

YOUR EMPLOYEES ARE ON THE FRONT LINE, ENSURE THEY'RE PREPARED FOR CHIP CARDS.

To encourage a smooth transaction experience for your employees—and customers—we recommend conducting ongoing training sessions to make sure the chip card checkout process is top of mind. Chip cards will have both an EMV chip and a magnetic stripe, so your employees should be prepared to guide customers through whatever transaction steps are required. Specifically, it's important for employees to be familiar with:

- **Terminal procedures**—Both cashiers and customers need to acquaint themselves with inserting chip cards in payment terminals and leaving them there for the entire transaction. They also should familiarize themselves with the on-screen prompts for action. If the terminal is EMV-enabled, the terminal will prompt the customer to insert their card. If the chip card doesn't work when inserted, those prompts may direct the customer to revert to swiping the magnetic stripe on their card.
- **Lost and found card policies**—As customers get used to the new process, they may be more likely to leave their cards in the terminal following a transaction. So now may be a good time to update your lost and found procedures and let employees know they should always remind customers to take their card after checking out.

To help ensure you and your employees are fully prepared for the new checkout process, Discover is offering the following downloadable EMV-readiness resources.

- Merchant Chip Card Guide
- Employee At-a-Glance POS Guides
- Employee Break Room Signage
- Employee Training Video
- In-Store Customer Awareness Materials



Connect with **DISCOVER®** To access these resources, please visit discovernetwork.com/chip-card. For additional information about EMV, contact your Account Representative or visit gochipcard.com.

THE FACTS ON CARD FRAUD

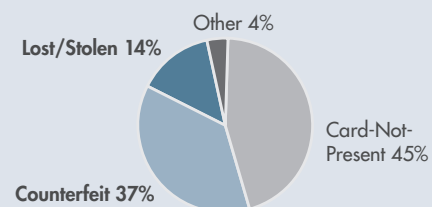


While the U.S. accounts for approximately **25% of global credit card transaction volume**, it struggles with **50% of the fraud**.⁶

\$11B

U.S. fraud costs banks, merchants and consumers approximately **\$11 billion per year**—and that number continues to rise.⁷

U.S. CARD FRAUD BY TYPE



Lost or stolen and counterfeit cards account for **51% of credit card fraud** in the U.S.⁸

⁶Business Insider, March 2014.

⁷Javelin Strategy & Research: 2014 Identity Fraud Report.

⁸Aite Group: Interviews with Card Executives from 18 of the Top 40 U.S. Issuers and Payment Networks, April and May 2014.



MERCHANT CHIP CARD GUIDE



BE READY FOR EMV.

Here's what you need to know about chip cards—
including how to get your employees up to speed.



ACCEPT CHIP CARD PAYMENTS—WITH CONFIDENCE.



Around the world, EMV or chip cards are the standard for secure point-of-sale (POS) transactions. With the U.S. home to nearly half of the world's credit card fraud¹, migration to EMV is a critical step in preventing card-present fraud.

To encourage the timely adoption of EMV, the leading payment networks have initiated an EMV Fraud Liability Shift that will take effect in October 2015. From that point forward, merchants and acquirers who are unable to process chip card transactions because they haven't upgraded to EMV-enabled terminals may be liable for card fraud that could have been prevented with the more secure technology.²

¹Business Insider, March 2014.

²The EMV Fraud Liability Shift for automated fuel dispensers takes effect in October 2017.

EMV FRAUD LIABILITY SHIFT SNAPSHOT

- EMV fraud liability hinges on the type of card presented at POS and the capability of the merchant terminal.
- If fraud occurs, the party—the issuer or merchant/acquirer—that has the less secure technology will generally bear the liability.
- In general, if a magnetic stripe card is counterfeited from a chip card and is presented at POS, the liability shifts to the merchant/acquirer when the terminal is non EMV-enabled.
- In general, if a PIN-preferring chip card is presented at POS, the liability shifts to the merchant/acquirer when the terminal is not enabled to accept chip and PIN cards.

BEFORE OCTOBER 2015

In most cases, the issuer bears the responsibility for the fraudulent activity if a lost, stolen, or counterfeit card is used at the POS.



AFTER OCTOBER 2015

		COUNTERFEIT FRAUD LIABILITY		LOST OR STOLEN FRAUD LIABILITY	
		TYPE OF TERMINAL		TYPE OF TERMINAL	
	Non EMV-Enabled Terminal			Chip and Signature Terminal	Non EMV-Enabled Terminal
Chip and PIN Card	MERCHANT OR ACQUIRER ³	Chip and PIN Card	MERCHANT OR ACQUIRER ³	Chip and PIN Card	MERCHANT OR ACQUIRER ³
Chip and Signature Card	MERCHANT OR ACQUIRER ³				

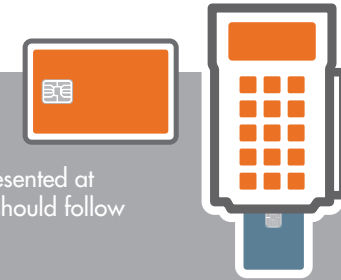
³Liability is transferred to the party with the direct relationship with Discover®.

PREPARE YOUR TERMINALS TO ACCEPT CHIP CARDS.

Before you can begin taking chip card payments, you'll need to enable your terminals—and this process differs based on the type of terminal you have. If you currently use a **stand-alone terminal**, you will need to obtain a terminal from your acquirer or POS provider that has been certified and enabled for EMV. If you use **semi- or fully-integrated solutions**, you will need to contact your terminal provider(s) to ensure EMV enablement. Once you've readied your terminals for EMV transactions, it's important to familiarize yourself and your employees with the new checkout experience.

INSERTING

When a chip card is presented at checkout, the customer should follow these steps.



- Customer inserts chip end of card face up into terminal. *(Card should not be removed until prompted.)*
- Terminal processes the transaction, while customer follows on-screen prompts and provides a signature or enters a PIN as requested.⁴
- Once transaction is complete and/or receipt is printed, customer removes card.

TAPPING

If your store accepts mobile or contactless payments the customer should follow these steps.

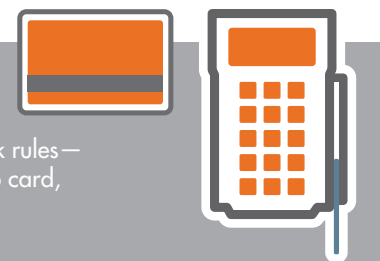


Look for this symbol on the card. Look for this symbol on the terminal.

- Customer taps chip card or mobile device on terminal.
- Terminal processes transaction, while customer follows on-screen prompts and provides signature or enters a PIN as requested.⁴
- Once transaction is complete, receipt is printed.

SWIPING⁵

If the terminal fails to read a chip card due to a technical issue, the merchant should follow network rules—having the customer swipe the card to complete the transaction. If the customer doesn't have a chip card, they should also follow these steps.



- Customer swipes card as they do today.
- Terminal processes transaction, while customer follows on-screen prompts and provides signature or enters a PIN as requested.⁴
- Once transaction is complete, receipt is printed.

⁴If purchase is less than \$50, verification may not be required.

⁵If the consumer is unsure of what to do, they should swipe their card and follow the prompts on the terminal.