



May 06, 2005

Re: **URGENT – NOTICE** New mandatory compliance requirements for Third Party POS Software vendor products certified or planning to certify to any First Data Merchant Services platforms including FDMS, CARDnet® (North), Nashville, South, Omaha, Concord and Paypoint.

Dear Sir/Madam:

As you are aware, data security continues to be an ever-increasing concern within the bankcard industry due to the rise in cardholder information compromises and the potential of resulting fraud. To further ensure the highest level of cardholder data security, First Data Merchant Services is mandating that all POS Software Vendors validate their conformance to the Payment Application Best Practices (PABP) data security standards through an approved PCI security assessor.

First Data Merchant Services fully expects that all POS Software Vendors are currently utilizing best practices in securing all cardholder data. However, due to the high level of potential risk to the industry, First Data is taking this proactive position requiring that all POS Software Vendors validate their Payment Applications. These procedures are outlined within the 'Visa Cardholder Information Security program' (CISP) Payment Application Best Practices guidelines document which can be found directly on the Visa.com/cisp website or by web-link on our FDMS.com website. The listing of approved PCI security assessors can also be found on the Visa website. **Ambiron-Trustwave is a Visa approved security assessor presently available to perform this required PCI assessment. They can be contacted directly at 1-877-262-4766 ext: 14 or via their website www.Ambiron.net/FDMS/PABP which has been setup to assist you with this initiative.**

Third Party POS Software Vendors are required to take the following action steps:

- All POS Software Vendor products (all versions) certified through First Data Merchant Services must undergo and successfully complete an audit by an approved PCI security assessor. Vendors must ensure that all of their end-users (merchants) are fully updated to compliant versions of their POS products.
- A formal letter of compliance from Visa and inclusion on the Visa 'List of Validated Payment Applications' found on the Visa CISP website will be required by First Data Merchant Services.
- In addition to validating conformance with Payment Application Best Practices (PABP) within 90 days, any POS Software Vendor that connects remotely to merchants for the performance of maintenance, enhancements or updates must have an onsite security assessment by October 1, 2005 completed by an approved PCI security assessor.
- POS Software Vendors are required to acknowledge and agree in writing via email by June 30, 2005 to undergo a PCI audit and successfully complete PABP validation by October 1, 2005.

POS vendor software products which are not compliant with the above requirements and all current FDMS transaction format specification requirements will be removed from the FDMS certified vendor listing on our FDMS.com website.

To maintain ongoing certification with current FDMS transaction format specification requirements and Card Association processing guidelines, all third party POS software vendors need to make any appropriate POS device application changes and re-certify with FDMS in order to be compliant with all current requirements. Note, validation of compliance with PABP guidelines and Card Association requirements is not a guarantee



against data security compromise and resulting liability. The PABP guidelines and Card Association requirements are subject to change periodically. It is each POS software vendor's responsibility to maintain compliance with the most current guidelines and requirements for their respective POS products.

Given the substantial risks to our industry, it is clear that reasonable and responsible compliance policies are in the best interest for all involved. We at First Data look forward to working with your organization to assist as needed.

Please contact Dan Vankat, Manager Vendor Relations at Dan.Vankat@Firstdatacorp.com or Marlen Prato, Manager, Vendor Relations at Marlen.Prato@Firstdata.com for any additional questions you may have. Or you may contact Ambiron-Trustwave directly at 1-877-262-4766 ext: 14.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Dana Horvitz'.

Dana Horvitz
Director
FDMS Vendor Relations
cc: Luke Fenstermacher, FDMS Counsel.