Visa Inc.
Form S-4/A
September 13, 2007
**Table of Contents**

**As filed with the Securities and Exchange Commission on September 13, 2007**

**Registration No. 333-143966**

# UNITED STATES

# SECURITIES AND EXCHANGE COMMISSION

**Washington, D.C. 20549**

# AMENDMENT No. 5

# TO

# FORM S-4

# REGISTRATION STATEMENT

**UNDER**

**THE SECURITIES ACT OF 1933**

# VISA INC.

***(Exact name of Registrant as specified in its charter)***

| **Delaware** | **7389** | **26-0267673** |
|---|---|---|
| ***(State or other jurisdiction of incorporation or organization)*** | ***(Primary Standard Industrial Classification Code Number)*** | ***(I.R.S. Employer Identification Number)*** |

**P.O. Box 8999**

**San Francisco, California 94128-8999**

**(415) 932-2100**

***(Address, including zip code, and telephone number, including area code, of Registrant s principal executive offices)***

**Joseph W. Saunders**

**Chief Executive Officer and Chairman of the Board of Directors**

**Visa Inc.**

**P.O. Box 8999**

**San Francisco, California 94128-8999**

**(415) 932-2100**

***(Name, address, including zip code, and telephone number, including area code, of agent for service)***

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*With copies to:*

**Kevin Keogh**

**Mark L. Mandel**

**S. Ward Atterbury**

**White & Case LLP**

**1155 Avenue of the Americas**

**New York, New York 10036**

**(212) 819-8200**

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**Approximate date of commencement of the proposed sale of the securities to the public:** At the restructuring closing date described herein, which is expected to occur as soon as practicable after the effective date of this registration statement and the satisfaction or waiver of all conditions to the closing of the restructuring.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

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**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

Table of Contents

**PROXY STATEMENT-PROSPECTUS**

**RESTRUCTURING PROPOSED YOUR CONSIDERATION IS IMPORTANT**

Dear Member:

The boards of directors of Visa International Service Association, Visa U.S.A. Inc., Visa Europe Limited and Visa Canada Association have approved a restructuring agreement that contemplates a series of transactions by which Visa International, Visa U.S.A. and Visa Canada will become subsidiaries of a Delaware stock corporation, Visa Inc. The board of directors of each of Visa International, Visa U.S.A. and Visa Canada recommends that its members approve the restructuring proposal. The restructuring agreement contemplates that Visa Europe will not become a subsidiary of Visa Inc., but a stockholder of Visa Inc. and will enter into a series of contractual relationships that will govern its relationship with Visa Inc.

We believe the restructuring will enable us to compete more effectively and better serve our customers by streamlining decision making, facilitating business growth and enhancing our ability to coordinate business on a global basis, while preserving our existing competitive advantages, such as strong local market relationships, expertise and execution. In addition, we believe that the restructuring will enable us to facilitate a common, global approach, where appropriate, to the legal, regulatory and competitive issues arising in today s marketplace, while also presenting an opportunity to increase operational efficiency.

Upon completion of the restructuring, Visa Europe, Visa Europe Services Inc., or VESI, and certain members of Visa International in the unincorporated regions of Visa Asia Pacific, or Visa AP, Visa Latin America and Caribbean, or Visa LAC, and Visa Central and Eastern Europe, Middle East and Africa, or Visa CEMEA, and certain members of Visa U.S.A. and Visa Canada will receive common stock of Visa Inc. of a class that corresponds to the applicable Visa region with which each member is affiliated. The purpose of the issuance of these regional classes of common stock is to facilitate a re-balancing, or true-up, of the ownership of Visa Inc. prior to an initial public offering of Visa Inc. s common stock. In the true-up, each regional class of common stock will be converted into a new class of Visa Inc. s common stock, based upon a conversion ratio that is tied to the relative financial performance of the applicable region during a certain period prior to a proposed initial public offering.

Upon completion of the restructuring, and without giving effect to the true-up process, Visa Inc. s outstanding capital stock (excluding shares held by subsidiaries of Visa Inc.) will be comprised of:

426,390,481 shares of class USA common stock representing 55.01% of Visa Inc. s outstanding capital stock;

62,762,788 shares of class EU common stock (series I and series III) representing 8.10% of Visa Inc. s outstanding capital stock;

27,904,464 shares of class EU common stock (series II) representing 3.60% of Visa Inc. s outstanding capital stock;

22,034,685 shares of class Canada common stock representing 2.84% of Visa Inc. s outstanding capital stock;

119,100,481 shares of class AP common stock representing 15.37% of Visa Inc. s outstanding capital stock;

80,137,915 shares of class LAC common stock representing 10.34% of Visa Inc. s outstanding capital stock; and

36,749,698 shares of class CEMEA common stock representing 4.74% of Visa Inc. s outstanding capital stock.

**For a discussion of the risks relating to the restructuring, see *Risk Factors* beginning on page 10.**

To approve the proposed restructuring, we require the affirmative vote of members representing at least: a majority of the voting power of Visa International; a two-thirds majority of the voting power of Visa U.S.A.; and an 80% majority of all votes eligible to be cast at the meeting of Visa Canada members.

We are seeking broad support in connection with the approval of the restructuring, and it is important that as many of Visa International s, Visa U.S.A. s and Visa Canada s members as possible approve the restructuring.

We hope that we can count on your support during one of the most exciting times in Visa s history.

Sincerely,

Joseph W. Saunders
Chief Executive Officer and Chairman of the Board
Visa Inc.

**Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved the restructuring, the issuance of securities to be issued in connection with the restructuring or the other transactions described in this proxy statement-prospectus or determined if this proxy statement-prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.**

This proxy statement-prospectus is dated September 13, 2007 and was first mailed to eligible members on or about September 14, 2007.

Table of Contents

## ADDITIONAL INFORMATION

This proxy statement-prospectus incorporates important business and financial information about Visa Inc., which is contained in documents that were filed as exhibits to the registration statement of which this document forms a part, but are not included in or delivered with this document. Information incorporated into this proxy statement-prospectus, but not included in or provided with it, is available to members of Visa International, Visa U.S.A. and Visa Canada, without charge, upon request submitted to:

D.F. King & Co., Inc.

48 Wall Street

New York, NY 10005

| | |
|---|---|
| English (USA) | +1 646 378-4860 |
| English (International) | +1 646 378-4852 |
| Portuguese | +1 646 378-4857 |
| Spanish | +1 646 378-4859 |
| Korean | +1 646 378-4855 |
| Japanese | +1 646 378-4854 |
| Mandarin | +1 646 378-4856 |
| French | +1 646 378-4853 |
| Russian | +1 646 378-4858 |
| Arabic | +1 646 378-4851 |

**IN ORDER TO TIMELY RECEIVE ADDITIONAL INFORMATION YOUR REQUEST MUST BE SUBMITTED NOT LATER THAN SEPTEMBER 19, 2007.**

**The distribution of this proxy statement-prospectus and the offer and sale of the securities in certain jurisdictions may be restricted by law. This proxy statement-prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities in any state or other jurisdiction where, or to or from any person from whom, such offer or solicitation is unlawful or not authorized.**

Table of Contents

**TABLE OF CONTENTS**

**Table of Contents**



The registered trademarks of Visa International include: Bands-Design Blue, White & Gold; Dove Design; Interlink; Life Takes Visa; PLUS Distribution & Design; V PAY; Verified by Visa; Visa; Visa Bill Pay; Visa Classic; Visa Corporate; Visa Electron; Visa Fleet; V Infinite; Visa Mobile; VisaNet; Visa Platinum; Visa Purchasing; Visa Resolve Online; Visa Signature; Visa TravelMoney; Visa Va Pedagio; and World s Best Way to Pay. Upon completion of the restructuring, all of these trademarks will be the property of Visa Inc. or its subsidiaries. Other trademarks used in this proxy statement-prospectus are the property of their respective owners.

As of September 12, 2007, the exchange rate between U.S. dollars and euros was 1.3904 U.S. dollars per euro. As of June 30, 2007, the period end exchange rate between U.S. dollars and euros was 1.3520 U.S. dollars per euro, while the average exchange rate for the year ended September 30, 2006 was 1.2058 U.S. dollars per euro. The exchange rates referred to above are based on the noon buying rate in New York City for cable transfers in euros as certified for customs purposes by the Federal Reserve Bank of New York. We make no representation that the U.S. dollar or euro amounts referred to in this proxy statement-prospectus could have been or could in the future be converted into euros or U.S. dollars, as the case may be, at any particular rate or at all.

As of September 12, 2007, the exchange rate between U.S. dollars and Canadian dollars was 1.0372 Canadian dollars per U.S. dollar. As of June 30, 2007, the period end exchange rate between U.S. dollars and Canadian dollars was 1.0634 Canadian dollars per U.S. dollar, while the average exchange rate for the year ended September 30, 2006 was 1.1424 Canadian dollars per U.S. dollar. The exchange rates referred to above are based on the noon buying rate in New York City for cable transfers in Canadian dollars as certified for customs purposes by the Federal Reserve Bank of New York. We make no representation that the U.S. dollar or Canadian dollar amounts referred to in this proxy statement-prospectus could have been or could in the future be converted into Canadian dollars or U.S. dollars, as the case may be, at any particular rate or at all.

You should rely only on the information contained in this proxy statement-prospectus or other information to which we have referred you. We have not authorized anyone to provide you with information that is different. Information on the web sites of Visa International, Visa U.S.A., Visa Europe and Visa Canada is not part of this document. The information in this proxy statement-prospectus may be accurate only as of the date of this proxy statement-prospectus.

As used in this proxy statement-prospectus, references to we or us refer to Visa Inc., which is a recently incorporated Delaware stock corporation and which will become the parent company of Visa International, Visa U.S.A., Visa Canada and Inovant LLC, or Inovant, when the restructuring is completed.

The fiscal year end for each of Visa International, Visa U.S.A. and Visa Canada is September 30.

Table of Contents

## QUESTIONS AND ANSWERS ABOUT THE RESTRUCTURING TRANSACTIONS

*The following are some questions that you, as a member of Visa International, Visa U.S.A. or Visa Canada, may have regarding the restructuring and the other matters being considered, and brief answers to those questions. We urge you to read carefully the remainder of this document, including the attached annexes, because the information in this section does not provide all of the information that might be important to you with respect to the restructuring and the other matters being considered.*

**Q: What is the restructuring?**

A: We use the term restructuring to describe the series of mergers, exchanges and similar transactions, as a result of which Visa International, Visa U.S.A., Visa Canada and Inovant will become direct or indirect subsidiaries of a recently incorporated Delaware stock corporation, Visa Inc. We refer to Visa U.S.A., Visa Canada and Visa Europe as incorporated regions and the three geographic operating divisions of Visa International Visa AP, Visa LAC and Visa CEMEA as unincorporated regions. Members associated with the unincorporated regions are members of Visa International. Together, the incorporated regions and the unincorporated regions currently make up Visa s six geographic regions. Inovant LLC, the direct or indirect owners of which are Visa U.S.A., Visa Europe, Visa International and Visa Canada, is responsible for operating the VisaNet transaction processing system, our secure, centralized, global processing platform, and other related processing systems. In the restructuring, Visa Inc. will issue shares of common stock to the financial institution members of Visa U.S.A., the financial institution members of the three unincorporated regions of Visa International, the financial institution members of Visa Canada, and to Visa U.S.A., Visa Europe and VESI.

Upon the completion of the restructuring, Visa Europe will remain a separate entity, will not become a subsidiary of Visa Inc. and will enter into a series of contractual arrangements that will govern its relationship with Visa Inc. VESI will remain a subsidiary of Visa Europe.

**Q: What are the reasons for the restructuring?**

A: We believe the restructuring will enable Visa Inc. to compete more effectively and better serve our customers by streamlining decision making, facilitating business growth and enhancing Visa Inc. s ability to coordinate business on a global basis, while preserving our existing competitive advantages, such as strong local market relationships, expertise and execution. In addition, we believe that the global restructuring will enable Visa Inc. to facilitate a common, global approach, where appropriate, to the legal, regulatory and competitive issues arising in today s marketplace, while also presenting an opportunity to increase operational efficiency. The restructuring is also intended to facilitate an initial public offering of shares in Visa Inc. For further information about our reasons for the restructuring, see *The Restructuring Transactions Visa International s, Visa U.S.A. s and Visa Canada s Reasons for the Global Restructuring*.

**Q: When will Visa Inc. conduct an initial public offering?**

A: The loss sharing agreement, which forms a part of our retrospective responsibility plan (described below), provides that we must use our commercially reasonable efforts to complete an initial public offering within 120 days after the closing of the restructuring. If we do not complete the initial public offering within 240 days after the closing of the restructuring, the members obligations under the agreement may be suspended until we have completed our initial public offering, at which point the obligations under the agreement will be reinstated in full as if they had never been suspended. This 240-day period may be extended under certain circumstances. As a result, we intend to commence planning for an initial public offering after the completion of the restructuring. However, there are many issues that are outside of our control, such as market factors, that could prevent us from completing an initial public offering, and we may never do so.

Table of Contents

**Q: What is the recommendation of the boards of directors of Visa International, Visa U.S.A. and Visa Canada to their respective members regarding the restructuring?**

A: Each of the boards of directors of Visa International, Visa U.S.A. and Visa Canada recommends that their respective members vote in favor of the restructuring and the other proposals described in this proxy statement-prospectus. In addition, each of the regional boards of directors of the unincorporated regions of Visa AP, Visa LAC and Visa CEMEA has recommended the restructuring to the Visa International board of directors.

**Q: If I am a member in one of the unincorporated regions and thus have a membership interest in Visa International, what will happen to my membership interest in Visa International in the restructuring?**

A: In the restructuring, the bylaws of Visa International will be amended so that members of Visa International affiliated with one of the unincorporated regions (other than a sponsored member) will have an equity and a non-equity interest in Visa International. The equity interest will represent such members voting and economic rights in Visa International, and the non-equity interest will represent such members commercial and other rights and obligations regarding participation in the Visa payments system. The equity interests will be converted into LLC interests in a transitory limited liability company, or VI LLC, and will be subsequently reallocated. As soon as practicable after this reallocation, VI LLC will be merged out of existence into Visa Inc. As a result of the VI LLC merger, those reallocated LLC interests will then be converted into the right to receive shares of common stock in Visa Inc. The class of common stock that such members will receive upon the closing of the restructuring will correspond to the geographic Visa region with which they are associated. The non-equity interests of such members in Visa International will continue to be outstanding following the restructuring. For more information about the eligibility of our members to participate in the restructuring, see *The Global Restructuring Agreement The Restructuring Equity Allocation to Members of Visa International in the Unincorporated Regions and Subsequent Adjustment*.

**Q: What will happen to my Visa U.S.A. membership interest in the restructuring?**

A: In the restructuring, the bylaws and certificate of incorporation of Visa U.S.A. will be amended so that you will have equity and non-equity interests in Visa U.S.A. Your equity interest will represent your voting and economic rights in Visa U.S.A., and your non-equity interest will represent your commercial and other rights and obligations regarding participation in the Visa payments system. Your equity interest in Visa U.S.A. will be converted into the right to receive shares of class USA common stock in Visa Inc. upon the closing of the restructuring. Your non-equity interest in Visa U.S.A. will continue to be outstanding following the restructuring.

**Q: What will happen to my Visa Canada membership interest in the restructuring?**

A: No membership interests in Visa Canada will survive the restructuring. Visa Canada members will enter into Canadian services agreements and related agreements with Visa Canada, which will embody their commercial and other rights and obligations regarding participation in the Visa payments system. Their remaining membership rights will, if they so elect, be transferred to Visa Inc. in exchange for class Canada common stock. Those membership interests not exchanged will be converted into common shares of Visa Canada when it becomes an Ontario share capital corporation and, as part of the amalgamation of Visa Canada and Visa Canada merger sub, will ultimately become class Canada common stock of Visa Inc.

**Q: Why is Visa Inc. issuing different classes of common stock to equity members from each of the different geographic regions?**

A: Visa Inc. is issuing a separate class of common stock to the equity members of each of the different Visa geographic regions in order to give effect to the true-up process described below and the provisions regarding the election of the regional members of the Visa Inc. board of directors.

Table of Contents

**Q: How many shares of Visa Inc. common stock will I receive?**

A: The accompanying form of proxy to consent, in the case of members of Visa International and Visa U.S.A., or the accompanying form of proxy to vote, in the case of members of Visa Canada, sets forth the class and an estimate of number of shares of common stock that each equity member will receive upon the closing of the restructuring. Both the class and number of shares of common stock that you receive upon the closing of the restructuring are subject to subsequent adjustment in the true-up process, as described below.

**Q: How were the shares of Visa Inc. stock initially allocated among the various geographic regions?**

A: The initial allocation of shares of common stock among the regions other than Visa Europe, which we refer to as the participating regions, was determined under a methodology that was agreed upon among the participating regions. It was based upon the projected net income to be contributed by each participating region in fiscal 2008. The same methodology was applied to the unincorporated regions of Visa AP, Visa LAC and Visa CEMEA, as was applied to Visa Canada and Visa U.S.A. In addition, there were certain negotiated adjustments that were made to the allocations to reflect, among other things, potential operating synergies and one-time adjustments to financial projections. The initial allocation of shares upon the closing of the restructuring is subject to subsequent conversion and reallocation as a result of the true-up process in order to better reflect the actual net revenue contribution of each participating region. The consideration to be received by Visa Europe was the result of a negotiation between the participating regions in Visa Inc., on the one hand, and Visa Europe, on the other hand. Upon the completion of the restructuring, Visa Europe will receive class EU (series I) and class EU (series III) common stock that represents, without giving effect to any outstanding class EU (series II) common stock issued to Visa Europe, 8.4% of the outstanding shares of Visa Inc. common stock. Visa Europe will also receive class EU (series II) common stock representing 3.60% of our outstanding common stock, plus an additional number of shares of class EU common stock in order to gross up Visa Europe s percentage ownership to at least 10% after giving effect to the outstanding shares of our class USA common stock that will be held by Visa U.S.A. This results in Visa Europe owning 11.70% of the outstanding shares of Visa Inc. common stock, of which 3.60% (plus any additional shares of class C (series II) common stock that may be issued in the future to Visa Europe) is in the form of class C (series II) common stock that is redeemable for an aggregate amount of $1.146 billion (less any dividends or distributions paid upon such shares and imputed interest on such dividends or distributions) upon the later of one year after the closing of the restructuring or the completion of our initial public offering.

