

DEPARTMENT OF TRANSPORT**No. R. 935****22 October 2010****NATIONAL LAND TRANSPORT ACT, 2009
REGULATIONS RELATING TO INTEGRATED FARE SYSTEMS**

The Minister of Transport intends in terms of section 8(2) of the National Land Transport Act, 2009 (Act No. 5 of 2009), to make the Regulations in the Schedule Relating to the Integrated Fare Systems.

Interested persons are requested to submit written comments on these draft Regulations to the Director-General, Department of Transport for the attention of:

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within 30 days from the date of publication in the Gazette

SCHEDULE

Definitions

1. In these Regulations, any word or expression to which a meaning has been assigned in the Act shall bear the meaning so assigned and unless the context otherwise indicates—

“AFC” means automated fare collection;

“AFC data structure” means the automated fare collection data structure, which utilises specific tags on the EMV chip of bank issued fare media for electronically recording and retrieving public transport-related data;

“AFC Guideline” means the automated fare collection guideline document, which includes the—

- (a) AFC data structure; and
 - (b) MIOS for Information Systems in Government,
- and which is obtainable from the Department;

“AFC system” means the automated fare collection system, which—

- (a) enables the electronic collection of public transport fares and associated data; and
- (b) comprises a bank issued fare media system;

“bank issued fare media” means a participating bank issued payment instrument based on EMV specifications and conforming to the requirements of the AFC data structure;

“bank issued fare media system” means a fare collection system, which comprises—

- (a) a payment instrument distribution network and value loading infrastructure;
- (b) an electronic payment transaction clearing and settlement function;
- (c) a payment transaction initiation and acceptance infrastructure and acquiring function; and
- (d) associated information systems utilised for the management and analysis of fare schedules and data so collected and their conversion into information;

“EMV” means the integrated circuit card specifications for chip-based bank issued fare media and point of sale (“POS”) acceptance devices;

“EMVCo” means the independent organisation formed in 1999 by the EMV card associations to manage and enhance the EMV specifications;

“EMV specifications” means the specifications managed and enhanced by EMVCo, which cover elements such as general physical characteristics of terminals, the terminal-card interface, including contactless interface for initiating payment transactions, transaction processing, data management and data security;

“ITS” means intelligent transport systems;

“legacy AFC system” means any existing AFC system, whether fully operational or not, of which the banking industry does not form part through any bank issued fare media;

“MIOS for Information Systems in Government” means Minimum Interoperability Standards for the Public Service, issued in terms of Chapter 5, Part III, regulation B.1 of the Public Service Regulations, 2001, as published in Government Notice No. R. 1346 of 1 November 2002;

“participating banks” means banks which are members of the Payments Association of South Africa and the relevant payment clearing house;

“payment clearing house” means a payment clearing house as defined in section 1 of the National Payment System Act, 1998 (Act No. 78 of 1998);

“Payments Association of South Africa” means the payment system management body recognised by the Reserve Bank in terms of section 3 of the National Payment System Act, 1998;

“STANSA SC71H Committee” means the technical subcommittee responsible for developing new standards or amending existing standards for ITS in terms of the Standards Act, 2008 (Act No. 29 of 2008);

“the Act” means the National Land Transport Act, 2009 (Act No. 5 of 2009).

Purpose of Regulations

- 2.(1) The AFC system for any public transport service must comply with the requirements contemplated in these Regulations.
- (2) The requirements must be read together with the AFC guideline.
- (3) In the event of any inconsistency between these Regulations and the AFC guideline, these Regulations shall prevail.

Requirements for AFC system implementation in public transport

3. The following minimum requirements apply to AFC system implementation in public transport:
- (a) To achieve an integrated AFC system for public transport that is compatible nationally—
- (i) AFC must be made through any bank issued fare media;
 - (ii) AFC must be interoperable through all participating banks;
 - (iii) clearing and settlement of payment transactions must take place through the National Payment System in accordance with the National Payment System Act, 1998 (Act No. 78 of 1998);
 - (iv) passengers with a suitable bank account must be able to use bank issued fare media obtained as a result of their relationship with any participating bank;
 - (v) passengers without a suitable bank account must be able to obtain prepaid stored value bank issued fare media from a participating bank or a third party card issuer operating in conjunction with the participating bank;
 - (vi) the payment system must adhere to the banking and payment regulatory framework; and
 - (vii) the AFC data structure must be loaded onto all bank issued fare media;
- (b) occasional or infrequent passengers of public transport services which have implemented AFC may be able to obtain a prepaid single trip ticket from the public transport operator who is providing the single trip public transport service or any third party operating in conjunction with that operator: Provided that—
- (i) the prepaid single trip ticket is issued exclusively for the redemption of the single trip public transport service provided by that operator;
 - (ii) the prepaid single trip ticket consists of any appropriate fare media and not necessarily a bank issued fare media; and

- (iii) the prepaid single trip ticket is non-reloadable;
- (c) in the transportation data system for those public transport services that have implemented AFC—
 - (i) public transport data must be collected electronically through the AFC system concurrently with the payment or redemption transaction;
 - (ii) the relevant organ of state must take ownership of the data collected through the AFC system;
 - (iii) data must be collected for planning and operational purposes, and must include data per transaction on location, fare and passenger;
 - (iv) the database must enable the extraction of suitable data by the relevant organ of state for planning, monitoring, subsidy management and related purposes; and
 - (v) the data system must comply with the MIOS for Information Systems in Government;
- (d) the AFC system must be flexible to accommodate fare structures based on local needs, but must be aligned with any national fare policy, which may be adopted from time to time;
- (e) the AFC system must comply with the relevant standards endorsed by the STANSA SC71H Committee, which conform to these requirements, or, if there are no such standards, international non-proprietary open standards, to ensure compatibility as contemplated in section 8(1)(b) of the Act; and
- (f) legacy AFC systems, which do not comply with these requirements, must be either upgraded to comply with them or be phased out.

Date of compliance

4. (1) After the date of publication of these Regulations, all new AFC systems in public transport services must comply with the requirements contemplated in regulation 3.

(2) Any legacy AFC system must be able to accept bank issued fare media within five years from the date of publication of these Regulations.

Implementation process

5. (1) The AFC system implementation process must be planned in a systematic manner, taking due cognisance of technical and operational requirements.

(2) Resulting technical and functional specifications must be developed as input into the design process.

Short title and commencement

6. These Regulations are called the Regulations relating to Integrated Fare Systems, 2010.
