

Payment & PCI Security Web Cast September 10, 2008



In this web cast, you will learn:

- What is PCI Compliance?
- Consequences of non-compliance.
- How can I make my POS compliant?
- How can I make my forecourt compliant?

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The costs of PCI noncompliance (or, what happens to me if I don't comply?)



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September 10, 2008

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What is PCI DSS Compliance anyway?

The payment card industry combined together to arrive at data security standards for card account data protection. Specifically, PCI DSS is based on the following data security practices:

- **Build and Maintain a Secure Network**
 1. Install and maintain a firewall configuration to protect data
 2. Do not use vendor-supplied defaults for system passwords and other security parameters
- **Protect Cardholder Data**
 3. Protect stored data
 4. Encrypt transmission of cardholder data and sensitive information across public networks



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What? cont'd.

- **Maintain a Vulnerability Management Program**
 5. Use and regularly update anti-virus software
 6. Develop and maintain secure systems and applications
- **Implement Strong Access Control Measures**
 7. Restrict access to data by business need-to-know
 8. Assign a unique ID to each person with computer access
 9. Restrict physical access to cardholder data



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What? cont'd.

- **Regularly Monitor and Test Networks**
 10. Track and monitor all access to network resources and cardholder data
 11. Regularly test security systems and processes
- **Maintain an Information Security Policy**
 12. Maintain a policy that addresses information security



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Who Must Comply?

- All entities that process, transmit or store cardholder data



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When Must I Comply?

- It depends on the size of the merchant
 - Level 1 merchants
 - Accepting more than 6 million transactions a year or otherwise required to do so as a result of a hack
 - Required to be compliant as of September 30, 2007.
 - Level 2 merchants
 - E-commerce merchants with 150,000 to 6 million annual transactions
 - Required to be compliant as of December 31, 2007
 - Level 3 and 4 merchants
 - Pursuant to plans with their acquirers.
 - As of October 1, 2008, all new Level 3 and 4 merchants must be PCI compliant or use payment applications that have been certified according to the PCI's best practices.
- However, as of January 1, 2008, any new merchants that accept payment card transactions will have to be using only payment applications that have been certified according to the PCI's best practices.



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Why Must I Comply?

- Failure of noncompliance could result in the termination of your merchant agreement, fines and/ penalties. If your merchant agreement terminations, it could be very difficult to obtain a new merchant agreement. Failure of compliance with data encryption could potentially result in state law violations, as well as FTC issues.



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How Do I Comply?

- It depends on your determination of merchant level. But compliance generally means on-site security audits, self-assessment questionnaire and quarterly network scans.



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• Where can I obtain information about compliance?

- www.pcicomplianceguide.com
- www.AskAboutPCI.com



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What PCI means for you...

Solutions for Security Mandates and Beyond



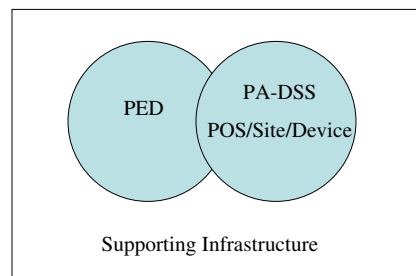
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World of PCI

- Payment Card Industry was created by 5 largest card companies. The intent was to create a central organizing body to set security standards that ensure consistent data security measures.



