



Welcome to the **April** edition of ACT News – Driving Insights. This complimentary service is provided by ACT Canada. Please feel free to forward this to your colleagues.

In This Issue

- 1.** Editorial - food for thought
- 2.** VISA launches 'quick chip' pilot for faster EMV transactions
- 3.** Mobeewave expands P2P app across Canada
- 4.** MasterCard answers the call for faster EMV
- 5.** Sensibill brings digital receipts to Canada with UGO partnership
- 6.** ICC Solutions wins third Queen's Award for Enterprise
- 7.** Giesecke & Devrient's Cloudpay integrates VISA token service for bank wallets
- 8.** What's in the cards for US and Canada payments (literally)?
- 9.** Gemalto ebanking solution increases online security for BBVA Bancomer in Mexico, with world class convenience
- 10.** PayPal rolls out PayPal credit in UK
- 11.** EVO & VeriFone partner to smooth EMV migration for restaurants and service-oriented merchants
- 12.** Apriva, iPayment extend partnership on EMV mPoS
- 13.** Ingenico Group expands its footprint in Japan with Lyudia acquisition
- 14.** Amazon Payments reaches merchants through partnerships with e-com platforms
- 15.** Leading payment cloud operator expands EMV infrastructure to power mobile payment acceptance for financial institutions and merchant acquirers
- 16.** FIME supports development & roll-out of first Android payment terminal
- 17.** The Northern lights shine on the prepaid market
- 18.** Ingenico epayments and YouPass work together exclusively to provide gamers new payment options
- 19.** Nymi close to official launch
- 20.** Announcing VeriFone carbon – the new center of connected commerce
- 21.** Is IoT the next ransomware victim?
- 22.** 800,000 customers now using compass card: Translink CEO



23. Smart Payment Association releases 2015 smart payment card shipment figures
24. CPA leads transition to electronic payments with launch of global messaging standard in Canada
25. Union pay's new mobile payments partnership
26. UK grants electronic money license to bitcoin company
27. Half a billion records compromised in data breaches in 2015
28. Gemalto deploys secure element based applet to accelerate the development of mobile payments on wearables

ACT Canada Partners

INGENICO - *Point of Sale Equipment Partner*

Ingenico Group is the global leader in seamless payment, providing smart, trusted and secure payment solutions to empower commerce across all channels, in-store, online and mobile. With the world's largest payment acceptance network, we deliver secure solutions with a local, national and international scope in 125 countries. For over 30 years, we have been the trusted world-class partner for financial institutions and for retailers, ranging in size from small merchants to several of the world's best known global brands. Our smart terminal and mobile solutions enable merchants to simplify payment and deliver their brand promise.

INTERAC - *Payment Network Partner*

Interac Association is a recognized world leader in debit card services. Interac Association is responsible for the development and operations of the Interac network, a national payment network that allows Canadians to access their money through Interac Cash at 60,000 Automated Banking Machines and Interac Debit at 766,000 point-of-sale terminals across Canada. Interac Flash, a secure contactless enhancement of Interac Debit allows Canadians to pay for items instantly with their Interac chip debit card at a reader that supports Interac Flash.

PAYMENTS BUSINESS - *Media Partner*



New and Renewing Members

Principal Members

Canadian Payments Association ~ member since 1998

General Members

ATM Industry Association -ATMIA ~ new member

Berkeley Payment Solutions ~ member since 2012

Chase Paymentech ~ member since 2014

HCE Service Limited ~ new member

Pioneer Energy L.P. ~ member since 2014

The North West Company ~ member since 2014

Associate Members

Di Teodoro Consulting Services ~ new member

Jeremy Seitz ~ new member

Career Opportunities

Visit our career opportunities section for the latest opportunities - <http://www.actcda.com/information/careers/>

Looking for good people?

There is a lot of movement in the market, so if you are looking for new employees, we are always aware of some great people. Please contact ACT Canada for more details - postings@actcda.com

Calendar Of Events

2016 ATMIA Canadian Conference

May 17 – 18, 2016

Toronto, Canada

<https://www.atmia.com/conferences/canada/>

International Cryptographic Module Conference

May 18 – 20, 2016

Ottawa, Canada

<http://icmconference.org/>

ACT Canada Members receive discount a 20% discount



Demystifying the Blockchain and Bitcoin Learning Course

Jun 10, 2016

Toronto, Canada

<http://www.actcda.com/calendar/act-canada-events/demystifying-the-blockchain-and-bitcoin-course-details.html>

ACT Canada Members receive discount a \$200 discount

Payments Bootcamp

Jun 13, 2016

Marriott on the Falls, Niagara Falls, Canada

<http://www.cardware.ca>

ACT Canada Members receive a 20% discount

Cardware 2016

Jun 14 - 15, 2016

Marriott on the Falls, Niagara Falls, Canada

<http://www.cardware.ca>

ACT Canada Members receive substantial discounts by using their member rate

Cardware Update

Payments Bootcamp Announced at Cardware

Bootcamps are a great way of introducing staff to emerging concepts and technologies. It works for new staff, staff taking on new responsibilities and executives who want a quick insider's view. At the request of many of our members, we are offering a Payments Bootcamp, focusing on four topics:

- BLOCKCHAIN - has the potential to disrupt and revolutionize the financial services industry. Learn about the financial, operational and regulatory implications.
- PAYMENTS - understanding the stakeholders, issues & opportunities.
- SECURING CLOUD BASED PAYMENTS - the complexities of developing a secure and functional payment solution.
- STAKEHOLDER ENGAGEMENT - how bringing the right stakeholders to the table at the right time can help you get to market with less expense, less risk and a better product.

For more information on attending, exhibiting or sponsorship opportunities, please visit www.cardware.ca.

Articles

1. EDITORIAL - FOOD FOR THOUGHT

Source: Catherine Johnston, CEO, ACT Canada (04/29)

Payment is never boring but once in a while, like you, I have a few spare moments. Here are some of the questions and comments that have filled them.

- If issuers need acceptance points and merchants benefit from surety of payment, shouldn't they talk to each other more often?
- Who is it that thinks changing the name of something will make me want to try it again?
- While it is important to know what problem you are trying to solve, it is equally important to know whether the solution will cost you more than the problem.
- Why do we so often insist on learning from things that hurt us when we could easily learn from looking at what other people have messed up?
- What is the business case for re-issuing chip cards every 3 years?
- What is the advantage of paying faster if I still have to wait for my coffee?
- Are you someone different when you pay, drive, open a bank account or travel? No! Let's separate our identity from what we do? That would reduce friction!
- If an internet of things light bulb costs up to 20 times a normal bulb, why do I want it?
- If hockey stick growth projections are rarely ever right, why do we keep believing them?
- Doing the right thing is often a short term pain for a long term gain. How does this impact your corporate strategy?
- What did we learn from Volkswagen, GM and Edward Snowden?
- How much more success could you have if, when introducing something new, you explained it in terms that your customers already understood?
- In 1967, James Goodfellow invented the 4 digit pin. Is it broken or is it still secure enough for payment?
- If MAG stripe is the weak link, when can we remove it from payment cards?
- Except for criminals, is there any group that doesn't want fast and secure payment? Now that we know we have that goal in common, let's talk more and work together.
- Does blockchain intersect or collide with faster payment?
- Whatever happened to "What's the business case and ROI?"
- Could blockchain help us research and develop cures for deadly illnesses?



