

# EMV/Chip Card Technology

## Top Five Things to Know

As a business owner, you may have noticed that your customers are looking for new ways to pay. Whether it's inserting their new chip card into your point-of-sale terminal or asking if you can accept an EMV transaction, here's what you need to know to get your business chip card ready.

- 1** Chip cards, also known as "Chip and PIN" and "Chip and Signature" cards; come with a microchip embedded in the card. The technology is more secure than what's found in traditional magnetic stripe cards, which can all too easily be skimmed for counterfeit purposes. Retailers, banks and card issuers lost \$5.3 billion to credit-card fraud in America in 2012 – which can be effectively curtailed with widespread use of EMV technology. Once chip card technology was implemented in the UK, it drove a 72% decrease in face-to-face card fraud. Similarly, counterfeit card fraud in Canada decreased 48% from 2011 to 2013 following the EMV roll out there. The proof is in the numbers!
- 2** Effective October 1, 2015, counterfeit fraud liability, which has traditionally been assumed by the card issuer, will be assumed by any party that does not enable EMV. The best way to protect your business from this liability is to use EMV-enabled POS terminals that accept chip card transactions.
- 3** Recognize the difference between a magnetic stripe card and a chip card transaction. The most notable change to you and the cardholder is that when using chip cards, the card never leaves your customer's hand, and it's inserted into the terminal during the entire transaction rather than quickly swiped through the side of the terminal. You present the terminal or a PIN pad to your customer for payment.
- 4** Determine whether your POS terminals are EMV capable. An EMV capable terminal may just need a software download to accept chip cards. An older terminal (often pre-2013) may require an upgrade to a more recent model. If you know your terminal is EMV-enabled, but you're not sure how to run chip transactions, there are a variety of how-to resources available.
- 5** EMV/chip card technology is new for your customers as well. Be sure to educate your employees on how to conduct a chip card transaction. Ensuring your employees can walk a customer through this new type of transaction provides a better customer experience and further reduces the incident of card present fraud during this EMV technology transition.

EMV technology and chip card acceptance is changing the way your customers pay. Educate yourself on this technology so that your business is ready to accept chip cards and avoid potential counterfeit card fraud liability.

