



SigALERT

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Bram: Keeping You In The Know

Anthony Urquidez, VP of Operations for Signature Card Services shares his first-hand experiences with BRAM and what you need to know to protect your merchants before it is too late!

There is little information available about BRAM, and most merchants only find out about the program when they are in violation of it. Signature Card Services is doing our part to educate our agents and provide you with the first-hand experiences we've had with BRAM, in order to shed more light on the topic.

BRAM is MasterCard's Business Risk Assessment and Mitigation program. The BRAM program restricts merchants that pose "significant fraud, regulatory, or legal risk," by barring them from using the MasterCard system. It was developed to keep the integrity of the MasterCard brand - simply put, it requires that businesses running transactions under MasterCard are living up to the brand, and those that are not in compliance with the regulations will be considered in violation and are subject to hefty penalties.

Violations of the BRAM rules can result in various penalties, including termination of a merchant account. More commonly, MasterCard will assess significant fines and penalties against violating merchants (\$2,500 per day for every day they remain in violation).



Anthony Urquidez: VP, Operations

In April, get \$10 for each approved application submitted through our online Merchant Application Manager!



MasterCard has developed a number of advanced techniques for identifying risky accounts—including performing web crawling and monitoring of a merchant's online content, for example—in support of its ongoing effort to prevent merchants from violating any of the BRAM program rules and regulations.

Visa has a similar program called the **Global Brand Protection Program** that is also aimed at providing consistency while strengthening the prevention, monitoring and enforcement of penalties for transactions that could potentially damage the Visa brand.

We sat down for a Q&A with our in-house BRAM expert, Anthony Urquidez, to give you more insight into BRAM.

Question: What tools does Signature Card Services provide merchants to protect against BRAM losses?

Answer: At Signature Card Services, we believe in a preventive, versus a reactive, strategy. That is why it is so important to us to provide our ISOs with ongoing education and conversation about programs like BRAM. We work closely with our clients and manage their accounts on a daily basis to ensure they are staying compliant and are not in violation of any regulations.

Before launching a new site, our clients come to us first so we can let them know if the site has any potential for exposure to BRAM violations. As VP of Operations, this is my highest priority and our clients know we are invested in their long term success. Over the last 17 years, I am happy to report we only had two violations, saving our merchants over \$1 million dollars in fines.

Question: How does Signature Card Services keep my business informed about BRAM?

Answer: At Signature Card Services, we send a complimentary quarterly self-assessment compliance questionnaire and form, based on our experience with BRAM. We have a dedicated team to monitor and review all responses to determine if anyone is at risk.

Question: If you have been notified of a BRAM violation, what should you do?

Answer: First, be transparent to your acquiring bank and/or ISO by responding to the violation immediately and keeping an open dialogue until they are satisfied with the explanation. Secondly, identify the source of the risk and immediately terminate that relationship.

Third, if you haven't already done so, develop in-house policies and procedures to ensure that this does not happen again.

Question: What are the primary reasons for a BRAM violation?

Answer: BRAM violations are related to illegal content governed by local, state or federal laws and or rules/regulations established by the card brand associations. Additionally, but probably most importantly, you want to make sure you know who you are conducting business with when it comes to relationships like affiliates. Make sure you have a screening process for signing up any new affiliates to ensure that it is good, instead of bad traffic. Like sales representatives, most affiliates are in the business for the long haul, while other affiliates are in it for a quick buck. Also, you need to keep an ongoing line of communication regarding your business practices and expectations from your partner.

If you or your customers have any questions about BRAM compliance and the best ways to protect against violations, please contact your Signature Card Services representative and ask about the complimentary self-assessment questionnaire.

WE'RE HIRING!

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