PED: Pinpad Encryption Device

PA-DSS: Payment Application Data Security Standard

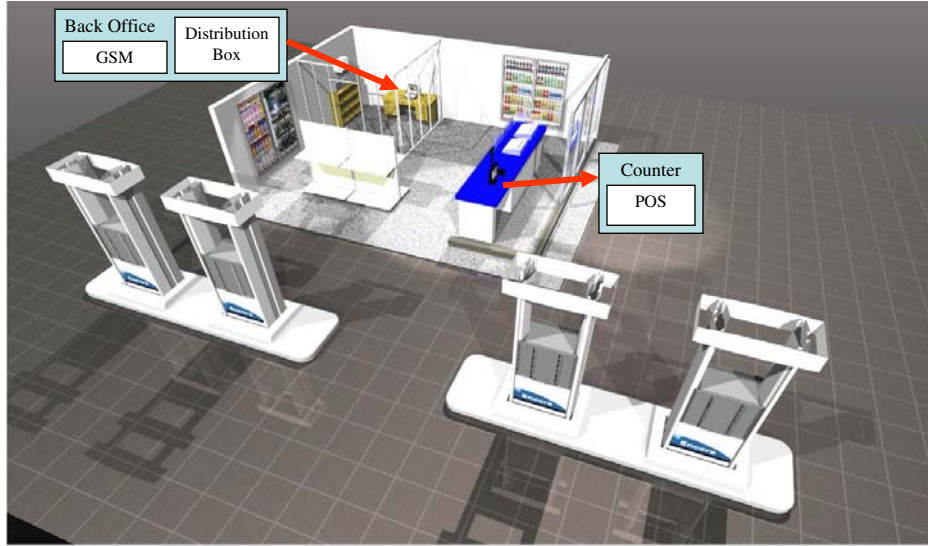


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How does POS fit in?

*All connections must be secured



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Payment Security Mandates Influencing POS

Phase	Compliance Mandates	Effective Date
I.	Newly boarded merchants must not use known vulnerable payment applications, and VisaNet Processors ("VNPs") and agents must not certify new payment applications to their platforms that are known vulnerable payment applications	1/1/2008
II.	VNPs and agents must only certify new payment applications to their platforms that are PABP-compliant	7/1/2008
III.	Newly boarded Level 3 and 4 merchants must be PCI DSS compliant or use PABP-compliant applications	10/1/2008
IV.	VNPs and agents must decertify all vulnerable payment applications	10/1/2009
V.	Acquirers must ensure their merchants, VNPs and agents use only PABP-compliant applications	7/1/2010

http://usa.visa.com/merchants/risk_management/cisp_payment_applications.html



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POS Security Needs

- Secure connections
- Firewalls
- Antivirus support
- Ability to enable control and maintenance of records
- Password updates
- Tiered levels of access and security for employees



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Maintenance requirements to consider

- Patches for latest software version
- Security upgrades
- Active service contracts

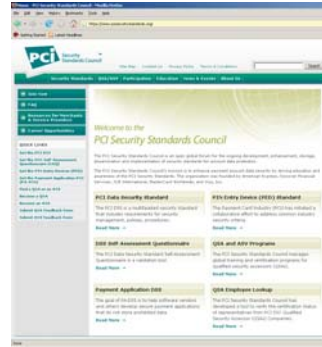


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Recommended next steps

- Visit PCI security council website
 - <https://www.pcisecuritystandards.org/>
- Select approved QSA
 - Petroleum industry experience
 - Specialized certification for payment
- Schedule initial audit with QSA
- Design secure environment with QSA auditor
- Buy approved equipment
- Prepare detailed PCI compliance plan



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Payment Regulations and Security Outside the Store

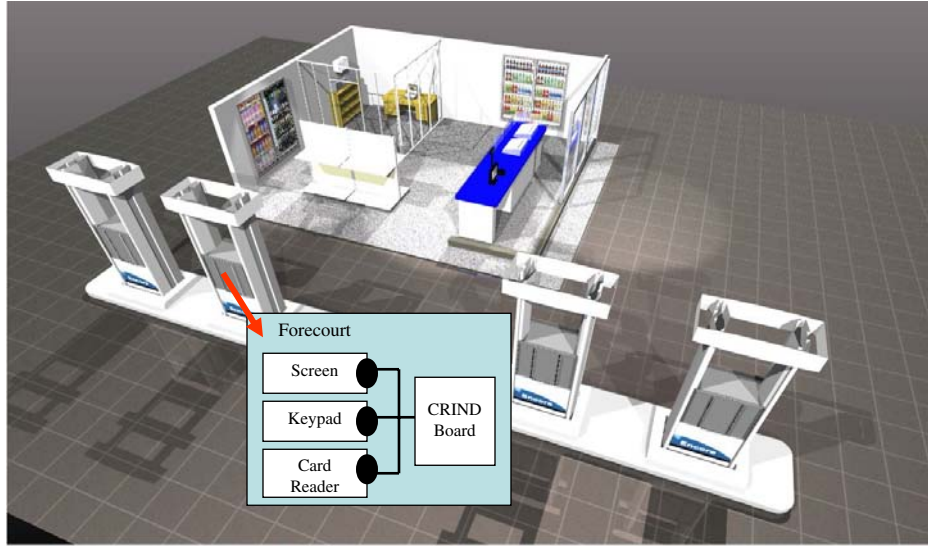


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How does the forecourt fit in?



