Integration recurring payment from January 2021

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From 01.01.2021, two-factor authentication will be mandatory for all card payments on the internet (ecommerce). In order to comply with this obligation, the operators of the credit card networks use the so-called 3D Secure procedure. For you as a merchant, it will be mandatory from 01.01.2021 to be able to carry out this procedure for your customers.

This also applies in principle to recurring payments, i.e. payments triggered by the merchant system, as they usually occur in the course of subscription payments.

However, since the customer interaction for 3D Secure can hardly be done during server to server calls for subscription, the card networks accept follow-up transactions without 3D Secure if the following conditions are met:

1.) There is at least one successful predecessor transaction of the type debit or preauthorisation.

2.) Both transactions, the successful predecessor and the new transaction, have a unique link to each other. This connection is usually guaranteed by a common registration (REG).

The first transaction referencing to a registration must be carried out with 3D Secure from 01.01.2021 onwards. All subsequent transactions can then be carried out without 3D Secure. The banks differentiate in this respect between

- CIT = customer initialised transactions
- MIT = merchant initialised transactions

The first transaction on a registration is always a CIT and must be carried out with 3D Secure from 01.01.2021.
After a successful first transaction, all subsequent transactions are passed on as MIT and are thus exempt from the obligation to use 3D Secure.

Please note: If the first successful transaction on an existing registration took place before 01.01.2021, this series of transactions can also be considered as authenticated, even if a 3D Secure procedure was never run for this series of payments.
Thus, for existing customers who have already been successfully debited before 01.01.2021, further recurring payments can be made without the need for 3D authentication.

Sequence of recurring payments

1.) Each series of recurring payments begins with a so-called registration (REG - Payment Code CC.RG or DC.RG). This merely creates a data record with the credit card information, but is not yet a transaction in the sense of the 3D Secure procedure.
Since credit card data are transferred during registration, this is usually done via an embedded payment form provided by the PCI DSS certified payment system (frame solution, embedded payment page, hosted payment page). The merchant system only receives a token back, which it uses for all debits as a reference to the actual payment data.

2.) The first transaction sent on a registration is always a CIT (see above) and must therefore successfully pass the 3D Secure procedure to authenticate the cardholder. Therefore, this first charge to the card (or the first reservation of an amount on the card) should take place immediately after the successful registration, as long as the customer is still present and can actively confirm the 3D Secure procedure.

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3.) After this first transaction has been successfully completed, the registration can be used as a basis for further transactions. These are marked as MIT and are exempt from the 3D Secure obligation due to the first successful authentication.

Notes and special features:

-   Whether the conditions for an MIT, i.e. a transaction without the use of the 3D Secure procedure, are fulfilled, is determined by the payment system and the banking systems on the basis of the transaction history. The merchant system does not necessarily have to transmit a note for this purpose.

-   Since the first transaction on a registration must always pass the 3D Secure procedure, frontend parameters must always be set, such as a FRONTEND.RESPONSE_URL and the parameter "FRONTEND.ENABLED=true" (for more details, see the document "*integration-guides-3d-secure_en.pdf*", there the section "*asynchronous transaction flow*").
    A frontend including FRONTEND.RESPONSE_URL is therefore required for both registration and the first transaction.

-   It may happen that at the time of registration it is not yet possible to charge the card because, for example, a free trial period has been agreed with the customer.
    In this case, a reservation (pre-authorisation) should be made immediately after registration. This should include the amount intended for the first actual debit. If this is not applicable, it should be at least one euro or the equivalent in the respective national currency.

-   When using the automatic scheduler in the Unzer system, it should be noted that it can never interact with the cardholder and thus never provide a frontend.
    This means that the first transaction must be initiated directly by the merchant system and the scheduler can only be started after successful authentication.

-   Reregistrations (RRE) automatically cause the first subsequent transaction to have to go through the 3D Secure procedure again. If an automatic scheduler is used, a transaction must first be carried out by the merchant system with forwarding of the cardholder to the 3D Secure procedure before the next transaction is carried out by the scheduler. This transaction can also be a reservation and does not have to result in a charge to the card. If this new authentication is not done, all further transactions of the scheduler will fail, as it cannot perform any client (frontend) interaction (see above).

-   In the past, basically before 01.01.2021, it was possible for subscription solutions or recurring payments to make an initial booking on a 3D Secure channel, while all subsequent bookings were made on a NONE 3D channel or subscription channel.

    Due to the changes on 01.01.2021 and the introduction of CIT and MIT transactions, this constellation, also known as a two-channel solution, has become obsolete. Now, 3D Secure is basically configured on all e-commerce channels and there is no longer any need to access a channel without 3D Secure.
    If the conditions mentioned at the beginning for a MIT (subsequent transaction without 3D Secure) are fulfilled, it is automatically executed by the system without 3D Secure, even if 3D Secure is actually activated on the channel in question.

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