



Visa Card Lifecycle Management

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Visa Card Renewal and Lifecycle Management



1 Summary

Visa has evolved its card product compliance and renewal policy to better meet today's industry requirements. The new Visa policy:

- replaces the current 'approval period' with 'usage period' covering the entire life of the product.
- provides an absolute sunset date for any given product, after which no cards of that type may remain in active use by cardholders.
- simplifies the card policy compliance and management process and provides transparency to all stakeholders who need to manage, develop, deploy, and replace Visa applications on Visa approved products.
- leverages the EMVCo IC ("chip") certification process for product security evaluations, the GlobalPlatform composition model to manage additional applications, as well as controls present in cards and back-end systems to manage risk.
- applies to all card form factors, micro-tags and wearables. Does not apply to mobile-based form factors.
- applies to VIS and VCPS based products, not CPA/CCD products.

2 Background

The legacy Visa card compliance policy was based on a card product model that was used successfully for over 15 years. This model was based on a product approval and renewal that balanced functional and security testing requirements. However, when operating under a renewal model, the lifespan of a card is not known in advance. Moreover, in today's environment cards operate in a different risk model, are virtually always online, and have strong back-end system risk controls.

Under the legacy policy, a card product is approved for at most three years. During this period vendors can sell, and issuers can issue the product. After three years, the vendor may choose to submit the product for renewal. If successful, the product remains approved for another three years.

While Issuers seek certainty over the lifespan of a purchased product, currently they must assume that the product will not be renewed after three years. At the same time, the effective three-year issuance period might be shortened as the Issuer needs to perform due diligence and internal product certification that may take months. This is also complicated by the required updates of personalization profiles and host systems for new products, which is costly and resource consuming. This may result in Issuers needing to buy stock of an expired product because existing stock has run out and new product isn't ready, or to continue using an expired product to use up a surplus of stock on hand.

The new Visa card policy addresses these concerns by removing the renewal requirements, encouraging the use of industry best practices, and introducing full lifecycle management of Visa card

products. This holistic approach takes into account the duration from the product's first approval to final card expiring in the field.

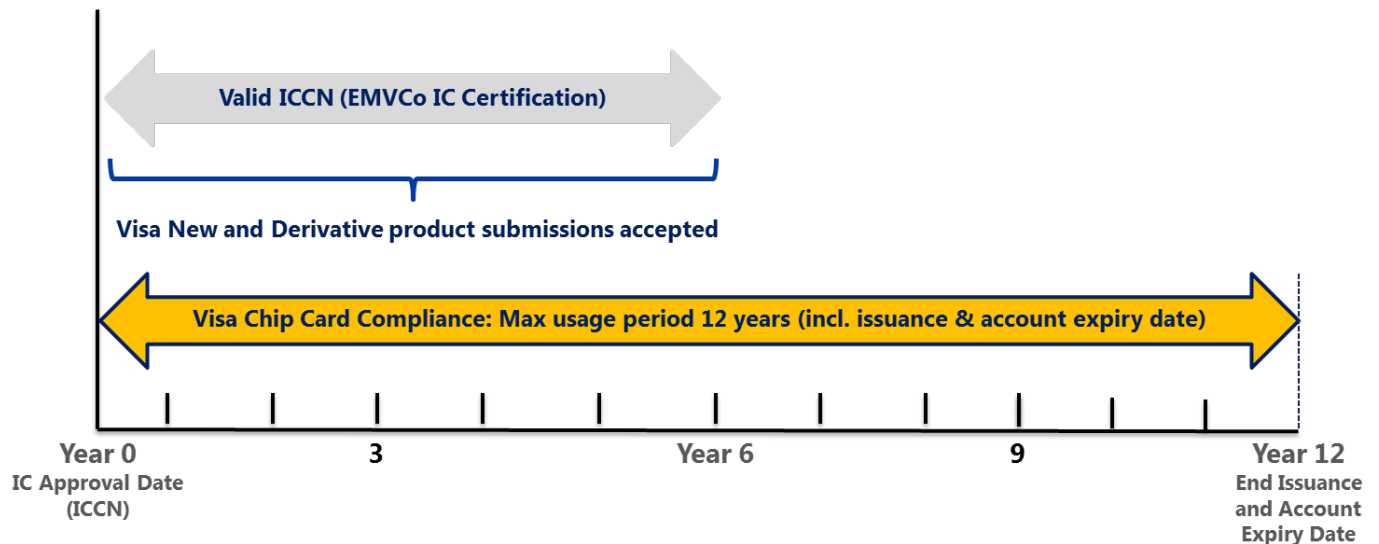
3 New card policy

The new Visa card lifecycle management policy has three significant changes:

- The functional and security renewal testing requirement is removed.
- The final card using the product must expire at most 12 years from the EMVCo assigned IC Certificate Number (ICCN) issue date.
- The current 'approval period' is replaced with a 'usage period' covering the entire life of the product in the field.

As before, a card product will only be accepted for approval testing if it has a valid EMVCo IC Certificate Number (ICCN). Under the new policy, the vendor may sell the card product at any time during its 'usage period', which is the EMVCo ICCN issue date + 12 years unless the approval has been revoked by Visa due to security or other concerns.

