Migrating the U.S. market to EMV: challenges and opportunities

U.S. EMV Migration Taking Shape, Says Smartcard Alliance Steering Committee Member and SCIL-EMV Academy's Mansour Karimzedah.

The real work of migrating the USA to EMV started 18 months ago with the announcement of Visa stating a series of liability shift dates for the payment eco-system stakeholders.

Momentum gathered more pace with MasterCard, American Express and Discover making similar announcements on the following months. This prompted a scramble by all concerned parties for information about what they needed to do and where to go to get more information.

Unlike many other countries, including Europe, where some sort of centralized Project management office was set up to coordinate the EMV migration, the US market decided to set up a special non-profit membership association for those interested to join. This was formed as EMV Migration Forum (EMF) and currently has about 140 members made up of card brands, issuer, acquirers, merchants and vendors.

The author is a member of the Steering Committee of EMF that manages the EMV migration in the US and has a vantage point with all that happens in the EMV market in the US.

Although everyone started with great enthusiasm to look at how to migrate to EMV, one of the issues that became the stumbling block was the Debit network usage and the new financial regulation known as the Durbin amendment. Although most other countries generally have one debit network, the USA has 18 regional debit networks. And the Durbin amendment that requires each acquirer to be able to route transactions via at least two competing networks, make it much more difficult task.

There have been two committees set up to study and come up with a solution for debit networking. One is the debit Committee of EMF. The other is SRPC – Secure Remote Payment Council, owned by 8 of the regional debit networks. They have now decided to use a specific EMV Debit application that allows these member networks to process debit transactions and be in compliance with the Durbin amendment. There is some work in progress that allows the selection of an application on the chip in certain cases. The debit issues are expected to be resolved within the next few months.

Although many of the stakeholders, especially merchants, have been delaying their EMV migrations because of the uncertainty in debit, others have started their projects to migrate their systems. Also, education has been a great problem,

as most stakeholders had little no understanding of what is involved.

Other committees of the EMF have been working on other projects and have made a number of publications, such as a standard terms document.

Migrating the U.S. market to EMV is an enormous project. Tens of thousands of stakeholders, including issuers, merchants, acquirers and others needing to pull together to make this market transition.   The challenges are great and complex but as with any great migrations the promise of new opportunities and rewards are great.

Stewart Chalmers - As co-founder of SCIL-EMVAcademy, Stewart focuses on program & business development, strategic partnerships and marketing the organization. He collaborates closely with U.S. and overseas banking and financial institutions and other stakeholders within the EMV and mobile payments ecosystem. Be it contact, contactless or Mobile NFC for acquirers or issuers, Chalmers leverages the company's proven consultancy and training services as well as its leading edge EMV software solutions to help design a program and solution that fits each customer's unique EMV requirements. He is responsible for marketing the products of SCIL-EMV Academy and its partners.

For more than 20 years, Chalmers has represented, marketed and grown a broad range of technology companies from start-ups and pre-IPOs to major global brands. Over the past decade, he's covered the EMV and mobile payments sectors in the USA, Europe, Africa and the Middle East. While most of his time is spent on program and marketing development, he also works closely with founding partners to expand the reseller channel base for SCIL-EMVAcademy.com members and strategic partners. He currently is s member of the EMV Migration Forum and serves on the Communications and Education sub-committee.

Mansour Aaron Karimzadeh applies nearly 25 years of experience to his leadership role. His background includes payment and transaction processing systems in the financial industry, an in-depth understanding of how to create new businesses and drive demand for emerging products and technologies. He has been instrumental in implementing many large card and payment processing

projects worldwide specializing in smart cards and EMV systems – including projects in the UK, Canada, USA, Latin America, Middle East and Australia. He served as a Board member of Global Platform and Chair of its Marketing Center.

He previously managed a smart card consultancy and software company that was acquired by ACI Worldwide. At ACI he served as VP of Operations and Director of Smart Cards Unit. Mansour has also been involved in the smart card based healthcare card business in the USA.

He was recently elected to the EMV Migration Forum Steering Committee responsible for driving the EMV program in the USA. He also serves in the EMV F Debit Network Sub Committee.

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