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To: All Deposit Money Banks (DMBs) and Card Issuers

EXTENSION OF TIMELINE FOR MIGRATION FROM MAGNETIC STRIPE TO CHIP+PIN/EMV

Recall that Section 1.4.2c of the e-banking guidelines issued in August 2003 by the CBN stipulates that "in view of the demonstrated weaknesses in the magnetic stripe technology, banks should adopt the chip (smart card) technology as the standard, within 5 years".

The implication of this is that the timeline given to card issuers in the guidelines had expired as at the end of August, 2008. However, after due consideration of the concerns from the market and other stakeholders, the National Payments System Committee agreed to extend the deadline for the migration to Chip+PIN technology to April 1, 2009.

You are by this circular required to cease the issuance of new magnetic stripe cards with effect from April 1, 2009. However, previously issued magnetic stripe cards should be withdrawn on expiration of the cards and not as at April 1, 2009.

Please note that no new extension of the time would be granted, while failure to comply with this directive will attract severe sanctions which would include imposition of financial penalty and withdrawal of approvals.

Best regards


JAMES K.A OLEKAH
Director, Banking Operations Department

