velocity limit.

Airline companies

3000 to 3299 AIRLINE COMPANIES (*MCCs attributed individually*)

Rental vehicles

3350 to 3449 CAR RENTAL COMPANIES (*MCCs attributed individually*)

7512 CAR RENTAL AND LEASE

Hotels and lodging

3500 to 3999 HOTEL COMPANIES (*MCCs attributed individually*)

7011 MOTELS HOTELS ACCOMMODATION

Transportation and travel services

4011 RAILROADS

4112 PASSENGER RAILWAYS

4411 MARITIME TRANSPORT

4511 AIR TRANSPORT

4722 TRAVEL AGENCY

Diverse services

5965 COMBINATION CATALOG AND RETAIL MERCHANTS

Services to businesses

7322 DEBT COLLECTION AGENCIES

Government services

9405 PURCHASES BETWEEN AGENCIES OF THE SAME ADMINISTRATION

APPENDIX 3: Merchant derogation procedure to the velocity limit

In accordance with the present recommendations, individual derogations can be granted, depending on the fraud rate observed for each merchant. The present appendix details the derogation process for a merchant, for internet payments outside 3-D Secure or MOTO Payments.

Reason for requesting a derogation for a merchant

Merchants who experience a significant deterioration in their acceptance rate following implementation of the recommendation may request a waiver from the Observatory secretariat (2323-OSMP-UT@banque-france.fr), either directly or via their acquiring PSP or any other member of the steering committee. Merchants are strongly advised to contact their technical acceptance service provider and/or their acquiring PSP to request such a waiver.

Procedure to follow

In order for a merchant to benefit from a derogation, the application must specify the reason and duration of the derogation, and include a commitment by the merchant to ensure the security and compliance of its payment transactions. The derogation, including its period of validity, must be validated by the Banque de France, after obtaining the opinions of representatives of issuing PSPs and payment card schemes who are members of the steering committee.

List of elements to provide

- Description of the merchant's activity
- Technical data : acquired BIN/ICA, MCC, Merchant ID/Card acceptor ID, Card acceptor name
- Payments category for which the request is formulated : MOTO payments or internet payments outside 3-D Secure
- Volume of operations in number and in amount linked to the merchant activity for the payments category concerned
- Actions already implemented for the prevention and detection of fraud
- Planned actions to reach compliance and fight against fraud
- Derogation duration requested

Eligibility criteria

1. Criterion linked to fraud or inconvenience

To benefit from an exemption, the merchant must justify that it is experiencing one of the following situations:

- The fraud rate observed for the merchant on internet payments outside 3-D Secure or MOTO is less than 0.13% in amount, over an ideally annual period (and in any case at least six months to avoid seasonal effects).
- **Or** the refusal rate in number or amount on merchant transactions linked to the implementation of the recommendations must be greater than 20%. This rate is calculated from the date on which implementation of the recommendations begins (7 June 2024), or from one of its intermediate milestones linked to the successive lowering of the velocity limit.

2. Criteria related to anti-fraud actions

In addition, the granting of the derogation is conditioned:

- To the actions already implemented by the merchant related to fraud prevention and detection ;
- To the actions planned by the merchant to reach compliance and fight against fraud.

After gathering the analysis of payment card schemes and issuing PSPs represented at the steering committee, the Banque de France grants or refuses the derogation request, and informs the applicant of the decision. The list of derogations granted is not public.

APPENDIX 4: Identification criteria of priority merchants targeted by recommendations No 3a and 3b

The total amount of fraud for a specific merchant and its associated fraud rate are calculated on a monthly basis for each type of transaction (MOTO on the one side, MIT on the other side) but for the full set of acquiring PSPs used by this merchant (in a case of a merchant, who has recourse to many acquiring PSPs).

MIT payments

- The merchant is on « incident » for one issuing PSP if:
 - Either its total amount of fraud is higher than 5,000 euros / month and its fraud rate in value is higher than 0.13%;
 - Or its total amount of fraud is higher than 10,000 euros / month and its fraud rate in value is higher than 0.05%;
- The merchant is identified as « priority » if it is on « incident » during 4 of the last 6 months for at least 3 out of the 7 major French issuing PSPs;
- The merchant is no longer identified as « priority » if it is not flagged as on « incident » during 3 consecutive months for at least 3 out of the 7 major French issuing PSPs.

