

Approval of the Commitment Plan Submitted by Visa Worldwide Pte Limited

July 22, 2025

Japan Fair Trade Commission

The Japan Fair Trade Commission (hereinafter referred to as the “JFTC”) has investigated Visa Worldwide Pte Limited (hereinafter referred to as “Visa Worldwide”) in accordance with the provisions of the Antimonopoly Act (hereinafter referred to as the “Act”), and suspected that Visa Worldwide’s conduct described 3 below might violate the Article 19 of the Act (Paragraph 12 (Trading on Restrictive Terms) of Designation of Unfair Trade Practices).

Recognizing that competition would be promptly restored, through the Commitment Procedure, by measures to be swiftly taken by Visa Worldwide to eliminate the company’s conduct described 3 below, the JFTC issued the Notice of Commitment Procedures to Visa Worldwide on July 14, 2025, pursuant to the Article 48-2 of the Act.

Visa Worldwide submitted the Commitment Plan to the JFTC for an approval of measures necessary to eliminate its conduct described 3 below, pursuant to the Article 48-3, Paragraph 1 of the Act. The JFTC today approved the Commitment Plan, pursuant to the Article 48-3, Paragraph 3 of the Act recognizing that the plan is sufficient to eliminate the conduct and expected to be reliably implemented (Note 1) (Note 2).

This Commitment Plan includes a five-year implementation period for the commitment measures and the entrustment of monitoring the overall implementation of these measures to a third party (Note 3).

It is noted that today’s approval does not mean that Visa Worldwide’s conduct violated the Act.

(Note 1) An approval of the Commitment Plan is an administrative disposition under the Act.

(Note 2) The JFTC is to render a decision to rescind the approval pursuant to the Article 48-5, Paragraph 1 of the Act and resume the investigation procedure conducted before the Notice of Commitment Procedures is issued, for instance, if the JFTC recognizes that the Commitment Plan is not being conducted according to the approved Commitment Plan.

(Note 3) At the regular press conference of the Secretary General held on July 3, 2024, measures to ensure more effective and practical implementation of the Commitment Procedures were announced.

1. Overview of the Applicant

Corporate Name	Visa Worldwide Pte Limited
Address	71 Robinson Road #08-01, Singapore
Representatives	Stephen David Karpin

2. Overview of the Transaction Processing Network, etc.

- (1) Visa Worldwide, headquartered in Republic of Singapore, serves as a base office of Visa (Note 4) in the Asia Pacific region including Japan, and has entered into license agreements with credit card companies in Japan, which includes the granting of a license to use Visa's trademarks necessary to conduct Visa card business (Note 5) (Note 6) in Japan.
- (2) Visa Worldwide, in principle, requires credit card companies an authorization (Note 7) when a consumer uses a Visa card at a Merchant (Note 8). Authorization is, in general, performed from a Merchant to an Acquirer (Note 9) and from the Acquirer to an Issuer (Note 10), using the transaction processing network. And when a transaction is approved by the Issuer as a result of the authorization, the data related to the Visa card sales is transmitted from a Merchant to an Issuer via Acquirer using another network provided by Visa Worldwide for the settlement of sales.
- (3) As for the transaction processing network between an Acquirer and an Issuer for authorization for Visa card payments (hereinafter referred to as simply "Transaction Processing Network"), there are not only the one provided by Visa Worldwide but also the others provided by the other companies.

Certain credit card companies use a single Transaction Processing Network basically for each counterparty credit card company, due to the complexity of system operation and management, etc.

- (4) Visa Worldwide has set default rates of fees paid by an Acquirer to an Issuer in order to distribute the fees between the Acquirer and the Issuer when sales data and settlement processing is performed by Visa Worldwide for transactions paid by Visa cards (hereinafter referred to as "interchange fee"). No case has been found in which an Acquirer and an Issuer have set rates other than the default rates by individual agreement, and Acquirers and Issuers are subject to such default rates.
 - (5) As for the default rates of interchange fees, Visa Worldwide sets a standard rate and a rate lower than the standard rate that is applied when certain criteria are met (hereinafter referred to as "preferential rate") for each industry category.
 - (6) Visa cards have the largest share of credit card transaction volume in Japan.
- (Note 4) "Visa" refers to Visa Inc., a company headquartered in California, the United States of America, or any one or more companies whose ultimate parent company is Visa Inc.
- (Note 5) "Visa card" refers to a credit card bearing the Visa brand mark.
- (Note 6) "Visa card business" refers to the business of issuing Visa cards to consumers, providing Visa card payment acceptance environment to retailers, etc.
- (Note 7) "Authorization" refers to a procedure to confirm that a credit card can be used, etc.

(Note 8) “Merchant” refers to a retailer, etc. that has entered into a merchant agreement with a credit card company that provides Visa card payment acceptance environment.

(Note 9) “Acquirer” refers to a credit card company that conducts business of providing Visa card payment acceptance environment to retailers, etc.

(Note 10) “Issuer” refers to a credit card company that conducts business of issuing Visa cards to consumers.

3. Overview of the Alleged Conduct

With respect to the default rates of the interchange fees for transactions in certain industry categories paid by Visa cards that are incurred in processing settlement, Visa Worldwide had been applying preferential rates to credit card companies that had entered into a license agreement with Visa Worldwide in cases where they transmit the data related to the Visa card sales within a certain number of days from **the date of purchase** or the **date of authorization**, and had been determining the date of authorization based on transaction identifier data (Note 11) generated by the Transaction Processing Network provided by Visa Worldwide.

