

# Global EMV Adoption Leaps; U.S. Still Lags

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Almost half of the card payments in the world now involve EMV chips, and the number should exceed 50% in 2017, according to new data from EMVCo.

From July 2015 to June 2016, 42.4% of transactions globally were EMV-compliant, compared to 33% for the previous 12-month period, according to a report from the technical body, which manages EMV specifications and testing processes.

In the United States, however, only 7.2% of all card-present transactions were EMV-compliant between July 2015 and June 2016. That was up from 0.26% for the previous 12-month period.

“In addition to increasing global usage, the most recent data shows rapid adoption of EMV technology in regions that have recently implemented EMV chip infrastructures, such as the United States and China,” EMVCo Executive Committee Chair Soumya Chakrabarty said. “With this continued migration, EMVCo expects these figures to increase in the coming year, which could mean that global EMV transaction volumes would exceed half of all card-present payments.”

Credit unions and other card issuers in three states have flocked to EMV chips for member cards since the Oct. 1, 2015 EMV liability shift. After that deadline, retailers and other merchants became financially liable for any counterfeit fraud losses associated with debit and credit cards that are present at the time of the transaction. A similar shift in fraud liability is set to occur at ATMs and gas pumps in October of 2020.

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A regional breakdown of EMVCo's data, which was collected from American Express, Discover, JCB, MasterCard, UnionPay and

Visa, showed that EMV use rates are highest in Northern, Southern and Western Europe, where EMV transactions accounted for 97.6% of all card-present transactions between July 2015 and June 2016. EMV transactions accounted for 89.9% of card-present transactions in Africa and the Middle East; 88.8% in Canada, Latin America, and the Caribbean; and 75% in Eastern Europe; and 57.9% in Asia, the report said.

EMV-enabled transactions are those in which both the card and terminal are EMV-enabled, according to EMVCo. They exclude offline transactions, “on us” transactions and transactions processed by non-EMVCo member institutions, such as national payment networks.

EMV's long-standing pledge has been that it thwarts the use of fake credit cards at the point of sale. Though experts say that has been the case for other countries that have migrated to EMV, concerns about corresponding increases in card-not-present fraud still exist.

A recent holiday trends report by Naples, Fla.-based ACI Worldwide forecasted that card-not-present global online fraud attempt rates during the 2016 holiday season would increase 12% by volume over the same peak holiday period in 2015. Similarly, a Lexis Nexis Risk Solutions study this past summer of 100 risk and fraud decision-makers and influencers working at U.S. card issuers reported that 71% of card fraud now comes from credit cards – three times the fraud from debit cards, which accounted for 25% of the total. Prepaid cards contributed only half a billion in fraud losses, the study said. In

another study by analytic firm The Nilson Report, card fraud worldwide is expected to reach \$31.67 billion by 2020.