



Models In Detail

Responsibility	Referral Agent	Retail ISO	Wholesale ISO	Managed Payment Facilitator (MPF)	Full Payment Facilitator
Merchant Recruitment	Referral partners share leads from their merchant customer base to their payments partner	The ISO presents the payment program under their own brand	The ISO presents the payment program under their own brand	The MPF presents the payment program under their own brand	The payment facilitator presents the payment program under their own brand
Merchant Contracting	The payments partner presents and contracts with the referral partner’s customers	Individual agreements may vary. In many cases the ISO presents the payments partner’s contract and the payments partner executes it	Individual agreements may vary. The ISO may present the payments partner’s contract and the payments partner executes it, or the ISO may negotiate with their processing partner to contract directly with their merchant customer	The MPF presents and executes the payment processing contract with their merchant customer	The payment facilitator presents and executes the payment processing contract with their merchant customer
Merchant Underwriting & Risk	The payments partner takes all responsibility	In most cases, the payments partner takes all responsibility	The wholesale ISO takes responsibility	Underwriting and risk can be shared between the MPF and their payments partner. Individual arrangements vary substantially. For example, the MPF could agree to be responsible for AML, KYC, and OFAC, but the payments partner would take ordinary risk of merchant chargebacks	The payment facilitator does account underwriting and accepts all risk
Merchant Billing	The payments partner takes all responsibility	The payments partner takes all responsibility	The payments partner takes all responsibility	Billing is done under MPF invoice, services provided by the payments partner	Billing is done under the payment facilitator’s invoice
Payment Settlement	The payments partner takes responsibility	The payments partner takes responsibility	The payments partner takes responsibility	The payments partner takes responsibility	Settlement is done by the payment facilitator
How Does A Company Monetize?	The referral partner is paid an ongoing revenue share	An ISO may set the payment processing fee, and get paid a residual which is a percent of net income	The ISO sets the payment processing fee, and keeps 100% of the markup they choose to charge above their buy rate	The MPF sets the payment processing fee, agrees to a fee ‘buy rate’ for these transactions from their payments partner, and keeps 100% of the markup they choose to charge above their buy rate	The payment facilitator sets the payment processing fee, and keeps 100% of the markup they choose to charge above their buy rate
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