These two subsets of criteria make it possible to target, on the one hand, merchants who do sufficiently control their fraud rate (first subset) and, on the other hand, merchants, who present a significant amount of fraud in value despite a low fraud rate (second subset).

MOTO payments

- The merchant is on « incident » for one issuing PSP if its total amount of fraud is higher than 5,000 euros and its fraud rate in value is higher than 0.13%.
- The merchant is identified as « priority » if it is on « incident » during 4 of the last 6 months for at least 3 out of the 7 major French issuing PSPs;
- The merchant is no longer identified as « priority » if it is not flagged as on « incident » during 3 consecutive months for at least 3 out of the 7 major French issuing PSPs.

APPENDIX 5: Exact distribution of countries by geographic area (recommendation No 3c)

Geographic areas have been detailed according to the table below:

Wave 0 – For acquiring PSPs located in the European Economic Area, the United Kingdom and Switzerland, the velocity limit is already set at €1,01 and will be lowered to €0,01 on **12 January 2026**.

Wave 1 - For acquiring PSPs located in the Europe zone (out of the EEA, the United Kingdom and Switzerland) and in the Pacific Franc monetary zone (New Caledonia, French Polynesia, Wallis and Futuna), the velocity limit will be lowered to €250 on 13 October 2025, €100 on 12 November 2025, €30 on 12 January 2026, and €1.01 on 10 March 2026;

Wave 2 - For acquiring PSPs located in Africa and the Middle East, the velocity limit will be lowered to €2,000 on 12 January 2026, €1,000 on 13 April 2026, €500 on 11 May 2026, €250 on 10 June 2026 and €100 on 10 July 2026;

Wave 3 - For acquiring PSPs located in North America, South America, Asia and Oceania Pacific, the velocity limit will be lowered to €2,000 on 10 March 2026, €1,000 on 10 June 2026 and €500 on 10 September 2026.

Country Code	Country Name	Geographic Area	Wave
004	Afghanistan	Afrique et Moyen-Orient	2
710	Afrique du Sud	Afrique et Moyen-Orient	2
008	Albanie	Exception (Europe)	2
012	Algérie	Afrique et Moyen-Orient	2
276	Allemagne	Europe	0
020	Andorre	Exception (Europe)	2
024	Angola	Afrique et Moyen-Orient	2
660	Anguilla	Amérique du sud	3
028	Antigua-et-Barbuda	Amérique du sud	3
682	Arabie saoudite	Afrique et Moyen-Orient	2
032	Argentine	Amérique du sud	3
051	Arménie	Europe	1
533	Aruba	Amérique du sud	3
036	Australie	Océanie, Pacifique	3
040	Autriche	Europe	0
031	Azerbaïdjan	Afrique et Moyen-Orient	2
044	Bahamas	Amérique du sud	3
048	Bahreïn	Afrique et Moyen-Orient	2
050	Bangladesh	Asie	3
052	Barbade	Amérique du sud	3
112	Belarus	Europe	1
056	Belgique	Europe	0
084	Belize	Amérique du sud	3
204	Benin	Afrique et Moyen-Orient	2

