



# REAL DEAL

## A COLLABORATIVE APPROACH TO TACKLING INTELLECTUAL PROPERTY CRIME AT MARKETS IN THE UNITED KINGDOM

*Patricia Lennon, Campaign Manager, Real Deal Campaign for Fake-free Markets  
National Markets Group for Intellectual Property Protection, London, United Kingdom*



# INTRODUCTION

## The Real Deal Campaign:

- An awareness and education initiative tackling the sale of counterfeit and pirate products at UK markets.
- Launched in 2009 by the National Markets Group for IP Protection (NMG).
- A cross-sector partnership project involving public and private sector organizations.
- Based around a voluntary Charter.
- Over 500 markets in UK have signed the Real Deal Charter, making a public commitment to be fake-free.
- In 2018, the core model was replicated to tackle the trade in fakes in online and social media selling groups.



# A COLLABORATIVE INDUSTRY-FUNDED APPROACH Which has delivered longevity and sustainability for the future

## Campaign sponsors:

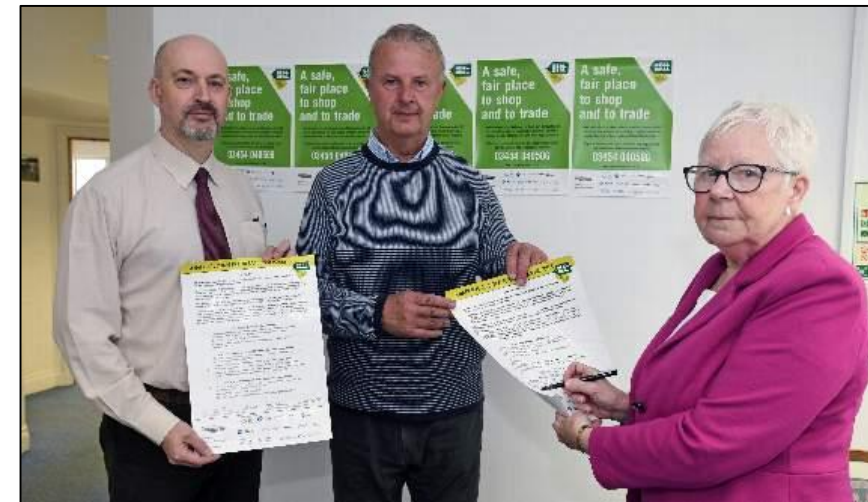


## Campaign partners:



## HOW DOES THE REAL DEAL WORK?

- Helps UK local authority trading standards services maintain fake-free trading spaces.
- Trading standards is the market surveillance authority responsible for consumer protection and market inspection.
- A voluntary, self-regulatory, grass roots programme.
- Complementary to intelligence-led enforcement.
- Preventative approach: education, awareness, support, PR.
- Engaging with operators of marketplaces.
- Raising awareness with market operators of their responsibilities and liabilities.



Real Deal programme developed in 2008 as a response to the growing problem of IP infringement at physical markets and car boot fairs.

Recognising, reinforcing and rewarding good practice.



- **Real Deal Charter** – a public commitment to fake-free trading.
- The **Code of Practice** – establishes procedures for the market to follow.
- PR **communicates** the message to local community.
- Practical resources and training for market staff.
- Information resources and training for enforcement officers.



- Year-on-year uptake since launch.
- More than 500 physical markets across England, Wales, Scotland and Northern Ireland have signed the Real Deal Charter.
- Covering 1000s of market traders.
- Protecting hundreds of 1000s local shoppers and businesses.





## REAL DEAL ONLINE

- Adapting the Real Deal Model from the physical world to the digital arena.
- Targeting the growth in the trade of IP infringing goods on social media buy-sell groups.
- Launched 2018.
- Developed by the NMG and National Trading Standards e-Crime Team.
- Complementary to separate enforcement activity strand.
- Facilitates engagement between buy-sell group administrators and local trading standards.
- Makes group administrators aware of their responsibilities and liabilities under IP law.
- Establishing procedures and commitment - Code of Practice.
- Encourages group administrators to display the Code of Practice and to spread 'fake-free' messages to buyers, sellers and visitors.



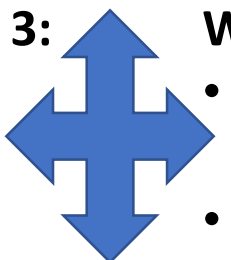


The Real Deal Online Code of Practice requires Administrators to accept trading standards officers as members of the group and to agree to five steps:

1. Prohibit the sale of counterfeit and other illicit goods;
2. Act on information from IPR owners and their representatives who highlight the sale of illegal goods;
3. Notify trading standards if group administrators believe that illegal goods are being sold within the group and exclude the sellers of these goods;
4. Highlight warnings and advice notices posted by trading standards;
5. Ensure all members of the group are aware of its fake-free policy.

Once the Administrator has confirmed with their local trading standards service that they agree to the above and display the Code of Practice within their group, then they may display the Real Deal logo™.

## THREE COMMUNICATION OPPORTUNITIES FOR LOCAL AUTHORITIES

- 1:  **Targeted contact by local Trading Standards Service to all identified buy-sell groups**
  - A warning to Administrators, highlighting their responsibility and that TS are active in this area.
  
- 2:  **Message cascaded by participating buy-sell groups to their members and visitors**
  - Inhibits existing members of the group from buying and selling fakes.
  - Deters would-be traders in fakes from joining the group.
  - Increases awareness that the trade in fakes is not an acceptable, risk-free activity.
  - Highlights the fact that trading standards are clamping down on this crime.
  
