

**Guidelines on
Operations of Automated Teller Machine (ATM)
in Bangladesh**

(Draft)

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1. Introduction

The safe and efficient functioning of retail payment systems is one of the core concerns of Bangladesh Bank (BB). With other retail payment channels, banks have played a major role in encouraging Automated Teller Machine (ATM) usage by customers and modifying behavioral strategies in the domain of personal banking. In recent time ATM is one of the most important e-banking delivery channels for banking sector in Bangladesh. ATM provide a fast and convenient banking alternative to withdraw cash, inquire balances, collect mini statement, utility bill payment, cash deposit and transfer of funds 24/7 throughout the year for bank/mobile financial service account holders.

2. Issuance

In exercise of the power conferred in the term of article 7A (e) of Bangladesh Bank Order, 1972 and the section 49 (1) of the Bank Company (Amended upto 2013) Act, 1991 to ensure safe, secured and efficient payment systems, Bangladesh Bank hereby issue these Guidelines for operation of ATM in Bangladesh.

3. Purpose

- a) To provide regulatory framework to Scheduled Banks/approved entities for enablement of infrastructure to ensure convenience to the customer through ATM services.
- b) To promote the access to e-banking services at affordable cost for all the customers of Bank.
- c) To promote competitive market and high standards for ATMs and ATM platforms.
- d) To provide Technical Standard for the service provider to deliver and support their services in risk control manner.

4. ATM Standards

- a) All ATM deploying entities/acquirers should maintain international best practice security standard.
- b) All terminals shall be levels 1 & 2 EMV Co. compliant at a minimum, and shall be upgraded in a timely manner to comply with the latest version.
- c) All ATMs shall have latest security features (i.e anti-skimming device, Encrypted PIN Pad , PIN shield mechanism etc.).
- d) All ATMs shall be able to dispense minimum denomination of Bangladeshi Taka five hundred.
- e) For cash depositing ATMs/CDMs, acceptable denominations shall be displayed by the deploying entity.
- f) All ATM systems shall have audit trail and logs capabilities, comprehensive enough to facilitate investigations, reconciliation and dispute resolution.
- g) Card readers shall be identified by a symbol that:
 - i. Represents the card;
 - ii. Identifies the direction by which the card shall be inserted into the reader;
 - iii. All new ATMs shall accept card horizontally with the chip upwards and to the right.
- h) Every ATM should deployed latest and Licensed Operating Systems and security technology (e.g. Anti-Virus) with updated signatures.

5. ATM deployment

- a) Organizations that deploy ATMs must enter into an agreement with a card scheme or a scheme operator or their designated settlement agent for acceptance and settlement of all the transactions at the ATM.
- b) All domestic ATM transactions shall be processed by a Bangladeshi company operating in Bangladesh.
- c) No card or payment scheme shall compel any issuer or acquirer to send any transaction outside Bangladesh for the purpose of processing, authorization or switching, if the transaction is at an ATM or at any acceptance device in Bangladesh and the issuer is licensed by the Bangladesh Bank.
- d) All transactions at an ATM in Bangladesh shall, where the issuer is a Bangladeshi bank or any other issuer licensed by the Bangladesh Bank, be settled under a domestic settlement arrangement operated by a Bangladeshi company. All collaterals for such transactions shall be in BDT and deposited in Bangladesh.

- e) No card scheme shall discriminate against any ATM owner or acquirer. Every card-scheme must publish the requirements of acquiring ATM transactions for the benefit of every ATM owner or acquirer.
- f) ATMs shall be situated in such a manner as to permit access at reasonable times. Access to these ATMs shall be controlled and secured so that customers can safely use those.
- g) Lighting shall be adequate for safe access and good visibility. It shall provide a consistent distribution and level of illumination, particularly in the absence of natural light.
- h) ATMs shall be sited in such a way that direct or reflected sunlight or other bright lighting is prevented from striking the ATM display, for example, through the use of overhead sun shelter.
- i) Privacy shall be provided by the design and installation features of the ATM so that in normal use the cardholder does not have to conspicuously take any protective action.
- j) All ATMs shall accept all cards issued in Bangladesh for any card-based or related value added service.
- k) All accepted card scheme/network logo(s) shall be displayed in the ATM booth for customers ease of use.