060	Bermudes	Amérique du sud	3
064	Bhoutan	Asie	3
068	Bolivie	Amérique du sud	3
535	Bonaire. Saint-Eustache. Saba	Amérique du sud	3
070	Bosnie-Herzégovine	Europe	1
072	Botswana	Afrique et Moyen-Orient	2
076	Brésil	Amérique du sud	3
096	Brunei Darussalam	Asie	3
100	Bulgarie	Europe	0
854	Burkina Faso	Afrique et Moyen-Orient	2
108	Burundi	Afrique et Moyen-Orient	2
116	Cambodge	Asie	3
120	Cameroun	Afrique et Moyen-Orient	2
124	Canada	Amérique du nord	3
132	Cap-Vert	Afrique et Moyen-Orient	2
152	Chili	Amérique du sud	3
156	Chine	Asie	3
196	Chypre	Europe	0
170	Colombie	Amérique du sud	3
174	Comores	Afrique et Moyen-Orient	2
178	Congo	Afrique et Moyen-Orient	2
188	Costa Rica	Amérique du sud	3
384	Côte d'Ivoire	Afrique et Moyen-Orient	2
191	Croatie	Europe	0
531	Curaçao	Amérique du sud	3
208	Danemark	Europe	0
262	Djibouti	Afrique et Moyen-Orient	2
212	Dominique	Amérique du sud	3
818	Égypte	Afrique et Moyen-Orient	2
222	El Salvador	Amérique du sud	3
784	Émirats arabes unis	Exception (Afrique et Moyen-Orient)	3
218	Équateur	Amérique du sud	3
232	Érythrée	Afrique et Moyen-Orient	2
724	Espagne	Europe	0
233	Estonie	Europe	0
840	Etats-Unis	Amérique du nord	3
231	Éthiopie	Exception (Afrique et Moyen-Orient)	3
234	Féroé Island	Europe	1
242	Fidji	Océanie, Pacifique	3
246	Finlande	Europe	0
250	France	Europe	0
266	Gabon	Afrique et Moyen-Orient	2
268	Géorgie	Europe	1
288	Ghana	Exception (Afrique et Moyen-Orient)	3
292	Gibraltar	Europe	1

300	Grèce	Europe	0
308	Grenade	Amérique du sud	3
304	Groenland	Europe	1
312	Guadeloupe	Europe	0
316	Guam	Océanie, Pacifique	3
320	Guatemala	Amérique du sud	3
831	Guernesey	Europe	1
324	Guinée	Afrique et Moyen-Orient	2
328	Guyana	Amérique du sud	3
254	Guyane Française	Europe	0
332	Haïti	Amérique du sud	3
340	Honduras	Amérique du sud	3
344	Hong Kong	Asie	3
348	Hongrie	Europe	0
136	Iles Caïmans	Amérique du sud	3
184	Iles Cook	Océanie, Pacifique	3
090	Iles Salomon	Océanie, Pacifique	3
092	Iles Vierges britanniques	Amérique du sud	3
850	Îles vierges des Etats-Unis	Amérique du sud	3
356	Inde	Asie	3
360	Indonésie	Asie	3
368	Iraq	Afrique et Moyen-Orient	2
372	Irlande	Europe	0
352	Islande	Europe	0
833	Isle of Man	Europe	1
376	Israël	Exception (Afrique et Moyen-Orient)	3
380	Italie	Europe	0
388	Jamaïque	Amérique du sud	3
392	Japon	Asie	3
832	Jersey	Europe	1
400	Jordanie	Afrique et Moyen-Orient	2
398	Kazakhstan	Asie	3
404	Kenya	Afrique et Moyen-Orient	2
417	Kirghizistan	Afrique et Moyen-Orient	2
900	Kosovo	Europe	1
414	Koweït	Afrique et Moyen-Orient	2
428	Lettonie	Europe	0
422	Liban	Afrique et Moyen-Orient	2
430	Liberia	Afrique et Moyen-Orient	2
434	Libye	Afrique et Moyen-Orient	2
438	Liechtenstein	Europe	0
440	Lituanie	Europe	0
442	Luxembourg	Europe	0
446	Macao	Asie	3
807	Macédoine	Europe	1

