When a "Global Standard" Is Not Neutral: Visa, Mastercard, and Scheme-led territories

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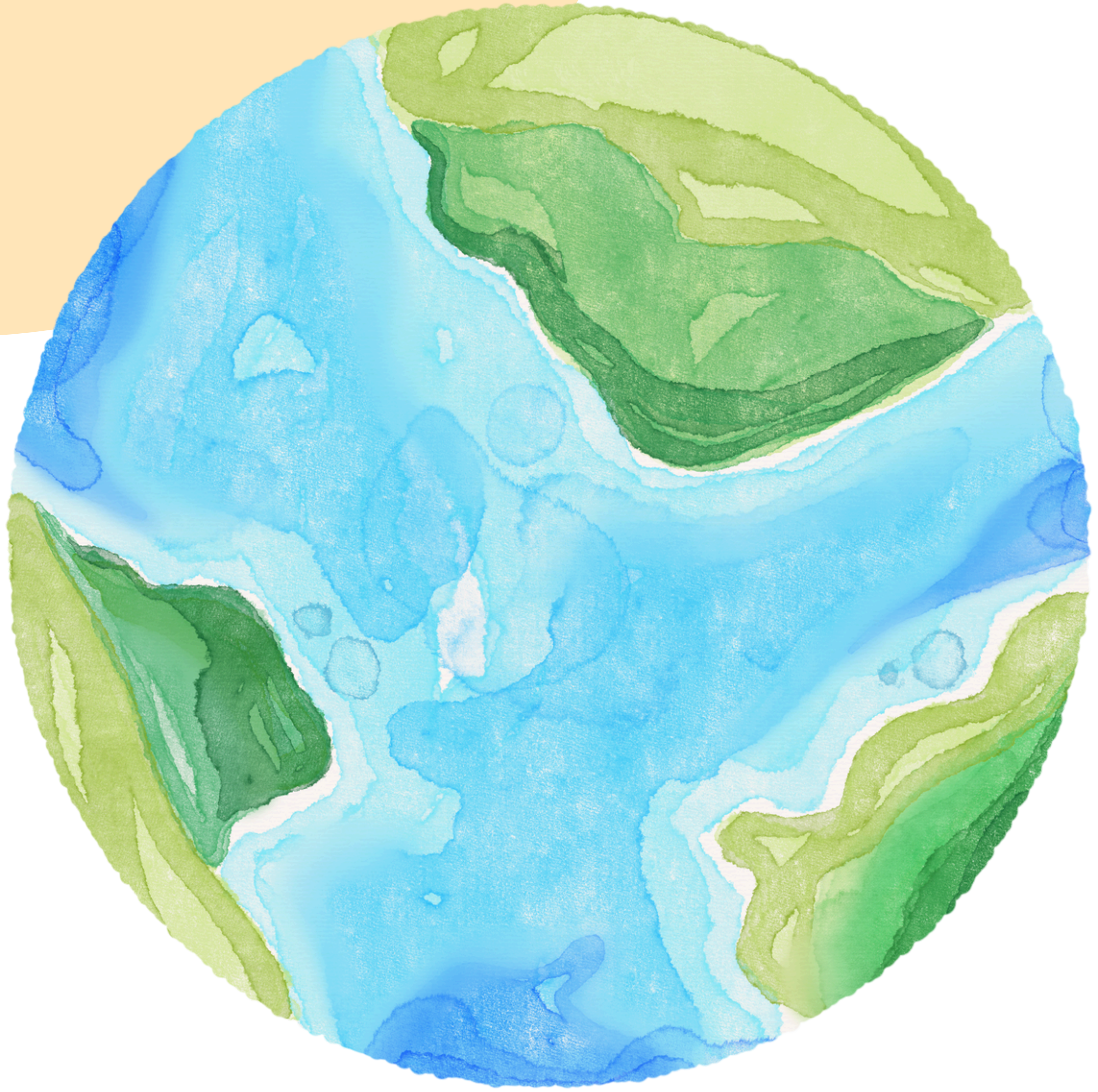

This free mini case study examines how Visa and Mastercard define and apply rules on regions and territories in global card payments.

You’ll learn:

- Why regions and territories are not neutral geography, but classification tools
- How Visa and Mastercard do not agree on regional and territorial logic
- Why this disagreement does not weaken their dominance
- How scheme-led governance creates structural complexity, not edge cases
- A practical way to navigate this complexity instead of assuming neutrality

For who?

- ***Merchants operating across borders,***
- ***Retailers and platforms expanding internationally***
- ***Acquirers, PSPs, and payment professionals***
- ***Anyone dealing with pricing, acceptance, compliance, or omnichannel card flows***

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Scheme-led governance: when the rules define the market

In many countries, retail digital payments operate under a scheme-led governance.

