



POS Functional Specification

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1 Introduction

1.1 Background

In August 2011, the Central Bank of Nigeria approved the **Guidelines on Point Of Sale (PoS) Card Acceptance Services**, which amongst others, mandated Nigeria Inter-Bank Settlement System Plc (NIBSS) to act as the Payments Terminal Service Aggregator for the financial system.

As the Payment Terminal Service Aggregator (PTSA), NIBSS is expected to be the only entity permitted to operate a Terminal Management System (TMS) and all payment terminals operating in Nigeria are required to connect to the PTSA. This is to ensure comprehensive oversight, reporting/performance monitoring, and also conforms to the objectives of shared industry infrastructure and best practice.

Consequently, NIBSS is responsible for the certification and re-certification of all payment terminals and applications on behalf of the Industry. This will ensure that payment terminals deployed in Nigeria meet all required certifications and the minimum POS specifications as defined in the CBN approved guidelines.

1.2 Reference Document(s)

- [1] Guidelines on Point Of Sale (PoS) Card Acceptance Services

2 General Requirements – Payment Terminal & Application Certification

1. Formal request for Payment Terminal / Application Certification.
2. Certificate of Incorporation
3. Company profile
4. Corporate Affairs Commission Form 07 - Particulars of Directors
5. Corporate Affairs Commission Form 02 - Statement of company's share capital
6. Notice of situation of address of the company
7. Memorandum and Article of Association
8. 3-year tax clearance certificate
9. Sample loaded payment terminal for each payment application version supported.
10. Completed Certification Assessment Questionnaire.
11. Payment of Certification Fee

3 Payment Terminal Certification Requirements

The key criteria for Payment Terminal certification are:

1. Minimum Payment Terminal specification - Individual payment terminals / processing systems are checked to comply with the approved minimum requirements.
2. Industry standard / Global best practice - Individual payment terminals are checked to comply with de-facto Industry standards (PCI DSS, EMV, MasterCard, Visa, etc) based on global best practices.
3. Proof of EMV levels 1 & 2 Certification
4. Proof of PCI PED Certification
5. Proof of PCI DSS Certification
6. Detailed Specification of Payment Terminal
7. Proof of MasterCard’s Terminal Quality Management (TQM) Certification
8. Other Assurance Certifications (FCC, etc) and relevant backup documents (Security, Environmental, etc).

Payment Terminal Certification Criteria

1. Demonstrate local capacity to support hardware
2. Demonstrate local capacity to support payment software
3. Have SDK ready or agree to make SDK available to NIBSS to be held in escrow if registered

Minimum Specification for POS Terminal

Parameters	Specifications in CBN Guidelines 2010
Card Readers	EMV Chip/Smart cards, Magnetic stripe. <u>Optional</u> : Contactless reader, 2 SAM Slots
Communications	GPRS, Ethernet, Dial-up Modem. <u>Optional</u> : CDMA, Wi-Fi
Certifications	EMV levels 1 & 2, PCI DSS, PA DSS, PCI PED online & offline (All PCI Certifications should be level / version 3.1).
Biometric	Upgradable to incorporate Fingerprint reader/scanner
SIM Capacity	Must operate either a dual SIM or a roaming SIM.
CPU	ARM9/11, 32Bits. <u>Optional</u> : Dual Processors
Memory	16MB Flash, 32MB SDRAM
Keypad	PCI PED Approved, Backlit
Display	TFT LCD graphics, 128/64 pixel, Backlit. <u>Optional</u> : Colour screen
Power	100-240V, 50-60Hz,. <u>Optional</u> : 24hrs Battery power, DC support, Car jack charger, Docking fast charger
Printer	15 -18 lines per sec Thermal printer

Multi-Application	Supports Multiple Applications
Customization / Others	Optional: Coloured or branded housing, Labelling/embossing, RS232 & USB interfaces, Protocol implementation

3.1 Payment Terminal Certification Process

The Payment Terminal certification process comprises of the following stages:

1. Homologation process opening
2. Perform inspection and tests
3. Homologation Certificate

3.2 Payment Terminal Certification Process Flow

S/n	Activity
1.	Formal request for Payment Terminal (hardware) Certification
2.	Review and evaluation of request, based on General requirements and Payment Terminal Certification Criteria.
3.	Reply to request
4.	Due Diligence and Execution of Non-Disclosure Agreement
5.	Review of Terminal specifications
6.	Verify Terminal capabilities
7.	Carry out inspection checks
8.	Carry out EMV Levels 1 & 2 Validation checks
9.	Carry out PCI validation check
10.	Record and maintain repository for all evidences
11.	Review results
12.	Issue / Decline Certificate
13.	Update EMV and PCI approval renewal dates
14.	Validate EMV and PCI approval renewal