- 3:  **Wider community reach via local PR**
  - Demonstrates Local Authority's commitment to protecting consumers and supporting legitimate businesses.
  - Highlights the importance of the Trading Standards Service.
  - De-normalises the trade in fake goods.

UK IP Minister Sam Gyimah:

*“The UK is rich with talented creators and innovators, and we must protect their intellectual property rights both online and offline. Social media can be a force for good making it easier for users to buy and sell goods, however with this can come an increase of counterfeit goods and other illegal products.”*

*“This is why I welcome this initiative, that brings together industry, Trading Standards and local government to help protect legitimate businesses and allow rightsholders to reap the benefits of their own creations.”*



# REAL DEAL ONLINE TOOLKIT AND TRAINING



## RESOURCES FOR ENFORCEMENT OFFICERS DEVELOPED BY NMG MEMBERS, NTSeCT AND CTSI LEAD OFFICER FOR IP

- Step-by-step guidance, templates and resources.
- Knowledge-sharing events and training seminars for trading standards officers.
- More than 100 trading standards services have requested the Toolkit.
- More than 200 individual officers have participated in training events.
- Real Deal Online programme is now being implemented by local services across the UK – targeting 100s of group administrators and hundreds of thousands of users of social media buy-sell groups.

**REAL DEAL Online Toolkit**  
A Preventative Approach to IP Protection for Online and Social Media Marketplaces  
Guidelines and Resources for Enforcement Officers

OFFICIAL  
**REAL DEAL**  
Working Together for Fake-Free Markets

An initiative of: **NATIONAL MARKETS GROUP** for IP Protection  
Created in conjunction with: **NATIONAL TRADING STANDARDS** eCrime Team

**Campaign sponsors:**  
ACG, bpi, industry trust, P&G, PALMER BIGGS IP SOLICITORS, Premier League, React, SKY, Superdry, Surelock, TED BAKER, WRI

**Campaign partners:**  
ALLIANCE, ctsi, COSLA, Intellectual Property Office, Local Government Association, NABMA, NMTF, Scottish Business Resilience Centre, C.I.C. • W.I.G.A., NATIONAL TRADING STANDARDS eCrime Team



## POSITIVE OUTCOMES FOR A RANGE OF STAKEHOLDERS ACROSS PHYSICAL AND DIGITAL MARKETPLACES

- Provides **local authorities** with a cost-effective, preventative strategy to recognize and reward market organizers committed to keeping their market sites free of IP-infringing and other illicit products.
- Gives **market operators and selling group administrators** a practical framework and set of procedures to ensure that potential traders in illicit goods cannot gain a foothold.
- Enables **IPR owners and local trading standards services** to focus resources more effectively on markets and selling groups where counterfeiting is problematic.
- Ensures a level playing field for **legitimate traders and local businesses** so that they are not competing against traders in fake goods.
- Offers **consumers** a recognizable symbol for fair trading and fake-free market shopping.

