



 Be
Chip Card
Ready

EMV: What Your Business Needs to Know

Counterfeit card fraud caused \$1.9 billion in losses for businesses and \$3.4 billion for cardholders in 2012. So how can you mitigate this risk for your business and your customers? Ensuring you have an EMV-enabled point-of-sale (POS) terminal is the first step.

THE U.S. IS TRANSITIONING TO CHIP CARDS

You need to be aware that effective October 1, 2015 the EMV liability shift goes into effect. This means the financial responsibility for counterfeit card fraud will no longer rest solely with the card issuer. What does this mean for you? If your business accepts and processes a counterfeit card transaction on a non-EMV-enabled terminal, the liability for the transaction is yours, and not the card issuers.

SO HOW IS THE TRANSACTION PROCESS DIFFERENT?

The process for a chip card transaction is different than a traditional magnetic stripe transaction. With chip/EMV transactions, the cardholder inserts the card into an EMV-enabled terminal, and the card remains in the terminal throughout the transaction. In some cases, the cardholder may be prompted for a PIN (similar to a debit transaction). For this reason, these cards are commonly referred to as “chip and PIN” cards.

Alternatively, some cards may require a signature instead of a PIN, which can also be referred to as “chip and signature” cards. During any EMV transaction, the card never leaves the cardholder’s hand. Whether you have a stand-alone terminal or a terminal with a PIN pad, you present the device to the cardholder to complete the transaction.

WHAT DO I DO NEXT?

The first step is to determine if you have an EMV-capable terminal. You should contact your payment processor if you are unsure if your terminal is EMV ready. Many older models may be unable to support chip transactions and will require an upgrade. If your terminal is EMV-capable, you will simply need to download the EMV application. Your payment processor should have resources available on how to do this and when the best time would be for your business.

A CHIP CARD/EMV REFERENCE FOR YOU

Chip and PIN – EMV cards are commonly referred to “chip and PIN” cards because the chip card is often coupled with a PIN code for security.

Chip and Signature – EMV cards can also be referred to as “chip and signature” because some chip cards are coupled with a signature for security.

EMV – EMV is an acronym for Europay, MasterCard® and Visa®.

Fraud Liability Shift – The Card Brands have announced on October 1, 2015, counterfeit card liability, which has traditionally been assumed by the card issuer, will be assumed by any party that does not enable EMV.

Insert – Instead of swiping a card, the cardholder inserts their chip card into an EMV-enabled terminal.