450	Madagascar	Afrique et Moyen-Orient	2
458	Malaisie	Asie	3
454	Malawi	Afrique et Moyen-Orient	2
462	Maldives	Asie	3
466	Mali	Afrique et Moyen-Orient	2
470	Malte	Europe	0
580	Mariannes du nord. Ile	Océanie, Pacifique	3
504	Maroc	Afrique et Moyen-Orient	2
584	Marshall	Océanie, Pacifique	3
474	Martinique	Europe	0
480	Maurice	Afrique et Moyen-Orient	2
478	Mauritanie	Afrique et Moyen-Orient	2
175	Mayotte	Europe	0
484	Mexique	Amérique du sud	3
583	Micronésie	Océanie, Pacifique	3
492	Monaco	Europe	0
496	Mongolie	Asie	3
500	Montserrat	Amérique du sud	3
508	Mozambique	Afrique et Moyen-Orient	2
104	Myanmar	Asie	3
516	Namibie	Afrique et Moyen-Orient	2
524	Népal	Asie	3
558	Nicaragua	Amérique du sud	3
562	Niger	Afrique et Moyen-Orient	2
566	Nigeria	Afrique et Moyen-Orient	2
578	Norvège	Europe	0
540	Nouvelle-Calédonie	Collectivités d'outre-mer	1
554	Nouvelle-Zélande	Océanie, Pacifique	3
512	Oman	Afrique et Moyen-Orient	2
800	Ouganda	Afrique et Moyen-Orient	2
860	Ouzbékistan	Asie	3
586	Pakistan	Afrique et Moyen-Orient	2
585	Palaos	Océanie, Pacifique	3
275	Palestine	Exception (Afrique et Moyen-Orient)	3
591	Panama	Amérique du sud	3
598	Papouasie-Nouvelle-Guinée	Asie	3
600	Paraguay	Amérique du sud	3
528	Pays-Bas	Europe	0
604	Pérou	Amérique du sud	3
608	Philippines	Asie	3
616	Pologne	Europe	0
258	Polynésie française	Collectivités d'outre-mer	1
630	Porto Rico	Amérique du sud	3
620	Portugal	Europe	0
158	Province chinoise de Taiwan	Asie	3

634	Qatar	Afrique et Moyen-Orient	2
140	République centrafricaine	Afrique et Moyen-Orient	2
180	République démocratique du Congo	Afrique et Moyen-Orient	2
410	République de Corée	Asie	3
498	République de Moldova	Europe	1
688	République de Serbie	Europe	1
418	République démocratique populaire Laos	Asie	3
214	République dominicaine	Amérique du sud	3
499	République du Monténégro	Europe	1
203	République tchèque	Europe	0
638	Réunion	Europe	0
642	Roumanie	Europe	0
826	Royaume-Uni	Europe	0
646	Rwanda	Afrique et Moyen-Orient	2
666	Saint Pierre Et Miquelon	Collectivités d'outre-mer	1
652	Saint-Barthélemy	Europe	0
662	Sainte-Lucie	Amérique du sud	3
659	Saint-Kitts-et-Nevis	Amérique du sud	3
674	Saint-Marin	Europe	1
663	Saint-Martin FR	Europe	0
534	Saint-Martin NL	Amérique du sud	3
670	Saint-Vincent-et-les-Grenadines	Amérique du sud	3
882	Samoa	Océanie, Pacifique	3
678	Sao Tomé-et-Principe	Afrique et Moyen-Orient	2
686	Sénégal	Afrique et Moyen-Orient	2
690	Seychelles	Afrique et Moyen-Orient	2
694	Sierra Leone	Afrique et Moyen-Orient	2
702	Singapour	Asie	3
703	Slovaquie	Europe	0
705	Slovénie	Europe	0
706	Somalie	Afrique et Moyen-Orient	2
728	Soudan	Afrique et Moyen-Orient	2
144	Sri Lanka	Asie	3
729	Sud Soudan	Afrique et Moyen-Orient	2
752	Suède	Europe	0
756	Suisse	Europe	0
740	Surinam	Amérique du sud	3
762	Tadjikistan	Afrique et Moyen-Orient	2
834	Tanzanie	Afrique et Moyen-Orient	2
148	Tchad	Afrique et Moyen-Orient	2
764	Thaïlande	Asie	3
768	Togo	Afrique et Moyen-Orient	2
776	Tonga	Océanie, Pacifique	3

780	Trinité-et-Tobago	Amérique du sud	3
788	Tunisie	Afrique et Moyen-Orient	2
796	Turks-et-Caïques (Îles)	Amérique du sud	3
792	Turquie	Exception (Europe)	2
804	Ukraine	Europe	1
858	Uruguay	Amérique du sud	3
548	Vanuatu	Océanie, Pacifique	3
336	Vatican	Europe	1
862	Venezuela	Amérique du sud	3
704	Vietnam	Asie	3
876	Wallis et Futuna	Collectivités d'outre-mer	1
894	Zambie	Afrique et Moyen-Orient	2
716	Zimbabwe	Afrique et Moyen-Orient	2