

MEDIA RELEASE

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FOR IMMEDIATE RELEASE

CARDHOLDERS REQUIRED TO ACTIVATE MAGNETIC STRIPE ON CREDIT/DEBIT CARDS FOR OVERSEAS USE

Singapore . The Association of Banks in Singapore (ABS) announced that from 1 October 2013 onwards, most retail banks in Singapore will deactivate the magnetic stripe on all credit/debit cards for overseas use as part of the industry's efforts to further enhance protection of consumers, merchants and banks against credit/debit card fraud. Customers will be advised by their banks accordingly as a few banks may implement this deactivation at an earlier date.

The data encoded on the magnetic stripe card is easily read and copied making it easier for a magnetic stripe card to be duplicated for fraudulent use. However, the microprocessor chip on a chip card is protected by cryptographic encryption and virtually eliminates the ability to copy the contents of the chip to another card.

Banks may exempt certain customer segments (e.g. those who travel overseas frequently and/or those who reside overseas) from this measure. However, the criteria used to exempt customers may vary from banks to banks.

As EMV chip technology is not adopted yet in some countries, cardholders who wish to travel overseas will need to activate the magnetic stripe using various channels e.g. phonebanking, website, online banking or SMS provided by their banks.

Merchants in countries like the UK, Europe, Australia, Taiwan, Hong Kong and Malaysia may or may not accept the EMV chip. Merchants in the US and South Korea are still reliant on the magnetic stripe to process their credit/debit card transactions. In Japan, the EMV chip is only partially implemented.

The deactivation of the magnetic stripe will not have an impact on cardholders when they make transactions in Singapore. All transactions in Singapore are already processed via the EMV chip which are embedded now in all credit/debit cards, and all merchants here are equipped with chip readers.

Cardholders are advised to await more details from their banks. Cardholders are also reminded to contact their banks to update their mailing addresses and mobile numbers to facilitate the implementation of this exercise.

ENDS

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About The Association of Banks in Singapore:

The Association of Banks in Singapore (ABS) plays an active role in promoting and representing the interests of the banking community in Singapore. In doing so, ABS works closely with the relevant government authorities towards the development of a sound financial system in Singapore. Since its establishment in 1973, ABS has promoted common understanding among its members and projected a unifying voice on banking issues. It has brought its members closer together through various guidelines and banking practices as well as the support of projects of mutual benefit to face the challenges of the financial and banking community in Singapore. Today, ABS has a membership of 145 local and foreign banks. Further information on ABS is available on the website: www.abs.org.sg.