Send me your favourite questions. In the meantime, expect there will be a lot of answers (and some intriguing questions) at Cardware. Register now at www.cardware.ca!

2. VISA LAUNCHES 'QUICK CHIP' PILOT FOR FASTER EMV TRANSACTIONS

Source: CardNotPresent.com (04/21)

Six months after liability for fraudulent in-store purchases shifted from issuers to merchants that do not have EMV capability at their POS, implementation continues slowly. The process has been beset by problems including long waits for certification that have prompted a lawsuit. But, perhaps merchants' biggest concern is how much longer it takes to complete a transaction using a chip card vs. swiping a magstripe. This week, Visa launched "Quick Chip," a software fix that speeds up checkout time by enabling shoppers to remove the card before the transaction has been completed. Visa is offering the Quick Chip specification free-of-charge to payment processors, acquiring banks and other payment networks to offer to merchants. "Visa is advancing a streamlined approach to chip transactions to make them faster and more efficient, while still providing a safe and secure experience," said Mark Nelsen, senior vice president of risk products and business intelligence at Visa. "Quick Chip for EMV helps make the checkout experience comparable to the ease and speed of magnetic stripe transactions."

While the problems are well-publicized, EMV does appear to be having a positive effect. Visa told USA Today it saw an 18.3 percent reduction in counterfeit fraud in Q4 2015 among its most susceptible merchants that completed EMV upgrades. The liability shift also has taken its toll, however. By January, processors were reporting a significant increase in chargebacks and that their merchants were clamoring for EMV.

Visa is a member of ACT Canada; please visit www.visa.ca.

3. MOBEEWAVE EXPANDS P2P APP ACROSS CANADA

Source: Mobile Payments Today (04/14)

Montreal-based Mobeewave is opening the closed beta of its mobile peer-to-peer payment app PayMeTap to consumers across Canada. Mobeewave introduced the app at the annual Mobile World Congress in March. PayMeTap, which is available for Android in the Google Play Store, enables users to accept a payment by tapping their smartphone with a credit card. Contactless-enabled payments cards are a standard in Canada. "With countries around the world embracing the concept of a cashless society, we recognized the need to give people the ability to accept payments — and make payments — with their phones," said Maxime de Nanclas, COO and co-founder of Mobeewave. "This ability is only really useful if it offers users the greatest amount of flexibility and highest level of



security. That's why PayMeTap allows users to receive payment using credit cards without needing the other person to sign up for the service or share personal information."

Mobeewave said that unlike other software P2P platforms, PayMeTap does not store credit card information in the cloud. The app also offers a further layer of protection through the option to add a PIN for a specific account. The secure sockets layer protocol is used to encrypt all communications with the Mobeewave server and the company adheres to the Payment Card Industry Data Security Standard. Transactions are also constantly monitored and analyzed through live automated programs, as well as random manual verification to detect and stop malicious or suspicious activity, according to the announcement.

Mobeewave is a member of ACT Canada and will be presenting on "Displacing Cash" at Cardware; please visit www.mobeewave.com.

4. MASTERCARD ANSWERS THE CALL FOR FASTER EMV

Source: *PYMNTS.com* (04/26)

The EMV numbers tell a compelling story. In the six-plus months since the EMV liability shift deadline hit the U.S. payments market, the continued momentum of EMV adoption has surprised just about everyone. As part of its six-month EMV checkup, MasterCard said that more than two-thirds (67 percent) of its branded consumer credit cards in the U.S. have chips in them and that roughly 1.2 million U.S. merchant locations now accept chip cards. That's a lot of growth in such a small period of time. Although the numbers may lead you to believe most U.S. consumers and merchants are adjusting well to the post-EMV world, Ajay Bhalla, President of Enterprise Security Solutions for MasterCard, assured us that there are still a few "not-so-happy campers out there."

The migration to EMV in the U.S. was one of the biggest events to happen in the country's payments ecosystem — in fact, the largest EMV conversion in history, Bhalla explained. So, given the scope and magnitude of this deployment, no one was surprised that the move would come with a few growing pains. One of them being, of course, the switch to dip from swipe and, in particular, the friction that is now created at the point of sale, which, Bhalla said, has caused some very mixed reactions to EMV among merchants. For those merchants feeling the brunt of frustrated consumers, jammed-up lines and painstakingly long transactions, MasterCard is introducing M/Chip Fast, intended to shave precious seconds off the current EMV transaction time.

Bhalla said the M/Chip Fast solution allows a consumer to dip an EMV chip card into the terminal and replicate what happens with a magnetic stripe transaction. He explained that M/Chip Fast is actually a fairly consistent EMV transaction that MasterCard does globally; the only thing that is different is



changing the process flow so that the card authentication happens in just one step instead of two, allowing for the consumer to remove the card before the transaction is completed. Consumers, Bhalla said, can “take care of the transaction in seconds.” While shortening EMV transactions will be music to many merchants’ ears, Bhalla emphasized the fact that MasterCard has gone to great lengths to make it known that not every merchant should feel compelled to rush into implementing M/Chip Fast. Though the payment behavior has changed drastically, in many cases, merchants are just chalking it up to something that will improve as consumers get more comfortable with the process. Some say that consumers are getting used to it and not complaining. For those merchants, Bhalla says, merchants shouldn’t feel forced to solve for a problem that they may not have.

“We think that [M/Chip Fast] should only be used by institutions that actually see it taking much longer to process a transaction than standard EMV,” Bhalla made clear. Basically, if it isn’t broken from the consumer’s standpoint, don’t fix it. Where Bhalla thinks that the M/Chip Fast solution might be particularly viable is with merchant establishments where time is truly of the essence for both the business and consumers — think coffee shops, fast food and even transit — because quick throughput is essential. The M/Chip Fast specification is available, and testing has already begun. Bhalla believes merchants will be utilizing models and prototypes within the next 90 days. Bhalla also discussed MasterCard’s big picture for EMV on a global scale: consistency.

