Visa Business News

E-Commerce & Authentication

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Updated Version of Visa Supplemental Requirements for PSD2 Strong Customer Authentication Published; Resilience Indicator Mandate Announced

Europe | *Acquirers, Issuers, Processors*

Visa Network

Overview: Visa has published an updated version of the *PSD2 Strong Customer Authentication for Remote Electronic Commerce Transactions—European Economic Area and United Kingdom* at Visa Online. Visa is also announcing a mandate for issuers to be able to receive the new resilience indicator, effective with the April 2021 Business Enhancements release; acting on this indicator, however, will be optional for issuers.

The updated *PSD2 Strong Customer Authentication for Remote Electronic Commerce Transactions—European Economic Area and United Kingdom* is pertinent to strong customer authentication (SCA) as required by Payment Services Directive 2 (PSD2) and is a Visa Supplemental Requirement. It is intended to help issuers and acquirers by bringing SCA-related rules together into a single publication. The updated version supersedes the previous version, published in October 2019, and is available on the Payment Services Directive 2 Overview page at Visa Online.

All issuers, acquirers and merchants are strongly encouraged to familiarize themselves with the updated version, which is designed to help ensure that regulatory obligations are met while also minimizing any potential friction.

Mark Your Calendar:

- Issuers must be able to receive the resilience indicator in F34 **(April 2021 Business Enhancements release)**
- SCA Enforcement date currently planned in the UK **(14 September 2021)**

Key Changes in the Updated Publication

While issuers, acquirers and merchants are strongly encouraged to familiarize themselves with the updated requirements, particular attention should be drawn to the following additional or updated sections:

- **Section 3.1—Exemption Requests and Responses**

  This section includes a clarification on the version of EMV® 3-D Secure (3DS) required for acquirers to indicate SCA exemptions and a reminder that during authorization, issuers should not systematically decline transactions with an SCA decline code when they also carry an exemption request indicator.

- **Section 3.2—Establishing Merchant-Initiated Transactions**

  Further clarification is provided on the requirements associated with merchant-initiated transactions (MITs) and the Visa MIT framework.

- **Section 3.14—ECI 6 Quality of Service Program**

  Additional guidance is provided on how issuers should process transactions submitted as "Attempted Authentication (electronic commerce indicator [ECI] 6)."

- **Section 4.1—Authorization Flagging and Response Support**

  This section now includes the requirement, previously stated in the *PSD2 SCA for Remote Electronic Transactions Implementation Guide,* for issuers to be able to recognize virtual cards, lodge cards and central travel accounts that may be eligible for the Secure Corporate Payment exemption (subject to local regulator requirements) even where the Secure Corporate Payment exemption indicator may not be present.

- **Section 4.3—Interim Solution For Transactions Associated with Indirect Sales in the Travel and Hospitality Sector**

  This section outlines the requirements for acquirers, travel and hospitality suppliers and booking agents associated with the use of the Mail Order / Telephone Order (MOTO) indicator as an interim solution for transactions originating from indirect sales. These requirements were announced in "Preparing Travel and Hospitality Merchants for SCA Compliance on Indirect Sales Transactions," published in the 20 August 2020 edition of the *Visa Business News*.

- **Section 4.4—Use of Decline Codes**

  Additional information has been added to provide guidance on using the SCA Decline Code and other decline codes.

- **Section 4.6—Use of and Response to Acceptance Environment Authentication Outage Indicator (Resilience Indicator)**

  This added section outlines the conditions of usage and guidance for issuers, acquirers and their merchants associated with the Acceptance Environment Authentication Outage Indicator, a new indicator in the authorization message that can be used by acquirers to inform issuers when authentication data is not available due to an outage in the acceptance flow. This indicator has been added to provide resilience to the system when such an outage occurs.

  Issuers are mandated to be able to receive this indicator (Field 34 Dataset ID 02 Tag 87) **effective with the April 2021 Business Enhancements release**. However, acting on this indicator is optional for issuers. The indicator will be available for issuers to opt-in and test starting from February 2021. More information about the technical implementation of the resilience indicator can be found in Article 9.4.1 of the *October 2020 and January 2021 VisaNet Business Enhancements Global Technical Letter and Implementation Guide, Effective: 10 September 2020*.

- **Section 4.7—Cardholder Authentication Verification Value (CAVV) Processing**

  This revised section reminds issuers to allow for up to five CAVV re-uses in certain circumstances for an extended period until **1 September 2022**, as announced in "Update to CAVV—Exceptions to Reuse in Europe," published in the 20 August 2020 edition of the *Visa Business News*.

Additional Resources

Documents & Publications

"Preparing Travel and Hospitality Merchants for SCA Compliance on Indirect Sales Transactions," *Visa Business News*, 20 August 2020

"Update to CAVV—Exceptions to Reuse in Europe," *Visa Business News*, 20 August 2020

October 2020 and January 2021 VisaNet Business Enhancements Global Technical Letter and Implementation Guide, Effective: 10 September 2020

- Article 9.4.1— Changes to Support Acceptance Environment Authentication Outage Indicator Field

Online Resources

Refer to the Payment Services Directive 2 (PSD2) section and the Visa Secure page at Visa Online for additional EMV 3DS and SCA resources.

Note: For Visa Online resources, you will be prompted to log in.

For More Information

Contact Visa customer support on your country-specific number, or email CustomerSupport@visa.com.