1- Smart Cards and EMV Standard Approval

1/1 Out of QCB’s concern to develop the banking and payment systems to keep pace with the latest international technology and implement the new standards for using smart cards in compliance with EMV Standard, (deadline for EMV implementation is November 2005), and to achieve the aspired goals, the period determined for EMV standards to be complied with the national network" NAPS", shall be extended up to 31/01/2006 to implement the new system and to adjust the systems of the banks to such standard and accept the (Acquirer) transactions and cards. In case of any delay, a financial fine shall be imposed for each week of delay as shown in page no. (382) of Part of Penalties and Financial Fines.

1/2 To complete the implementation of EMV standard, QCB decides that the deadline for completion and applications of the banks’ programs to be compatible with EMV standards as issuer is the end of August 2006. Kindly start replacement and circulation of ATM cards and Debit/Credit Cards with Smart Chip for customers. Therefore, all banks are required to complete the update before the above-mentioned date.

1/3 With regard to QCB’s previous instructions in circular no. (142/2005) dated 21/11/2005 and circular no. (35/2006) dated 8/3/2006, QCB would like to remind banks that the deadlines to finalize EMV standards implementation on banks' own network and on NAPS shall be as the following:

- Deadline for EMV standards application as an Acquirer is 30/6/2006.
- Deadline for EMV standards application as an Issuer of cards is 31/8/2006.
Deadline for issuance of customers' cards embedded with smart chip compatible with EMV standards is 30/9/2006.

QCB shall impose financial fine of (QR 25000) for each week of delay after deadlines above-mentioned circular (87/2006).