

Q What is EMV and how can it be incorporated into a point-of-sale?

EMV is a fraud reduction technology that can help protect merchants against losses from accepting counterfeit and lost or stolen payment cards at the point-of-sale. EMV cards contain embedded microprocessors or chips that interact with the point-of-sale device to ensure the validity of a payment card and the person using the card. This kind of chip or smart card technology adds layers of security against fraud and is virtually impossible to duplicate.

First introduced in 1996, there are now more than 1.25 billion active, EMV-compliant, chip-based cards used at 15.4 million EMV acceptance terminals in over 80 countries.¹ With some recent industry announcements, it's likely only a matter of time before smart card technology becomes a widely adopted standard in the United States, as well.



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Fraud Protection at the POS

EMV fraud-preventing microchips can reside inside a payment card, a fob or a mobile device. Regardless of the form, the chip technology adds one of the most important payment transaction benefits – enhanced fraud protection. Whether the payment card is inserted into the chip-enabled slot reader (contact) or waved above the device (contactless), the data on the chip ensures the card is authentic, and the PIN or signature ensures that the person presenting the card is the rightful cardholder.

Chip Technology Benefits

Increases security and fraud protection

- Prevents the use of counterfeit, lost and stolen cards
- Reduces skimming at the point of sale
- Decreases fraudulent transactions and charge backs
- Blocks the ability to copy the contents of the chip to another card

Improves customer service and offers potentially faster checkouts

- Enables PIN transactions for both credit and debit cards, reducing the time needed to obtain a signature and the need for authorization referrals
- Supports contactless transactions which are approximately 53% faster than a traditional magnetic stripe card transaction²

\$8.6 billion

Estimated total cost of fraud per year in the United States (0.4% of the \$2.1 trillion card payment industry)

32%

Lost/Stolen, Counterfeit & Non-receipt fraud account for 32% of 2008 U.S. fraud losses, representing approximately \$2.9 billion

95%

EMV deployment in the U.S. is estimated to eliminate 95% of lost/stolen fraud

90%

An estimated 90% of counterfeit card fraud could be eliminated with EMV deployment in the U.S.

Source: Aite Group, "Card Fraud in the United States," The Case for Encryption, January 13, 2010

Let TASQ Work for You

Boosts loyalty and repeat business for your merchants

- New equipment purchases open the door to adding emerging technologies such as two-way NFC to push targeted offers to consumers via smart phones, which can then be redeemed at the point of sale in a secure manner
- Providing added protection for customers can drive improved satisfaction and help increase loyalty

How Does it Work?

Chip-Enabled Payment Process

Using a smart, chip-based card to pay for an item requires a change in how the card is read at the point of sale. Consumers will need to adapt to a new behavior when conducting their payment transactions. Here's how a consumer will conduct a chip-based transaction:

1. Consumer inserts their smart card into the new chip-enabled slot on the front of a POS device or they wave it in front of the contactless icon.
2. Most chip cards will also have a magnetic stripe, so if a chip card is swiped like a traditional payment card on the POS device, the device will prompt the customer to process a chip-enabled transaction using the chip-based device. NOTE: if the card is inserted into the device, it must remain inserted in the POS device throughout the transaction. The card should not be removed until the terminal prompts its removal. Removing the card too early will cancel the transaction.
3. The consumer will follow the prompts on the terminal's screen, which may include entering a PIN for both debit and credit transactions.
4. Once the user is verified and the purchase is approved, a receipt is printed.
5. The card can then be removed when prompted. Associates will need to remind consumers to take their card once the transaction is complete.

Just Ask TASQ

As one of the largest providers of point-of-sale (POS) systems and services in North America, TASQ Technology provides end-to-end sales, service and support to a broad range of industries for a variety of technologies. TASQ works with clientele and affiliations that range from the nation's premier financial institutions to the most entrepreneurial independent sales organizations (ISOs), from one-time special projects to long-term business relationships. With literally tens of thousands of product deployments each week and the management of fulfillment for millions of client locations nationwide, TASQ can be counted on as a trusted provider regardless of the size or scope of services needed.



For more information, contact
a TASQ Sales Representative
or visit tasq.com.

1. EMVCo, LLC, "About EMV", <http://www.emvco.com/default.aspx>

2. EMVCo, LLC, "About EMV", http://www.emvco.com/about_emv.aspx