



EMV: What Your Business Needs to Know

EMV (which is an acronym for Europay, MasterCard® and Visa®) is a more secure way of accepting payments. A “smart card” and an EMV-enabled point of sale solution are required to leverage the technology and security capabilities inherent in EMV.

Smart cards contain a “chip” capable of more sophisticated security than traditional magnetic stripe cards, keeping cardholders safer and combatting counterfeiting and fraud by assigning dynamic values for each transaction. Since fraudsters cannot skim or copy chip card data, EMV technology helps reduce fraud risks for your business and your customers.

THE U.S. IS TRANSITIONING TO EMV

During the transition to EMV, many financial institutions will issue EMV cards that also contain a magnetic stripe. A customer can still swipe an EMV card using the magnetic stripe, but that does not take advantage of added security technology embedded on the card’s chip and is not considered to be an EMV transaction.

The process for an EMV transaction is different than a magnetic swipe

transaction. With EMV transactions, the cardholder inserts the card into an EMV terminal, where it stays during the transaction. In some cases the customer will be prompted for a PIN (this is very much like a debit transaction). For this reason, EMV cards are commonly referred to as “Chip and PIN” cards. Alternatively, some cards may still require a signature instead of a PIN. EMV cards can also be referred to as “Chip and Signature” in this instance.

During an EMV transaction, the card never leaves the cardholder’s hand. You present the payment terminal to your customer – even in restaurant environments.

ACTION REQUIRED!

You need to be aware of the liability shift currently scheduled to go into effect on October 1, 2015, a date determined by the credit card brands*. That means, by this date, if your business accepts and processes a counterfeit transaction on a non-EMV enabled terminal, the liability for that transaction is yours, not the card issuer’s. There is no fine associated with non-acceptance of EMV cards,

LET’S TALK:

Nancy Bosket

541-902-7250

nancy.bosket@opbc.com



EMV: What Your Business Needs to Know

only liability for transactions if your business decides not to use an EMV terminal by October 1, 2015.

HOW DOES EMV HELP YOUR BUSINESS?

EMV benefits everyone associated with your business. Consumers have fewer reasons to worry about the security of their payment information and will have a payment card that works anywhere in the world. Your business benefits from the reduction in card fraud resulting from counterfeit, lost and stolen cards.



WHAT DO I NEED TO DO NEXT?

A range of EMV solutions are available to meet your needs now and after October 1st, 2015. Speak with your sales representative today to learn more about our EMV solutions.

GLOSSARY

Insert - Instead of swiping a card, cardholders insert their chip card into an EMV-enabled terminal.

Chip and PIN - EMV cards are commonly referred to as "chip and PIN" 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.

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



* Businesses with Automated Fuel Dispensers (also called "Pay at the Pump") acceptance methods have until October 2017 to comply with the new standard.

© 2014 Elavon Inc. Elavon is a registered trademark in the United States and other countries. All rights reserved. This document is prepared by Elavon as a service for its customers. The information discussed is general in nature and may not apply to your specific situation. ELV-SOLS-1480-US-0514



EMV FAQs

What is EMV? EMV (an acronym for Europay, MasterCard® and Visa®) is a global technology standard for payment cards. An EMV terminal will communicate with the chip on the EMV card (commonly referred to as a Chip Card) at the time of acceptance to validate the authenticity of the card with the entity which issued the payment card.

How do Chip Cards Work? Instead of consumers swiping a credit card as they do today, consumers will insert the chip enabled card, chip side up, into an EMV terminal. The terminal will then read the chip on the card to ensure that the card is valid. The card will stay in the terminal until the transaction is complete.

How do I know if my chip card is Chip and PIN or Chip and Signature? The card issuer determines if your card is Chip and PIN or Chip and Signature. If you have a Chip and PIN card, your chip card will require you to enter your PIN code during the EMV transaction. If you have a Chip and Signature card, your chip card will require your signature at the end of an EMV transaction.

Why do I need EMV? To reduce counterfeit card fraud! Upon implementation of EMV in the United Kingdom, payment card fraud rates immediately dropped by 25%! By accepting chip cards you help protect your business from card fraud liability and prepare your business for the future payment application technology.

Why haven't I seen a chip card yet? With the United States being one of the last countries to adopt this technology standard, consumers with a chip card may assume businesses are not setup yet to accept their chip card. Today there are more than 1.5 billion chip cards used around the world and this number will rapidly increase as banks continue to issue more chip cards to their cardholders in the United States.

Are banks currently issuing chip cards in the United States? Yes. Most large issuers have been providing chip cards to people that travel internationally for the past few years. With the upcoming liability shift scheduled for October 2015, issuance for domestic use is expected to accelerate over the next year.

Is Elavon prepared for this? Yes. Elavon brings international experience by currently supporting EMV in U.K., Europe, Mexico, South America and in Canada. Elavon will leverage this knowledge and experience to implement a seamless transition to EMV here in the United States and Puerto Rico.

What is Elavon doing to help me prepare for EMV? Elavon offers a variety of EMV countertop and wireless solutions to meet the needs of a variety of merchant environments.

Why do I need an EMV terminal if my current terminal works fine? Your current terminal may function correctly for magnetic stripe cards, but an EMV terminal is required to support chip enabled cards. In order to protect your business from potential card fraud liability, you will need an upgraded EMV enabled terminal solution.