**Q: What is the percentage of shares that has been allocated to my region?**

A: The shares of common stock that will be issued at the restructuring closing will initially be allocated on a regional basis as follows:

| Region | Shares issued and outstanding after restructuring closing (not giving effect to the true-up) | Percentage ownership (not including VE s class EU (series II) shares) | Percentage ownership (including VE s class EU (series II) shares) |
|---|---|---|---|
| Visa U.S.A.[1] | 426,390,481 | 57.06% | 55.01% |
| Visa AP | 119,100,481 | 15.94% | 15.37% |
| Visa LAC | 80,137,915 | 10.73% | 10.34% |
| Visa CEMEA | 36,749,698 | 4.92% | 4.74% |
| Visa Canada | 22,034,685 | 2.95% | 2.84% |
| Visa Europe[2] | 62,762,788 | 8.40% | 8.10% |
| Visa Europe[3] | 27,904,464 | | 3.60% |
| Visa Europe Total | 90,667,252 | 8.40% | 11.70% |
| Total | 775,080,512 | 100.00% | 100.00% |

(1) Excluding shares of class USA common stock held by Visa U.S.A.

(2) Excluding shares of class EU (series II) common stock, but including 549,587 shares of class EU (series III) common stock issued to VESI, a subsidiary of Visa Europe.

(3) Class EU (series II) shares.

Table of Contents

This initial allocation of shares will be subject to subsequent conversion into class C common stock or, in the case of Visa U.S.A. common stock, into class B common stock and reallocation in connection with the true-up. Thus, each equity member may receive a greater or lesser number of shares at that time.

**Q: What is the true-up process and how does it work?**

A: The initial allocation of shares was based primarily on each participating region s projected net income contribution to the overall Visa enterprise in fiscal 2008, plus certain negotiated adjustments, which we refer to as the baseline amount. In order to reflect relative actual performance against projections, there will be a subsequent conversion and reallocation of shares, which we refer to as the true-up process, based on each participating region s relative under- or over-achievement beyond certain percentage limits. For further information about the true-up process, see *Summary True-Up of Merger Consideration* and *The Global Restructuring Agreement The Restructuring True-Up of Merger Consideration*.

**Q: Within my participating region, how was the number of shares that I will receive calculated?**

A: The allocation of shares among a participating region s financial institution members will differ from region to region.
With regard to Visa U.S.A., the shares will be allocated to each member of Visa U.S.A. in accordance with the Visa U.S.A. membership proportion as defined in the Visa U.S.A. certificate of incorporation.

With regard to Visa Canada, the shares will be allocated to each member of Visa Canada based on its Visa card sales volume (as defined in the bylaws of Visa Canada) for the period from October 1, 1990 to the September 30 immediately preceding the date on which the restructuring is consummated.

With regard to Visa AP, Visa LAC and Visa CEMEA, the shares will be allocated to eligible members of Visa International affiliated with such regions in accordance with a formula based on net fees and total volume of each such member. The formula measures the net fees and total volume of a member entitled to receive shares in proportion to the aggregate net fees and total volume of all eligible members within the applicable unincorporated region. The net fees and total volume components are weighted equally in determining the equity allocation of each eligible member of each of Visa AP, Visa LAC and Visa CEMEA. At the restructuring closing, the eligible members of Visa AP, Visa LAC and Visa CEMEA will receive an initial allocation of shares based upon net fees and total volume for each such region beginning on October 1, 2001 and ending on June 30, 2007. This initial allocation will be subject to adjustment based on the net fees and total volume of each eligible member in proportion to the aggregate net fees and aggregate total volumes for all eligible members within the applicable region during the period from October 1, 2001 through the last day of the measurement period for the true-up, and will also be subject to adjustment, which will occur simultaneously with the member level adjustment, in connection with the true-up process described under *The Global Restructuring Agreement The Restructuring True-Up of Merger Consideration*.

Visa Europe has advised us that the methodology for distributing shares to its members has not yet been determined.

**Q: Are there any restrictions on my ability to sell or transfer my shares of Visa Inc.?**

A: Yes. Following the restructuring, all of the shares of our common stock will be subject to a prohibition on transfer, with limited exceptions, until the third anniversary of the completion of a Visa Inc. initial public offering; provided, however, that in the case of the shares issued to members of Visa U.S.A., the shares will not be able to be transferred, subject to limited exceptions, until the later of the third anniversary of the completion of a Visa Inc. initial public offering or the final resolution of the covered litigation.

Table of Contents

**Q: What determines my current voting power?**

A: The voting power of members of Visa International and Visa U.S.A. is determined by the respective entity s existing certificate of incorporation and bylaws, and applicable Delaware law. For members of Visa International and Visa U.S.A., your voting power allocation is indicated on the proxy card accompanying this proxy statement-prospectus. For more information on the allocation of voting power, see *The Proxy Solicitation Consent Required*.

The voting power of members of Visa Canada is determined by Visa Canada s existing letters patent, supplementary letters patent and bylaws, and applicable Ontario law. In accordance with Visa Canada bylaw 5.04(b), a statement of voting power allocations has been distributed to all Visa Canada members and is binding, except in the case of manifest error.

**Q: Will I continue to have voting rights following the restructuring?**

A: Yes. Until the completion of an initial public offering of Visa Inc. common stock, each holder of Visa Inc. common stock will be entitled to vote on all matters submitted to the stockholders for a vote.

Prior to our initial public offering, in connection with the true-up process, all of the shares of Visa Inc. common stock will be converted into a new class of common stock.

Shares held by members of Visa U.S.A. will be converted into shares of class B common stock.

Shares held by members of the AP, LAC, CEMEA and Canada regions will be exchanged for or converted into shares of class C (series I) common stock.

Shares held by Visa Europe will be converted into shares of class C (series II) common stock and class C (series III) common stock, and shares held by VESI will be converted into shares of class C (series IV) common stock. The class C (series III) common stock held by Visa Europe (together with the class C (series IV) common stock held by VESI) will represent the initial 8.1% interest in Visa Inc. to be held by Visa Europe and VESI. The class C (series II) common stock held by Visa Europe will represent an additional 3.6% interest in Visa Inc. These shares of class C (series II) common stock will generally not be entitled to vote on any matters, and will be subject to redemption.

Upon the completion of our initial public offering of Visa Inc. class A common stock, holders of class B common stock and class C common stock will cease to have voting rights, except in the case of certain extraordinary transactions and as may be required under Delaware law.

Each class of our common stock will vote on an as converted basis, which means that each class will be entitled to a number of votes equal to the number of shares of class A common stock into which such shares are convertible. The shares of our class B common stock and class C common stock will initially convert into class A common stock on a one-to-one basis, subject to adjustments for stock splits, stock dividends and the like. In addition to adjustments for stock splits, stock dividends and the like, the conversion ratio for the shares of our class B common stock may be adjusted in connection with our retrospective responsibility plan, as described below.

**Q: After the closing of the restructuring, what will Visa Europe s relationship be to Visa Inc.?**

A: Unlike Visa International, Visa U.S.A. and Visa Canada, Visa Europe will remain a separate entity and will not become a subsidiary of Visa Inc. in the restructuring. Visa Europe will retain its current structure as a U.K. limited liability company and will become a stockholder of Visa Inc. Visa Europe will also become an exclusive licensee of Visa Inc. s trademarks and technology in Visa Europe s region, and Visa Inc. and Visa Europe will provide each other with services.

Table of Contents

**Q: Why is Visa Europe not becoming a wholly owned subsidiary of Visa Inc.?**

A: Visa Europe believes that by being owned and governed by its European member financial institutions, it will be best positioned to serve a borderless payment market in Europe, meet the goals of its member financial institutions, consumers and merchants, and support the European Union s vision of a Single Euro Payments Area, or SEPA.

**Q: Will the restructuring affect the rules for qualification as a member of Visa International, Visa U.S.A. or Visa Canada?**

A: The rules for the qualification of members of Visa International and Visa U.S.A. will not change as a result of the restructuring. Visa Canada will no longer have members; instead, Visa Canada s relationship with former members of Visa Canada will be governed by services agreements.

**Q: How will the restructuring affect my existing agreement(s) with Visa?**

A: In general, and in the absence of a specific contractual provision requiring consent or notice in connection with a transaction like the proposed restructuring, your existing agreement(s) will not be affected by the restructuring.

**Q: What proposals are the members of Visa International and Visa U.S.A. being asked to approve?**

A: Members of Visa International and Visa U.S.A. are being asked to approve the following proposals:
First, a proposal to adopt and approve the restructuring agreement. Specifically, the members of Visa International are being asked to approve the mergers through which Visa International will become a wholly owned subsidiary of Visa Inc. and the members of Visa U.S.A. are being asked to approve the merger through which Visa U.S.A. will become a wholly owned subsidiary of Visa Inc.

Second, the members of Visa International and Visa U.S.A. are being asked to approve the Visa Inc. 2007 Equity Incentive Compensation Plan for Visa Inc., which we refer to as the equity incentive plan.

**Q: What proposals are the shareholders of Visa Canada being asked to vote FOR ?**

A: Members/Shareholders of Visa Canada are being to asked to vote **FOR** the following proposals:
First, a resolution, to be approved by a majority of all votes eligible to be cast at the meeting, approving the restructuring agreement.

Second, a resolution, to be approved by 80% of all votes eligible to be cast at the meeting, amending the bylaws of Visa Canada to permit the transferability of members interests and to make other amendments to accommodate the restructuring.

Third, a resolution, to be approved by 80% of all votes eligible to be cast at the meeting, authorizing the application for supplementary letters patent to permit the transferability of members interests.

Fourth, a resolution, which we refer to as the conversion resolution, to be approved by 80% of all votes eligible to be cast at the meeting, authorizing the application for supplementary letters patent and the filing of articles of amendment and restated articles of incorporation to convert Visa Canada into a share capital corporation, to be named Visa Canada Inc., under the *Business Corporations Act* (Ontario), or the OBCA.

Fifth, a special resolution, which we refer to as the amalgamation resolution, under the OBCA, to be approved by 66 2/3% of the votes cast by the holders present and voting in person or by proxy of the shares of Visa Canada to be outstanding after the conversion referred to above, approving the amalgamation of Visa Canada Inc. and Visa Canada merger sub, a wholly owned subsidiary of Visa Inc.

Table of Contents

Sixth, a resolution, to be approved by the members holding membership interests in Visa International, Visa U.S.A. and Visa Canada which, assuming the completion of the restructuring, would represent a majority of the outstanding shares of Visa Inc., approving the adoption of the equity incentive plan.

**Q: When and where will the special meeting for Visa Canada take place?**

A: The special meeting will be held on September 24, 2007, at 1:00 p.m. at the Offices of Visa Canada, Suite 3710, Scotia Plaza, 40 King Street West, Toronto, Ontario.

**Q: What approvals are required to approve the restructuring?**

A: The adoption and approval of the restructuring agreement and the Visa International merger requires the written consent of members of Visa International representing a majority of the total voting power of the members that would be entitled to vote on such proposals at a meeting of the members of Visa International.

The adoption and approval of the restructuring agreement and the Visa U.S.A. merger requires the written consent of members representing a two-thirds majority of the total voting power of the members that would be entitled to vote on such proposals at a meeting of the members of Visa U.S.A.

The approval of 80% of all votes eligible to be cast at the meeting of Visa Canada members will be required to implement the restructuring in Canada; as well as, if we determine that the amalgamation resolution is necessary or desirable, 66 $^{2}/_{3}$% of the votes cast by holders of shares of Visa Canada after the conversion referred to above that are present in person or by proxy at the meeting.

**Q: Why am I being asked to approve the Visa Inc. 2007 Equity Incentive Compensation Plan?**

A: The effectiveness of our equity incentive plan is subject to stockholder and member approval. We believe that encouraging stock ownership by our employees and directors helps align their interests with those of our stockholders and helps us attract, motivate and retain employees and directors. Accordingly, we expect that this plan will promote our long-term success and increase stockholder value. The equity incentive plan would allow us to grant stock options, restricted stock and other stock-based awards and would be administered by our compensation committee. Some of the awards under this plan would provide opportunities for beneficial tax treatment to our employees if this plan is approved by our members. For more information on the equity incentive plan, see *The Visa Inc. 2007 Equity Compensation Plan.*

**Q: What approvals are required to approve the equity incentive plan?**

A: To approve the equity incentive plan, we are seeking the approval of the members holding membership interests in Visa International, Visa U.S.A. and Visa Canada, which, assuming the completion of the restructuring, would represent a majority of the outstanding shares of common stock of Visa Inc. immediately after the closing.

**Q: How do members of Visa International and Visa U.S.A. submit their proxies to consent?**

A: After you have carefully read this entire proxy statement-prospectus, please submit your proxy in any one of the following ways:

*By Internet*. Log on to the following web site: www.dfking.com. In order for us to verify your identity, you will be asked to provide your 13-digit control number (located in the top right corner of the form of proxy accompanying this proxy statement-prospectus). Once you have provided your 13-digit control number please follow the instructions that are provided online in order to submit your proxy to consent over the Internet;

*By Phone*. Call the phone number corresponding to the language with which you are most comfortable: English (U.S.A.) +1 646 378-4860, English (International) +1 646 378-4852, Portuguese +1 646 378-4857, Spanish +1 646 378-4859, Korean +1 646 378-4855, Japanese +1 646 378-4854, Mandarin +1 646 378-4856, French +1 646 378-4853, Russian +1 646 378-4858, Arabic +1 646 378-4851. In order for us to verify your identity, you will be asked to provide your 13-digit control number (located in the top right corner of the form of proxy accompanying this proxy statement-prospectus). Once you have provided your 13-digit control number a representative will walk you through the instructions to submit your proxy over the phone; or

Table of Contents

*In Writing*. Mark, sign and date the form of proxy accompanying this proxy statement-prospectus and return it by:

*E-mail*. Send a portable document format (PDF) copy of *both sides* of the completed proxy to the following e-mail address: visa@dfking.com;

*Fax*. Send a copy of *both sides* of the completed proxy to the following fax number: + 1 212 709-3298; or

*Mail.* Send the completed proxy in the provided postage-paid envelope.

Proxies must be received by 11:59 PM Eastern Daylight Time September 25, 2007.

**Q: Can members of Visa International and Visa U.S.A. revoke their proxies once given?**

A: Any proxy given by a member of Visa International or Visa U.S.A. may be revoked at any time before consents from members representing the requisite number of votes required to adopt and approve the matters under consideration are delivered to Visa International or Visa U.S.A., respectively. Proxies may be revoked by delivering a notice of revocation of consent to Visa International Service Association, Attn: Thomas M Guinness, Secretary, P.O. Box 8999, San Francisco, CA 94128-8999 in the case of Visa International or Visa U.S.A. Inc., Attn: Joshua Floum, Secretary, P.O. Box 8999, San Francisco, CA 94128-8999 in the case of Visa U.S.A.

**Q: How do members/shareholders of Visa Canada vote?**

A: A registered voting member of Visa Canada may attend the meeting and vote in person. After the conversion resolution becomes effective, a registered voting member of Visa Canada that has not exchanged its membership interest for Visa Inc. class Canada common stock automatically becomes a registered shareholder of Visa Canada Inc. and can also vote on the amalgamation resolution in person at the meeting in the event that we determine that the adoption of the resolution is necessary or desirable. Alternatively, a registered member/shareholder may by means of a proxy appoint a person as nominee to attend and act at the meeting on the member/shareholder s behalf. A proxy must be executed by the member/shareholder. Proxies must be deposited with Visa Canada.

**Q: Can members/shareholders of Visa Canada change their vote?**

A: A registered voting member of Visa Canada can change its vote by submitting a new proxy to Visa Canada at or before the meeting or by attending the meeting and voting its interests/shares in person. A registered voting member of Visa Canada may also revoke its proxy by delivering written notice to Visa Canada at or before the meeting to the corporate secretary of Visa Canada.

**Q: When do you expect to complete the restructuring?**

A: We anticipate that the restructuring will be completed as soon as practicable after all of the conditions to the restructuring are satisfied, including the requisite approval of the members of Visa International, Visa U.S.A. and Visa Canada of the restructuring agreement, the receipt of certain U.K. and Canadian tax approvals and the receipt of all other required governmental or other consents.

**Q: What will happen if the members do not approve the proposed transactions?**

A: If the restructuring does not receive the requisite approvals, or if the restructuring is not completed for any reason, the boards of directors of Visa International, Visa U.S.A. and Visa Canada intend to continue to operate these companies in their current forms.

**Q: What are my rights if I vote against or do not consent to the proposed transactions, but the proposed transactions are nevertheless approved by the requisite approval of members of Visa International, Visa U.S.A. and Visa Canada?**

A: The restructuring will be completed if all of the applicable conditions contained in the restructuring agreement are satisfied, including the requisite approvals by the members of Visa International, Visa U.S.A. and Visa Canada. A Visa Canada shareholder may dissent with respect to the amalgamation resolution in the

Table of Contents

event that we determine that the adoption of the resolution is necessary or desirable by following certain procedures described in this proxy statement-prospectus. If the amalgamation of Visa Canada is completed, a dissenting shareholder that has complied with the procedures will be entitled to be paid the fair value of its common shares of Visa Canada. However, pursuant to Delaware law, members of Visa International and Visa U.S.A. will not be entitled to appraisal rights or similar rights in connection with the Visa International merger or the Visa U.S.A. merger. Members of Visa International, Visa U.S.A. or Visa Canada that have the right to consent or vote, but do not do so, will nevertheless have the right to receive Visa Inc. common stock in connection with the restructuring, unless (in the case of Visa Canada shareholders) they exercise their dissent rights.

**Q: What are the U.S. federal income tax consequences of the restructuring and the true-up?**

A: We have not requested that the U.S. Internal Revenue Service issue a ruling on the restructuring and the true-up. However, based on the opinion of our special tax counsel, we believe that, subject to the assumptions, qualifications and limitations set forth in *United States Federal Income Tax Considerations*, the members of Visa International and the members of Visa U.S.A. will not recognize any gain or loss for U.S. federal income tax purposes in connection with the restructuring and the true-up, except that any such member may recognize imputed interest income with respect to a portion of any Visa Inc. stock received in connection with the true-up.

If a stockholder is not a United States person for U.S. federal income tax purposes, Visa Inc. may be required to withhold U.S. federal income tax at a rate of 30% of the imputed interest, or, if applicable, at a lower treaty rate. Members should consult their local tax advisors regarding the potential U.S. federal tax consequences, as well as the potential U.S. state and local tax consequences, of the restructuring and the true-up.

**Q: What are the tax consequences of the restructuring and the true-up other than with regard to U.S. federal income tax?**

A: Members of Visa International, Visa Europe, Visa U.S.A. and Visa Canada may be required to recognize income, revenue, gain or loss in connection with the restructuring and the true-up in jurisdictions outside the United States, as well as in any United States state and local jurisdictions. Members should consult their local tax advisors regarding the potential non-U.S. tax consequences, as well as the potential U.S. federal, state and local tax consequences, of the restructuring and the true-up.

**Q: What are the accounting implications of the restructuring for members?**

A: Members of Visa International, Visa U.S.A. and Visa Canada should consult their financial advisors regarding the potential accounting implications of the restructuring.

