

Frequently Asked Questions (FAQs) on migration to PIN-based payment cards

Usage of PIN-based Payment Cards in Malaysia

What are the important dates?

The banking institutions and non-bank issuers of payment cards are progressively replacing the signature-based payment cards and upgrading the merchants' POS terminals to accept PIN-based payment cards. Banking institutions and non-bank payment card issuers have committed to complete the exercise by **1 January 2017**. Cardholders are required to familiarise themselves with the use of PIN-based payment card by entering PIN at POS terminals. If you have not received your PIN-based payment card, you should contact your bank or non-bank issuer.

With effect from **1 July 2017**, all domestic transactions conducted using locally issued payment cards will only be verified by PIN at POS terminals in Malaysia.

What do I need to do if I have not received my PIN-based payment card?

Please contact your bank or non-bank payment card issuer to obtain the PIN-based payment card, activate your payment card, select your PIN and start using the PIN-based payment card at POS terminals that have been enabled to accept PIN.

How do I know which POS terminal accepts PIN?

Please look out for the PIN & Pay notices at the cashier counters at the merchant outlets and ask the merchants if you can authorise your transactions with your PIN. Remember to conceal your PIN when keying in to the POS terminal.

Usage of PIN-based Payment Cards Overseas

What should you do before you travel?

If you have been issued with a PIN-based payment card, you should activate it and select your PIN before you travel.

For overseas usage, do I use my PIN or sign?

If you have been issued with a PIN-based payment card, please ensure that you have activated it and select your PIN before you travel. When using your PIN-based payment card overseas, enter your PIN when prompted by the POS terminal. If a POS terminal is not configured to accept PIN, you will be required to sign for verification.

Malaysia adopts 6 digit PIN. Will there be any problem if I use my PIN-based payment card in other countries that adopt 4 digit PIN?

Payment card scheme rules require all ATM and POS terminals to accept 4 to 6 digit PIN. However, if there is any POS terminal in other countries that does not comply with the payment card scheme rule and you are not able to key in your 6 digit PIN, you may

require the merchant to allow you to complete the transaction by signature. Cardholders are advised to contact their bank or non-bank payment card issuer for advice.

Contactless Transaction

Can fraudsters carry out 'electronic pick-pocketing'¹ on individuals with EMV contactless payment cards?

EMV² contactless payment cards have security features which protects the contactless payment card from being cloned or counterfeited.

The payment card details read from a contactless payment card does not include the 3-digit card verification value (CVV) printed on the back of the payment card. This is required to conduct most online payment card transactions. In addition, Malaysian cardholders are required to enter a transaction authorisation code (TAC) that is sent to their mobile phones or security device to authenticate online payment card transactions.

In the event the payment card details are misused to conduct a transaction at an overseas merchant's website that has not implemented a stronger authentication method, Malaysian cardholders are protected by the liability shift rules introduced by the international payment card networks which require the overseas merchant to bear the liability of any fraudulent online payment card transaction.

What are other security features of EMV contactless payment card?

- 1) EMV contactless payment cards do not leave the hands of the cardholders. This reduces the risk of the contactless payment cards being lost or tampered with by a third party.
- 2) Contactless payment card terminals have been configured to accept only one payment transaction at a time. In this regard, if the cardholder accidentally tapped more than once, the cardholder will only be charged for one transaction.
- 3) EMV contactless payment card transactions are subject to an individual transaction limit and a cumulative limit set by the individual banks and non-bank payment issuers. For transactions above the individual or cumulative transaction limits, the cardholder would be required to enter a PIN or to sign for cardholder verification purposes. With the implementation of PIN verification (PIN & PAY) in 2017, cardholders would be required to enter a PIN for all transactions above the transaction limits.

¹ Electronic pick-pocketing refers to stealing of payment card information..

² Europay, MasterCard and Visa (EMV) is a security standard for payment cards.

- 4) Pursuant to a requirement issued by Bank Negara Malaysia, banks and non-bank payment card issuers are progressively upgrading their systems to provide cardholders with the facility to manage the transaction limits for contactless debit cards and prepaid cards. In this regard, cardholders who wish to lower the transaction limit or to disable the contactless functionality in their contactless debit cards and prepaid cards are advised to contact their respective banks and non-bank payment card issuers to find out how to do so.
- 5) Cardholders are protected by the fraud monitoring system put in place by the banks and non-bank payment issuers which monitors the cardholders' transactions against fraud. If an unusual activity is detected, cardholders will be notified immediately to facilitate the blocking of the payment card.

Do's and Don'ts

- 1) Ensure that you keep your payment card and PIN secure at all times.
- 2) Keep your PIN secret at all times and do not disclose it to another person.
- 3) Always cover the keypad when entering your PIN.
- 4) Do not record your PIN on your payment card, or on anything kept in proximity with your payment card, which could be lost or stolen with your payment card.
- 5) Always ask for a receipt or transaction slip for any payment card transaction made to facilitate any dispute resolution process.
- 6) Notify the payment card issuer immediately if your payment card is lost or stolen or an unauthorised transaction had occurred.
- 7) Upon receiving SMS transaction alert, notify the payment card issuer immediately if the transaction was unauthorised.
- 8) Notify the payment card issuer immediately of any change in your phone number.
- 9) Do not use a PIN selected from a common identifier such as birth date, IC, passport, driving licence or phone number.
- 10) Do not allow any other person to use your payment card.

Important Reminders

Bank Negara Malaysia (BNM), financial institutions and enforcement agencies will never require you to disclose your security credential such as your PIN or password or require you to transfer your money for safekeeping.