



### Step 1: Consumer Gives Payment to Merchant

The first step involved in a transaction is the acceptance of credit card information by a merchant as a means of payment for products or services. The merchant can receive this payment through such methods as an Online Store, ePayment Form, Wireless Retail via Mobile Phone, Retail via Software, Retail via IP Terminal or Mail/Telephone Order via Virtual Terminal.

### Step 2: Merchant Requests Authorization of Card

Once the merchant receives the credit card, an authorization must be given for the funds to be properly held for the merchant. This authorization request is performed by the USA ePay gateway which takes the card information securely and requests an authorization from the issuing bank of the credit card.

### Step 3: Issuing Bank Gives Authorization of Card

If the card is approved, the credit card's issuing bank generates an authorization code and sends it back to the USA ePay gateway. This authorization, along with other security verification such as address verification (AVS) and card id verification (CVV), are then given back to the merchant.

### Step 4: Merchant Ships/Gives Consumer Goods Purchased

Once the credit card has been authorized and the merchant has received the approval from USA ePay with an authorization code, it is up to the merchant to provide the consumer with the goods and services they have purchased.

**Step 5: Settlement of the Transaction**

Upon completion of the transaction and transfer of goods or services, the merchant must settle the transaction in order to complete the sale and initiate the transfer the funds from the consumer's credit card account to the merchant's account.

**Step 6: Transfer of Funds from Issuing Bank to Merchant Bank**

Typically 1-2 work days after a transaction is settled the issuing bank will transfer the authorized funds to the merchant's Merchant Service Bank.

**Step 7: Deposit of Funds from Merchant Bank to Merchant**

When the Merchant Service Bank receives the transaction from the credit card's issuing bank, it will then transfer those funds (minus fees) into the bank account on file for the merchant. This is the final step in the processing of a credit card transaction.