



# RAPIDTUITION™ CLEARING UP THE EMV CONFUSION

## WHAT IS EMV?













EMV stands for Europay, MasterCard, and Visa - the developers of this standard. It is a global standard for smart card payments and acceptance devices. EMV Cards feature “smart chips” which encrypt data for every sale which generates a unique one-time code that cannot be replicated. Bottom-line – EMV helps limit credit card fraud by preventing the creation of counterfeit cards and makes point-of-sale card payments more secure.

## HOW DO THE CHANGES IN OCTOBER AFFECT ME?

You have heard that effective October 1st 2015 the shift in liability for some very specific type transactions will go from the card issuers (i.e. banks) to you the merchant. The reality is that there will be no significant change to how you already accept credit card payments. You will continue to assume liability for any fraudulent transactions, just as you have in the past. However being in the childcare industry there is an extremely low fraud rate. This is due to the fact that you know your customers, they are families that rely on and use your services week after week. You are not accepting credit card payments for one-time purchases from complete strangers.

## WHAT TYPES OF CARD TRANSACTIONS ARE AFFECTED?

Only point-of-sale payments where the credit card is presented to the center in a face-to-face situation are affected. And only cards that have the “chip” embedded in them present potential liability to the center. Effective October 15th, if you “swipe” a payment with a chip embedded credit card and it is fraudulent you bare the liability. If the credit card does not contain the chip and the transaction is fraudulent then the credit card company assumes the liability (see details below).

|                           | IF CUSTOMER USES  | + | IF MERCHANT USES   | = | HOLDS THE LIABILITY RISK   |
|---------------------------|---|---|--|---|--|
| BEFORE<br>OCTOBER 1, 2015 |  Mag Stripe Card |   |  Mag Stripe Reader                |   |  Credit Card Company Liable |
| AFTER OCTOBER 1, 2015     |  Mag Stripe Card |   |  Mag Stripe Reader or Chip Reader |   |  Credit Card Company Liable |
|                           |  Chip Card       |   |  Mag Stripe Reader                |   |  Merchant Liable            |
|                           |  Chip Card       |   |  Chip Reader                      |   |  Credit Card Company Liable |

## SHOULD I WORRY ABOUT EMV IF I DON'T ACCEPT CREDIT CARDS IN PERSON?

EMV technology will not impact merchants who do not swipe transactions; it only effects card-present, face-to-face transactions where hardware is used. Merchants that key-in credit card data will not be affected by the change, but they should employ best practices.

## IS THE NEW CARD READER NEEDED BY OCTOBER 1st?

No - EMV cards work in either new or old card readers. Eventually you will need to replace your old reader with the new EMV enabled card reader once the USB versions become readily available. The new card readers will be for EMV cards only—you'll continue to use your existing magnetic card reader for traditional cards.

## WILL EMV CARDS WORK WITH MY RAPIDESWIPE DEVICE I CURRENTLY USE?

Yes, they will work just as well as the traditional magnetic stripe cards and you will receive payment from those cards just like you do today.