



Canada Payment Security Roadmap



Expanded use of Card Verification Value 2 (CVV2)

Card not present (CNP) fraud represents a significant portion of issuer-reported fraud in Canada. This impacts everyone in the payments system, from issuers and acquirers/merchants to consumers and law enforcement.

Visa continues to advocate for a layered approach to security, incorporating tools including CVV2, Address Verification Service (AVS), Verified by Visa and other third-party solutions.

To help address CNP fraud, Visa is implementing changes that expand the use of CVV2 for telephone or ecommerce merchants in Canada. Using CVV2 provides card-not-present merchants protection from data that may be compromised in the card present channel.

What does it mean?

As of October 14, 2017:

- All new ecommerce or telephone order merchants MUST capture the CVV2 and include it in the authorization request during a Visa transaction.
- If an issuer approves a 'no-match' transaction (ie a CVV2 is provided but it doesn't match the cardholder's account), then the issuer is liable for that amount. This offers an added layer of protection for merchants.
- All merchants in Canada will be prohibited from requesting CVV2 for mail order transactions if the data is provided in a written format. This reduces potential for that information to be stolen and used fraudulently.

These changes will be expanded to ALL ecommerce and telephone order merchants in Canada by October 13, 2018.

FAQ

Why is Visa making these changes?

Visa is making a series of changes to address fraud in Canada. These changes will take place over the next several years. One of the first changes to be implemented is expanded use of CVV2 for newly boarded merchants.

When does expanded CVV2 use go into effect?

Expanded CVV2 use goes into effect October 14, 2017 for all new merchants, and will apply to all other merchants in Canada one year later.

Why is CVV2 capture initially only being required for newly boarded merchants?

We chose to implement CVV2 capture in a phased approach to give existing ecommerce and telephone order merchants more time to make changes to their systems. For newly boarded merchants, it will be simpler to incorporate CVV2 capture as part of their system when they first launch.