

# INTERNATIONAL STANDARD

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## **Banking — Key management (retail) —** **Part 3:** Key life cycle for symmetric ciphers

*Banque — Gestion de clés (services aux particuliers) —*

*Partie 3: Cycle de vie des clés pour les algorithmes cryptographiques  
symétriques*



Reference number  
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## Foreword

ISO (the International Organization for Standardization) is a world-wide federation of national standards bodies (ISO member bodies). The work of preparing International Standards is normally carried out through ISO technical committees. Each member body interested in a subject for which a technical committee has been established has the right to be represented on that committee. International organizations, governmental and non-governmental, in liaison with ISO, also take part in the work. ISO collaborates closely with the International Electrotechnical Commission (IEC) on all matters of electrotechnical standardization.

Draft International Standards adopted by the technical committees are circulated to the member bodies for voting. Publication as an International Standard requires approval by at least 75 % of the member bodies casting a vote.

International Standard ISO 11568-3 was prepared by Technical Committee ISO/TC 68, *Banking and related financial services*, Subcommittee SC 6, *Financial transaction cards, related media and operations*.

ISO 11568 consists of the following parts, under the general title *Banking — Key management (retail)* :

- Part 1 : *Introduction to key management*
- Part 2 : *Key management techniques for symmetric ciphers*
- Part 3 : *Key life cycle for symmetric ciphers*
- Part 4 : *Key management techniques for asymmetric ciphers*
- Part 5 : *Key life cycle for asymmetric ciphers*
- Part 6 : *Key management schemes*

## Introduction

ISO 11568 is one of a series of standards describing procedures for the secure management of the cryptographic keys used to protect messages in a retail banking environment, for instance, messages between an acquirer and a card acceptor, or an acquirer and a card issuer. Key management of keys used in an integrated circuit card (ICC) environment is not covered by ISO 11568.

Whereas key management in a wholesale banking environment is characterized by the exchange of keys in a relatively high-security environment, this standard addresses the key management requirements that are applicable in the accessible domain of retail banking services. Typical of such services are point-of-sale/point-of-service (POS) debit and credit authorizations and automated teller machine (ATM) transactions.

This part of this ISO 11568 describes the key life cycle in the secure management of cryptographic keys for symmetric ciphers. It states both requirements and implementation methods for each step in the life of such a key, utilizing the key management principles, services and techniques described in ISO 11568-1 and ISO 11568-2.

The key life cycle consists of three phases :

- a) Pre-use : during which the key is generated.
- b) Use : during which the key is distributed amongst communicating parties for operational use.

In a process where both communicating parties contribute to the generation of a new key, key generation and distribution are closely integrated.

Some key management schemes are designed for transforming keys automatically during operational use.

- c) Post-use : during which a key is archived or terminated.

Figure 0.1 gives a schematic overview of the key life cycle. It shows how a given operation on a key changes its state.

A key is considered to be a single object of which multiple instances can exist at different locations and in different forms. A clear distinction is made between the following operations:

- destruction of a single key instance ;
- deletion of a key from a given location, which implies destruction of all instances of this key at that location.
- termination of a key; which implies deletion of the key from all locations.



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# Banking — Key management (retail) —

## Part 3 :

## Key life cycle for symmetric ciphers

### 1 Scope

This part of ISO 11568 specifies for the retail banking environment the security requirements and the implementation methods for each step in the key life cycle.

The key life cycle applies to keys at all levels of a key hierarchy.

It is applicable to any organisation that is responsible for the protection of keys used in a symmetric cipher.

This part of ISO 11568 is applicable to institutions responsible for implementing techniques for the management of keys used to protect data in bank card originated transactions.

### 2 Normative references

The following standards contain provisions which, through reference in this text, constitute provisions of this part of ISO 11568. At the time of publication, the editions indicated were valid. All standards are subject to revision, and parties to agreements based on this part of ISO 11568 are encouraged to investigate the possibility of applying the most recent edition of the standards indicated below. Members of IEC and ISO maintain registers of currently valid International Standards.

ISO 8908:1993, *Banking and related financial services — Vocabulary and data elements*.

ISO 9564-1:1991, *Banking — Personal Identification Number management and security — Part 1 : PIN protection principles and techniques*.

ISO 11568-1:1994, *Banking — Key management (retail) — Part 1 : Introduction to key management*.

ISO 11568-2:1994, *Banking — Key management (retail) — Part 2 : Key management techniques for symmetric ciphers*.

