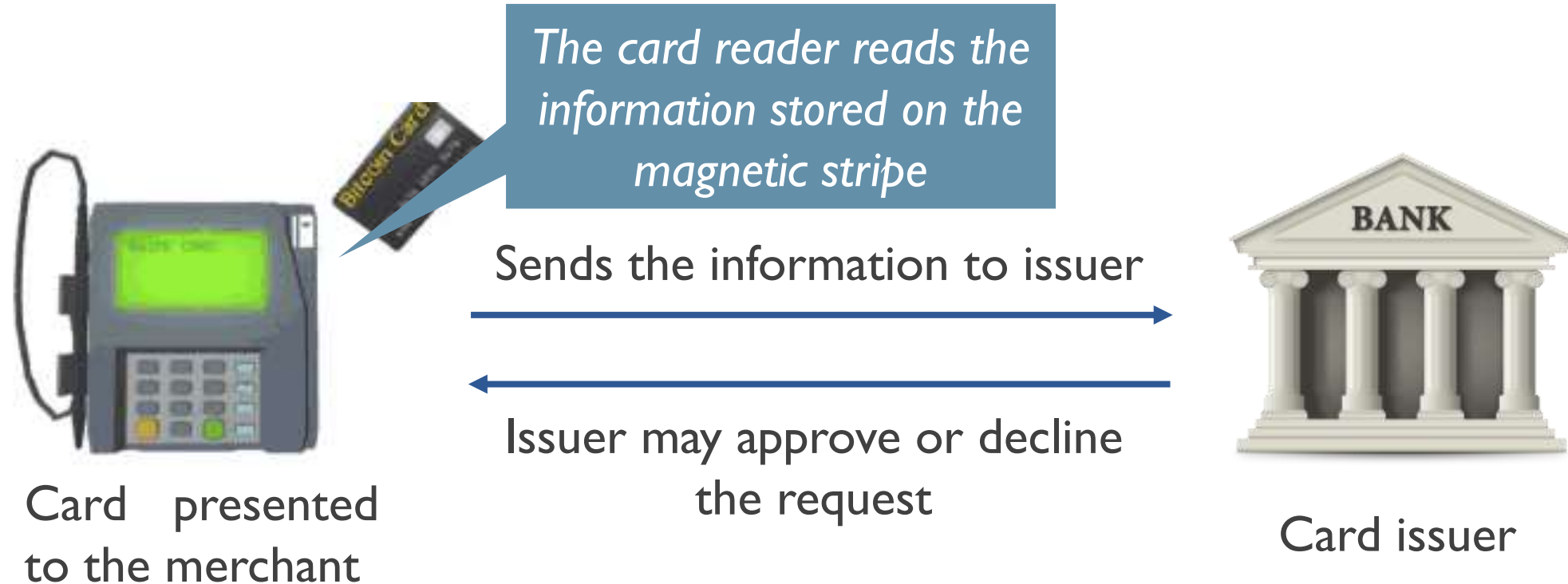


ICMI LEARNING

**Transaction processing
through magnetic stripe
cards and EMV chip cards**

Transaction processing through magnetic stripe cards and EMV chip cards

How transactions are made through magnetic stripe cards?



With a magnetic stripe card, the issuer has to be involved in the transaction, which increases the time and bandwidth required to connect to the issuer for every transaction.

Transaction processing through magnetic stripe cards and EMV chip cards

How transactions are made through EMV chip cards?

Online
transactions

Offline
transactions

Transaction processing through magnetic stripe cards and EMV chip cards

How transactions are made through EMV chip cards?

