



## EMV Fleet Migration Stakeholder Update Q2 2023

### Dear EMV Fleet Migration Stakeholders

The second quarter of 2023 has seen heightened activity on the EMV fleet migration project. With the project in the execution stage and all workstreams tracking green, the countdown to project go-live is a few months away as the industry prepares to 'switch on' the improved capability and functionality of the new generation chip and PIN fleet card.



As can be expected from large-scale industry change initiatives of this nature, there are a few complexities and challenges the industry is grappling with. This has resulted in some delays experienced at various levels within the project. However, it is encouraging to note that the ongoing engagement, support and collaboration, has helped us achieve the project deliverables to this point. We applaud all participants for the huge effort that has enabled us to reach this historic milestone.



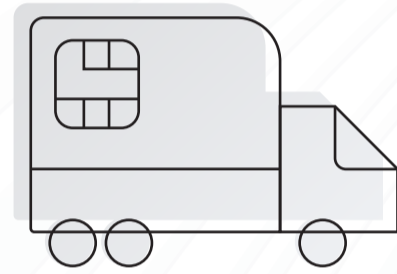
### Realising the benefits of a new Chip and PIN fleet card

In the final stretch towards implementation, it is important to reflect on the purpose and significance of this industry-wide project that PASA is steering:

- implement a modernised fleet solution in the South African National Payments System (NPS).
- migrate the current magstripe card to the new-generation technology, utilising an international Chip and PIN standard.
- provide the foundation for the fleet industry's journey towards digitalisation.

The benefits of migrating to the new chip and PIN fleet card are:

- modernisation
- cross-border acceptance
- stronger security
- transaction controls to monitor excess or irregular spending
- enhanced risk and fraud management
- all happening in real time



Let's take a moment to acknowledge the critical role we play in transforming and modernising the fleet industry to align to globally accepted standards. The real benefits will be felt when we see a reduction in fleet fraud loss, better fleet management and business intelligence that will propel the industry towards success and sustainability.

### Highlights

- The focus for quarter 2 has been on interoperability testing with the technical teams involved in resolving testing issues on the white plastic cards.
- A key component in the testing phase is to ensure that the current magstripe fleet card can be processed on the EMV system during the changeover phase while both magstripe and EMV cards are being used in the same environments.
- The BankservAfrica system for BIN registrations has been completed and the change successfully deployed to production on 19 June 2023.
- The systems development for one issuing and two acquiring banks has been completed with another issuing bank nearing completion in early August 2023.
- The detailed testing schedule of activities has been socialised with the banks' testing teams, and testing activities are now in progress.
- Additional technical workshops have been conducted with the development teams from the participating banks.
- The technical systems deployment and go-live planning, together with the industry migration to the EMV 4-party model are now in full progress.
- Further progress has been made by the participating banks' change management teams with the definition of their business change and communication artefacts to their stakeholders.

### On the radar

Currently, the project implementation date is set for 21 October 2023. While there are technical challenges, most participants are making steady progress towards the go-live date. The current time-lines indicate that the project would be delivered in October and rollout and market adoption phased in over a longer period.



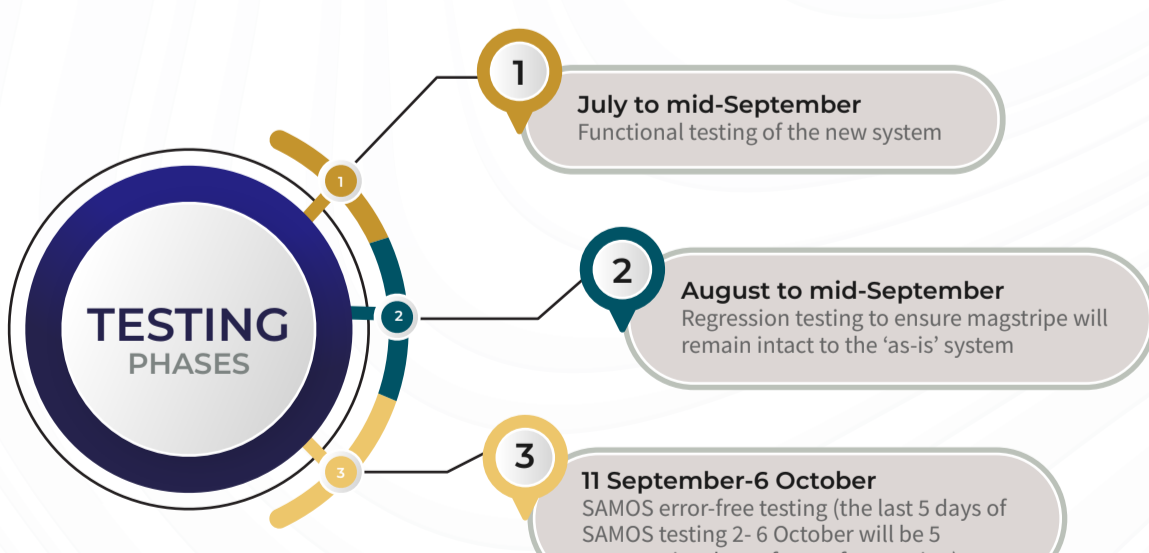
Participants need to factor in other dependencies that need to be considered in relation to the planned cut-over date. Regular engagements have been a key activity over recent months. The project team continues to offer support and assistance to the various work streams.

Change management has been given a higher priority during this period. All banks have identified their internal stakeholders driving the change and their external stakeholders being impacted by the change. They have defined their overall communications plans and core messages.

Scheme releases are planned for 14 October. EMV go-live is planned for 21 October 2023. Our goal is to deliver on EMV with one issuer and one acquirer. Due to the complexities within the project the EMV project is a high-risk change. Should the changes not be implemented properly fleet cards will not work.

### Testing

All teams are finalising their system development and are performing internal testing. Some banks have entered the interoperability testing environment which will continue until end of September.



The SAMOS testing certificate is valid for 30 days. This means that all participants must implement within that period.

### Looking ahead

October 2023 will focus on the cut-over and deployment schedules in a series of technical changes. These will be followed by additional changes to ensure that the changes in the wider ecosystem remain intact.

While the new fleet cards will gradually replace the current magstripe cards, they will continue to feed into existing Fleet Management Systems which maintain the records and produce management information on each vehicle in the fleet. The old 3-party model with new capabilities will coexist with the 4-party model.

The focus for 2023 and quarter one of 2024 will be to prepare the merchant network and POS devices with updated software to accept the cards. There will be a gradual withdrawal of magstripe and issuing of EMV cards to clients to the point when the magstripe cards will no longer be in circulation. This is expected to take place by the end of 2025 but will be confirmed at a later date.

A huge thank you to everyone involved; let's stay focused and keep up the momentum. We wish all participants every success in their testing activities as we work together to 'switch on' our new generation EMV chip and PIN fleet cards.

For more information, please send an email to our dedicated mailbox at [emvfleet@pasa.org.za](mailto:emvfleet@pasa.org.za)

Kind regards  
EMV Fleet Migration Project Team