

EMV NEWS QUARTERLY

A Publication by the EMV Migration Forum



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DIRECTOR'S CORNER Randy Vanderhoof

Beginning Anew

Our June gathering in Boston has added significance, as it will be the 20th EMV Migration Forum in-person member meeting. It also marks the final meeting in our fiscal year, and our last meeting before the start of our 5th year of the Forum. Since our launch, we quickly emerged as the leading payments-focused organization in the United States and unique in the global payments industry.

For many of you who joined this organization in the first months after the Forum was established in August 2012, this has been a long journey together. We have witnessed the dismantling of legacy obstacles that kept us apart, and the building of new bridges that brought us together. As a group we worked as one interconnected payments system towards a goal to achieve a timely and cost effective migration of EMV for cards, terminals, processors, and networks.

While the work is not completed, the path to getting to that point is clearer now than ever. Along this long journey, we have tweaked and adjusted the implementation of EMV to fit the unique requirements of all its participants. All of the right industry organizations and their top representatives who needed to keep EMV migration on track are still present in this organization, and we continue to attract new members to replace the few who have drifted away.

We are about to begin a new era for the U.S payments market, to finish the EMV migration and look beyond EMV at other emerging payments technologies. With your continued support, these payments innovations will find fertile ground to develop and be adopted, with the same unique U.S. marketplace requirements that EMV faced, and under the same nurturing support of this organization.

IN THE SPOTLIGHT Card-Not-Present Fraud Working Committee

What are the missions and goals of the Card-Not-Present (CNP) Fraud Working Committee?

The working committee's mission is to inform the industry about how EMV migration impacts other parts of the payment ecosystem, specifically the CNP channel. The working committee strives to provide historical perspective and experiences, market trends, and information on existing and emerging solutions to some of the challenges the industry is facing as a direct result of EMV being deployed. The end goal for the committee is to facilitate the sharing of best practices and strategies to mitigate against an increase in CNP fraud. Furthermore, with the speed at which the concept of CNP itself is evolving, this working committee is also looking to facilitate conversation among the various industry stakeholders that comprise this group, hopefully leading to the development of new and improved best practices. Taking into account the various industry constituents that comprise this team, the working committee also tries to strike a balanced and practical approach at all times.

Talk a little about the white paper and webinar you produced – how did it come about and what type of feedback did you receive?

The white paper (and associated webinar), entitled "[Near-Term Solutions to Address the Growing Threat of Card-Not-Present Fraud](#)," was the original driver for the formation of this working committee. Past experiences in a number of international markets have shown that fraud migrates from the point of sale environment to card-not-present as EMV is deployed; the U.S. market was expected to have a similar experience. The EMV Migration Forum formed

the working committee to help the industry understand what's happened before, what kind of measures were taken, and what kind of solutions were adopted over time. The hope was that the white paper could help the industry learn from what has happened

before and benefit from the best practices that have emerged. The feedback to both the white paper and the webinar has been very positive. The audience has been especially appreciative of the both the historical context provided as well as how the solutions were described and categorized.

What do you hope the white paper and webinar will provide for those in the industry?

As EMV chip cards replace magnetic stripe only cards in the U.S., criminal behavior will also evolve. It is important that industry stakeholders stay informed about the viability of both current and new techniques as they emerge. The white paper was developed to provide an educational resource on the existing best practices for authentication methods and fraud tools to secure the CNP channel. The paper was designed to provide practical, objective information from which a stakeholder – whether merchant, bank, or other – can construct CNP security strategies and solutions to better protect itself against various attacks and fraud.

What are your upcoming projects?

In addition to a number of new topics that have already been proposed and are awaiting approval, we are in the process of finalizing two new updates to the white paper. (Both are to address suggestions and comments received from the audience.)

- An appendix that provides some background on the definition of card-not-present used by the white paper
- An appendix that describes the differences between 3-D Secure 1.02 and 2.0

There is also another project under development that looks to describe the CNP fraud situation in other markets outside the U.S. It is designed to be a separate document that provides information related to evolving trends and best practices in those markets. Most notably, however, the working committee is also looking at a possible expansion of its role. Just as CNP fraud is constantly evolving; the same can be said of the CNP channel itself. In addition to providing updates to the white paper, the working committee will be seeking approval to expand on its original charter. As an example, it could be valuable to examine the various ways fraud has migrated (and continues to migrate) as a result of the EMV deployment and develop best practices to address fraud in all its new – often innovative and surprising – forms.

What type of participation was included in these projects?

This working committee was quite fortunate in the cross-industry participation it enjoyed. Among the over 40 EMV Migration Forum members who worked on the white paper project were representatives from Chase Paymentech, Discover Financial Services, Federal Reserve Bank, FIS, MasterCard, Oberthur Technologies, Reef Karson Consulting, Target, Vantiv, and Wells Fargo.