### 3 Definitions

For the purposes of this part of ISO 11568, the definitions given in ISO 8908 and the following definitions apply.

**3.1 dual control** : A process of utilising two or more separate entities (usually persons), operating in concert to protect sensitive functions or information whereby no single entity is able to access or utilise the materials, e.g. cryptographic key.

**3.2 key component** : One of at least two parameters having the characteristics (e.g. format, randomness) of a cryptographic key that is combined with one or more like parameters to form a cryptographic key.

**3.3 key mailer** : Envelope that has been designed to convey a key component to an authorised person.

**3.4 split knowledge** : A condition under which two or more parties separately and confidentially have custody of the constituent part of a single cryptographic key that, individually, convey no knowledge of the resultant cryptographic key.

**3.5 secure cryptographic device** : A device that provides secure storage for secret information such as keys and provides security services based on this secret information.

## 4 Requirements

Every operation performed on a key changes its state. This clause specifies the requirements for obtaining a given state or performing a given operation.

### 4.1 Key generation

Each key and each key component shall be generated by a random or pseudo-random process, such that it is not feasible to predict any key nor to determine that certain keys are more probable than other keys from the set of all possible keys.

Except for the variants of a key, the non reversible transformations of a key, and keys enciphered under a key or derived from a key, compromise of one secret key shall not provide any feasibly useful information about any other secret key.

### 4.2 Key storage

The objective of secure key storage is to protect keys against unauthorized disclosure and substitution and to provide key separation.

#### 4.2.1 Permissible forms

A key shall exist only in the following forms as defined in this subclause :

- plaintext key ;
- key components ;
- enciphered key.

##### 4.2.1.1 Plaintext key

Plaintext secret key(s) whose compromise would affect multiple parties shall exist only within a secure cryptographic device.

Plaintext secret key(s) whose compromise would affect only one party shall exist only within a secure cryptographic device or a physically secure environment operated by or on behalf of that party.

##### 4.2.1.2 Key components

A key existing in the form of at least two separate key components shall be protected by the techniques of split knowledge and dual control.

Each bit of the resulting key shall be a function of all key components.

When the same key must be created on more than one occasion, different sets of key components

should be used. In this case, the values of any of these key components shall not be the same except by chance.

A key component shall be accessible only to that person or group of persons to whom it has been entrusted for the minimum duration required.

If a key component is in human comprehensible form (e.g. printed in plaintext inside a key mailer) it shall be known to only one authorized person at only one point in time, and only for as long as required for the component to be entered into a secure cryptographic device.

No person with access to one component of the key shall have access to any other component of that key.

Key components shall be stored in such a way that unauthorised access has a high probability of being detected.

If key components are stored in enciphered form all requirements for enciphered keys shall apply.

#### 4.2.1.3 Enciphered key

Encipherment of a key using a key encipherment key shall take place within a secure cryptographic device.

#### 4.2.2 Protection against substitution

The unauthorized substitution of stored keys shall be prevented by one or more of the following means :

- a) Physically and procedurally preventing unauthorized access to the key-storage area ;
- b) Storing a key enciphered as a function of its intended use ;
- c) Ensuring that it is not possible to know both a plaintext value and its corresponding ciphertext enciphered under a key encipherment key.

#### 4.2.3 Provisions for key separation

In order to ensure that a stored key is useable only for its intended purpose, key separation for stored keys shall be provided by one or more of the following :

- a) Physically segregating stored keys as a function of their intended purpose ;
- b) Storing a key enciphered under a KEK dedicated to encipherment of a specific type of key ;
- c) Modifying or appending information to a key as a function of its intended purpose, prior to encipherment of the key for storage.

### 4.3 Key retrieval from back up

Key back up is storage of a copy for the purpose of reinstating a key that is accidentally destroyed, but the compromise of which is not suspected.

The requirements for key retrieval from back up are the same as for key distribution and loading described in 4.4.

### 4.4 Key distribution and loading

A secure cryptographic device should remain in a physically secure environment until loaded with one or more keys.

