

Frequently Asked Questions

What is MasterCard?

- MasterCard Worldwide advances global commerce by providing a sophisticated set of transaction processing and other payment solutions to enable economic connections among cardholders, merchants and financial institutions worldwide, and providing industry-leading analysis and consulting services to drive business growth for its banking customers. MasterCard also manages a family of well known brands including MasterCard®, Maestro® and Cirrus®. With more than one billion MasterCard payment cards issued, MasterCard serves consumers and businesses in more than 210 countries and territories. The MasterCard award-winning Priceless® advertising campaign has been seen in 110 countries and in 51 languages, reflecting the global reach and strength of MasterCard.

What is the role of MasterCard in the marketplace?

- In simple terms, MasterCard is the critical link between financial institutions and millions of businesses, cardholders and merchants worldwide. More than just a powerful network, MasterCard is a driving force at the heart of commerce, developing more secure, convenient and rewarding payment solutions, processing billions of payments seamlessly across the globe, and building economic connections that accelerate business. The company markets a strong portfolio of brands worldwide through the thousands of financial institutions that are its customers and leads the industry in data security through its innovative collaborative and global approach.

Who is the President & CEO of MasterCard?

- Robert W. Selander was appointed president and CEO of MasterCard Worldwide in April 1997.

When was MasterCard founded?

- In 1966 a number of banks formed the Interbank Card Association. In 1969 the Interbank Card Association bought the rights to use “Master Charge” from the California Bank Association. It was renamed MasterCard in 1979.

Does MasterCard issue cards?

- No. MasterCard does not issue cards, set annual fees on cards, determine annual percentage rates, solicit merchants to accept cards or set their discount rates. Instead, MasterCard’s customer financial institutions manage the relationships with consumers and merchants.

What is the role of each issuing financial institution?

- Issuing banks have responsibility for issuing cards, setting annual fees on cards, and determining annual percentage rates and other features such as rewards programs.

What is the role of each acquiring bank?

- Acquiring banks have responsibility for securing agreements with merchants to accept cards and for setting their discount rate.

Does MasterCard make money on interchange?

- Interchange fees represent a sharing of payment system costs among acquirers and issuers. Although MasterCard establishes default interchange fees the company does not earn revenues in connection with interchange fees.

How does MasterCard set interchange rates?

- MasterCard determines the interchange rates based on the cost incurred by issuers, competitive pressures from other payment methods, the need to provide incentives to member banks and merchants to increase the efficiency of the system, and other market