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REF: BPS/DIR/CIR/GEN/02/003

TO: ALL DEPOSIT MONEY BANKS (DMBS) AND ACQUIRERS

PENALTY FOR NON COMPLIANCE WITH CBN CIRCULARS AND GUIDELINES ON ATM OPERATIONS IN NIGERIA

The Bank has observed, with great concern, the lack of cooperation and the deliberate attempt by some players in the e-payment market to frustrate the policy on offsite ATMs of deposit money banks. Central Bank's circulars and Guidelines on ATM Operations in Nigeria have been disregarded with impunity.

It has therefore, become necessary to bring order into the market by stipulating some penalties for non-compliance to the CBN directives and policies on ATM operations as detailed below:

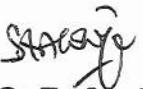
- **For Non compliance with Payment Card Industry Data Security Standards (PCIDSS) a fine of N50,000 per week will apply until compliance is established.**
- **Non compliance of ATM terminals with EMV levels 1 & 2, will attract a fine of N50,000 and temporary suspension of the affected terminal until compliance is established**
- **Non compliance with migration to EMV after September 30, 2010, will attract a fine of N50,000 and the issuer will bear full liability for any fraud perpetrated with the mag-stripe card**
- **Failure to provide audit trails and journals for ATM transactions will attract a fine of N50,000 per week**
- **Failure to have 2% of ATMs deployed with tactile graphic symbol for the use of visually impaired customers within the five-year time line will attract a fine of N50,000 per week**
- **Failure to comply with new policy of offsite ATM deployment will attract a fine of N50,000 per week until compliance is established.**

- Failure to establish help desk contacts will attract a fine of N50,000 for each day of infraction.
- Non-functional help desk contacts will attract a fine of N50,000 for each day of infraction.
- Failure to disclose ATM surcharge to customers, a refund of the surcharge to the affected customers will be enforced by the CBN.
- For lack of online monitoring mechanism and back-up power (inverter) for ATM, a fine of N50,000 per day, will apply.
- An ATM without a camera installed will attract a fine of N50,000 and deactivation of the ATM until the camera is installed.
- A fine of N50,000 per day will be applied for late submission of returns/data on ATM frauds when required.
- An ATM deployer will be made to refund the full amount involved in any fraud perpetrated on its ATM for failure to provide footages on the disputed transactions when required.
- Failure to respond to the customer or to the CBN on ATM complaints within 72 hours will attract a fine of N50,000 per day for each complaint after the 72 hours until the response is received.
- Failure to resolve any ATM dispute with evidence of resolution within 14 days, the deployer will refund the total amount involved in the fraud.

Other non-monetary sanctions that could be applied to the erring institutions include the following:

1. Name the offenders at the Bankers' Committee forum
2. Suspension of offenders from participation in clearing operations until the infraction is corrected
3. Suspension of offenders from participation in RTGS operations until the infraction is corrected

Please note that the penalties take immediate effect, and be guided accordingly.


A. S. F. Atoloye
Director, Banking and Payments System Department
Central Bank of Nigeria