There are, today, 1.3 billion EMV cards globally supported now in 150 countries. And though the progress that EMV adoption in the U.S. has made thus far may be beyond what many expected, Bhalla sees the growth only moving faster in the coming years. Soon, the U.S. may very well reach its “EMV tipping point,” which Bhalla described as the moment where a country shifts its EMV adoption in a very big way. By 2017, he said it’s expected that the market will see more than 97 percent of cards being chip-enabled, with significant growth in the number of merchants accepting EMV as well. “The minute the merchant numbers cross 50 percent, we will have a market that is truly EMV,” Bhalla said. “I think that will happen at the end of next year.”

MasterCard is a member of ACT Canada; please visit www.mastercard.ca.

5. SENSIBILL BRINGS DIGITAL RECEIPTS TO CANADA WITH UGO PARTNERSHIP

Source: Mobile Payments Today (04/15)

Toronto-based Sensibill this week launched its iOS-based platform, Receipts, for UGO Mobile Solutions LP, which provides an open digital wallet in Canada. The Sensibill solution will enable UGO customers to store, access and manage digital versions of their receipts in the UGO mobile wallet application, according to a press release. Existing and new UGO customers can add the new



functionality with an app upgrade through The App Store. "As enriching the mobile banking experience with value-added services becomes a priority among financial institutions worldwide, we're thrilled to bring Receipts to Canadians for the first time with UGO," said Corey Gross, Co-founder and CEO at Sensibill. "We want to help our partners innovate as quickly as possible, so we developed a solution that financial institutions can integrate seamlessly into their existing mobile applications. As an innovative mobile wallet provider, UGO is a natural partner to make this happen."

UGO customers will be able to use Sensibill Receipt features to:

- automatically or manually capture detailed information from paper receipts including line-item details, date, time, amount, currency, and retailer name;
- organize receipts under business or personal profiles and further itemize them into categories (e.g., bills and utilities, financial services, home, etc.) for tracking purposes;
- assign hashtags or notes to a receipt to facilitate future searches; and
- export receipts to another device in Excel, PDF, or CSV format.

In November 2015, Sensibill announced partnerships with select Canadian banks that are developing products using Receipts.

Learn the latest Payment Innovations at Cardware – visit www.cardware.ca for details.

6. ICC SOLUTIONS WINS THIRD QUEEN'S AWARD FOR ENTERPRISE

Source: ICC Solutions (04/21)

Cheshire-based company ICC Solutions has received a second Queen's Award for International Trade. The company is regarded as a global leader in the provision of highly efficient EMV (known as Chip & PIN) test and certification tools. This is the company's third Queen's Award for Enterprise, having won two in 2012, in the International Trade and Innovation categories. The awards are the most coveted corporate prize in the UK, honouring companies who have made an outstanding contribution to the British economy. They are awarded annually by the Queen on the advice of the Prime Minister, who is assisted by an advisory committee that includes representatives of government, industry and commerce.

The International Trade Award recognises that ICC Solutions has achieved outstanding growth in overseas sales with steep year-on-year growth over at least three years. Dave Maisey, CEO and Co-Founder, commented: "We are absolutely thrilled to win our third Queen's Award for Enterprise, especially in this year which is our 20th Anniversary and in which we celebrate the Queen's 90th Birthday. For twenty years, our company has embraced innovation combined with a clear vision, commitment and expertise to deliver highly efficient test tools for the global payments industry. Since 2012, our export sales have increased exponentially as



we continue to take our innovative technology to a highly competitive sector and deliver significant market share. This Award reflects that ICC Solutions remains fully committed to delivering excellence to our international clients, and we're delighted to play a significant role in helping to further enhance British exporting."

Wendy Maisey, Customer Relationship Director and Co-Founder adds: "We're delighted again to receive the recognition of a Queen's Award for Enterprise in International Trade. Our turnover attributable to export continues to increase significantly even compared to our outstanding export turnover when we won previously in 2012. It's a confirmation of our vision as Directors to be best in class at what we do, and also a great reflection on our team who work tirelessly to ensure we remain competitive, provide excellent customer service and are world class when it comes to innovation in our industry."

ICC Solutions is a member of ACT Canada and a Cardware exhibitor; please visit www.iccsolutions.com.

7. GIESECKE & DEVRIENT'S CLOUDPAY INTEGRATES VISA TOKEN SERVICE FOR BANK WALLETS

Source: Mobile Payments Today (04/19)

Giesecke & Devrient has integrated Convego CloudPay product into Visa Token Service, which provides provisioning and life-cycle management services for payment applications on Host Card Emulation-enabled mobile devices, according to a press release. Giesecke & Devrient said its relationship with Visa allows it to request and provide payment tokens from the Visa Token Service to Visa issuers' HCE mobile wallets. The Visa Token Service is a new security technology that replaces sensitive payment account information found on payment cards, such as the 16-digit account number, expiration date and security code, with a unique digital identifier that can be used to process payments without exposing actual account details.

"Integration of our CloudPay solution with Visa Token Service enables us to provide a single service interface to Visa issuers for efficient and secure implementation of mobile payment services, including seamless payment card tokenization," said Edgar Salib, group senior vice president of the financial institutions division at Giesecke & Devrient. "This is a solution based on the industry standards for issuing banks that want to enable their own digital wallets."

Giesecke & Devrient and Visa are members of ACT Canada and Giesecke & Devrient is a Cardware exhibitor and sponsor; please visit www.gi-de.com and www.visa.ca.



8. WHAT'S IN THE CARDS FOR US AND CANADA PAYMENTS (LITERALLY)?

Source: PYMNTS (04/06)

In the brave new(ish) world of payments able to be made across any number of channels – and methods — from cash to debit to mobile via taps and swipes – the question remains: Just how do cardholding consumers like to part with their funds? Recent research buoys the notion that, in North America, at least (that is, the United States and Canada) debit remains king (not cash!) and digital engagement is gaining traction. The findings are part of a 2015 study conducted by global payments provider TSYS, that delved into preferred payment methods and how those cardholders like to be in touch with their chosen financial institutions. This 2015 data represents the fifth annual study and surveyed more than 1,000 consumers across gender and educational subsets, in both Canada and the United States.

TSYS execs Sarah Hartman and Adam Smitherman told Karen Webster and those who listened in on their live conversation that debit rules in the United States, even if it's down just a smidge. Delving a bit into the numbers, 41 percent of respondents in the U.S. said they lean toward using debit transactions to make payments, which is still the strongest preference, though down a bit from the 43 percent tally for the 2014 study and 49 percent for the 2013 research. At the same time, credit use saw a slight uptick, at 35 percent. Yet, noted Hartman, the shift is not one from debit use to credit, but rather the availability of alternative payment methods, such as, for example, PayPal where credit cards may be more often registered. And, as consumers are feeling a little more economically comfortable, they may be more comfortable using credit vehicles, even if they pay off their balance at the end of the month. One of the more surprising outcomes discussed was the finding that 60 percent of U.S. respondents said they were open to “receiving special offers from their financial institutions that collect data,” if in turn they would receive rewards tied to such opt-ins. Only 47 percent of Canadians said the same.