6. ATM Operations

An organization that deploys an ATM for the use of the public shall ensure that:

- a) The ATM downtime (due to technical fault) shall not be more than seventy-two (72) hours consecutively, where this is not practicable, customers shall be duly informed by the deployment entity.
- b) The helpdesk contacts shall be adequately displayed at the ATM terminals. At the minimum, a telephone line shall be dedicated for fault reporting and such telephone line shall be functional.
- c) All ATM charges are fully disclosed to customers through their website/SMS/email/leaflet/poster/banner.
- d) The ATMs issue receipts, where requested by a customer, for all transactions, including balance enquiry, stating at a minimum, the amount withdrawn, the terminal identity, date and time of the transaction.
- e) Printed receipts and screen display shall be legible. The dispensing deposit and recycling component of the machine shall be in proper working condition.

- f) There shall be appropriate monitoring mechanism to determine failure of cash dispense.
- g) There shall be online monitoring mechanism to determine ATM vault cash levels.
- h) ATM vault replenishment shall be carried out as often as necessary to avoid cash-out.
- i) ATMs shall not be stocked with counterfeit, mutilated etc. notes.
- j) Cash depositing ATMs/CDMs shall reject the transaction with relevant message (printed/on screen) if a customer tries to deposit counterfeit, mutilated etc. notes.
- k) Cash shall be available in the ATMs at all time. The funding and operations of the ATM deployed by non-bank institutions shall be the sole responsibility of the bank or institutions that entered into agreement with them for cash provisioning. In this regard, the Service Level Agreement (SLA) shall specify the responsibilities of each of the parties.
- l) Back-up power (online UPS) shall be available at all ATM locations in such a way that the machine would not cease operation while in the middle of a transaction.
- m) A register or MIS of all ATMs in Bangladesh with location, identification, serial number of the machines, etc. shall be maintained.
- n) Provision shall be made for extending the time needed to perform a specific step by presenting a question, such as, "Do you need more time?"
- o) Information sufficient to construct a usable card shall not be displayed on the screen or printed on a transaction record. This will guard against the possibility of -such information may become accessible by another person if the cardholder leave the ATM while a transaction is displayed, or abandon a printed transaction record.
- p) Precautions shall be taken through a message or voice, alerting the customer to take his/her card to minimize the possibility of a card being left.
- q) Cash out first before card is out of the ATM shall be adopted, to minimize the possibility of customers leaving cash uncollected at ATM.
- r) Acquirers shall reconcile and refund all funds in their possession, belonging to customers as a result of ATM's non-dispense and partial dispense errors.
- s) Acquirers shall also install appropriate mechanism (auto reversal) to immediately initiate refunds without the prompting of the issuing bank or the customer.
- t) For any transaction, card holder must get transaction alert message by SMS or email.

- u) List of last 10(ten) transactions with date and time shall be printed from ATM as mini statement.
- v) For Uniformity of domestic ATM fund transfer, Bangladesh Bank provided template shall be maintained.
- w) Bank should ensure central monitoring systems 24/7 to monitor the ATM down/out of service/low cash/cash out situation and escalate to concern operation team for restoration.
- x) Cash Depositing ATMs should have readable capacity of the banknotes if changes in physical configuration, e.g. design and security features are made in future.

7. ATM Maintenance

An organization that deploys an ATM for the use of the public shall ensure that:

- a) Notice shall be displayed at the ATM for planned maintenance period and disruption to services .
- b) Notification message shall be sent to customers and advertisement shall be published in newspapers for planned down-time of its ATM network.
- c) An ATM maintenance register or log shall be kept properly.
- d) ATMs will be operated, monitored and administered as per approved operation manual.
- e) All ATMs , cash in the machines and cash in transit for ATMs shall be properly insured.
- f) The entity having less than twenty (20) ATMs shall inspect their all ATMs on monthly basis. The entity who have more than twenty (20) ATMs shall inspect at least 20 ATMs per month. The inspection report shall be prepared according to the format provided by Bangladesh Bank and shall be preserved for at least one (01) year.
- g) For any operational ATM/CDM relocation/movement or transportation, insurance coverage shall be ensured.