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Payment Security Mandates

Influencing Dispensers

The EPP standard mandates PCI physical and logical security including the encryption of PINs using acquirer Derived Unique Key Per Transaction (DUKPT) keys.

A change to EPP is required for all AFDs taking debit before July 1, 2010; all new AFDs need EPP shipping after January 1, 2009.







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Retailers have upgrade options...

Retailers have choices to make on the new security requirements for fuel dispensers:

<u>Decision Options</u>	<u>Product Solutions</u>	
No Debit	Is debit worth the upgrade?	
Compliance	PIN Pad only is needed	
Protect Transaction	PIN Pad and SCR protects both PIN and the Card Data	
CRIND™	Modular and Integrated secure CRIND components	



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Needed considerations when choosing your compliant solution...

- *Upgradeable* components that allow flexibility:
 - Upgrade only those components required or desired
 - Maintain other peripherals currently in use (cash acceptors, etc) or easily such additional peripherals in the future
 - Drop into existing real estate to ensure an integrated look and exceptional consumer experience
 - Kits that provide for easy field installation, avoiding costly and complicated field fitting activities



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In Summary

	Inside Store			Outside Store			Compliance Required By		Action Required for Compliance
	Network	POS	PIN Pad	PIN Pad	Card Reader	Screen	Retrofit	Factory Install	
PCI DSS	•						N/A	N/A	No action required
PA DSS		•					N/A	1/1/2008	Upgrade POS software
PCI PED			•				7/1/2010	1/1/2009	Upgrade POS PIN Pad
PCI EPP				•			7/1/2010	1/1/2009	Order factory install or retrofit EPP device
PCI UPT				•	•	•	N/A	TBD	Order factory installed devices



What is PCI?



PCI & the POS



Non-compliance



PCI & the forecourt



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Any Questions?

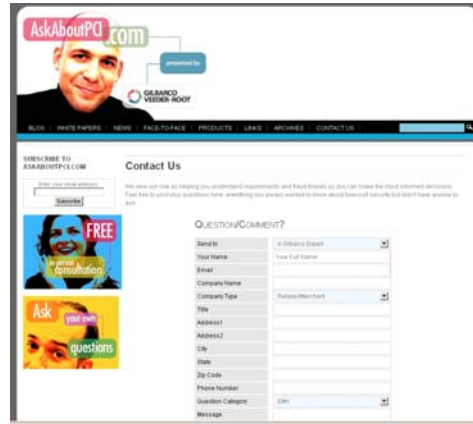


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Thank you for attending.

Please visit AskAboutPCI.com to post any additional questions.



The screenshot shows the AskAboutPCI.com website. At the top, there is a navigation menu with links for HOME, NEWS, FACE-TO-FACE, PRODUCTS, LINKS, ARCHIVES, and CONTACT US. Below the navigation, there is a "SUBSCRIBE TO ASKABOUTPCI.COM" section with a "Subscribe" button. To the right of this is a "Contact Us" section with a form. The form includes a "QUESTION/COMMENT?" label and several input fields: "Send to" (a dropdown menu), "Your Name" (text input), "Email" (text input), "Company Name" (text input), "Company Type" (a dropdown menu), "Title" (text input), "Address" (text input), "Address2" (text input), "City" (text input), "State" (text input), "Zip Code" (text input), "Phone Number" (text input), "Question Category" (a dropdown menu), and "Message" (a large text area). There are also two promotional images on the left side of the contact form: one for "FREE" and another for "Ask your questions".



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