



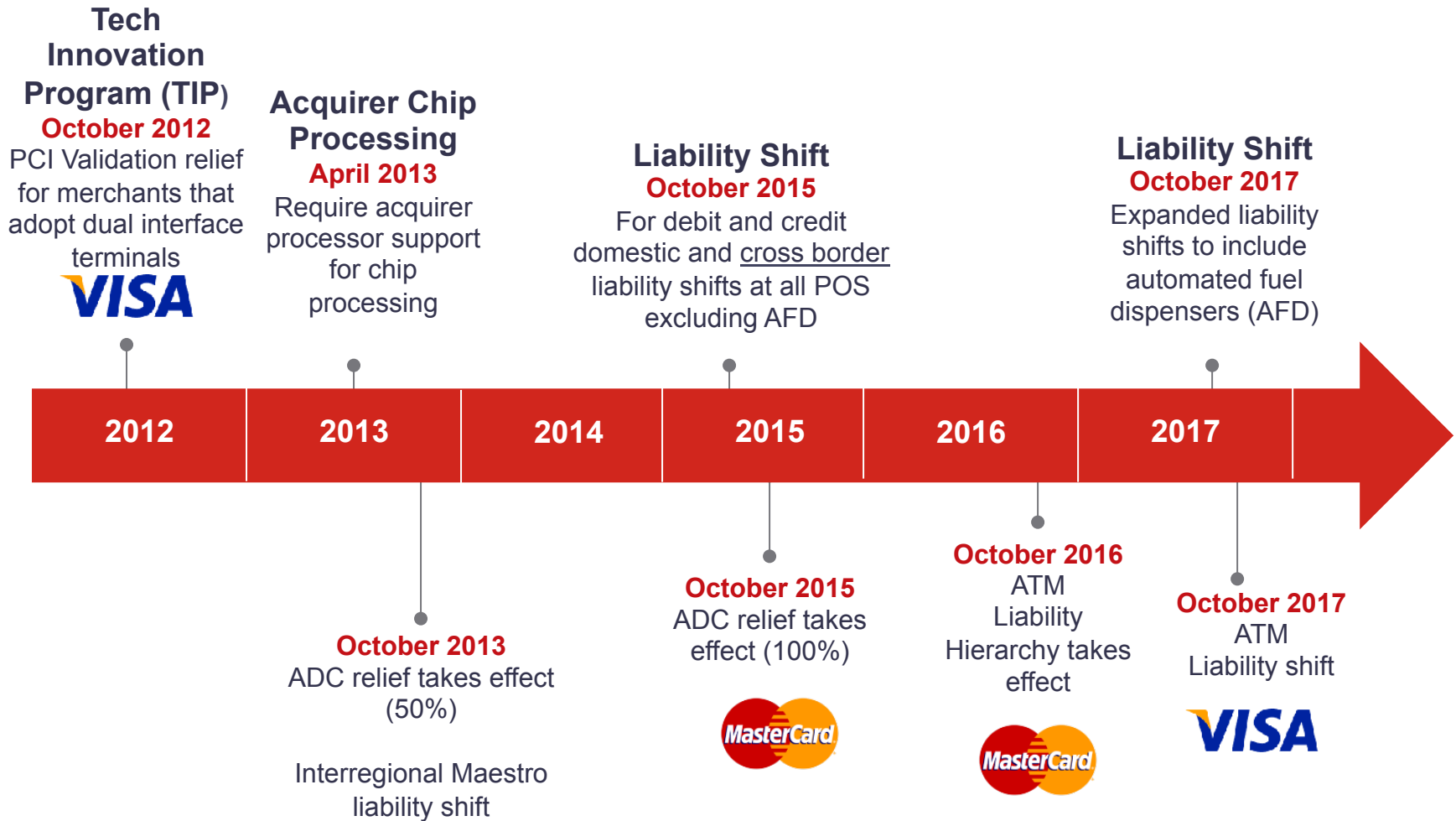
Why EMV Now in the USA?

Bruce Murray – B2 Payment Solutions Inc.

USA Market Drivers

- EMV Liability Shift
- Fraud Reduction
- Complementary to PCI
- US International Travelers
- International Influences

EMV Roadmap



Why Chip and Why Now?

Security & Fraud

Future Innovation



Global Standard

Global Interoperability

Fraud Reduction



Fraud Reduction

- EMV 101 module will help you understand the technical details on how EMV prevents fraud

	Counterfeit	Skimming	Delinquency	Lost & Stolen	Replay Attack
Offline Transaction	SDA, DDA and CDA	DDA and CDA	Card Risk Management	Offline PIN	TC with ATC Variance
Online Transaction	EMV Cryptogram (ARQC/ARPC)	EMV Cryptogram (ARQC/ARPC)	Issuer Risk Management	Offline or Online PIN	ARQC with ATC Variance

