MERCHANT ACCOUNT GUIDE

PayTrace CEDP Compliance Guide

How to Protect Your Business from Costly Interchange Increases

VERISAVE

Overview

PayTrace clients are facing substantial cost increases ... and most don't realize the underlying compliance risk.

Visa's new CEDP rules require actual, authentic transaction data. In October 2024, PayTrace began using randomized data to simulate compliance, but this artificial data violates Visa's requirements.

The problem:
Randomized transaction data is being used to qualify for Visa's Product 3 rates . This randomized approach won't pass Visa's audits.

The risk:
When Visa flags your account, you'll lose Verified Merchant status. Your interchange fees will increase by 10-33% automatically. For some merchants, this means hundreds of thousands in additional monthly costs.

The solution:
You do NOT need to leave PayTrace. But you do need to fix how data flows through it.

This guide will show you how to identify your risk and take action before Visa's audits catch up with you.

Step 1: Assess Your Risk

Is PayTrace Putting You at Risk for CEDP Non-Compliance?

You are at HIGH RISK if:

- You initiate payments directly into the PayTrace gateway, OR
- Your customers enter payment information through a PayTrace payment link
- You don't have an integration between your ERP/invoicing system and PayTrace*

**Why this matters:*
Approximately 95% of PayTrace clients lack proper integrations, which means nearly all PayTrace users are at risk for Unverified Merchant status.

Review your PayTrace billing history to confirm:

- Pull your 24-month PayTrace debit history
- Compare fees from before January 2025 to current fees
- Look for the Level 2/3 or Product 3 data service fee (10 basis points of your L2/L3/Product 3 savings)
- PayTrace now charges for what was previously a free service
- This fee applies regardless of whether the data is compliant
- **You're paying for a service that puts you at risk**

Step 2: Calculate Your Exposure

How to Determine the Dollars at Risk

What happens if you're flagged by Visa's CEDP audit:

- Immediate loss of Product 3 (Level 2/Level 3) discounted rates
- Interchange increases of 10-33% on commercial card transactions
- No warning before the increase takes effect

Potential cost impact:

Cost depends on your processing volume. For one PayTrace client, Verisave identified a potential $300,000 per month fee increase (which they avoided by updating their workflow properly). *This chart will help you calculate the dollars at risk if your business is placed on Visa's Unverified Merchant List:*

MONTHLY TRANSACTION VOLUME	100% B2B	75% B2B	50% B2B	25% B2B
$100k	$450	$338	$225	$113
$500k	$2,250	$1,688	$1,125	$563
$1M	$4,500	$3,375	$2,250	$1,125
$10M	$45,000	$33,750	$22,500	$11,250
$100M	$450,000	$337,500	$225,000	$112,500

Step 3: The Solution

How to Achieve True CEDP Compliance Without Leaving PayTrace

You don't need to abandon PayTrace. You need to use it correctly.

Integration:

- Connect your ERP/invoicing system directly to PayTrace
- Authentic data: Ensure real transaction data flows through automatically
- Compliance verification: Confirm you're meeting Visa's CEDP requirements

What Verisave provides:

- Expert evaluation of your current workflow and compliance gaps
- Seamless integration between your ERP and PayTrace gateway
- Coordination with your team, PayTrace, and your ERP provider
- Verification that authentic data is flowing correctly
- Protection from Unverified Merchant status

The result:

- Maintain Product 3 discounted interchange rates
- Keep using PayTrace as your gateway
- Stay with your current processor
- Achieve true CEDP compliance
- Eliminate risk of 10-33% interchange increases

No heavy lifting for your team. We handle the coordination and implementation.

Need Help?

Don't Wait for Visa's Audit to Find You
The cost of inaction is substantial. Every month you delay puts you at greater risk of being flagged as an Unverified Merchant.

Time is critical:
- Visa's audit processes are actively identifying non-compliant merchants
- Once flagged, interchange increases are immediate and automatic
- PayTrace's randomized data workaround has a limited shelf life

Verisave specializes in CEDP compliance for PayTrace clients.
We've helped numerous B2B merchants protect their Product 3 rates while continuing to use PayTrace.

Get started today:
We offer a no-cost, no-obligation assessment of your PayTrace setup and CEDP compliance risk. We'll show you exactly where you stand and what needs to change.

Contact:
hello@verisave.com

Protect your business from unnecessary interchange increases. Let our PayTrace experts ensure your compliance today.

