



CARD SERVICES DEPARTMENT

Remarks from our Card Services Manager

Cayman National takes pride in providing our merchants with the best customer service possible. We invite you to share your experience by emailing us at cnbmerchantservices@caymannational.com. Your support makes our business possible and we are truly thankful for your partnership. We take this opportunity to extend our heartfelt wishes during the coming months and hope they bring you joy and prosperity.

Join us at our Annual “Home For Christmas”

Cayman National invites our merchants to join us for a night of celebration at our Elgin Avenue Customer Service Centre on December 06th, 2016 as we celebrate our annual “Home For Christmas” event. We welcome you to celebrate with our family in a merry Christmas spirit.



Have You Moved?

Have you changed your physical or mailing address? If your business credentials have changed please inform us in writing as soon as possible and we will update our files.

Our Merchant Services team can also assist you in the transition and reinstallation of your terminals. We are here to help, so please call on us.

Cayman National Merchant Notice

Cayman National advises its merchants that Butterfield Bank KYD MasterCard transactions are levied at the USD commission rate until such time that the cards can be included in the local network. If you have any questions, please contact Donna Thompson at 815 5224 or Elsa Luke at 815 5107.

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Cayman National Bank Prepares to Launch EMV!

Cayman National is diligently working towards deployment of EMV terminals during the second quarter of 2017. The Cayman National Merchant Services Team will be visiting businesses to replace the current terminal with an EMV/Contactless terminal. EMV terminals allow merchants to process transactions more securely using Chip and PIN technology. The antennae on the terminal allows for convenient "tap and go" contactless transaction processing.



What Does EMV Stand For?

EMV stands for Euro pay, MasterCard and Visa, the three companies which originally created the standard. The standard is now managed by EMVCo, a consortium with control split equally amongst Visa, MasterCard, JCB, American Express, China Unionpay and Discover.

What is a Chip and PIN Card?

Chip and PIN is a brand name adopted by the banking industries in the United Kingdom and Ireland for the EMV smart card payment system for credit, debit, and ATM cards.

- "Chip" refers to a computer chip embedded in the smart card.
- "PIN" refers to a personal identification number that the customer must supply.

Why Chip?

EMV adds an additional layer of security to in-person transactions by generating a cryptogram that is unique to each transaction. EMV technology helps reduce the value of stolen data. Global market migrations to EMV have proven that chip technology is an effective tool for combatting counterfeit fraud. Migrating to EMV chip can also help drive incremental transactions. As technology advances, people's spending behaviour changes.

Why Contactless?

A larger number of customers are opting for more simplistic ways to shop and want to simply wave their cards or mobile devices at a point of sale terminal to make a purchase. EMV technology provides additional security when conducting contactless transactions.

How Chip Card Acceptance Works

Chip card acceptance at a merchant Point-of-Sale terminal is similar to the magnetic-stripe card with just a few subtle differences. Depending on the equipment setup, either the merchant or the cardholder will handle the card during the EMV chip transaction process.

In an EMV transaction, the cardholder presents the chip card for purchase. The merchant inserts the chip portion of the card into the terminal with the chip facing up. The merchant follows the prompts on the terminal's screen and confirms cardholder verification as needed. The merchant then removes the card when prompted to do so and provides a copy of the receipt to the cardholder as is currently done for magnetic stripe transactions. (Receipt practices do not change with EMV chip transactions).

Easy 1-2-3 Acceptance Process:



1



2



3

Payment Card Industry Data Security Standards (PCI DSS) Data Security Matters!

The breach or theft of cardholder data affects the entire payment card industry. Customers lose trust in merchants and their banking institution as the breach can negatively affect their credit. Merchants and financial institutions lose the trust of the public and the potential for loss of business increases. It is with this interest that Cayman National is committed to educating merchants and customers alike, on the importance of being PCI compliant at all times.

PCI Compliance (Card Security Standards)

If you accept credit and/or debit cards, then you have agreed to abide by the Payment Card Industry Data Security Standards (PCI DSS). The PCI DSS is a set of requirements designed to ensure that all companies that process, store, or transmit card information maintain a secure environment. It is your responsibility as a merchant to protect the information you take from customers who do business with you.

Becoming and Staying PCI Compliant

Compliance with PCI DSS is an ongoing process; therefore, merchants have the responsibility to regularly review their physical environment and computer systems to identify vulnerabilities. The PCI Security Standards Council recommends taking the following steps:

- Do not store any sensitive cardholder data in computers or on paper.
- Manual imprints of card transactions or documents containing cardholder information received by other printed means or by phone must be kept under lock and key with limited personnel access.
- Internet Networks, computers and other POS work stations should be protected with a firewall.
- Wireless routers need to be password protected and use encryption to transmit data.
- Regularly carry out physical inspections on all payment card terminals and PCs to make sure no one has installed rogue software or “skimming” devices.
- Regularly educate employees about security and protecting cardholder data.
- Use strong passwords. Regularly change default passwords on hardware and software – most default passwords are unsafe.