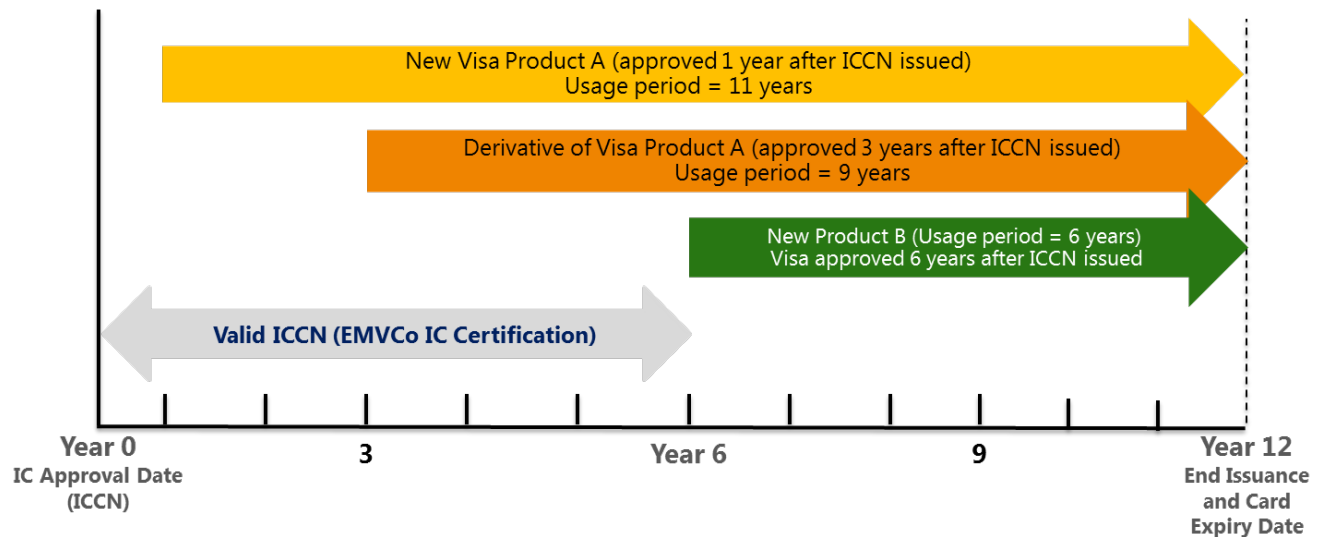
Figure 1: New Visa card policy illustrated



Card derivative products are allowed as long as testing is available, while their usage period is tied to the parent product (see also Figure 2). Existing testing processes and requirements will continue to apply for card derivative products.

Visa Card Renewal and Lifecycle Management

Figure 2: New Visa card usage periods illustrated



The Visa application can be provisioned on the card and personalized any time during the usage period. Issuers will be required to limit the expiry date on a Visa card to ensure it expires before the end of the card product's usage period and its removal from the approved list. The issuer can set the card expiry date to any date up to the end of the usage period, but the recommended best practice is three years.

4 Rationale for new policy

The following are the underlying principles of the new Visa card policy.

- Comprehensive testing - Focus on thorough functional and security testing during product submission, not on renewal testing.
 - The Industry has matured and vendors develop their products according to industry best practices.
 - Even though security degrades over time, risks related to evolving new attacks in the field can be managed using a risk-based approach and without the need for renewal testing.
 - Eliminating the functional and security renewal testing requirement will facilitate simplified product management by avoiding unnecessary and redundant testing and paperwork.
 - If issues are identified with the card product, the established Visa process which may require selected testing will be followed. If the issue is significant enough, Visa reserves the right to revoke the approval or remove the product from the approved product list ahead of its scheduled removal date.

- Transparency - Implement full lifecycle management with a card product end-of-life date.
 - Provide a uniform message to the industry by managing the card product lifecycle, including the account expiry date.
 - Allow issuers the flexibility to define stricter expiry dates based on their own risk assessment and risk tolerance.
 - Know the end-of-life date upfront when a compliant card product is sold / bought.
 - Removal of the renewal cycle helps to eliminate uncertainty over how long the card product will be usable, which allows issuers to optimize their procurement strategies.
- Industry Best Practices - Build new card products on recently approved chip products.
 - The chip hardware ("IC") is the lowest common denominator; the product lifecycle is not managed by end-product, but by underlying IC.
 - Encourage card development based on newer chip products in order to maximize product lifetime in market. Products on a new IC have a longer lifetime than products on an old IC
 - Tie the end-of-life date to the approval date of the underlying IC product + 12 years. This is the current maximum lifetime of card product based on an EMVCo approved IC with the industry recommended three year expiry date.

5 Role of EMVCo

EMVCo acts as the security certification entity for chip hardware and platform products. Visa incorporates the EMVCo process for its card products to minimize cost and time spent in performing evaluation work and to avoid duplication of effort. Details about the EMVCo security evaluation and certification process can be found at www.emvco.com. EMVCo security evaluations are based on a modular certification process where the chip hardware is the lowest common denominator and a card product (e.g., VSDC) is approved on top of it.

Chip hardware is defined as the basic 'chip' or 'IC' product without a card operating system or application. EMVCo issues an IC certificate with an IC Certificate Number (ICCN) when a product provider has successfully completed the EMVCo IC security evaluation process.

Visa will accept new card products for testing only if the IC product has successfully completed the EMVCo IC security evaluation process and is listed on the EMVCo approved IC list.

EMVCo will continue to test and approve CPA compliant products according to the EMVCo policy. Visa Issuers using CPA compliant products will continue to adhere to the legacy card lifecycle management policy (e.g. the card product must be on the EMVCo approved product list at the time of issuance, but the card may expire after the card product has been removed from the EMVCo list).

6 Benefits for the payment industry

The new policy enables all stakeholders to better understand the exact 'usage period' covering the entire life of the card product being deployed. A defined end-of-life date that all parties are aware of, based on industry feedback and best practices, is considered a significant benefit.

Card vendors can realize cost, time, and management savings as no renewal testing and re-certification is required. The policy encourages card development based on newer chip products in order to maximize product lifetime in market.

For card owners and issuers, the policy facilitates better purchasing decisions, inventory management, and product replacement planning as the product-specific expiry date is known in advance. The policy provides clarity for the product business case, lifetime, and replacement.

