The Liability Shift for EMV at the point-of-sale is October 1, 2015

➢ By this time, dealers will need upgraded Point-of-Sale (POS) terminals and software to process EMV payments.

➢ Dealers will need to install these terminals and software (in store) to accept EMV cards in order to be protected from counterfeit transaction liability.

➢ This liability, which has historically been assumed by the card issuer, will be absorbed by the party that does not enable EMV during the fraudulent transaction.

Global EMV migration has significantly increased credit card fraud in the U.S., as we are one of the last countries still using magnetic stripe cards. Americans are being issued chip cards and you will need to be ready to accept them.

It is estimated that there will be 575 million EMV cards issued by the end of 2015. The U.S. is set to transition more than 1.2 billion payment cards and 8 million POS terminals to meet the EMV requirements. Approximately 120 million Americans have already received an EMV chip card and that number is projected to reach 600 million by the end of 2015.

By making the necessary hardware and software upgrades you can eliminate exposure or losses to card fraud for card-present transactions. Choosing to do nothing only opens the door to potential fraud. As consumers become more aware of EMV's ability to keep their data safe, consumers will naturally gravitate towards it.

If you have not done so already, please contact your POS vendor now. If you would like vendor contact information or if I may be of further assistance, please do not hesitate to reach out to me.

EMV Liability Shift = Potential Chargebacks

Current	**POS: October 1, 2015** **Forecourt: October 1, 2017**
Issuer liable	1. For chip cards: Merchant liable, if non-chip terminal. 2. For non-chip cards: Issuer liable, if chip terminal.

As of **October 1, 2015** this liability, which historically has been assumed by the card issuer, will then be absorbed by the party that does not enable EMV during the fraudulent transaction.

25%	**$10B**	**2X**	**-27%**
Transactions	Losses	Fraud	Fraud
The U.S. is home to a quarter of the world's credit card sales, but to nearly half of the world's fraud.	Losses due to card fraud in this country are expected to top over $10 billion dollars in 2015.	Credit card fraud rates have doubled in recent years, representing 10₵ out of every $100 transacted.	Europe has already greatly reduced card fraud with EMV. For instance, fraud in the United Kingdom dropped 27% between 2007 & 2013, the years when EMV cards became widely accepted in that country.

It is estimated that there will eventually be more than **575 million** EMV chip-enabled payment cards in circulation in the U.S. The U.S. is set to transition more than **1.2 billion** payment cards and **8 million** POS terminals to meet the EMV requirements.

By making the necessary hardware and software upgrades you can eliminate exposure or losses to card fraud for card-present transactions. The choice is yours. Choosing to do nothing opens the door to potential fraud. As consumers become more aware of EMV's ability to keep their data safe, consumers will naturally gravitate towards it. If you are not ready to take EMV payments, there is the potential for lost business.

If you have not done so already, please contact your POS vendor as soon as possible. And, as always, if I may be or further assistance, please do not hesitate to contact me.

EMV: Why upgrade and why now?

Your customers are ready…are you?

It is estimated that there will be 575 million EMV cards issued by the end of 2015. The U.S. is set to transition more than 1.2 billion payment cards and 8 million POS terminals to meet the EMV requirements. Approximately 120 million Americans have already received an EMV chip card and that number is projected to reach 600 million by the end of 2015.

EMV is a smart and logical business decision, reducing exposure to fraud, allowing customers to pay with confidence, and protecting customers against fraudulent transactions and identity theft.

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. However, after **October 1, 2015**, this liability will shift to whichever party is the least EMV-compliant in a fraudulent transaction. Any parties not EMV-ready by October 2015 could face much larger costs in the event of a large data breach.

EMV is a *WIN/WIN* situation. So, if you have not already done so, please contact your POS provider today to schedule your upgrades!

Consumers are ready…what about you?

Did you know that…

- ➢ according to MasterCard and Visa **81%** of all consumers expect to be able to use their EMV chip cards at gas stations.
- ➢ by January 1, 2017, **90%** of all cards will be chip-enabled.
- ➢ Visa has issued roughly **265 million** chip-enabled credit and debit cards.
- ➢ waiting five years to implement EMV upgrades could expose a retailer to **$40,000** in fraud risk, not to mention an increase in equipment and technician costs due to inflation and supply-and-demand-impact.
- ➢ fraud chargebacks to retailers are happening now and you must understand your risk if a customer presents an EMV card and it is not processed as an EMV transaction.
- ➢ Visa reports that EMV chip cards have reduced fraud by **18%** at major U.S. retailers.
- ➢ merchants who are not accepting chip-enabled cards incurred an **11%** increase in fraudulent transactions.

EMV is a smart and logical business decision, reducing your exposure to fraud, allowing customers to pay with confidence, and protecting customers against fraudulent transactions.

Passport EMV Version 11.01 Software is now Available

EMV software for the Passport (Version 11.01) has officially been released for most generic networks, including the First Data network. Please contact your POS provider to schedule installation of the new software **as soon as possible**. Software upgrades will be scheduled on a first come, first served basis and will take approximately 5-8 hours.