

Issuing cards in various currencies

Verestro and its partners can issue cards in multiply currencies. Depending on the currency it is easier or more difficult but it is possible to issue cards in multiply currencies. Let me explain how to do it in this article.

Firstly, let's discuss that to issuing cards in particular currency (let's say CZK) means that user has an account in CZK and when he is paying 100 CZK his account gets debited with 100 CZK. To achieve this situation normally the card issuer needs to implement Settlement Service with Mastercard or VISA in CZK. This means that card issuer will have to send 100 CZK to Mastercard after the transaction so that Mastercard could transfer it to acquiring institution and later to merchant. Once this Settlement Service is enabled everything works well but the problem exists if issuer does not have Settlement Service in particular currency or sometimes such Settlement Service does not even exist and issuer must settle money in USD or EUR. Sometimes it is not worth spending money and time on new Settlement Service implementation as it can cost 25-40k euros.

In such situation we can implement Internal Settlement with partner in particular currency. It means that users will keep money in CZK, users will be charged 100 CZK if they pay 100 CZK but all money transfers between Verestro payment institutions and our partners will be happening in EUR. There will be some FX risks connected with this approach but they can be covered through a bit higher fees for users.

There is only one exception to this rule - it is necessary that we can hold money in this new currency in the banks where we hold accounts. It is necessary that accounts are stored in this particular currency to avoid difficult fluctuations.

Ask us for Internal Settlement if you are interested in card issuing in multiply currencies.

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