8. ATM Security

- a) Every ATM Booth shall have built-in cameras/CCTV, which shall view and record all persons using the machines and activity at the ATM, including but not limited to Customers facial expression, card insertion, transaction selection, cash withdrawal, card taking, etc. However, such cameras shall not be able to record the key strokes of customers using the ATM.
- b) Where a surveillance camera is used, it shall be fixed in proper way to avoid illegal removal or damage or compromise.
- c) Networks used for the transmission of ATM transactions shall be demonstrated to have appropriate data confidentiality and integrity.
- d) All ATMs should have a mechanism to maintain confidentiality of users' transactions.
- e) ATMs shall not be placed outside buildings, unless such ATM is bolted to the floor and surrounded by structures, to prevent removal.
- f) Additional precaution shall be taken to ensure that any network connectivity from the ATM to the bank or switch is protected, to prevent the connection of other devices to the network point.
- g) ATM key management process shall ensure that combination of keys are changed regularly (every year) and the same keys shall not be used at multiple ATMs. ATM custodians should be changed periodically.
- h) ATMs shall have in-built mechanism to capture counterfeit cards at a part of fraud prevention.
- i) ATMs shall be installed with Anti-Skimming devices that would ensure effective mitigation against fraud incidents.
- j) ATMs shall be installed with temper-resistant keypads having encryption mechanism to ensure that customers' PINs are encrypted during transmission.
- k) ATM should not store customers' PIN, Card number and/or account number by any means.
- l) Customer's Card no & A/C no. printed on receipt should be masked/should not be in plain text format.
- m) Periodic vulnerability assessment and penetration testing along with port scanning should be ensured for the ATM network. Unnecessary ports and shared folders should be blocked/stopped. Each and every machine should contain a solution to prevent data leakage/loss .
- n) All types of removable media (like: USB device, CD/DVD ROM etc.) should not be allowed in ATM machine.

- o) Regular patching process should be ensured for Operating Systems as well as for all software installed in ATMs.
- p) ATM may have an option of entering emergency PIN or reverse PIN for safety reason. If s/he is being robbed at ATM booth, s/he should enter emergency/reverse PIN that will trigger an alert message to respective issuing bank and/or police station and card may be captured during that period to avoid further misuse of cards by the robbers.
- q) Organization that deploys an ATM shall conduct video surveillance of activities for 24 hours at these machines and maintain the quality of CCTV footage and preserve for at least one year.
- r) Organization that deploys an ATM shall deploy security personnel for 24 hours to secure physical infrastructure of ATM booth.
- s) Change of PIN shall be provided to own customers, free of charge.
- t) Acquirers and Issuers shall monitor suspicious transactions and report the same to Bangladesh Bank.

9. Awareness and Training

- a) Posters/notice containing safety tips and usage of card/ATM shall be permanently displayed at ATM machines/Booth.
- b) Customers shall be provided with user manual along with the card at the time of card issuance.
- c) Customers shall be imparted knowledge on safety measures/precautions of ATM transaction using electronic/print media and other form of advertisements.
- d) Customers shall be discouraged to take help from strangers for using ATM card or handling cash.
- e) Bank should conduct awareness program for the cash handlers, retailers and security guards to take precaution during load and unload cash

10. Dispute Resolution

In the event of irregularities in the account of an ATM customer, arising from the use of card on ATM, the following rules shall apply:

- a. All cardholders' complaints shall be treated within T+3 from the date of receiving complaints; Acquirer shall respond to Issuer's request within 2 days. Disputes, created for the transactions routed through NPSB, management

process shall be in compliance with the "NPSB Switch Operating Rules & User Manual: Dispute Management Rules" of Bangladesh Bank.

- b. Where records are falsified by any party, appropriate sanctions shall be applied.
- c. All kinds of reported/unreported disputes (cash retract, faulty dispense, host related dispute, reversal cases etc.) shall be settled on regular basis.

11. Regulatory Monitoring

- a. Any institution which operates ATM shall file an updated list of such ATMs, including the detail location(Upazila wise) of their addresses to the General Manager, Payment Systems Department of the Bangladesh Bank for compliance monitoring. This information must be available in the website.
- b. Bangladesh Bank shall conduct random onsite inspection of ATMs with a view to ensuring compliance of cash and service availability.

12. Penalties

Penalties shall be imposed on erring institutions for noncompliance of any provision of this Guidelines or any other relevant rules, regulations and act applicable in Bangladesh.

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