**Tokenization**

Tokenization is a process which is used to safeguard sensitive data such as bank accounts, financial statements, medical records, driver’s licenses, etc. [7] It is often used in credit card processing and involves using a surrogate value (called a token) to replace the primary account number of the credit card. In general, it is the process of substituting a sensitive data element with a non-sensitive equivalent that has no extrinsic or exploitable meaning or value. [7]

The security of an individual token relies on the fact that the tokenization system is designed in such a way that it is infeasible to determine the original primary account number from the token value. As a result, the tokenization system must be secured and validated using security best practices applicable to sensitive data protection, secure storage, audit, authentication and authorization [7]. Only the tokenization system has the ability to convert data into tokens, or to convert the tokens back to the original sensitive data under strict security controls. [7]

References

1. <https://en.wikipedia.org/wiki/Tokenization_%28data_security%29> . Retrieved 15th October 2015.