



UNITED STATES OF AMERICA
Federal Trade Commission
Washington, D.C. 20580

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Via Email

Julie B. Rottenberg, Esq.
SVP, Deputy General Counsel, Chief Counsel, North America, Risk and Merchant Solutions
Visa Inc.
P.O. Box 8999
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Dear Ms. Rottenberg:

I write to inform you that the FTC's Bureau of Competition (the "Bureau") has closed its investigation into whether the conduct of Visa Inc. ("Visa") in relation to the EMV transition in the United States improperly inhibited merchant routing choice in violation of the Durbin Amendment (Electronic Funds Transfer Act, 15 U.S.C. § 1693o-2) and its attendant regulations (12 C.F.R. § 235.7(b)).¹ As you are aware, the FTC has enforcement authority under the Electronic Funds Transfer Act² and a violation of the Act would be a violation of the Federal Trade Commission Act, 15 U.S.C. § 45, as amended.

As we have discussed, Visa's existing rules told merchants to present a selection screen to customers paying with a debit card. This screen asked customers to select which application would process their transaction, but only one of these applications permitted merchants to access every competing payment card network enabled on the card. Our investigation addressed concerns that these customer selection requirements inhibited the merchant routing choice guaranteed by the Durbin Amendment.

To address our concerns and to prevent any future recurrence of these issues, Visa has taken several actions including revising Visa Core Rule 1.5.4.6, revising its Transaction Acceptance Device Guide and revising its Acquirer Implementation Guide. These actions make clear that merchants can continue to route debit transactions to any payment card network enabled on the card for that transaction and that merchants are not required to display these application selection screens to their customers.

¹ See also recent updates to the Federal Reserve FAQs on this issue.

² see 15 U.S.C. § 1693o(c).

Based on Visa's remedial actions, the recent update to Regulation II by the staff of the Federal Reserve Board further clarifying these issues, and the pressing need to resolve this matter expeditiously due to the pendency of costly EMV conversions by many retailers, staff has decided not to pursue this investigation further. The circumstances presented here are unique, and justify the expeditious resolution of this matter.

Just as the pendency of an investigation does not indicate that a violation of law has occurred, you should also not construe today's action as a determination that Visa has not violated the Federal Trade Commission Act. The Commission reserves the right to take any further action the public interest may require.

Should you have any questions, please contact me directly.

Very truly yours,

/s/ James W. Frost

James W. Frost
Attorney