

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 4, 2018

Mastercard Incorporated

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-32877
(Commission
File Number)

13-4172551
(IRS Employer
Identification No.)

2000 Purchase Street
Purchase, New York
(Address of principal executive offices)

10577
(Zip Code)

(914) 249-2000
(Registrant's telephone number, including area code)

NOT APPLICABLE

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure

On December 4, 2018, Mastercard Incorporated (the "Company") announced the anticipated resolution of an investigation by the European Commission ("EC") of the Company's (1) inter-regional interchange fees at merchants in the European Economic Area ("EEA"), and (2) historic central acquiring rule that applied in the EEA.

Inter-regional Interchange Fees

As part of the resolution, the Company has given the EC a commitments offer (i.e., a settlement proposal) regarding its inter-regional interchange fees. The Company took this action in order to avoid prolonged litigation and to gain certainty concerning its business practices.

The Company's proposed commitments include a reduction in the inter-regional interchange rate applicable to consumer card transactions at merchants in the EEA and using cards issued outside of the EEA. For transactions in which the card is present at the point of sale (where the card is presented at the card terminal), interchange rates will be reduced to 0.2% for debit card transactions and to 0.3% for credit card transactions. In the case of transactions where the card is not present at the point of sale (e.g., e-commerce), interchange rates will be reduced to 1.15% for debit cards and 1.5% for credit cards. The proposed commitments are subject to market testing by the EC before they are made binding in an EC decision. The rates would be implemented six months following the decision. The EC has announced that Visa has provided a parallel commitments offer.

The commitments offer does not constitute a recognition by the Company that its inter-regional practices violate the European Union's competition rules, and is without prejudice to any other existing or future legal or administrative proceedings in which the Company is or may be involved.

Central Acquiring Rules

The Company anticipates that the EC's investigation of the Company's historic EEA central acquiring rule will be resolved in the first quarter of 2019. The historic central acquiring rule was unique to the EEA and provided that the interchange fee applicable to domestic transactions in the country of the EEA merchant would apply irrespective of the location of the acquirer within the EEA. The rule was modified in late 2015 to comply with the requirements of the EEA Interchange Fee Regulation. However, the Company anticipates the issuance of a decision covering a period that precedes the modification of the rule and that it will include a fine. The Company does not expect any modification of the Company's business practices or rules and does not expect that it will impact its customers or cardholders. The Company anticipates it will incur a charge of approximately \$650 million in the fourth quarter of 2018 in relation to this matter. The Company continues to cooperate with the EC.

A copy of a press release describing these events is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Forward-Looking statements

This Report contains forward-looking statements pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts may be forward-looking statements. When used in this Report, the words "believe", "expect", "could", "may", "would", "will", "trend" and similar words are intended to identify forward-looking statements. Examples of forward-looking statements

include, but are not limited to, statements that relate to the Company's future prospects, developments and business strategies. Please see a complete discussion of these risk factors in Part I, Item 1A - Risk Factors of the Company's Annual Report on Form 10-K for the year ended December 31, 2017. Our forward-looking statements speak only as of the date of this Report or as of the date they are made, and we undertake no obligation to update our forward-looking statements.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibit Number</u>	<u>Exhibit Description</u>
<u>99.1</u>	<u>Press release issued by Mastercard Incorporated, dated December 4, 2018</u>

Mastercard expects resolution of EU anti-trust proceedings in Q1 2019

Waterloo, Belgium – 4 December 2018: Today, Mastercard announced the anticipated resolution of outstanding legal challenges brought by the European Commission around inter-regional interchange fees and one of its legacy point of sale rules in Europe. The anticipated conclusion of this case in 1Q2019 is expected to result in:

- a differentiated cap on consumer interchange fees that apply to transactions made in Europe (EEA) with non-European cards in late 2019 and
- the issuance of a decision by the European Commission with respect to a legacy point of sale merchant rule. The anticipated decision is expected to include a fine and Mastercard estimates that it will incur a charge of approximately \$650 million in the fourth quarter 2018 in relation to the matter.

With respect to inter-regional interchange fees at retailers within Europe (i.e. the interchange that applies to transactions with consumer cards issued outside of the EEA), Mastercard's proposed settlement with the Commission should avoid continued uncertainty and protracted legal proceedings. For face-to-face transactions, the proposed rates are 0.2% for consumer debit and 0.3% for consumer credit. For transactions where the card is not present at the point of sale (e.g., e-commerce), the proposed rates are 1.15% for consumer debit and 1.5% for consumer credit. The proposed inter-regional interchange fee resolution is subject to market testing by the European Commission before it is made binding in a European Commission decision.

Mastercard also expects resolution in Q1 2019 of issues in relation to a previous version of our rules on central acquiring in the European Economic Area (EEA). The rule was unique to the EEA and was already revised in December 2015 to comply with the European Interchange Fee regulation which capped domestic interchange rates across Europe at 20/30bps regardless of whether an EEA retailer contracts with a domestic or central acquirer. Mastercard does not expect any modification of its business practices or rules and does not expect that it will impact its customers or cardholders.

Javier Perez, President of Mastercard Europe says: "The anticipated closure of this anti-trust chapter at a European level will be an important milestone for our company. I look forward to Mastercard continuing to focus on what it does best: developing and delivering safe and seamless payment solutions that deliver real value for customers, retailers and governments alike. Together with our partners, we will continue to develop and implement solutions that enhance seamless shopping experiences and that offer increased peace of mind to consumers that their data and financials are safe and secure."

About Mastercard

Mastercard (NYSE: MA), www.mastercard.com, is a technology company in the global payments industry. Our global payments processing network connects consumers, financial institutions, merchants, governments and businesses in more than 210 countries and territories. Mastercard products and solutions make everyday commerce activities – such as shopping, traveling, running a business and managing finances – easier, more secure and more efficient for everyone. Follow us on Twitter @MastercardNews , join the discussion on the Beyond the Transaction Blog and subscribe for the latest news on the Engagement Bureau.

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