#### 4.4.1 Plaintext keys

The general requirements for the distribution and loading of plaintext keys are :

- a) The key distribution process shall not disclose any portion of a plaintext key ;
- b) A plaintext key shall be loaded into a cryptographic device only when it can be assured that the device has not been subject to prior tampering which might lead to the disclosure of keys or sensitive data ;
- c) A plaintext key shall be transferred between secure cryptographic devices only when it can be ensured that there is no tap at the interface that might disclose the transferred key ;
- d) A secure cryptographic device shall transfer a plaintext key only when at least two authorised persons are identified by the device, for example by means of passwords;
- e) When a device is used to transfer keys between the cryptographic device which generated the key and the cryptographic device which will use the key, it shall be a secure cryptographic device. After loading of the key into the target device the key transfer device shall not retain any information which might disclose that key.

#### 4.4.2 Key components

The general requirements for the distribution and loading of key components are :

- a) The key component distribution process shall not disclose any portion of a key component to an unauthorised person ;
- b) Key components shall be loaded into a cryptographic device only when it can be assured that the device has not been subject to prior tampering that might lead to the disclosure of keys or sensitive data ;
- c) Key components shall be transferred into a cryptographic device only when it can be ensured

that there is no tap at the interface that might disclose the transferred components ;

d) The key distribution and loading process shall be performed according to the principles of dual control and split knowledge.

#### 4.4.3 Enciphered keys

Enciphered keys may be distributed and loaded electronically via a communications channel.

The distribution process of enciphered keys shall protect against key substitution and modification.

### 4.5 Key use

Unauthorized key use shall be prevented. Therefore,

- A key shall be used for only one function. However a variant of a key may be used for a different function from that of the original key ;
- A key shall only be used for its intended function in its intended locations ;
- Any key shall exist in the minimum number of locations consistent with effective system operation. Any key that exists in a transaction-originating device shall not exist in any other such device ;
- A key shall cease to be used when its compromise is known or suspected.

### 4.6 Key replacement

A key and its variants shall be replaced when compromise of the key is known or suspected. If the key under suspicion is a key encipherment key or a key from which other keys are derived, then all keys which are hierarchically under it shall also be replaced.

A key shall be replaced within the time deemed feasible to perform a dictionary attack upon the data enciphered under this key or within the time deemed feasible to determine the key by exhaustive attack. This will depend upon the specific implementation and the technology available at the time of the attack.

If it is believed or known that key substitution has occurred, both the key and the associated key encipherment key shall be replaced.

Replacement of a key shall take place in all operational locations where the key exists.

Replaced keys shall not be returned to active use.

There are two ways to replace keys :

- by distributing a new key
- by non reversibly transforming the current key.

Key replacement requires destruction of the old key. Figure 1 shows how the life cycle of the previous key and the new key are interrelated.

A key may be replaced by the electronic distribution of a new key enciphered under a key encipherment key only :

- to prevent a dictionary attack on enciphered data ;
- to deter an exhaustive attack on the key, provided that the key encipherment key is a double-length key.

When the compromise of a key is known or suspected the key shall be replaced by distribution of a new key.

When compromise of a key is not known or suspected the key may be replaced by a non reversible transformation of this key.

Transformation of a key prevents backtracking; i.e. compromise of the current key does not compromise previously used keys.

4.7 Key destruction

An instance of a key shall be destroyed when it is no longer required for active use. Electronic instances of a key can be destroyed by erasure. However information may still reside at the operational location so that the key may subsequently be restored for active use.

When a secure cryptographic device is accessible, and known to be permanently removed from service, all keys stored within the device that have ever been, or potentially could be used for any cryptographic purpose shall be destroyed.

4.8 Key deletion

When a key is no longer required at an operational location it shall be deleted.

Key deletion occurs when all instances of the key have been destroyed at a given location.

4.9 Key archive

An archived key shall only be used to verify the legitimacy of transactions that occurred prior to archive. After such verification the instance of the key, necessary to perform the verification, shall be destroyed.

An archived key shall not be returned to operational use.

Archived keys shall be securely stored for the life of all data or keys enciphered under such keys.

A key shall be archived in such a way that the risk of exposure of keys which are still in operational use is not increased.

