ATM Webinar Questions and Answers
May, 2014

Debit Network Alliance LLC (DNA) is a Delaware Limited Liability Company currently comprised of 10 U.S. Debit Networks and open to all U.S. Debit Networks. The goal of this collaborative effort is to provide interoperable adoption of chip technology for debit payments, while supporting security, innovation, and optimal technology choice. This Q&A does not necessarily express the views and opinions of every member of DNA. Companies should consult their own legal counsel or other competent advisors for definitive advice on how to address the matters identified in this Q&A.

Question: Are acquirers recommended to automatically default to standard Global AID without the cardholder's choice?

For ATM transactions, the Issuer will assign the priority preference if multiple AIDs are present on the card. ATM Owners may want to process AIDs in an order that is different than the Issuer listing. This is especially true if other networks are represented through the "U.S. Common Debit AID." In this case, ATM owners should consider using the U.S. Common AID as the first priority to give them the best network alternatives. If acquirers automatically default to the Global AID, they will lose their choice to route to other networks enabled on the card.

Question: Are motorized readers required on ATMs to be EMV capable?

Motorized readers on ATMs are not required to be EMV capable or EMV certified. If the ATM owner desires to process EMV cards then the readers must be EMV certified.

Question: As cards are issued say this year or next, will both EMV and mag stripe still work for vendors that haven't changed their terminals to EMV?

For the foreseeable future, in order to maintain global acceptance, the magnetic stripe will still be on chip cards. If the ATM is EMV certified and an EMV chip is on the card, the ATM will most likely choose the EMV processing path. If the ATM is not EMV certified, the ATM will most likely choose the magnetic stripe processing path.

Question: Cual es el significado de AID'S?

An AID is an application identifier, a number similar to a telephone number or an icon that points to an application on the chip of the card. Today, magnetic stripe cards do not have AIDs. Instead, the cards have bank identification numbers (BINs) that signify which networks a financial institution supports. When a cardholder makes a purchase at a merchant location and swipes his or her card, the transaction is routed based upon the BIN. Per Regulation II (the Durbin Amendment), the merchant gets to choose where to route the transaction.

With standard EMV the AID selected by the terminal determines the routing of the transaction. In the US the concept of a shared AID was developed to allow the merchant to route a transaction using the shared AID to multiple networks, as is done with a magnetic stripe transaction. When an EMV card is issued, there must be at least one AID on the chip that matches the AIDs on the terminal in order to generate a transaction.

Question: If an FI chooses Online PIN only, then that means everything at the POS goes to a PINNed network? Signature will be significantly reduced, no?

If a card Issuer issues an EMV card and only allows the Online PIN CVM, then the card can only be processed as online PIN for EMV transactions. This would truly only happen on what is called an "ATM-only" card. The US Common AIDs enable Online PIN and No CVM. No CVM allows for Signature or PINless transactions.

Question: Does each network have its own AID - regardless of global or common?

Some networks do have their own proprietary AIDs. Currently, the networks that have announced licensing of the common AID from the global brands, will all also participate under the same AID for each brand. All debit networks will support the US common debit AID for Online PIN and No CVM with signature and PINless transactions supported as defined by each debit network to the merchant.

Question: How much memory will the card chip have?

It depends on how many applications are on the card. The purpose of the common AIDs was to require only one application on the card. There may be reasons to have more than one application on the card, however. You should talk to your card vendor for details regarding memory requirements.

Question: If the bank has a lot of debit card plastics in stock still when EMV cards are available to order, would there be an incentive or credit received to change the card types and re-issue cards for all users?

You should look at your own individual business case for upgrading your card stock to EMV chip cards. It will be up to each vendor that you buy stock from as to whether they or your network will offer incentives, discounts, etc.

Question: In summary, EMV only prevents card present fraud and does not help in combatting card-not-present fraud.

EMV mitigates the creation of counterfeit cards to be used in a card present transaction. Most countries that have implemented EMV have seen immediate increases in card-not-present fraud as the chip security features are not used in card-not-present transactions.

Question: Is digital pickpocketing for data a concern?

This risk is specific to contactless payment devices, which may or may not be EMV capable. Contactless payment devices contain secure microprocessors and memory and have the ability to perform cryptographic processing. Additionally, a contactless card must be held an inch or two away from a POS device to initiate a transaction. EMV makes the data, if collected, less valuable since EMV cards mitigate counterfeit card production and dynamic data helps prevent counterfeit transactions.

Question: Is the routing determined at host/network vs ATM?

For ATMs, if the U.S. Common AID is selected and if multiple networks are present on the card, routing will most likely be determined by the ATM acquiring host. The process is similar to how routing is determined in the magnetic stripe environment.

Question: If our ATM's don't currently physically capture the card prior to processing a transaction will I have to retrofit them?

In order to process a contact EMV card, the ATM card reader must remain in physical contact with the chip on the card for as long as it takes the interaction between the reader and the chip to properly terminate. ATMs that do not have the capacity to do this may need to be upgraded. Dip readers can be made to hold the card in place which would be an option to replacing all the card readers.

Question: Our debit cards are through VISA and we are wondering what will happen if a non-customer who has and uses a MasterCard in our ATM which is not compatible with the new EMV technology after Oct 2016 when MasterCard's liability shifts.