**Q: What do I need to do now?**

A: After carefully reading and considering the information contained in this proxy statement-prospectus, please complete, sign and date your form of proxy and return it in accordance with the instructions above.

**Q: What happens if I don t submit a proxy or vote?**

A: Except with respect to Visa Canada shareholder approval of the amalgamation resolution, if you do not return a consent or proxy it will have the same effect as voting against the proposals. Therefore, it is very important that you register your approval by one of the methods outlined above.

**Q: How will eligible members receive their shares of Visa Inc.?**

A: Included with this proxy-statement prospectus is a letter of transmittal that includes instructions on how to obtain the Visa Inc. common stock that equity members are entitled to receive. As a condition to your receipt of Visa Inc. stock, you must return the completed letter of transmittal as described in the instructions

Table of Contents

by Internet, phone or in writing. Your Visa Inc. stock will be issued as soon as practicable after DF King, our proxy solicitor, receives your completed letter of transmittal and the closing of the restructuring. Shares of Visa Inc. will be held electronically in book entry form and you will receive a notice from our transfer agent.

**Q: Who can help answer my questions?**

A: If you have questions about this document or the procedures for submitting your proxy to consent, you should contact our proxy solicitor:
D.F. King & Co., Inc.

48 Wall Street

New York, NY 10005

Telephone Numbers:

English (USA) +1 646 378-4860

English (International) +1 646 378-4852

Portuguese +1 646 378-4857

Spanish +1 646 378-4859

Korean +1 646 378-4855

Japanese +1 646 378-4854

Mandarin +1 646 378-4856

French +1 646 378-4853

Russian +1 646 378-4858

Arabic +1 646 378-4851

Table of Contents

## SUMMARY

*This summary highlights selected information from this proxy statement-prospectus. It does not contain all of the information that may be important to you. You should read carefully the entire document and the other documents to which this proxy statement-prospectus refers you in order to fully understand the restructuring and the related transactions. See WHERE YOU CAN FIND MORE INFORMATION on page 400. Each item in this summary refers to the page of this proxy statement-prospectus on which that subject is discussed in more detail.*

**The Global Restructuring Agreement (Page 89)**

The boards of directors of Visa International, Visa U.S.A., Visa Canada and Visa Europe have approved a restructuring agreement that contemplates a series of transactions through which Visa International, Visa U.S.A., Visa Canada and Inovant will become direct or indirect subsidiaries of a Delaware stock corporation, Visa Inc. Each of the boards of directors of Visa International, Visa U.S.A. and Visa Canada recommends that its members vote to approve the restructuring proposal. The restructuring agreement contemplates that Visa Europe will remain a separate entity and become a stockholder of Visa Inc. In the restructuring, Visa Inc. will issue shares of common stock to the financial institution members of Visa U.S.A., to eligible financial institution members of Visa International affiliated with the Visa AP, Visa LAC and Visa CEMEA regions, to the financial institution members of Visa Canada and to Visa Europe and VESI. After the restructuring, Visa Inc. will conduct its global payments business through its subsidiaries, including Visa International, Visa U.S.A., Visa Canada and Inovant.

In the restructuring, the bylaws of each of Visa International and Visa U.S.A. will be amended and restated so that certain members of Visa International (other than Visa Europe and Visa Canada) and of Visa U.S.A. will have an equity membership interest representing voting and economic rights in Visa International or Visa U.S.A., respectively, and a non-equity membership interest, representing the commercial and other rights and obligations with regard to participation in the Visa payments system as a member of Visa International or Visa U.S.A., respectively.

As a result of the Visa International merger, the equity membership interests in Visa International will be converted into LLC interests in Visa International Transition LLC, a transitory entity, which we refer to as VI LLC, and will be subsequently reallocated to reflect the agreed-upon initial ownership percentages in Visa Inc. As a result of the VI LLC merger, those LLC interests will then be converted into the right to receive shares of common stock in Visa Inc.

The class of common stock that you will receive at the closing of the restructuring will correspond to the geographic Visa region with which you are associated. Non-equity interests in Visa International or Visa U.S.A., representing commercial and other rights and obligations regarding participation in the Visa payments system, will continue to be outstanding following the restructuring. The following is a discussion of the legal steps that we will take to achieve these economic results.

*Visa International Merger*

In what we refer to as the Visa International merger, VI Merger Sub, Inc., a Delaware non-stock corporation and wholly owned subsidiary of VI LLC, which we refer to as VI merger sub, will be merged with and into Visa International, and Visa International will continue as the surviving corporation after the effectiveness of the Visa International merger. Upon the effectiveness of the Visa International merger, each of the outstanding equity membership interests held by members of Visa International (other than Visa Canada and Visa Europe) will be canceled in consideration of the issuance of limited liability company interests in VI LLC, which are substantially similar to the equity membership interests formerly held by such members and which we refer to as LLC shares. Such LLC shares will be issued ratably in accordance with the respective equity membership interests in Visa International.

Table of Contents

Visa Europe s entire membership interest in Visa International will be canceled, and Visa Europe will be issued LLC shares. In addition, prior to the Visa International merger, Visa Canada will cease to be a member of Visa International at the same time as its commercial and other rights and obligations regarding participation in the Visa payments system will be embodied in a regional service agreement. Thus, Visa Europe and Visa Canada will not retain any non-equity membership interests in Visa International following this merger and the restructuring. Instead, the rights and obligations of Visa Europe and Visa Canada with regard to participation in the Visa payments system will be governed by, in the case of Visa Europe, the framework agreement and, in the case of Visa Canada, the regional services agreement and certain other agreements between Visa Inc., Visa International and Visa Canada. For a description of the agreements we are entering into with Visa Europe and Visa Canada, see *Material Contracts The Framework Agreement*, *The Put-Call Option Agreement* and *The Global Restructuring Agreement The Restructuring The Canada Transaction Documents*.

Promptly after the effectiveness of the Visa International merger, the LLC shares will be converted and reallocated as regional classes of limited liability interests in VI LLC corresponding to five Visa geographic regions, reflecting the initial allocation to members of VI LLC of shares of Visa Inc., as follows:

(i) in the case of Visa U.S.A., 127,800,553 class USA LLC shares;

(ii) in the case of Visa Europe, 62,213,201 class EU (series I) LLC shares and 27,904,464 class EU (series II) LLC shares;

(iii) in the case of each eligible member of Visa International associated with the Visa AP region, a number of class AP LLC shares equal to 119,100,481 multiplied by such member s initial ownership percentage, which is calculated based upon such member s historical fees and total volume as compared with the historical fees and total volume of other eligible members of Visa International associated with the Visa AP region;

(iv) in the case of each eligible member of Visa International associated with the Visa LAC region, a number of class LAC LLC shares equal to 80,137,915 multiplied by such member s initial ownership percentage, which is calculated based upon such member s historical fees and total volume as compared with the historical fees and total volume of other eligible members of Visa International associated with the Visa LAC region; and

(v) in the case of each eligible member of Visa International associated with the Visa CEMEA region, a number of class CEMEA LLC shares equal to 36,749,698 multiplied by such member s initial ownership percentage, which is calculated based upon such member s historical fees and total volume as compared with the historical fees and total volume of other eligible members of Visa International associated with the Visa CEMEA region.

After this reallocation, VI LLC will be merged with and into Visa Inc., Visa Inc. will continue as the surviving corporation, the regional classes of LLC shares will be canceled and, in consideration for such cancellation, Visa Inc. will issue to the former holders thereof, on a one-to-one basis, shares of common stock of Visa Inc. corresponding to the same five geographic regions: (i) class USA common stock; (ii) class EU (series I) common stock and class EU (series II) common stock; (iii) class AP common stock; (iv) class LAC common stock; and (v) class CEMEA common stock.

*Visa U.S.A. Merger*

Visa U.S.A. merger sub is a newly formed Delaware non-stock corporation and wholly owned subsidiary of Visa Inc. On the business day immediately following the date on which the VI LLC merger occurs, Visa U.S.A. merger sub will be merged with and into Visa U.S.A., which we refer to as the Visa U.S.A. merger, and Visa U.S.A. will continue as the surviving non-stock corporation. Upon the effectiveness of the Visa U.S.A. merger: (i) each of the outstanding equity membership interests in Visa U.S.A. will be canceled in consideration for the issuance to the holder thereof of a number of shares of our class USA common stock equal to 426,390,481

Table of Contents

multiplied by such holder s initial Visa Inc. ownership percentage, which will be equal to the member s membership proportion as defined in the Visa U.S.A. certificate of incorporation; and (ii) each of the non-equity membership interests in Visa U.S.A. will continue to be issued and outstanding after the closing of the restructuring.

*Visa Canada Restructuring*

Prior to the Visa International merger, the charter of Visa Canada will be amended to permit Visa Canada membership interests to be transferable to Visa Inc. or a wholly owned subsidiary of Visa Inc., and the bylaws of Visa Canada will be amended to accommodate the vesting of the commercial and other rights and obligations regarding participation in the Visa payments system of members of Visa Canada in service agreements. Prior to the Visa International merger, Visa Canada will surrender to Visa International its entire membership in Visa International, and at the same time Visa International and Visa Inc. will enter into a regional services agreement with Visa Canada to continue Visa Canada s existing commercial rights with respect to the Visa payments system. At the closing of the restructuring, Visa Canada will offer to its members the opportunity to enter into separate services agreements with Visa Canada; Visa Canada and Visa International will offer to members of Visa Canada the opportunity to enter into separate trademark agreements with Visa International; and Visa Inc. will offer to certain members of Visa Canada the opportunity to enter into a support agreement with Visa Inc., all of which agreements are designed to enable members of Visa Canada to continue their existing commercial rights with respect to the Visa payments system.

On the business day after the date on which the VI LLC merger occurs, each eligible member of Visa Canada that has elected to do so will be entitled to exchange its membership interest in Visa Canada with Visa Inc. for a number of shares of Visa Inc. class Canada common stock equal to 22,034,685 multiplied by such member s initial ownership percentage, which will be such member s card sales volume (as defined in the bylaws of Visa Canada) during the period from October 1, 1990 through the September 30 immediately preceding the closing of the restructuring, expressed as a percentage of the aggregate card sales volume of all eligible members of Visa Canada during such period. Immediately following such exchanges, Visa Canada will be converted from a non-share capital corporation to a for-profit share capital corporation governed by the OBCA, with Visa Inc. receiving, as a member of Visa Canada, common shares of the converted Visa Canada, and eligible members of Visa Canada that did not previously elect to exchange their membership interests as described above receiving common shares of the converted Visa Canada. Visa Inc. will then transfer its common shares of Visa Canada to Visa Canada merger sub in exchange for common shares of Visa Canada merger sub.

As soon as practicable after the conversion of Visa Canada described above, Visa Canada, Visa Canada merger sub, which is a wholly owned subsidiary of Visa Inc., and Visa Inc. will, if we determine that it is necessary or desirable, enter into an amalgamation agreement, pursuant to which Visa Canada and Visa Canada merger sub will be amalgamated and, upon completion of the redemption referred to below, the combined entity formed by the Visa Canada amalgamation will become a wholly owned subsidiary of Visa Inc. Upon the effectiveness of the Visa Canada amalgamation, all of the outstanding share capital of Visa Canada (other than the common shares held by Visa Canada merger sub) will be converted into redeemable preferred shares of the combined entity in the Visa Canada amalgamation, which will be immediately redeemed for (and Visa Inc. will issue to each eligible Visa Canada member then a shareholder of Visa Canada) a number of shares of our class Canada common stock equal to 22,034,685 multiplied by each eligible Visa Canada member s initial Visa Inc. ownership percentage, all of the outstanding share capital of Visa Canada merger sub will be converted into 100 common shares of the combined entity formed in the Visa Canada amalgamation, and the common shares of Visa Canada held by Visa Canada merger sub will be canceled without payment. Upon the effectiveness of the Visa Canada amalgamation, the bylaws of Visa Canada will be the Visa Canada merger sub bylaws and the directors and officers of Visa Canada merger sub will become the directors and officers of Visa Canada.

Table of Contents

*Inovant U.S. Holdco Merger; VESI Share for Share Exchange*

On the business day after the later to occur of the Visa U.S.A. merger and the Visa Canada amalgamation, Inovant, Inc. will be merged with and into Visa Inc., which we refer to as the Inovant U.S. holdco merger, and Visa Inc. will continue as the surviving corporation after the closing of the Inovant U.S. holdco merger. Upon the effectiveness of the Inovant U.S. holdco merger, all of the outstanding capital stock of Inovant, Inc. will be canceled in consideration for the issuance to Visa U.S.A., which is the sole stockholder of Inovant, Inc., of 3,791,455 shares of our class USA common stock. On the business day immediately after the date of the effectiveness of the Inovant U.S. holdco merger, VESI will deliver to Visa Inc. all of the limited liability company interests in Inovant then owned by VESI, in exchange for 549,587 shares of our class EU (series III) common stock.

*True-Up of Merger Consideration*

The initial allocation of shares of Visa Inc. common stock was determined under a methodology that was agreed upon among the participating regions. It was based primarily on each participating region s projected net income contribution to the overall Visa enterprise in fiscal 2008. In addition, there were some negotiated adjustments that were made to the allocations to reflect, among other things, potential operating synergies and one-time adjustments to financial projections. In order to better reflect relative actual performance against projections, there will be a subsequent conversion and reallocation of shares, which we refer to as the true-up, based on each participating region s relative under- or over-achievement of its net revenue targets beyond certain percentage limits, which we refer to as tolerance bands, of its net revenue targets for the relevant four-quarter period, which we refer to as the measurement period. As a result of the true-up, each of the regional classes of common stock will be converted into class C common stock or, in the case of the class USA common stock, class B common stock, prior to the initial public offering of our common stock. Because the true-up calculation is based on relative financial performance among the regions, it is possible that a region could meet or exceed its net revenue goals and be allocated fewer shares as a result of the true-up if other regions were to outperform their revenue targets by a greater percentage.

If a participating region s actual net revenue during the measurement period is not over 104% of its estimated net revenue and not below 98% of its estimated net revenue for such period, then that region s applicable multiplier will be 1.0, and no adjustment will be made to that region s baseline amount. If a region exceeds or falls short of its net revenue targets by an amount in excess of these tolerance band percentages, then the region s applicable multiplier will equal the percentage difference between the actual and projected net revenues for the measurement period multiplied by 1.5. The upper tolerance band percentage will be increased from 104% to 108% if a region exceeds its marketing budget by more than 30% during the measurement period. The lower tolerance band percentage will be adjusted from 98% to 96% if the participating region s actual marketing expense is less than 70% of the participating region s projected marketing expense during the measurement period. The region s adjusted amount equals the baseline amount multiplied by the applicable multiplier, plus an additional, negotiated amount for, among other things, a negotiated portion of the overall expected cost savings relating to the restructuring. Each participating region s percentage ownership after the true-up will equal this adjusted amount as a percentage of the aggregate adjusted amounts of all the participating regions, multiplied by 0.916 (to exclude Visa Europe s 8.4% interest represented by the class EU (series I) and class EU (series III) common stock of Visa Inc. from the true-up calculation).

The measurement period will be the four quarters ending September 30, 2008; provided, however, that if Visa Inc. files a registration statement on Form S-1 for an initial public offering prior to the end of fiscal 2008, then the measurement period will be the four-quarter period ending with (and including) the latest quarter for which financial statements are included in the registration statement on Form S-1 on the date it is declared effective by the United States Securities and Exchange Commission, or SEC. In no event, however, will the measurement period be any earlier than the four quarters ending September 30, 2007.

Table of Contents

In addition, the allocation of shares among the financial institutions that are members of the Visa AP, Visa LAC and Visa CEMEA regions is also subject to a separate adjustment in connection with the final allocation of shares within the unincorporated regions, as described below, based on the relative performance of each financial institution within the Visa AP, Visa LAC and Visa CEMEA regions, respectively, compared to the financial performance of all of the other financial institutions within its respective region during the measurement period. For more information about the true-up process, see *The Global Restructuring Agreement The Restructuring True-Up of Merger Consideration*.

The following is a diagram showing the organization and ownership of Visa Inc. and its significant subsidiaries immediately after giving effect to the restructuring described above:

**Retrospective Responsibility Plan (Page 96)**

Our retrospective responsibility plan addresses potential liabilities arising from the litigation described under the heading *Business of Visa Inc. Legal and Regulatory Proceedings Covered Litigation*, which we refer to as the covered litigation.

Upon the completion of the initial public offering of Visa Inc. common stock, we will deposit a portion of the proceeds of the offering in an amount determined by the litigation committee (as described below) in an escrow account from which settlements of, or judgments in, the covered litigation would be paid.

The net initial public offering proceeds less the sum of: (i) the initial escrow amount, (ii) any funds retained by Visa Inc. for general working capital purposes and (iii) the $1.146 billion that is designated to redeem the Visa Europe class C (series II) shares, will be used to redeem a portion of the shares of class B common stock and the shares of class C common stock (other than class C (series II) common stock). The redemption price for these shares will equal the net initial public offering price per share.

**Table of Contents**

The shares of class B common stock that are retained by Visa U.S.A. members and that are not redeemed out of the proceeds of the initial public offering will be subject to dilution to the extent of the initial amount of the escrow account. This dilution of the shares of class B common stock will be accomplished through an adjustment to the conversion ratio of the shares of class B common stock. These shares will not be able to be converted into shares of class A common stock or, subject to limited exceptions, transferred until the later of the third anniversary of our initial public offering or the final resolution of the covered litigation. The shares of class C common stock held by members other than the Visa U.S.A. members will not be subject to this dilutive adjustment.

After the completion of our initial public offering and at the request of the litigation committee, we expect to conduct follow-on offerings of our shares of class A common stock, which we refer to as loss shares, if the litigation committee deems it desirable to increase the escrow account. The proceeds from the sale of loss shares would then be deposited in the escrow account and the shares of class B common stock would be subject to additional dilution to the extent of the loss shares through a concurrent adjustment to the conversion ratio of the class B shares.

Any amounts remaining in the escrow account on the date on which all of the covered litigation has been resolved will be released back to us, and the conversion ratio of the shares of class B common stock then outstanding will be adjusted in the holders favor through a formula based on the released escrow amount and the market price of our stock.

The litigation committee will be established pursuant to a litigation management agreement between Visa Inc., Visa International, Visa U.S.A. and five individuals who are affiliated with, or acting for, certain Visa U.S.A. members. The litigation committee: (i) will determine the percent of initial public offering proceeds to be deposited in the escrow account; (ii) may request the sale of loss shares, subject to Visa Inc. s right to delay the filing or effectiveness of a registration statement relating to such loss shares under certain circumstances; and (iii) may recommend or refer the cash payment portion of a proposed settlement of any covered litigation to the Visa U.S.A. board of directors.

