

CENTRAL BANK OF NIGERIA

**STANDARDS AND GUIDELINES
ON
AUTOMATED TELLER MACHINE (ATM)
OPERATIONS IN NIGERIA**

1. Preamble

In exercise of the powers conferred on the Bank by Section 28 (1) (b) of the Central Bank of Nigeria Act 2007 (as amended) to issue guidelines, rules and standards for the maintenance of adequate and reasonable financial services for the public and to ensure good conduct and management of the financial system; and

Pursuant to its inherent powers, the Central Bank of Nigeria (CBN) hereby issues the following standards and guidelines for the operations of the ATM services in Nigeria.

The primary purpose is to ensure the efficiency of ATM services and convenience as well as protection of customers. The standards and guidelines are expected to inform the conduct of ATM operations in Nigeria.

Every institution (banks, non-banks or acquirer) that deploys ATMs or any issuer that issues card or token to be used at ATM shall comply with the following standards and guidelines with respect to each of the ATM facilities within its dominion and control:

2. The Standards

2.1 Standards on ATM Technology and Specification:

- a. All ATM deployers/acquirers shall comply with Payment Card Industry Data Security Standards (PCIDSS).
- b. All ATMs shall be able to dispense all denominations of Naira.
- c. All terminals shall be levels 1 & 2 EMV compliant and shall be upgraded from time to time to comply with the latest version within six months of release of the version.
- d. All ATMs shall have audit trail and logs capabilities, comprehensive enough to facilitate investigations, reconciliation and dispute resolution.
- e. Card readers shall be identified by a symbol that:
 - i. represents the card;
 - ii. identifies the direction for which the card should be inserted into the reader

- f. 2% of ATMs deployed shall have tactile graphic symbol for the use of visually impaired customers. This should be complied with within five years from the release of these standards.
- g. All new ATMs shall accept card horizontally with the chip upwards and to the right.

3. The Guidelines

ATM deployment

- a. All ATM consortia may own ATMs; however such institutions must enter into an agreement with a card scheme or a scheme operator or their designated settlement agent for acceptance and settlement of all the transactions at the ATM.
- b. Banks shall only deploy ATMs within their premises while the deployment of ATMs outside banks' premises should be left to CBN approved consortia provided that no card scheme or any company that a card scheme has share holding or ownership of more than 20% will be licensed as ATM owner or acquirer.
- c. All ATM transactions in Nigeria shall be processed by a Nigerian company operating in Nigeria as acquirer-processor.
- d. No card or payment scheme or Card Association shall compel any issuer or acquirer to send any transaction outside Nigeria for purpose of processing, authorization or switching if the transaction is at an ATM or at any acceptance device in Nigeria and the issuer is a Nigerian bank or any other issuer licensed by the CBN.
- e. All transactions at an ATM in Nigeria shall, where the issuer is a Nigerian bank or any other issuer licensed by the CBN be settled under a domestic settlement arrangement operated by a Nigerian Company. All collaterals for such transactions shall be in Nigerian National Currency and deposited in Nigeria.
- f. No card scheme shall discriminate against any ATM owner or acquirer. Every card-scheme must publish for the benefit of every ATM owner or acquirer and the Central Bank of Nigeria the requirements for acquiring ATM transactions under the card scheme.

- g. No ATM owner or acquirer shall discriminate against any card scheme or issuer.
- h. Stand-alone or closed ATMs are not allowed.
- i. ATMs should be situated in such a manner as to permit access at reasonable times. Access to these ATMs should be controlled and secured so that customers can safely use them.
- j. Lighting should be adequate for safe access and good visibility. It should provide a consistent distribution and level of illumination, particularly in the absence of natural light.
- k. ATMs should be sited in such a way that direct or reflected sunlight or other bright lighting is prevented from striking the ATM display, for example, through the use of overhead sun shelter
- l. Privacy shall be provided by the design and installation features of the ATM so that in normal use the cardholder does not have to conspicuously take any protective action.

3.2 ATM Operations:

A bank or independent organization that deploys an ATM for the use of the public shall ensure that:

- a. The ATM downtime (due to technical fault) is not more than seventy-two (72) hours consecutively;
- b. The helpdesk contacts are adequately displayed at the ATM terminals. At the minimum, a telephone line should be dedicated for fault reporting and such telephone facility shall be functional and manned at all times that the ATM is operational.
- c. All ATM surcharges are fully disclosed to customers;
- d. The ATMs issue receipts, where requested by a customer, for all transactions, except for balance enquiry, stating at a minimum the amount withdrawn, the surcharges, date and time of the transaction;
- e. Receipt prints and screen display are legible.

- f. The dispensing deposit and recycling component of the machine is in proper working condition;
- g. The dispensing component holds out the notes for the collection of the user for a minimum of twenty (20) seconds;
- h. There is appropriate monitoring mechanism to determine failure to dispense cash;
- i. There is online monitoring mechanism to determine ATM vault cash levels
- j. ATM vault replenishment is carried out as often as possible to avoid cash-out.
- k. ATMs are not stocked with unfit notes;
- l. Availability of cash in the ATMs at all time. The funding and operation of the ATM deployed by non-bank institutions should be the sole responsibility of the bank or institutions that entered into agreement with them for cash provisioning. In this regard, the Service Level Agreement (SLA) should specify the responsibilities of each of the parties.
- m. Change of PIN is provided to customers free of charge throughout the entire value chain.
- n. Acquirers monitor suspicious transactions and report statistics to CBN based on the agreed format and timeframe
- o. Back-up power (inverter) is made available at all ATM locations in such a way that the machine would not cease operation while in the middle of a transaction.
- p. Waste disposal basket is provided at all ATM locations
- q. A register of all their ATMs in Nigeria with location, identification, serial number of the machines, etc is maintained.
- r. Provision is made for extending the time needed to perform a specific step by presenting a question, such as, "Do you need more time?"
- s. Information sufficient to construct a usable card is not displayed on the screen or printed on a transaction record. This will guard against the possibility that such information may become accessible to another person should the

cardholder leave the ATM while a transaction is displayed, or abandon a printed transaction record.

