3X Software Ltd

Bringing you Solutions

3X Secure

3D Secure Merchant Plug In

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3X Secure - Merchant Plug In (MPI)

3X Secure enables merchants to integrate their payment processing with Visa's 3D Secure and MasterCard's SecureCode protocols and functionality.

Until now, Internet based transactions have been defined as 'cardholder-not-present' (CNP) transactions, meaning that a person purchasing from a web site does not present their card to the merchant, and there is no way of verifying a signature, or asking the purchaser for a pin number in order to verify that card does in fact belong to that person. If, after an online purchase has been made and the card owner states that they were not the person using the card, then a chargeback may occur resulting in extra costs to the merchant.

3D Secure is a credit card authentication program developed by Visa and MasterCard in order to address this problem, and reduce fraudulent use of credit cards during online transactions by verifying that the purchaser is in fact the owner of the card, resulting in fewer disputed transactions and charge-backs, thereby saving the merchants both time and money.

3D Secure is also known as Verified by Visa, and MasterCard SecureCode – both of these terms being brand names for the 3D Secure Protocol.

3D Secure is a protocol based on the 3-domain model, and uses Secure Sockets Technology to ensure that all parties involved in the transaction can be authenticated securely.

Based on the 3-Domain Secure Service protocol, the infrastructure consists of the following domains:

3X Secure Key Features

- Standalone module

- Fixed fee no per transaction fees

- Accepts Visa Credit, Visa Delta, Visa Commercial, MasterCard and Maestro

- Easy to install

- Accredited with MasterCard and Visa

- Platform independent— runs as a web application on any compliant web application server

- Secure communications using SSL and digital certificates

Issuer Domain
Issuer Access Control Server (ACS)
A server that validates cardholder participation in the service, performs the cardholder verification, performs the card authentication for smart Visa cards, and provides digitally signed responses to merchants. The ACS is operated by the Issuer, its processor, or Visa on behalf of the Issuer.

Issuer Activation Server
A server that manages cardholder activation by requesting identity information from the cardholder that is verified by the Issuer. The Activation Server is operated by the Issuer or its processor.

Acquirer Domain
Merchant Plug-in Software (MPI)
A software module, used to provide an interface between the Verified by Visa service and merchants' payment processing software. The software also verifies Issuers' digital signatures in the authentication responses returned to the merchant.

Interoperability/Visa Domain

Directory Server (DS)
A server operated by Visa to route authentication requests from merchants to Issuer Access Control Servers.

Authentication History Server (AHS)
A server operated by Visa that stores authentication transactions. The AHS is used to verify authenticated transactions and to provide additional information during the dispute process.

Benefits of 3X Secure - 3D Secure MPI

You get protection from fraudulent transactions and the costs associated with it, and your customers get the reassurance they need to spend with confidence.

- **Eliminate chargebacks -** Helps protect you from fraudulent claims that cardholders didn't take part in, or authorise, a payment. Once you are up and running with Verified by Visa, you are no longer liable for chargebacks of this nature.

- **Boost customer confidence -** Research in Germany, Spain and the UK shows that 84 percent of people who do not shop online would be more likely to with Verified by Visa. Of established Internet shoppers, 71 percent say they would do so more frequently.

- **Achieve bigger sales -** Research by the analysts Gartner Group states that the average e-commerce transaction is worth less than €73. Figures from Visa Europe show that the average Verified by Visa transaction is worth more than €138.

- **Implement with ease -** it is a matter of adding a quick extra step to your online checkout procedure. For customers, enrolling takes moments and each purchase is accompanied by a personalised secret message from their card issuing bank.

  The main thing to be aware of is that MasterCard are seeking to audit Merchants to ensure they introduce SecureCode. For those that have not, MasterCard are seeking to raise fines of $25k per merchant per month for those not compliant
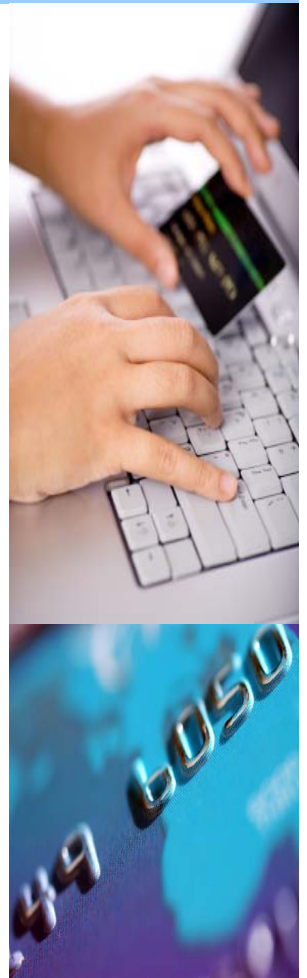
How Does it Work?

3X Secure is a <u>standalone</u> module that can be implemented alongside your existing payment system so you can implement with only minimal changes to your existing processing. Some 3D Secure MPIs are provided as a service and you are then charged a transaction fee but with **3X Secure** we offer a fixed price module with no hidden costs.

3X Secure runs as a web application (i.e. it runs in a Web Application Server, such as Tomcat or Websphere) and is called at the point of a web-based transaction when a purchase has been made, but before payment is taken.

The merchant's shopping/checkout page calls **3X Secure** and asks it to verify that the shopper's payment card (Visa/MasterCard credit/debit) is enrolled in the 3D Secure scheme.

A pop-up window is then presented to the customer asking them to enter a pass phrase (which they will have registered with their bank during the enrolment process). **3X Secure** then checks this pass phrase and if correct provides a verification value which binds that user to the transaction, providing the merchant with a fully verified transaction.

Technical Specifications

3X Secure Standard MPI

The MPI runs as a web application, and therefore requires a web application server which supports Servlet specification 2.3. Examples of suitable web app servers are:

Tomcat (versions 4 and 5)
Websphere Application Server

For more information see:

http://www.visaeurope.com/merchant/handlingvisapayments/cardnotpresent/verifiedbyvisa.jsp

http://www.mastercard.com/us/personal/en/cardholderservices/securecode/index.html

About 3X Software

Founded in 1981, 3X Software offers a range of support and packaged solutions for all industry sectors. 3X has worked with nearly every type of industry over the years but with the one common factor – IBM midrange systems from system/34, system/36 system/38, AS/400, iSeries, i5, System i and more recently announced IBM Power Platform.

Today one of our specialities is the retail environment with our major products being focused in this area, these are our Credit Card Payment, Encryption and Postal Address Management products.

Our solutions are installed in companies as diverse as a market leader in Health Foods and Vitamins, a household name in the production of fine ceramics, a mechanical digger parts supplier, High Street Retail, Insurance and Manufacturing.

With our experience in supporting customers on all versions of IBM midrange systems we are well placed to offer ongoing maintenance and development of your systems, regardless of whether they are legacy or the most up to date of systems. Our proven expertise, combined with strategic partnerships with hardware and software suppliers within the IBM community, enable us to provide a full range of common sense solutions.

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