Visa U.S.A., Visa International and Visa Inc. have entered into a loss sharing agreement with some of the Visa U.S.A. members, which will be effective as of the restructuring closing date. The loss sharing agreement provides that the Visa U.S.A. members that are parties to the agreement will be responsible for a proportionate share of the liabilities associated with the covered litigation that might otherwise be borne by Visa U.S.A., Visa International or, in certain instances, Visa Inc. This proportionate share of each Visa U.S.A. member will be equal to such member s membership proportion, as calculated in accordance with Visa U.S.A. s certificate of incorporation.

Visa U.S.A. previously entered into a judgment sharing agreement with certain of its members that have also been named as defendants in the lawsuit filed by American Express, which we refer to as the Amex judgment sharing agreement. In addition, Visa U.S.A. and Visa International entered into an interchange judgment sharing agreement with certain Visa U.S.A. members that have been named as defendants in the merchant interchange litigation and the Kendall litigation with regard to certain covered litigation. Under these judgment sharing agreements, the Visa U.S.A. members that are signatories will pay their membership proportion of the portion of a final judgment not allocated to the conduct of MasterCard. In the event that a final judgment is enforced against Visa U.S.A. or Visa International in the interchange litigation, the Visa U.S.A. member signatories will reimburse Visa U.S.A. or Visa International for the entire amount of the final judgment so enforced that is allocated to the conduct of MasterCard.

In order to avoid a double payment as a result of the dilutive adjustment in the conversion ratio of the class B shares upon the establishment of the escrow account, Visa U.S.A. members that have made certain payments pursuant to the interchange judgment sharing agreement, the loss sharing agreement or the Amex judgment sharing agreement will be reimbursed from the escrow account.

Table of Contents

The members of Visa U.S.A. have indemnification obligations pursuant to Visa U.S.A. s certificate of incorporation and bylaws and in accordance with their membership agreements. After the closing of the restructuring, these indemnification obligations will continue with respect to the covered litigation, although we currently expect that, after the completion of our initial public offering, the initial escrow account and any additional proceeds from the sale of loss shares, which will subsequently be deposited into the escrow account, will be used first to resolve the covered litigation.

To the extent that the amount of the initial escrow and any additional sale of loss shares is insufficient to fully resolve the covered litigation and reimburse judgment sharing and loss sharing payments by Visa U.S.A. s members, we will use commercially reasonable efforts to enforce the indemnification obligations of Visa U.S.A. s members for such excess amount, including but not limited to enforcing indemnification obligations pursuant to the loss sharing agreement, Visa U.S.A. s certificate of incorporation and bylaws and in accordance with their membership agreements.

**Material Contracts with Visa Europe (Page 315)**

*The Framework Agreement*

The relationship between Visa Inc. and Visa Europe will be governed after the restructuring by a framework agreement, which provides for trademark and technology licenses and bilateral services.

*(i) Trademark and Technology Licenses*

Visa Inc., Visa U.S.A., Visa International and Inovant, as the licensors, will grant to Visa Europe exclusive, irrevocable and perpetual licenses to use the Visa trademarks and technology intellectual property owned by the licensors and certain affiliates within the Visa Europe region for use in the field of financial services, payments, related information technology and information processing services and participation in the Visa system. Visa Europe may sublicense the Visa trademarks and technology intellectual property to its members and other sublicensees, such as processors, for use within Visa Europe s region and, in certain limited circumstances, outside the Visa Europe region.

From the restructuring closing date until the earlier of: (i) one year from the restructuring closing date; and (ii) the filing of a registration statement on Form S-1 for a Visa Inc. initial public offering, the fee payable for the licenses will be $6 million per quarter. Thereafter until the later of: (i) the date our shares commence trading on an internationally recognized securities exchange; and (ii) 369 days after the Inovant U.S. holdco merger, the fee payable for the licenses will be $142.5 million per year, payable quarterly, which we refer to as the quarterly base fee, reduced by an amount equal to $1.146 billion multiplied by the three-month LIBOR rate plus 100 to 200 basis points. Three years after Visa Europe begins to pay the quarterly base fee, this fee will be increased annually based on the annual growth of the gross domestic product of the European Union. In each case, the quarterly base fee will be reduced by an amount equal to the product of the following: (i) our net initial public offering price per share; (ii) the number of shares of Visa Inc. held by Visa Europe (other than class EU (series II) shares or class C (series II) shares) that would have been redeemed immediately, but for provisions that delay the redemption of shares held by Visa Europe until one year following the date of the initial public offering; (iii) the three-month LIBOR rate plus 100 to 200 basis points; and (iv) the number of days in that quarter which fall in the post-initial public offering period divided by 365.

Visa Europe must comply with certain agreed global rules governing the use and interoperability of the Visa trademarks and interoperability of Visa Inc. s systems with the systems of Visa Europe. In addition, the parties will guarantee the obligations of their respective members to settle transactions between such members, service global customers, participate in certain global sponsorships, manage certain global programs, establish rules for

Table of Contents

servicing global merchants, ensure that their customers and members require acceptance of globally accepted cards, maintain adequate capital levels to support their ongoing business operations and establish and comply with rules relating to the operation of the Visa enterprise. Visa Inc. will indemnify Visa Europe for any claims arising from activities within the field brought outside Visa Europe s region and Visa Europe will indemnify Visa Inc. for any claims arising from activities within the field brought within Visa Europe s region. For a description of the trademark and technology license arrangements, see *Material Contracts The Framework Agreement.*

*(ii) Bilateral Services*

Visa Inc. and Visa Europe will provide each other with transitional and ongoing services similar to those services currently provided among Visa International, Visa U.S.A., Inovant, Visa Canada and Visa Europe. Visa Inc. will provide Visa Europe on an ongoing basis with authorization services for cross-border transactions involving Visa Europe s region, on the one hand, and the rest of the world, on the other hand, as well as clearing and settlement system services between Visa Europe s region and the rest of the world. Until Visa Europe s regional clearing and settlement system is deployed, Visa Inc. will also provide clearing and settlement system services within Visa Europe s region. In addition, the parties will share foreign exchange revenues related to currency conversion for transactions involving European cardholders as well as other cross-border transactions that take place in Visa Europe s region until Visa Europe s regional clearing and settlement system is deployed, at which time this arrangement will cease. The parties will also use each others switching and processing services.

Visa Europe will indemnify Visa Inc. for any claims arising out of the provision of the services brought by Visa Europe s member banks against Visa Inc., while Visa Inc. will indemnify Visa Europe for any claims arising out of the provision of the services brought against Visa Europe by Visa Inc. s customer financial institutions.

*Put-Call Option Agreement*

Upon the consummation of the restructuring, Visa Inc. and Visa Europe will enter into a put-call option agreement under which Visa Europe will provide us with a call option to require Visa Europe to cause its members to convey and deliver to us all of the issued shares of capital stock of Visa Europe. We may exercise the call option at any time following certain triggering events, which consist of severe declines in the number of merchants and the number of automatic teller machines in the Visa Europe region that accept Visa-branded products for the processing of payment transactions, provided that in no event will the call option be exercised prior to the closing of our initial public offering.

In addition, we will grant Visa Europe a put option to require Visa Inc. to purchase from the Visa Europe members all of the issued shares of capital stock of Visa Europe. The put option may be exercised by Visa Europe at any time after the earlier of: (i) 365 days after the consummation of an initial public offering of shares of Visa Inc.; and (ii) 605 days after the closing date of the restructuring. The price per share at which both the call option and the put option are exercisable is based upon a formula that is based upon, among other things, Visa Europe s projected sustainable twelve month adjusted net operating income and the forward P/E multiple applicable to Visa Inc. common stock at the time the option is exercised, subject to certain adjustments. For a description of the put-call option agreement, see *Material Contracts The Put-Call Option Agreement.*

**Management Following the Restructuring (Page 279)**

Joseph Saunders, our Chief Executive Officer and Chairman of our board, is currently serving as the sole director of Visa Inc. From and after the closing of the restructuring and until the closing of our initial public

Table of Contents

offering, our board of directors will consist of Mr. Saunders, ten independent directors (who will constitute a majority of the total directors) and seven directors drawn from our geographic regions (which we refer to as regional directors) as follows:

(i) two directors elected by holders of our class USA common stock;

(ii) one director elected by holders of our class Canada common stock;

(iii) one director elected by holders of our class AP common stock;

(iv) one director elected by holders of our class LAC common stock;

(v) one director elected by holders of our class CEMEA common stock; and

(vi) one director elected by holders of our voting series of class EU common stock.

**Equity Incentive Plan (Page 104)**

The equity incentive plan is intended to promote the long-term success of Visa Inc. and increase stockholder value by attracting, motivating and retaining our non-employee directors, officers, employees and consultants and those of our subsidiaries and affiliates. To achieve this purpose, the equity incentive plan allows the flexibility to grant or award stock options, stock appreciation rights, restricted stock awards, restricted stock units, performance unit awards, performance share awards, cash-based awards and other stock-based awards to eligible persons.

The equity incentive plan would allow us to grant these stock-based incentive awards to non-employee directors, employees and consultants covering a total of up to 59,000,000 shares of the common stock. No awards have been made under the equity incentive plan. The compensation committee of our board of directors will have discretionary authority to operate, manage and administer the equity incentive plan in accordance with its terms. The compensation committee will determine the non-employee directors, employees and consultants who will be granted awards under the equity incentive plan, the size and types of awards, the terms and conditions of awards and the form and content of the award agreements. The compensation committee will be authorized to establish, administer and waive terms, conditions and performance goals of outstanding awards and to accelerate the vesting or exercisability of awards, in each case, subject to limitations contained in the equity incentive plan.

The equity incentive plan will become effective on the date it has been approved by the affirmative vote of the members holding membership interests in Visa International, Visa U.S.A. and Visa Canada, which, assuming the completion of the restructuring, would represent a majority of the outstanding shares of common stock of Visa Inc. immediately after the closing.

**Risk Factors (Page 10)**

You should carefully consider all of the information provided in this proxy statement-prospectus and, in particular, you should evaluate the specific factors described under *Risk Factors* for a description of the risks associated with our business and the restructuring.

Table of Contents

## RISK FACTORS

*If the restructuring is completed, members of Visa International, Visa U.S.A. and Visa Canada will become our stockholders. Therefore, if you choose to approve the restructuring, you will be choosing to invest in our common stock. An investment in our common stock involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this document before deciding whether to approve the restructuring.*

### Risks Related to Our Business

#### *Legal and Regulatory Risks*

**Interchange fees are subject to significant legal and regulatory scrutiny worldwide, which may have a material adverse impact on our revenue, our prospects for future growth and our overall business.**

Interchange fees are typically paid by acquirers to issuers in connection with transactions initiated with cards in our payments system. Interchange fees are often the largest component of the costs that acquirers charge merchants in connection with the acceptance of payment cards. We set default interchange rates in an effort to maximize system volume. As the volume of card-based payments has increased in recent years, interchange fees, including our default interchange rates, have become subject to increased regulatory scrutiny worldwide. We believe that regulators are increasingly adopting a similar approach to interchange fees and, as a result, developments in any one jurisdiction may influence regulators approach in other jurisdictions. In certain jurisdictions, default interchange rates are set by the government and not by us. Interchange fees and related practices are being or have been reviewed by regulatory authorities and/or central banks in a number of jurisdictions, including the United States, the European Union, Australia, Brazil, Colombia, Germany, Hungary, Mexico, Norway, Poland, Portugal, Romania, South Africa, Spain, Sweden, Switzerland and the United Kingdom. For example:

- The Reserve Bank of Australia has made regulations under legislation enacted to give it powers over payments systems. A regulation controls the costs that can be considered in setting interchange fees for Visa credit and debit cards. The Reserve Bank of Australia does not regulate the merchant discount charged by any payment system.

- The Commerce Commission, New Zealand s competition regulator, filed a civil claim alleging that, among other things, the fixing of default interchange rates by Cards NZ Limited, Visa International, MasterCard and certain Visa International member banks contravenes the New Zealand Commerce Act. A group of New Zealand retailers filed a nearly identical claim against the same parties before the same tribunal. Both the Commerce Commission and the retailers seek declaratory, injunctive and monetary relief.

- In March 2006, Banco de México, the central bank of Mexico, reached an agreement with the Mexican Banks Association to implement a new, value-based interchange methodology. As part of Banco de México s transparency policies, details of the new interchange rates have been publicly disclosed and are available on Banco de México s web site.

Interchange fees have been the topic of recent committee hearings in the U.S. House of Representatives and the U.S. Senate, as well as conferences held by a number of U.S. federal reserve banks. In addition, the U.S. House of Representatives has passed a bill that would commission a study by the Federal Trade Commission of the role of interchange fees in alleged price gouging at gas stations. Individual state legislatures in the United States are also reviewing interchange fees, and legislators in a number of states have proposed bills that purport to limit interchange fees or merchant discount rates or to prohibit interchange fees or merchant discount rates from being applied to portions of a transaction. In addition, the Merchants Payments Coalition, a coalition of trade associations representing businesses that accept credit and debit cards, is mounting a challenge to interchange fees in the United States by seeking legislative and regulatory intervention.

Table of Contents

If we cannot successfully defend our ability to set default interchange rates to maximize system volume, our payments system may become unattractive to issuers. This result could reduce the number of financial institutions willing to participate in our open-loop multi-party payments system, lower overall transaction volumes, and/or make closed-loop payments systems or other forms of payment more attractive. Issuers could also charge higher fees to consumers, thereby making our card programs less desirable and reducing our transaction volumes and profitability, or they could attempt to decrease the expense of their card programs by seeking incentives or a reduction in the fees that we charge. Any of the foregoing could have a material adverse impact on our revenue, our prospects for future growth, and our overall business.

**If Visa U.S.A. or Visa International is found liable in the merchant interchange multidistrict litigation, we may be forced to pay substantial damages.**

From 2005 through 2007, a total of approximately 51 class action and individual complaints were filed on behalf of merchants against Visa U.S.A., Visa International, MasterCard and other defendants, including certain Visa U.S.A. member financial institutions. The plaintiffs allege that Visa U.S.A. s and Visa International s setting of default interchange rates violated federal and state antitrust laws, among other antitrust allegations. The lawsuits have been transferred to a multidistrict litigation in the Eastern District of New York. The class action complaints have been consolidated into a single amended class action complaint, and the individual complaints are also being consolidated in the same multidistrict litigation. A similar case, filed in 2004, is on appeal by plaintiffs after having been dismissed with prejudice, and has not been transferred to the multidistrict litigation.

The plaintiffs in the multidistrict litigation seek damages for alleged overcharges in merchant discount fees, as well as injunctive and other relief. The plaintiffs have not yet quantified the damages they seek, although several of the complaints allege that the plaintiffs expect that damages will range in the tens of billions of dollars. Because these lawsuits were brought under the U.S. federal antitrust laws, any actual damages will be trebled and Visa U.S.A. and/or Visa International may be subject to joint and several liability among the defendants if liability is established, which could significantly magnify the effect of any adverse judgment. Failure to successfully defend or settle the multidistrict litigation would result in liability that could have a material adverse effect on our results of operations, financial condition and cash flows, or, in certain circumstances, even cause us to become insolvent. For a discussion of the multidistrict litigation, see *Business of Visa Inc. Legal and Regulatory Proceedings Covered Litigation Interchange Litigation*.

**If Visa U.S.A. or Visa International is found liable in any of the cases brought by American Express or Discover, we may be forced to pay substantial damages.**

In 1998, the U.S. Department of Justice filed suit against Visa U.S.A., Visa International and MasterCard International in the U.S. District Court for the Southern District of New York. The suit alleged, among other things, that Visa U.S.A. restrained competition by prohibiting its member financial institutions from issuing certain competing payment cards (such as American Express or Discover). The district court held that the prohibition constituted an unlawful restraint of trade under the U.S. federal antitrust laws, and this decision was affirmed by the Second Circuit Court of Appeals. As a result of this judgment, the Visa U.S.A. bylaw that provided for the prohibition became unenforceable in October 2004 and was subsequently repealed.

American Express and Discover have each filed suit against Visa U.S.A., Visa International and MasterCard International, alleging that prohibiting member financial institutions from issuing competing payment cards caused them injury under the U.S. federal antitrust laws. American Express has sued other defendants as well, including certain Visa U.S.A. member financial institutions. American Express also alleges, among other antitrust allegations, that Visa U.S.A. s partnership agreements with certain of its members constitute exclusive dealing in violation of the antitrust laws. In connection with their respective claims, American Express and Discover each requested that the district court give collateral estoppel effect to the court s findings in the judgment of the 1998 Department of Justice litigation. Although the district court denied that request when made at the outset of the litigation, the district court indicated it would entertain a motion by American Express or

Table of Contents

Discover for collateral estoppel at a later time. If the court were to give collateral estoppel effect to one or more issues, significant elements of the plaintiffs claims would be established, making it more likely that Visa International and Visa U.S.A. could be found liable and that the plaintiffs would be awarded damages.

On July 24, 2007, American Express and Discover served expert reports seeking substantial damages. Because these lawsuits were brought under the U.S. federal antitrust laws, any actual damages will be trebled and Visa International and Visa U.S.A. may be subject to joint and several liability among the defendants if liability is established, which could significantly magnify the effect of any adverse judgment. Failure to successfully defend against or settle these lawsuits would result in liability that could have a material adverse effect on our results of operations, financial condition and cash flows, or, in certain circumstances, even cause us to become insolvent. For a discussion of the American Express and Discover litigations, see *Business of Visa Inc. Legal and Regulatory Proceedings Covered Litigation*.

**If the settlements of Visa U.S.A. s and Visa International s currency conversion cases are not ultimately approved and we are unsuccessful in any of the various lawsuits relating to Visa U.S.A. s and Visa International s currency conversion practices, our business may be materially and adversely affected.**

Visa U.S.A. and Visa International are defendants in several state and federal lawsuits alleging that their currency conversion practices are or were deceptive, anti-competitive or otherwise unlawful. In particular, a trial judge in California found that the former currency conversion practices of Visa U.S.A. and Visa International were deceptive under California state law, and ordered Visa U.S.A. and Visa International to mandate that their members disclose the currency conversion process to cardholders in cardholder agreements, applications, solicitations and monthly billing statements. The judge also ordered unspecified restitution to credit card holders. The decision was reversed on appeal on the ground that the plaintiff lacked standing to pursue his claims. After the trial court s decision, several putative class actions were filed in California state courts challenging Visa U.S.A. s and Visa International s currency conversion practices for credit and debit cards. A number of putative class actions relating to Visa U.S.A. s and Visa International s former currency conversion practices were also filed in federal court. The federal actions have been coordinated or consolidated in the U.S. District Court for the Southern District of New York. The consolidated complaint alleges that the former currency conversion practices of Visa U.S.A. and Visa International violated federal antitrust laws.

