

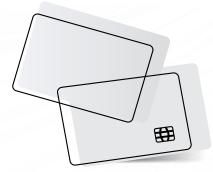




EMV Fleet Migration project – moving forward Q4 2021

Dear EMV Fleet Migration Stakeholders

As the year draws to a close, we thought it would be fitting to update you on the EMV Fleet Migration project that is currently underway.



Background

In recent years numerous challenges in the South African fleet industry have made it necessary to introduce changes to the fleet card payment system. The limitations on data capture at the point of sale, high incidence of fraud, antiquated payment infrastructure and the evolution of international vehicle technologies and payment systems, and SARB mandates, are some of the key drivers steering the change. The expected benefits for customers and retailers in the fleet industry in migrating to a new generation technology are improved security, better control over fleet management and enhanced inter-operability for acceptance at merchants.

The purpose of the project is to implement a modernised fleet solution in the South African National Payments System (NPS). This will serve as the foundation for the migration of fleet cards in South Africa to new-generation technology, utilising an international Chip and PIN standard. Our goal is to provide the foundation for the fleet industry's journey towards digitalisation.

The main objectives of the project are to:

- Migrate from the current 3-party to a 4-party operating model.
- Adopt a scheme (Mastercard and/or Visa) EMV Chip and PIN card programme.
- Standardise issuance and acceptance by adopting international Conexxus specifications.
- Continue to support the processing of local transactions via BankservAfrica (BSVA);
- Enable cross-border acceptance and processing via scheme infrastructure (Visanet and Banknet).
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- Allow for private label scheme programme for oil company cards to participate as fleet issuers and
- Align fleet payment clearing rules within the debit- and credit card payment clearing rules.

The journey so far

- In September 2020, the Card Strategy Committee approved the position paper for the EMV Fleet Migration project to proceed.
- Following intense research into the South Africa fleet industry, recommendations for implementing a modernised fleet model were proposed in April 2021.
- The case for change was approved by the Card Payment Clearing House in May 2021.
- The project was initiated in July 2021 and project resources were appointed.
- The last five months have culminated in the drafting of the project scope and charter, business requirements and engagements with key stakeholders.

The journey ahead

In the next few months, we plan to work on the functional requirements, testing, implementation, and migration of the current fleet cards to the new Chip and PIN cards. The changes will be managed through collaboration, communication and support with the Fleet card issuers, acquirers, and our key stakeholders.

We are delighted to be at the forefront of driving an exciting change in the fleet industry. Keep an eye out for more communication in the new year to keep you up to date with the project as it rolls out. Various artefacts and tools will be shared to support and enable you on the journey ahead.

A huge thank you to everyone involved in the project so far. Your input and support are appreciated, and we look forward to continuing the journey with you.

Kind regards
EMV Fleet Migration Project team