Working committee co-chairs are Teresa Bryan, MasterCard, Ben Dominguez, Visa, and Malcolm Nunes, Home Depot. More information on the working committee can be found [here](#).

New EMV Resources

New educational resources published for Forum members and the payments industry are available on [EMV Connection](#) and [GoChipCard.com](#).

- The EMV Migration Forum released the white paper, “Merchant Processing during Communications Disruption.” The white paper describes three processing options – EMV offline authorization, deferred authorization and force post– that can be used with EMV chip transactions.
- The Testing and Certification Working Committee released the updated white paper, “EMV Testing and Certification White Paper: Current Global Payment Network Requirements for the U.S. Acquiring Community.” The white paper outlines updated payment network requirements and describes use cases that identify when testing or retesting is required for EMV chip and contactless terminals, when retesting is recommended as a best practice, and when only standard internal testing is advised
- The Communications and Education Working Committee completed the “EMV Chip Implementation Best Practices” searchable web resource. The database provides easy-to-find answers on commonly asked questions for implementing EMV chip technology
- The Smart Card Alliance Transportation Council published an update to the EMV and Parking white paper. Developed in partnership with the International Parking Institute, the white paper outlines critical aspects of deploying an EMV solution in the parking infrastructure

Working Committee Projects

Card-Not-Present Fraud Working Committee

- The Card-Not-Present Working Committee recently welcomed two additional co-chairs to the Working Committee leadership team: Malcolm Nunes (Home Depot) and Ben Dominguez (Visa).

Communications and Education Working Committee

- Following the success of the instant issuance white paper, “Implementing EMV in the U.S.: Best Practices in Support of EMV Instant Issuance,” the Communications and Education Working Committee created a webinar to supplement the white paper content. The webinar provides an overview of the main points by stakeholder and project phase of the instant issuance program and assumes an audience that has already implemented an instant issuance solution and who wishes to upgrade their solution to EMV.

U.S. Coordination Working Committee

- The Testing and Certification Working Committee recently published an updated version of the “EMV Testing and Certification White Paper: Current Global Payment Network Requirements for the U.S. Acquiring Community.” The revised white paper provides current requirements for testing EMV chip transactions with American Express, Discover, MasterCard, and Visa. It also includes use cases for ATMs, terminals (including semi-integrated and standalone), acquirer processor platforms, value-added resellers (VARs), gateways, and unattended and automated fuel dispensers.

For more information on Working Committee projects that are in process, please contact Mike Strock, mstrock@us-emvforum.org.

EMV Migration Forum in the News

“[Preparing for the Migration of Fraud](#),” BankInfoSecurity, April 4, 2016. In this video clip, Director Randy Vanderhoof shares his perspectives with BankInfoSecurity’s Tracy Kitten on the need for multichannel fraud prevention to secure all aspects of the payments ecosystem.

“[EMV Migration Forum intros new implementation resources](#),” ATM Marketplace, April 26, 2016. In this feature article, Business Solutions reports on three of the latest EMV Migration Forum resources, and how the Forum is providing additional guidance to help move the transition to EMV in the U.S. forward.

“[6 Things You Must Know About Chip Cards](#),” Kiplinger’s Personal Finance, April 29, 2016. Director Randy Vanderhoof provides insights into the current status of the EMV migration in the U.S. for this Kiplinger’s Personal Finance article.

2016 Forum Meeting Schedule

Have you registered for these two last in-person Forum meetings in 2016? If not, do so today and be sure you’ve secured your hotel room.

- EMV Migration Forum 2 Day All Member Meeting, September 20-21, Rosemont, IL (Hilton Rosemont/Chicago O’Hare)
- EMV Migration Forum 2 Day All Member Meeting, December 8-9, Coral Gables, FL (The Biltmore Hotel)

Welcome New Members

- BetterBuyDesign
- EPX-Electronic Payment Exchange
- Nautilus Hyosung America
- Neeka Consulting
- Thornbrook
- Trader Joe’s Company
- Utimaco Inc.

About This Newsletter

The EMV Migration Forum publishes periodic bulletins for members of the EMV Migration Forum. The EMV Migration Forum is a cross-industry body focused on supporting the EMV implementation steps required for global and regional payment networks, issuers, processors, merchants, and consumers to help ensure a successful introduction of more secure EMV chip technology in the United States. The focus of the Forum is to address topics that require some level of industry cooperation and/or coordination to migrate successfully to EMV technology in the United States. Thank you for your membership and interest, and please [email us](#) with any suggestions for future content.