

## Merchant Billing and Funding



*"During the last several years, we have turned to OmniPay a number of times with ideas for new developments and functionality. Each time, OmniPay has guided us skilfully and responsively to turn those initial ideas into reality, thus helping BNL to continuously innovate and grow its acquiring business."*

**Walter Pinci,**  
General Manager, BNL Positivity (Italy)

OmniPay's focus on acquiring processing, along with a single, fully-integrated platform, provides flexible and sophisticated, yet efficient and cost-effective Merchant Billing and Funding services for our merchant acquiring customers. RAM is OmniPay's web-based portal and provides merchant, transaction, fee and settlement data accessible by acquirer and merchant alike.

### **Merchant Fees**

Customers can effectively manage profitability via use of sophisticated merchant billing functionality. The experience gained from boarding 27 leading acquirers around the world means OmniPay already support an extensive list of merchant fees. The modular and highly configurable nature of OmniPay's platform also offers customers the ability to quickly and effectively meet new and existing Compliance demands like those introduced under the SEPA Payment Services Directive.

As OmniPay have the capability to assess interchange fees during transaction loading and prior to submission to the card schemes, merchant fees can be based on interchange fee calculation, enabling acquiring clients to ensure they always charge at least what they themselves will be charged for interchange. These pricing mechanisms include but are not limited to:

### **Interchange Plus**

Charge for interchange fees with an optional 'plus' component. For example, 'interchange plus 1%' or 'interchange plus €0.25'.

### **Qualified Pricing**

Allows the acquirer to agree an expected interchange level with the merchant up-front and charge that value to the merchant. In cases where the merchant does not achieve the expected interchange level, the acquirer can charge the merchant a penalty.

### **Tiered interchange pricing**

This is a form of pricing which allows the acquirer to charge a tiered price depending on what interchange qualification is attained. Different interchange categories are grouped into tiers and the interchange category which is achieved dictates the pricing tier which is charged.

### **Per Transaction**

A flat fee or ad valorem. May be charged in addition to a primary fee and can be varied by many factors including but not limited to transaction type, card scheme and currency.

### **Interchange Pass Thru**

Allows the acquirer to agree an expected interchange level with the merchant up-front. This value is charged to the merchant for every transaction. If the merchant does not achieve the expected interchange level, the merchant is also charged the difference between the agreed interchange level and the actual interchange level as assessed by OmniPay.



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### **Cross Border and Assessment Fees**

OmniPay has the ability to generate Visa and MC cross-border and assessment fees and pass them onto merchants.

Fees may also be generated based on the following:

- Number of different types of authorisations processed
- Chargebacks (all incoming or only when debited to merchant)
- Retrieval requests
- Account set-up
- Monthly service
- Annual account charge
- Annual membership/turnover
- Terminal rental
- Statement
- ...and many more

Fees on the OmniPay platform are grouped into tariffs allowing any number of combinations and permutations. Individual merchant level overrides may be used to complement these tariffs enabling variation on the fees that apply to any one merchant.

### **Merchant Funding**

OmniPay creates files to specification required by acquirer's core banking system to initiate merchant funding on the appropriate date, in the appropriate currency, to the appropriate bank account, in gross or net settlement, and according to the contracted MSC and account fees.

OmniPay offer full flexibility regarding when, where, in what currency and in what way merchants are funded. Funding options include:

- Gross and net funding
- Single closing debit or credit balance
- Funding instructions per transaction type
- Separate debit and credit instructions
- Funding Warehouse released on specified date
- Payments on posting date with future value date
- FX converted payments using card scheme rates
- FX converted payments using other rates with currency specific margin markups
- Funding by card organisation and transaction type

OmniPay can uniquely offer clients the ability to be 'funding neutral'. We can predict when scheme settlement will occur based on the characteristics of each submitted transaction and fund merchants in line with this prediction, enabling our clients to settle merchants when they themselves will be settled.

We offer the ability to suspend or withhold payment due to suspected fraud or merchant arrears.

Additionally, Payment Reserve functionality allows a set percentage of a merchant's funding to be held in a reserve account, thus protecting our acquiring clients from any potential risk. This percentage can be reserved on an ongoing basis, for a set number of payments, or until a reserve value or date has been reached. Reserved funds may be retained, released on an ad hoc basis or automatically released on a rolling basis.

Factoring functionality can be used in a similar way to enable merchants to pay back any loans taken out against their future card sales activity.