The unconscious assumption of scheme-led governance

Because they are **Global**; Global schemes are **Universal**,

👇

Because they are **universal,** they are a **standard**

👇

because they are a **standard**, Global schemes are **neutral**

Standard is not Neutrality

Standard can be :

-Universal
-Dominant
-Widely adopted

But still embedded choices, priorities, exclusions, and relationships of powers

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Scheme-led governance: when the rules define the market

3 anchors governs this original biased assumptions

1

Unavoidability

- In most markets, accepting cards means **accepting both Visa and Mastercard**
- **Opting out is not realistic** for most merchants

Neutrality assumption crack #1:

you don't choose the standard

2

Imposed classification

- **Schemes decide** how transactions are classified
- Those classifications determine **fees, rules, and constraints**
- **Market actors adapt** to those classifications

Neutrality assumption crack #2:

the standard defines reality

3

Incoherence inside dominance

- Visa and Mastercard **do not agree** on regions and territories
- Yet both logics **apply simultaneously** in the same markets

Neutrality assumption crack #2:

non-aligned rules, still dominant

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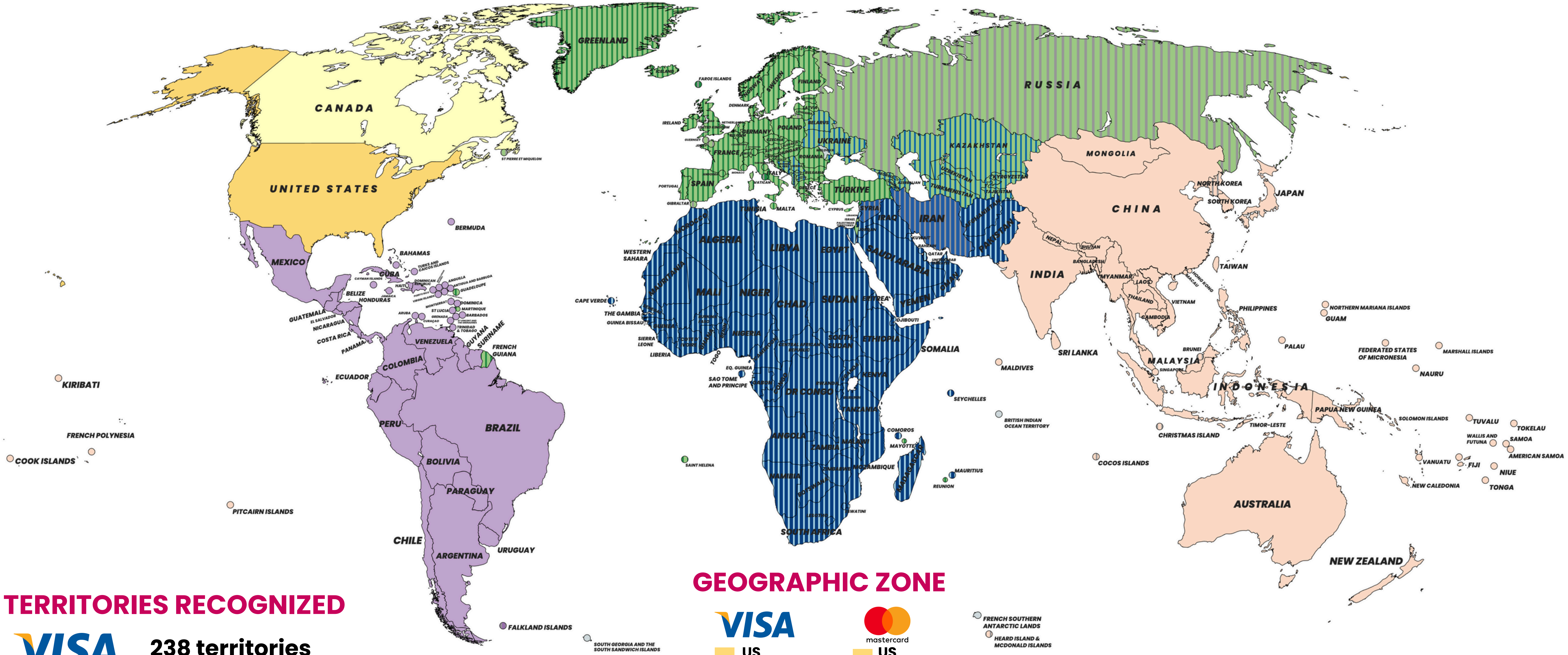
Territories and regions definition is how scheme-led governance becomes visible



TERRITORIES RECOGNIZED

VISA — 238 territories

mastercard — 232 territories

GEOGRAPHIC ZONE

VISA	mastercard
US	US
CANADA	CANADA
LATAM-C	LATAM-C
CEMEA*	MEA
EUROPE	EUROPE
APAC	APAC

*: Central Europe/ Middle-East / Africa

Territory not recognized

VISA/MC regions are copy paste?