On July 20, 2006 and September 14, 2006, Visa U.S.A. and Visa International entered into agreements settling or otherwise disposing of the federal and state actions and related matters. Pursuant to the settlement agreements, Visa U.S.A. paid approximately $100 million as part of the defendants settlement fund for the federal actions and will pay approximately $20 million to fund settlement of the California cases. The federal court has granted preliminary approval of the settlement agreements, but the settlement is subject to final approval by the court and resolution of all appeals. If final approval of the settlement agreements is not granted, all of the agreements resolving the federal and state actions will terminate. If that occurs, and we are unsuccessful in defending against some or all of these lawsuits, we may have to pay restitution and/or damages, and may be required to modify our currency conversion practices. The potential amount of damages and/or restitution could be substantial. In addition, although Visa U.S.A. and Visa International have substantially changed the practices that were at issue in these litigations, if the courts require further changes to the currency conversion and cross-border transaction practices, it could significantly affect the revenues received by Visa U.S.A. and Visa International from these transactions. See *Business of Visa Inc. Legal and Regulatory Proceedings Currency Conversion Litigation.*

**If Visa U.S.A. or Visa International is found liable in certain other lawsuits that have been brought against them or if we are found liable in other litigation to which we may become subject in the future, we may be forced to pay substantial damages and/or change our business practices or pricing structure, any of which could have a material adverse effect on our revenue and profitability.**

In actions filed in a number of U.S. state courts and the District of Columbia against Visa U.S.A., and Visa International, in one state, plaintiffs assert claims under state antitrust statutes, consumer protection statutes and/ or state common law. The plaintiffs are suing on behalf of putative classes of consumers; one action was brought

Table of Contents

by the West Virginia Attorney General on behalf of consumers. The plaintiffs claims are based on allegations made in a lawsuit brought on behalf of a class of U.S. merchants against Visa U.S.A. and MasterCard International, which Visa U.S.A. settled in June 2003. The plaintiffs allege, among other things, that Visa U.S.A. s former Honor All Cards rule had the effect of unlawfully tying the provision of credit and debit card services for merchants, that Visa U.S.A. attempted to monopolize an alleged point-of-sale debit card market, and that Visa U.S.A. deceived merchants about debit cards. The plaintiffs claim that this led merchants to pay excessive fees for debit card processing services, which the merchants, in turn, passed on to consumers. In addition, one merchant that opted-out of the merchant class action has filed suit against Visa U.S.A., challenging Visa U.S.A. s former Honor All Cards rule, among other claims. See *Business of Visa Inc. Legal and Regulatory Proceedings U.S. Merchant Opt-Out and Consumer Litigations*.

Visa U.S.A. and Visa International have also been investigated or sued on a variety of other legal claims, including:

- a claim of patent infringement, misrepresentation, breach of contract and antitrust violations against Visa International, relating to a license agreement for smart card technology;
- a trademark infringement claim against Visa International in Venezuela in connection with the Visa Vale product;
- a patent infringement claim against Visa U.S.A. and Visa International, involving the Verified by Visa product;
- a promissory estoppel and misrepresentation claim against Visa U.S.A. and Visa International, regarding deferment of a deadline for laboratory certification of ATM devices meeting heightened data encryption standards;
- two state unfair competition law claims, one against Visa U.S.A. and Visa International alleging failure to inform cardholders of a security breach in a timely manner, and another against Visa U.S.A. and Visa International based in part on Visa U.S.A. s past practice of prohibiting member financial institutions from issuing certain competing payment cards (such as American Express or Discover); and
- a Civil Investigative Demand to Visa U.S.A. from the Office of the Attorney General for the District of Columbia, in coordination with the Attorneys General of New York and Ohio, seeking information regarding practices related to PIN debit cards;
- a patent infringement claim against Visa U.S.A. and Visa International regarding certain Visa contactless payment technology; and
- a patent infringement claim against Visa U.S.A. regarding prepaid card products.

If we are unsuccessful in our defense against any of the proceedings described above, we may be forced to pay substantial damages and/or change our business practices or pricing structure, any of which could have a material adverse effect on our revenue and profitability. For a discussion of these legal proceedings, see *Business of Visa Inc. Legal and Regulatory Proceedings Intellectual Property Litigation* and *Other Litigation.*

**Limitations on our business and other penalties resulting from litigation or litigation settlements may materially and adversely affect our revenue and profitability.**

Certain limitations have been placed on our business in recent years as a result of litigation and litigation settlements. For example, as a result of the June 2003 settlement of a U.S. merchant lawsuit against Visa U.S.A., merchants are able to reject Visa consumer debit cards in the United States while still accepting other Visa-branded cards, and vice versa. In addition, following the final judgment entered in the litigation the U.S. Department of Justice, or DOJ, brought against Visa U.S.A. and Visa International in 1998, as of October 2004, members of Visa U.S.A. may issue certain payment cards that compete with Visa-branded cards (such as American Express or Discover). For more information on the DOJ s

suit, see *Business of Visa Inc. Legal and*

Table of Contents

*Regulatory Proceedings Department of Justice Antitrust Case and Related Litigation*. Since this final judgment, several members of Visa U.S.A., including, but not limited to, Bank of America, Citibank, HSBC/ Metris, U.S.A.A., Barclaycard U.S., GE Consumer Finance, First Bank & Trust, Credit One, Central National Bank & Trust, and Brenham National Bank, have begun to issue, or have announced that they will issue, American Express or Discover-branded cards.

In June 2007, a federal court ruled that Visa U.S.A. s settlement service fee violates the final judgment entered in the case the DOJ brought against Visa U.S.A., Visa International and MasterCard in 1998. For more information on the final judgment, see *Business of Visa Inc. Legal and Regulatory Proceedings Department of Justice Antitrust Case and Related Litigation*. Visa U.S.A. s bylaws provide that a settlement service fee is to be paid by certain Visa U.S.A. members that shift a substantial portion of their offline debit card volume to another debit brand unless that shift is to the American Express or Discover brands. As a remedy, the court ordered Visa U.S.A. to repeal the settlement service fee bylaw and to permit any Visa U.S.A. debit issuer subject to the settlement service fee prior to its repeal that entered into an agreement that includes offline debit issuance with Visa U.S.A. on or after June 20, 2003 to terminate its agreement, provided that the issuer has entered into an agreement with MasterCard to issue MasterCard branded debit cards and the issuer has repaid to Visa U.S.A. any unearned benefits or financial incentives under its Visa U.S.A. agreement. On June 13, 2007, the parties entered into an agreement to toll the statute of limitations on certain potential claims MasterCard may have against Visa U.S.A. in connection with the settlement service fee. Pursuant to the court s order, the settlement service fee bylaw was rescinded as of the effective date of the order. On June 29, 2007, Visa U.S.A. filed a notice of appeal to the Second Circuit Court of Appeals and on July 2, 2007 sought a stay pending appeal as to the contract termination portion of the court s remedy. On July 13, 2007, the Second Circuit Court of Appeals issued a scheduling order for the appeal, which was subsequently modified by agreement of the parties. On August 7, 2007, the district court denied Visa U.S.A. s request for a stay of the contract termination portion of the remedy pending appeal. On August 17, 2007, Discover Financial Services and DFS Services LLC moved the district court to intervene in the settlement service fee matter. Discover also sought to have the district court modify its June 15, 2007 order (1) to extend the contract termination remedy to issuers entering into agreements with Discover; and (2) to void certain provisions of Visa U.S.A. s debit agreements. Visa U.S.A. s opposition to Discover s motion was due September 4, 2007, and Discover s reply was due September 11, 2007. In light of the briefing schedule for Discover s motion, Visa U.S.A. requested that the Second Circuit grant the parties to the appeal a 30-day extension of the current briefing schedule. On August 29, 2007, the Second Circuit granted Visa U.S.A. s request for an extension. Visa U.S.A. s appellate brief must be filed September 26, 2007 and MasterCard s response by November 2, 2007. Oral argument will not likely be heard before late December 2007. On September 10, 2007, American Express filed a motion seeking to intervene in the DOJ litigation with respect to the SSF proceeding. American Express seeks to intervene only if the Court were to grant Discover s motion. On September 11, 2007, Discover filed a motion to intervene in the SSF case in the Second Circuit. Discover requests that the Second Circuit remand the case to the District Court.

The developments discussed above and any future limitations on our business resulting from litigation or litigation settlements could limit the fees we charge and reduce our payments volume, which could materially and adversely affect our revenue and profitability.

**The payments industry is the subject of increasing global regulatory focus, which may result in costly new compliance burdens being imposed on us and our customers and lead to increased costs and decreased payments volume and revenues.**

We and our customers are subject to regulations that affect the payment industry in the many countries in which our cards are used. Regulation of the payments industry has increased significantly in recent years.

*Anti-money laundering regulation.* Most jurisdictions in which we and our customers operate have implemented, amended or have pending anti-money laundering regulations. In 2002, we and our customers became subject to the provisions of the U.S.A. PATRIOT Act, which requires the creation and implementation of comprehensive anti-money laundering programs.

*U.S. Treasury Office of Foreign Assets Control regulation*. Visa International and Visa U.S.A. are subject to regulations imposed by the U.S. Treasury Office of Foreign Assets Control, or OFAC.

Table of Contents

OFAC restricts financial dealings with Cuba, Iran, Myanmar and Sudan, as well as financial dealings with certain parties, such as identified money laundering fronts for terrorists or narcotics traffickers. While we prohibit financial institutions that are domiciled in those countries or are restricted parties from being Visa members, many Visa International members are non-U.S. financial institutions, and thus are not subject to OFAC restrictions. Accordingly, our payments system may be used for transactions in or involving countries or parties subject to OFAC-administered sanctions.

*Regulation of the price of credit*. In recent years, a number of regulations relating to the price of credit have been implemented in some jurisdictions in which our cards are used. In the United States, regulators and the U.S. Congress have increased their scrutiny of our customers pricing and underwriting standards relating to credit. For example, a number of regulations have been issued to implement the U.S. Fair and Accurate Credit Transactions Act, and other regulations are expected to be issued in 2007. One such regulation pertaining to risk-based pricing could have a significant impact on the application process for credit cards and result in increased costs of issuance and/or a decrease in the flexibility of card issuers to set the price of credit. Any regulation in this regard could result in a decrease in our payments volume and revenue.

*Other regulation*

Many jurisdictions in which our customers and we operate are considering, or are expected to consider, legislation with regard to Internet transactions, and in particular with regard to choice of law, the legality of certain e-commerce transactions, the collection of applicable taxes and copyright and trademark infringement.

In recent years, federal banking regulators in the United States have adopted a series of regulatory measures intended to require more conservative accounting, greater risk management and higher capital requirements for bank credit card activities.

Increased regulatory focus in connection with the matters discussed above may increase our costs, which could materially and adversely affect our financial performance. Similarly, increased regulatory focus on our customers may cause a reduction in payments volume, which could reduce our revenues and materially and adversely impact our financial performance.

**Existing and proposed regulation in the areas of consumer privacy and data use and security could decrease the number of payment cards issued, and could decrease our payments volume and revenues.**

We and our customers are subject to regulations related to privacy and data use and security in the jurisdictions in which we do business, and we could be adversely affected by these regulations. For example, in the United States, we and our customers are subject to the banking regulators information safeguard rules and the Federal Trade Commission s rules under the Gramm-Leach-Bliley Act. The rules require that we and our customers develop, implement and maintain written, comprehensive information security programs containing safeguards that are appropriate to our size and complexity, the nature and scope of our activities, and the sensitivity of any customer information at issue.

In recent years, there has been a heightened legislative and regulatory focus on data security, including requiring consumer notification in the event of a data breach. In the United States, a number of bills have been introduced in Congress and there have been several Congressional hearings to address these issues. Congress will likely consider data security/data breach legislation in 2007 that, if implemented, could affect our customers and us. In addition, a number of U.S. states have enacted security breach legislation, requiring varying levels of consumer notification in the event of a security breach, and several other states are considering similar legislation.

Regulation of privacy, data use and security may materially increase our customers and our costs and may decrease the number of our cards that our customers issue, which could materially and adversely affect our profitability. Failure to comply with the privacy and data use and security laws and regulations to which we are subject could result in fines, sanctions and damage to our global reputation and our brand.

Table of Contents

**Government actions may prevent us from competing effectively in the domestic payment markets of certain countries, which could impair our ability to maintain or increase our revenues.**

Governments in certain countries have acted, or could act, to provide resources or protection to selected national payment card providers or national payment processing providers to support domestic competitors or to displace us from, prevent us from entering into, or substantially restrict us from participating in particular geographic markets. For example, our members in China are not permitted to issue our cards for domestic use in China. Governments in certain countries that were formerly part of the Soviet Union have considered similar restrictions from time to time. Our efforts to effect change in countries where our access to the payment market is limited may not be successful, which could adversely affect our ability to maintain or increase our revenues and extend our global brand.

**If government regulators determine that we are a systemically important payments system, we may have to change our settlement procedures or other operations, which could make it more costly to operate our business and reduce our operational flexibility.**

Government regulators in the United States may determine that we are a systemically important payments system and impose settlement risk management requirements on us, including new settlement procedures or other operational rules to address credit and operational risks or new criteria for member participation and merchant access to our payments system. Increased regulatory focus in connection with the matters discussed above could make it more costly to operate our business.

***Business Risks***

**We face intense competitive pressure on the fees we charge our customers, which may materially and adversely affect our revenue and profitability.**

We generate revenue from fees we charge our customers that are based on payments volume or that are based on transaction messages processed and various other services we provide. In order to increase payments volume, enter new markets and expand our card base, we offer incentives to customers, such as upfront cash payments, fee discounts, credits, performance based growth incentives, marketing support payments and other support, such as marketing consulting and market research studies. Over the past several years, we have increased our use of incentives such as up front cash payments and fee discounts in many countries, including the United States. In order to stay competitive, we may have to continue to increase our use of incentives. Such pressure on fees may make the provision of certain products and services unprofitable and materially and adversely affect our operating revenue and profitability. To the extent that we continue to increase incentives to our customers, we will need to further increase payments volume or the amount of services we provide in order to benefit incrementally from such arrangements and to increase revenue and profit, and we may not be successful in doing so. In addition, we enter into long-term contracts with certain customers and continued pressure on fees could prevent us from entering into such agreements in the future on terms that we consider favorable, or may require us to modify existing agreements in order to maintain relationships. Increased pressure on fees also enhances the importance of cost containment and productivity initiatives in areas other than those relating to customer incentives, and we may not succeed in these efforts.

**Our operating results may suffer because of intense competition worldwide in the global payments industry.**

The global payments industry is highly competitive. Our payment programs compete against all forms of payment, including cash, checks and electronic transactions such as wire transfers and automated clearing house payments. In addition, our payment programs compete against the card-based payments systems of our competitors such as MasterCard, American Express, Discover and private-label cards issued by merchants.

Some of our competitors have developed, or may develop, substantially greater financial and other resources than we have, may offer a wider range of programs and services than we offer, may use more effective

Table of Contents

advertising and marketing strategies to achieve broader brand recognition or merchant acceptance than we have or may develop better security solutions or more favorable pricing arrangements. Our competitors may also introduce more innovative programs and services than ours.

Certain of our competitors, including American Express, Discover, private-label card networks and certain alternative payments systems, operate closed-loop payments systems with direct connections to both merchants and consumers, without involving intermediaries. These competitors seek to derive competitive advantages from their business models. For example, operators of closed-loop payments systems tend to have greater control over consumer and merchant customer service than operators of open-loop multi-party payments systems such as ours, in which we must rely on our issuing and acquiring financial institution customers. In addition, these competitors have not attracted the same level of legal or regulatory scrutiny of their pricing and business practices as have operators of open-loop multi-party payments systems such as ours.

We also expect that there may be changes in the competitive landscape in the future, including:

- Competitors, customers and other industry participants may develop products that compete with or replace value added services we currently provide to support our transaction processing. For example, in recent years some of our competitors and members have begun to compete with our currency conversion services by providing dynamic currency conversion services. Dynamic currency conversion is a service offered or facilitated by a merchant or processor that allows a cardholder to choose to have a transaction converted from the merchant s currency into the cardholder s billing currency at the point of sale in real time, thereby bypassing our currency conversion processes.

- Parties that process our transactions in certain countries may try to eliminate our position in the payments value chain. For example, merchants could process transactions directly with issuers, and processors could process transactions directly between issuers and acquirers.

- Participants in the payments industry may merge, create joint ventures or form other business combinations that may strengthen their existing business proposition or create new payment services that compete with our services. Strategic acquisitions could be easier for our public company competitors to effect because of their greater ability to finance acquisitions through the issuance of equity.

- Competition from alternative types of payment services, such as online payment services and other services that permit direct debit of consumer checking accounts or ACH payments, may increase.

If we are not able to compete effectively against any of the foregoing competitive threats, our revenue or profitability may decline.

**Our operating revenue would decline significantly if we lose one or more of our largest customers, which could have a material adverse impact on our business.**

A significant portion of our operating revenue is concentrated among our largest customers. Our pro forma operating revenues from our four largest members represented approximately $847.9 million, or 23%, and $870.9 million, or 22%, of our total pro forma operating revenue for the nine months ended June 30, 2007 and fiscal 2006, respectively. In addition, our pro forma operating revenues from JPMorgan Chase accounted for $367.6 million, or 10%, and $408.5 million, or 10%, of our pro forma operating revenue for the nine months ended June 30, 2007 and fiscal 2006, respectively. Most of our larger customer relationships are not exclusive and in certain circumstances (including, in some cases, on relatively short notice) may be terminated by our members. Our customers can reassess their commitments to us at any time in the future and/or develop their own competitive services. Loss of business from any of our largest customers could have a material adverse effect on our business.

**Consolidation of the banking industry could result in our losing business and may create pressure on the fees we charge our customers, which may materially and adversely affect our revenue and profitability.**

Over the last several years the banking industry has undergone substantial consolidation, and we expect this trend to continue in the future. Significant ongoing consolidation in the banking industry may result in a member

17

Table of Contents

financial institution with a substantial part of our portfolio being acquired by an institution that has a strong relationship with a competitor, resulting in a substantial loss of business. In addition, one or more of our customers could seek to merge with or acquire one of our competitors, and any such transaction could have a material adverse effect on our business and prospects.

Continued consolidation in the banking industry would also reduce the overall number of our customers and potential customers and could increase the bargaining power of our remaining customers and potential customers. This consolidation could lead financial institutions to seek greater pricing discounts or other incentives with us. In addition, consolidations could prompt our existing customers to seek to renegotiate their pricing agreements with us to obtain more favorable terms. Pressure on the fees we charge our customers caused by such consolidation could materially and adversely affect our revenue and profitability.

