



## Complete Clinic Software

1217 Lipscomb Drive  
Brentwood TN 370207

Phone: 800-989-6576

Fax: 615-373-0334

Email: [info@completeclinic.com](mailto:info@completeclinic.com)

---

### The Facts on EMV

Attached is a pdf file containing a white paper written by our credit card processing partner regarding credit card EMV processing.

It is appropriately titled **“Don’t be tricked by slick credit card salesmen...EMV is not mandatory and may offer no benefit to your business!”**

Please read this document which I think does an excellent job of describing the current confusion regarding EMV.

To recap the important points:

- 1) EMV is not Mandatory!
- 2) Merchants are NOT required to implement EMV chip card terminals unless they choose to
- 3) EMV cards offer no advantage to merchants who are unlikely to encounter counterfeited cards (such as healthcare providers).
- 4) EMV terminals are significantly more expensive than the traditional magnetic stripe card terminals.
- 5) Visa and MasterCard are going to add an additional fee (digital enablement fee) for merchants that utilize chip card transactions.
- 6) You can continue to process using your mag stripe terminals with no additional fees for traditional swiped transactions.
- 7) You should not believe most of the claims the credit card sales people make.

If after reading this document you have any questions regarding EMV, please call William at 800-989-6576.



## **Don't be tricked by slick credit card salesmen...EMV is not mandatory and may offer no benefit to your business!**

EMV stands for the "Europay, MasterCard, Visa" encryption standard. It applies to all card brands (Amex and Discover, included), including both debit and credit cards. It has been around since 1992.

EMV refers to a debit/credit card with a chip (the card will also have a magnetic stripe on the back just like those in use now). The chip contains the same information as on the magnetic stripe (as well as having actual processing power). The card information is encrypted on the chip and a token (a random number that represents the card number), is transmitted to the card issuing bank. The actual card number is never transmitted with chip technology, preventing many types of fraud.

EMV has already been implemented throughout the world...America is the last major country to implement it as the US retailers have resisted buying all new credit card equipment. However, their attitudes have changed in the last year due to the many merchant breaches.

EMV transactions are more secure than traditional swiped magnetic stripe debit/credit card transactions because the encrypted information on the chip is difficult to duplicate or change.

Banks are required to issue EMV cards and to be able to process EMV card transactions by October 1, 2015. As such, most US consumers can expect to receive a new debit/credit card with a chip during 2015.

Merchants are NOT required to implement EMV chip card terminals unless they choose to.

The main advantage of EMV cards to merchants is that the card brands (Visa, MC, Amex, etc.) will absolve the merchants of liability for "white card fraud" (i.e., counterfeited cards) if the transaction was processed utilizing an EMV chip (as opposed to swiping the magnetic stripe). As such, EMV cards offer no advantage to card-not-present merchants (such as internet merchants, phone sale merchants, and recurring payment merchants). Nor do EMV cards offer an advantage to merchants who are unlikely to encounter counterfeited cards (such as healthcare providers).

The main beneficiaries of EMV technology will be the large retailers (Target, Best Buy, Walmart, etc.) where counterfeited cards are frequently utilized.

There are two ways that EMV can be implemented...either requiring a PIN (secret 4 digit code) or with a signature. In the US, a signature will be required (but not a PIN). EMV terminals in Europe and many other parts of the world do require a PIN (rather than a signature).

Virtually all EMV-enabled card terminals in the US will also have the ability to swipe the magnetic stripe on an EMV card. However, many of these terminals have been crippled by the merchant so that if there is a chip on the card, the cardholder must use the chip reader rather than swiping the magnetic stripe (there is an indicator on the magnetic stripe that tells the terminal a chip is present when the card is swiped). This forces the cardholder to use the most secure technology in processing a payment.

Merchants who want cardholders to utilize the chip technology on an EMV-enabled card must purchase new point-of-service equipment. These are significantly more expensive than the traditional magnetic stripe card terminals. Additionally, Visa and MasterCard are going to add an additional fee (digital enablement fee) for merchants that utilize chip card transactions. There are no additional fees for traditional swiped transactions.

**Bottom Line: Unless you are a business that deals with customers face-to-face AND OR you are worried about “white card fraud” (counterfeited cards), there is no reason to purchase an EMV credit card terminal and pay the additional cost associated with chip card transactions.**