RS Software

How A US Merchant Beat
The EMV Liability Shift

Industry Landscape

In October 2015, the payment networks' liability shift associated with EuroPay, MasterCard, and Visa (EMV) will take effect in the United States. It's a major milestone for banks, credit unions, issuers, acquirers, networks and retailers. This liability shift means that those organizations using non-EMV compliant devices that accept EMV-cards assume liability for transactions that are found to be fraudulent. The liability shift on October 15th is the final hurdle in a timeline of events that stretches back to October 2012.

PCI Relief for Early Conversion	Merchant Acquirer Requirement	Merchant Fraud Liability Shift	Fraud Liability Shift for Gasoline Retailers
10/01/2012	04/01/2013	10/15/2015	10/15/2017

This liability shift could have potentially huge and disturbing ramifications to your organization. Issuers, acquirers, merchants, and others who have not yet started the process of planning their EMV transition should be engagingwith experienced providers to start this work as soon as possible.

Business Objective

With the deadline for the EMV liability shift approaching, a US-based merchant wanted to evaluate the options available to it for interfacing to acquirers for the purpose of processing EMV chip transactions. The customer decided to compare two options:

1. Upgrading its legacy systems to handle EMV data or
2. Using the Visa Accelerated Connection Platform (ACP) as an alternative EMV processing solution.

Client Profile

The client's business model is built around helping merchants simply and easily accept payments made with magstripe and chip cards. The customer serves as a conduit between the merchant and multiple acquiring processors to deliver a variety of services including:

- Virtual terminals
- Hosted payment pages
- Web-accessible API for easy integration
- Support for recurring transactions, checking transaction status, & multi-format transaction reporting
- Transaction processing via multiple acquirers, e.g., First Data, Elavon, etc.
- Technical support for their merchants

Solution Overview

RS Software provided specialist consulting to the client to evaluate the impact of EMV on their existing systems and the option of utilizing Visa ACP as an EMV processing solution.
The requirements analysis conducted by RS Software involved the following activities:

- Study of the existing system components and workflow
- Identification of the changes needed to the following system components:

  - API
  - Databases
  - Clearing file submission
  - Virtual terminal
  - Back-end processors

- Preparation of functional requirements for the above

- Creation of a roadmap for EMV certification in terms of timeframe per acquirer processor
- Study Visa ACP specifications:
    - Prepare functional requirements for implementing Visa ACP
    - Provide a roadmap of typical activities needed for Visa ACP implementation

Business Benefits

Based on more than 25 years of experience focusing on the payments industry and partnerships with some of the leading payments brands in the world, RS Software was able to provide a number of benefits to the client such as:

- Definition of new use cases that come in with EMV
- Identification of new data elements/records for the client to support
- Documentation of standard fields previously not collected by the client from merchant systems
- Streamlining of device integration
- Optimization of the delivery timeline utilizing reusable assets
- Enhanced quality based on subject matter expertise

Why RS Software

Financial institutions, payment network providers, payment processors and software companies providing products to the payments industry need a development partner who understands the complexities of their industry.

RS Software is the leading custom software development house for the payments industry. With more than 25 years in the payments industry, we have participated in and helped create the products and services that have transformed this marketplace.

Our proven RS GEM™ (Global Execution Methodology), comprehensive set of services and continuing innovation are focused specifically on the needs of the space we have served exclusively since we opened our doors in 1991.

No other provider in our space can deliver more industry knowledge and experience to merchants, payment networks, acquirers, issuers, ATM processors and other organizations that need to modify their operations to accommodate EMV.

RS Software's EMV Offerings	Merchants	Payment Networks	Acquirers	Issuers	ATM Processors
Compliance auditing and strategic planning	★	★	★	★	★
Solutions supporting multiple EMV payment types	★				
Solutions addressing multiple channels, devices and networks		★	★	★	★
Updating of format adapter	★	★	★		★
Solutions for EMV card and cardholder management				★	
EMV data compliance for internal systems	★				
Acquirer message compliance			★		
Compliance for custom POS systems	★				
Enriched reporting and analytics	★	★	★		★
Added security layers for online transactions	★				
Reengineering of dispute management systems		★	★	★	
Modification of interchange management systems		★	★	★	
Updating of front end processors and ATM drivers			★	★	★