

# Liability Shift and 3D-Secure Matrices (EN)

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## 3DS Authentication and Liability Shift



The use of **3D Secure authentication** helps **protect merchants against the non-payment reason "cardholder dispute."**

We refer to **"liability shift"** when the **responsibility for non-payments** due to fraud (stolen or counterfeit cards) is **transferred** from the merchant **to the card-issuing bank** (the bank of the end customer) used for the payment.

**All Axepta BNP Paribas merchants are registered in the 3D-Secure program.** This operation is performed by the Axepta BNP Paribas Online platform when creating the MID.



Enrollment in the 3D Secure program does not protect against **all** non-payment and fraud reasons.

**The protection related to 3D Secure authentication does not apply to :**

- MOTO payments or those manually entered in the back office by the merchant
- Recurring payments or installments of a payment in installments (excluding the first transaction)
- Payments made in batch

## Matrix: Liability Shift Related to 3DSV1 and 3DSV2

The table below indicates the cases where the merchant benefits from liability shift :

| LIABILITY SHIFT TO THE ISSUING BANK |           |                           |                 |                    |                 |          |            |
|-------------------------------------|-----------|---------------------------|-----------------|--------------------|-----------------|----------|------------|
| Network                             | Card Type | 3DS Authentication Result |                 |                    |                 |          |            |
|                                     |           | 3D SUCCESS*               | 3D ATTEMPT      |                    | 3D NOT ENROLLED | 3D ERROR | 3D FAILURE |
|                                     |           |                           | With Cryptogram | Without cryptogram |                 |          |            |
| VISA                                | All       | YES                       | YES             | NO                 | NO              | NO       | NO         |
| MASTERCARD                          | All       | YES                       | YES             | NO                 | NO              | NO       | NO         |
| ALL                                 | Prepaid   | NO                        | NO              | NO                 | NO              | NO       | NO         |

*\*In the case of a request for strong authentication without a request for frictionless or exemption. See the table "Liability Shift & Frictionless" below.*

When consulting payments in the Axepta BNP Paribas Back-Office, the following data allows identifying the result of the authentication :

| Field in BO | Card Type | 3DS Authentication Result |            |                 |          |            |
|-------------|-----------|---------------------------|------------|-----------------|----------|------------|
|             |           | 3D SUCCESS                | 3D ATTEMPT | 3D NOT ENROLLED | 3D ERROR | 3D FAILURE |
|             |           |                           |            |                 |          |            |

|                    |            |    | With<br>Cryptogram | Without<br>cryptogram |    |    |    |
|--------------------|------------|----|--------------------|-----------------------|----|----|----|
| Transaction Status | All cards  | Y  | A                  | A                     | -  | N  | U  |
| ECI                | Visa       | 05 | 06                 | -                     | 07 | 07 | 07 |
|                    | Mastercard | 02 | 01                 | -                     | 00 | 00 | 00 |

## Matrix: Liability Shift & Frictionless

During a transaction subject to strong authentication (3DS), the merchant can choose a preference for the type of authentication they wish to perform.

To do this, the merchant adds the JSON object [threeDSPolicy](#) to their payment request, which will allow them to :

- Force authentication
- Request passive authentication (frictionless)
- Request an exemption



Important : The final choice of authentication is made by the issuing bank (the bank of the cardholder - the end customer).

In case of 3DS Success, the liability shift depends on the card brand used for the payment and any potential request from the merchant (frictionless, exemption, etc.) :

| LIABILITY SHIFT TO THE ISSUING BANK - BASED ON MERCHANT'S REQUEST |                     |                                |              |                       |                 |                  |
|-------------------------------------------------------------------|---------------------|--------------------------------|--------------|-----------------------|-----------------|------------------|
| Merchant's Request - Value for "challengePreference"              | Challenge Indicator | Authentication Method (DS/ACS) | CB           | Mastercard (ECI = 05) | Visa (ECI = 02) | American Express |
| No preference                                                     | 01                  | Frictionless* / Challenge      | Issuing Bank |                       |                 |                  |
| No challenge                                                      | 02                  | Frictionless*                  | Merchant     | Issuing Bank          |                 |                  |
|                                                                   |                     | Challenge                      | Issuing Bank |                       |                 |                  |
| Request challenge                                                 | 03                  | Frictionless* / Challenge      | Issuing Bank |                       |                 |                  |
| Challenge Requested (mandate)                                     | 04                  | Challenge                      | Issuing Bank |                       |                 |                  |
| Acquirer's TRA exemption request                                  | 05                  | Frictionless*                  | Merchant     |                       |                 | N.A.             |
|                                                                   |                     | Challenge                      | Issuing Bank |                       |                 | N.A.             |
| Low-Value Exemption Request                                       | 02                  | Frictionless*                  | Merchant     | Issuing Bank          |                 | N.A.             |
|                                                                   |                     | Challenge                      | Issuer       |                       |                 | N.A.             |

\* Frictionless or Frictionless Delegation