



## How It Works

### The life of a Visa transaction

Merchants, cardholders, and financial institutions are all connected with Visa's advanced network, offering you the assurance of secure transactions and timely payments.

But what exactly happens from the moment you accept a customer's Visa card to the time you receive payment? See exactly how the Visa payment process works.

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### Key players

Every Visa card transaction involves multiple parties. The following definitions will give you a good understanding of who's who in the transaction process.



**Cardholder:** an authorized Visa user.



**Issuer:** a financial institution that issues Visa cards and maintains a contract with cardholders for repayment.



**Merchant:** an authorized acceptor of Visa cards for the payment of goods and services.



**Acquirer:** The acquirer (financial institution or merchant bank) that contracts with the merchant for Visa acceptance and enables Visa card payments from customers.



**Visa:** the consumer payment system, whose members are the financial institutions that issue Visa cards and/or sign merchants to accept Visa.



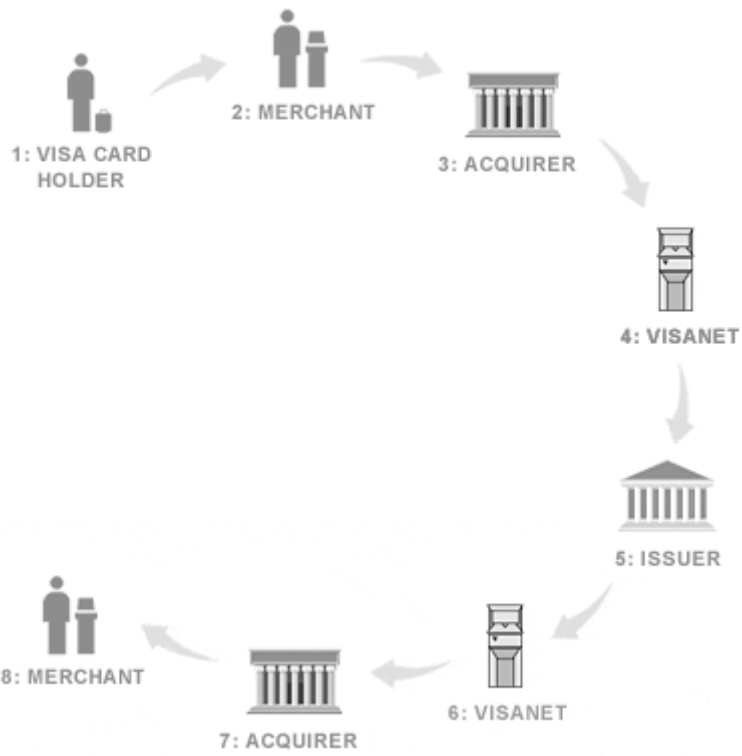
**VisaNet:** an advanced network that acts as an Authorization service for Visa card transactions, as well as a Clearing and Settlement service to transfer payment information between parties.

### A two-part process

Processing a Visa card transaction involves two stages: Authorization, where an electronic request is sent through various parties to either approve or decline the transaction; and Clearing and Settlement, where all parties settle their accounts and get paid.

### Authorization

Rollover the icons in the following charts for a brief explanation of each step in the transaction process.



**Clearing and settlement**

Rollover the icons in the following charts for a brief explanation of each step in the transaction process.

