U.S. EMV Terminal Requirements to Ensure Interoperability With Canada-issued Co-badged Cards

Overview: Visa is clarifying requirements to ensure that U.S. EMV terminals can properly originate transactions from Canada-issued co-badged credit and debit cards. It is critical that vendors implement these changes to ensure interoperability.

Canada-issued co-badged debit[1] and credit[2] cards contain both the Visa application identifier (AID) and the Interac AID. In Canada, domestic EMV debit and ATM transactions use the Application Selection Flag (ASF) to prevent standard EMV cardholder selection, as these transactions are processed by Interac.

It has been determined that some U.S. acquirers have included this special ASF logic in their U.S. terminal deployments. When Canada-issued co-badged cards are used at these terminals, transactions fail or fall back to magnetic stripe, causing cardholder and merchant disruption. Counterfeit fraud has occurred due to this type of fallback.

To ensure correct logic is implemented in U.S. terminals, Visa is providing guidance to acquirers, processors and vendors so they can quickly remedy these interoperability and security issues. This logic does not affect the EMV kernel and does not require the merchant or processor to recertify their implementation.

[1] Debit cards with Interac branding and Plus for ATM access will not be affected at the point of sale.
[2] Certain credit cards issued in Canada have the Interac AID for domestic ATM access.

Visa Requirements

Operators of U.S. terminals that do not accept the Interac AID should disable the ASF logic.

Additionally, for U.S. terminals that support both the Visa and Interac AIDs, the following logic must be implemented to ensure proper interoperability with Canada-issued co-badged debit and credit cards:

- Generate the Candidate List using the List of AIDs or the Payment Systems Environment (PSE).

- **Point of Sale:** If the Interac AID **and** the Visa AID are present on the same card, drop the Interac AID from the Candidate List and proceed with Basic EMV Application Selection.

- **ATM:** Ensure that **neither** the Interac AID **nor** ASF logic are present.

There has been a significant impact to Canadian cardholders, their issuers and impacted merchants from lost sales, declined transactions and counterfeit fraud. Merchants, acquirers and payment vendors should move to implement the required logic immediately, but no later than 28 February 2018.

Visa resources are available from your Visa representative to support acquirers and their merchants, as needed, to ensure these changes are implemented as quickly as possible.