25% of MC network is different from VISA

US Region
No difference

Canada Region
No difference

LatAm Region
1 difference

Asia & Pacific Region
12 differences

Africa & Middle East Region
22 differences

Europe Region
30 differences

Territories from both entities does not match on 65 occurences

Territories definition is unstable

Visa and Mastercard does not match with the international institutions

United Nations counts **195 members.**
Those members are recognised as **independant** and **sovereign** territories by others members

But, **VISA and MC recognises way more territories** and their number is not identical according to the interpretation of both scheme.

222 territories are recognized by **VISA & MC**
16 territories are recognized by **VISA not MC**
10 territories are recognized by **MC not VISA**

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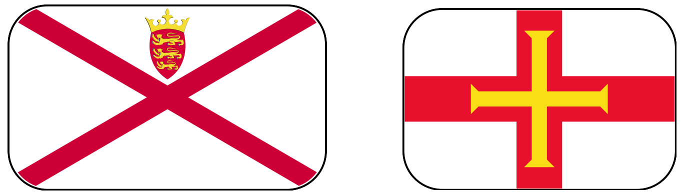
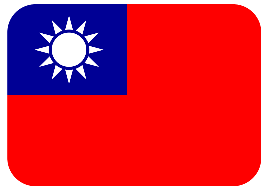
VISA/MC region definition can be geopolitical

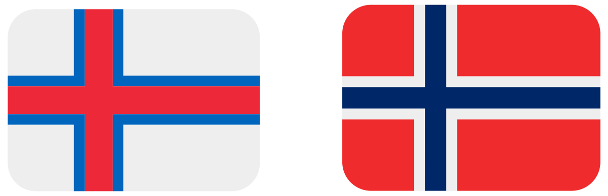


Jersey and **Guernsey** are recognized as two distinct territory by MC whereas they form a unique territory for VISA under "**Channel Islands**" that **officially does not exist**



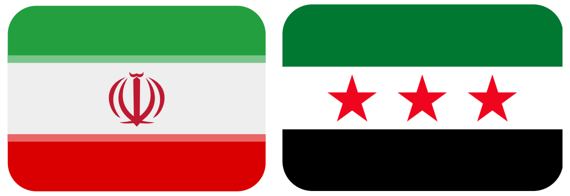
ROC (Taiwan) is not recognised as a state by UN, but **recognised as a sovereign territory by both scheme**

Russia although sanctionned by several countries, including US treasury, is still recognised as territory by MC, but not by VISA



Faroe Islands and **Svalbard** are not independant territories but **autonomous regions** from Denmark and Norway. **Visa recognizes them as a territory, MC not.**

