



EMV in a Little More Than 60 Seconds

What is EMV?

- Visa, MasterCard, Discover and American Express (the card brands) have announced that EMV chip card acceptance is coming to the United States, the last developed country in the world to adopt this form of payment.
- Many card issuers, such as Capital One, Bank of America, Citi, Chase and others have started issuing chip cards to consumers.
- The EMV chips are embedded in credit and/or debit cards that also have a magnetic stripe to be used at businesses that support either EMV or magnetic stripe.
- EMV chip cards contain a computer chip that is activated and read when inserted in the chip card reader or tapped for contactless acceptance. Some EMV cards contain multiple payment choices. When one of these is inserted into the device, the customer will be prompted to select which payment choice to use, and also may be prompted to confirm the use of that payment choice.

Why is it important for businesses to update their point-of-sale to accept EMV?

- The card brands have instituted a liability shift for fraudulent transactions that occur at the point of purchase beginning in October 2015 for non-AFD (Automated Fuel Dispenser) and October 2017 for AFD.
- Merchants that do not have a terminal or POS system capable of reading EMV cards will be responsible for chargebacks and fraudulent card acceptance beginning October 2015. This applies only when an EMV card is presented at the POS; otherwise the current liability responsibility remains in place.
- EMV is not a government or card brand mandate for merchants.
- Improved card security and global interoperability are the main reasons that Visa, MasterCard, American Express and Discover are moving to EMV chip card technology.

Will consumers recognize the additional security EMV brings?

- Incidents of fraudulent cards being presented at small retail locations will increase as national merchants move forward with implementing EMV, and criminals will begin to seek out non-EMV supporting businesses
- Cardholders will eventually recognize the security improvements offered by EMV, and will look to make purchases from merchants with an EMV solution
- Merchants will want to be viewed as a safe place to shop and will be influenced by the growing awareness of their customers
- Additionally, EMV—specifically contactless EMV—brings NFC acceptance with it, and marketing opportunities such as the ones provided by Apple Pay, Softcard and Google Wallet programs

How does EMV chip card processing differ from magnetic stripe card processing that Heartland manages today?

- Instead of swiping a card to read the magnetic stripe, EMV chip cards are either inserted into the POS terminal or waived over a contactless reader. When the EMV card is inserted, it needs to stay inserted during the transaction. The POS system or attended terminal will tell the consumer when to insert and remove their card.
- Another means by which a business can accept EMV is contactless or “tap & go” where the contactless EMV card is tapped on the EMV terminal or PIN pad. This type of EMV tender is useful at QSRs and other businesses that need fast customer service. Contactless EMV will also be useful for mobile wallet acceptance.

Will a merchant still be able to process transactions on terminals or POS systems that do not support EMV?

- Yes, a merchant will still be able to accept magnetic stripe transactions if they do not have an EMV terminal since EMV cards issued to consumers will include magnetic stripe as well as EMV contact and contactless chips.

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