

Key Terms and Definitions

Term	Definition
Acquirer	An Acquirer is an organization authorized by the payment schemes to enable merchants to process debit and (or) credit transactions. The acquirer establishes a contractual relationship with the merchant and assigns the relevant fees/discount rates for the merchant and ensures the merchant complies with all regulations stipulated by the card schemes.
Payment Processor	A Payment Processor is contracted by an Acquirer and can provide the technology to enable a merchant to accept credit and debit card transactions and processes these transactions on behalf of the merchant and the acquirer.
Card Reader	A secure device used to read card information (via magnetic stripe and/or chip) required for payment transaction processing. The Card Reader may or may not be integrated with a PIN pad.
Certificate	The public key and identity of an entity, together with some other information, that is rendered non-forged through the use of a private key by the certification authority issuing that certificate
Certification Authority	A trusted third party that establishes the public key for use by merchant and links it to the owner.
Chip Card	A card that utilizes a chip technology to process some applications such as, payment, loyalty and/or related transactions.
ECR	An Electronic Cash Register (ECR) processes specific retail functions which may include card payments. Some ECR's may have a card reader and PIN pad integrated with the register.
EMV	Set of technical specifications jointly developed by Europay, MasterCard and Visa (E, M, V) to provide standards for processing chip payment transactions. Use of these standards ensures global interoperability of chip cards and devices. These specifications are maintained by EMV Co, an organization owned and managed by MasterCard, Visa and JCB.
ICC	Integrated Circuit(s) Card – refers to a chip card.
Integrated Merchant	Merchants who have their register systems and card payment processing unified into a single POS solution. The payment software application is often provided by a third party vendor or VAR and is integrated within the merchant's Electronic Cash Register (ECR) to provide an interface to an Acquirer.
Issuer	The financial institution who issues the credit or debit card to the customer or consumer.
Payment Application Software	An Acquirer or Merchant's proprietary software that resides on the POS terminal or PIN pad. This software handles the card payments and forwards the financial transaction to the Acquirer for processing.

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Payment Schemes	<p>Are the payment brands including: Visa, MasterCard, Interac Association and American Express. The payment brands establish industry operating regulations for Acquirers and Issuers to facilitate coordination with merchants and cardholders. Payment Brands in Canada also manage their proprietary networks:</p> <p>Visa – VisaNet, Plus THE EXCHANGE ATM network MasterCard – BankNet, Maestro and Cirrus Interac Association – Interac Network American Express</p>
PIN	<p>Personal Identification Number – a numeric code used to validate the individual who initiated the transaction via a payment card. The number is entered into a keypad and is encrypted to travel along with the authorization.</p>
PIN Pad	<p>A secure device where cardholders enter their PIN. The PIN pad may also have card reading capabilities.</p>
POS	<p>Point of Sale – Refers to a payment terminal or the device used at point of purchases within the merchant retail location.</p>
Register	<p>Please see ECR, Electronic Cash Register.</p>
Script	<p>A command or string of instructions transmitted electronically by the Issuer via the Terminal to update specific information on the chip card.</p>
Stand Alone Merchant	<p>Merchants who have a POS terminal for handling card payments which operate independently from the ECR.</p>
Terminal	<p>An electronic device that accepts and processes payment transactions.</p>
Type Approval	<p>A process that tests and confirms compliance with EMV and/or other specifications. Type Approval provides a level of confidence that interoperability between compliant applications has been achieved prior to the device being deployed.</p>
Type Approval Certificate	<p>Certificates required by the payment brands that demonstrate that devices and PIN pads are EMV-compliant.</p>
VAR	<p>Value Added Reseller – A third party vendor who develops, certifies, maintains and/or sells debit and credit software solutions created by themselves or other companies to be used on a processor’s system.</p>