

## What every merchant needs to know about EMV<sup>®</sup> compliance



### WHAT IS EMV?

EMV stands for Europay, MasterCard, Visa – the three companies that created a global standard for credit and debit card acceptance. This standard is now adopted by all major brands including American Express, and Discover/Diners Club. EMV credit and debit cards add a secure microchip to the front of the card. The microchip adds a new level of security and helps protect sensitive cardholder information. During a payment transaction the embedded microchip works in concert with an EMV-enabled terminal to complete the transaction.

### WHY IS EMV BEING IMPLEMENTED?

EMV is designed to reduce credit card fraud resulting from lost, stolen or counterfeit cards used in a card present (CP) transaction. EMV is widely deployed in Europe, Canada, and parts of Asia and will become common throughout the U.S. over the next several years.

### HOW DOES EMV WORK?

During a payment transaction the secure microchip generates a unique, one-time dynamic code that is used by the card issuer to verify a card is valid. Using a dynamic code during each transaction combats card cloning and skimming since the code can't be reused to create another transaction. EMV cards can also be used to make contactless transactions while retaining the same level of security.

### HOW WILL THE PAYMENT PROCESS DIFFER?

Instead of swiping a card, customers will “dip” their EMV card into an EMV terminal. The card will remain in the terminal throughout the transaction. Customers may also be prompted to enter their PIN or provide a signature, just as they do today with traditional swipe cards. Many EMV terminals also support contactless payments giving customers the option to hold their card near the terminal to complete a transaction.

### WHAT DOES IT MEAN FOR MERCHANTS?

Although upgrading to EMV-capable terminals is voluntary, merchants face a liability shift October 2015. For merchants this means after October 2015, if a fraudulent transaction could have been prevented by the use of an EMV terminal, the merchant is liable.

### WHAT ACTIONS SHOULD I TAKE?

With the October 2015 liability shift approaching it's important to prepare now. Sage offers several terminals that support EMV. If you are just becoming familiar with EMV, Sage offers resources and support that will help you understand your options as you decide what is best for your business.

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For more information about EMV, contact an account representative at 800-652-2370.