

## OVERVIEW AND UPDATES OF PAYMENT CARD NETWORK MANDATED CHIP LIABILITY SHIFT

**As a courtesy to our Merchants, Chase Paymentech™ is providing the following notice regarding recent industry updates:**

**October 15, 2010**

On September 24<sup>th</sup>, 2010, Visa and MasterCard announced changes to their Intraregional/Domestic liability shift dates. Liability Shift effective dates for Intraregional/Domestic transactions have been pushed back and as a result, this has provided additional time for Merchants to upgrade to chip-enabled terminals.

LIABILITY SHIFT DATE	EFFECTIVE CHANGES
October 1, 2010	<b>Visa Interregional Liability Shift</b> <i>Canada, Europe, Latin America, Caribbean, South Asia, Middle East, Africa</i>
March 31, 2011	<b>Visa Intraregional (Domestic) Liability Shift</b> <i>Canada</i>
March 31, 2011	<b>MasterCard Intraregional (Domestic) Liability Shift</b> <i>Canada</i>
April 15, 2011	<b>MasterCard Interregional Liability Shift</b> <i>Asia/Pacific, South Asia, Middle East, Africa, Latin America, Caribbean, Brazil, Columbia, Venezuela</i>

**Interregional:** Canadian Merchant accepting an International-issued chip card at their payment terminal.

**Intraregional/Domestic:** Canadian Merchant accepting a Canadian-issued chip card at their payment terminal.

The purpose of migrating to chip in Canada is to make it increasingly difficult for individuals committing fraud to target cardholders and businesses alike. With chip technology, if both a chip-compliant Merchant and a chip cardholder use chip technology correctly, a fraudulent transaction should not occur.

When the applicable Liability Shift dates come into effect, it is important to note that the liability for certain fraudulent transactions may fall onto the merchant. Merchants should continue to follow proper acceptance procedures for card-present transactions and update them as required. Should a merchant need to remediate a chargeback for a fraudulent transaction, they still need to respond with the proper chargeback documentation; an imprint, receipt with signature, back receipts, etc.

We urge our clients to regularly relay to staff proper payment acceptance procedures, counterfeit card identification and fraud prevention measures. The Payment Brands all provide valuable resources on these topics that can be leveraged for your internal education and training purposes. As always, should you have any additional questions, please contact your Relationship Manager.

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