4 Payment Application Certification Requirements

1. Detailed information of all deployed payment application (version, release, specification, etc) as at an agreed cut-off date (existing applications).
2. Detailed payment application software architecture and specification document.
3. Proof that payment application conforms to secure coding, engineering, and testing Conventions.
4. Proof that payment application is compliant with *Payment Application Data Security Standard* (PA-DSS) certification.
5. Proof that the SDLC (Software Development Life Cycle) followed secure SDLC and include protection from OWASP top 10.
6. Proof that payment application changes (especially major changes) follow formal change management processes that include security testing.

4.1 Payment Application Certification Process

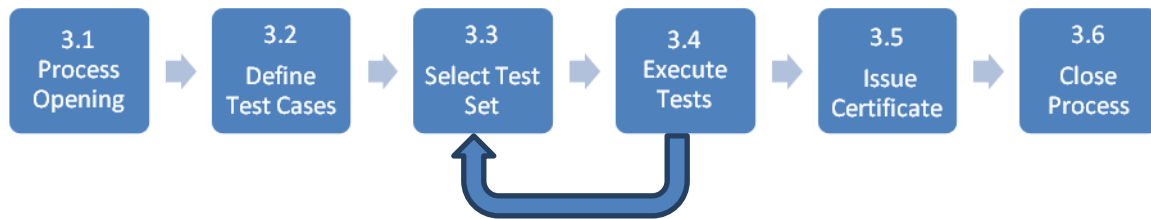
The Payment Application Certification process ensures that payment applications that successfully completes the certification process, complies with the minimum functional requirements for the operation of payment card acceptance services in Nigeria. Hence, only certified payment applications can be deployed into approved payment terminals.

The Payment Application Certification process flow involves the following stages:

1. Process Opening (open process for a new version/release to be certified);
2. Define test cases;
3. Select the test set (from the existing tests);
4. Execute Tests (perform the tests on the Payment Application and report results)
 - a. Report defects;
 - b. Evaluate the acceptance criteria:
 - i. Issue certificate and close process if the payment application has no defects.
 - ii. Restart the test for a new release until no defects were found or the acceptance criteria is achieved (If test fails after second iteration (three certification attempts), a service charge will apply for each unsuccessful subsequent attempts).
5. Issue Certificate (issue the payment application certificate);

6. Close Process.

Figure 1 – Payment Application Certification Process Stages



Report defects, restart tests for new release

4.2 Payment Application Certification Process

Key actions for the smooth implementation of Payment Application Certification process are:

S/n	Activity
1.	PTAD to present letter of intent (Request for certification)
2.	Review and evaluation of request, based on General requirements and Payment Terminal Certification Criteria.
3.	Respond to request
4.	Provide detailed information of all deployed payment application (version, release, specification, etc) as at an agreed cut-off date (existing applications).
5.	Perform software application system integration tests (new applications)
6.	Due Diligence and Execution of Non-Disclosure Agreement
	Execute Certification Service Order form
7.	Schedule testing window with banks / processors
8.	Communicate to banks/processors to make test platforms available
9.	Configure Sample terminals to communicate with the Test platform
10.	Select and Run test cases
11.	Carry out tests and document results.
12.	Review Results
13.	Issue / Decline Certificate

4.3 Payment Application Upgrade Re-Certification Process

After any change / update on a certified payment application (following a formal change management process), the following re-certification process will apply.

S/n	Activity
1.	PTAD to formally communicate planned payment application upgrade/update

2.	Review and evaluation of request, based on General requirements.
3.	Respond to request
4.	Provide detailed information of payment application upgrade (version, release, specification, etc)
5.	Schedule testing window with banks / processors
6.	Communicate to banks/processors to make test platforms available
7.	Configure Sample terminals to communicate with the Test platform
8.	Select and Run test cases
9.	Carry out tests and document results.
10.	Review Results
11.	Issue / Decline Certificate
12.	Update payment application version/release central repository

NOTE :

Special consideration may be given to start-ups who do not meet all the requirements. This however will be treated based on individual merit.