**Merchants are pursuing litigation and supporting regulatory proceedings relating to the costs associated with payment card acceptance and are negotiating incentive arrangements, including pricing discounts, all of which may increase our costs and materially and adversely affect our profitability.**

We rely on merchants and their relationships with our customers to maintain and expand the acceptance of our payment cards. We believe that consolidation in the retail industry is producing a set of larger merchants that are having a significant impact on all participants in the global payments industry. For instance, some large merchants are bringing lawsuits against us with regard to, or advocating regulation of, interchange fees, which may represent a significant cost that merchants pay to accept payment cards. The emphasis merchants are placing on the costs associated with payment card acceptance may lead to additional litigation and regulation, which could impair our business.

We, along with our customers, negotiate pricing discounts and other incentive arrangements with certain large merchants to increase acceptance of our payment cards. If merchants continue to consolidate, our customers and we may have to increase the incentives provided to certain larger merchants, which could materially and adversely affect our revenues and profitability.

**Certain financial institutions have exclusive, or near exclusive, relationships with our competitors to issue payment cards and these relationships may adversely affect our ability to maintain or increase our revenues.**

Certain financial institutions have long-standing exclusive, or near exclusive, relationships with our competitors to issue payment cards, and these relationships may make it difficult or cost prohibitive for us to do material amounts of business with them in order to increase our revenues. In addition, these financial institutions may be more successful and may grow faster than the financial institutions that primarily issue our cards, which could put us at a competitive disadvantage.

**We depend significantly on our relationships with our customers and other third parties to deliver services and manage our payments system. If we are unable to maintain those relationships, or if third parties on which we depend fail to deliver services on our behalf, our business may be materially and adversely affected.**

We are, and will continue to be, significantly dependent on relationships with our customers and their relationships with cardholders and merchants to support our programs and services. We do not issue cards, extend credit to cardholders or determine the interest rates (if applicable) or other fees charged to cardholders using cards that carry our brands. Each issuer determines these and most other competitive card features. In addition, we do not generally solicit merchants to accept our cards and we do not establish the discount rates that merchants are charged for card acceptance, which are responsibilities of acquirers. As a result, the success of our business significantly depends on the continued success and competitiveness of our customers.

Outside of the United States and a select number of jurisdictions, most domestic (as opposed to cross-border) transactions conducted using our payment cards are authorized, cleared and settled by our customers or

Table of Contents

other processors without involving our central processing systems. Because we do not provide domestic transaction processing services in these countries, do not generally have direct relationships with merchants and never have direct relationships with cardholders, we depend on our close working relationships with our customers to effectively manage the processing of transactions involving our cards. Our inability to control the end-to-end processing on cards carrying our brands in many countries may put us at a competitive disadvantage by limiting our ability to ensure the quality of the services supporting our brand.

In addition, we depend on third parties to provide various services on our behalf and to the extent that any third party vendors fail to deliver services, our business and reputation could be impaired.

**Global economic, political and other conditions may adversely affect trends in consumer spending and cross-border travel, which may materially and adversely impact our revenue and profitability.**

The global payments industry depends heavily upon the overall level of consumer, business and government spending. For example, a sustained deterioration in general economic conditions, particularly in the Visa U.S.A. and Visa AP regions, where approximately 70% and 12%, respectively, of our pro forma revenue was generated for fiscal 2006, or increases in interest rates in key countries in which we operate, may adversely affect our financial performance by reducing the number or average purchase amount of transactions involving payment cards carrying our brands. A significant portion of the revenue we earn outside the United States results from cross-border business and leisure travel, which may be adversely affected by world geopolitical, economic and other conditions, including the threat of terrorism and outbreak of diseases such as SARS and avian flu. In particular, revenue from processing foreign currency transactions for our members fluctuates with cross-border travel and our members need for transactions to be converted into their base currency. In addition, as we are principally domiciled in the United States, a negative perception of the United States could impact the perception of our company, which could adversely affect our business prospects and growth.

**Visa Europe s payments system operations are becoming increasingly independent from ours and if we are unable to maintain seamless interaction of our respective systems, our business and the global perception of the Visa brand could be impaired.**

Visa Europe currently has a regionally controlled processing platform. In June 2006, Visa Europe began operating an authorization system that is separate from ours and Visa Europe plans to begin operating a transaction processing and settlement system that is separate from ours. Because Visa Inc. and Visa Europe have independent processing platforms, interoperability must be maintained. Visa Europe s authorization system has experienced interruptions in service, and it could do so in the future. To the extent that system disruptions occur, it can affect our cardholders who are traveling in Visa Europe s region and can impair our reputation. The increasingly independent payments system operations of Visa Europe could present certain challenges to our business because differences between the two processing systems may make it more difficult to maintain the interoperability of our respective systems. In addition, under the framework agreement we are restricted from requiring Visa Europe to implement certain changes that we may deem important unless we agree to pay for the implementation costs. Any of the foregoing could result in a loss of payments volume or of members or could materially increase our costs.

**As a guarantor of certain obligations of our members, we are exposed to risk of loss or insolvency if any of our members fail to fund their settlement obligations.**

We indemnify our members for any loss suffered due to the failure of a member to fund its daily settlement obligations because of technical problems, liquidity shortfall, insolvency or other reasons. In certain instances, we indemnify members even in situations in which a transaction is not processed by our system.

While we believe that we have sufficient liquidity to cover a settlement failure by any of our largest members, concurrent settlement failures of more than one of our largest members or several of our smaller members, or systemic operational failures that last for more than a single day, may exceed our available

Table of Contents

resources and could materially and adversely affect our business and financial condition. In addition, even if we have sufficient liquidity to cover a settlement failure, we may not be able to recover the amount of such a payment and may therefore be exposed to significant losses, which could materially and adversely affect our results of operations, cash flow and financial condition.

Some of our members are composed of groups of financial institutions. Some of these members have elected to limit their responsibility for settlement losses arising from the failure of their constituent financial institutions in exchange for managing their constituent financial institutions in accordance with our credit risk policy. To the extent that any settlement failure resulting from a constituent financial institution exceeds the limits established by our credit risk policy, we would have to absorb the cost of such settlement failure, which could materially and adversely affect our cash flow.

**If our transaction processing systems are disrupted or we are unable to process transactions efficiently, our revenue or profitability could be materially reduced.**

Our transaction processing systems may experience service interruptions or degradation as a result of processing or other technology malfunction, fire, natural disasters, power loss, disruptions in long distance or local telecommunications access, fraud, terrorism or accident. Our visibility in the global payments industry may attract terrorists and hackers to conduct physical or computer-based attacks, leading to an interruption in service, increased costs or the compromise of data security. Additionally, we rely on service providers for the timely transmission of information across our global data network. If a service provider fails to provide the communications capacity or services we require, as a result of natural disaster, operational disruption, terrorism or any other reason, the failure could interrupt our services, adversely affect the perception of our brands reliability and materially reduce our revenue or profitability.

**If we are not able to keep pace with the rapid technological developments in our industry to provide members, merchants and cardholders with new and innovative payment programs and services, the use of our cards could decline, which would reduce our revenue and income.**

The payment card industry is subject to rapid and significant technological changes, including continuing developments of technologies in the areas of smart cards, radio frequency and proximity payment devices (such as contactless cards), e-commerce and mobile commerce, among others. We cannot predict the effect of technological changes on our business. We rely in part on third parties, including some of our competitors and potential competitors, for the development of and access to new technologies. We expect that new services and technologies applicable to the payments industry will continue to emerge, and these new services and technologies may be superior to, or render obsolete, the technologies we currently use in our card programs and services. In addition, our ability to adopt new services and technologies that we develop may be inhibited by a need for industry-wide standards, by resistance from members or merchants to such changes or by intellectual property rights of third parties. Our future success will depend, in part, on our ability to develop or adapt to technological changes and evolving industry standards.

**Account data breaches involving card data stored by us or third parties could adversely affect our reputation and revenue.**

We and our customers, merchants, and other third parties store cardholder account information in connection with our payment cards. In addition, our customers may use third-party processors to process transactions generated by cards carrying our brands. Breach of the systems on which sensitive cardholder data and account information are stored could lead to fraudulent activity involving our cards, damage the reputation of our brands and lead to claims against us. For example, in January 2007, TJX Companies, Inc., a large retailer with stores in the United States, Canada and the United Kingdom, disclosed a significant security breach in connection with card and account information, which exposed tens of millions of payment network cards issued under our brands and our competitors brands to fraudulent use. If we are sued in connection with any data security breach, we could be involved in protracted litigation. If unsuccessful in defending such lawsuits, we may

Table of Contents

be forced to pay damages and/or change our business practices or pricing structure, any of which could have a material adverse effect on our revenue and profitability. In addition, any damage to our reputation or our brands resulting from an account data breach at one of our customers or merchants or other third parties could decrease the use and acceptance of our cards, which could have a material adverse impact on our payments volume, revenue and future growth prospects. Finally, any data security breach could result in additional regulation, which could materially increase our costs.

**An increase in fraudulent and other illegal activity involving our cards could lead to reputational damage to our brands and could reduce the use and acceptance of our cards.**

Criminals are using increasingly sophisticated methods to capture cardholder account information to engage in illegal activities such as fraud and identity theft. As outsourcing and specialization become a more acceptable way of doing business in the payments industry, there are more third parties involved in processing transactions using our cards. If fraud levels involving our cards were to rise, it could lead to reputational damage to our brands, which could reduce the use and acceptance of our cards, or to greater regulation, which could increase our compliance costs.

**Adverse currency fluctuations could decrease revenues and increase expenses.**

We conduct business globally in many foreign currencies, but report our financial results in U.S. dollars. We are therefore exposed to adverse movements in foreign currency exchange rates because depreciation of non-U.S. currencies against the U.S. dollar reduces the U.S. dollar value of the non-U.S. dollar denominated revenue that we recognize and appreciation of non-U.S. currencies against the U.S. dollar increases the U.S. dollar value of expenses that we incur that are denominated in those foreign currencies. We enter into foreign currency hedging contracts to reduce the effect of adverse changes in the value of a limited number of foreign currencies and for a limited period of time (typically up to one year).

**Some of our financial incentives to customers are recorded using estimates of our customers performance. Material changes in our customers performance compared to our estimates could have a material adverse impact on our results of operations.**

In certain instances, we offer our customers financial incentives, which are typically tied to their payments volume or messages processed, often under particular programs. These financial incentives are typically recorded as a reduction of revenue. We typically make estimates of our customers performance under these programs (sometimes over several years) in order to derive our estimates of the financial incentives that we will pay them. The reduction of revenue that we record each quarter is based on these estimates. Material changes in our customers performance compared to estimates could have a material adverse impact on our results of operations.

**We have significant contingent liabilities for settlement payment of all issued and outstanding travelers cheques.**

As of March 31, 2007, we had over $1 billion in contingent liabilities for settlement payment of all issued and outstanding travelers cheques. Approximately 30% of these travelers cheques were issued outside of the United States by a single issuer. While these obligations are supported in part by a bank guarantee, if the issuer were to fail to pay, we would be obligated to fund partial settlement of presented travelers cheques.

**Our brand and reputation are key assets of our business and may be affected by how we are perceived in the marketplace.**

Our brand and its attributes are key assets of our business. Our ability to attract and retain consumer cardholders and corporate clients is highly dependent upon the external perceptions of our company and our industry. Our business may be affected by actions taken by our customers that impact the perception of our brand. From time to time, our customers may take actions that we do not believe to be in the best interests of our brand, such as creditor practices that may be viewed as predatory, which may materially and adversely impact our business. Adverse developments with respect to our industry may also, by association, impair our reputation, or result in greater regulatory or legislative scrutiny.

Table of Contents

**Risks Related to the Restructuring**

**Our retrospective responsibility plan depends, in part, on the timely completion of an initial public offering, and if we are unable to close such a transaction in a timely manner, or if the retrospective responsibility plan is insufficient, we may have insufficient funds to pay settlements or judgments relating to such litigation, which could materially negatively affect our results of operations, cash flow and financial condition.**

Visa U.S.A. and Visa International are currently involved in the litigation described under the heading *Business of Visa Inc. Legal and Regulatory Proceedings Covered Litigation*. Plaintiffs in these litigation matters have alleged substantial damages. We refer to our plan to address liabilities that may arise in the covered litigation as our retrospective responsibility plan. Visa U.S.A., Visa International and Visa Inc. have entered into a loss sharing agreement, which will become effective upon the closing of the restructuring, and a judgment sharing agreement in the interchange litigation, which became effective on July 1, 2007, with certain of its members, which provide that these members will be responsible for their proportionate share of the liabilities associated with the covered litigation. However, the loss sharing agreement provides that if we do not timely pursue and consummate an initial public offering, including having completed an initial public offering within 240 days after completion of the restructuring, the members obligations under the loss sharing agreement may be suspended until we have completed an initial public offering, at which point such obligations will be reinstated in full as if they had never been suspended. This 240-day period may be extended under certain circumstances. In addition, this agreement provides that the signing banks are responsible only for a proportionate amount of the liability in respect of the covered litigation equal to their membership proportion, as calculated in accordance with Visa U.S.A. s certificate of incorporation. Because not all of Visa U.S.A. s members will sign the loss sharing agreement, until the funding of the escrow account described below, we would also need to rely upon those members indemnification obligations contained in Visa U.S.A. s certificate of incorporation and bylaws and as agreed in their membership agreements to recover the remaining portion of any liability from Visa U.S.A. s members.

Upon the completion of an initial public offering of our common stock, we will deposit a portion of the proceeds of the offering, in an amount determined by the litigation committee, in an escrow account from which settlements or judgments in the covered litigation would be paid. In addition, the shares of class B common stock that are held by members of Visa U.S.A. following the restructuring will be subject to dilution as a result of any follow-on offerings of our class A shares, the proceeds of which are used to fund additional amounts into the escrow account necessary to resolve the covered litigation. However, the amount in the escrow account, including any additional amounts deposited in the escrow account from the proceeds of any subsequent offerings, may not be sufficient to satisfy all liabilities with respect to the covered litigation.

It may be difficult for us to fund settlement of any of the covered litigation prior to the completion of our planned initial public offering because we plan to use the escrow account as our primary source of funds for the payment of any potential losses arising from the covered litigation. In addition, if there were a final judgment against us in connection with the covered litigation or if we were to incur a judgment sharing obligation in a covered litigation before our initial public offering, we would have to rely upon the loss sharing agreement, which only indemnifies us for a portion of the liability with respect to the covered litigation that is equal to the aggregate membership proportion of the Visa U.S.A. members that sign the loss sharing agreement, as calculated in accordance with Visa U.S.A. s certificate of incorporation, and we would have to seek indemnification from Visa U.S.A. s remaining members pursuant to Visa U.S.A. s certificate of incorporation and bylaws and as agreed in their membership agreements. To the extent we are unable to secure indemnification from our members, any portion of such a judgment not covered by our judgment sharing agreements would have to be paid by us and could have a material adverse effect on our financial condition.

Table of Contents

**Our retrospective responsibility plan depends on several related mechanisms to address potential liabilities arising from the covered litigation, some of which are unique and complex, and if we are prevented from using one or more of these mechanisms, it may be difficult for us to fund the payment of a settlement or final judgment against us, which could have a material adverse effect on our financial condition.**

Our retrospective responsibility plan is intended to address potential liabilities arising from the litigations described under the heading *Business of Visa Inc. Legal and Regulatory Proceedings Covered Litigation*. Our retrospective responsibility plan consists of several related mechanisms to fund a final judgment or settlement in connection with the covered litigation, including an escrow account funded with a portion of the net proceeds of our initial public offering and potential follow-on offerings of our common stock, a loss sharing agreement, judgment sharing agreements and the indemnification obligation of Visa U.S.A. members pursuant to Visa U.S.A. s certificate of incorporation and bylaws and in accordance with their membership agreements. These mechanisms and combinations of mechanisms are unique and complex. If we are prevented from using one or more of these mechanisms under our retrospective responsibility plan, we could have difficulty funding the payment of a settlement or final judgment against us, which could have a material adverse effect on our financial condition.

**The shares of class B common stock that are held by members of Visa U.S.A. following the restructuring will be subject to dilution as a result of any follow-on offerings of our class A shares, the proceeds of which will be used to fund additional amounts into the escrow account necessary to resolve the covered litigation.**

The shares of class B common stock that are retained by Visa U.S.A. members and that are not redeemed out of the proceeds of the initial public offering will be subject to dilution to the extent of the initial amount of the escrow account. This dilution of the shares of class B common stock will be accomplished through an adjustment to the conversion ratio of the shares of class B common stock. These shares will not be able to be converted into shares of class A common stock or, subject to limited exceptions, transferred until the later of the third anniversary of our initial public offering or the final resolution of the covered litigation. The shares of class C common stock, which will be held by members other than the Visa U.S.A. members, will not be subject to this dilutive adjustment. After the completion of an initial public offering and at the request of the litigation committee, we expect to conduct follow-on offerings of our shares of class A common stock, which we refer to as loss shares, if the litigation committee deems it desirable to increase the escrow account. The proceeds from the sale of loss shares would then be deposited in the escrow account, and the shares of class B common stock would be subject to additional dilution to the extent of the loss shares through a concurrent adjustment to the conversion ratio of the class B shares. Because the voting power of the class B and class C common stock, and the entitlement of the holders of class B common stock and class C common stock to participate in dividends or distributions upon a liquidation or winding up of Visa Inc. is determined on an as converted basis, based upon the number of shares of class A common stock into which the class B or class C common stock would be converted at the time of the vote, dividend or distribution, as applicable, the adjustment to the conversion ratio applicable to the class B common stock upon the issuance of loss shares will result in a dilution of the voting power of the class B common stock and the entitlement of holders of class B common stock to participate in dividends and distributions upon a liquidation of Visa Inc.

**Our governance structure after the restructuring could have a material adverse effect on our business relationships with our members.**

A number of our key members currently have officers who also serve on the boards of directors of Visa International, Visa U.S.A., Visa Canada or the regional boards of directors of our unincorporated regions of Visa AP, Visa LAC and Visa CEMEA, which we refer to collectively, with the boards of directors of Visa U.S.A. and Visa Canada, as our regional boards of directors or our regional boards. The historical practice has been to submit all material decisions regarding interregional issues for the approval of each of our regional boards of directors prior to submitting these issues to the Visa International board of directors for approval. After the consummation of the restructuring, material decisions will be made by the Visa Inc. board of directors. The

Table of Contents

regional boards of directors of the unincorporated regions will be eliminated, and the boards of directors of Visa U.S.A. and Visa Canada will be comprised of management and be largely administrative in nature. In addition, directors who are elected by our members are expected to comprise a minority of our board of directors. Thus, the role of member-nominated and member-elected directors in our corporate governance will be reduced after the closing of the restructuring. These changes could have a detrimental effect on our business relationships with members associated with a particular region. In addition, if a member that currently has an officer who also serves on one of the regional boards of directors will not have an officer who also serves on our board of directors after the restructuring, our business relationship with that member could suffer. A significant loss of revenue or payments volume attributable to such members could have a material adverse effect on our business.

