THE SIMPLIFIED GUIDE TO

EMV

FOR MERCHANTS

TRANSFIRST®

First In Secure Electronic Payments

The Simplified Guide to **EMV for Merchants**

The rapid rise of counterfeit payment fraud in the United States clearly demonstrates the need for a solution and adoption of the EMV technology already used globally outside of the U.S. Its added dynamic functionality greatly improves the security of payment transactions. The transition to EMV chip card technology is well underway in the U.S., yet many industry insiders — as well as the general public — have questions about this new form of payment. TransFirst® has the answers you need and support you can rely on.

To make the transition to EMV as smooth as possible, TransFirst offers: **The Simplified Guide to EMV for Merchants**. It is based on our infographic — **8 Great EMV Credit Card Processing FAQs** — which we also invite you to read and share. Together they can help to prepare you and inform others in regard to this important topic.

1. What is EMV®?

EMV is the global standard for embedded-chip technology used to authenticate credit and debit card transactions with improved data security. Launched by EuroPay, MasterCard® and Visa® and adopted by all major card brands, chip technology is currently in use or is being implemented in more than 80 countries. The U.S. started making the migration in 2011, beginning the mandatory adoption designed to ensure that chip payment cards can continue to be accepted everywhere — to work with EMV-compatible point-of-sale terminals and ATMs from country to country.

2. Why are EMV transactions considered to be more secure?

EMV is the best existing technology in use today to authenticate cards and cardholders thus ensuring that it is not a counterfeit or "cloned" card. Data on the transaction, generated by the chip, authenticates the card to the issuer. EMV transactions may also include a PIN, even for credit cards, which authenticates the cardholder to help prevent fraud through lost or stolen cards.

3. What are smart cards?

EMV-enabled cards (chip cards or smart cards) have an embedded secure microprocessor chip that stores cardholder data and creates a unique value to make each processing transaction unique. This is known as dynamic authentication.

- **Contact Cards** — Get inserted into a card reader for transaction authentication.
- **Contactless Cards aka: "Tap-and-Go"** — Use radio frequency (RF) aka: near field communication (NFC) and a nearby (within a few inches) contactless-capable reader for transaction authentication.
- **Dual Interface Cards** — Cards combine contact and contactless technology and use dual interface readers for transaction authentication.

4. Why is the United States moving towards EMV now?

- Non-EMV cards are viewed as having greater fraud risk.
- The incidence of card-present fraud from counterfeiting and stolen cards has been drastically reduced in countries that use more secure EMV technology. That fraud has shifted to and increased in the US which is a driving factor of US adoption.
- The time has come to address the growing international card payment acceptance incompatibility between traditional magnetic stripe payment cards still used in the US and the widespread EMV acceptance abroad.

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5. What do merchants need to know about compliance?

- The major credit card brands all set multi-year deadlines in 2011 for credit card processors and the retailers they serve to transition to EMV.
- Currently, banks are responsible for any credit card fraud that may occur; but a point-of-sale (POS) counterfeit liability shift is set to occur in October 2015. At that time merchants (excluding fuel dispensers) who haven't upgraded their POS credit card processing equipment to support EMV transactions (electronic payments made with chip-based cards) will be responsible if a counterfeit or fraudulent transaction should occur on that card.

6. What are the goals for the EMV roadmap in the U.S.?

Long term plans for the EMV roadmap are to enable dynamic authentication across all payment channels and in the near future provide merchants and consumers with the true benefits of:

- Global interoperability
- Greater security and control
- Seamless integration of loyalty programs and offers
- Powering future innovation

7. What should I do to prepare for the EMV liability shift in my business?

- **Think about future-proofing your business:**
  - » More and more consumers will have chip cards in the future.
- **Evaluate your current risk level to help determine your needs:**
  - » Have chargebacks been an issue for you?
  - » Are you a large retailer or do you sell big-ticket items that would increase the risk of expensive counterfeit transactions?
  - » If you've answered yes to either of these questions you should strongly consider incorporating EMV credit card processing equipment in your place of business.
- **Know your options:**
  - » EMV compliant terminals still support traditional payment processing and most are comparable in cost to traditional credit card machines.
  - » You can speak to your merchant services provider about affordable upgrades.
- **Build EMV readiness expenses into your budget to reinvest in your company:**
  - Be proactive about replacing your current credit card terminals instead of waiting until the last minute when supplies may be limited.
  - Stay ahead of the competition and be equipped and ready to take on the future!

8. Where can I learn more about credit card processing with EMV technology?

The TransFirst.com Learning Center features a number of educational, free resources including:

- Transitioning to EMV®: What Merchants Need to Know
- TransFirst® Supports and Educates Merchants About EMV Adoption
- The EMV Move: Shifting Toward More Secure Technology
- U.S. Credit Card Processing in the Post-EMV Era

Go to www.TransFirst.com and type "EMV" in search bar on top right for more information.

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