



EMV FAQs

EMV FAQs

Fall 2014

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.

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

What are we doing to help me prepare for EMV? We offer 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.

Can I still accept magnetic stripe cards with an EMV enabled terminal? Yes. The new EMV enabled terminals are designed to accept EMV chip cards and magnetic stripe cards to help during the transition to EMV. With a new EMV enabled terminal you won't need two terminals for both types of payment cards.

What is the difference between an EMV capable and EMV enabled terminal? An EMV **capable** terminal will need a software upgrade or enhancement to become EMV **enabled**. Any terminal sold by us during the soft launch and beyond will be EMV **enabled**.

What if I decide not to upgrade to a new EMV enabled terminal? The Payment Card Networks have announced that on October 1st, 2015*, counterfeit fraud liability, which has traditionally been losses incurred by the card issuer, will be assumed by any merchant customer that does not have EMV enabled equipment capable of detecting the fraudulent card. This means, by the date, if your business accepts and processes a counterfeit card transaction on a non-EMV terminal, the liability for that fraudulent transaction is yours, not incurred by the card issuers.

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