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## EFTPOS UPGRADE NEWS AND INFORMATION - 1 October 2009

**At the time of publishing, the following information is correct to our knowledge. We have done this to be fully up front with our customers and those who wish to be our customers.**

**IMPORTANT ISSUES** - This Paymark/ETSL Eftpos Network Upgrade Document has been produced from information supplied to us and is correct at the time of publishing. These cover some **very important issues** around the ever changing Eftpos requirements for your business and for ourselves as your Eftpos and POS provider.

**DISCLAIMER** - We wish to make it clear, that with the seriousness of the announcements made in this Upgrade News below - at all times we strive to research and advise you with what we believe to be the best advice available at the time we give it, but with the latest news being a shock for the whole NZ Eftpos industry including the Banks and Eftpos Networks, nothing can be certain going forward. We can not predict any changes beyond our control.

**REASON FOR CHANGES** - The reason for all the changes to Eftpos Security Standards is all about security for the Card Holder, the Acquirer bank, the Eftpos Network and the Credit card issuing company.

**WE ARE AFFECTED TO** - We are different than most Eftpos Companies, we own All our lease terminals and we have to be replace or upgrade these every time a change is made. Most other local companies sell their terminals to a Finance/leasing company, that you then end up leasing form this 3<sup>rd</sup> party Finance type Leasing co. **So, just like you, we don't like all these changes as they affect us as well, in fact more so as we have many of each terminal concerned.**

*Regards  
Steve & Stephanie Batey & Team  
Eftpos Canterbury & Cash Registers*

## PAYMARK / ETSL EFTPOS SOFTWARE – LAST DEPLOY AND SUNSET DATES

The Paymark/ETSL Eftpos Network published - Last Deploy and Sunset Date are as follows:

	<b>Last Deployment Dates</b>	<b>Sunset Date</b>
5.1 Software	31 March 2009	1 June 2011
5.2 software	30 June 2009	1 June 2014
6.0 Software	No Date announced	No Date announced

**LAST DEPLOY DATES** - means the last date that equipment with that version software can be deployed onto the Paymark Network as a new connection.

**SUNSET DATES** - means the last date that that version of software can be still be connected to the Paymark Network, i.e. after that date that equipment will be disconnected. Some terminals can be upgraded to later versions of software, but some terminal may not. Whether a terminal can be upgraded is dependant on the terminals capability to take the latest software (eg. it's like a PC that can't take the latest version of Windows for example).

The sunset dates above have to be taken in context with the "terminal removal order" further down this notice. Worldwide factors and standards may affect us in New Zealand beyond our control.

**NEW CONNECTIONS** – any new connection after 30 June 2009 can only be on a version 6.0 software terminal. Some special dispensations can be granted to certain situations, we have further details available on this, but basically these cover short term rentals of less than 12 weeks, like for like repairs, and terminals linked to POS Eftpos in Multi Lane stores. These dispensations are not automatic, they need to be applied for from the respective banks and take time to implement. Ask if these apply to you.

## **EFTPOS TERMINAL REMOVAL NOTICE - Received by Us - 17 September 2009**

We have had some concerning news on an Eftpos Terminal that has been deemed unsafe for Credit Cards. This notification has come from Mastercard as one of the partners of the EMV-Co Standards world wide. The **Verifone V3750** Terminal is the terminal concerned that is deemed unsafe and a "Removal Order" was issued on this terminal. **This is the first time that this sort of issue has come to fruition, and it was even a surprise for the Eftpos Networks and Banks concerned in NZ.**

**EMV and what it is** – EMV stands for **EuroCard, Mastercard.** and **Visa,** (but also includes the likes of American Express and other "Card Issuers").

What EMV-Co does world wide is to certify, monitor, and administer any credit card accepting terminals to ensure security for both the card holder, the bank, the various card transaction companies like Paymark in NZ, and also the Credit Card companies themselves. What happens is that EMV-Co certifies embedded software Kernels in the terminals for deployment worldwide. These last for a length of time and testing is done to check the level of security as different types of fraudulent behaviour are detected. It appears these latest Mastercard tests on the Verifone 3750 found security issues with this terminal. This is over and above the security that is developed in this or any other country's current eftpos software requirements.

**What we don't know is – will this affect other terminal brands or models going forward? No one knows yet, so we will keep you informed.**

The **Verifone V3750** must be removed from the NZ market by 31 December 2009 (unless you accept eftpos only transactions ie. no credit cards). Please note – the V3750 is not upgradeable to the next standard of 5.2 or 6.0.

**Verifone VX510 - Notice to Upgrade from 5.1 to Version 6.0** - this needs to be done by 31 December 2009.

We will advise customers as developments happen, and get in touch with you on this upgrade individually. If you have any questions please don't hesitate to contact us at any stage.

## **EFTPOS DEALERS ASSN NZ**

I have just returned from a trip to Auckland for a meeting with the Paymark Eftpos Network and other dealers to get an update on the current situation. as the owners of Eftpos Canterbury, we were concerned with things happening within the industry eg. the "Removal Notice", along with things like the ProvencoCadmus receivership and what seemed a lack of communication within the industry.

This degree of uncertainty led me to discuss with other dealers an idea I have had had for some time. That was to form "The Eftpos Dealers Assn" (EDANZ) as there was no such thing. Over a couple of short weeks a group of over 48 initial member dealers have joined and this number is growing by the week.

**How does this affect you** – you can be rest assured, that as a customer of Eftpos Canterbury we can offer you the best of advice. As a driver of this group we will be at the forefront of news and as your Provider we will be able to offer and give you the best of advice, knowledge, and support going forward as will know the current state of play.

## **TERMINALS AFFECTED by the UPCOMING EFTPOS UPGRADE - Sunset for 5.1**

We will soon publish a full list of terminals affected by the 5.1 Sunset Date for the Paymark Network. We are just compiling this list and will be able to let you know what terminals are needing:

- Full Replacement as NOT Upgradeable
- Upgrade to Version 5.2
  - If you own a Hypercom T7Plus Terminal - Urgent Action - **Upgrade urgently or miss out - Please call**
  - Cadmus AC8000K (Maximus) - Unknown because of ProvencoCadmus receivership - **Contact us - Call**
- Upgradeable - To Version 6