**Following the restructuring, our relationship with Visa Europe will be governed by our framework agreement. This agreement gives Visa Europe very broad rights to operate the Visa business in Visa Europe s region, and we have limited ability to control their operations and limited recourse in the event of a breach by Visa Europe.**

Historically, Visa Europe has been subject to the same global operating rules as Visa International, Visa U.S.A. and Visa Canada. These global operating rules regulate, among other things, interoperability of payment processing, brand maintenance and investment, standards for products and services, risk management, disputes between members and acceptance standards for merchants. After the restructuring, Visa Europe, unlike Visa International, Visa U.S.A. and Visa Canada, will not become our subsidiary, but will instead remain a separate legal entity, and will no longer be subject to the same global operating rules as our subsidiaries and members. Our relationship with Visa Europe after the closing of the restructuring will be governed by a framework agreement and a subset of operating rules that we have agreed to with Visa Europe and that we have a limited ability to change in the future. Although the agreement will seek to ensure that Visa Europe operates in a manner that is acceptable to us, the contractual arrangement is untested and may not be effective in achieving this result. We have no audit rights, and thus have limited ability to monitor their performance. The agreement provides Visa Europe with very broad latitude to operate the Visa business and use our brands and technology within Visa Europe s region and provides us limited controls over the operation of the Visa business in their region. Visa Europe is not required to spend any minimum amount promoting and building the Visa brand in its region. Visa Europe may develop, among other things, new brands, payment processing characteristics, products, services, risk management standards, processes for resolving disputes among members or merchant acceptance profiles that are inconsistent with the global operating rules that we apply within the territory in which we operate. If we want to change a global rule or require Visa Europe to implement certain changes that would not have a positive return for Visa Europe and its members, then Visa Europe is not required to implement such rule or change unless we agree to pay for the implementation costs and expenses that Visa Europe and its members will incur as a consequence of the implementation to the extent necessary to return Visa Europe and its members to a neutral financial condition. We cannot terminate the framework agreement even in the event of Visa Europe s material uncured breach, and we can only exercise our call right to purchase Visa Europe under severe conditions. Our remedies under this agreement, if Visa Europe fails to meet its obligations, are limited. Our inability to terminate and other features of the licenses granted under the agreement may also raise issues concerning the characterization of the licenses for purposes of determining our tax treatment with respect to entering into the licenses and receiving payments thereunder. Any inconsistency in the payment processing, services and products that we are able to provide could negatively affect cardholders from Visa Europe using cards in our regions or our cardholders using cards in Visa Europe s region.

**Our framework agreement with Visa Europe requires us to indemnify Visa Europe for losses resulting from any claims brought outside of Visa Europe s region arising from either party s activities that relate to our payments business or the payments business of Visa Europe, and this indemnification obligation could expose us to significant liabilities.**

Under our framework agreement with Visa Europe, we are required to indemnify Visa Europe for losses resulting from any claims in the United States or anywhere else outside of Visa Europe s region arising from our or their activities that relate to our payments business or the payments business of Visa Europe. This obligation

Table of Contents

applies whether or not we or any of our related parties or agents participated in the actions that gave rise to such claims. Such an obligation could expose us to significant losses for activities over which we have little or no control.

**We have granted to Visa Europe the right to require us to purchase all of the outstanding shares of Visa Europe s capital stock. If Visa Europe exercises this option, we could incur a substantial financial liability and face operational challenges in integrating Visa Europe into our business.**

Contemporaneously with, and as a condition to, the closing of the restructuring, we will enter into a put-call option agreement with Visa Europe. Under the put-call option agreement, we will grant Visa Europe a put right under which we will be required to purchase all of the outstanding shares of capital stock of Visa Europe from the members of Visa Europe. Under the put-call option agreement, Visa Europe may exercise the put option at any time following the date that is the earlier of: (i) 365 days after the completion of an initial public offering of our common stock; and (ii) 605 days after the completion of the restructuring. The purchase price of the Visa Europe shares under the put option is based upon a formula that is based upon, among other things, Visa Europe s projected sustainable twelve month adjusted net operating income and the forward P/E multiple applicable to Visa Inc. common stock at the time the option is exercised, subject to certain adjustments. Upon exercise of the put option, we will be obligated, subject only to regulatory issues and other limited conditions, to pay the purchase price within 285 days in cash or, under certain circumstances, with a combination of cash and shares of our common stock. We must pay the purchase price in cash, however, if the settlement of the put option occurs more than three years after the completion of the restructuring. The portion of the purchase price we will be able to pay in stock will be limited to a percentage equal to that percentage of our class C common stock received by stockholders (other than Visa Europe) that remains subject to transfer restrictions set out in Visa Inc. s certificate of incorporation.

In the event that Visa Europe exercises the put option, we will incur a substantial financial obligation. If we are unable to pay the purchase price for the Visa Europe shares with available cash on hand, we will need to obtain third-party financing, either by borrowing funds or undertaking a subsequent equity offering. This financing may not be available to us in a sufficient amount within the required 285-day period, or on terms that we deem to be reasonable. Any subsequent equity offering required to satisfy this obligation would dilute the ownership interests of our stockholders. Moreover, the acquisition of Visa Europe following an exercise of the put option would require us to integrate the operations of Visa Europe into our business, which could divert the time and attention of senior management.

Upon entering into the put-call agreement, we will be required to record the put option at its fair value in our consolidated balance sheet. (See *Unaudited Pro Forma Combined Financial Information* on page 111 for an estimate of the initial impact to our unaudited condensed combined pro forma balance sheet had we entered into this agreement on June 30, 2007, including a full description of the methodology and assumptions used in the computation of this pro forma amount.) Going forward, we will be required to record any changes in the fair value of the put option on a quarterly basis. These adjustments will also be recorded through our consolidated statement of operations, which will therefore impact our reported net income and net income per share. Such quarterly adjustments and their resulting impact on our reported statement of operations could be significant. The existence of these charges could adversely affect our ability to raise capital, including through our planned initial public offering, and/or the price at which we can raise capital.

For more information on the put-call option agreement, see *Material Contracts The Put-Call Option Agreement*.

**Our management team will be new and will not have had a history of working together.**

We designated Joseph Saunders as our Chief Executive Officer and Chairman of our board in May 2007 and he has begun assembling a new management team. Our success will largely depend on the ability of the new management team to work together to implement the proposed restructuring plan, to integrate the operations and business of Visa International, Visa U.S.A. and Visa Canada and to continue to execute our business strategy.

Table of Contents

Because many of these people do not have a history of working together and have been recruited from outside our company, our management team may not be able to work together effectively, which could disrupt our operations and harm our business.

**The restructuring is expensive and will require us to make significant changes to our culture and business operations and if we fail to make this transition successfully, our business could be materially and adversely affected.**

We have incurred and expect to incur substantial costs in connection with legal, accounting and other advisory fees related to the proposed restructuring. In addition, the proposed restructuring requires a broad and significant change to our culture and operations. The primary goal of Visa International, Visa U.S.A. and Visa Canada has not been to maximize profit for these entities, but has been to deliver benefits to their members and enhance member opportunity and revenue. After the completion of the restructuring, we will need to operate our business as a for-profit corporation, in a way that maximizes long term stockholder value. Many members of our management team have limited experience operating a for-profit business. Consequently, this transition will be subject to risks, expenses and difficulties that we cannot predict and may not be capable of handling in an efficient manner.

In addition, the Visa enterprise is currently operated under a decentralized regional structure, and each region has much autonomy in its own business strategies and decisions. Our proposed restructuring will result in a more centralized corporate governance structure in which our board of directors will exert centralized management control. This change will require substantial changes to our internal culture given our history of operating in a decentralized manner with substantial regional autonomy. We may not be able to retain and attract key employees. We may not be able to make this cultural and organizational change in an efficient and timely manner, and we may not realize the cost savings and operational efficiencies that we currently expect.

**There is no existing market for our regional classes of common stock or for class B common stock and class C common stock into which the regional classes of common stock will be converted prior to our planned initial public offering, and thus we do not expect these shares to provide you with liquidity.**

There is currently no existing market for our regional classes of common stock or our class B common stock and class C common stock into which our regional classes of common stock will convert prior to our planned initial public offering, and we do not anticipate that any of these shares will be listed on any securities exchange or quoted on any automated quotation systems or electronic communications network.

**Our regional classes of common stock, our class B common stock and our class C common stock will be subject to significant restrictions on transfer and ownership.**

The regional classes of our common stock that will be issued upon the closing of the restructuring, and our class B common stock and class C common stock into which our regional classes of common stock will be converted prior to our planned initial public offering, will each be subject to significant ownership and transfer restrictions. For example, subject to limited exceptions, shares of our class B common stock may not be transferred until the later of three years from the date of an initial public offering or the period of time necessary to resolve the covered litigation. All other regional classes of our common stock and our class C common stock may not be transferred, subject to limited exceptions, until the third anniversary of the date of an initial public offering. During such periods, except for limited exceptions, holders of our regional classes of common stock, and our class B common stock and class C common stock will not be able to transfer such stock to any person or entity other than affiliates of the holder or to holders of common stock of the same class of common stock.

**The voting power represented by shares of our common stock may be limited because ownership of a significant percentage of our common stock will be concentrated in a few of our largest members.**

Upon completion of the restructuring, we expect that our four largest stockholders will own about 25% of our outstanding common stock. This concentration of voting power could result in these stockholders having the ability to block stockholder action that you may deem favorable.

Table of Contents

**The U.S. Internal Revenue Service may treat a portion of our common stock received by a member of Visa International or Visa U.S.A. as taxable income.**

Based on the opinion of our special tax counsel, we believe that, subject to the assumptions, qualifications, and limitations set forth in *United States Federal Income Tax Considerations*, we, the members of Visa International and the members of Visa U.S.A. will not recognize any gain or loss for U.S. federal income tax purposes in connection with the restructuring and the true-up, except that, as to a portion of any Visa Inc. stock received in connection with the true-up, a stockholder of Visa Inc. may recognize imputed interest income. If a stockholder is not a United States person for U.S. federal income tax purposes, Visa Inc. may be required to withhold U.S. federal income tax at a rate of 30% of the imputed interest or, if applicable, at a lower treaty rate.

Notwithstanding the foregoing, the opinion of our special tax counsel does not apply to the extent that the fair market value of Visa Inc. common stock received by a member of Visa International or by a member of Visa U.S.A. pursuant to the restructuring and the true-up (whether received on the date of closing of the restructuring or thereafter) is different from the fair market value of such member s equity interest in Visa International or Visa U.S.A., as the case may be, immediately before the commencement of the restructuring. Our special tax counsel is unable to opine as to such difference because, in transactions similar to the restructuring and the true-up, treatment as an exchange described in Section 351 of the Internal Revenue Code of 1986, as amended, generally applies only to the extent that a taxpayer transfers property to a corporation in exchange for stock having the same fair market value. The IRS might therefore take the position that the difference (whether received on the date of closing of the restructuring or thereafter), in the case of an excess of value received over value surrendered, should not be treated for U.S. federal income tax purposes as having been received in exchange for property. As a result, a member of Visa International or a member of Visa U.S.A. could be required to recognize income, but only to the extent of the excess or shortfall of value received over value surrendered. For more information, see *United States Federal Income Tax Considerations*.

**The IRS could challenge our characterization of the restructuring and the true-up and assert that it involves taxable transactions for U.S. federal income tax purposes, and we may face adverse tax consequences as a result of the restructuring, the true-up or our other contemplated transactions.**

We have not requested that the IRS issue a ruling on the restructuring and the true-up. There can be no assurance that the IRS will not challenge our characterization of the restructuring and the true-up and assert that it is taxable for U.S. federal income tax purposes.

Members of Visa International and Visa U.S.A. should consult their own tax advisors regarding the U.S. federal, as well as any state, local or non-U.S., tax consequences to them of the restructuring and the true-up. For more information, see *United States Federal Income Tax Considerations.*

In addition, at some point after the closing of the restructuring, the company s status for certain state income tax purposes may change. This change in status may affect the deductibility of certain expenses, including litigation related items.

**Members may incur tax liabilities in jurisdictions outside the United States, as well as in United States state and local jurisdictions, in connection with the restructuring and the true-up.**

Members of Visa International, Visa Europe, Visa Canada and Visa U.S.A. may be required to recognize a gain or loss in connection with the restructuring and the true-up in jurisdictions outside the United States, as well as in United States state and local jurisdictions. Members should consult their local tax advisors regarding the potential non-U.S. tax consequences, as well as the potential United States state and local tax consequences, of the restructuring and the true-up.

**The restructuring will facilitate future strategic transactions, such as our planned initial public offering, which will dilute the interest held by our members.**

As a result of the restructuring, we will be better positioned to engage in future capital raising activities and strategic transactions such as acquisitions. Transactions of this type would likely involve issuing or selling our

Table of Contents

equity interests to non-members. In addition, certain aspects of our retrospective responsibility plan depend upon an initial public offering, and we currently intend to commence planning for an initial public offering after the closing of the restructuring. Our certificate of incorporation provides that class A common stock may be issued to non-members, subject only to approval of our board of directors. Thus, if we implement an initial public offering as currently planned, our members interest in our company will be diluted.

**The consideration that will initially be issued to members upon the closing of the restructuring is subject to reallocation and conversion.**

The restructuring agreement provides that each of the regional classes of common stock issued upon the closing of the restructuring will automatically convert into shares of class B common stock (in the case of class USA common stock) or class C common stock (in the case of class EU common stock, class Canada common stock, class AP common stock, class LAC common stock and class CEMEA common stock) in connection with the true-up process. As a result of these conversions, members from Visa U.S.A., Visa Canada and our unincorporated regions may ultimately receive a greater or lesser number of shares than their initial allocation, depending on the relative performance of their region vis-à-vis the other regions. Thus, if a region s net revenue performance (as measured by its variance from agreed upon projections and potentially further adjusted for its variance from agreed upon marketing expense projections) during the twelve months prior to the true-up calculation is worse than one or more other regions net revenue performance (similarly measured), its members may be entitled to fewer shares upon such conversion and reallocation than at the closing of the restructuring. In addition, because the true-up calculation is based on relative financial performance among the regions, it is possible that a region could meet or exceed its net revenue goals and be allocated fewer shares as a result of the true-up if other regions were to outperform their revenue targets by a greater percentage. In addition, the allocation of shares among the members of the Visa AP, Visa LAC and Visa CEMEA regions are also subject to a member level true-up, which will occur simultaneously with the inter-regional true-up described above, based on the relative contribution (based on net fees and total volume during the relevant measuring period) of each eligible member within the Visa AP, Visa LAC and Visa CEMEA regions, respectively, as compared with the contribution of all of the other eligible members within its respective region during the measurement period. Thus, members of the unincorporated regions may receive fewer shares as a result of the true-up process if other members in their respective region contribute relatively more in net fees and total volume than during the specified period. For a discussion of the share allocation and true-up process, see *The Global Restructuring Agreement The Restructuring True-Up of Merger Consideration* and *Equity Allocation to Members in the Unincorporated Regions and Subsequent Adjustment.*

**Anti-takeover provisions in our governing documents and Delaware law could delay or prevent entirely a takeover attempt or a change in control.**

Provisions contained in our amended and restated certificate of incorporation, bylaws and Delaware law could delay or prevent a merger or acquisition that our stockholders consider favorable. Except for limited exceptions, no person may own more than 15% of our total outstanding shares on an as converted basis or more than 15% of any class or series of our common stock, unless our board of directors approves the acquisition of such shares. In addition, except for shares of common stock issued to a member in connection with the restructuring, or shares issuable on conversion of such shares, shares held by a member or similar person (a competitor or affiliate or member of a competitor) may not exceed 5% of any class of common stock. In addition:

- our board of directors will be divided into three classes, with approximately one-third of our directors elected each year;
- until the closing of our initial public offering, seven directors will be elected by the former members of Visa International, Visa U.S.A., Visa Canada and Visa Europe, and from and after the closing of our initial public offering until the third anniversary of our initial public offering, six directors will be regional directors from the former unincorporated regions of Visa International and from Visa U.S.A. and Visa Canada;

Table of Contents

our directors, other than the directors elected by the holders of our class B common stock and class C common stock (who may be removed by the holders of the class and series of common stock electing them), may be removed only upon the affirmative vote of at least 80% of the voting power of all the shares of stock then entitled to vote at an election of directors, voting together as a single class;

our stockholders are not entitled to the right to cumulate votes in the election of directors;

holders of our class A common stock are not entitled to act by written consent;

our stockholders must provide timely notice for any stockholder proposals and director nominations;

we have adopted provisions that eliminate the personal liability of directors for monetary damages for actions taken as a director or member, with certain exceptions;

in addition to certain class votes, a vote of 66 2/3% or more of all of the outstanding shares of our common stock then entitled to vote is required to amend certain sections of our amended and restated certificate of incorporation; and

we will be governed by Section 203 of the General Corporation Law of the State of Delaware, or DGCL, as amended from time to time, which provides that a corporation shall not engage in any business combination with any interested stockholder for a period of three years following the time that such stockholder became an interested stockholder, except under certain circumstances including upon receipt of prior board approval.

For a discussion of anti-takeover provisions in our charter, see *Description of Capital Stock of Visa Inc. Amendment of Certificate of Incorporation* and *Delaware Anti-Takeover Statute*.

**U.S. federal and state banking regulations may impact our members ownership of our common stock.**

Federal and state banking laws and regulations in the United States govern, among other things, the types of equity investments that regulated institutions are permitted to make. Members that are subject to regulation by any of the federal or state bank or other financial institution regulatory agencies should consult their own advisors regarding any notice or application that is required to be made, or any consent that is required to be obtained, from any applicable federal or state regulatory agency regarding the common stock they receive in the restructuring. Members that are federal savings associations should also consult their own advisors regarding the application of certain Office of Thrift Supervision rules that limit pass through investments to a percentage of an institution s total capital. In addition, we expect that federal or state-chartered credit unions may be required to seek the advice of their relevant federal and state regulators in connection with the receipt and holding of our common stock. Failure to provide proper notice or make appropriate application to, or receive approval from, the relevant federal and state regulators, if necessary, could result in any of a wide range of formal or informal enforcement actions or administrative measures by such regulators.

Table of Contents

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This proxy statement-prospectus, including the annexes and exhibits hereto, contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may include statements regarding the period following the completion of the restructuring. The safe harbor provision of the Private Securities Litigation Reform Act of 1995 and Section 24A of the Securities Act do not apply to the forward-looking statements that are made in this proxy statement-prospectus.