# AIM®

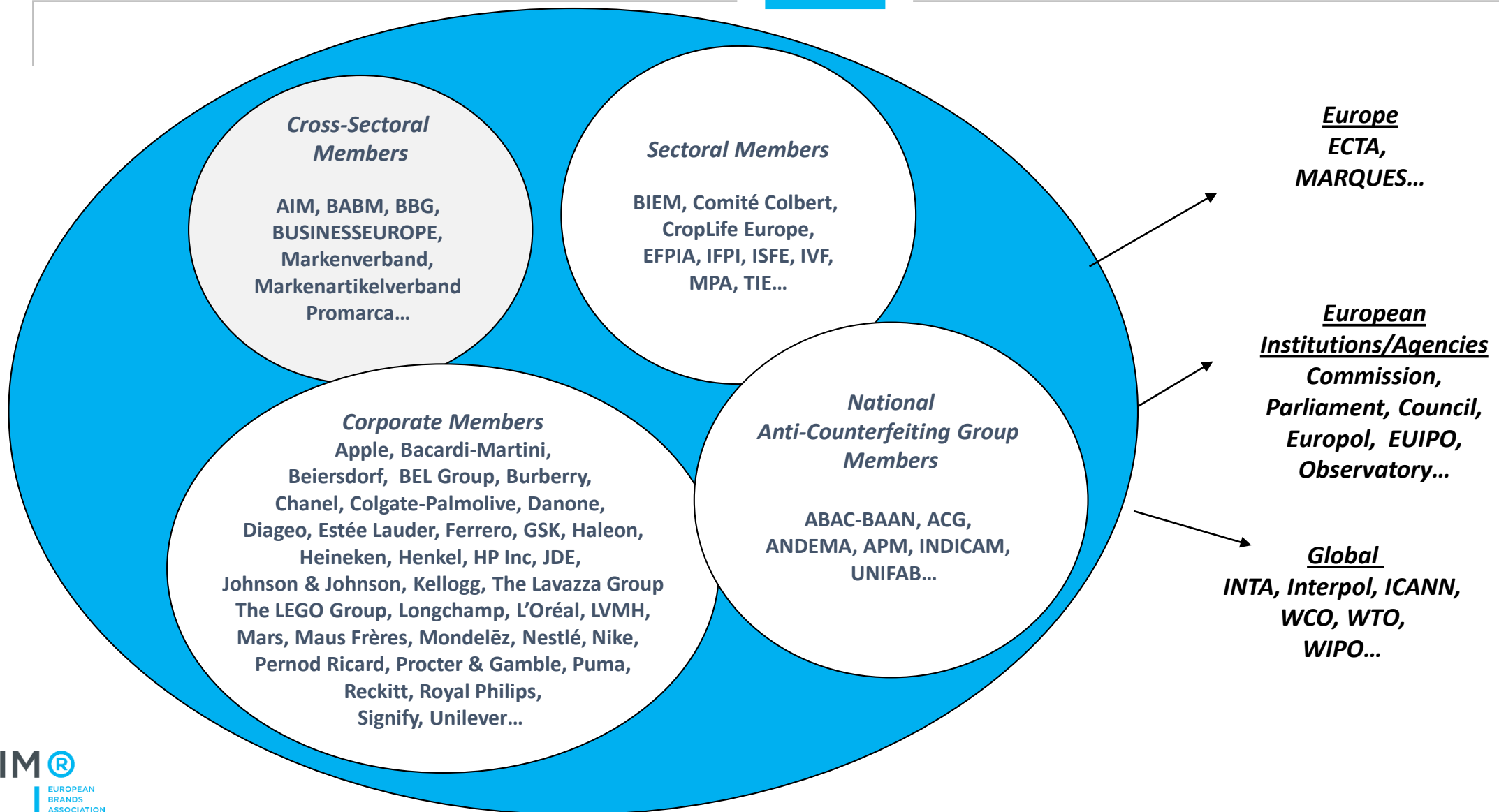
EUROPEAN  
BRANDS  
ASSOCIATION

## THE PERSPECTIVE OF AIM ON THE ROLE OF ONLINE INTERMEDIARIES IN THE FIGHT AGAINST COUNTERFEITING

WIPO ACE 15  
September 2022



# The AIM Anti-Counterfeiting Committee



# Why fight against counterfeiting?





# What is illegal offline is illegal online, or is it?



## We all have a role:

- Governments
- Law enforcement
- IP offices
- Right holders
- Citizens
- Physical intermediaries: shipping/transport, logistics & postal/express courier operators; export, import & freight forwarding agents; customs intermediaries...
- All online intermediaries

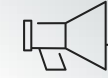


## The digital environment

brings benefits, but also risks & challenges

Acceleration of digital transformation due to pandemic; increased online reliance in all parts of life

Also led to increased online offers for illegal, including counterfeit, goods & proliferation of online frauds using brand names



**Online intermediaries need to play their part in keeping the digital environment safe**

Help us all to maintain a clean and fair online ecosystem by exercising appropriate control over those parts of the supply chain under their purview and oversight

# How can online intermediaries play their part?



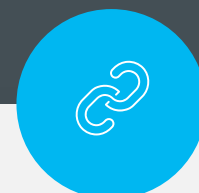
## Proactive measures

- Reasonable due diligence, not general monitoring
- “Know Your Business Customer” (KYBC)
- IP provisions in terms & conditions
- Compliance with & enforcement of those Ts & Cs



## Notice and action procedures

- Users & right holders can flag illegal content
- Trusted flagger status for right holders
- Once reviewed, if confirmed as illegal, take it down...
- ... expeditiously...
- ... and keep it down
- Deal with repeat offenders



## Cooperate with right holders

- Good relationships essential for all
- Brand protection programmes
- Only a right holder can authenticate its products
- Verification of right holders, just like KYBC
- Information exchange **both ways** – share details of rogue traders with us



## Share information with law enforcement

- Customs, police, market surveillance...
- Need pre-arrival data for practical & efficient risk analysis & targeting
- 2.5% of world trade; USD 464 bn; 5.8% of EU imports... we need to control the containers
- Control at the border = efficient = more tax/duty = more data dots joined

# Is this really too much to ask?



## “Can’t, GDPR”

- Does not apply to legal persons’ data
- Data privacy laws not intended as shield for illegal activity
- Protection of personal data vital, but urgent need for official guidance on how & when data can be shared with & between
  - LEAs
  - private sector (IP, consumer protection & cybercrime investigators)



## Domain Name System Actors

- Hosting providers, registries, registrars, proxy service providers, resellers...
- Access to & disclosure of accurate/verified domain name registrant data for legitimate reasons = public interest & necessary for compliance with legal obligations
- Blanket redaction of this data due to ICANN’s chosen action
- Hope EU’s Network and Information Security Directive (NIS2) will reset the balance



## EU’s Digital Services Act

- Welcomed: e.g. harmonised EU notice & action mechanism, additional obligations for very large online platforms (etc.)
- But not future-proof
- Counterfeits not only sold via VLOPs: social media, streaming & messaging services, apps, advertising platforms...
- No stay down obligation on hosting providers
- Lower standards & obligations for online vs physical SMEs
- EU’s Toolbox Against Counterfeiting: hope for practical, enforceable measures

# We can do this - together



- We know counterfeiting is connected to organised crime
- IP crime reinstated as a priority criminal threat for EU law enforcement (see IPC3, Europol)
- We all know the socio-economic, environmental and human effects



**Fighting counterfeiting is not impossible.**

**We're all on the same side.  
Public, private, online, offline.  
We must work together.**



# Contact

**Marie Pattullo**

**Senior Manager, Trade Marks and Brand Protection**



AIM – European Brands Association

Avenue de Gaulois 9

B-1040 Brussels Belgium

EU Transparency register ID no.:  
1074382679-01

Website: [www.aim.be](http://www.aim.be)

Tel: +32 2 736 03 05

Email: [marie.pattullo@aim.be](mailto:marie.pattullo@aim.be)



▼  
**Thank**

**You**



*ifpi* representing the recording industry worldwide



# The Perspective of the Recorded Music Industry on the Role of Online Intermediaries in the Fight Against Piracy



WIPO, Advisory Committee on Enforcement  
Dr Elena Blobel, Director of Global Litigation, IFPI

**IFPI is the voice of the recording industry worldwide, representing over 8,000 record company members across the globe.**

**We work to promote the value of recorded music, campaign for the rights of record producers and expand the commercial uses of recorded music around the world.**

IFPI is a not-for-profit international organisation registered in Switzerland. We have offices in London, Brussels, Hong Kong, Miami, Nairobi and Abu Dhabi plus a representative office in Beijing.

