

THEREFORE A SMALL GOLDEN METAL PLATE

CHANGING CARDS

The debit, credit and charge cards that are available for making payments today are in a state of rapid technical change. The familiar structure with a magnetic stripe on the reverse side of the cards is being replaced by a small golden metal plate, a chip. Today, it is very common for cards to have both a magnetic stripe and a chip, but the magnetic stripe is to disappear in the long run. This is happening all over the world. The initiatives for this technical shift was taken by Europay, MasterCard and Visa. Therefore, the chip technology is called EMV.

A chip works like a computer and can contain large amounts of information, more than a magnetic stripe can handle. The golden metallic plate is located on the top of the card, and when the card is used for paying, the payment card is inserted into a terminal which communicates directly with the chip on the card. Many EMV terminals have been and are currently being installed in stores and other places where cards are used. In addition to that, the Bank ATM machines have been upgraded and are now handling chip cards.

A SAFER SYSTEM

The most important reasons for equipping the cards with chip are security and new business opportunities. In the light of a number of highly publicised fraud cases and cases of abuse of cards, the need for increased security in regard to card payments has been highlighted.

Adaptation of EMV chip cards and chip terminal is the combination which offers the best protection against counterfeit cards and skimming. It is much harder to change or copy a chip, compared with a magnetic stripe. At the same time the intelligent design of the EMV technology makes room for the development of even more sophisticated security mechanisms. The transition to cards with chips and chip terminals is being made so that the consumer can feel safe when paying.

EUROPE CHANGES TO THE CHIP TECHNOLOGY

Merchants all over Europe have agreed that cards equipped with chips today provide the best response to fraud. Conversion from magnetic strips to chips is

New, safer cards are being introduced



therefore underway all over Europe, and in the long term also globally.

The EMV technology is to be found in Europe from Russia and Turkey to France and Great Britain, and the market penetration is today high and increasing every day. The large-scale transition to the chip technology is unmatched in the history of the payment card.

CHIP TECHNOLOGY IN THE FUTURE

The chip has a large potential for the future. The safety challenges facing the use of cards on the Internet can for example be met by integrating the chip technology in the households, with personal EMV terminals. European banking is looking forward with confidence at how the spread of the chip technology can increase security and convenience for customers.

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