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Numerics Initiative: Reinforcing the Importance of Smart BIN Management Policies

Global | *Acquirers, Issuers, Processors, Agents*
Visa, Interlink, Plus Networks; V PAY; Europe Processing

Overview: Visa has implemented policies to support its Smart BIN Management strategy of responsible use of Bank Identification Numbers (BINs). This article reinforces the importance of these policies leading up to the April 2022 effective date for Visa clients to support the new eight-digit BIN standard.

Visa recognizes that clients need to plan carefully for the migration to the eight-digit Bank Identification Number (BIN) standard and the decision to expand existing BINs. As announced previously, **effective with the April 2022 VisaNet Business Enhancements release**, Visa will only assign eight-digit issuing BINs for new requests; six-digit BINs will no longer be assigned. Visa clarified in April 2019 that issuers have the discretion to convert any or all of their six-digit issuing BINs to eight digits, as well as to set their own timelines for expansion.

To facilitate a smooth transition to the new standard, Visa is reminding issuers of its existing Smart BIN Management policies. Visa established these policies to ensure a sufficient supply of BINs to support new product innovations. Further, by following these utilization policies, implementing the eight-digit standard will be less disruptive to client operations and cardholders.

BIN Utilization Policies

In 2017, Visa announced specific utilization policies as part of its Smart BIN Management strategy to promote efficient use of numerics and prepare for a successful transition to the new eight-digit issuing BIN format. As a reminder, effective with the October 2017 Business Enhancements release, clients and processors must:

- Uninstall any unused ranges in a BIN prior to enrolling in a tokenization product.

- Utilize the available account ranges in their existing BINs before they are licensed additional BINs for new card issuance programs. This policy is subject to BIN product-type requirements as identified in the Visa Rules.

- Install in VisaNet only the individual account ranges required to issue new cards in the near term (including programs within already licensed BINs).

- Not randomly issue cards across an entire six-digit BIN. If random issuance is desired, clients should begin randomization with the 10th digit.

These requirements continue to be relevant to ensure Visa maintains an ample supply of BINs to support continued innovation. By adhering to them, clients will be able to accommodate eight-digit BIN assignments more smoothly going forward, improve their operational efficiency and mitigate potential fraud.

Importantly, Visa is able to provide issuers the discretion to manage their own migration to eight-digit BINs due in part to the success of its existing BIN utilization policies. By continuing to adhere to these policies, Visa and its issuers are setting the stage for future innovation and expansion for electronic payments.

Ensuring Readiness

Clients are reminded of the following practices to support their responsible use of account ranges:

- Issuers and issuer processors must understand their primary account number (PAN)-issuance processes and system algorithms to properly manage card portfolios / programs at the nine-digit account range, as well as to avoid card issuance on ranges that are not installed in VisaNet.

- In order to comply with these policies, issuers must not follow the legacy practice of randomly assigning PANs across their entire BIN. Enhanced card security technologies such as Card Verification Value 2 (CVV2) are more effective for controlling fraud; however, if random issuance is still desired, Visa recommends randomizing at the 10th digit.

- Acquirers and acquirer processors must ensure that all platforms are processing based on the processing and routing attributes defined for each nine-digit account range record in the Account Range Definition (ARDEF) and routing tables. Acquirers and acquirer processors must use the existing card prefix / BIN-length attribute to determine the appropriate number of positions to read in the card prefix / BIN field.

- Routing should be based on the record that best matches the full, granular card number and not solely on the first six digits (BIN). Within the ARDEF table available through Visa's Edit Package software, acquirers and acquirer processors must process based on the full nine-digit account range record.

For More Information

Merchants and third party agents should contact their acquirer.