**Authorize.Net Mandate Support for Card on File (COF) Transaction Processing User Guide**

**For Visa, Mastercard & Discover**

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**Overview**

Visa, Mastercard and Discover have released a set of mandated requirements for merchants who store customer payment credentials for future use. This mandate applies to all Authorize.Net products as well as any payment data the merchant stores outside of the Authorize.Net system for this purpose.

These requirements ensure merchants identify the reason for payments made using stored credentials with the purposes of improving chargeback dispute resolution; discount rates; and, in some cases, approval rates.

#### Establishment of Relationship

It is important to understand that one of the key aspects of mandate compliance is that you (the merchant) obtain explicit agreement from the cardholder to store their payment data. This is considered the “**Establishment of the Relationship**” between the cardholder and the merchant. The first transaction you submit using these stored credentials should only be submitted after the agreement has been received and should include the first transaction indicator for the type of transaction being processed.

If you already have an agreement in place with your customer(s) prior to compliance capabilities being available to you, and you have already processed transactions using your customer’s stored credentials, you may indicate the next authorization you process for your customer as the first authorization.

First transaction indicators:

**Recurring:**

<processingOptions>

<**isFirstRecurringPayment**>true</**isFirstRecurringPayment**>

</processingOptions>

**Non-Recurring:**

<processingOptions>

<**isFirstSubsequentAuth**>true</**isFirstSubsequentAuth**>

</processingOptions>

Each authorization returns a card **Network Transaction ID** (NetworkTransId) in response. The NetworkTransId (NTID) returned from the card network must be included with all future (or *subsequent*) transactions processed using your customers stored credentials.

* Currently, the NTID is only required by Visa and [Discover\*](#Discover)
* The NTID is not required for Mastercard transactions within the US region at this time, however:
  + We would recommend that you include it if you are able, in order to align across all card types in the case that it is ever required in the future.
  + It will have no impact to include a NTID with a subsequent COF transaction if the card brand does not currently require it.

**NetworkTransId** example as it would be returned in authorization response:

<**networkTransId**>F8QRRHOO838B7IZIA0JYEW0</**networkTransId**>

**\***Discover requires the amount of the Establishment of the Relationship authorization to be included as well as the NetworkTransId. As mentioned previously, sending data which is not required has no effect, so we would recommend that you align all card brands to send both the original NetworkTransId and original authorization amount.

**Subsequent COF Transactions**

Once the Establishment of the Relationship authorization has taken place, you have a NetworkTransId, and original authorization amount on file for your COF customer, you must include the subsequent indicator field values via API using a [**createTransactionRequest**](#APIRef)**.**

**Stored Credential Transaction Types**

* **Customer Initiated Transaction (CIT)** 
  + This is a transaction processed when a customer visits your place of business and makes a single purchase. The customer is actively involved in the processing of the transaction using the payment information they have stored with you, such as:
    - One-Click Pay/Click to Pay/Buy Now Buttons
* **Merchant Initiated Transaction (MIT)**
  + This is all other stored credential payments which are not described above. Authorize.Net supports the following MIT reasons:
    - **Recurring**
      * A series of transactions processed at fixed and regular intervals, such as an Authorize.Net Automated Recurring Billing subscription.
    - **Unscheduled** 
      * Payments made without any specified regularity where the customer is not directly involved in initiating the payment at the time that it takes place.
    - **Resubmission**
      * Payments submitted to collect funds for payments that were ultimately unsuccessful, but for which goods or services were provided.
    - **Reauthorization**
      * Payments submitted for goods or services that were provided after the original authorization has expired and is no longer available for capture. This is primarily intended for the hospitality industry.
    - **Delayed Charges**
      * Payments submitted to collect add-on, or supplemental charges incurred after funds have been collected for the initial goods or services.
    - **No Show**
      * Payments processed to collect penalties for cancellation of service according to a merchant’s cancellation policy.
  + **The first transaction processed against payment credentials being stored for any of the MIT reasons should be a CIT transaction**, as the card networks expect that the customer be actively involved in the agreement for the storage of their payment credentials for this purpose.

