

## *New Post from OpenEdge*

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### [EMV Update](#)

We value our partnership with you and strive to keep you informed related to significant updates across the payments landscape. You may have seen recent stories in the news regarding **EMV** chargeback policy changes. We're contacting you to provide an update on how these changes affect you and your merchant customers, and what merchants can expect if they have not already upgraded their systems for chip card acceptance.

#### **What's the Latest on EMV?**

The U.S. continues to see a slow rollout and implementation of **EMV**. We are now well beyond the start date of October 2015, and most merchants at this point realize there was no need to panic. In fact, only 17% of small to medium businesses using an integrated **POS** have upgraded to **EMV**.

The card brands have also taken a step back to evaluate the **EMV** rollout with both Visa and American Express recently modifying their chargeback policies for merchants who are not yet ready to accept chip cards. **Those changes include a decision to block all US counterfeit fraud chargebacks under \$25, effective July 22, 2016.** According to their own research in the U.S., American Express discovered that **40%** of counterfeit fraud chargebacks occur on transactions that are below the **\$25** threshold.

In addition, beginning **October 2016**, VISA and American Express issuers will be **limited to charging back 10 fraudulent counterfeit transactions per merchant account**, and will assume liability for all fraudulent transactions after the limit has been reached on an account. Both of these changes will remain in effect until **April 2018**.

These changes to the **EMV** chargeback policies are designed to give merchants more time to upgrade their systems for chip cards while limiting merchant fraud losses.

Specific to the verticals that **OpenEdge** serves, we see low to moderate chargeback risk, with extremely low numbers of chargebacks reported. In fact, over the entire **OpenEdge** portfolio, only **0.005%** of sales volume has been reported as **EMV** chargebacks.

### **What Does This Mean to Merchants?**

This is good news for your customers. These changes give merchants more time to update their systems for **EMV** while reducing excessive chargebacks. Please note that there is no action required by your customers related to the updated **EMV** chargeback policies from Visa and American Express. The changes will be implemented automatically – no intervention is required.

Beyond the new chargeback policies, several of the card brands are also working on resolving another merchant **EMV** concern – the time it takes to approve a chip transaction. Visa and American Express are both working on technology to speed up transaction times. Visa has introduced **Quick Chip** for **EMV** which allows consumers to remove their card from payment terminals before the transaction amount is finalized or before the authorization response has been received. American Express recently announced the launch of **Quick Chip**, a service designed to provide a quicker route to process chip card transactions.

Additionally, **OpenEdge** will continue to leverage our card network partnerships to provide technology that improves the performance and overall customer experience of **EMV** processing.

We look forward to continuing to serve you and your customers with secure integrated payment solutions. Please contact us if you have any questions regarding the recent **EMV** chargeback policies or other topics impacting payment processing.

**For more information:** <https://openedgepayments.com/emv/update.html>