



PCI/DSS

Payment Card Industry Data Security Standard

Agent Education Plan and Q&A

Overview:

Visa® and MasterCard® have implemented a mandatory Payment Card Industry (PCI) Data Security Standard. This standard is referred to as the Cardholder Information Security Program (CISP) in Visa materials and as the Site Data Protection (SDP) Program in MasterCard materials. Visa and MasterCard rules require that all merchants comply with the new Data Security Standard. Separate and distinct from the mandate to comply is the validation of compliance. Levels one through Level three merchants are required to become compliant by enrolling in a security-testing program. Validation includes Quarterly Scheduled Security Testing of their Internet connections and the completion of a Self-Assessment Questionnaire. Fines can be imposed if any merchant is part of a compromise and they are found not to be compliant with the new Data Security standards. The fines can range from \$2,000 up to \$500,000.

Merchants are classified into four Levels. Each level has different validation requirements.

Level 1: Over 6,000,000 Visa or 6,000,000 MasterCard transactions per year. All Level 1 merchants have been notified and are in the process of being validated.

Levels 2 & 3: 20,000 to 6,000,000 in Visa or 20,000 to 6,000,000 in MasterCard e-commerce transactions per year. Validation due date for these merchants is June 30, 2005.

Level 4: Fewer than 20,000 Visa e-commerce or fewer than 20,000 MasterCard transactions per year, and all other merchants processing up to 6,000,000 in Visa or 6,000,000 in MasterCard transactions per year. These merchants must be compliant; however, a date for validation has not yet been determined.

A dedicated phone number has been provided on the CISP letter to better assist our merchants with the compliance process. The phone number informs and routes the merchant to the appropriate call center and/or website for assistance in these new standards. The number provided is (800) 557-4797.

Action:

If you receive a call from a merchant inquiring about this letter, please validate that this is a required Visa/MasterCard mandate and refer the merchant to Security Metrics at (800) 557-4797.

Remember that we are not security experts; please transfer all calls regarding this issue to Security Metrics.

If you have any questions, please let us know.



Cardholder Information Security Program

Q: Do I have to comply with the PCI/DSS?

A: Yes, the CISP is a mandated program by Visa/MasterCard that all merchants must comply with to avoid fines.

Q: What happens if I don't comply with these standards?

A: You could be fined up to \$500,000.

Q: Do all processors have to comply with these standards?

A: Yes, the PCI/DSS mandates by Visa/MasterCard requiring all processors to comply with these standards.

Q: What is the difference between Compliance and Validation?

A: Compliance: Merchant abides by the new security standards. Validation: a several step process confirms the merchant is abiding by the new Security Standards.

Q: Do all merchants have to be compliant?

A: Yes, Visa/MasterCard requires that all merchants be in compliant.

Q: How do I become Compliant?

A: Contact Security Metrics at (801) 705-5665.

Q: Do all merchants have to be validated?

A: No, Visa/MasterCard currently only requires level 1-3 merchant be validated by 6/30/05. However, Level three merchants still must be in compliance.

Q: How do I become validated?

A: Contact Security Metrics at (801) 705-5665.

Q: How much is this going to cost me?

A: Liberty Bankcard has negotiated the best price possible for our merchants. Security Metrics will discuss pricing you.

Q: What is PCI/DSS?

A: This is what the original Visa Security Program was called (Payment Card Industry/Data Security Standard).

Q: What is SDP?

A: This is what the original MasterCard Security Program was called (Site Data Protection Program).

Q: What is CISP?

A: This is the new combined (Visa/MasterCard) Security Standard Mandate (Cardholder Information Security Program).



Sample Letter

Dear [Contact Name]:

As a valued customer, your transaction security is important to us. Visa® and MasterCard® have implemented a mandatory Payment Card Industry (PCI) Data Security Standard impacting all merchant card transactions. You may visit each Association's website for information related to these programs: Visa's (CISP) at www.Visa.com/cisp and MasterCard's Site Data Protection (SDP) Program at <https://sdp.mastercardintl.com>.

See the table below to determine your level of compliance and the requirements for your business.

Level	Validation Action	Volume	Due Date
1	Annual On-Site Security Audit Quarterly Network Scan performed by outside certified vendor.	Over 6,000,000 Visa transactions per year. Any merchant involved in data compromise.	9/30/04
2 and 3	Annual Self-Assessment Questionnaire, Quarterly Network Scan	20,000 to 6,000,000 Visa e-commerce transactions per year	6/30/05
4	Annual Self-Assessment Questionnaire, Annual Network Scan	Fewer than 20,000 Visa e-commerce transactions per year, and all other merchants processing up to 6,000,000 Visa transactions per year.	TBD

If you qualify as a level 1, 2 or 3 merchant, failure to act NOW could result in serious fines being levied by the Associations for non-compliance to these standards. All merchants, including those who qualify as level 4 merchants, are expected to meet the requirements of protecting cardholder data. This includes any agents utilized by your business who engage in, or propose to engage in, the processing or storing of cardholder data on your behalf. Under no circumstances should you or your agent store track data. Any violation or compromise by you or your agent may result in fines, financial exposure and inconvenience to your business.

To date, Visa and MasterCard have imposed fines of more than \$500,000 per event for non-compliance and data compromises, which have occurred predominately in the level 4 merchant base. If your business data is compromised, any fees or fines charged by Visa or MasterCard will be directed to your merchant services account. These fees and fines could total more than \$1 million. The Visa and MasterCard web sites above contain complete lists of certified vendors to assist you in fulfilling the program requirements.

We are here to help you. On your behalf, we have negotiated a preferred pricing reduction of over 50% with a certified vendor, Security Metrics. Enroll with Security Metrics online http://www.securitymetrics.com/compliance_summary.adp or call (800) 557-4797. To receive the preferred pricing please request the scan package that is specific to your level and select code "A1231" that represents your acquiring bank.

If you select a vendor other than Security Metrics, please contact us at pci@cardsecuritycompliance.com to inform us of the vendor you have chosen and your enrollment date. It is imperative that we are able to report to the Associations the status of your compliance efforts to help you avoid potential fees and fines, with the exception of any registration costs.

For further confirmation of the importance of this program, you may call **(800) 557-4648**. For questions regarding this program, contact our customer service department.

Sincerely,

Theresa Meredith
Compliance Analyst

Security Metrics Inc.