**70** IFPI has more than 70 offices, National Groups and Affiliated MLCs

**70** Our members operate in more than 70 countries worldwide



# IFPI Global Music Report 2022

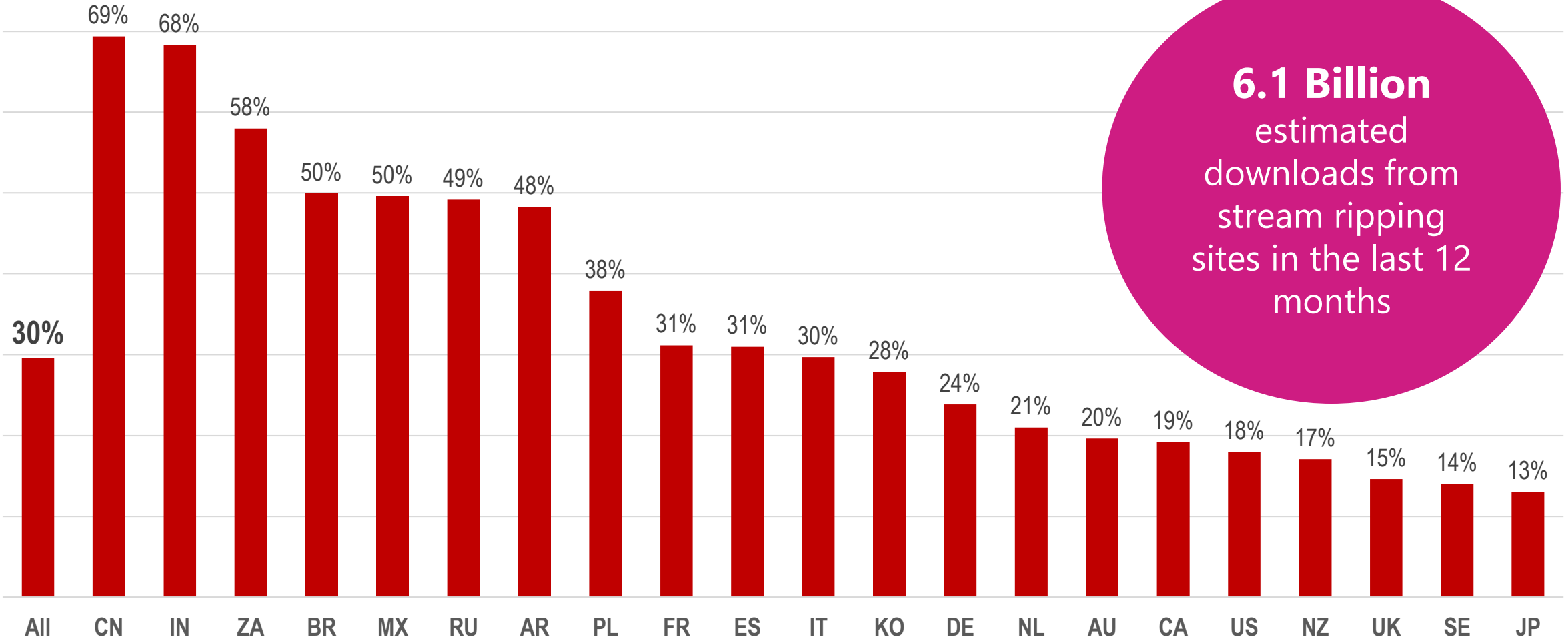


- 18.5% revenue growth globally
- Streaming accounts for 65% of global revenue
- > 30 percent growth in Latin America, Middle East and North Africa

*Source: IFPI Global Music Report 2022*

# Music piracy remains a problem globally

(percentage of internet users using infringing services to access music in the last month)



**6.1 Billion**  
estimated  
downloads from  
stream ripping  
sites in the last 12  
months

# Key challenges in addressing music piracy

- Music piracy still occurs at massive scale globally and is cross-border.
- Piracy in relation to pre-release content is particularly harmful.
- “Whack-a-Mole” game, as infringing content constantly reappears on services claiming “safe harbour” privileges.
- Court systems and other enforcement options are often too slow.
- Operators usually conceal their identity making direct action impossible.

# The role of internet intermediaries



Domain registries / registrars



Hosting providers



Payment providers



Advertisers / networks



App stores

## Internet intermediaries



SSL certificate authority



Online marketplaces



Content delivery networks



Access providers



Search engines

Internet intermediaries are critical to the operations of infringing services:

- Provide **technical infrastructure**
- Facilitate **payments** and **revenue** generation
- Provide **internet access** to infringing services
- Hold customer information

# What should all diligent internet intermediaries do?

- Expeditious action to stop and prevent infringing activity
- “Know Your Business Customer”
- Disclosure of operator / customer information, for legitimate purposes
- Effective repeat infringer policies
- Trusted flagger programs
- Consult infringing website lists / WIPO ALERT database

# Key ingredients for a functioning framework

- Positive case law and legislative developments in some countries / regions, but legislative action is necessary to ensure better cooperation and transparency.
- Online intermediary legislation should 1) ensure reasonable duties of care on intermediaries and 2) encourage voluntary cooperation to prevent and stop infringements of IP Rights.
- Governments to facilitate dialogues between right holders and intermediaries to encourage more voluntary actions.
- Measures needed to allow right holders to effectively address cross-border piracy, including access to swift “no-fault” injunctions against intermediaries.