EMV & PCI Complementary

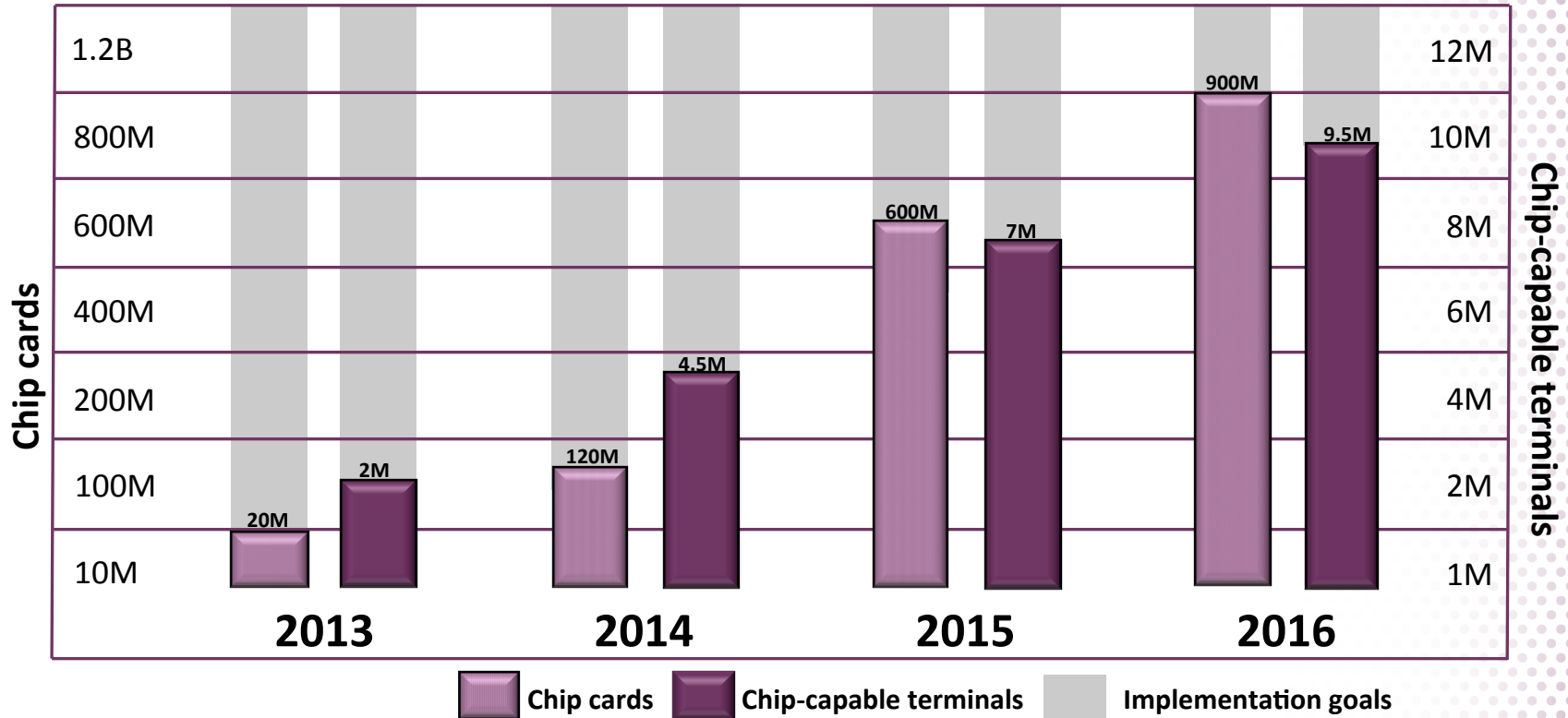
- EMV and PCI focus on different fraud attack vectors
- EMV uses cryptography to validate card and transaction data
- PCI focuses on protecting cardholder data
- Result is EMV is being developed with P2PE and Tokenization to maximize fraud protection

Domestic Issuing & International Travelers

- US cardholders travelling internationally continue to experience acceptance issues with magstripe only cards.
- US issuers have been issuing Chip&Choice (Signature and PIN) (i.e. 575 million cards expected in the market by end of 2015)
- Debit implementation now resolved but has been a concern for some issuers
- Banks are issuing US cards as part of their natural 3-5 year reissuance cycle

U.S. Chip Card Progress and Projections

EMV Migration Forum projects more than 120 million chip cards and 4.5 million EMV-capable terminals will exist in the market by the end of 2014