**Card on File Field Matrix**

| **COF Fields** | **Field Values** | **Description** | **Notes** |
| --- | --- | --- | --- |
| processingOptions |  |  | **isFirst**\* indicates the initial authorization |
|  | isFirstRecurringPayment | isFirstRecurring would be used to indicate a recurring subscription payment | **Establishment of Relationship Auth**- should **NOT** include recurringBilling field set to true |
|  | isFirstSubsequentAuth | isSubsequentAuth would be used to indicate non-recurring initial payment | **Establishment of Relationship Auth** |
|  | isSubsequentAuth | isSubsequentAuth would be used for **MIT** charges | **Submitted with a reason unless Unscheduled** |
|  | isStoredCredentials | isStoredCredentials would be used for **CIT** (Customer Initiated Transactions) | originalNetworkTransId/originalAuthAmount are **NOT** Required with CIT transactions |
| subsequentAuthInformation |  |  |  |
|  | originalNetworkTransId | The NTID returned with the Establishment of Relationship authorization | Currently returned with authorizations on our FDCN and Vantiv connections |
|  | reason | * resubmission * delayedCharge * reauthorization * noShow | CIT transactions will not use a reason, nor will MIT UCOF or non-first recurring (recurringBilling) transactions |
|  | originalAuthAmount | Amount authorized with the Establishment of Relationship transaction | Only required for Discover cards |
| recurringBilling | true | Uses the existing [transactionSettings recurringBilling](https://developer.authorize.net/api/reference/features/payment_transactions.html#Transaction_Settings) field to identify non-isFirstRecurringPayment COF transactions.  MUST be submitted with the subsequentAuthInformation fields:   * originalNetworkTransId * originalAuthAmount | Used for all recurring transactions other than the first recurring payment |

**How to Use Card on File Fields in Transaction Requests**

**CIT**:

<processingOptions>

<**isStoredCredentials**>true</**isStoredCredentials>**

</processingOptions>

**MIT**:

* **Recurring**

<setting>

<settingName>recurringBilling</settingName>

<settingValue>true</settingValue>

</setting>

<subsequentAuthInformation>

<originalNetworkTransId> F8QRRHOO838B7IZIA0JYEW0</originalNetworkTransId>

<originalAuthAmount>5.00</originalAuthAmount>

</subsequentAuthInformation>

* **Unscheduled**

<processingOptions>

<**isSubsequentAuth**>true</**isSubsequentAuth**>

</processingOptions>

<subsequentAuthInformation>

<**originalNetworkTransId**> F8QRRHOO838B7IZIA0JYEW0</**originalNetworkTransId**>

<**originalAuthAmount**>5.00</**originalAuthAmount**>

</subsequentAuthInformation>

* **Resubmission**

<processingOptions>

<isSubsequentAuth>true</isSubsequentAuth>

</processingOptions>

<subsequentAuthInformation>

<originalNetworkTransId> F8QRRHOO838B7IZIA0JYEW0</originalNetworkTransId>

<originalAuthAmount>5.00</originalAuthAmount>

<**reason**>resubmission</**reason**>

</subsequentAuthInformation>

* **Reauthorization**

<processingOptions>

<isSubsequentAuth>true</isSubsequentAuth>

</processingOptions><subsequentAuthInformation>

<originalNetworkTransId> F8QRRHOO838B7IZIA0JYEW0</originalNetworkTransId>

<originalAuthAmount>5.00</originalAuthAmount>

<**reason**>reauthorization</**reason**>

</subsequentAuthInformation>

* **Delayed Charge**

<processingOptions>

<isSubsequentAuth>true</isSubsequentAuth>

</processingOptions><subsequentAuthInformation>

<originalNetworkTransId> F8QRRHOO838B7IZIA0JYEW0</originalNetworkTransId>

<originalAuthAmount>5</originalAuthAmount>

<**reason**>delayedCharge</**reason**>

</subsequentAuthInformation>

* **No Show**

<processingOptions>

<isSubsequentAuth>true</isSubsequentAuth>

</processingOptions><subsequentAuthInformation>

<originalNetworkTransId> F8QRRHOO838B7IZIA0JYEW0</originalNetworkTransId>

<originalAuthAmount>5</originalAuthAmount>

<**reason**>noShow</**reason**>

</subsequentAuthInformation>

**\***For more information, please see our [Developer Center](https://developer.authorize.net/api/reference/index.html)