PAYMENTS INFRASTRUCTURE · CARD ISSUING

A Guide to Card Issuing

How card issuing works, and why Principal Membership gives programme owners more control than a sponsorship arrangement.

FINXP · GUIDES SERIES

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INTRODUCTION

Who this guide is for

This guide is for anyone planning a branded card programme who wants to understand how card issuing works and where control actually sits.

It covers the parties involved in a card programme, what changes with Mastercard Principal Membership, and what to establish before choosing an issuing partner.

How card issuing actually works

A card programme rests on several relationships. There is the card scheme, an authorised issuer, a processor that handles and routes transactions, and the programme owner, whose brand appears on the card and who shapes the customer experience. Every transaction, in store or online, is authorised, cleared and settled through that chain before funds move.

The material difference between providers is which of these roles they hold directly, and which they access through another party.

> With sponsorship, a business issues cards on a Bank Identification Number owned by the sponsor, which manages the scheme relationship, approves programme changes and sits in the settlement path. Principal Membership gives that relationship to the issuer directly.

The parties in a card programme

- ✓ The card scheme, which sets the rules and operates the network.
- ✓ The authorised issuer, which holds the scheme relationship and issues the cards.
- ✓ The processor, which authorises and routes each transaction.
- ✓ The programme owner, whose brand and customer experience sit on top.

Principal Membership versus BIN sponsorship

For a business launching a card programme through a platform or PSP, this distinction affects how much control it holds over its own product, and how far third-party decisions on risk, pricing or continuity can reach into it.

ASPECT	PRINCIPAL MEMBERSHIP (FINXP)	BIN SPONSORSHIP
Scheme relationship	Direct membership with Mastercard.	Access through a sponsor's own membership.
Programme control	The programme owner sets parameters directly.	Changes require sponsor approval.
Speed to launch or change	Fewer approval layers.	Dependent on the sponsor's own processes.
Settlement	A direct settlement relationship with the scheme.	Settlement routed through the sponsor.
Continuity risk	Set by FinXP's own risk appetite.	Exposed to the sponsor's risk appetite and commercial terms.

What control looks like in practice

With Principal Membership, the programme owner works directly with the issuer on everything that shapes the final product: card design, branding, spending limits, controls and authorisation rules. Changes happen at the pace agreed between the two parties, without waiting on sponsor approval.

That flexibility matters most when a programme needs to adjust limits for new customers, add a currency or respond to a change in scheme rules. Under sponsorship, each of those steps needs approval, which adds delay and negotiation.

APPLICATION

Settlement, scheme relationships and continuity

Settlement shows the difference between the two models most clearly. With Principal Membership, settlement happens directly between the issuer and the scheme, so the programme owner has a clear view of timing and depends on fewer intermediaries. With BIN sponsorship, settlement passes through the sponsor, adding a step and another point at which the sponsor's decisions affect the programme.

Continuity works the same way. A sponsor can end or vary a sponsorship agreement to suit its own risk preferences, particularly in closely supervised sectors. With direct Principal Membership, the programme does not depend on another party's appetite for supporting it.

Where this matters by use case

- **iGaming platforms**
  Player cards for withdrawals, with predictable settlement and limits that adjust as volumes change.

- **Content creator platforms**
  Cards for withdrawals, payment for services and ATM use, issued directly to creators.

- **FX and brokerage platforms**
  Client cards linked to trading or client accounts, where control of authorisation rules supports risk management.

- **Marketplaces and payroll**
  Cards for sellers or employees, onboarding large numbers of cardholders and adjusting limits as needed.

What to check before choosing a partner

- ✓ Does the provider hold Principal Membership directly, or operate under a sponsor's BIN?
- ✓ Who approves programme changes, and how long does approval usually take?
- ✓ How is settlement structured, and how visible is it to the programme owner?
- ✓ What happens to the programme if the underlying sponsor relationship changes?

FAQ

Frequently asked questions

Q. What is the main difference between BIN sponsorship and Principal Membership?

With sponsorship, the business issues cards on a number and a scheme relationship owned by someone else. With Principal Membership, the business holds that relationship directly. To cardholders the cards look identical. The difference is who controls the programme behind them.

Q. How long does it take to launch a card programme?

The timeline depends on the complexity of the programme and on onboarding. Direct issuing is usually faster than sponsorship, because there is no additional approval step between the programme owner and the issuer.

Q. Who controls card design, limits and authorisation rules?

Under Principal Membership the programme owner sets them with the issuer. Under sponsorship these choices usually need sponsor approval, because the sponsor carries responsibility for the programme.

Q. What happens if a sponsor changes its terms or ends a sponsorship?

The programme owner has little control and may have to move the whole programme to a new sponsor, which is disruptive. Direct Principal Membership removes that dependency.

Q. Is FinXP a bank?

No. FinXP is an Electronic Money Institution licensed by the Malta Financial Services Authority, and a Mastercard Principal Member. It issues e-money and provides payment services, and it does not take deposits or lend.

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Direct scheme membership.
Programme control that stays yours.

FinXP is a privately owned European payments company with twelve years of experience supporting regulated businesses across fintechs, PSPs and banks, digital assets and Web3, marketplaces and platforms, payroll and contractors, and digital commerce.

As an independent company, FinXP has built its own infrastructure without the constraints of a parent group. With an Electronic Money Institution licence in Malta, Mastercard Principal Membership, and direct participation in CENTROlink, FinXP issues cards under its own Principal Membership rather than a sponsor's BIN.

12+	€4bn+	12,000+	41
YEARS IN PAYMENTS	PROCESSED ANNUALLY	BUSINESS ACCOUNTS OPENED	EUROPEAN NATIONS, DIRECT CENTROLINK

For businesses turned away elsewhere for being "too complicated", FinXP's independence and experience open a route to a workable answer instead of a closed door.

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