

STATE OF TENNESSEE

Office of the Attorney General



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Stephen J. Squeri
Chairman and CEO
American Express, Inc.
200 Vesey Street
New York, NY 10285

Michael Miebach
President and CEO
Mastercard Inc.
2000 Purchase Street
Purchase, NY 10577

Ryan McInerney
Chairman and CEO
Visa Inc.
P.O. Box 8999
San Francisco, CA 94128

Dear Messrs. Squeri, Miebach, and McInerney,

I am writing to express concern about your respective plans to comply with the recently enacted Tennessee Second Amendment Financial Privacy Act (the Act), which prohibits financial institutions from requiring or permitting a merchant category code that distinguishes a firearms retailer from other retailers.

Recent discussions have raised concerns that your institutions may not be taking appropriate measures to comply with the Act which goes into effect on July 1, 2024. Specifically, I am concerned that your compliance efforts are not sufficient and will allow you and other financial institutions to continue to utilize impermissible codes in violation of Tennessee law.

As you know, in September of 2022, the International Organization for Standardization (ISO), an organization based in Europe, voted to create a Merchant Category Code (MCC) for firearm retailers to use when processing credit and debit card transactions through the payment networks your companies operate. This proposal came from American activists and politicians attempting an international end-run around our legislative process after their initial efforts failed to pass. As participants in the ISO policymaking process, your companies could have opposed this move, but you did not. The complications you now face flow directly from this cheerful acquiescence to the politicization of what should be a neutral financial infrastructure.

In the midst of these troubling anti-democratic developments, twenty-four state Attorneys General wrote to you expressing our concerns about the legality of the actions you were considering. We pointed out that the new MCC would do nothing to promote public safety, would risk both deliberate and inadvertent misuse, and would infringe on Second Amendment rights.

After expressing these concerns, we were glad to continue those conversations with you and were encouraged by your subsequent withdrawal of plans to implement the new firearms MCC in 2023.

Thirty states considered legislation addressing the new MCC in 2023 and 2024, with eleven states enacting laws to prohibit use of the ISO code. Tennessee is one of those states. This past year, the Tennessee General Assembly passed, and the Governor signed into law, the Second Amendment Financial Privacy Act. The Act was passed in direct response to the efforts of activists to circumvent the legislative process by asking a foreign NGO to impose this policy on Americans.

Resort to a foreign entity to undermine our democratic institutions poses a grave threat to our constitutional order. Sweeping policy mandates should be debated openly and transparently in our established legislative bodies, not behind closed doors in Swiss chalets and corporate board rooms.

The ISO's controversial political decision resulted in many state laws with which you must comply. As a participant in the ISO process, you had the opportunity to push back but declined to do so. Now, given the resources of your respective companies, I am confident that you can achieve timely compliance with your new legal obligations.

Beginning on July 1, 2024, your failure to prevent the use of the firearms MCC on your payment networks in Tennessee risks violating state law. In such circumstances, I will not hesitate to exercise the full scope of my authority to enforce the law duly enacted by the elected representatives of the people of Tennessee.

Sincerely,



Jonathan Skrametti
Tennessee Attorney General and Reporter