

Update Bulletin

Visa PCI Waiver for Using EMV?

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Visa has made news by offering merchants PCI exemption from audits in return for implementing EMV. Visa's push for EMV adoption was further highlighted in a [Supermarket News](#) article yesterday.

"EMV" stands for Europay, MasterCard and Visa. It's a chip-card technology that can use PINs as well as signatures for verification, and therefore potentially limit fraudulent card costs that banks must cover. Keep in mind that EMV is designed to limit fraudulent card use; EMV is not a data security technology, and has nothing to do with encryption mechanisms to protect customer information or safeguard transaction transmissions.

Of course, *anything* that limits the cost and disruption of PCI audits generates interest, but unfortunately Visa's concept of PCI waivers brings no practical value to retailers today:

- Any relief from PCI audit requirements pertain to Visa only. Merchants still need full PCI audits and compliance to accept MasterCard, American Express or Discover cards.
- Merchants will get no relief from liability – retailers are still 100% liable for any breaches from the card associations – including Visa.
- Merchants without a successful PCI audit are still 100% liable for all fines and penalties from all the other card associations. PCI compliance is the only relief available from fines.
- To achieve the Visa waiver, retailers must complete at least 75% of their transactions from shoppers with EMV cards. Since no EMV cards are being issued for US domestic use today, merchants may see only occasional EMV cards from Canada or overseas visitors.
- Industry experts believe it will be about two years before the card associations begin to issue any significant volume of EMV cards to US consumers. With expiration dates on existing cards stretching out for several years, analysts believe it will be five years before EMV becomes the prevalent credit card technology.

Visa wants EMV readiness to grow, and there's certainly nothing wrong with that. Their promise of a PCI audit waiver, however, is empty and with no usable value. It's important you're your customers do not confuse this Styrofoam bullet with the silver one they really need today, which is point-to-point hardware encryption ("P2PE").

To Your Success,



Anthony van Soester