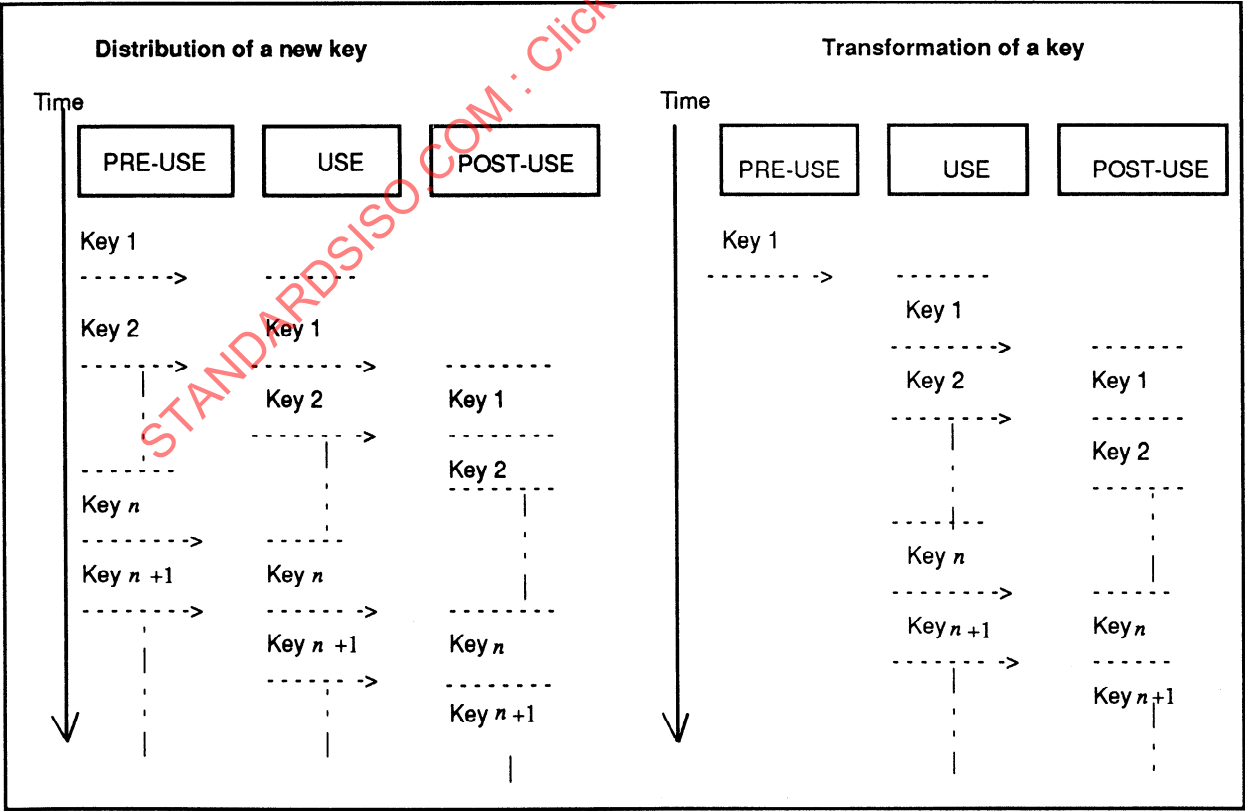


Figure 1 — Key replacement methods

#### 4.10 Key termination

Key termination occurs when the key has been deleted from all locations where it has ever occurred. Subsequent to key termination, no information shall exist from which the key can feasibly be reconstructed.

### 5 Methods

Throughout the key life cycle, equipment and procedures used to store and manage keys shall be subject to controls and audits so as to prevent or detect key compromise.

Requirements applying to specific life cycle stages are specified in the following subclauses.

#### 5.1 Key generation

Keys and key components shall be generated by one of the following methods described in ISO 11568 -2.

- a) non repeatable key generation
  - 1) a random process
  - 2) a pseudo-random process
- b) repeatable key generation
  - 1) key transformation
  - 2) key derivation

#### 5.2 Key storage

Keys are protected against unauthorized disclosure and substitution by implementation of one of the secure key storage forms described in 5.2.1.

Replacement of a key for which substitution is known, suspected or anticipated requires execution of the procedures described in 5.2.2.

##### 5.2.1 Permissible forms

This subclause describes the methods of secure key storage for each of the permissible forms.

###### 5.2.1.1 Plaintext key

A secure cryptographic device will comply with the requirements as stated in a future International Standard.

###### 5.2.1.2 Key components

A key component shall be conveyed to authorized persons by means of a key mailer or a key transfer device.

A key mailer shall be printed in such a way that the key component cannot be observed until the

envelope is opened. The envelope shall display the minimum data necessary to deliver the key mailer to the authorized person. A key mailer shall be constructed such that it is highly likely that accidental or fraudulent opening will be obvious to the recipient, in which case the key component shall not be used.

After the key component has been entered into a secure cryptographic device the key mailer shall be destroyed or sealed in a new tamper evident key mailer for possible future use.

