

Gun store code – what’s happening

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The past several days has seen some alarming announcements about the latest “public private partnership” between corporations and governments. Specifically, the International Organization for Standardization (ISO) has announced their intention to give gun stores their own Merchant Category Code. That’s a favor no gun store owner should ask for or receive, because it’s no favor. By this means, government agencies, the International Criminal Police Organization, and a future United Nations High Commissioner on Small Arms hopes to make a list of everyone who buys anything at a gun store or show. Furthermore, credit card issuers can and might use this code to disable their cards whenever a cardholder tries to buy anything in a gun store.

What are Merchant Category Codes?

Merchant Category Codes (MCCs) are four-digit codes that identify the type of business a merchant is in. It covers the kind of merchandise he sells or the services he provides.

Credit card issuers have used MCCs in a positive way, to target frequent-use rewards to their cardholders. Has your credit card issuer asked you to “activate” special rewards for purchases of particular classes of goods? How do you think they’re supposed to know?

Answer: they use the MCC to know or guess what kind of purchase you made.

A Merchant Category Code is not a *Merchandise* Category Code. Neither the ISO nor any issuer or payment processor has devised codes for classes of goods you buy. Instead they devised codes for the store, and those codes apply to the full purchase you made in the store. (But a big-enough store might have different MCCs at different sales counters. That explains why some salespeople tell you to go to a *particular* counter to ring up a *particular* purchase.)

When a merchant applies for a merchant account (so they can accept credit cards), *the processor assigns the MCC*. No merchant gets to pick or choose. Today the [Visa Merchant Data Standards Manual](#) offers the most complete list of MCCs.

Information on this point comes from [Merchant Maverick](#) and from [Nerd Wallet](#).

Gun stores getting their own MCC! Wheeeee! Uh ... uh-oh

Until recently, gun stores fell under General Merchandise. But now the ruling elite want to break out gun stores as a separate category of merchant. The ISO is part of that. To do that, they [invented](#) a Merchant Category Code for gun stores. (See further information at [Reuters](#) and [The Associated Press](#).)

This change singles out gun stores for many kinds of different treatment. MCCs affect the *interchange rate*, the rate the payment processor charges the merchant for handling a customer's payment. MCCs also determine what sort of *chargeback* protection is available. (*Chargebacks* happen when you, a customer, bring something back to the store and demand a refund.) Finally, the MCC identifies whether a merchant may charge a *convenience fee* for using a credit card.

But worst of all, MCCs identify *prohibited industries*. Some credit card issuers might decide to refuse to process gun purchases. So they will decline any purchase in a gun store or at a gun counter in a sporting-goods store. Even without declining the transaction, the card issuer can *track* purchases at gun stores or shows.

This becomes the means by which governments can create a gun registry without risking an injunction by a court. Technically the credit card issuer or payment processor has the gun registry. So the Bureau of Alcohol, Tobacco, Firearms and Explosives, or Interpol, can go to the issuer and demand a report of all purchases made with the gun store MCC.

What has happened thus far?

Three major credit-card payment processors – Visa, MasterCard, and American Express – have [announced](#) that they will cooperate with ISO. They made general statements paying lip service to protecting customers' privacy. Never mind that. If gun stores and gun counters

have their own MCC, if you then buy anything there, they'll know it.

CNAV reached out to a local gun store owner who also offers gun safety and marksmanship training. He told CNAV that he has not yet heard of any such code, and will fight it if the credit card issuers assign it to him. In fact he predicted a “class-action lawsuit in the millions of dollars” over the new MCC.

A merchant normally gets an MCC when he applies for, or renews, his account. Thus far the major issuers have only had time to *talk* about implementing the new code. So clearly they are *not ready* to re-code the gun stores. Nor do they seem to have made up their minds on how they'll do it. Could they “push” a new code automatically? That might require millions of man-hours just to re-read the account applications to decide whether the new code applies. More likely they'll handle the code assignment at renewal.

What advice do gun stores have?

Thus far only the National Rifle Association has made any specific statement:

The [industry's] decision to create a firearm-specific code is nothing more than a capitulation to anti-gun politicians and activists bent on eroding the rights of law-abiding Americans one transaction at a time.

The owner to whom CNAV reached out, says many of his customers pay cash, because cash is easier for them to handle and use. Beyond that, Discover has *not* said whether they would assign the new MCC.

One easy decision is to move out of big cities. New York City Mayor Eric Adams hailed the new MCC for gun stores:

When you buy an airline ticket or pay for your groceries, your credit card company has a special code for those retailers. It's just common sense that we have the same policies in place for gun and ammunition stores.

Remember: “common sense,” to a leftist, means that no person, except:

- A law-enforcement officer,
- An active-duty military service member,
- A Properly Caused Special Target (which usually means a Very Important Person), or
- The bodyguard of such person,

shall own, carry, or so much as touch, much less discharge, a firearm.

New York State *lost* its Big Gun Case. But Acting Governor Kathy Hochul, and Mayor Adams, are openly defying that ruling.

Action items

CNAV does not dispense legal advice. For that, one should go to a lawyer. That merchant even suggested that everyone who voted for Trump in 2020 give a dollar each. That would raise at least \$75 million – enough to found a dedicated Second Amendment legal aid society.

The only *other* advice *CNAV* can offer, is to call or write your Senators and Representative. Tell them you know about the new MCC for gun stores from the ISO. You, as a customer, consider that an invasion of privacy and want the Congress to forbid it on that ground.

Beyond that, the only way to stop any such public-private partnership is with your vote. Midterms are coming up. So: vote *against* any candidate who supports gun control in any way, shape or form. A gun-friendly candidate, if elected, might be willing to draft legislation to forbid the new code. Again, that's an invasion of your privacy, as well as an infringement on your right to keep and bear arms.