



WHAT YOU WILL NEED TO KNOW THIS OCTOBER THE NATIONWIDE SHIFT TO EMV IS ONLY 124 DAYS AWAY!

Some other names for EMV include; smart card, chip card, smart-chip card, chip-enabled card, chip-and-choice card (PIN or signature), EMV smart card. EMV is a global standard for cards equipped with computer chips and the technology used to authenticate chip-card transactions.

EMV cards improve payment security, and make it more difficult for fraudsters to successfully counterfeit cards. In the wake of numerous large-scale data breaches and increasing rates of counterfeit card fraud, U.S. card issuers are migrating to this new technology to protect consumers and reduce the costs of fraud. For merchants and financial institutions, the switch to EMV means adding new in-store technology and internal processing systems, and complying with new liability rules. For consumers, it means activating new cards and learning new payment processes. Most of all, it means greater protection against fraud.

1. Why are EMV cards more secure than traditional cards?

It's that small, metal-looking square you'll see on new cards. That is a computer chip, and it is what sets apart the new generation of credit cards. The magnetic stripes on traditional credit and debit cards store unchanging data. Whoever accesses that data gains the sensitive card and cardholder information necessary to make purchases. If your magnetic stripe is replicated then the data is replicated.

Unlike magnetic-stripe cards, every time an EMV card is used for payment, the card chip creates a unique transaction code that cannot be used again. EMV technology will not prevent data breaches from occurring, but it will make it much harder for criminals to successfully profit from what they steal. The introduction of dynamic data is what makes EMV cards so effective at bringing down counterfeit card rates in other countries.

2. How do I use an EMV card to make a purchase?

Just like magnetic-stripe cards, EMV cards are processed for payment in two steps: card reading and transaction verification. However, with EMV cards you no longer have to master a quick, fluid card swipe in the right direction. Chip cards are read in a different way. Instead of going to a register and swiping your card, you are going to insert the card into a terminal slot and wait for it to process. When an EMV card is inserted, data flows between the card chip and the issuing financial institution to verify the card's legitimacy and create the unique transaction data. This process isn't as quick as a magnetic-stripe swipe.

3. Is card inserting the only option?

Not necessarily. EMV cards can also support contactless card reading, also known as near field communication. Instead of inserting or swiping, near field communication (NFC) equipped cards are tapped against a terminal scanner that can pick up the card data from the embedded computer chip.

4. Will I still have to sign or enter a PIN for my card transaction?

Yes and no. You will have to do one of those verification methods but it depends on the verification method tied to your EMV card.

Chip-and-PIN cards operate just like your checking-account debit card. Entering a PIN connects the payment terminal to the payment processor for real-time transaction verification and approval. However, many payment processors are not equipped with the technology needed to handle EMV chip-and-PIN credit transactions. A vast majority will be issuing chip-and-signature cards, which aren't all that different from how credit cards work now. As with a magnetic-stripe credit card, you sign on the point-of-sale terminal to take responsibility for the payment when making a chip-and-signature card transaction. Despite a slow transition overall, those who get chip-and-PIN cards will be able to use them right away. If a terminal doesn't have the ability to accept a PIN, it will then step down to accepting a signature and there will always be a secondary option.

5. If fraud occurs after EMV cards are issued, who will be liable for the costs?

Today, if an in-store transaction is conducted using a counterfeit, stolen or otherwise compromised card, consumer losses from that transaction fall back on the payment processor or issuing bank, depending on the card's terms and conditions.

Following an Oct. 1, 2015 deadline, fraud liability will shift to whoever is the least EMV-compliant party in a fraudulent transaction. Any party not EMV-ready by up-to-date on their compliance by October 2015 could face much higher costs in the event of a data breach.

6. Will the transition to EMV technology be complete by October 1, 2015?

Probably not. Although the upcoming deadline is a strong encouragement for all payment processing parties to become EMV-compliant as soon as possible, experts do not believe everyone will comply by that date. In terms of roll out, the expectation is about 50% of banks and retailers to be completely transitioned over. It's going to take a little time to adapt. The States are the most fragmented and the largest market that has ever gone to the EMV standard, so there's going to be varied experiences over the first year, or so during the transition.



7. If I want to use my chip-card at a retailer that doesn't support EMV technology yet, will it work?

Yes. The first round of EMV cards sent out, many of which are already in consumers' hands, will be equipped with both chip and magnetic-stripe functions so consumer spending is not disrupted and merchants can adjust. If you find yourself at a point-of-sale terminal and are not sure whether to insert or swipe your card, have no fear. The terminal will walk you through the process. If a consumer tries to swipe a chip card instead of inserting it, an error will appear and they will be prompted to insert the card for chip processing instead. If chip-card readers are not in place at a merchant at all, EMV cards can be read with a swipe, just like a traditional magnetic-stripe card.

8. Will I be able to use my EMV card when I travel outside the country?

Yes & no. The U.S. is the last major market still using the magnetic-stripe card system. Many European countries moved to EMV technology years ago to combat high fraud rates. That shift has left many U.S. consumers who have magnetic-stripe cards looking for other forms of payment when they travel. Since many foreign merchants are wary of magnetic-stripe cards, consumers who hold some type of chip card may run into fewer issues than those without one.

However, chip-and-PIN cards are the norm in most other countries that support EMV technology. So consumers with chip-and-signature cards may still find merchants who are unwilling or unable to process their card, even though it does have an embedded chip.

If there are any questions you still might have, please do not hesitate to contact us. We are here to help you every step of the way. 1.888.580.7344