

## PayPass – M/Chip Application Note #19

The purpose of this application note is to provide an update regarding rule changes in offline CAM policy for MasterCard *PayPass* card products that support the *PayPass* – M/Chip transaction profile.

This application note is dated June 11, 2010.

### Background

During initial *PayPass* deployment SDA was permitted as offline CAM for dual interface MasterCard *PayPass* – M/Chip cards as an enabler for pilots and early deployment. This was due to the reduced cost compared to CDA-capable cards. MasterCard is now revising its offline CAM policy for dual interface MasterCard *PayPass* – M/Chip cards to ensure the higher levels of security.

### Summary of New Policy

The new dual interface MasterCard *PayPass* offline CAM policy varies slightly between Europe and the non-European regions. Please refer to the following published operation bulletins for details:

- *European Operations Bulletin* No. 2, 1 February 2010
- *Global Operations Bulletin* No. 5, 3 May 2010

Both bulletins can be found on MasterCard Online (MOL). In summary the bulletins revise MasterCard policy as follows:

**All MasterCard *PayPass* – M/Chip cards issued on or after 15 April 2011, except for cards issued in the Europe region;**

- **Must support offline Combined Data Authentication (CDA<sup>1</sup>) Card Authentication Method (CAM) except for cards that support online-only authorization of MasterCard *PayPass* transactions**
- **Must not support offline Static Data Authentication (SDA) CAM**

**All MasterCard dual interface MasterCard *PayPass* – M/Chip cards issued in the Europe region on or after 1 January 2011;**

- **Must support offline CDA CAM**
- **Must not support offline SDA CAM**

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<sup>1</sup> Combined DDA and Application Cryptogram Generation

### Recommended Steps For Migration Preparation

Card vendors who do not have an approved RSA-capable product should begin development and/or the approval process, if they have not already done so. At the same time vendors should begin to work with their customers in order to manage existing SDA card stocks to avoid surplus, and to put in place migration plans including personalization requirements, shipment and card stock management.

### Frequently Asked Questions

**Q:** *What should be done with SDA only card stock waiting to be personalized or issued?*

**A:** Stock of SDA cards planned to be issued using SDA CAM must be depleted prior to the mandate dates (1 January 2011 for Europe and 15 April 2011 for the rest of the world). SDA cards can only be issued outside Europe after these dates if they are not personalized to support SDA CAM as online only *PayPass* cards.

**Q:** *How will the Card Personalization Validation (CPV) Process be impacted by these rule changes?*

**A:** From the respective dates (1 January 2011 for Europe and 15 April 2011 for the rest of the world), all cards submitted for CPV must support offline CDA CAM. SDA cards can only be submitted for CPV by issuers outside the Europe region if they are personalized not to use offline SDA CAM (online only). A new CPV is required when adding offline CDA CAM or removing offline SDA CAM from the card.

**Q:** *When is the last date for the submission of cards using offline SDA CAM to CPV?*

**A:** There is no specific last date however it is the responsibility of the issuer to ensure that no new cards using SDA as CAM are dispatched to cardholders after the respective dates (1 January 2011 for Europe and 15 April 2011 for the rest of the world).

**Q:** *Are these new rules applicable to Maestro PayPass card programs?*

**A:** No, Maestro *PayPass* product rules already require the use of CDA as CAM.

**Q:** *Can SDA based cards with a Letter of Approval with a validity date beyond 1 January 2011 for Europe and 15 April 2011 be issued after these dates?*

**A:** SDA cards can continue to be issued outside the Europe region beyond the applicable dates only if the card is personalized not to support offline SDA based CAM.

**Q:** *Is it permitted to issue CDA cards approved with a restriction personalized as SDA cards?*

**A:** For a card to be issued it must have a valid Letter of Approval. If the Letter of Approval has restrictions for performance reasons limiting it to SDA only use, these cards, after the respective date (1 January 2011 for Europe and 15 April 2011 for the rest of the world), will only be allowed for issuance outside of Europe if personalized not to support SDA.

**Q:** *Can a card vendor continue to submit SDA Dual interface cards for Type Approval to MasterCard?*

**A:** Yes, however, these cards are only allowed for issuance outside of Europe after the mandate dates if they are not personalized to support offline SDA CAM.