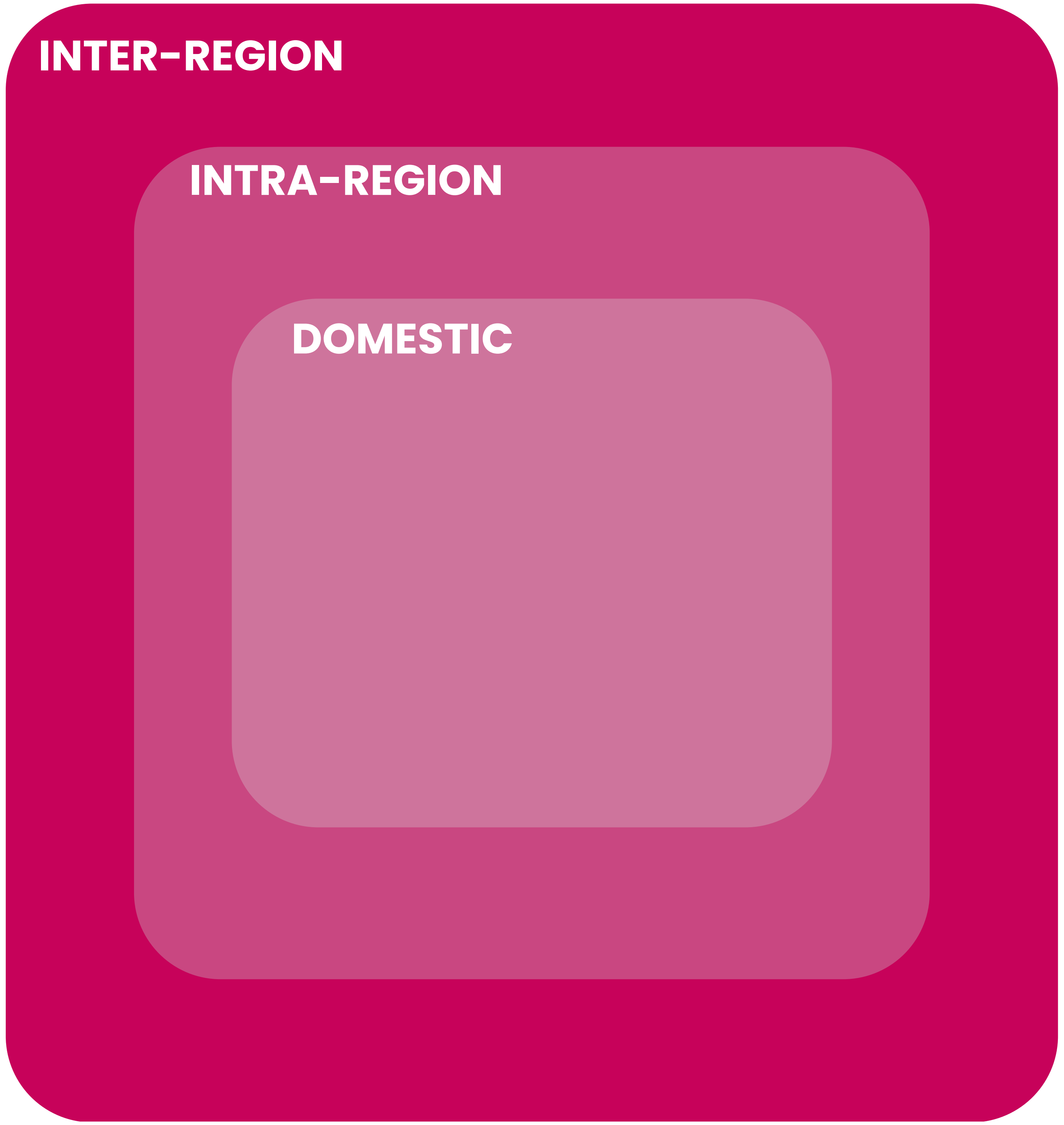
Vatican although an indenpendant territory is **not recognized by MC** because it is not a state, but Taiwan yes...



Iran & Syria although sanctionned, is still recognised by VISA not by MC

The importance of territory to define transaction type

All transactions are defined according to where cardholders, acquirers and merchants are located.



Located in the **same territory** :
this is a **DOMESTIC** transaction

Located in the **same region** but in **two different territories**:
this is an **INTRA-REGION** transaction

Located in **two different regions** whatever the territory:
this is an **INTER REGION** transaction

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The Importance of Region of Operation

Card schemes are organised in Regions & Territories.

Those regions and territories are extremely important for schemes to operate with their Principal Members and Agents.

Specific scheme rules according to **territory local regulation (PSD II,...)**

Acquirers, issuers and any agents registered by VISA/MC can be **only allowed on specific territory/region**

Different set of fees according to location of merchants, acquirers, intermediates and cardholders

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Why it does matter to understand

Different scenarios can happen according to different perimeters. It impacts :

- **Acceptance rate**
- **Fraud & Chargeback monitoring**
- **Disruption in CX**
- **Fees invoiced**
- **Operating processing**

Additional difficulty : VISA/MC regions definition do not overlap on geographic reality.

Case 1: 🇮🇱Israeli cardholder › 🇫🇷French Merchant

Geographic reality 👉 Inter-region
FRANCE in EUROPE & ISRAEL in MIDDLE EAST
Visa reality 👉 Intra-Region
Both territories are considered in **EUROPE**
MC reality 👉 Intra-Region
Both territories are considered in **EUROPE**

Case 2: 🇬🇪Georgian cardholder › 🇩🇪German Merchant

Geographic reality 👉 Inter-region
GERMANY in EUROPE & GEORGIA in ASIA
Visa reality 👉 Inter-Region
GERMANY in **EUROPE** & GEORGIA in **CEMEA**
MC reality 👉 Intra-Region
Both territories are considered in **EUROPE**

Let's summarize

Now you understand :

VISA and MC ***definition of territory and region is not identical***

Territories definition follows own scheme logic, ***not international standards or geographical reality***

VISA and MC operates and invoices transaction differently ***according to territory and region definition***

This territory definition is more stable in Americas, and ***unstable within Asia Pacific, Middle East, Africa and Europe***

Now what do to do with this?

4 Strategic insights for better operations

❌ Stop assuming Visa & MC = unified "card world."

25% of Mastercard's territories don't match Visa › operational & compliance risks.

⚠️ Watch Europe & MEA closely.

These regions hide the highest number of mismatches inside the same "region."

💬 Push your providers.

Demand clarity: which scheme map do they apply, and how do they bill territories?

🔄 Rethink your Payments strategy.

If Visa & MC are as fragmented as local operators, alternatives may not be so "alternative" anymore.