

NPCI/NFS/OC No.264/2017-18

22nd September, 2017

To,
All Members of National Financial Switch (NFS)

Madam / Dear Sir,

Sub: Migration from Static Key Exchange to Dynamic Key Exchange (DKE) on NFS

We refer to Operating circular No.225 dated 5th October, 2016 for migration from Static Key Exchange (SKE) to Dynamic Key Exchange (DKE) on NFS.

As an security enhancement measure, NFS intends to migrate all members to DKE at the earliest. This mechanism enables members and NFS to conveniently exchange Zonal PIN Key (ZPK) encrypted under the Zonal Master Key (ZMK) dynamically, using online management message.

The salient features of DKE are as below:

1. DKE enhances the security of the payment system by making it feasible for NFS and its members to frequently exchange PIN encryption keys.
2. DKE mitigates the risk of key compromise. DKE allows members to request for a key exchange as per their requirement, at any given point of time.
3. It eliminates the manual ZPK generation and key mailers.
4. Always a new key (ZPK) is shared with every DKE, even for repeated attempts/ trials.

Further, In NFS Steering Committee meeting held on 12th September, 2017, Members were requested to complete certification and implement DKE at the earliest.

Hence, in view of the above, members are requested to do the necessary changes at their switch end and come forward for Certification to migrate to DKE by **31st December 2017**.

In case of any further clarification, kindly contact following:

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Yours faithfully,



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