

MITIGATE THE RISK OF FRAUD AND COMPLIANCE COSTS

with EMV mandates

INFORMA BUSINESS SYSTEMS, INC

5170 Hartshorn Dr. Flushing, MI 48433
Phone: 800-643-7489 Fax: 810-733-5280
www.informabusiness.com



Don't let your aging ATM network put you at risk of non-compliance and the threat of liability for fraudulent transactions.

Implementing EMV within your ATM fleet can help you: reduce credit and debit card fraud, drive worldwide interoperability for credit and debit card users, lower transaction fees for acquirers accepting EMV capable cards, help eliminate card “skimming” losses, and avoid the shift in potential liability (as a result of fraudulent transactions.)

4 areas to help you plan and prepare for EMV Migration



It's not a question of if, it's a question of when.



EMV migration is coming to the ATM ecosystem in the United States. As with other industry directives, you will have to complete specific steps in order to meet EMV requirements. This means:

- Understanding migration requirements and timelines
- Planning now for your EMV migration – this is not “One size fits all.”
- Auditing your ATM fleet to ensure EMV readiness
- Working with host networks to test and complete your migration

Waiting to start your EMV migration could be costly. Increased costs for parts, consulting, implementation and a possible fraud liability shift to you.



EMV Compliance - What does it mean?

EMV is an evolving standard; Today, EMVCo is owned by American Express, Discover, JCB, MasterCard, UnionPay and Visa. Each are involved in managing, maintaining and enhancing payment industry standards. EMV is intended to ensure global interoperability and most importantly, reduce the fraud seen on ATMs and other card based payment systems.

While not mandatory, the move to requiring EMV compliance will have a big impact on ATM deployers and owners. The directive for EMV implementation carries a liability shift, for fraudulent card activity, to deployers, owners, and operators of ATM equipment, and to point of sale systems, and other payment systems.

47%

Overall fraud reduction since implementation of EMV systems in the UK¹

103
million

Dollars saved, due to reduction in ATM skimming theft, since Canada adopted EMV in 2009²

EMV is the driving force behind the move to implement “chip and pin” transactions within the United States. VISA has noted, “... VISA intends to institute a U.S. liability shift for domestic and cross-border counterfeit card-present point-of-sale (POS) transactions, effective October 1, 2015...” whereas MasterCard has said, “... Beginning in October 2016, a liability shift hierarchy will be introduced for ATM Transactions in the US....”



EMV Compliance - What does it mean?

The cost of waiting

- Waiting adds risk and cost to the migration effort due to higher than expected pricing, for owners and operators of ATMs on needed materials, implementation personnel and consulting assistance.
- Losses due to “skimming” and other card reader attacks.
- Last minute requirements to replace hardware unable to be upgraded to EMV capabilities, higher costs and scarcity of resources.

The benefit of acting

- A current, fully-supported, EMV capable operating system enables security compliance and is faster and easier to maintain
- Embracing new software and the latest ATMs keeps your business compliant, current and customer-friendly
- Compliance offers the opportunity of rolling out new services, taking market share from your competitors, and winning new customers

Why wait until the last moment, when compliance and fraud costs are forced on your business? You can choose to upgrade and mitigate risks today.



Critical planning requirements for EMV Migration

1 Get ahead and plan now

Planning for your EMV upgrades is critical to a successful migration. Waiting until the last moment to plan for and migrate to an EMV capable ATM fleet will add risk and cost to your efforts. These costs may increase due to the purchase of the wrong solution, higher than expected pricing on parts and equipment, and the lack of consulting and other personnel to assist you in your migration. Proper planning for EMV migration should not be a last thought; plan now.

- Be sure you know your network's EMV conversion schedule and obtain the EMV certification schedules from them, which you will be required to meet.
- Invest in EMV training to understand the overall impact on the transaction and how EMV card usage will bring a change to the customer experience, especially on ATM and POS systems with "DIP card" readers, when the card is held during the payment transaction.





Critical planning requirements for EMV Migration

The EMV mandate is going to occur during the same time periods as the discontinuation of Windows® XP and on-going PCI certification requirements. Your compliance office may want each area addressed with the other changes and mandates; reducing your ATM upgrade cycles by moving your ATM fleet to be Windows 7 and EMV at the same time.

- Windows 7 will be supported by Microsoft until at least 2020, providing long-term compliance and regular security updates. Review your purchase needs to leverage Windows 7 for your ATM footprint.
- Windows 7 could ease compliance with industry requirements such as PCI and EMV adherence.

New and existing customers can take advantage of NCR's Professional Services Consultancy engagement, established to assess risks and determine your readiness for EMV integration and implementation.





Critical planning requirements for EMV Migration

2 Understand implementation time lines and expectations

Work closely with your network and host to know the timelines they are going to follow and enforce. Falling behind on your implementation could cost your company or your customer's company money, whether ISO, IAD, or owner / operators.

Audit your network to ensure your ATMs are ready for EMV (and Windows 7). Remember, your organization, whether ISO, IAD, owner, or operator, is responsible for certification and compliance with EMV standards.

- Appoint a program manager and / or a project manager to focus on the management and completion of your EMV migration.
- Learn from those organizations, such as NCR, who have already completed EMV migrations.
- Budget and make provisions for the need to replace ATM equipment that cannot be upgraded to EMV capability.





