eProcessing Network and *The Green Sheet* Advisory Board:
Assessing the U.S. EMV rollout.

October 26, 2015 – *The Green Sheet*, one of the premier magazines focusing exclusively on the payment industry's ISO and merchant level salesperson channel asked their Advisory Board to weigh in on the official launch of EMV (EuroPay, MasterCard and VISA) in the United States. As a long-standing member of the Advisory Board, eProcessing Network President, Steve Sotis was asked the following questions about the state of EMV implementation in the United States. His responses were published in the October 26th edition of the magazine.

EMV is officially here, but is everyone ready?

Although most Level 1 merchants are ready, we're seeing that large populations of Tier 2 and Tier 3 merchants are NOT ready. Many payment gateways are working their way through the morass of testing, and waiting and test and waiting, based upon the backlog of processor development scheduling.

What has your business done to roll out EMV to the merchants?

To help get merchants up to speed as soon as possible, eProcessing Network has developed new EMV/MSR mobile readers for it mobile merchant market and has developed a new USB EMV/MSR card reader for its PC based payment merchant market. Our ePNMobile app for iOS and Android is also updated for EMV compatibility.

What seems to be working well?

The new ePN hardware and software work perfectly, but we, like most other gateways providers are up against an association mandate with illogical time frames to get all things completed. With too many variables to contend with, payment gateways are continuously challenged to meet deadlines that will help limit the liability for our merchants.

Have you encountered any problems with your rollout?

Not unlike everyone affected within the payments industry, the challenges that eProcessing Network faces are related mostly to resources, time, and managing scheduling limitations with the processors facing certification backlogs due to EMV implementation timelines.

Do you expect an uptick in Card Not Present (CNP) fraud?

Possibly, as history has shown how eCommerce fraud increased after EMV was implemented in other countries. However, ePN started in a CNP environment, so we are fairly well-equipped to contend with spikes in CNP fraud activity, and have the infrastructure and experience to help reduce security breaches of sensitive customer data.

If so, what steps is your company taking to mitigate it?

As we've maintained for almost 20 years, eProcessing Network manages fraud effectively with the use of custom fraud protection software and tools within the ePN secure network. Our software works seamlessly "behind the scenes" on behalf of our eCommerce merchants.

Do you think EMV is going to be effective in securing the US payments system?

It is a strong beginning. EMV implementation as it stands, (Chip and Signature is primarily used in the US) will help to mitigate Card Present fraud in the US; it's virtually impossible for thieves to replicate the chip. Chip & PIN however will help drive fraud down on the issuing / retail side as it becomes the more accepted form of acceptance, and will greatly benefit the CDP environment. CNP will be the focus going forward until browser and smart phones can seamlessly use strong authentication routines with fingerprint authentication embedded within apps and browsers.

What advice do you have for agents regarding EMV and their merchants?

Remain Calm! At the time of the deadline, only 18% of Visa cards issued have the chip embedded, and a fraction (.034%) of the 8 million merchants have implemented EMV-accepting terminals into their transaction payment routine. Oct 1, 2015 is just the first in a series of milestones to come, so SMBs need to actively partner with their ISO, processor and/or POS providers to understand what their business needs to become EMV ready.