

Visa Multicurrency Settlement

Settle transactions in multiple currencies on the Visa network.

Choose from over 20 settlement currencies to meet the needs of your Global card programme

Thredd's multicurrency settlement service enables issuers to settle transactions with Visa in multiple currencies, providing flexibility and efficiency in international financial operations. You can choose from over 20 settlement currencies and assign a default currency for different transaction currencies. This service integrates directly into existing Thredd products and interfaces, simplifying reconciliation processes.

Thredd's multicurrency settlement service is designed for issuers handling global transactions, providing a flexible and seamless solution for settling in multiple currencies. Unlike multicurrency (MFX) solutions, which involve balances in multiple currencies, this service specifically focuses on settlement, streamlining your or your client's back-end reconciliation process. It is ideal for businesses managing international payments and reconciliation with the Visa card scheme.

Features

- **Flexible Settlement Options:** Choose from over 20 settlement currencies, allowing for seamless global transactions.
- **Settlement to a default currency:** Where the transaction is not in a currency set up for your BIN.
- **Automated Settlement Calculations:** Thredd calculates settlement amounts per transaction with precision, easing your reconciliation by integrating with Visa's reporting.
- **Simplified Data and Reporting Interfaces:** Reporting is delivered through existing Thredd systems (EHI, Clearing Reports (CLR), Smart Client, Thredd Portal and API).

Benefits

- Support the acquisition and efficient operation of your service in multiple regions by enabling you to settle in different currencies.
- Integrates seamlessly into your existing reconciliation processes (meaning you don't need to build complex settlement logic on your own systems).

How it works?

- Visa provides daily FX rates for the 180+ global currencies that are used within VisaNet to authorise and settle transactions. For more information, see [developer.visa.com: Foreign Exchange Rates](https://developer.visa.com/foreign-exchange-rates)
- Visa provides two currencies in their clearing files: *Source Currency* and *Destination Currency*. For the majority of transactions these correspond to the Transaction Currency and Billing Currency amounts reported in the External Host Interface (EHI) messages and Transaction XML Reports.
- For most issuer programmes the *Billing Currency* is the same as *Settlement Currency*. However, if Visa multicurrency settlement is set up on your BINs and enabled on Thredd systems for your card programme, then the settlement currency can differ from the billing currency.
- Thredd provides a per-transaction calculated settlement amount and currency code, integrated into existing reports and interfaces (e.g., EHI, Smart Client, transaction reports).

