



# White Label ATMs Guidelines

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## Preamble

State Bank of Pakistan (SBP) has been proactively playing a role in facilitating public in the provision of smooth and efficient electronic banking services. ATM is one of the most widely used e-banking channels. SBP has taken a number of initiatives to build consumer trust in this channel and promote its growth. One of the key steps in this regard was mandating banks to comply with branch to ATM ratio of 1:1. However, the growth of ATMs is not at par with other comparable countries. In order to increase the number of ATMs and increase its outreach it has been decided to allow Payment Service Providers (PSPs) to own and operate White Label ATMs/ABMs<sup>1</sup>. (WLA) These service providers have been referred in these guidelines as White Label ATM Operators (WLAO). The WLAO are specialized entities having expertise in ATM deployment and management which generate their revenue from fee charged on ATM transactions.

## Objective

The objective of issuance of Guidelines for White Label ATMs is to set minimum requirements for the WLAO permissible payment services, operational readiness, connectivity, cash management & settlement, pricing, dispute resolution and SBP inspection etc.

## Scope

These Guidelines shall be applicable on authorized Payment Systems Providers (PSPs) functioning as WLAO. Therefore, any PSP desirous of undertaking WLAO business will require authorization under the Rules for Payment Systems Operators (PSOs) and Payment Service Providers (PSPs) to operate as authorized White Label ATM Operator.

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<sup>1</sup> Automated Business Machine (ABM) has capability of depositing cheques & cash and dispensing cash

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The WLAO shall be required to fulfill following requirements prior to commencement of its commercial launch with regard to product offering, operational readiness, telecommunication connectivity, cash management, settlement of funds, pricing, dispute resolution, regulatory reporting and record retention as elaborated below:

## 1. Permissible Payment Services

WLAO shall be allowed to offer following Payment Services through White Label ATMs. However, any product offering not listed below shall require prior approval from SBP.

- i. Cash withdrawal
- ii. Cash deposit
- iii. Fund Transfer (IBFT)
- iv. Utility Bill Payments
- v. Account statements
- vi. Balance enquiry

## 2. Operational Readiness

In order to ensure smooth operations for the facilitation of customers, the WLAO shall comply with following requirements to attain operational readiness:

- a) Obtain membership of any ATM Switch authorized under the Rules for Payment Systems Operators and Payment Service Providers issued vide PSD Circular No: 03 of 2014 under mutually agreed terms
- b) Integrate its ATM controller with ATM Switch and furnish successful UAT signoff to SBP prior to commercial launch.
- c) Establish dual network connectivity with ATM Switch to ensure network redundancy
- d) All installed WLA should be EMV compliant.

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- e) All WLA vestibules/installation should prominently identify as “White Label ATMs” along with name of the WLAO.
- f) Applicable schedule of Charges (in Urdu and English language should be prominently displayed. Further, transaction menu of WLA should also display applicable service charges.
- g) Proper lighting and locking arrangements in WLA vestibule should be ensured.
- h) The WLA should have built-in cameras to capture snaps of customer from different angles while withdrawing cash that will serve as evidence of transaction. The captured snaps should have good visibility.
- i) High definition (HD) CCTV surveillance cameras should be installed in WLA vestibule to capture video of all activities with clear visibility except focusing keypad of ATM to avoid PIN capturing. All WLA and its associated devices / hardware etc should be in good working condition all the time.
- j) WLAO may sign comprehensive Service Level Agreement with respective vendors for proper maintenance of ATMs and its network to ensure a maximum uptime.
- k) Dial free hot-line should be available inside WLA vestibule which shall directly connect customer to WLAO Call Center/helpline as and when required. Further, the contact numbers of Call Centre should also be displayed for subsequent dialing by the customer if required.
- l) Complaint / Suggestion Box should be available in WLA vestibule which should be cleared at the time of cash replenishment and should be forwarded on same day to the Dispute Resolution Team / Call Centre for resolution.

### 3. Cash Management

With regard to Cash Management WLAO shall:

- a) Enter into agreement with Financial Institution(s) for adequate supply of genuine and ATM-Fit currency notes from their cash processing centre(s). However, WLAO shall ensure cash management and feeding of ATM fit notes under CCTV

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camera recording as per the instructions issued vide SBP-Finance Department Circular Number 3 of 2015 dated August 26, 2015 and other instructions on the subject matter issued from time to time.

- b) Ensure adequate cash back-up arrangements to ensure availability of ATM services round the clock specifically during long weekends.
  - c) Ensure compliance of PSD Circular 01 of 2006 for daily cash balancing and/or replenishment.
4. **Transactions Settlement**  
WLAO shall settle their transactions with its ATM Switch as per the instructions contained in PSD circular No. 01 of 2007 dated August 23, 2007. For this purpose, the WLAO shall nominate a settlement bank and communicate the same to its ATM switch.

### 5. Pricing

The WLAO, while considering the viability of its business model, may charge reasonable transaction fees from their customers or issuing banks (if banks are willing to absorb WLA transaction charges of their customers). However:

- a) These charges shall be displayed at the time of initiating transaction at ATM screen in Urdu and English languages to seek prior customer permission to proceed further. The customer shall have the option to cancel the transaction in case the charges are not acceptable to him/her.
  - b) SBP reserves its right to intervene for the rationalization of WLA charges if they appear to be on the higher side or unjustifiable.
6. **Dispute Resolution Mechanism**  
WLAO shall develop comprehensive Dispute Resolution Mechanism and resolve complaints as per the time frame issued vide PSD Circular Letter No. 02 of 2010. In this regard, WLAO shall establish a Call Centre on 24/7 basis to address consumer complaints

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### 7. Standard Operating Procedures (SOP) for Captured Cards

ATMs usually capture card during a transaction due to a number of reasons causing inconvenience to the customer. Therefore, WLAO should ensure to display the following messages in Urdu and English language on WLA screen for customer guidance:

- a) Your card has been captured due to “<reason of card capturing>”
- b) The complaint of the captured card can be logged at Call Center

The WLAO should follow below mentioned SOP for returning captured cards to the customer:

- a) Check their ATMs for captured or retained cards while cash balancing and ATM reconciliation to avoid undue inconvenience to the customers.
- b) Log all retained cards under dual control immediately upon removal from the ATM and make necessary arrangements for their return to the respective issuing bank branch within five working days.
- c) The log of retained cards should be readily available for SBP inspection.
- d) Preserve any captured card that appears “Suspicious” (for example, plain white plastic card, cardboard card or any other card that is unusual in nature) for at least 6 months. Details of such cards should be immediately reported to PSD-SBP.

### 8. Regulatory Reporting

The following reporting requirement shall be applicable on WLAO for the purpose of regulatory oversight:

- a) The WLAO should report at least 30 days before installation of new WLA or shifting of existing WLA.
- b) Reporting of Schedule of Charges on quarterly basis
- c) Quarterly reporting of data under Master Circular of Payment Systems Data issued vide PSD Circular Letter No. 07 of 2016 dated October 27, 2016.
- d) Initial report of Security Incidents/Breaches on next working day and detailed report with 15 days of occurrence.

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### 9. Inspection

The WLAO installations, Systems, Infrastructure and record will be subject to SBP Inspection as and when commenced at the discretion of SBP. The WLAO shall retain all transactional data including log of disputes/complaints, captured card data, video clips/transactional snaps, electronic journals and any other data that SBP might require during inspection.

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