

## Global Partner Management Notice

**Subject: Visa to Sunset Early Data Option for Chip Transactions**

**Dated:** April 9, 2009

### **Announcement:**

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#### **Summary**

In order to maximize deployment momentum, Visa has historically allowed acquirers to choose when to upgrade their acquirer host systems to allow for processing of full chip data, even potentially following deployment of active chip terminals into the marketplace. This placement of chip acceptance devices with merchants prior to host system upgrades is known as Early Chip Data Option Acquiring.

A similar process exists that allows issuers to issue chip cards to customers before completion of their host system upgrades. In this case VisaNet, or a full EMV data acquirer, will remove chip data from transaction messages prior to forwarding the messages to the issuer.

These methods of processing present a number of issues, that while acceptable as short-term tactical measures, undermine Visa's global long-term strategy for chip migration to provide stronger authentication capabilities, additional processing solutions for clients and enable the usage of different form factors.

#### **Member Impact**

In order to ensure the integrity of the Visa chip platform and expand the availability of chip transaction processing services, the following *Visa International Operating Regulations* revisions have been approved. **These Operating Regulation revisions are applicable to Visa International regions only.** Visa Europe follows a different approach in dealing with this issue.

- **Effective October 17, 2009**, acquirers that cannot support full-chip data processing via their host systems will be prohibited from deploying or supporting chip-reading acceptance devices with the chip functionality enabled. Acquirers that are unable to support full-chip data via their host system by this date must either:
  - Update their host system and network functionality to support full-chip data, or
  - Disable chip functionality in all acceptance devices connected to their host.
- **Effective April 17, 2010**, all chip-capable acceptance devices with active chip functionality must capture and transmit full-chip data for all chip-initiated transactions.
- **Effective April 17, 2010**, issuers of EMV-compliant contact and VCPS 2.0.2- (or subsequent versions) compliant contactless chip cards will be required to validate EMV online card authentication cryptograms contained in all online authorization messages processed via VisaNet. EMV online card authentication validation can be provided either by the issuer directly or by a third-party processor (including VisaNet).

Acquirers that cannot receive and forward full-chip data by October 17, 2009, must ensure that there are no chip-reading acceptance devices connected to their acquiring host system. Issuers of chip cards must ensure processes are in place by April 17, 2010, to validate all EMV online cryptograms processed via VisaNet. Issuers wishing to take advantage of the VisaNet validation service should contact their Visa representative.

Best Regards,

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