# What can Governments do?

- Need for clear online intermediary liability rules, including “stay down” condition for privileges, to foster cooperation.
- Legal basis for no-fault injunctions.
- Create a level playing field for diligent operators by introducing legal duties of care for all: KYBC, repeat infringer policies, trusted flagger schemes.
- Relevant recent and pending legislative initiatives:
  - EU: DSA
  - UK: Online safety bill (IP excluded)
  - India: Digital India Act 2022

# Thank You!



**Questions?**  
Elena.Blobel@ifpi.org



# THE ROLE OF TRANSPORT AND LOGISTICS SERVICE PROVIDERS IN FIGHTING INTELLECTUAL PROPERTY INFRINGEMENTS

1<sup>st</sup> September 2022

DHL Express – Excellence. Simply delivered.





**“Compliance in Deutsche Post DHL refers to the standards and processes we have adopted to ensure that our activities follow the letter and spirit of the laws, regulations and ethical standards. In summary: Compliance means making sure that we ‘Do the right thing’.**

**Frank Appel** - CEO Deutsche Post DHL

# Customs Compliance

## DHL Express is committed to 100% Compliance

Customs compliance is a core element of the DHL Express **culture and value proposition** to our customers and ethical working remit.

### Our Commitment

- DHL Express is 100% committed towards compliant trade.
- DHL Express is dependent upon the completeness and accuracy of all documentation provided by our customers.
- DHL proactively engages with its customers to educate and raise awareness on compliance topics.
- We will continue to make our customers aware that non-compliance has serious and tangible consequences.
- DHL is fully committed to supporting Customs compliance and ready to play an active role in fighting crime together.



# Intellectual Property Rights (IPRs)

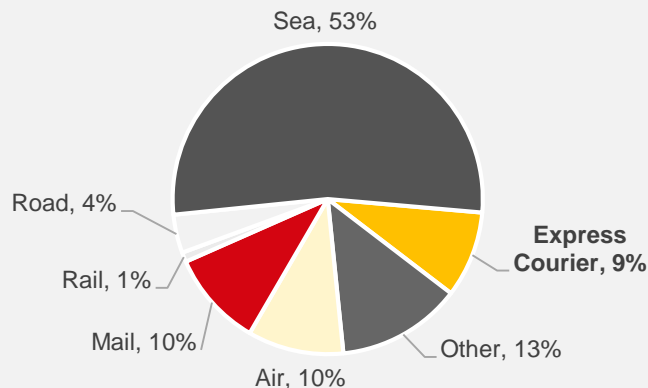
## Closer look on the Transport Mode for IPR shipments



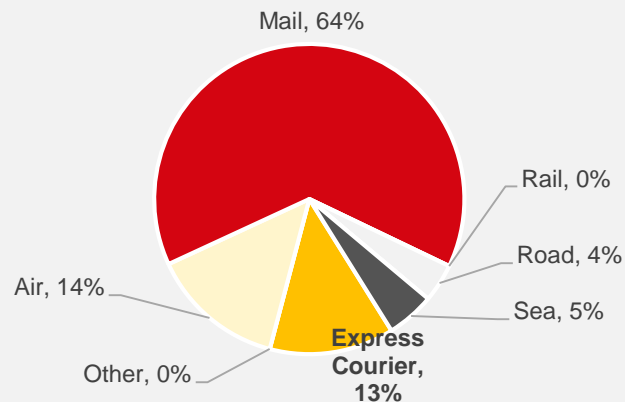
Express Courier shipments represent a **relatively small portion** of the overall global IPR seizures, i.e.: **9%** of the share of global seized **VALUE** and **13%** of the share of global **SEIZURES**

### Transport Mode

Share of global seized **VALUE**



Share of global **SEIZURES**



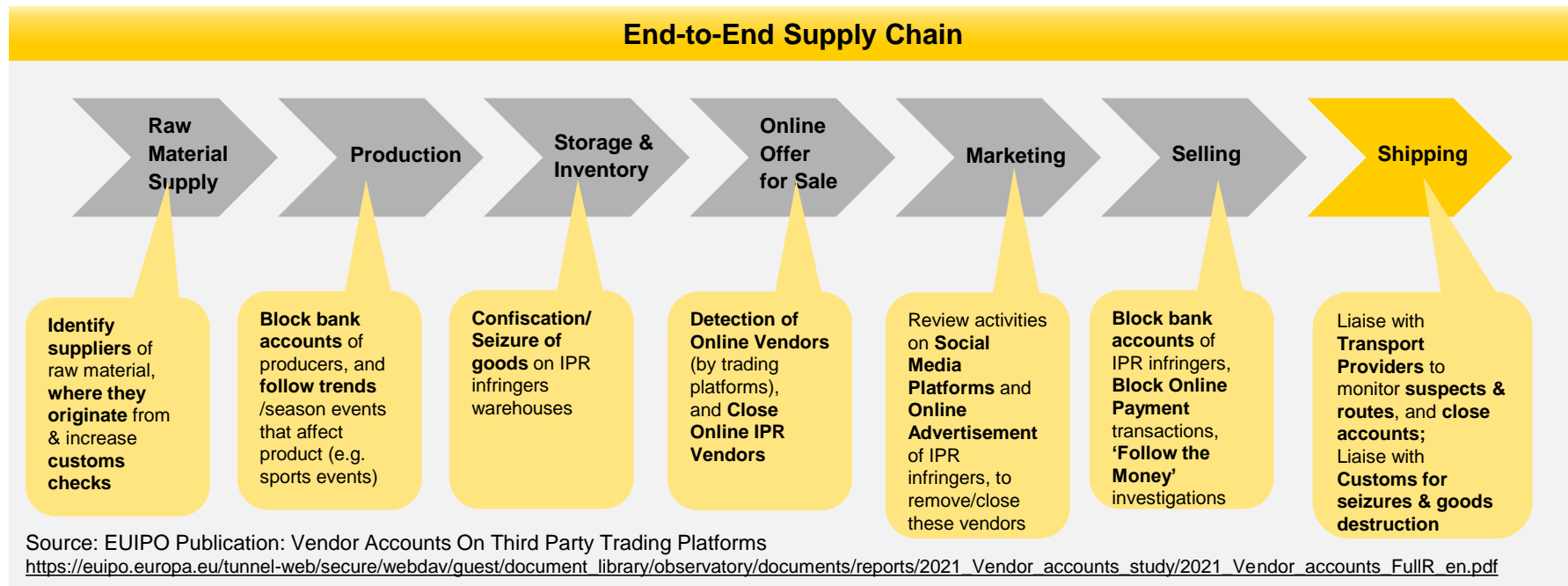
Source: OECD/EUIPO Publication: Global Trade in Fakes – A Worrying Threat  
 Link: <https://www.oecd.org/publications/global-trade-in-fakes-74c81154-en.htm>

