

# The Small Business Guide to the Credit Card Data Breach Liability Shift

On October 1, 2015, liability for card reader data breaches shifts. At that date, any party that isn't on board with EMV chip cards will have liability for a card-present data breach (i.e., one that occurs when an actual card is swiped in a transaction). Business owners who accept credit cards can ensure compliance by upgrading to an EMV reader ASAP. Here's a look at what you need to know to avoid liability.

## What's in the Cards?



### Magnetic Stripe Card

- 40+ years old
- Magnetic stripe technology
- Transaction info stored on reader
- Susceptible to hacking



### EMV Card

- 22 years old
- Integrated circuit technology
- Transaction info not stored
- Less vulnerable to hacking

## Main Street



**Data Breach Cost: \$20,752**  
**Who has liability?**  
Payment processor and store owner, depending on the circumstances.

## EMV Road



**Data Breach Cost: \$20,752**  
**Who has liability?**  
Whoever isn't EMV-compliant.

## Magnetic Stripe Way



**Data Breach Cost: \$20,752**  
**Who has liability?**  
Store owner and anyone else who isn't EMV-compliant.

## Tips for a Smooth Transition to EMV

- Train your employees in the new technology.
- Prepare for slightly longer transaction times.
- Post a sign emphasizing customer security.

2018:  
MAGNETIC STRIPE CARDS  
BECOME OBSOLETE

## How Much Do EMV Readers Cost?

- Square Reader – \$29 – [Available from Squareup.com](http://squareup.com)
- First Data TMFD35 PIN Pad – \$135 – [Available from Amazon](http://amazon.com)
- Hypercom M4230 PCI PE – \$345 – [Available from Amazon](http://amazon.com)



Sources  
<http://www.howtogeek.com/216571/chip-credit-cards-are-coming-to-the-usa-heres-what-you-need-to-know/>  
<http://krebsonsecurity.com/2014/10/chip-pin-vs-chip-signature/>  
<http://usa.visa.com/download/merchants/visa-merchant-chip-acceptance-readiness-guide.pdf>  
<http://www.creditcards.com/credit-card-news/emv-faq-chip-cards-answers-1264.php>  
<http://www.thestreet.com/story/13185543/1/small-businesses-just-arent-adopting-chip-and-pin-credit-card-readers.html>  
<https://squareup.com/townsquare/emv/>