“This is good news for issuers,” Hartman surmised, as they can gain insight into what drives consumers and also cement relationships with them. Special offers received by good old-fashioned snail mail (hopefully not because no one looks at snail mail anymore) – good news for the post offices. Looking at the payments preferences north of the border, in Canada, Smitherman and Hartman said that 46 percent of users prefer credit cards as their method of payment, a push upward from the 34 percent seen in the year before. One factor, added Hartman, might be the fact that debit cards as a payment method have been only recent options to use to make purchases online, in Canada. Another (perhaps unsurprising) element of the discussion is what influences payment methods — in fact identifying what are the most “attractive” features in a card that would lead to usage. In the U.S., it's rewards, said the TSYS pair (such as cash back or merchandise), with a whopping 55 percent of respondents saying so. In Canada, noted Smitherman, the tally is similar, at 60 percent. Interestingly, the card brand has a relatively higher status as an influencer in the U.S. than in Canada (33



percent versus 19 percent, respectively), likely explained by the concentration of banks in Canada, and the wide number of options in the U.S. – some 14,000 financial institutions.

Communication was a key topic in the study as well — with a focus on how often, how and why. Once a month does the trick nicely, and the research shows consumers prefer email overall, with one important caveat: As Hartman pointed out, communication preferences in both the U.S. and Canada centered on phone calls in the event that there was a potential for unauthorized use of a card. Social media, as a channel, on the other hand, barely registered a blip, perhaps offering an opportunity for FIs to reallocate their ad and promotional dollars. As for mobile, we have not quite crossed the Rubicon yet. The research showed that consumers want to use their phones to access information about payments, but not to make payments in a physical store — yet. The key interest in mobile features tied to banking, said the TSYS executives, revolve around using phones to stop unauthorized transactions — immediately, as measured across 54 percent of U.S.-based respondents and 29 percent of those residing in Canada.

TSYS is a member of ACT Canada and Adam Smitherman will be presenting “How Consumers Payment Preferences Can Shape Your Strategy” as part of the “The Complex Consumer: A Strategic Approach” panel at Cardware. Please visit www.tsys.com.

9. GEMALTO EBANKING SOLUTION INCREASES ONLINE SECURITY FOR BBVA BANCOMER IN MEXICO, WITH WORLD CLASS CONVENIENCE

Source: Gemalto (04/07)

Gemalto announces that BBVA Bancomer, the largest bank in Mexico, is using its Ezio Suite to secure growing internet banking and mobile banking usage in Mexico. The new solution leverages the benefits of Ezio optical technologies to validate transactions. Fraud, social engineering and phishing attacks present a difficult challenge. The Ezio Suite gives banks the power and flexibility to quickly deploy authentication and transaction signing solutions to defend against attack, while maintaining best in class user experience.

The Gemalto Ezio eBanking solution for BBVA Bancomer allows customers to use a password and a token, either physical or mobile stored in a smartphone or tablet, for strong two-factor authentication (2FA). The bank now adds an optical feature leveraging WYSWYS methodology (What You See is What You Sign), which provides a third factor to defend against attacks during new payee registration. The solution is designed to be easy to use: customers simply select "mobile QR token" or "optical reading token" options during the new payee registration process. The solution generates a time-limited optical or QR Code that is read optically with the user's token or mobile device to authenticate the transaction and deliver convenience and trust. "Gemalto's flexible Ezio technology



allowed us to quickly expand security features without a major overhaul of our existing infrastructure," said Héctor Carrera, Digital Solutions Director at BBVA Bancomer. "We seized the optical functionality to protect against phishing and social engineering scams and within days of deployment, the customer acceptance rate was 100 percent, allowing us to cut fraud on this strategic channel up to 90%."

"Last year, Mexican banks registered nearly three million cases of suspected fraud, representing 3% more security threats than the previous year¹," said Rodrigo Serna, President for the Americas at Gemalto. "Gemalto's Ezio technology provides the agility banks need to quickly respond to emerging threats like phishing schemes. The adoption rate among BBVA Bancomer customers has reached 100%, evidencing world class convenience."

Gemalto is a member of ACT Canada and a Cardware sponsor; please visit www.gemalto.com.

10. PAYPAL ROLLS OUT PAYPAL CREDIT IN U.K.

Source: CardNotPresent.com (04/18)

Online payment pioneer PayPal said it is rolling out PayPal Credit in the U.K. The service, which has been available in the country since 2014 in pilot form after PayPal rebranded 2008 acquisition BillMeLater, enables users to make installment payments for online purchases without a credit card. The move has been characterized as a way for PayPal to engage a more international audience. The service charges a standard variable rate currently set at 17.9 percent, but all purchases that exceed £150 (\$212.71) qualify for 0 percent interest for four months. Select retailers, including Blacks, Dyson, Samsung and Ultimate Outdoors also are offering low promotional rates.

"PayPal Credit has been seamlessly integrated into the retailers' online checkout so consumers can: see upfront how much they will pay each month; complete the simple application form in minutes; and receive an instant decision at the point of purchase," the company said in a post on its corporate blog. "PayPal Credit gives consumers the ability to view their purchases and manage their account any time online, in the PayPal app or over the phone. There's the flexibility to spread the cost with an offer, or even repay early with no additional charges."

11. EVO & VERIFONE PARTNER TO SMOOTH EMV MIGRATION FOR RESTAURANTS AND SERVICE-ORIENTED MERCHANTS

Source: Let's Talk Payments (04/24)

At restaurants and other service-oriented merchants in the US, consumers are used to paying for their purchases and "tipping" by handing over their cards for authorization, and then later adding a tip to the authorized amount on the receipt



along with their signature. But this is problematic with EMV, which typically prevents tip adjustments after the initial payment has been authorized. EVO Payments International and Verifone announced a solution to ease the EMV migration for restaurants and other merchants in the US by enabling them to execute post authorization tip adjustments similar to how they are handled with traditional non-EMV cards.

The solution is EVO's first EMV approval and settlement software application, and it is certified to integrate with EMV and NFC-enabled payment devices from Verifone—one of EVO's preferred hardware providers for restaurants. In addition to executing post-authorization tip adjustments, the application enables restaurants and other merchants to:

- Open and close bar tabs with EMV cards
- Accept proprietary gift cards, and split payments between gift cards and other payment methods
- Accept EMV without requiring signature in quick service restaurant (QSR) environments

Easing merchant frustration

“Merchants that are not already using EMV payment devices are beginning to feel the pain of ‘liability shift’ chargebacks, so Verifone and EVO are providing welcome relief with migration options, which enable EVO to better serve its clients,” said Jim Raftice, EVO's President, US and Canada. Merchants often use electronic cash register point-of-sale (POS) software systems that control the payment process in a semi-integrated fashion with payment terminals and PIN pads. At the end of the day, merchants typically key in the tips added to customers' signed receipts for post-authorization adjustments. With EMV, a processor-authorized payment application is required to ensure merchants do not assume liability for any card fraud. EVO's application provides this capability while also preventing merchants and their POS software providers from having to worry about updating and certifying POS software whenever changes occur—saving them considerable time and resources.