# Intellectual Property Rights (IPRs)

## Express Couriers are at the last stage of the End-to-End Supply Chain



As an Express Courier, we can only influence the **last stage of the supply chain (Shipping)** with regards to **Intellectual Property Rights (IPR)** infringing goods



# Intellectual Property Rights (IPRs)

## Our Role: Support in tackling IPR infringements

As an Express Courier, **DHL Express fully supports Authorities tackling Intellectual Property Rights (IPR) infringers**

### Our Role

As an **Express Courier**, we support tackling IPR infringements in different ways, including:

- ✓ **Educating our DHL Customers & Staff** and reinforcing our policy that IPR infringing goods are prohibited to be shipped with DHL Express.
- ✓ **Providing accurate and timely Electronic Shipment Data** for Customs Authorities to perform Risk Screening of shipments as early in the process as possible.
- ✓ **Intercepting & Handing Over** physical shipments **flagged by Customs Authorities** as IPR infringements.
- ✓ **Taking Action** against non-compliant IPR shippers **flagged by Customs Authorities**.
- ✓ **Providing Additional Support & Information** on major IPR investigations by Customs Authorities (e.g. details on shippers/consignees, where legally allowed).
- ✓ **Own Risk Management Mitigation** for high-risk countries.



# Intellectual Property Rights (IPRs)

## Our Role: DHL USA & Hong Kong Examples



Our DHL USA & Hong Kong Teams fully **cooperate with Local Customs Authorities** on tackling Intellectual Property Rights (IPR) infringements on a daily basis, and also **educate & train our DHL employees** – some examples below (*non-exhaustive*):



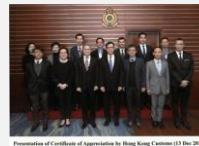
### USA

- ✓ **IPR voluntary abandonment program:** DHL US supports the program by proactively intercepting and inspecting suspected IPR infringing goods.
- ✓ **Account closures:** In 2021, the DHL USA team physically intercepted more than 3,500 shipments to identify suspected IPR infringing goods, together with CBP, contributing to many “bad shipper” account closures.
- ✓ **Savings:** In 2021, 5,000 shipments valued at USD 246.3 million were referred to CBP’s IPR abandonment process, saving U.S. taxpayers more than USD 49 million.
- ✓ **National Intellectual Property Rights Coordination Center (IPR Center)** presented DHL Express USA with an award for being the most active partner in the express delivery sector.



### Hong Kong

- ✓ The **Assistant Commissioner of HK Customs** presented a “**Certificate of Appreciation**” to DHL Express HK in December 2018 for the support resulting in total seizure of 1,000,000 items of assorted contrabands, valued at HK\$ 58 M (*in December 2018*).



Presentation of Certificate of Appreciation by Hong Kong Customs (13 Dec 2018)

- ✓ The **World Customs Organization (WCO)** presented a “**Certificate of Merit**” to DHL Express HK in January 2020 to recognize the IPR efforts.



# Intellectual Property Rights (IPRs) Challenges

Could be addressed jointly by industry and regulatory authorities

## Challenges faced

- ✓ **DHL is not an enforcement agency**, hence, does not have the intelligence nor the authority to stop shipments.
- ✓ Not all local enforcement agencies are fully engaged.
- ✓ Not all right holders follow procedures in place.
- ✓ X-ray screening does not assist in identifying IPR infringing goods. IPR inspection requires **opening each shipment** to check the contents to see if it contains any commodities with potential branding / copyright issues is **time / resource consuming**.
- ✓ Storing shipments pending results from authorities has a negative impact on the DHL's **storage capabilities**.
- ✓ Challenges could be improved through the following collaboration:
  - ✓ seizures being communicated in a timely manner, on a regular basis and in a digital format for ease of further processing;
  - ✓ seizure information including details of commodities and variations versus shipper invoice; and
  - ✓ handling of IPR infringing goods that have been identified by DHL Express by the authorities.





## Intellectual Property Rights (IPRs) Our Commitment & Request

DHL Express is committed to compliant trade and will **continue to fully support Authorities** across the world on tackling IPR issues

### Our Commitment

- ✓ We are committed to **educate our customers.**
- ✓ We are committed to work with stakeholders to **not knowingly transport IPR goods.**

### Our Request

#### *What do we need?*

- **Government Authorities (together with IPR Holders)** to develop & maintain a central list of '**IPR Violators**' which then the various stakeholders can act upon.
- Enhanced **cooperation (effective information sharing)** with customs authorities, other government agencies and industry players to tackle illicit trade.