Take Action!

- Develop and maintain a secure system for accepting payment cards.
- You must be PCI compliant at all times. You can find the most up-to-date version of the PCI DSS on the PCI Security Standards Council (SSC) website at www.pcisecurity.org.
- Update your compliance with the PCI DSS on an annual basis by completing either a self assessment questionnaire (SAQ) or by visiting our website at www.caymannational.com click the Business Banking header and select Merchant Services from the left navigation bar. If you electronically store, process or transmit cardholder data, your organisation must undergo quarterly internal and external vulnerability scans. You can handle the internal scans in-house (once you have the expertise), but your external scans must be completed by a PCI SSC approved vendor.
- If your organisation’s network undergoes significant changes, you will need to perform additional scans.

Cardholder Data and Sensitive Authentication Data Must Never Be Stored!

Cardholder data and sensitive authentication data are defined as follows:

Cardholder Data includes:

- Primary Account Number (PAN)
- Cardholder Name
- Expiration Date
- Service Code

Sensitive Authentication Data includes:

- Full Track data (magnetic stripe data or equivalent on a chip card)
- 3-digit card security code printed on the back of the card (for American Express it is 4-digits and printed on the front)
- PINs/PIN blocks

MasterCard Announces 2 Series BINS

MasterCard is rolling out an additional range of six-digit BINS. These 2-series BINS adhere to today’s ISO industry standard and will work the same way as the 5-series BINS do today.

Cayman National has made it easy for merchants to start accepting the new MasterCard credit and debit cards with 2 series numbers by proactively upgrading all merchant’s terminals to accept the 2 series and 5 series MasterCards. Merchants should be prepared to accept MasterCard cards with the card number beginning with a 5 or 2.



Did You Know?

MasterCard has made optional certain design elements of their MasterCard plastic look and feel.

The following elements may or may not appear on the actual credit card plastic. Therefore, they should no longer be used to determine the validity of a MasterCard credit or debit card:

1. The first four digits of the bank identification number (BIN) that appears below the card number on the front of the card.
2. The Ultraviolet “M” and “C”.
3. The ICA number portion of the card source identification.
4. “Authorized Signature” and “Not Valid Unless Signed” text adjacent to the MasterCard Signature Panel on the back of the card.



Visa Claims Resolution – Changes That Will Effect Your Business

Effective October 2017, Visa International will be migrating to a new Dispute Processing Platform called Visa Claims Resolution (VCR). The new system is aimed at streamlining the dispute process and shortening the overall processing cycle by changing from a litigation-based resolution model to a liability assignment model.

How does this affect our Merchants?

With the new resolution process in place, the Issuing and Acquiring Banks will no longer have the ability to decide which party is liable for the charge. In most cases Visa International will review each dispute and assign liability based on the information provided.

Visa anticipates that most disputes will be fully resolved within 31 days using the new system, which is a marked improvement over the 46 to 100+ days that the process currently takes.

The current Dispute Cycle allows a response time frame of 45 days for each segment of the dispute process. With the new system, this response time will be reduced to 30 days.

Fulfilment deadlines will be reduced in line with the reduced overall processing time frames. These will become hard deadlines to eliminate the risk of missing a Visa enforced time frame which results in an automatic chargeback loss.

Merchants will receive fewer invalid disputes. Visa will identify and block disputes that do not meet the necessary criteria for the selected dispute category. This added feature will reduce the number of invalid disputes that are forwarded to the Acquirer (Cayman National Bank) and subsequently forwarded to our merchants.

What to do in preparation for this change.

Keep all documents, sales slips and related documentation in an organised manner to ensure that they are readily available if requested.

Ensure that your employees are following proper card acceptance practices and current disputes are responded to in the time frame specified by the Chargeback Unit. In October 2017 there will be shorter time frames for responding.

Update your contact information with a Merchant Services Representative. Our ability to contact you will be paramount in the newer, more constrained Chargeback Processing Environment.

Cayman National Bank is dedicated to providing our clients with the best products and services available and we will be providing you with further updates on these changes as the launch date approaches.

What's on Your Mind?

We are constantly looking for ways to bring you more services and options to meet your banking needs. Please email us at cnbmerchantservices@caymannational.com and tell us what we are doing well and what we can do better.



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"Thank you for making Cayman National your bank of choice."

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