Business as usual

“Restaurants and other merchants where tipping is an everyday occurrence represent a significant portion of the US market that is experiencing the most difficulty in migrating to EMV,” said Shan Ethridge, Vice President and General Manager, North America Financial Services Group, Verifone. “Either because of the inability to do so or the cumbersome processes involved, tip adjustments present a major obstacle that has made EMV remarkably complex for these merchants. Fortunately, integration with Verifone devices will help simplify EMV for EVO's merchants by giving them the ability to handle tips in virtually the same manner they always have.”



EVO's payment application will initially be available on Verifone's VX 520 countertop payment terminal, and subsequently the VX 805 CFD. The application can be directly updated with new features to accommodate changing EMV requirements without requiring payment device recertification.

EVO Payments and Verifone are members of ACT Canada and Verifone is a Cardware exhibitor; please visit www.evopayments.ca and www.verifone.com.

12. APRIVA, IPAYMENT EXTEND PARTNERSHIP ON EMV MPOS

Source: Mobile Payments Today (04/12)

Apriva and iPayment Inc. announced that they have extended their partnership to provide EMV-capable products to small and mid-size businesses using mobile points of sale, according to a press release. The companies said that this extension of iPayment's point-of-sale products brings EMV functionality to customers using the iPayment MobilePay application. MobilePay is a white-label version of the AprivaPay Plus solution that turns Apple, Android and Amazon Fire devices into mobile points of sale, according to the announcement. The companies said that this streamlined app is ideal for small and medium-size businesses, and can be used in any number of venues — storefront or mobile. The product delivers EMV and mag stripe debit and credit card acceptance; cloud-based inventory management; multi-user capability; language localization (English, French, Spanish); two-factor authentication and device tracking; robust reporting features for merchants via an online Web companion portal; the latest device and operating system compatibility; and compliance with Americans with Disabilities Act regulations.

"Mobile acceptance is critical for our customers and EMV compliance is increasingly important as their customers, the consumers, expect to be able to use their chip cards and transact in a secure environment," said Greg Cohen, president of iPayment. "Our partnership with Apriva allows us to provide not just EMV capabilities, but a wide variety of payment and commerce solutions to our channel partners, SMB customers and their end customers, all from one easy mobile application."

Apriva is a member of ACT Canada; please visit www.apriva.com.

13. INGENICO GROUP EXPANDS ITS FOOTPRINT IN JAPAN WITH LYUDIA ACQUISITION

Source: Ingenico (04/26)

Ingenico Group announced the acquisition of 70% of Lyudia, its distribution partner in Japan. The two companies have been in a partner agreement since February 2014 providing a full range of services, from software development, to



certification, logistics, maintenance and support in Japan. Created in 2013, Lyudia is owned by BroadBand Tower Inc., listed on the Tokyo Stock exchange. The company distributes and maintains Ingenico Group payment terminals and develops payment software to obtain local certifications. Lyudia is based in Tokyo with a high quality team of 30 employees with strong expertise in the Japanese payment ecosystem. BBT will remain Ingenico Group partner in Japan and retain a 30% stake in Lyudia.

Japan is a meaningful target market: transition to EMV is expected between 2017 and 2020, driven by Olympic Games organized in Tokyo in 2020 and by the government's aim to promote cashless and secured payment methods. Total market opportunity represents around 3 million EMV payment terminals, mostly innovation-driven-products. Lyudia's acquisition will allow Ingenico Group to accelerate the pace of payment applications certification process and represents an important first step for Ingenico Group to become a significant player on the Japanese market. Ingenico Group expects to leverage a full range of solutions thanks to Lyudia management's deep market knowledge in order to develop a strong local presence.

"This acquisition is a key milestone in our development in Japan, the second largest retail market in the world", said Philippe Lazare, Chief Executive Officer of Ingenico Group. "We are delighted to work more closely with the Lyudia team. This move illustrates how fast our 2020 strategic plan is executed. In addition to that, a strengthened local presence in Japan will also be an opportunity to expand our omni-channel offer in the mid-to-long term." "By becoming a subsidiary of Ingenico Group, we will be able to accelerate the deployment of solutions compliant with EMV and PCI-DSS to the market toward 2020. We will also provide unparalleled payment technologies to our customers in the context of greater demand for inbound tourism and omni-channel market", said Takane Nakamura, President of Lyudia.

Ingenico Group is a member of ACT Canada and a Cardware sponsor; please visit www.ingenico.com.

14. AMAZON PAYMENTS REACHES MERCHANTS THROUGH PARTNERSHIPS WITH E-COM PLATFORMS

Source: CardNotPresent.com (04/07)

Amazon Payments launched a partner program it hopes will expand the number of merchants offering their customers the ability to pay with their Amazon account. Instead of integrating with single merchants, Amazon is partnering with e-commerce platforms that will enable their merchant customers to offer Pay With Amazon on their sites. The Amazon Global Partner Program launched with e-commerce platforms Shopify, PrestaShop and Future Shop and is available to others in the U.S., U.K. and Japan by invitation. "The Amazon Payments Partner



Program provides partners with the tools and resources needed to extend the trust and convenience of the Amazon experience to their merchant customers," said Patrick Gauthier, vice president of Amazon Payments. "We are working together across geographies and industries to help merchants grow and create experiences that delight customers throughout the shopping journey."

As a merchant itself, Amazon Payments has encountered headwinds competing against other online payment providers like PayPal because merchants are reticent to share data with one of the largest e-commerce companies on the planet. But, granting access to Amazon's 285 million account holders and a simple one-click experience at checkout directly through a retailer's e-commerce platform may be enough for Amazon Payments to increase its presence in the third-party online payment provider space.

15. LEADING PAYMENT CLOUD OPERATOR EXPANDS EMV INFRASTRUCTURE TO POWER MOBILE PAYMENT ACCEPTANCE FOR FINANCIAL INSTITUTIONS AND MERCHANT ACQUIRERS

Source: Dream Payments (04/19)

Dream Payments announced the launch of an additional North American datacenter to support the rapid uptake of its Mobile Merchant Services Platform. The Dream platform is a cloud-based white-label solution for banks and merchant acquirers to provide businesses of all sizes an entire suite of mobile merchant services, including mobile point of sale applications, payment terminals, rapid onboarding services, secure payment processing, and business analytics. "The ability to deliver frictionless merchant onboarding that is consistent with the demands of today's users, and without complex merchant integration, is necessary for any commercially viable commerce solution to achieve scale," explains Christian Ali, Chief Marketing Officer of Dream.

