

MEDIA RELEASE

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FOR IMMEDIATE RELEASE

THE ASSOCIATION OF BANKS IN SINGAPORE ANNOUNCES IMPLEMENTATION OF ENHANCED SECURITY MEASURES FOR PAYMENT CARDS AND EBANKING

Singapore – In January 2012, ABS announced that its member banks will introduce various measures to enhance the security of Payment Cards and Ebanking transactions so as to give customers greater assurance in preventing fraud. Some of these measures will start taking effect from 1 July 2012. The enhanced measures include issuance of deactivated Credit / Charge, Debit and ATM Cards, reducing the reliance on Magnetic Stripe and sending out ATM Transaction Alerts, among others.

“As an industry, we continually look at what we can do to safeguard the interests of our customers and give them peace of mind. As part of this ongoing effort, the industry has worked together to implement a host of measures to enhance the security of Payment Cards and Ebanking transactions,” said Mrs Ong-Ang Ai Boon, Director of ABS.

A) Measures Implemented Starting from 1 July 2012

1) Activation of Credit / Charge Cards, Debit Cards and ATM Cards

All new, renewal and replacement Credit / Charge Cards and Debit Cards can only be used after customers have contacted their Banks / Card Issuers to activate the usage of these cards. All new and replacement ATM Cards will also need to be activated if the card is not activated at the point of issuance to customers.

2) Cessation of Domestic Magnetic Stripe Transactions for Credit / Charge and Debit Cards

All domestic point-of-sale Magnetic Stripe transactions for Singapore-issued Credit / Charge and Debit cards will cease. In the event of Chip Card failure, there will be no fall back to Magnetic Stripe capability. This change does not apply to foreign-issued Credit / Charge and Debit Cards which will continue to be accepted on non-EMV terminals in Singapore. Magnetic Stripe transactions made on non-EMV terminals overseas can still be accepted.

3) Activation and Deactivation of Overseas ATM Cash Withdrawal

All Banks will be deactivating the overseas ATM cash withdrawal function on customers' ATM, Debit or Credit Card that is linked to a Savings or Current Account. This is to reduce the possibility of transactions being undertaken by unauthorised parties. Individual Banks may exempt specific customers from this measure (e.g. customers who have recently withdrawn cash from overseas ATMs using their ATM, Debit or Credit Card that is linked to their Savings or Current Account). If customers wish to retain the overseas ATM cash withdrawal function or are planning a trip abroad, they may request to have the overseas ATM cash withdrawal function activated for their convenience.

4) Transaction Alerts for ATM Cash Withdrawal

All Banks in Singapore will send out transaction alerts via SMS or email for local and overseas ATM cash withdrawals above a certain threshold. Customers should ensure that they update the Banks immediately if there are any changes in their contact details.

5) Transaction Alerts for Other Banking Transactions

All Banks will provide transaction alert services via SMS or email for the following banking transactions above a certain threshold:

- a) Successful GIRO set-ups;
- b) Cheque payments; and
- c) Electronic Funds Transfer at Point of Sale (EFTPOS) transactions using the NETS network.

Depending on the practices of individual Banks, these alerts will be available to customers on an opt-in or opt-out basis. The timeline for implementing these Transaction Alerts will depend on individual Banks and may take place after 1 July 2012. Individual Banks will be communicating this to their customers.

B) Measures to be Implemented with Effect from 1 January 2013 to 2014

1) Transaction Signing for Online Banking

From 1 January 2013, customers will only be able to perform high risk transactions such as the setting up of new third party payees and ad-hoc funds transfers with the use of new tokens which provide enhanced security against online threats such as man-in-the middle attacks. Banks will be

issuing the new tokens to customers. These tokens can be used to further enhance the security of their internet and mobile banking transactions.

2) Migration to Chip-based Technology for ATM and NETS POS Transactions

To guard against fraud, Banks will adopt Chip-based technology in ATM Cards, Debit Cards and Credit Cards linked to customers' savings or current accounts for purposes of ATM and NETS POS transactions. This will require infrastructural changes to the current ATM and NETS POS networks and will be phased in progressively over the next two years, to be implemented by 2014.

ABS has embarked on consumer education of these new measures. The relevant FAQs are published on ABS' website to educate members of the public on the vital role they can play in enhancing the security of card usage and banking transactions.

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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 142 local and foreign banks. Further information on ABS is available on the website: www.abs.org.sg.