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Are you ready?

Tomorrow brings three milestones: the liberalisation of motor insurance tariffs, full implementation of PIN and Pay for purchases with credit and debit cards, and enforcement against unregistered foreign workers.

> See Pages 2 and 3 for reports by MARTIN CARVALHO, ADRIAN CHAN, ROYCE TAN and GAN PEI LING

- **Motor insurance:** Better options for consumers are seen in this sector
- **PIN and Pay:** Signatures will no longer be accepted for credit and debit card transactions
- **E-Card for illegals:** Employers of illegal foreign workers are appealing for an extension of today's deadline to register their employees or face action



No more signing for card payments

Mandatory transition to PIN-enabled payment system from tomorrow

PETALING JAYA: Goodbye signatures, hello personal identification numbers (PIN). It is all systems go for the nationwide transition to PIN and Pay tomorrow.

PINs will be mandatory for all transactions over the counter using credit and debit cards.

Today marks the end of the six-month grace period where cardholders and merchants were allowed signatures for transactions.

A smooth transition is expected, with most cards and point-of-sale (POS) terminals being replaced and a vast majority of cardholders using their PIN for payment.

Close to 23 million payment cards have been replaced, translating to 100% of credit cards and 98.5% of debit cards as of May.

All POS terminals, including the outdoor payment terminals at petrol stations, have been upgraded to support PIN-approved transactions.

The percentage of card transactions where PIN was entered stood at 94% as at May 31, a huge increase over the 18% in December last year.

This means that only 6% of consumers were still signing.

National Cards Group chairman B. Ravintharan said everyone is ready for PIN and Pay and all stakeholders are working together to ensure a smooth transition.

"Our teams are working to educate those who are still not using their PIN," he said.

It is a success story for Bank Negara, which has been diligently pushing and promoting the migration to a faster, easier and more secure payment system since 2015.

From notices, announcements and social media postings, the central bank has actively reached out to the public, reminding them to switch to new PIN-enabled cards and also of the July 1 deadline.

There is a video clip on PIN and Pay by Bank Negara, translated into three languages, shared on social media and played in cinemas.

Among other communication initiatives were national e-payment roadshows, press conferences, meetings with merchant associa-

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Datuk Paul Selvaraj

tions, newspaper advertisements and public service announcements on radio.

Bank Negara has also been collaborating with the Association of Banks in Malaysia (ABM), the Association of Islamic Banking Institutions Malaysia and the National Cards Group in monitoring the progress of the migration to PIN-based card payment.

Card issuing banks have also played their role well, giving ade-

quate notice to clients via multiple channels to replace their cards and extending their operating hours to facilitate replacements.

Several acquiring banks or merchant banks also offered incentives to merchants with the lowest PIN bypass rates to encourage them to practise PIN and Pay.

Malaysia Retail Chain Association (MRCA) president Datuk Garry Chua said all its 350 members, which operate some 20,000 retail outlets in Malaysia, have adopted the new system.

He expects the full migration to be smooth sailing.

"I have told MRCA retailers in our monthly meetings that they need to be ready. So far, there have been no objections or negative comments," he said.

Federation of Malaysian Consumers Associations (Fomca) secretary-general Datuk Paul Selvaraj said there would be some initial hiccups "but that is normal for any new system".

"What is important is that there is

continuous communication with consumers as it may take some time to fully adapt," he said.

The new system provides greater security to consumers, with Fomca supporting the switch to PIN and Pay as well as contact-less transactions.

Last year, there were 383.8 million credit card transactions in the country, amounting to RM118.53bil, compared to 359.6 million transactions with a total value of RM112.66bil in 2015.

Debit cards saw 107.5 million transactions, amounting to RM22.52bil that year, compared to 90.1 million transactions with a total value of RM19.96bil in 2015.

The late ABM executive director Chuah Mei Lin had said: "It's not just changing the behaviour of the cardholders, but also the behaviour of the merchants."

"To make the initiative a success, it takes two hands to clap, where the consumers and retailers play their roles effectively in using their PIN-enabled cards or terminals."