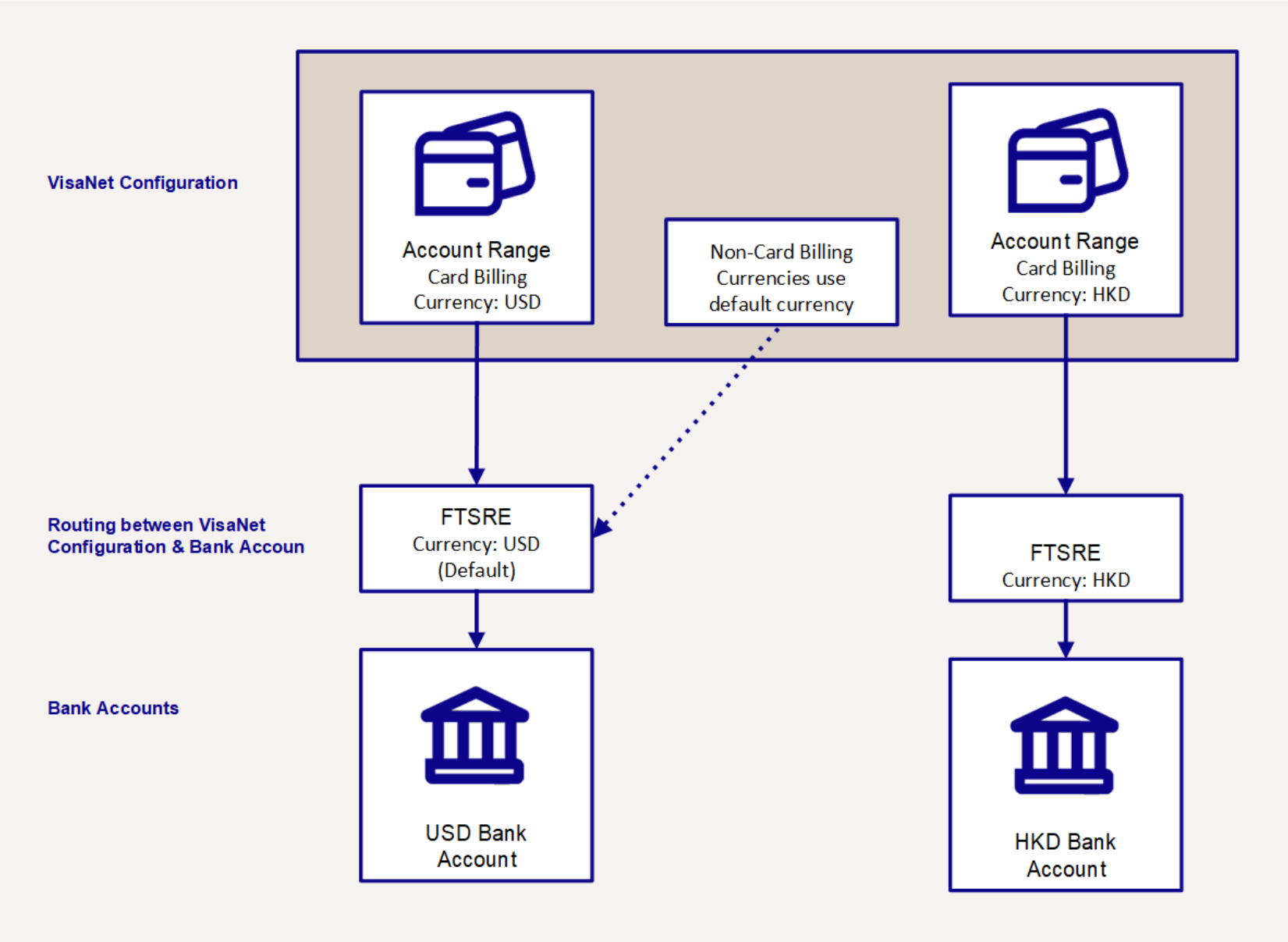


Setup At-a-Glance

Note: This feature is exclusive for Visa multicurrency settlement, and must be set up and enabled on both Visa systems and your Thredd account.

Visa Setup

- As a pre-requisite, you or your issuer must have a bank account in each of the currencies that you want to settle in. Visa must be able to draw funds from these accounts.
- With bank accounts available, Visa will then create the required *Funds Transfer Settlement Reporting Entitys* (FTSREs) and configure them to map Account Ranges to Bank Accounts as shown in the figure below.



Thredd Setup

To correctly set up Visa multicurrency settlement, Thredd will need to mirror Visa's configuration of the following information:

- BIN + Account range splits
- Card billing currency
- Default settlement currency per account range
- Additional currencies per account range

Note: If the configuration of account ranges and currencies are not aligned between Thredd and Visa the settlement amounts may be incorrect.



FAQs

This section provides answers to common questions about Thredd's Visa Multicurrency Settlement service.

Q. Is this service for Visa transactions only?

Yes. This service is exclusive to Visa. Mastercard includes this data as a standard offering.

Q. How is the settlement amount determined?

Upon receiving clearing files on a product enabled for multicurrency settlement, Thredd calculates the correct settlement amount and currency, updating it across all Thredd services.

Q. What business use cases is this suitable for?

This service is suitable for:

- multicurrency settlement on cards where the billing currency aligns with the default settlement currency.
- multicurrency settlement as the default settlement currency.

Q. What business use cases is this not suitable for?

This service is not suitable for single currency settlement where the billing currency does not match the single settlement currency.

Q. What is the accuracy of the settlement calculations?

- Thredd uses the maximum precision available within the system when calculating the settlement amount (up to 10 decimal places provided in the FX rate pairs).
- However, the final calculated value, populated in the file using the currency exponent (2 or 3 decimal places), may result in slight discrepancies when summing the settlement amount per transaction to obtain the daily net settlement position compared to Visa's daily report.
- The level of discrepancy will vary based on your total daily settlement amounts, with higher settlement amounts offsetting individual transaction variations. Overall, the difference is anticipated to be less than 0.01%.

IMPORTANT: It is essential that you treat the Net Settlement position provided by Visa as the definitive reconciliation amount and incorporate margins of variation accordingly.

Q. Where can I find out more?

Please contact your Thredd Business Development Manager or Account Manager.



Contact Us

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Technical Publications

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