



**ASC X9, Inc.**  
**NEW WORK ITEM PROPOSAL FORM**

**1. TYPE OF PROJECT – PLEASE CHECK ONE**

- X NEW PROJECT - NEW ANS/TR/ CONTINUOUS MAINTENANCE
- NEW PROJECT - ADOPTION OF ISO STANDARD  
(PER X9 PROCEDURES, REQUIRES BOARD APPROVAL)
- REVISION - ANS/TR  
(PER X9 PROCEDURES DOES NOT REQUIRE BOARD APPROVAL)
- INTERNAL EXTENSION OF PROJECT TIMELINE SET BY BOARD  
(REQUIRES BOARD BALLOT AND SHALL INCLUDE REASON FOR EXTENSION)
- EXTERNAL EXTENSION - OF ANS PERIODICAL REVIEW

**2. VALUE PROPOSITION, BUSINESS BENEFIT, RETURN ON INVESTMENT**

Consumer demand and industry trends are moving towards debit transactions on the Internet. From an economic perspective, a sizeable percentage of consumers indicate that they are using their credit cards less. In a recent Javelin consumer survey, nearly 40% of consumers indicated that their credit card usage had decreased directly as a result of the state of the economy, yet they are often choosing other payment methods from traditional providers. In order to keep transaction volume from migrating away from them, financial institutions must take advantage of this opportunity to strategically advance products and services so that “alternative” methods of payment are working in their favor. Financial institutions must offer dynamic payment solutions that make use of existing infrastructure to service consumer needs in a manner that is compatible with other constituents in the ecosystem such as merchants and payment networks.

COMPLETE THIS SECTION FOR ALL DOCUMENTS WHETHER NEW OR REVISIONS

**3. INFORMATION ABOUT PROJECT AND PROPOSER**

Project Title: Secure Consumer Authentication for Internet Debit transactions

Date of Submittal: 10/15/09

Name of Proposer: Lilik Kazaryan

Organization: First Data-STAR Network

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#### **4. JUSTIFICATION OF PROJECT**

**a.) Issue Description:** *(Provide a detailed explanation of what you propose to standardize. Attach any documents to further explain subject.)* **Attach draft if available.**

Establish an American National Standard to provide secure consumer authentication for debit transactions enacted or made on the Internet. Some examples of authentication methods for debit transactions on the Internet are:

Dynamic Floating PIN

One-Time Passwords

Authenticating the cardholder via the financial institution online banking site

Zero Knowledge

**b.) Project Need/Benefit:** *(Please include a thorough explanation of why the standard is needed, what commercial, operational, or financial benefits may be realized by use of the standard.)*

Consumer demand and industry trends are moving towards debit transactions on the Internet. Currently, there are no standards for secure consumer authentication of debit transactions on the Internet yet security issues are paramount with consumers. Methods of payment that consumers deem to be unfamiliar and unsecure are likely to yield low transaction volume and negatively impact consumer confidence in the integrity of the financial institution, these methods will add no value for the financial institution.

Conversely, by providing secure Internet payment options with which consumers are comfortable and confident, the financial institution will strengthen its relationships with its consumers and generate revenue through transaction growth.

**c.) Identify Stakeholders:**

Financial Institutions  
Merchants  
EFT Networks  
Consumers

**d.) Is this project a consumer product?**

No

**f.) Does it contain any units of measurement?**

**If yes, which one:**

No

- U.S.**
- Metric**
- Both**
- Not Applicable**

**5. COORDINATION WITH OTHER STANDARDS**

a.) Do you see this as a technical report (TR) or a standard (ANS)?  
(Refer to X9 Procedures for explanation.)

Standard

b.) Could this technical report/standard become part of another X9 technical report/standard?

No

c.) Should this project be developed within ISO/TC68 as an international standard?

No, the stakeholders for this standard are domestic

d.) List any closely related domestic standards either published or under development of which you are aware.

None

e.) Describe any related domestic work efforts.

None

f.) List any closely related international standards, either published or under development of which you are aware.

None

g.) Identify the ISO standard or technical report to be adopted.

None

h.) Does this project contain text from an ISO standard?

No

i.) Security-related Needs:

(Identify any security-related needs or requirements generated by this new work item and discuss them with the chair of the X9F Data & Information Security subcommittee. Will any of these needs or requirements be included in the scope statement?)

This is a security application standard and should be carried out under X9F. This NWI intention is to create standards to securely authenticate consumers via the Internet for purposes of Debit transactions on the Internet.

**6. PATENT ISSUES and Disclosures**

Are there any patent concerns or could there be in conjunction with this project?

Not at this time

If the reply is yes, a letter is required. Submitter shall review the full X9 Patent Policy contained in the X9 Procedures to ensure compliance with question 5. Disclosure applies to new work item or revision of a document. **While there is no objection in principle to drafting an American National Standard (ANS) in terms that include the use of an essential patent claim (one whose use would be required for compliance with that standard) if it is considered that technical reasons justify this approach.** The objective is to obtain early disclosure concerning the existence of patents, where known. Any participant in the process -- not just patent holder -- is permitted to identify or disclose essential patents or essential patent claims that may be required for implementation of the standard. Neither the ASD nor ANSI is responsible for identifying patents for which a license may be required by an American National Standard or for conducting inquiries into the legal validity or scope of those patents that are brought to their attention.

**7. PROJECT TIMELINE AND PARTICIPATION (A and B)**

A. Estimated Project Development Time

(See X9 timelines requirements below)

Note that X9 requires:

Status ////////////////////////////////////	Definition //////////////////////////////////////	Timeline //////////////////////////////////////	
New Work Item (NWI) Revision	New standards development project or revision	Approval of NWI by Board is the NWI project start date – sets to 0 Revisions timelines start with notification to the Board – sets date to 0	
Working Draft (WD)	A working draft is created by the working group	A draft of the new standard or revision is due between, but no later than 18 months 0-18 months	6 – 8 months after NWI approval

Committee Draft (CD)	A draft has been issued to be balloted to the Subcommittee	For either a new work or revision, at 18 months ballot to SC should have begun	One year
Draft Industry Standard	The document has been issued to be balloted to the Consensus body – X9	For either a new work or revision, the document should be balloted no later than 18-36 months	
Published	Completed and available for sale	For either a new work or a revision, the document should be published no later than 36-40 months	ONE AND ONE HALF YEAR
Periodical Review		5 year review due from date of ANSI approval	

**B. Potential participants:** *(List names and organizations - Must include at least 5 X9 Board voting organizations who will participate actively?)*

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<i>First Data Corporation-STAR Network</i>	<i>Lilik Kazaryan</i>
<i>Discover Financial Services-PULSE Network</i>	<i>Linda Lane</i>
<i>Bank of America</i>	<i>Andi Coleman</i>
<i>J.P. Morgan Chase &amp; CO</i>	<i>Donna Meagher</i>
<i>Hewlett Packard</i>	<i>Larry Hines</i>

**8. MARKETING INFORMATION**

What is the target audience for this guideline or standard?

Financial Institutions  
 Merchants/Internet Acquirers  
 EFT Networks

What industry need will the standard or guideline fill and how?

Secure consumer authentication for Debit transactions on the Internet

How will X9 "sell" the standard or promulgate its use?

Standards can be mandated by EFT networks and other associations

**9. RETURN COMPLETED FORM TO:**

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