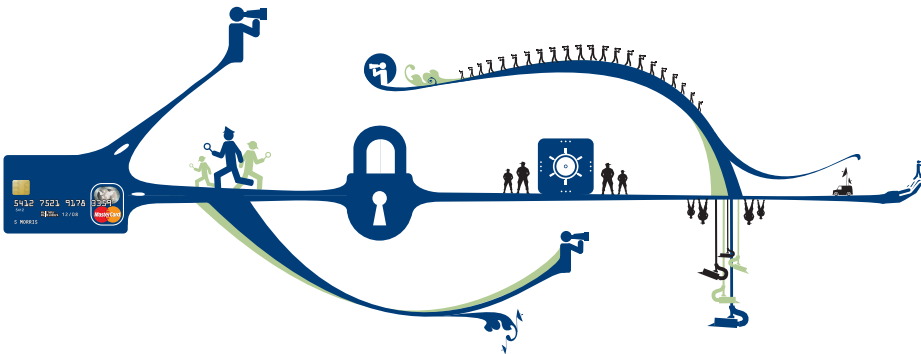


MasterCard® Chip

Fact sheet for merchants



MasterCard Introduces Chip in Canada

MasterCard leads in the implementation of chip cards worldwide, with more than 395 million chip cards in over 92 countries.

This experience is now being applied in the Canadian market, with a goal to ensure the payments industry is in the right position to capture the benefits of chip technology.

In 2008, chip-enabled MasterCard cards were introduced into the Canadian market, starting in Kitchener-Waterloo, and will be followed by a national roll-out.

What is MasterCard Chip?

The MasterCard chip-enabled card is the same as a traditional payment card, but with an embedded microchip that works with a PIN instead of a cardholder signature. This microchip is a computer processor with memory, logic and configuration software that allows for new applications and enhanced security features.

Merchant Benefits

Merchants who accept chip payment cards may see the following benefits:

- **Reduced fraud** – chip & PIN provides increased protection against the use of lost, stolen, and counterfeit cards, resulting in a reduction in fraudulent transactions and chargebacks
- **Operational efficiency** – merchants no longer need to store sales drafts for chip & PIN transactions
- **Increased speed at check-out** – chip & PIN simplifies operations at the point-of-sale as your staff no longer needs to verify signatures; this can result in faster throughput
- **Flexibility for future applications** – chip offers a platform for the development of enhanced payment features and tools like OneSMART™ PayPass™ – the MasterCard® EMV contactless payment solution

How Customers Use MasterCard Chip-Enabled Cards

Instead of swiping their card on a payment terminal and signing a receipt to complete the transaction, customers will:

1. Insert the card into the payment terminal.
Note: It must be a chip-reading terminal and a chip card.
2. Follow the prompts, which will include entering a PIN.*
3. Remove the card at the end of the transaction when prompted.

MasterCard chip-enabled cards also have a magnetic stripe that enables them to work with non-chip reading terminals. For these transactions, the usual magnetic stripe transaction process applies.

How to Start Accepting Chip

To begin accepting chip cards, please contact your acquirer/payment processor and ask how to get started.

If you would like more information, please visit www.mastercard.ca