

Visa, MasterCard Agree on Common AID for EMV Debit Routing

by [David Heun](#)

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Visa and MasterCard have agreed to share their common application identifier technology, enabling EMV-chip based debit transactions to originate from a single application while allowing merchants a choice of networks for routing.

The agreement is a major step toward resolving a longstanding dispute within the payments industry over how to adapt EMV payment technology to U.S. regulation.

The licensing agreement between the two major card brands provides for "a multi-access common AID that all others can adopt" and supports the [single-code recommendation of the EMV Migration Forum](#), says Stephanie Ericksen, Visa's head of authentication product integration.

The agreement comes less than a week after the Secure Remote Payments Council, representing independent debit networks, announced what it considered a major concession in [agreeing to allow Visa and MasterCard applications](#) on their debit cards after earlier committing to Discover's common AID.

The debate over EMV debit routing has raged for more than a year as debit networks preparing for EMV smart cards in the U.S. deal with Durbin amendment requirements that call for at least two network options. The U.S. is the only country with multiple debit networks and federal mandates for routing.

"We are pleased to be able to offer a cost-effective option for acquirers and issuers for merchant routing choice through a single common AID," says Carolyn Balfany, MasterCard's senior vice president and group head of U.S. product delivery.

The EMV Migration Forum, an independent body formed to study the EMV migration in the U.S. and develop common procedures, has generated significant progress to meet the needs of a single application for EMV debit transactions, Balfany says.

Neither Ericksen nor Balfany would speculate about what position the Secure Remote Payments Council members would take. The council's main stipulation has always been that an independent consortium govern the common AID technology, rather than the card brands.

The Visa/MC solution will be available to all U.S. debit networks and it has been "configured in a way that is agreeable to all stakeholders," Balfany says.

"We do hope that they [SRPc] do see the solution as agreeable," Balfany adds. "With the issuer portability it offers, it is ideal for everyone."

The agreement is "a very positive move" because it makes EMV debit routing much easier for all stakeholders involved, says Julie Conroy, senior analyst and fraud expert with Boston-based Aite Group.

"I was a little surprised by the announcement, to be honest, because I was really expecting that there would ultimately be a three-application environment for debit cards," Conroy says.

Still, it is not likely that the independent debit networks will embrace the Visa/MasterCard agreement, Conroy adds.

"The SRPc will want to keep their own solution because there are some competitive interests at stake here," Conroy says.

The governing control of the technology "is a big issue" for the regional networks, Conroy adds.

Eventually, the SRPc will have to "come to the table with some sort of similar interoperability" technology that would allow the council to remain independent, Conroy says.

Ericksen says she views the agreement as a major breakthrough in what has been a long process. The outcome is "a streamlined and simplified approach and it made good business sense to come to this conclusion," Ericksen adds.

Balfany says the card brands have known for a long time that "this is the right answer" and goes a long way toward facilitating the adoption of EMV technology.

"It's important to understand that we never intended that these agreements be exclusive, but that each network can make its own decision," Balfany adds.

Issuers will be able to load either the Visa or MasterCard application onto their cards, and "flexibly enable transactions to route over any participating PIN debit network within the U.S.," the card brands state in a July 30 press release.