In general, once an ATM is certified to process an EMV card, it should be able to process any EMV card regardless of the brand associated with the card. However, this is only true if the AID for that brand or the US Common AID is loaded on the terminal. If the AID is not loaded, it will have to be processed as a magnetic stripe transaction. It will be up to the ATM owner or acquirer to ensure that all brands supported have the corresponding AIDs.

Question: Pardon my ignorance, but how does EMV prevent fraud if the PAN, expiration date, etc. not encrypted?

EMV's main benefit is to mitigate counterfeit card fraud in the card-present environment. It is correct that the Primary Account Number and expiration date are not encrypted as part of the EMV standard.

Question: Do you have a full list of all AIDS?

The International Organization for Standardization (ISO) assigns AIDs based on approved applications. The list changes as new AIDs are added or others are deleted. Please check with ISO for a listing of AIDS.

Question: So, ATM Network Logo displays will be obsolete when using Common AID?

Network brands will not be obsolete when using the Common AID. The brand conveys to the user the promise of the brand owner to deliver the product with the specific set of attributes, benefits, features and the services associated with the product.

Question: We allow our credit cardholders to obtain a PIN to perform transactions to/from deposit accounts via ATMs. Credit Cards would not have the "Common AID". How can we continue to allow our credit cardholders to perform these transactions?

Credit EMV transactions will utilize the Global AID on the card.

Question: We take cash advances at our branches. When is the liability shift for cash advance transactions? Is it 2015, or 2016/17?

Liability shift dates are determined by each network. Check with the specific brand in question to determine its policy.

Question: What is offline pin?

Offline PIN is one of the Cardholder Verification Methods in the EMV protocol. Offline PIN involves the ATM/POS device validating the PIN entered by the cardholder against a copy stored securely on the chip itself. Online PIN involves the ATM/POS sending the PIN to the issuer for validation.

Question: What is the relationship of EMV Migration Forum to EMVCO?

Formally, there is no direct affiliation between the EMV Migration Forum and EMVCo. Many of the EMVCo owner companies as well as EMVCo Technical and Business Associates participate in the EMV Migration Forum as well. Likewise, there are many companies that participate in the EMV Migration Forum but not in the EMVCo related organization.

Question: What kind of chip reader do you recommend for ATMs?

When a cardholder performs an EMV transaction at the ATM, the chip card must be in contact with the card reader throughout the entire transaction. Motorized card readers should not cause a difference in the functionality or cardholder experience, so are preferred. Dip readers will change the cardholder experience because the EMV card is "locked" into the reader during the transaction requiring more cardholder education.

Question: When one of the presenters said upgrading ATMs depending on volume of foreign cards/transaction - was he talking about foreign (international) or foreign - being any card not your own?

Foreign in this context means international transactions. International transactions for some networks have an earlier liability shift date and many of the international cards coming to US ATMs are EMV chip cards.

Question: Will card reader / card damage still happen if we have a dip reader not a motorized reader?

Card or reader damage may be more common in a dip reader scenario because it is a new experience for cardholders, so the cardholder may try to forcibly remove the card before the transaction is complete.

Question: Will FI's have the ability to elect US AID first, then Global AID to optimize routing election for debit use?

ATM Owners should request that their ATM vendor provide them with the ability to choose which AID to route on and in which priority. In general, more networks will be available through the U.S. Common AIDs than other AIDs.

Question: Will the Debit Network Alliance processors proactively supply ATM owners with the Common AID information?

The Debit Network Alliance does not certify processors. Each network will certify processors. ATM owners should ensure their processors are capable of processing all AIDs.

Question: By what date will mag stripe cards have to be converted to EMV?

Individual networks will make decisions regarding magnetic stripe sunset dates. ATM owners are advised to check with networks they support for these individual policies. We are unaware of any network publically stating any magnetic stripe sunset dates for U.S. issued cards.

Question: Will endpoint to endpoint tokenization encryption be implemented as part of EMV? If so, will it be implemented in a way to provide protection for card not present (internet) transactions?

Endpoint to endpoint encryption and tokenization are two different technologies. Individual networks will decide how they will deploy/mandate technology choices. We are not aware of any network requiring either of these technologies as part of current EMV policies in the U.S.

Question: Will Regional PIN Networks have to sign both Visa and MasterCard common US Debit AID solutions - based on the signature brand personalized on front of card?

Yes, in order to use the global brands' Common AID solutions, the global brands have, to-date, required license agreements.   These agreements have been bi-lateral ones between each global brand and each network individually.

Question: What about the cards issued by the government? Is there a timeframe when the government will issue the chip cards? Do you think before 2016?

Each network determines its rules for EMV issuance. We are not aware of any network that has mandated EMV chip card issuance. Instead, some networks have announced shifts in liability for certain types of card losses regarding EMV cards and ATM or POS device.

Question: Where can an acquirer review all of the AIDs out there to ensure that the AIDs they have prioritized for routing within their business and financial models are prioritized for use over the global AIDs?

The International Organization for Standardization (ISO) assigns AIDs based on approved applications. The list changes as new AIDs are added or others are deleted. Please check with ISO for a listing of AIDs. Individual networks will most likely announce which AIDs they will support for routing through their debit networks.

Question: What happens to a transaction until the acquirers make these changes?

If the ATM owner does not upgrade its ATM to process EMV cards, the cards will continue to be processed as today using the magnetic stripes. As long as the magnetic stripe is present on the card this process should continue. Once the network-determined liability shift dates occur, the ATM owner may have liability for counterfeit card transactions if the card is counterfeited.