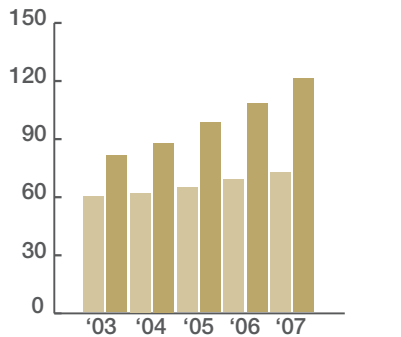


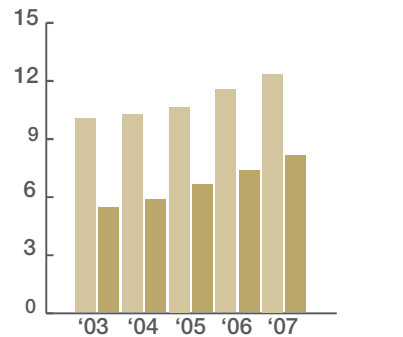
Consumer Electronic Clearing System (CECS) for EFTPOS and ATM transactions



Number of debit card transactions in May (in millions)

■ ATM ■ EFTPOS

Source: Reserve Bank of Australia: *Bulletin*



Value of debit card transactions in May (in \$ billions)

■ ATM ■ EFTPOS

Source: Reserve Bank of Australia: *Bulletin*

Financial institutions issue PIN-based debit cards (or add PIN-based debit functionality to their credit cards) for use in more than 25,000 ATMs and some 600,000 in-store terminals. The volume of transactions processed in CECS is higher than in any of APCA's other payments clearing systems. Australia has one of the most extensive, widely-used EFTPOS systems amongst developed economies.

Developments

- Following an extensive consultation process with members, vendors and other stakeholders, a number of enhancements were made to APCA's device evaluation approvals to clarify the requirements and speed-up the approval process.

CECS is the regulatory and standards framework for Australia's highly successful ATM and EFTPOS networks

- A detailed gap analysis between the Payment Card Industry (PCI) device security requirements and the AS2805 standards used for APCA device evaluations was completed during the year. The results will be used to inform an assessment of the risks, benefits and feasibility of closer aligning these security standards.
- The Exchange Summary Data File Transfer Facility introduced by the Reserve Bank in 2005 became the mandatory method for CECS members to exchange settlement data with the National Collator effective July 2007.
- Preparations are underway for the implementation in 2008 of a new credit transaction type at EFTPOS terminals so that organisations, such as health funds, can make one-off payments to debit accounts. Work will include specifying the types of credit payments the new transactions might apply to and developing associated business rules.
- Work has commenced on developing an architecture providing full EMV capabilities to support CECS members' initiatives when rolling-out chip debit cards. This work will culminate in a set of debit specifications and standards for a CECS Integrated Circuit Card debit payment system in the coming year.
- In a move to ensure end-to-end protection for cardholder data, CECS members have undertaken to implement additional measures, such as tripleDES message encryption, to protect data in transit between the terminal and the acquirer and while in-storage within the acquirer's host system.
- APCA's "open-call" facility was operational over Christmas, Easter and Father's Day to ensure the ATM and EFTPOS networks continued to operate efficiently over these peak periods. The facility allows members to exchange information on network capacity.