

Reverse solicitation – marketing & promotion of card issuing in multiple countries

One of the limitations in **global card issuing** and **account opening** activities is connected with licenses and regulations for particular countries. Payment institutions have Mastercard or VISA licenses for particular countries as this is the way **Mastercard** and **VISA** systems work. In the European Union it is possible to get a license for the whole region but in other countries and regions you must get a license per country.

This makes the process of **card issuing** difficult in today's digital economy because you usually do promotional and marketing activities in multiple countries. You have users from Europe, Asia, Africa, Americas and other continents. It would not be smart to limit your payment services only to users from particular countries.

This is a critical point and you should be discussing this point with your **card issuer** at the beginning of your cooperation with them. The answer to this problem is not easy or white-black. There are some important considerations that we present below:

- **Multi card issuing and multi card processing** – we believe that integrations with multiple card issuers that have licenses in multiple countries is critical for the success of global programs. Verestro works with payment organizations in multiple countries and solves this problem globally. In such cases, those problems disappear.
- **Regulatory compliance** – your payment institution must check if it is legally possible to open a payment account and provide payment cards to users from many countries. In case of Quicko (our BIN sponsor) we are allowed to open payment instruments and accounts to users from multiple countries assuming we fulfill AML requirements
- **Mastercard and VISA rules** – Mastercard and VISA give licenses for particular countries. It is impossible to get a license for all countries. There are some specific processes to get approval for program in other countries than you have payment scheme license but it is not clear in fact and there are some risks for every program

There are some **general rules** that you should follow as our partner so let us describe it:

1. You should be able to prove that the main focus of your marketing actions is in Europe if your card issuer is based in the EU. We may ask some additional questions. Mastercard can have a look at places where transactions are happening etc. Try to focus on Europe.
2. You should be able to provide proof that even if we are distributing cards to consumers living abroad there is an economic interest of those people in Europe. Maybe they travel to Europe, maybe they have employees in Europe etc.
3. If you are distributing cards to companies, make sure they have headquarters or offices located and registered in Europe.
4. The best would be that your users have resident addresses in the European Union that they are registering during card on-boarding. This solves all the problems.
5. We would like to be aware of your marketing activities in countries outside of Europe. It is important that we are aware, maybe we inform local Mastercard so that they are aware.

Our intention in the long run is to solve this problem by working with multiple partners globally and grow with licenses to other countries together with our customers. Don't hesitate to **contact us** if you want to do global card issuing business.

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