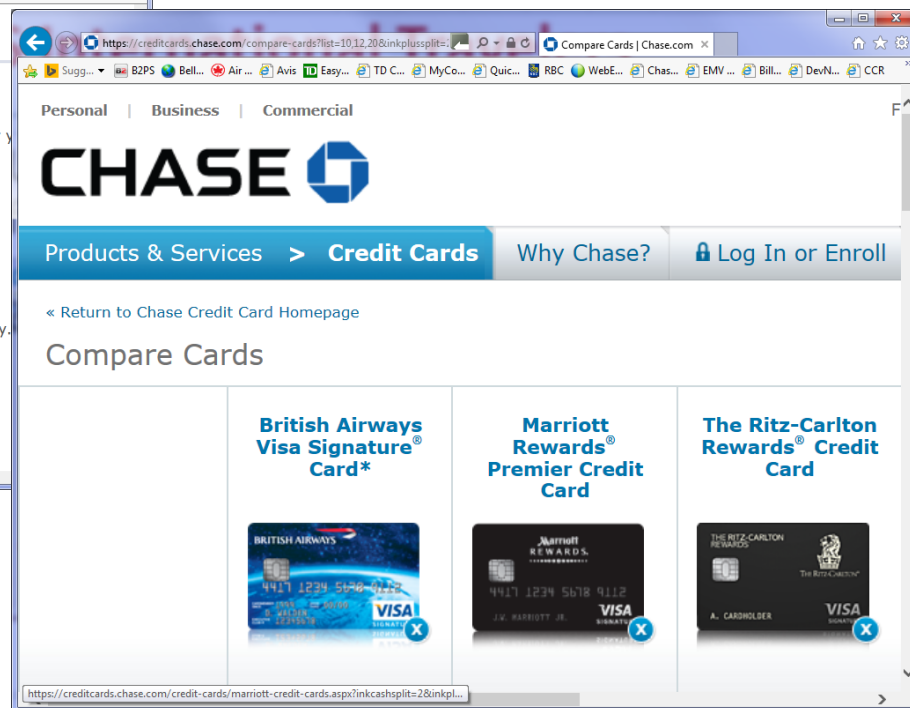
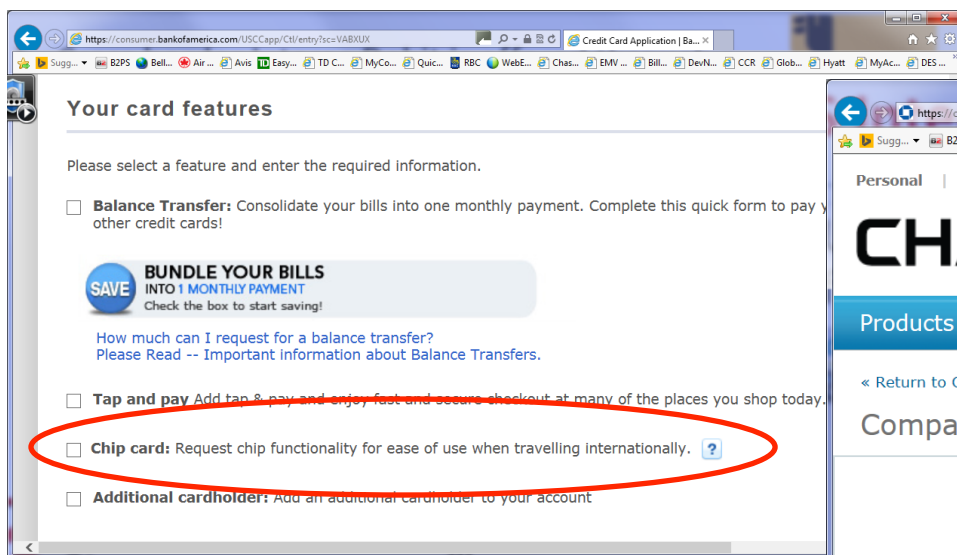


Other predictions


- *Aite Group* predicts that 70% of U.S. credit cards and 41% of debit cards will be EMV-enabled by the end of 2015
- *Javelin Strategy & Research* forecasts that 166 million EMV credit and 105 million EMV debit/prepaid cards will be in circulation in the U.S. by the end of 2015
- The *Payments Security Task Force* expects to see 575 million chip-enabled payment cards by the end of 2015

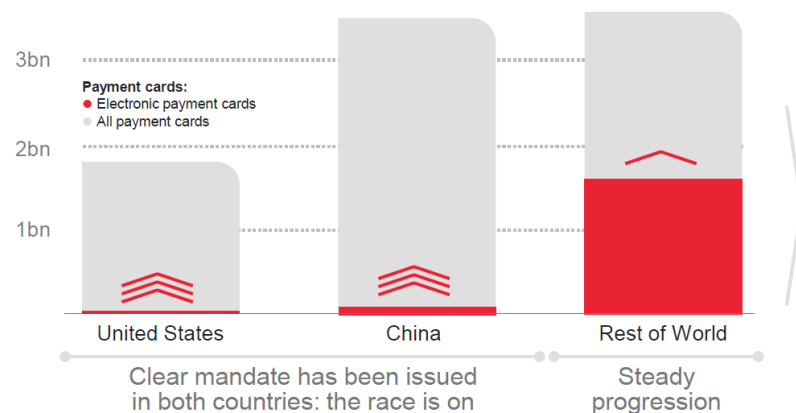
International Travelers

- US issuers have now started to include chip card functionality as part of their standard card portfolio:



International Influences

- Magstripe removal to occur in the future
- Interac (supported by NYCE) will no longer accept magstripe transactions end of 2015
- UnionPay 
 - Accepted in 141 countries including Canada and the USA
 - Joined EMVCo in 2013 as a full member



Sources: Nilson Report, National Gold Card Foundation, EMVCo



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