This announcement comes as banks and merchant acquirers search for ways to remain relevant as businesses worldwide are replacing legacy and fixed point of sale terminals with innovative, lower cost, EMV MPOS solutions. "Global demand for our platform continues to grow significantly," said Brent Ho-Young, CEO Dream Payments. "Dream has become the preferred platform for financial and merchant service providers to get to market faster with a customer-centric solution. We've expanded our infrastructure footprint in North America to support our accelerated growth across the Canada and the United States."

Dream Payments is a member of ACT Canada and will be presenting on "Disrupting the Disrupters: Collaboration and co-opetition", please visit www.dreampayments.com.



16. FIME SUPPORTS DEVELOPMENT & ROLL-OUT OF FIRST ANDROID PAYMENT TERMINAL

Source: FIME (04/27)

FIME announced its successful collaboration with AEVI, a subsidiary of Wincor Nixdorf, to support the development and roll-out of the world's first payment terminal product based on the Android operating system (OS). The tablet point of sale (POS) device, called 'Albert', gives merchants a complete solution to manage a range of business functions and accept a number of different forms of secure payments. The solution is already live and in use by the Commonwealth Bank of Australia, since 2015. Albert offers a wide range of benefits to retailers across industries. Firstly, they can fully tailor their POS device by only running specific applications that are required for their business. Should their business evolve, they can access the dedicated app store to download additional apps, or develop new apps to answer a specific requirement. On top of this, the tablet device accepts all standard payment methods that are compliant with the Payment Card Industry (PCI) requirements: EMV chip and PIN, swipe and sign and near field communication (NFC) contactless payments.

"Albert is a significant milestone in the expansion of cashless payment acceptance," comments Tomasz Kobylarz, Global Product Manager, at AEVI. "We set out to revolutionize the POS experience and needed a partner with experience across a range of disciplines to support us from the start of the project, right through to certification and launch. We have collectively succeeded in changing how retailers interact with their customers by offering a more powerful, open platform which can adapt to changing needs, and provide real-time analytics and business insights." FIME provided consultancy and project management services throughout the development and roll-out of the product. It supported AEVI during the radio frequency antenna design to enable contactless payments acceptance, and the EMV Level 1 payment terminal kernel development.

Amadis provided EMV Level 2 technology in addition to integration services using its Agnos EMV Level 2 EntryPoint Contactless Stack, which covers all major payment scheme kernels. For this project, Amadis also developed a specific Android API to bridge the EMV NFC card payment acceptance services with the Albert marketplace application environment. Finally, FIME managed the compliance testing of the complete solution, using its qualified test tools, to ensure alignment with a range of international payments standards. "Delivering a world first is always exciting and it was extremely satisfying to help bring Albert to life," adds Mikael Berrebi, Vice President of EMEA at FIME. "Lots of companies and departments were involved, we needed to combine a great deal of functionality into one handheld device and something like this had never been done before on Android. Albert represents a pivotal point in POS develop

Some of Albert's key features include: the options of e-mailing receipts and invoices, allowing customers to open accounts they can pay off later; recording



and tracking daily, weekly and yearly payments; and collecting valuable business analytics and insights.

FIME is a member of ACT Canada and a Cardware exhibitor, please visit www.fime.com.

17. THE NORTHERN LIGHTS SHINE ON THE PREPAID MARKET

Source: PYMNTS.com (04/15)

Is Canada truly “prepaid’s best kept secret?” That’s a question MPD CEO Karen Webster set out to answer when she recently connected with Peter Read, President of Peoples Card Services, for a live digital discussion on the matter. Off the bat, Webster admitted that the scope of the prepaid market in the United States’ Neighbor to the North — namely, that it is the fastest-growing prepaid market in the world — surprised even her. Over the course of her hour-long conversation with Read, Webster — along with those viewing the live webinar online — came to understand that there was a lot about Canada that they didn’t know, as Read provided detailed insights that cast a light on the prepaid phenomenon in his home country, exhibiting how it can become a source of advantage and revenues for payments innovators everywhere. “The Canadian population is open to it simply because there are so many different versions of prepaid showing up in the market, and Canadians are open to technologies and new things.” — Peter Read, President of Peoples Card Services

The Canadian Prepaid Market Opportunity

Acknowledging that the “Canadian prepaid market is not really in its infancy, but it does lag the growth of the U.S. market right now,” Read started things off by dispelling a couple of myths that Americans (and others) may hold about the economic picture in Canada.

Myth #1: All Canadians are “banked” and don’t use prepaid.

Describing the notion (popularly held in the U.S.) that prepaid is primarily for the underbanked as a “mischaracterization,” Read clarified that Canadians are turning to prepaid “at a surprising rate” (i.e., the aforementioned fastest in the world), with 29 percent of those citizens currently using an open loop (i.e., network branded) prepaid card. “The Canadian population is open to it simply because there are so many different versions of prepaid showing up in the market, and Canadians are open to technologies and new things,” explained Read, who added that a cultural trend toward being budget-consciousness is also contributing to the uptick in prepaid in the country.

Myth #2: The Canadian market is the U.S. market, just a little further north.

While there are “definitely similarities” between the Canadian market and the U.S. market, allowed Read — and the former is the most addressable market



for U.S. companies to expand into presently — it would be highly inadvisable for any such business to venture into Canada equipped with nothing but assumptions. On the contrary, Read recommends that U.S. companies exploring the prepaid opportunity in Canada “take advantage of the expertise” that the country has to offer: “Be strategic about resources, but bring in partners that help navigate the regulatory and compliance landscape” and the nuances therein.

Data Points

Moving from myth exploding to hard data, Read and Webster walked the webinar attendees through some facts and figures that underscore the enormous potential that exists in Canada surrounding prepaid.

- MasterCard ranks the country as the No. 8 driver of prepaid growth worldwide.
- In 2015, the open loop prepaid market in Canada was estimated at just short of \$5 billion.
- Between 2011 and 2014, prepaid transactions as a whole (including both open and closed loop) in the country rose from approximately \$10 billion to \$13 billion.
- In Canada, open loop prepaid cards are on track for a compound annual growth rate of 18.5 percent — a lift of \$9.5 billion between now and 2020.

On top of all of that, added Read, a “vacuum remains” — in that there is “at least twice the growth still available in Canada” for the prepaid market to catch up to the growth rate occurring in the U.S. right now.