- t. Precautions are taken to minimise the possibility of a card being left by a message or voice alerting the customer to take his card.
- u. Cash out first before card is out of the ATM is adopted to minimise the possibility of customers leaving cash uncollected at ATM.
- v. ATM acquirers that disable cash-retract shall display such notice at the ATM or on the screen.
- w. Every ATM Consortium or acquirer of ATM or POS shall drive its ATMs or POS directly and shall not outsource the driving of its ATMs or POS to any Card Scheme or Switch and all transactions from the ATM or POS shall first go to the ATM Consortium or acquirer..

3.3 ATM Maintenance

A bank or independent organization that deploys an ATM for the use of the public shall ensure that:

- a. Notice is displayed at the ATM for planned maintenance period and disruption to service due to maintenance for public;
- b. An ATM maintenance register or log is kept properly
- c. All ATMs and cash in the machines are insured.
- d. They physically inspect their ATMs at least fortnightly.

3.4 ATM Security

- a. Every ATM shall have cameras which shall view and record all persons using the machines and every activity at the ATM including but not limited to: card insertion, PIN entry, transaction selection, cash withdrawal, card taking, etc. However, such cameras should not be able to record the key strokes of customers using the ATM.

- b. Where a surveillance camera is used, it should be kept secretly to avoid thieves removing or damaging or compromising it.
- c. Networks used for transmission of ATM transactions must be demonstrated to have data confidentiality and integrity
- d. All ATMs must be located in such a manner that guarantees safety and security of users and confidentiality of their transactions.
- e. ATMs should not be placed outside buildings unless such ATM is bolted to the floor and surrounded by structures to prevent removal.
- f. Additional precaution must be taken to ensure that any network connectivity from the ATM to the bank or switch is protected to prevent the connection of other devices to the network point.
- g. Where the user of an ATM blocks his image for camera capture, the ATM shall be capable of aborting the transaction.

3.5 Dispute Resolution

In the event of irregularities in the account of an ATM customer arising from the use of card on ATM, the following shall apply:

- a. All cardholders' complaints should be treated within a maximum of 72 hours from the date of receipt the complaints.

3.6 Liability Shift

- a. Where a non EMV card is used on a non EMV Terminal and a fraud occurs, liability is on either the Card Issuer or the Card Holder. Proof has to be established on which party compromised card details.
- b. Where a non EMV card is used on an EMV Terminal and fraud occurs, liability is on the Card Issuer
- c. Where an EMV card is used on a non EMV Terminal and fraud occurs, liability is on the Acquirer
- d. Where an EMV card is used on an EMV Terminal and fraud occurs, liability is on the Card Holder or the Issuer. However, the onus is on the cardholder to

prove that their PIN had not been disclosed to a third party willingly or negligently.

- e. Where a hybrid card is used on a non EMV Terminal and fraud occurs, liability is on the Acquirer
- f. Where a hybrid card is used on an EMV Terminal and card treated as magnetic stripe for authorization and fraud occurs, liability is on the Card Issuer
- g. Where a hybrid card is used on an EMV Terminal and card treated as EMV for authorization and fraud occurs, liability is on the Card Holder or the Issuer. However, the onus is on the cardholder to prove that his/her PIN had not been disclosed to a third party willingly or negligently.

4.0 Regulatory Monitoring

- a. Any institution which operates an automated teller machine shall file an updated list of such ATMs, including the detail location of their addresses with Banking & Payments System Department of the Central Bank of Nigeria for compliance monitoring.
- b. The CBN shall conduct onsite snap checking of ATMs with a view to ensuring compliance with cash and service availability at the ATMs.
- c. Acquirers shall report volume and value of transactions on monthly basis to the Director, Banking & Payments System Department, CBN.

5.0 Penalties

Sanctions, in the form of monetary penalties / or suspension of the acquiring/processing service (s) or both, would be imposed on erring institutions for failure to comply with any of the provisions of the ATM standards and guidelines or any other relevant guidelines issued by the CBN from time to time.

CENTRAL BANK OF NIGERIA
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Appendix 1: Definition of Terms

The terms below shall have the following meaning for the purpose of the ATM Standards and Guidelines.

- a) Issuer: Financial institution that issues plastic cards to customers
- b) Acquirer means bank or any other legal person concluding contracts with merchants concerning acceptance of payment by means of electronic payment instrument.
- c) Cardholder means any person who holds a payment card for the purpose of effecting payment in respect of good services.
- d) Settlement Agent: Institution that generates financial data and compute net settlement position for each financial institution in a payment scheme(s).
- e) PIN means Personal Identification Number
- f) Payment tokens: Any authorized payment instruments (physical or electronic) used to initiate a transaction.
- g) Switch means a system that captures electronic financial transactions from touch-points, applies rules, determines destinations, delivers the transactions and gives appropriate feedback;
- h) EMV (Europay, MasterCard, Visa) is the global standard that is helping ensure smart (Chip-and-PIN) cards, terminals and other systems can interoperate.
- i) PCI DSS stands for Payment Card Industry Data Security Standard. It was developed by the major credit card companies as a guideline to help organizations that process card payments prevent credit card fraud and various other security vulnerabilities and threats