

## PesaPoint welcomes KBA guidelines

PesaPoint Limited on Friday, 5 April 2013, clarified that its fleet of ATMs deployed across the country have been EMV-Chip compliant for over three years now. The payment networks company said its focus was now upgrading the agency banking network which serves over 30 banks to be in compliance with the standard.



"We upgraded the systems at our ATMs in 2010 to comply with EMV Chip standards for acquiring networks soon after our parent company, Paynet Group warned of likely increase in card fraud in the country," said Richard Coate, the company's managing director, adding that the upgrade explains why PesaPoint ATMs continue to report low-to-zero fraud levels even in the face of the threat from the vice rises across the country.

"We continue to look at ways to fight against fraud including the use of multiple cameras, physical security, sophisticated transaction filtering and by using DIP readers for cards which are very difficult to fit skimming devices to. PesaPoint ATMs also do not retain cards thanks to the DIP readers," he said.

### Upgrade of systems

Pesapoint ATMs have been accepting and processing payments requests from EMV Chip and PIN cards used mostly by expatriates and travelers from countries in Europe and from two local banks that are already EMV Chip compliant. The upgrade on the systems, according to Coate, was designed to allow the processing of both types of cards and thus the network continues to accept the old magnetic stripe cards that are issued by 95% of banks in this market.

"Banks and other financial institutions are well advised to upgrade their ATMs and issue their customers with EMV Chip cards to add to the security that they offer. We fully welcome the guidelines issued by the Kenya Bankers Association (KBA) to industry for migration to EMV Chip," he said.

### Industry urged to migrate to EMV Chip platform

PesaPoint's mother company, the Paynet Group, a company that's specialty is processing of cards payments and to whom several major banks in Kenya have outsourced their card operations to, has warned the market since 2011 of expected increase in fraud, urging the industry to migrate to the EMV Chip platform in both issuing and acquiring functions. Paynet runs one of the busiest payment switches in the region.

Last year, Paynet Group, MasterCard and De la Rue joined hands as stakeholders in the plastic money industry to kick start a campaign dubbed "The great migration to EMV Chip" urging banks to upgrade their systems.

### Additional security reduces card fraud

EMV chip payment devices generate dynamic values unique to each transaction that changes with every use and provide an additional layer of security that helps to significantly reduce card fraud.

"With the migration to EMV Chip, the fraudsters will be unable to skim the customers' cards. Fraudsters will now shift from counterfeiting at the customers end of the cards business to the data centre on the bank's end. Banks will also need to ensure that their data centre comply with the latest Payment Card Industry Data Security Standards (PCI DSS) which is an intensive and expensive process," said Paynet Group's CEO, Bernard Matthewman during a recent banker's training.

Paynet which has capacity to encrypt smart cards for both Visa and MasterCard EMV Chip cards for banks following a successful upgrade of its card processing facility to a system referred to as TSYS Prime 4. The company has also been

implementing the PCI DSS standard within its operating environment and will certify this year.

Paynet said its facility will allow banks that chose to migrate to EMV Chip gradually be able to issue the EMV cards in batches and phases to minimize the cost impact as well as avoid the additional costs of PCI DSS.

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