

## Implementing EMV at the ATM: Requirements and Recommendations for the U.S. ATM Community

*EMV Migration Forum ATM Working Committee White Paper*

### Executive Summary

ATMs are an important component of the move to EMV payment technology, commonly known as “chip” payment technology.

For point-of-sale (POS) devices, the impetus for conversion to chip rests primarily on two foundations: fraud control and multi-application support for value-added functions (such as loyalty programs or vouchers). For ATMs, however, always-online authorization, coupled with the use of a PIN, and the relatively higher security environment, has historically resulted in lower levels of fraud compared to POS. Further, as a financial services machine, the ATM has not been an attractive opportunity to offer extensive value-added functionality.

Both factors are beginning to change for the ATM. Magnetic stripe skimming, combined with PIN capture (via shoulder-surfing, pinhole cameras, and false fronts), has led to rapid increases in ATM fraud rates. In some markets, this rise in fraud has led to aggressive programs for chip migration for ATM transactions. Meanwhile, the migration of ATMs to “kiosks,” offering POS capability in addition to cash dispensing, has increased the potential for value-added functionality in ATMs.

Additionally, Discover, MasterCard, and Visa have published liability shift dates that impact ATM owners. A liability shift is not a mandate; ATM providers and acquirers are not being forced to migrate to EMV. However, the liability shift provides a very strong practical incentive to do so. (Refer to Section 5.2 of the white paper for more information about the liability shifts.) Further, ATMs are seen as an important component of chip card management. ATMs are generally seen as a safer location to change/unlock PINs; to unblock, add, modify, and delete applications; to manage proprietary applications; and to execute lengthier and more complicated user scripts.

This document white paper was developed by the EMV Migration Forum ATM Working Committee to provide guidance to ATM providers, acquirers, processors, and vendors who are preparing to implement EMV at the ATM in the United States. It includes information about which functions must be implemented to provide EMV compliance at the ATM, as well as recommended planning activities for EMV implementation. Technical details about an EMV transaction are also included.

Migrating to EMV is a large and challenging project. In order to comply with mandates, and avoid the liability shift, ATM owners and operators should begin planning their migration process as soon as possible.

This document is intended as a general guide. Each ATM owner/operator will undoubtedly have unique needs. The EMV Migration Forum therefore encourages each ATM owner/operator to work closely with their vendors, processors, and payment network representatives to ensure a smooth transition to EMV.

To download the white paper, visit <http://www.emv-connection.com/implementing-emv-at-the-atm-requirements-and-recommendations-for-the-u-s-atm-community/>.

#### **About U.S. EMV Migration**

Commonly used globally in place of magnetic stripe, EMV chip technology helps to reduce card fraud in a face-to-face card-present environment; provides global interoperability; and enables safer transactions across contact and contactless channels. EMV implementation was initiated in the U.S. market in 2011 and 2012 when American Express, Discover, MasterCard and Visa announced their roadmaps for supporting an EMV-based payments infrastructure. Acquirer processor readiness mandates to support EMV were established for 2013, with liability shifts for managing fraud risk in a face-to-face environment set for 2015.

#### **About the EMV Migration Forum**

The EMV Migration Forum is a cross-industry body focused on supporting the EMV implementation steps required for global and regional payment networks, issuers, processors, merchants, and consumers to help ensure a successful introduction of more secure EMV chip technology in the United States. The focus of the Forum is to address topics that require some level of industry cooperation and/or coordination to migrate successfully to EMV technology in the United States. For more information on the EMV Migration Forum, please visit <http://www.emv-connection.com/emv-migration-forum/>.