In these circumstances, in February 2018, Visa Worldwide notified the credit card companies that, with respect to the transactions in certain industry categories described above, it would apply preferential rates to them only in a case where they transmit the data related to the Visa card sales within a certain number of days from the date of authorization, and from November 2021, Visa Worldwide is putting this into practice.

(Note 11) “Transaction identifier data” refers to a unique identifier assigned, during the authorization process, to each transaction paid by a Visa card, and is used to manage a life cycle of the entire transaction, including sales, refunds, and cancellations, etc.

4. Interpretation under the Act

(1) It would be problematic if an influential enterprise in markets enters into a transaction with its trading partners under conditions that restrict their business activities, such as restrictions on transactions with competitors of the enterprise, thereby creating a risk that new entrants or existing competitors may be excluded or that their business opportunities will be reduced (Paragraph 12 (Trading on Restrictive Terms) of Designation of Unfair Trade Practices).

(2) Since transaction identifier data, which were used for the determination of the application of preferential rates for transactions in certain industry categories, were generated by the Transaction Processing Network provided by Visa Worldwide, credit card companies got into a situation where preferential rates for transactions in certain industry categories could not be available in cases where they use the Transaction Processing Network provided by

companies other than Visa Worldwide, as a result of the conduct by Visa Worldwide described in 3 above.

Under such circumstances, since certain credit card companies that use a single Transaction Processing Network for each counterparty credit card company do not use Transaction Processing Networks selectively depending on industry categories of the transaction as described in 2(3) above, it is considered that the certain credit card companies come to select to use Transaction Processing Network provided by Visa Worldwide in order to avoid economic disadvantage caused by not being able to be applied preferential rates for transactions in certain industry categories.

In fact, certain credit card companies have changed the Transaction Processing Network they use from one provided by a company other than Visa Worldwide to one provided by Visa Worldwide, as a result of the conduct described in 3 above.

- (3) It is considered that the conduct by Visa Worldwide described in 3 above could lead to the exclusion of companies that provide Transaction Processing Network other than Visa Worldwide from transactions with credit card companies or the reduction of their opportunities for such transactions.

5. Overview of the Commitment Plan

- (1) Ensuring that, with respect to transactions in certain industry categories, both “preferential rates applied in a case where credit card companies transmit payment data within a certain number of days from **the date of purchase**” and “preferential rates applied in a case where credit card companies transmit payment data within a certain number of days from **the date of authorization**” will be available to the credit card companies, and ensuring and maintaining the substantial equivalency of rates and criteria applicable under the two types of the preferential rates.
- (2) Implementing and maintaining measures described in (1) above for five years from the effective date of the measure.
- (3) Resolving to take measures described in (1) and (2) above by the board of directors.
- (4) Notifying credit card companies of the measures taken based on (3) and measures to be taken based on (1) and (2), as well as thoroughly disseminating them to employees of Visa Worldwide and Visa Worldwide Japan Co., Ltd. relevant to business related to interchange fees in Japan (hereinafter referred to as “Relevant Employees”).
- (5) Taking necessary measures to perform following items:
- (a) Creating a codes of conduct that addresses compliance with the Act in relation to the management, setting, modification, etc. of interchange fees in Japan, and disseminating the codes of conduct to Relevant Employees.

- (b) Periodic training for Relevant Employees and periodic audit by legal section for compliance with the Act in relation to the management, setting, modification, etc. of interchange fees in Japan.
- (6) Delegating the monitoring of the implementation of the measures described in (1) through (5) above to a third party, limited to those approved by the JFTC.
- (7) Requiring the third party entrusted under (6) to report to the JFTC on the implementation status of the measures described in (1) and (3) through (5) above.
- (8) Requiring the third party entrusted under (6) to report annually to the JFTC, for five years from the effective date of the measure described in (1), on the implementation status of the measures described in (2) and the measures taken based on (5)(b).

6. Approval of the Commitment Plan

The JFTC recognized that the Commitment Plan described in 5 above would conform to all the approval requirements as follows, and approved the Commitment Plan.

(1) Sufficiency of the Content of Measures

Since the measures described in 5 above include following contents, the JFTC decided those measures are sufficient to eliminate the conduct described in 3 above; elimination of the alleged conduct (described in 5 (1) above), maintaining the equivalency between the two types of the preferential rates (described in 5 (2) above), directors' resolution on elimination the alleged conduct and maintaining the equivalency between the two types of the preferential rates (described in 5 (3) above), and notification to credit card companies and dissemination to Relevant Employees (described in 5 (4) above).

(2) Reliability of Measures Implemented

Since Visa Worldwide includes following contents in its Commitment Plan described in 5 above, the JFTC decided that Commitment Plan shall be implemented with reliability; establishment of a compliance system of the Act, delegating the monitoring of the implementation of the measures to a third party (limited to those approved by the JFTC) and requiring the third party to report to the JFTC on the implementation status of the measures, and setting the deadline for each measure.

*** This announcement is a TENTATIVE TRANSLATION. Please refer to the original text written in Japanese.**