# THANK YOU

**Disclaimer**

While we have made every attempt to ensure that the information contained herein has been obtained, produced and processed from sources believed to be reliable, no warranty, express or implied, is made regarding the accuracy, adequacy, completeness, legality, reliability or usefulness of such information. All information contained herein is provided on an "as is" basis. In no event will DHL Express, its related partnerships or corporations under the Deutsche Post DHL Group, or the partners, agents or employees thereof be liable to you or anyone else for any decision made or action taken in reliance on the information contained herein or for any consequential, special or similar damages, even if advised of the possibility of such damages.



# Mastercard's Initiatives to Prevent Intellectual Property Infringements

Jonathan Trivelas, Vice President  
Brand Performance Team, Franchise



# Mastercard Core Processing Activities

- Has financial relationship with Merchant
- Sends payment transaction data from Merchant to Mastercard
- Receives funds from Mastercard on behalf of their merchants and deposits to their account



**Acquirer**



**Merchant**

- Contracts with an Acquirer to process payments
- Accepts Mastercard as a form of payment
- Must operate per Mastercard Rules



Mastercard traditionally operates in the 4-party model

- Provides the network that connects the Issuer and Acquirer in a safe and secure manner
- Establishes and maintains the Rules that govern all aspects of Mastercard activity



**Issuer**



**Cardholder**

- Agrees to payment terms of the Issuer
- Uses card at Merchants that accept Mastercard-branded cards

- Has financial relationship with consumer
- Extends credit and issues Mastercard-branded cards
- Authorizes payment transaction and posts to cardholder account
- Sends funds to Mastercard on behalf of their cardholder



# Business Risk Assessment and Mitigation (BRAM) Program

- Mastercard does not tolerate the use of its brand, programs, or services to further any illegal activities
- Mastercard requires its customers to comply with all applicable laws and Mastercard Rules and Standards
- The BRAM (Business Risk Assessment and Mitigation) Program was established in 2005 to investigate and address Customers engaged in activity that is illegal or otherwise deemed to be brand damaging under Mastercard Rules



# BRAM Program Violations

## Examples of BRAM Violating Transactions

- Illegal Internet gambling / miscoded gambling
- Illegal sale of prescription drugs and/or tobacco products
- Child exploitation
- Offensive adult pornography
- Sale of counterfeit merchandise
- Sale of goods or services in violation of intellectual property (IP) rights
- Sale of certain types of drugs or chemicals (synthetic drugs, salvia divinorum, etc.)



*\*Examples are not exclusive. Any product or service that is illegal or brand-damaging is included in BRAM.*



# Partnerships



**CSIP**



**MOTION PICTURE  
ASSOCIATION**



**IWF**  
Internet  
Watch  
Foundation



Medicines &  
Healthcare products  
Regulatory Agency



International Centre  
FOR MISSING & EXPLOITED CHILDREN

**IACC**  
INTERNATIONAL ANTI-COUNTERFEITING COALITION

# Mastercard Anti-Piracy Policy

Complete details and the referral form can be found at:

<https://www.mastercard.us/en-us/vision/who-we-are/terms-of-use/anti-piracy-policy.html>



- The Anti-Piracy Policy supports and is considered in conjunction with Mastercard’s Business Risk Assessment and Mitigation (“BRAM”) program
- Rights holders may submit referrals by submitting the “Mastercard Anti-Piracy Referral Form” and the following supporting documentation
  - Description of the alleged infringement that specifically identifies any products alleged to be an illegitimate product and specific URL where it is offered
    - Comparisons of the legitimate and illegitimate products are always helpful
  - Evidence that the allegedly illegitimate products can be purchased using a Mastercard-branded payment card
    - Screenshots of the site showing the MC brand mark are acceptable; test transactions are helpful but not required
  - A copy of at least three of the right holder’s cease and desist letters or Digital Millennium Copyright Act (DMCA) notice notifying the website owner/Merchant that it is engaging in infringing activity
  - An attestation that, to the best of the right holder’s knowledge, the site is not licensed or otherwise authorized to sell the alleged Illegitimate Products in question
  - Evidence demonstrating that the right holder owns the copyright(s) or trademark(s) in question
    - If the referral is being submitted on behalf of the rights holder by a third party or agent, a letter from the right holder stating that the agent is authorized to act on their behalf will also be needed





# BRAM Investigative Process

## Referrals



- Law Enforcement
- Right Holders
- Web Crawler
- Internal Investigation

## Mastercard Process



- Conduct Investigation
- Perform Trace
- Confirm Non-Compliance
- Notify Acquirer

## Acquirer Process



- Conduct Investigation
- Cease Activity
- Provide Response
- MATCH Listing



## MATCH™ - Mastercard Alert to Control High Risk Merchants



- The Mastercard Alert to Control High-risk (Merchants) (MATCH™) system is designed to provide Acquirers with the opportunity to develop and review enhanced or incremental risk information before entering into a Merchant Agreement.
- When an Acquirer considers signing a Merchant, MATCH can help the Acquirer identify whether the Merchant was terminated by another Acquirer due to circumstances that meet the MATCH Add criteria. This information could impact their decision whether to acquire for this Merchant and/or whether to implement specific action or conditions.
- MATCH is a mandatory system for Acquirers licensed by Mastercard, unless prohibited by law or excused by Mastercard. The MATCH database includes information about certain Merchants (and their owners) that an Acquirer has terminated.

