



External Relations Department

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SBP makes Digital and Card Transactions more secure and easier

In order to promote digital payments, SBP has been taking steps to make them more secure, introducing new features and promoting their use. In consultation with the industry and other stakeholders, SBP has taken more steps to make digital transactions and card payments more secure and easier. Now the consumers will only have Europay MasterCard Visa (EMV) Chip and PIN compliant payment cards, which will be active right from the day issued to them for payments and online e-commerce services. They will be able to make payments up to Rs. 3,000 by just tapping the card on POS machines and no PIN will be required. Consumers will also be able to make loan repayments through cards. They will be able to lodge complaints through digital channels without the need to visit a bank branch. State Bank has directed the banks to implement all these measures by June 30, 2021.

To eliminate the risk of skimming of payment cards by fraudsters, SBP has directed that ATM and POS networks in Pakistan shall only accept EMV Chip and PIN compliant payment cards in the country. The measure, aimed at further strengthening the security of digital payments and curtailing the risk of frauds, is a culmination of SBP's efforts that started in 2016 outlining a detailed roadmap for adoption of EMV Chip and PIN standard for payment cards in Pakistan. Banks have also been directed to step-up their efforts to facilitate customers in case they face any issue while using their payment cards.

SBP has allowed those banks who have already implemented 3-D Secure (an international standard that secures online e-commerce transactions) can now activate their customers' payment cards for online e-commerce transactions without the need of specific requests for activation. Earlier in 2019, SBP had directed banks to implement 3-D Secure protocol to prevent frauds in online transaction and as a result, 15 banks had already adopted this international standard for securing online transactions. The new measure is expected to promote online e-commerce ecosystem and shape consumer behavior towards online e-commerce digital payments in the country.

To make it easier and quicker to make small payments, SBP has allowed banks to relax the requirement of entering PINs for transactions up to PKR. 3,000. Banks depending on their risk management policies may decide on the amount, which may be exempted from PIN requirement on card transactions including contactless payments. However, SBP has directed banks to ensure that customers are adequately protected from undue liability arising out of misuse of this facility. With this measure, SBP hopes to see wider adoption of card-based payment acceptance by merchants who may be reluctant to do so because of longer processing times.

Taking notice of consumer complaints regarding delays in receiving refunds after resolution of disputes, SBP has directed all banks to immediately credit customer accounts once they receive fund from either merchants or acquiring banks. The regulator has also directed banks to facilitate their customers in registering their complaints and disputes using mobile apps and internet banking portals without the need for physically visiting branches.

Enhancing the drive towards digitization of payments, SBP has also directed all banks/microfinance banks to take measures to facilitate their borrowers in making repayments of loans such as consumer loans, auto loans etc. digitally using internet and mobile banking applications of any bank.
