



Smart Payment Systems, Ltd.



ISSUE 1

SMARTSOLUTIONS

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PRESIDENTS MESSAGE:

Safety is a sensitive topic for most people. At BNA we take safety and security very seriously so that you can focus on building your business rather than wondering what evils are lurking around the corner.

The following article is the first in our series on Chip & PIN compliance in Canada. I hope you find it useful, and informative.

If you'd like more information call our Vice President of Sales, Todd Frenette at [905.726.9753](tel:905.726.9753) ext 103 or email todd@bnasmartpayment.com

Cheers!

Matt Moore



CHIP AND PIN COMPLIANCE IN CANADA

"What you need to know to reduce your risk"

"Chip and PIN is a computer chip embedded in credit and debit cards that require consumers to enter a PIN number whenever the debit or credit card is used."

You simply cannot go anywhere today without hearing about a case of Identity Theft, Canada's fastest growing crime. Identity Theft and the fraudulent use of debit and credit cards totalled well over \$10 million dollars in 2007*. Worldwide Identity Theft is responsible for over \$15 Billion in stolen funds and is projected to climb higher each year.

But that's not all. Until now the credit card and financial institutions have taken on the majority of the risk, leaving retailers and merchants virtually untouched.

That system is no longer acceptable.

In 1993, when fraud associated with credit and debit cards started to escalate, three of the world's largest financial institutions, Europay, VISA International and MasterCard International, launched a study group to find ways of stopping fraud. In 1999 they launched the company EMVCO which set about developing a set of standards for payment processing, which were called EVP.

Rollled out first in Europe for the compliance date of 2005, EVP or Chip and PIN as it's now called, showed a reduction in fraud cases by \$36 million dollars within the first six months of 2006. Other countries also show significant drops in their cases of fraud by implementing the EVP/Chip and PIN standards.

But an interesting shift started to happen... VISA Canada started to see an increase in fraud locally. In fact, experience has shown that when EMV rolls out within a country, fraud moves to the adjacent country where Chip and PIN hasn't been mandated.

Now, it's come to Canada

VISA Canada, MasterCard Canada and the Canadian Interact Association have come together to implement Chip and PIN in Canada and reduce fraud.

The compliance deadline in Canada is October 2010

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What does this mean to you?

As a retailer, this means that you will be liable for fraudulent use of a credit or debit card.

But by becoming EMV/Chip and PIN compliant you can significantly reduce your risk.

Firstly, the PIN pad used at your store must be a certified EMV compliant device. You may have to upgrade your current equipment, software and privacy policies.

As well, you'll need to train your staff about handling these new Chip and PIN embedded cards and dealing with customers who are unfamiliar.

Don't despair; Canadians are among the highest users of debit cards in the world. And...Chip and PIN cards can be accepted even if the communication link to the processor is down. Currently debit cards cannot be accepted if the communication link is down, and credit cards require a long and arduous process of calling in for authorization.

Take action now to protect your business, and consider the time it will take to implement this change at your location. Let us help you plan, design, and roll out your Chip and PIN implementation. **If you are already a customer, Relax - You Are ready!**

About BNA

BNA Smart Payment Systems offers businesses globally a secure alternative to higher cost and less flexible POS transaction automation systems. We provide credit and debit card payment terminals and transaction handling services involving all aspects of POS credit, debit and stored value card processing. As the industry approaches 2010, BNA customers also will be equipped to make an easy and affordable transition to Chip and PIN systems.

BNA enjoys a powerful strategic alliance with Banksys of Brussels, a world recognized payment solutions provider known for innovation, security and reliability. In June 2001, BNA was appointed by Banksys to develop and certify payment software applications for North American Financial Institutions. The same year, BNA was given exclusive distribution rights for Banksys electronic payment products (terminals) in Canada and the United States

Today, BNA has certified credit and debit payment applications with more than eight payment processors, serving industries such as General Retail, Restaurant, Entertainment and Professional Services.

FACTS:

2010 – Liability fraud shifts from financial institutions to retailer

2012 – Magnetic Stripe no longer accepted at ATM

2015 – Magnetic Stripe no longer accepted at Point of Purchase



SPECIAL PROMOTION

Think you are stuck with your current transaction supplier because it costs too much or takes too much time to change? Think again. At BNA we take care of all the details for you. Simply let us know you'd like to install the most secure transaction services in your business and we'll take care of the rest.

GET STARTED NOW!

Join us for our Getting CHIP & PIN Ready tutorial, sign up now.

Call us today, or visit
www.bnasmartpayment.com
for more information