# MATCH™ - Mastercard Alert to Control High Risk Merchants

## How it works: MATCH Inquiry

The Acquirer submits an inquiry to MATCH using merchant information and the associated principal owner(s) details

MATCH searches the database for possible matches between the inquiry information and merchants in MATCH within the past five years, as well as inquiries performed by other acquirers during the previous 360 days

MATCH returns details of all merchants found; the response indicates if each search result is based on an exact match or phonetic matches to each of the data elements provided

## How it works: MATCH Add

The Acquirer submits an addition record that includes information on the merchant and associated principal owners, along with the applicable termination reason code

The record is added to MATCH and made available to all other acquirers immediately

MATCH returns a confirmation to the Acquirer that the merchant was successfully added and provides a MATCH Reference Number



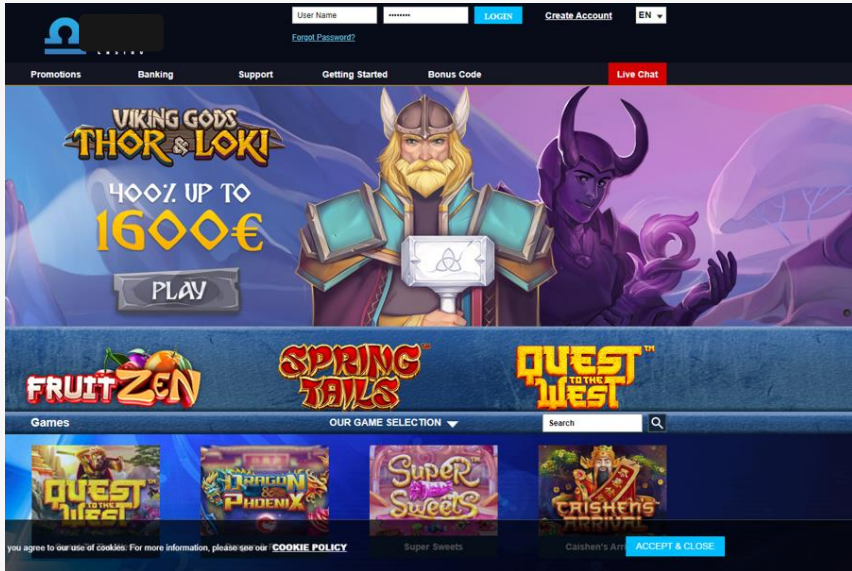
# Merchant Transaction Laundering (TL) and the Merchant Monitoring Program (MMP)

- Merchant transaction laundering (TL) is an action whereby a merchant processes payment card transactions on behalf of another merchant (also known as “transaction aggregation” or “factoring”)
- Mastercard deems merchant transaction laundering to be a violation of Mastercard Rule 5.1 and as separate from a BRAM violation
- Mastercard encourages acquirers to use a Merchant Monitoring Service Provider (MMSP) to monitor for and detect merchant transaction laundering via Mastercard’s MMP Program
  - To participate in the MMP Program:
    - Register an authorized webcrawler as an MMSP
    - Ensure the MMSP sends monthly reports of all merchants being monitored and all issues identified
    - In the event of a BRAM or Global Rules Investigation Program (GRIP) identification, cease the activity promptly and provide an incident report from the MMSP
  - Acquirers that participate in the MMP Program and meet all the program criteria may receive up to 75% mitigation of BRAM and Rule 5.1 assessments if a monitored merchant is identified by Mastercard

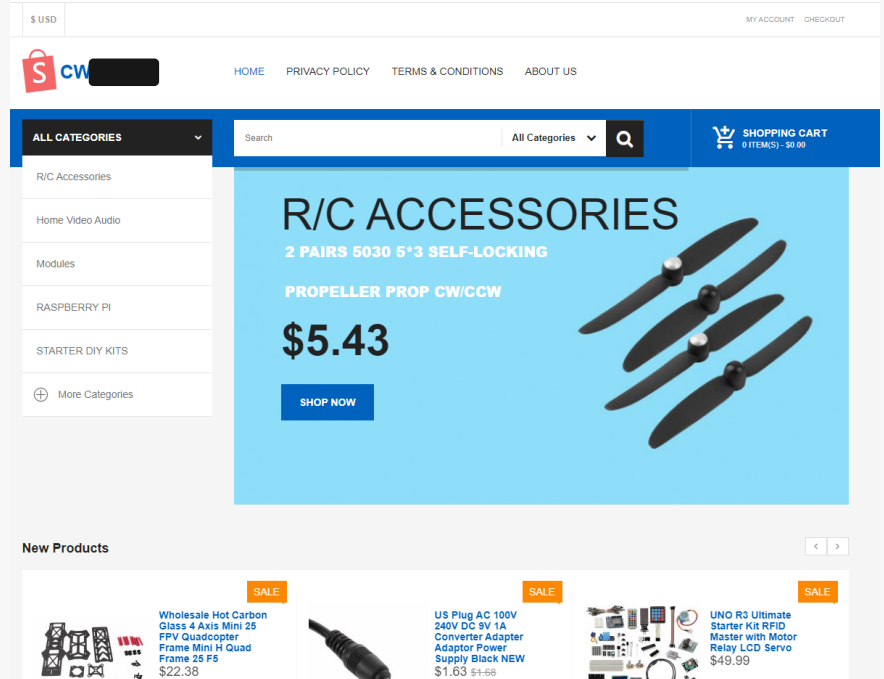


# Case Study – Transaction Laundering

## 1. Cardholder transacted here:



## 2. Transaction processed through account set up for this site:



## 3. Data Mastercard Sees:

DE42 Merch ID	DE43 Merch Name	DE26 Merch Category	CdMerch Category Name	DE43 Merch Street Address	DE43 Merch City
431210707121***	Cw****.club	5732	ELECTRONIC SALES	B802 Zhuoyuehui,Zhuoyuehui,No.126,Zhongk	shen zhen shi



# Questions?

