

Visa Sets U.S. Acquirer Processor Mandate for Chip Transaction Processing

Visa is announcing plans to accelerate the migration to contact chip and contactless EMV chip technology in the U.S. The adoption of dual-interface chip technology will help prepare the U.S. payment infrastructure for the arrival of Near Field Communication (NFC)-based mobile payments by building the necessary infrastructure to accept and process chip transactions.

Not only will chip technology accelerate mobile innovations, it is also expected to enhance payment security through the use of dynamic authentication. Chip technology greatly reduces a criminal's ability to use stolen payment card data by introducing dynamic values for each transaction. Even if payment card data is compromised, a counterfeit card would be unusable at the point of sale (POS) without the presence of the card's unique elements. By eliminating static authentication, we reduce the value of stolen cardholder data, benefiting all stakeholders.

Visa's plan includes merchant incentives to upgrade to EMV chip-enabled terminals, requirements for acquirer processors to support chip acceptance and the introduction of U.S. liability shift policies.

Specifically, Visa will waive Payment Card Industry Data Security Standard (PCI DSS) compliance validation requirements to encourage merchant investment in contact and contactless chip payment terminals. Visa will also require acquirer processors to ensure that their systems support dynamic data acceptance (i.e., chip) and will institute a domestic and cross-border counterfeit liability shift.

U.S. Acquirer Processor Mandate to Support EMV Chip Transactions

Visa will require VisaNet acquirer processors to ensure that their systems support merchant EMV chip acceptance. **Effective 1 April 2013**, acquirer processors and sub-processor service providers will be required to support merchant acceptance of EMV chip transactions. EMV chip acceptance will require acquirer processors and sub-processors to be able to carry and process the additional data that is included in EMV chip transactions, including the cryptographic message that makes each transaction unique.

Specifically, Visa will require acquirer processors to support Field 55 for VisaNet Integrated Payment (V.I.P.) System authorization messages both at the host and POS level. Implementing the Field 55 format will create a consistent approach to EMV chip data processing, allowing the maximum degree of processing flexibility and support for both contact and contactless EMV chip transaction processing. Additionally, acquirers will be required to support the related chip fields.

Acquirers will be required to certify their ability to comply with this mandate on or before 1 April 2013. Acquirers should also ensure that downstream connections certify to their own platforms prior to the deadline to ensure full support.

Acquirers and processors may refer to the related 9 August Visa Business News article available on VisaOnline for additional information. For the complete technical and implementation details of the Chip Transaction Processing mandate, acquirers and processors may refer to the *October 2011 VisaNet Business Enhancements Global Technical Letter and Implementation Guide*, available in mid-October 2011. Acquiring entities should contact their VisaNet representative to begin the planning, testing and certification needed to implement necessary system changes.

Preparing for Payment Technology Evolution

Driving U.S. acquirers to certify to accept EMV contact and contactless chip transactions supports an increasing interest in chip technologies in the U.S. by merchants and issuers. As the U.S. payment infrastructure continues to evolve from the static magnetic stripe to intelligent devices such as EMV chip cards and Near Field Communication (NFC) mobile phones, it is critical to ensure that cardholders can continue to make secure and frictionless transactions across all channels.