

# EMV – Just the Facts

Ozarks Association of Government Accountants



---

Powering payments to grow your business / Powering payments

---

# Speakers and Housekeeping

## EMV: Just the Facts Presentation

### **Brad Hench**

Regional Sales Manager  
US Bank|Elavon

45 minute presentation

10 minute Q&A after presentation



# Agenda

## EMV – Just the Facts

- EMV Liability Shift Date & Impact
- EMV Benefits
- New Developments
- Elavon Recommendations
- How We Can Help
- Q&A

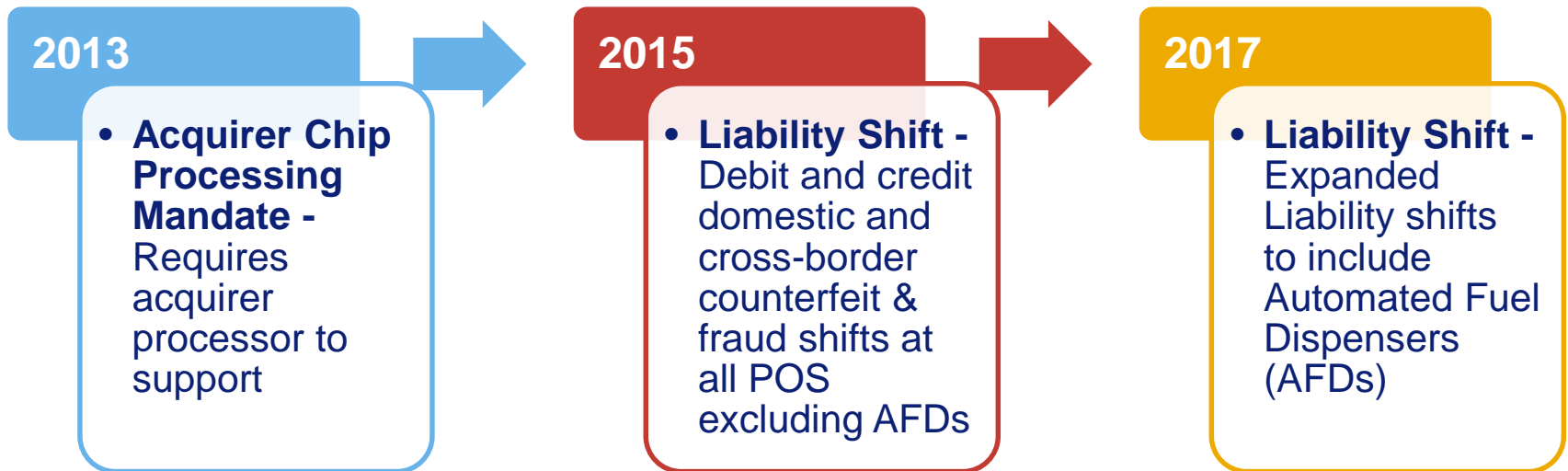
# EMV: Why Now?



# Liability Shift Date

## The Handwriting is on the Wall...

EMV is here and significant change is coming



**October 1, 2015 Liability Shift.** Merchants are liable for:

- Visa: Counterfeit transactions
- MC & AMEX: Counterfeit and Lost or Stolen transactions
- Discover: "Liability Shift" still to be determined

# EMV Customer Impacts



**New Terminals**



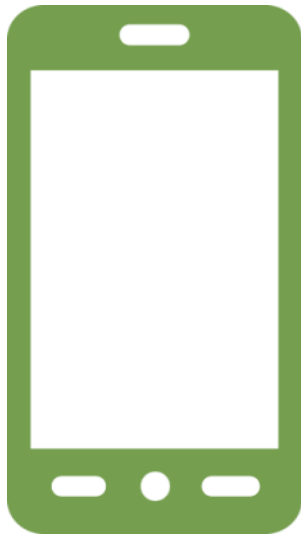
**New POS Systems**



**EMV Debit and Contactless**

# EMV Cardholder Impacts

- New cards issued
- PINS as well as signature on credit cards
- Card stays in terminal
- More security – less risk of cloning cards



- New payment options
- Contactless
- Mobile – ApplePay, Google Wallet, etc.

# EMV – What it is... and What it isn't

## EMV will:

- Prevent counterfeit fraud at the point of sale
- Protect against counterfeiting cards
- Create a different point-of-sale experience (“dip” vs “swipe”)
- Store cardholder data on a chip
- Require a new card
- See growing adoption in the U.S. in the next 12-18 months

## EMV will not:

- Protect against card-not-present fraud
- Prevent data breaches
- Always require a PIN
- Be vulnerable to wireless interception of data
- Eliminate the need for magnetic stripe
- Be universally adopted in the U.S. for 3-4 years



# EMV Benefits



## Enterprises

- Fewer chargebacks due to card skimming fraud
- Eliminate exposure for October 2015 liability shift
- Increase cardholder satisfaction
- Helps foster the adoption and integration of other payment technologies in the future



## Cardholder

- Peace of mind
- Consumers never lose sight of their card
- Global interoperability (chip cards can be used in US and Europe)
- Will support payments via mobile utilizing NFC

## Worldwide EMV Chip Card Deployment and Adoption\*

Region	2013		2014		2015	
	EMV Cards	Adoption Rate	EMV Cards	Adoption Rate	EMV Cards	Adoption Rate
Canada, Latin America, and the Carribbean	471M	54.2%	544M	59.5%	680M	71.7%
Asia Pacific	942M	17.4%	1,676M	25.4%	2,459M	32.7%
Africa & the Middle East	77M	38.9%	116M	50.5%	160M	61.2%
Europe Zone 1	794M	81.6%	833M	83.5%	881M	84.3%
Europe Zone 2	84M	24.4%	153M	40.4%	200M	52.3%
United States	-	-	101M	7.3%	394M	26.4%

\*Figures reported in Q4 of 2013, 2014, and 2015, respectively, and represent the latest statistics from American Express, Discover, JCB, MasterCard, Union-Pay, and Visa, as reported by their member institutions globally.



