

7 March 2006

VIA EMAIL: pysubmissions@rba.gov.au

Dr John Veale
Head of Payments Policy
Reserve Bank of Australia
GPO Box 3947
SYDNEY NSW 2001

Dear Dr Veale,

Additional Submission on Reform of Debit Card Systems in Australia Proposed Scheme Debit Standard

On February 17, MoneySwitch responded to the Reserve Bank of Australia's invitation for submissions on the proposed standards relating to *Reform of Debit Card Systems in Australia*, December 2005.

On February 21, the RBA published the submissions received from various interested parties. MoneySwitch would like to provide an additional submission, commenting on a point raised in some of the published submissions.

Abolition of "Honour all cards" rule in Scheme Debit – Electronic Identification

Two of the published submissions have discussed at some length the technical issues relating to electronic identification of scheme debit cards, as required in paragraph 11 of proposed Standard No. 5.

" ..Debit cards must be identifiable as such, both visually and electronically"

The submissions have raised issues about the effort and significant cost required to modify the installed terminal fleet to recognise scheme debit cards, and to convey this information to the merchant. They have proposed that there should be further technical assessment followed by a lengthy implementation period before electronic identification be deployed.

MoneySwitch believes that the implementation effort varies depending on the capabilities of the terminals. If an acquirer has a flexible terminal and processing environment, identifying scheme debit cards is relatively simple. For those acquirers that use legacy systems and terminals, the task may be more complex.

MoneySwitch submits that the proposed Standard No. 5 should require that scheme debit cards be **able** to be identified electronically by an acquirer. MoneySwitch does not believe that it is necessary for technical discussion on the terminal changes, as these are acquirer specific issues. All that is needed is that the scheme debit cards use

known ranges of Bank Identification Numbers (BINs), that this list of BIN ranges is notified to acquirers whenever there are changes.

It is then up to the marketplace and the particular needs of the merchants to determine the implementation speed.

Should you wish to discuss this submission, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Paul A Wood". The signature is written in a cursive, slightly slanted style.

Paul A Wood
Chief Technical Officer