Critical planning requirements for EMV Migration

By addressing these challenges, ATM deployers and operators will reduce risk, service disruption and costly manual interventions. Machine availability is maximized and customer adoption is increased.

Why should EMV be important to you? Criminals have developed expertise at copying and reproducing cardholder information from the magnetic stripe on bank cards, known as card skimming. As a chip is virtually impossible to skim, implementation of the chip cards and migration to technology that is EMV certified is expected to reduce counterfeit fraud and card skimming. EMV also defines how the cards should be produced, how they should work, how end points such as ATMs or point-of-sale (POS) terminals should operate.

NCR, the first self-service provider of ATMs to achieve EMV 4.0 global certification, has certified to EMV level 1 and EMV level 2 standards on its ATM hardware and software.





Critical planning requirements for EMV Migration

3 EMV Conversion Components

EMV is a global standard that significantly improves security for consumer card payments and implements chip-and-pin based transactions and services. As chip-based technology evolves, non-compliant ATM deployers will become increasingly liable for fraud occurring on non-EMV capable systems. The features of an EMV ecosystem reduce losses that result from counterfeit, lost, and stolen credit or debit cards.

97 percent of all ATMs in European countries are EMV compliant³





Critical planning requirements for EMV Migration

NCR has provided EMV capable card readers to the US ATM marketplace since 2009. However, an end to end solution is required for successful implementation. EMV compliance is predicated upon testing with MasterCard, Visa and your ATM switch.

- Card issuers, i.e. banks, issuing networks, or other financial institutions, must move their customer bases from mag-stripe cards to chip-and-pin cards.
- All ATM card readers and point of sale (POS) systems are required to have EMV, or smart card," capability by April 2015; this is known as EMV level 1 compliance.





Critical planning requirements for EMV Migration



- The application software must provide an EMV kernel to support the integration of EMV hardware into the ATM application. This is EMV level 2 compliance. All current versions of NCR APTRA™ software, including APTRA Edge and APTRA Advanced NDC, have an EMV kernel that will support EMV transactions, when implemented at the Host / Authorizer level. Up-to-date software, and the latest ATMs, will help you quickly satisfy emerging industry mandates and provide world-class customer service.
- The importance of complete and thorough testing cannot be over-emphasized. This includes certifying hardware, software, and authorizations, e.g. others-on-us and us-on-others between the ATM and the host. NCR works with all major networks to ensure our ATMs and POS systems are tested and certified with them.



The time for compliance is now

October 31, 2013

MasterCard: 50% account compromise relief for merchants processing 75% EMV transactions

October 1, 2015

EMV liability shifted to all counterfeit mag-stripe cards acquired at ATMs that are not EMV enabled except in China, India, Japan and Thailand (VISA only)

October 31, 2016

Liability shifts for counterfeit fraud to ATM owners when non-EMV transactions are completed (MasterCard & VISA)

October 1, 2017

EMV liability shifted to include all counterfeit mag-stripe cards acquired at ATMs that are not EMV enabled, except US domestic transactions in China (VISA only)

April 1, 2015

ATM acquirer, processors and sub processors must support chip data in chip transactions including the cryptographic message. (VISA only)

October 31, 2015

100% account compromise relief for merchants processing 95% or more transactions using EMV authentication (MasterCard only)

January 31, 2017

All POS and ATM liability due to fraud is shifted to owners and operators including fuel control systems (VISA and MasterCard)



The time for compliance is now

Legislative and regulatory compliance is not a matter of if you meet and maintain legislative and regulatory compliance, but rather a matter of **when**.

- Compliant ATMs lower costs and raise security standards with your ATM fleet. NCR ATMs, running APTRA Edge or APTRA Advanced NDC software, provide you with the latest technology and customer friendly usage.
- Embracing new advancements now can quickly help you out maneuver the competition and take market share.
- Security, stability and functionality to ramp up revenue and deliver the products your customers want is quickly seen when using ATMs that support compliance and new technologies.



NCR and Informa are committed to a controlled and structured best practice approach to industry compliance.

Let us help you upgrade, get compliant and get ahead

NCR's range of SelfServ™ ATMs deliver the technology and innovation your financial institution needs to run securely, efficiently and compliantly. From the integration of the latest security standards to the provision of world-class customer service - from minimizing risk to maximizing revenue; the benefits of upgrading and meeting compliance are clear. Don't be left behind or lose customers due to non-compliance.

Contact Informa Business Systems, Inc. today
to equip your business for compliance and
ensure you're working as safely, responsibly
and as effectively as possible.
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Why NCR & Informa?

Why not work with a winning team, NCR Corporation (NYSE: NCR) is the global leader in consumer transaction technologies, turning everyday interactions with businesses into exceptional experiences.

With its software, hardware, and portfolio of services, NCR enables more than 450 million transactions daily across the retail, financial, travel, hospitality, telecom and technology industries.

NCR solutions run the everyday transactions that make your life easier. The only NCR Distinguished Partner in MI and with nearly 5 decades of experience Informa is a totally customer driven organization. We successfully provide the only complete financial equipment sales and service to banks and credit union in the state of Michigan, northern Ohio and Indiana and we do it with price, quality and service.

Call Informa today

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