# Market Insights

## Merchant Acquiring View

“... at least 47% of U.S. merchant terminals will be enabled for EMV chip technology by the end of 2015.”

- *Payments Security Task Force (PST), Oct 2014*

\* *Based on forecasts from acquirers representing 80% US volume*

## Card Issuing View

First Annapolis estimates 21% EMV penetration for credit cards issued by the end of 2014... 99% EMV penetration forecasted by end of 2017.

- *First Annapolis, Aug 2014*

## Comprehensive Secure Payments

EMV, encryption and tokenization work together to solve security threats.

- *EMVCo, Jul 2014*



# EMV and Card Present Fraud in UK and Canada



UK

Losses have fallen by 67% since 2004

Lost and stolen card fraud fell by 58% between 2004 – 2009

Mail non-receipt fraud has fallen by 91% since 2004

UK Cards Association



Canada

Losses from debit card skimming fell from CAD\$142 M in 2009 to CAD\$38.5 M in 2012

Interac debit card fraud losses from skimming fell to record low of \$29.5 million in 2013

Interac Association



US

Savings from counterfeit fraud prevention across all issuers could total as much as \$700 million annually.

EMV Adoption & its Impact on Fraud Management Worldwide  
Mercator, January 2014

source: EMV Connection

# EMV Lessons Learned

## Learning from Other Countries

EMV has been successfully rolled out in several countries over the past decade including U.K., Canada, France, Australia, Brazil and Mexico.



## Why EMV Alone is Not Enough

- Criminals shifted tactics to perpetrate different types of card fraud
- EMV rollout was followed by an increase in Card Not Present (CNP) and counterfeit card fraud
- Companies that adjusted strategies to combat other forms of fraud usually experienced a quick decline in overall fraud rates
- Remaining vigilant is critical as criminals continue to evolve their tactics

# Nobody wants to be the next breach story



**NEWSLINE**  
**Tijuana police test drones near border**  
Tactics in Mexico, including nighttime surveillance, far exceed what is allowed in U.S. cities so far. **2A**



**Cold woes grip USA**  
Atlanta among hardest hit areas in 'historic' winter storm. **3A**

**70 Million affected by security breach**



## Cisco: POS Systems Key Vulnerability in Security Breaches

By Jeffrey Burt | Posted 2014-01-14 | Email | Print

Share 2 | Tweet 15 | Google + 0 | LinkedIn Share 10 | Like 5 | Recommend 5



Cisco security officials say businesses need to strengthen security around POS machines to mitigate breaches like the one that hit Target.

The personal data on the magnetic stripe cards continues to be a prime target for whose job is made significantly easier by them in the point-of-sale machines being used by as according to security officials at

The company's Threat Research, Communications (TRAC) team took a look

profile security breaches at and and noted that as long as the United States continues to use such magnetic stripe payment cards in everyday transactions, retailers in the country and their customers will be at risk.

## Major retail breaches highlight point-of-sale security weaknesses

Brandon Blevins, News Writer  
Published: 16 Jan 2014

Share 20 | Facebook | Twitter | RSS | Print



# How can we protect payment data?

## The Security Toolbox

The toolbox must be accompanied by business practices and processes designed to reduce exposure and control risk.



EMV



Encryption



Tokenization







# Elavon's Recommendation

## Don't Wait! Start Today.

Conduct a risk assessment and evaluate existing business practices and procedures

- How much of your business is Card Present vs Card Not Present?
- Work with your Elavon Client Manager to determine your pre-EMV fraud rate and expected post-EMV fraud rate

Define an EMV strategy that suits your organization.

- What are the software and equipment requirements? What is the timing?

This is an excellent time to also consider options for enhancing payment security

- Create a plan for implementing a layered security approach to protect payment and customer data. Security should be everyone's job.

Implement controls to mitigate exposure and risk

## TALK TO US. ELAVON CAN HELP.

# Elavon and EMV: Countertop Terminals



VX680B Bluetooth  
Short-range wireless



VX680G GPRS  
long-range wireless



iWL220B  
Bluetooth Short-  
range Wireless



iWL250G  
GPRS Long-range  
wireless



iCT250  
Countertop



VX520 Countertop



VX820 EMV  
PIN Pad



iCT220  
Countertop



iPP320 EMV PIN Pad  
(iCT220 and iCT250)

# Questions and Answers



# THANK YOU

## for attending today's presentation.

If you have any questions, please contact:

Brad Hench  
Regional Sales Manager  
US Bank|Elavon  
678-731-4419  
[Bradford.hench@usbank.com](mailto:Bradford.hench@usbank.com)