What Is Driving The Growth

Read and Webster discussed three key factors that are driving prepaid’s surge in Canada. The first one — which Read admitted “sounds almost too obvious” — is simply the increased awareness of prepaid in the country. Simple but essential, especially given that millennials — who are both more accepting than other demographics of new technologies and experiences and are trendsetters in the same regard — are at the forefront of the “groundswell of movement” toward prepaid adoption that Read describes. The second factor is that FinTech is prevalent in Canada — particularly in the hubs of Vancouver and Toronto. Here, again, millennials are moving that trend forward, bearing out Read’s observation that “technology is key” in prepaid adoption. Thirdly, Canada’s regulatory market is now established. With prepaid regulations being implemented at a federal level, explained Read, “there is much less regulatory uncertainty in Canada than there is in the U.S.” Regulatory stability makes businesses more apt to move into prepaid (and the value of the Canadian dollar certainly doesn’t hurt, either).

Some For Consumers, Some For Businesses

In terms of practical use cases, prepaid growth in Canada is illustrated within two general (and equally important) categories: cards for consumers, and cards for businesses. On the consumer side, Read broke that down further into four specific types of use cases: There's the gift use case, which are cards promoted by businesses, that hit the general retail population, and whose usage spikes during major holidays and event seasons (such as graduation). Cards within that group are also non-reloadable. The shopping use case effectively ticks all those same boxes, with the key difference being that it applies to cards that consumers buy for themselves rather than for others. There are also consumer prepaid cards designed for the underbanked — people who are looking for transactional services afforded by a “credit card-like product” that inherently allows them, as Read put it, “to be included in society.” Prepaid cards for the underbanked are reloadable.

The fourth and final use case of the consumer prepaid card is aimed at the traveler demographic. Beyond the convenience that cards in this sub-category offer travelers by way of preventing them from having to expose their own credit cards, they also allow consumers abroad to get their money at whatever foreign exchange rate they want and lock it in. On the business side, explained Read, there are generally two types of use cases for prepaid cards in Canada: There are those that deal with incentives. Prepaid cards applied toward that end can be either reloadable or one-time use, and they replace couponing and rebate. Then there is the prepaid card business use case related to travel and expense. In this scenario, businesses are able to control their own expenses, rather than having to manage the credit on company cards. “In all of those categories” — across both consumer and business use cases — noted Read, “the digitization of cash is what's key.” “The way the money gets onto the card may come from cash loading many times,” he explained, “but more and more of prepaid is moving money from bank accounts or via payroll through an incentive — so there actually isn't a cash component anymore.”

Regulatory Landscapes

For a U.S. company entering the prepaid market in Canada, there is arguably no more dangerous outcome of making the “it's just like America but farther north” incorrect assumption than that which pertains to regulation. While, yes — there are some similarities between the regulatory structures of the U.S. and Canada — Read made it clear that Canada possesses its own set of governing bodies and network rules and payment product regulations that “must be adhered to.” “[It is] very important that anybody coming north of the border works with a federally regulated financial institution to make sure that [they] come under the federal prepaid regulations.”



To that end, Read believes that it is “very important that anybody coming north of the border works with a federally regulated financial institution to make sure that [they] come under the federal prepaid regulations.” Working in two languages — English and French — is also a key element for U.S. companies to keep in mind; they will need to understand language laws, specifically as they apply to Quebec. “With less uncertainty [surrounding regulations] up here,” expressed Read, “what [a company] really has to be careful of is making sure that [they] understand the difference between provincial and federal regulations,” which can be determined by the use of the card. Leveraging partners is essential in navigating those waters, and Read and Webster walked through a side-by-side comparison of regulatory bodies in both the U.S. in Canada, illuminating their similarities and differences. “The key difference” across the board, opined Read, “is that the U.S. legal system is more rules-based and the Canadian system is more principles-based.” In effect, the common practice of U.S. companies working the rules to find a loophole is not likely to fly in Canada.

Entering The Market

As the digital discussion began to wind down, Read offered a recap of the primary considerations that program managers from outside Canada need to take into account as they consider the prepaid opportunity in the country. Get to know the market. Doing so can allow a program to acclimate to the Canadian consumer and the business nuances, and navigate the regulatory environment. Use a federal approach. “Don’t try and come in and do it province by province,” stated Read. “Come in and make sure that you understand you’re going to try and work across the country.” Look for resources that are technologically agnostic. “You don’t want to limit yourself to somebody that only works in a specific category,” Read explained. “You want to be able to leverage the major payment networks; you want to be able to work with any of the processors that you may want to work with.” One final recommendation that Read reiterated was the importance of partnering with an expert resource.

“Try and make sure you go with somebody that sits in a hub or is able to control and provide access to all avenues of the market where there are pieces of business — different processors, different payment networks,” he advised. “You want to make sure you partner with people that are experienced and have a lot of access to the market.” The good news on that end, as Read concluded? “There are a few of us up here.”

Want to learn more about the Prepaid Opportunity? Join us June 14-15 at Cardware where the Canadian Prepaid Providers Organization will host the Prepaid Breakout Track; visit www.cardware.ca for details.



18. INGENICO EPAYMENTS AND YOUNPASS WORK TOGETHER EXCLUSIVELY TO PROVIDE GAMERS NEW PAYMENT OPTIONS

Source: Let's Talk Payments (04/03)

Ingenico ePayments, an Ingenico Group company announced that it entered into an exclusive partnership with the digital card company, YouPass, to provide gamers with new payment options that meet their growing demands. YouPass, a company that has enjoyed enormous growth over the past year, understands that they need a payment service provider to support their ambitions for expansion into new products and new markets around the world, and they are particularly impressed by Ingenico ePayments' extensive knowledge and reach within the gaming industry, as well as their customer-oriented service. Charles Goguet, Business Development Officer from YouPass stated: "Once we learned that Ingenico ePayments offers all of the currencies and payment methods we want, as well as simplified financial management, managed fraud services and a comprehensive business intelligence tool, we immediately knew that Ingenico ePayments is the long-term partner that can take us global. What's more, Ingenico ePayments' expansive payment portfolio is a great fit for our customers' preferences and their data solutions are exactly what we need to understand our growth patterns and leverage them to match our ambitions." Gaming has proven to be an increasingly important industry in eCommerce, as the world continues to digitalize and games are offered on more mobile devices. To stay ahead, Ingenico ePayments and YouPass are working closely together to add additional payment options for YouPass's EMEA customers, and will expand these efforts in the coming months to reach their customers in APAC as well.

Ingenico ePayments and YouPass will work together exclusively for the next three years, to offer gamers from around the world their preferred payment options in their preferred local currencies, ensuring a seamless checkout experience. In addition, YouPass will enjoy the security gained from Ingenico ePayments' managed fraud services and the insights available in the comprehensive business intelligence tool, Elevate.

Payments

David Jimenez, Chief Revenue Officer from Ingenico ePayments has said: "It is exciting to watch YouPass grow as rapidly as it has and enable them to go further. The gaming industry and its customers are at the cutting edge of eCommerce and we are proud that our innovative products and services enable us to easily enter into such a comprehensive collaboration with YouPass."

