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FOR IMMEDIATE RELEASE:

PRESS RELEASE:

**USE OF CREDIT AND DEBIT CARDS FOR FUEL PURCHASES IN
NAMIBIA**

As part the Namibian payment system reform initiative of which the implementation of the local card switch, NAMSWITCH, has been one of the milestones, the Namibian banking industry resolved to discontinue petrol cards in Namibia in the near future. The public will instead be allowed to purchase fuel with internationally accepted debit and credit cards. The Payment Association of Namibia (PAN) wishes to inform the public that they can use their debit and credit cards to purchase fuel at Filling Stations.

These developments are good steps in the right direction for consumers, for fuel retailers, and for the country as a whole. The use of broader range of payment instruments at Fuel Stations provide consumers with choices of which payment instrument to use and as such eliminate cash based transactions in favour of a more convenient, secure and cost-effective method of payment.

With the FIFA world cup being hosted in South Africa this year, it is expected that there will be a large demand for the acceptance of debit and credit cards for fuel purchase in Namibia. The ability to use debit and credit cards to purchase fuel will provide international visitors with the payment methods they are used to. . Moreover, these changes also align Namibia with International best practices.

Fuel retailers (service station owners) will also benefit by attracting customers who pay with cards and in the process address the risk associated with handling of cash at their outlets. Importantly, as with any other merchant, fuel retailers have the option whether to accept debit and/or credit cards based on commercial considerations unique to each retailer. It is therefore not compulsory for fuel retailers to accept debit and credit cards as a method of payment.

As a norm, merchants aspiring to accept debit and credit cards have to approach their respective banks to negotiate for and acquire a point of sale device at their forecourt. Additionally, employees will have to be trained on how to use the point of sale devices. Fuel retailers (service station Owners) with existing point of sale devices can already accept card payment for fuel. However, they have to bear the full interchange costs until such a time as the new system, currently being developed is fully implemented. Fuel retailers who choose to

accept cards will also have to conspicuously display a notice indicating acceptance of cards for the purpose of fuel purchases.

The Payment Association of Namibia believes that the acceptance of cards as instrument of payment for fuel will be a gradual process which will gain greater acceptance as the public begin to utilise card purchases for fuel. Ultimately, it is envisioned that all parties will realise the direct and indirect benefits that arises from greater acceptance of card payments across Namibia.

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Boilerplate: PAN is the association responsible for managing the national payment system in Namibia. PAN is recognised and licensed by Bank of Namibia, in terms of Payment System Management Act of 2003, to organise, set technical standards and to regulate the participation of its members in the payment system.