These forward-looking statements are based on current expectations or projections about our business, operations, industry, financial condition and liquidity. Words such as anticipate, believe, continue, could, estimate, expect, intend, may, plan, potential, predict, p variations thereof or words and terms of similar substance used in connection with any discussion of future operating or financial performance or the restructuring of our business, identify forward-looking statements. You should note that the discussion of Visa International s, Visa U.S.A. s, Visa Canada s and Visa Europe s reasons for the restructuring and the description of the financial advisors opinions, as well as other portions of this proxy statement-prospectus, contain many forward-looking statements that describe beliefs, assumptions and estimates as of the indicated dates and those forward-looking expectations may have changed as of the date of this proxy statement-prospectus. In addition, any underlying assumptions are forward-looking statements. By their nature, forward-looking statements are not guarantees of future performance or results and are subject to risks, uncertainties and assumptions that are difficult to predict or quantify. Therefore, actual results could differ materially and adversely from these forward-looking statements. You are cautioned not to place undue reliance on such statements, which speak only as of the date of this proxy statement-prospectus.

We list below the principal factors we believe are important to our business and the restructuring that could cause actual results to differ from our expectations. We caution you that although these factors are important, this list should not be considered as exhaustive or as an admission regarding the adequacy of disclosure and that you should read carefully the factors described in the *Risk Factors* section of this proxy statement-prospectus:

- increased legal and regulatory scrutiny of interchange fees;
- the outcome of the merchant interchange multidistrict litigation against Visa U.S.A. and Visa International;
- the outcome of litigations brought against Visa U.S.A. and Visa International by American Express and Discover;
- approval of the settlement of Visa U.S.A. s and Visa International s currency conversion litigations and the outcome of various lawsuits relating to Visa U.S.A. s and Visa International s currency conversion practices;
- limitations on our business resulting from litigation or litigation settlements;
- increased global regulatory scrutiny of the payments industry;
- existing and proposed regulation in the areas of consumer privacy and data use and security;
- actions of foreign governments that may prevent us from effectively competing in certain domestic payment markets;
- intense competitive pressure on the fees we charge our members;

intense competition in the global payments industry;

consolidation in the banking and retail industries;

our relationships with our customer financial institutions;

global economic and political conditions;

Table of Contents

interoperability between our payments system operations and Visa Europe s payments system operations;

our guarantee of the settlement obligations of our principal members;

potential disruptions of our transaction processing system;

technological developments in the global payment card industry;

effectiveness of our payments system s security;

fraudulent or other illegal activities involving payments cards carrying our brands;

currency fluctuations;

estimates involved in recording member incentives in our financial results;

the reputation of our brand, our business and the global payments industry;

changes in our corporate governance structure after the restructuring that may reduce the influence of our financial institution members;

the sufficiency of our retrospective liability plan, which depends in part, on the timely completion of an initial public offering of our common stock after the restructuring;

dilution of our class B common stock as a result of follow-on offerings of our class A common stock;

our contractual relationship with Visa Europe after the restructuring;

Visa Europe s right to indemnification for claims brought against Visa Europe outside of its region;

Visa Europe s right to require us to purchase all of the issued shares of capital stock of Visa Europe;

the ability of our new management team to successfully work together;

changes to our business culture and operations after the restructuring;

lack of an existing market for our regional class B and class C common stock;

significant restrictions on transfer and ownership that apply to our regional class B and class C common stock;

concentration of ownership of our common stock in a few of our largest members;

the ultimate allocation of shares of our common stock to our members under the true-up process;

our characterization of the restructuring and the true-up for U.S. federal income tax purposes;

restrictions on a change of control contained in our organizational documents and applicable law; and

the impact of U.S. banking regulations on our members ownership of our common stock.

All subsequent written and oral forward-looking statements concerning the restructuring or other matters addressed in this proxy statement-prospectus and attributable to Visa International, Visa U.S.A., Visa Canada, Visa Europe or Visa Inc. or any person acting on any such company s behalf are expressly qualified in their entirety by the cautionary statements referred to in this section. Except to the extent required by applicable law or regulation, none of Visa International, Visa U.S.A., Visa Canada or Visa Inc. undertakes any obligation to release publicly any revision to such forward-looking statements.

Table of Contents

## THE PROXY SOLICITATION

### Matters to be Considered

This proxy statement-prospectus is furnished to members of Visa International and Visa U.S.A. in connection with the solicitation by the boards of directors of Visa International and Visa U.S.A. of the adoption and approval by their respective members of the restructuring proposal and the equity incentive plan proposal. The Visa International and Visa U.S.A. boards of directors recommend that the restructuring proposal and the equity incentive plan proposal be approved.

Proxies must be received by 11:59 PM Eastern Daylight Time September 25, 2007.

### The Restructuring Proposal

Members of Visa International and Visa U.S.A. are being asked to adopt and approve the restructuring agreement and each of the transactions contemplated by the restructuring agreement, including:

- The amendments to the certificate of incorporation and bylaws of Visa U.S.A. in order to separate the voting and economic rights of members of Visa U.S.A. from members commercial and other rights and obligations as members of Visa U.S.A. with regard to participation in the Visa payments system;

- The merger of VI merger sub, a wholly owned subsidiary of VI LLC, which is a wholly owned subsidiary of Visa International, into Visa International, in the Visa International merger;

- The reallocation of all of the limited liability company interests in VI LLC to separate the limited liability company interests into six classes, corresponding to the five geographic Visa regions (after the surrender of Visa Canada s interest as described above), and the allocation of the limited liability company interests to individual members of VI LLC in accordance with each member s regional affiliation and the respective ownership percentages as contemplated by the restructuring agreement;

- The merger of VI LLC into Visa Inc. in the VI LLC merger; and

- The merger of a non-stock corporation in which Visa Inc. is the sole member, and which we refer to as Visa U.S.A. merger sub, into Visa U.S.A. in the Visa U.S.A. merger.

Consummation of the restructuring is conditioned upon, among other things, receiving the consents of the respective members of Visa International and Visa U.S.A. necessary to approve the restructuring, as well as approval of the members of Visa Canada.

The full text of the restructuring agreement is attached as Annex A to this proxy statement-prospectus and is incorporated herein by reference. For additional information, see *The Global Restructuring Agreement*.

### The Equity Incentive Plan Proposal

In addition to the restructuring, you will be asked to consider and approve the equity incentive plan. The equity incentive plan would allow us to grant or award stock-based rights and awards to our non-employee directors, officers, employees and consultants.

### Action by Written Consent

In lieu of a special meeting of Visa International or Visa U.S.A., action on the restructuring proposal and equity incentive plan proposal will be taken by written consent of the respective members of each entity. The restructuring is scheduled to be consummated as soon as practicable after consents have been received and not revoked from members of Visa International and Visa U.S.A. representing the requisite number of votes

required to approve the restructuring and all other conditions to closing have been satisfied or waived. If the equity incentive plan proposal receives the requisite member approval, the equity incentive plan will become effective immediately after the closing of the restructuring.

Table of Contents

Notwithstanding the foregoing, no consent by a member of Visa International will be effective to approve the restructuring proposal unless it is delivered within 60 days of the earliest dated consent to the restructuring proposal or equity incentive plan proposal delivered to Visa International. Similarly, no consent by a member of Visa U.S.A. will be effective to approve the restructuring proposal unless it is delivered within 60 days of the earliest dated consent to the restructuring proposal or equity incentive plan proposal, respectively, delivered to Visa U.S.A.

**Record Date**

Visa International and Visa U.S.A. have fixed the close of business on June 30, 2007 and August 23, 2007, respectively, as the record date for determining which of their respective members are entitled to consent with respect to the restructuring proposal and to determine the members that will be asked to execute a proxy to authorize the execution of a written consent to approve the equity incentive plan proposal. Only members of Visa International and Visa U.S.A. on the record date are entitled to consent to the restructuring proposal and execute proxies to approve the equity incentive plan proposal. On the record date, there were approximately 839 members of Visa International and 1,789 members of Visa U.S.A. who will be entitled to submit consents and proxies.

As of the record date, no directors and executive officers of Visa International or Visa U.S.A. beneficially held membership interests in Visa International or Visa U.S.A.

**Consent Required**

***The Restructuring Proposal***

*Visa International*

In order for the restructuring proposal to be approved by the members of Visa International, consents must be received from members having a majority of the voting power held by all members that are entitled to elect the governing body of Visa International. The voting power represented by each consent is set forth on the accompanying form of proxy to consent and is out of a total of 4,546,900,894 votes that would be entitled to be cast on such proposal at a meeting of Visa International s members. Specifically:

- each Principal and Visa Cash Program participant is entitled to one vote for each U.S. $1,000, or fraction thereof, of card sales volume and Visa Cash sales volume as reported in such member s operating certificates for the calendar year ended December 31, 2006;

- each PLUS Issuer is entitled to one vote for every 25 PLUS Program Cards, except for cards that bear both Visa and PLUS Program marks, in existence at December 31, 2006; and

- each Cheque Issuer is entitled to one vote for each U.S. $1,000, or fraction thereof, of cheque sales volume, or its equivalent in such member s currency, as set forth, in the Cheque Issuer s operating certificates for the calendar year ended December 31, 2006.

The voting allocation in each case is subject to the operating certificates not being found inaccurate by the board of directors of Visa International.

*Visa U.S.A.*

Approval of the restructuring proposal by Visa U.S.A. members will require the consent of members representing two-thirds of the voting power of members that would be entitled to vote on the proposal at a meeting of Visa U.S.A. s members, which we refer to as Visa U.S.A. voting members. Acquirer members, administrative members, cheque issuer members, group members, associate members sponsored by a debit

Table of Contents

interchange member and principal members of Visa U.S.A. in existence as of the relevant date of determination are voting members if such member had sales volume during the twelve months preceding March 31, 2007 and meets any of the following criteria:

- had its application accepted by Visa U.S.A. on or before February 10, 1992;
- is an affiliate, as defined in the Federal Bank Holding Company Act of 1956, as amended, of a member that had its application accepted by Visa U.S.A. on or before February 10, 1992; or
- had debit card sales volume, during the twelve months preceding March 31, 2007.

The Visa U.S.A. voting members are entitled to an aggregate of 100 million votes. Each Visa U.S.A. voting member is entitled to the number of votes equal to 100 million multiplied by the Visa U.S.A. voting member s membership proportion, which number of votes is set forth on the accompanying consent. Membership proportion means, for each Visa U.S.A. voting member, an amount equal to the quotient obtained by dividing: (A) the total of all service fees based on sales volume, check guarantee accounts, Gold Card accounts, and/or Electron Card accounts paid by such Visa U.S.A. voting member (or in the case of an associate member sponsored by a debit interchange member, paid on its behalf by its sponsoring debit interchange member) to Visa U.S.A. from the date of the Visa U.S.A. voting member s acceptance as a member through January 15, 2006; by (B) the total of all service fees based on sales volume, check guarantee accounts, Gold Card accounts, and/or Electron Card accounts paid to Visa U.S.A. by all Visa U.S.A. voting members (or in the case of an associate member sponsored by a debit interchange member, paid on its behalf by its sponsoring debit interchange member) from May 26, 1970 through January 15, 2006.

***The Equity Incentive Plan Proposal***

To approve the equity incentive plan for Visa Inc. we are seeking the approval of the members holding membership interests in Visa International, Visa U.S.A. and Visa Canada, which, assuming the completion of the restructuring, would represent a majority of the outstanding shares of common stock of Visa Inc. immediately after the closing.

**Revocation of Consents**

Any consent or proxy to consent given pursuant to this solicitation by a member of Visa International with respect to the restructuring proposal or equity incentive plan proposal being submitted for member approval may be revoked by the member giving it at any time before unrevoked consents from members representing the requisite number of votes required to approve the restructuring proposal or equity incentive plan proposal are delivered to Visa International. Consents may be revoked by filing a written notice of revocation with the Secretary of Visa International. Any such notice of revocation should be sent to the following address:

Visa International Service Association

P.O. Box 8999

San Francisco, CA 94128-8999

Attn: Thomas M Guinness, Secretary

Any consent or proxy to consent given pursuant to this solicitation by a member of Visa U.S.A. with respect to the restructuring proposal or equity incentive plan proposal being submitted for member approval may be revoked by the member giving it at any time before unrevoked consents from members representing the requisite number of votes required to approve the restructuring proposal or equity incentive plan proposal are delivered to Visa U.S.A. Consents may be revoked by filing a written notice of revocation with the Secretary of Visa U.S.A. Any such notice of revocation should be sent to the following address:

Visa U.S.A. Inc.

P.O. Box 8999

San Francisco, CA 94128-8999

Attn: Joshua Floum, Secretary

Table of Contents

**Costs of Soliciting Consents; Additional Materials**

The cost of the solicitation of consents from Visa International members will be paid by Visa International. The cost of the solicitation of consents from Visa U.S.A. members will be paid by Visa U.S.A. In addition to solicitation by mail, Visa International and Visa U.S.A. may solicit proxies to consent by telephone, telegram, e-mail, facsimile or through personal contacts. The extent to which this will be necessary depends entirely upon how promptly proxies to consent are returned.

Visa International and Visa U.S.A. have jointly retained D.F. King & Co., Inc. to aid in the solicitation of proxies and to verify certain records related to the solicitation for a fee of $740,000 plus expenses. You are urged to send in your proxy without delay.

All copies of information materials will be furnished directly to members of Visa International, Visa U.S.A. and any member who desires additional copies of the solicitation materials for the purposes of review in connection with the decision to furnish a consent should write to:

D.F. King & Co., Inc.

48 Wall Street

New York, NY 10005

Table of Contents

## GENERAL INFORMATION REGARDING THE VISA CANADA MEETING

**General**

**Visa Canada management is delivering this proxy statement-prospectus as part of the information being made available to members of Visa Canada in connection with the general meeting.**

The information provided herein is given as of August 28, 2007, unless otherwise specified.

**Date, Time and Place of Meeting**

The meeting will be held on September 24, 2007 at 1:00 p.m. at the offices of Visa Canada Inc., Suite 3710, Scotia Plaza, 40 King Street West, Toronto, Ontario, unless otherwise adjourned or postponed.

**Purpose of the General Meeting**

At the general meeting, Visa Canada members/shareholders will be asked to consider, and if thought advisable, to pass, with or without amendment:

1. bylaw amendments to accommodate the vesting of the commercial and other rights and obligations regarding participation in the Visa payments system of members of Visa Canada in separate service agreements between each member and Visa Canada and to permit Visa Canada membership interests to be transferable to Visa Inc. or a wholly owned subsidiary of Visa Inc.;

2. applications for supplementary letters patent to permit Visa Canada membership interests to be transferable to Visa Inc. or a wholly owned subsidiary of Visa Inc. and, subsequently, to effect the charter changes required to convert Visa Canada from a non-share capital corporation to a for-profit share capital corporation as contemplated in paragraph 3;

3. a proposal (including supplementary letters patent) to take steps to convert from a non-share capital corporation to an OBCA corporation;

4. if we determine that it is necessary or desirable a special resolution authorizing the amalgamation of Visa Canada and Visa Canada merger sub, a wholly owned subsidiary of Visa Inc., under sections 175 and 176 of the OBCA upon the terms and conditions set forth in the restructuring agreement;

5. a resolution approving the equity incentive plan; and

to transact such other business as may be properly brought before the meeting or any postponement(s) or adjournment(s) thereof.

**Voting**

A Visa Canada member/shareholder may appoint a person to act as proxy holder and provide voting instructions to that person.

**A Visa Canada member/shareholder may appoint any person to act as proxy holder.**

Visa Canada members/shareholders that are unable to attend the meeting should complete, date, sign and return the enclosed form of proxy to:

Visa Canada Association

Suite 3710, Scotia Plaza

40 King Street West

Toronto Ontario, M5H 3Y2

Attn: Mitchell Wolfe

**at or before the meeting or, if the meeting is adjourned, at or before the adjourned meeting.**

Table of Contents

**Voting Instructions**

On the form of proxy, each Visa Canada member/shareholder may indicate how the member/shareholder wants the proxy holder to vote, or the member/shareholder may let the proxy holder decide. If voting instructions are given, then proxy holders will vote in accordance with those instructions.

If no voting instructions are given, then proxy holders will vote as they see fit. If a member/shareholder appoints the proxy holders named on the attached form of proxy and does not specify how they should vote, then the proxy holder will vote **FOR** each of the resolutions under consideration.

**Revocation of Proxies**

A Visa Canada member/shareholder who has returned a form of proxy may revoke it by giving notice to Visa Canada at or before the meeting or by completing and signing another form of proxy with a later date than the form of proxy that was previously returned and returning the later-dated form of proxy to Visa Canada.

**Members/Shareholders Entitled to Vote**

There are 11 members/shareholders of Visa Canada entitled to vote with an aggregate of 146,736,765 votes eligible to be cast at the meeting.

**Principal Members/Shareholders**

To the knowledge of the directors and officers of Visa Canada, the only members that, together with such member s associates, as at August 28, 2007, beneficially own, directly or indirectly, or exercise control or direction over more than 10% of the votes attached to membership interests in Visa Canada are Canadian Imperial Bank of Commerce, which is entitled to 60,069,424 votes, Royal Bank of Canada, which is entitled to 47,275,459 votes, and The Toronto-Dominion Bank, which is entitled to 24,265,377 votes.

Table of Contents

## THE RESTRUCTURING TRANSACTIONS

### Background to the Restructuring Transactions

***The Visa Enterprise***

The Visa enterprise consists of five primary corporate entities related by ownership and membership: Visa International, Visa U.S.A., Visa Europe, Visa Canada and Inovant. The Visa enterprise operates in six geographic regions, Visa U.S.A., Visa Europe, Visa Canada and three regions that operate as divisions of Visa International: Visa AP, Visa LAC, and Visa CEMEA. All five corporate entities and the three unincorporated regions have their own boards of directors.

Inovant, the direct or indirect owners of which are Visa U.S.A., Visa Europe, Visa International and Visa Canada, is responsible for operating the VisaNet transaction processing system and other related processing systems.

Visa International is a Delaware non-stock corporation, the members of which are Visa U.S.A., Visa Europe, Visa Canada and certain financial institutions and groups of such institutions, which we refer to as group members, in the Visa International unincorporated regions of Visa AP, Visa LAC and Visa CEMEA. The members of Visa U.S.A., Visa Europe and Visa Canada are financial institutions within each respective geographic region.

Together, the six Visa regions have a long-standing relationship stemming from their joint ownership, governance, and continued investment in Visa International and Inovant. This relationship extends to their unified commitment to offer a seamless global service to the financial institution members, merchants and cardholders that participate in the Visa system worldwide.

***Regional Evaluations***

Throughout its recent history, the management and boards of directors of each of the Visa regions have engaged in strategic reviews that included the evaluation of business and structural opportunities. In addition, the Visa International board and Presidents Council, a committee consisting of the presidents of the five primary corporate entities and the presidents of the three unincorporated regions, have engaged in various discussions on how to improve the Visa business through increased global coordination and interoperability, joint investment and product development and prioritization of key business objectives, with the objective of enhancing the Visa enterprise s global business and structure.

At the beginning of 2005, strategic reviews were in progress in four regions:

Visa U.S.A. was engaged in an evaluation of its business model to e