Offline transactions

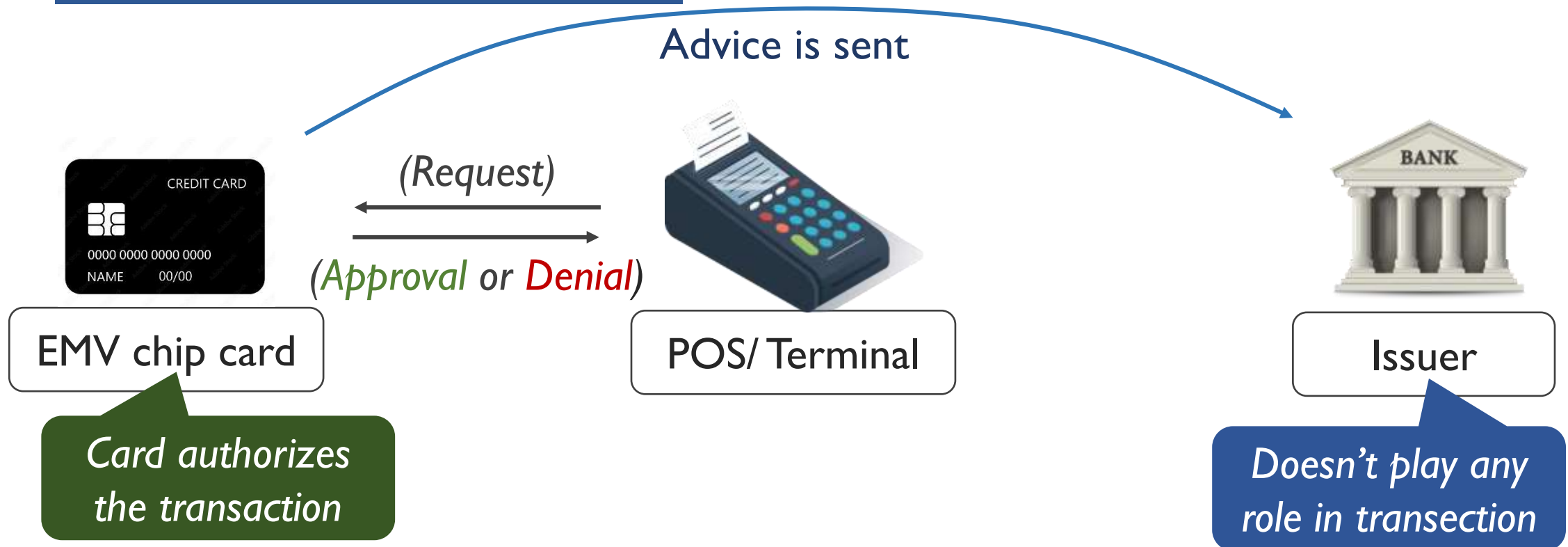
When the card and the terminal communicate directly without the need for an internet connection or authorization from the card issuer



Transaction processing through magnetic stripe cards and EMV chip cards

How transactions are made through EMV chip cards?

Offline transactions



Transaction processing through magnetic stripe cards and EMV chip cards

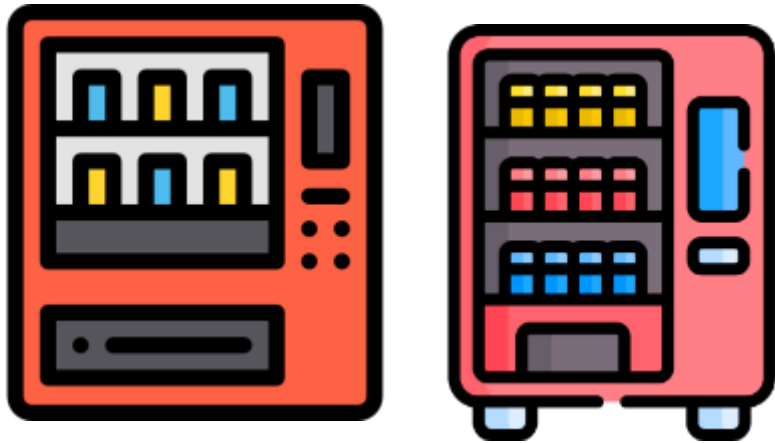
Advantage of Offline transaction



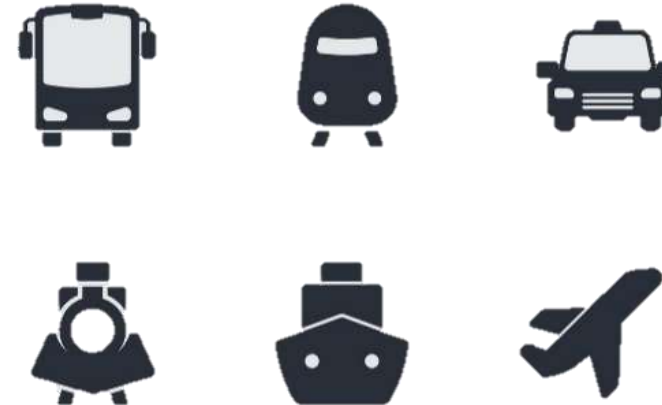
Transaction processing through magnetic stripe cards and EMV chip cards

Used for small purchases

Vending machines



Public transportation



Transaction processing through magnetic stripe cards and EMV chip cards

How transactions are made through EMV chip cards?

Online transactions



This is typically done if the card is unable to make an offline transaction

Online transactions require the terminal to connect to the card issuer's network for authorization

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Online transactions

