



EMV Quick Facts

What is EMV?

- EMV stands for EuroPay, MasterCard, Visa. These three companies originally created the technical payment standard for chip-enabled cards and equipment. EMV cards and terminals are also known as “smart cards/terminals” or “chip cards/terminals”.

Why EMV?

- EMV Technology has been the standard payment technology in Europe for more than a decade. France has reduced credit card fraud by 80% since it introduced EMV in 1992. Almost half of the world’s credit card fraud based on payment volume happens in the US due to magnetic stripe technology. In the rest of the world, 40% of the world’s cards and 70% of the world’s terminals are EMV compliant. Most importantly, these countries are reporting reduced fraud levels.
- Fraud is estimated to reach \$10 billion in 2015. EMV Technology will help reduce unauthorized charges, as well as work to protect against counterfeit fraud, resulting in a lower rate of fraudulent charges and chargebacks.

How does EMV technology work?

- If you look at an EMV card, you’ll see a small chip on the front of the card. Dynamic data is stored in that chip. The data stored in a magnetic stripe is static; which makes it much easier to hack. The term Dynamic data means that each time a consumer makes a payment with an EMV-enabled card, the data changes. The technique of substituting customer information with an ever-changing string of characters is called tokenization. This simple swap takes the sensitive data out of the merchant’s hands. Even if a criminal was able to attain the data, it would be useless because there is no customer information.

How does the EMV Liability Shift affect my business?

- With the EMV Liability Shift, the party (merchant, issuer or bank) that has not adopted EMV technology will be held liable for counterfeit fraud. Here are a few examples:
 - Merchant Liability: If a merchant does not insert the chips card into EMV-capable equipment, and the consumer pays with an EMV card, the merchant is liable if there is counterfeit fraud on the card
 - Bank Liability: If a merchant does have EMV-ready equipment, and the bank has not issued an EMV card to the consumer, the bank is liable if there is a counterfeit card.
 - Issuer Liability: If a merchant does have EMV-ready equipment, and the consumer pays with an EMV card, the credit card company is liable if there is a counterfeit card.