Key components when stored in a key transfer device shall be protected by adequate access controls such as passwords.

##### 5.2.1.3 Enciphered key

Key encipherment shall be as specified in ISO 11568-2.

##### 5.2.2 Protection against substitution

If unauthorized key substitution is known, suspected, or anticipated based on information an adversary has already obtained, the following procedure to replace the key shall be followed :

- a) Erase the enciphered version of any stored key for which substitution is known. Verify that all currently stored enciphered keys are legitimate. If any are not legitimate, they must be deleted ;
- b) Translate the legitimate stored enciphered keys to encipherment under a new key encipherment key ;
- c) Delete the old key encipherment key at all operational locations.

#### 5.3 Key retrieval from back up

Retrieval of keys from back up shall be implemented by one of the methods described for loading and distribution.

#### 5.4 Key distribution and loading

This subclause describes the implementation of key distribution and loading techniques for each of the permissible key forms satisfying the requirements described in 4.4.

The distribution and loading of keys into a secure cryptographic device may be accomplished by one of four techniques :

- a) manual ;
- b) electronic direct loading ;
- c) key transfer device ;
- d) network distribution and loading.

The permissible techniques to load keys into a secure cryptographic device as a function of the different key forms are indicated by an asterisk in table 1.

**Table 1 — Permissible key distribution and loading techniques**

| Techniques<br>Key forms | Manual | Electronic |        |         |
|-------------------------|--------|------------|--------|---------|
|                         |        | Direct     | Device | Network |
| Plaintext keys          |        | *          | *      |         |
| Key components          | *      | *          | *      |         |
| Enciphered              | *      | *          | *      | *       |

#### 5.4.1 Plaintext keys

When a plaintext key is directly and electronically transferred between two secure cryptographic devices, it shall be ensured that those devices are directly connected to each other (without an intervening tap) and operated under continuous dual control.

When explicit key identification is used, the (non secret) key identifier should be transferred at the same time that the (secret) key is transferred.

When a key transfer device is used, the key (and its identifier, if explicit key identification is used) is transferred from the source cryptographic device into the key transfer device. This portable device is then physically transported to the cryptographic device which will actually use the key. The key (and its identifier) is then transferred from the key transfer device into the key-using device. If the key-using device is a transaction originating device then the key shall then be immediately erased from the key transfer device. The transfer of plaintext keys shall take place as specified for direct electronic key loading.

A key transfer device may be given a number of unique keys (each with its identifier, if appropriate), and thus may be used to provide initial keys to a number of remote cryptographic devices.

An alternative version of a key transfer device uses a key generation mechanism to establish unique cryptographic relationships between a number of remote cryptographic devices communicating with a single central cryptographic device. During the initialization process the key transfer device is attached to the central cryptographic device to receive an initial key. The key transfer device shall then use non reversible derivations of this key to

generate unique keys for the remote cryptographic devices, to which it is physically transported. The key generation device shall not retain any information which might disclose any key after generation and loading.

If available the key verification code should be verified after key loading.

#### 5.4.2 Key components

When this technique is used the components that will form the key are manually entered into the device. When key components are distributed in human-comprehensible form each such component shall be distributed in a key mailer which does not disclose the value of the component until opened.

Prior to entering the key component the key mailer shall be checked for signs of tampering. If tampering of one of the components is detected the set of components shall not be used and shall be destroyed following the procedures outlined in ISO 9564-1:1991, annex G.

The key components shall be entered individually by each holder of a key component. The key verification methods described in ISO 11568-2 should be used to verify correct key component entry. When the last component has been entered the cryptographic device is to perform the action required to construct the key. If provided a key verification value generated by one of the methods described in ISO 11568-2 should be used to verify correct key entry.

If available, the verification code for each of the key components and for the resulting key should be verified.

#### 5.4.3 Enciphered keys

The distribution of enciphered keys over a network may require the transmission of special cryptographic service messages, by which the party initiating the key change so informs the other party. Care must be taken to avoid cryptographic synchronization problems.

The key encipherment key should be a double-length key, but the working key may be a single-length key when it is not necessary to protect against a dictionary attack. A fixed key technique may be used in which a double-length key is initially distributed, then used as the working key until physical compromise is known or suspected.

Protection against misuse of keys during their operational use requires the application of one of the techniques described in ISO 11568-2 to protect against substitution and modification.

Key encipherment keys need to be known to both the originator and the recipient of the enciphered keys.