

## **Canadian Chip Card Market Trial A Success**

KITCHENER-WATERLOO, ON, Oct. 28 /CNW/ - Members of the payment card industry - Interac Association, MasterCard Canada, Inc., Visa Canada and many of their respective card issuers and payment processors - today released positive insight and observations from the industry trial of chip technology being conducted in Kitchener-Waterloo.

Chip technology is a new generation of payment cards which contain embedded microchips giving debit and credit cards the ability to securely store and process transaction information, making an already safe payment system even more secure.

"The chip trial allowed participants to assess customer and merchant communications and monitor awareness and adoption of chip technology," said Tracey Black, program director, Kitchener-Waterloo Industry Chip Trial. "Each organization will take away learnings from the trial to support their chip implementation plans across Canada."

According to research(\*) conducted in Kitchener-Waterloo, the majority of consumer respondents (88 per cent) indicated that chip cards are as easy to use as existing magnetic stripe cards, and 85 per cent of respondents indicated that the information received from their financial institution about their new chip card was easy to understand. Kitchener-Waterloo merchants also had a positive experience transitioning to chip-enabled store terminals, with 75 per cent of front line employees indicating that processing chip card transactions is as easy or easier than processing magnetic stripe transactions.

Canadians shopping with chip cards at chip-enabled store terminals will experience only minor differences in the way they pay for goods. The chip card is inserted and left in the terminal for the duration of the transaction and cardholders will now follow the prompts provided on the terminal screen. For credit card transactions, cardholders will be required to enter a personal identification number, or PIN, as they do today with debit card transactions, rather than sign a sales slip.

"We thank the Kitchener-Waterloo community for their participation, support and feedback in helping us obtain insights to support the conversion to chip across Canada," said Black.

Each financial institution and payment processor has its own timeline in place for distributing cards and terminals across Canada. Given the vast number of cards, terminals and ABMs that must be converted, the migration to chip is expected to take a number of years.

Chip cards will continue to be issued with a magnetic stripe to allow all payment cards to be used throughout Canada during the migration, as well as in those countries that have not yet transitioned to chip technology.

More information about the chip market trial, as well as a list of some participating organizations can be found at the Kitchener-Waterloo Industry Chip Trial website at [www.chipmigration.ca](http://www.chipmigration.ca).

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(\*) A telephone survey was administered in July 2008 to 402 Kitchener-Waterloo residents. A sample of this size is accurate to within + 4.9 percentage points, 19 times out of 20. A telephone survey was administered in September 2008 to 200 Kitchener-Waterloo merchants. A sample of this size is accurate to within +/- 6.9%, 19 times out of 20.