Ingenico Group is a member of ACT Canada and a Cardware sponsor; please visit www.ingenico.com.

19. NYMI CLOSE TO OFFICIAL LAUNCH

Source: SecureID News (04/12)

It's difficult to remember an identification technology as hyped as the Nymi band. For three years people in the identification and authentication market have been talking about a wearable band that performs continuous authentication using an individual's heartbeat. Nymi has been piloted with MasterCard, banks in Canada and has a partnership with Ping Identity for use in the enterprise market, says Shawn Chance, vice president of market strategy at Nymi. The company has also shipped a "few thousand" Nymi developer kits. All this activity and there isn't a product available to purchase. This is going to change this year as the official launch will take place in mid to late 2016, Chance says. For those not familiar with the Nymi it uses the wearer's electro cardiogram (ECG) as a unique identifier. Nymi has conducted research of ECG, testing subjects at the University of Toronto. The study showed the accuracy might be greater than other biometric modalities.

So the band performs the authentication and then uses either Bluetooth Low Energy or near field communication to transmit the credential, Chance says. The addition of NFC is a relatively new feature to the Nymi so it can be used for payments or with legacy physical access control systems that use contactless smart cards, Chance explains. With NFC, the Nymi band would be continuously authenticating and the user would walk up to a reader, hit a button on the band, the credential would be transmitted and the door opened or transaction approved. The Bluetooth functionality would be used for access to mobile devices, laptops or desktop computers. Again, the Nymi band would be authenticating in the background and when a user needs access the band and device would communicate and enable access. If the user walks out of range from the computer or device it will be locked as well. In both use cases no credential will be transmitted unless the individual has been positively authenticated first.

As Nymi gets closer to its official launch it's showcasing its use in the enterprise market, Chance says. The company is focusing on how it can integrate with identity and access management systems used by Fortune 500 and 1000 firms. MasterCard employees have been testing the bands for use in physical and logical access, Chance says. The payment pilots have been with TD Canada & Royal Bank of Canada.

MasterCard, RBC and TD Bank are members of ACT Canada; please visit www.mastercard.ca, www.rbc.com and www.td.com.



20. ANNOUNCING VERIFONE CARBON – THE NEW CENTER OF CONNECTED COMMERCE

Source: Verifone (04/04)

Verifone unveiled Verifone Carbon— a beautiful, flexible and integrated POS that leverages powerful capabilities and applications to transform the checkout process into an experience merchants and consumers will love. Partnering with Danish beverage bar, Joe & the Juice, Verifone Carbon is being showcased at Money20/20 Europe.

New Commerce Experiences for a Connected World

Verifone Carbon embodies the company's vision for how commerce operates in a connected world. It is the result of Verifone's commitment to transforming the POS, where we are connecting merchants to new differentiating opportunities and consumers to intuitive, enjoyable experiences. "Today, merchants need trusted tools and services to create simple, secure and engaging consumer shopping experiences and new ways to grow their businesses," said Glen Robson, executive vice president of Verifone Systems. "Verifone Carbon is our most well-designed and technologically advanced product ever." Robson adds, "It uniquely delivers on our vision of the future of commerce in a connected world by bringing together payments, applications, customer service functions and other solutions for running a business into a single integrated system. It's a cutting-edge solution for merchants who want to experience the joy of truly frictionless commerce."

Why Design and Connections Matter

The point of purchase has been evolving over 30 years, but today the need to be connected – and the endless possibilities those connections represent – require a new approach and different design ethos. Verifone Carbon offers a secure business solution that is designed perfectly for café owners, quick service restaurants and retail stores. Featuring dual high-resolution screens that are optimized for merchants and consumers, the system integrates into a sleek stand with built-in high-speed printer, and optional cash drawer at the base – requiring minimal counter space and offering portability for mPOS activities.

Every detail of Verifone Carbon has been engineered with the intention of making the most of the interactions between merchants and consumers at the POS, including:

- Integrated design with dual screens: Merchants run register and business apps from the tablet screen and consumers pay and interact with personalized, targeted messaging from a smaller screen.
- World-class chipset and operating systems: Merchant side powered by Intel running an open Android OS; consumer side powered by the Verifone Engage platform.



- Portable and countertop: Detach and reattach the system when needed, with an ergonomic handle for perfect balance and mPOS activities.
- Accepts all forms of payment: Swipe, tap or dip with the chip slot positioned for both portable and countertop...with no knuckle scraping.
- Built to last: Enhanced scratch and impact resistant surfaces with optimal screen clarity using Corning Gorilla Glass.
- Connectivity: Always on, always connected with USB, Ethernet, WiFi and Bluetooth.
- Battery Life: Get up to six hours of uninterrupted mPOS power.

Connect to Scalable, Open Commerce

Verifone Carbon comes loaded with Verifone's Commerce Platform, an open, cloud-based and secure engagement platform where businesses can quickly customize applications and services. New and interesting commerce experiences are possible for merchants as they enhance consumer interactions beyond payments. This capability is available through Verifone's commerce-enabled MX and VX products as well as next-generation devices such as Verifone Engage. With Commerce Platform, merchants can reward their best customers with loyalty and points programs, display promotional media and coupons, leverage beacons for store analytics, and invite customers to redeem personalized offers in real time.

"While those of us in the industry can easily rattle off words like omni-channel, mobile wallets, mPOS, NFC, and EMV, what matters most to businesses are the things that will help them do more of what they love and less of what they don't," said Thad Peterson, senior analyst at Aite Group. "As payments become more integrated into commerce, products like Verifone Carbon will make running a business more efficient and fun with engaging solutions and high-value applications, while playing a pivotal role in taking consumer experiences to the next level. This is where all channels work together to deliver value to merchants and their customers." To attract and serve a generation of shoppers raised on e-commerce sites, Verifone is going beyond efficient and secure payment acceptance or the latest in shiny objects with Verifone Carbon.

Verifone is a member of ACT Canada and a Cardware exhibitor; please visit www.verifone.com.

21. IS IOT THE NEXT RANSOMWARE VICTIM?

Source: PYMNTS.com (04/26)

Cybercriminals are turning the attention of ransomware attacks to target the burgeoning market of connected devices. According to the Institute for Critical Infrastructure Technology (ICIT) think tank, the fact that ransomware will be pointed at the Internet of Things (IoT) is inevitable because connected devices

present a significant opportunity to launch further attacks, ZDNet reported on Monday (April 25). ICIT calls the rise of malware an “epidemic,” with the IoT remaining particularly at risk to increasing threats. The report suggests that connected devices alone provide a wide range of potential targets — from vehicles to wearables and even health devices, like pacemakers.

“The scenario is not too far-fetched; in fact, it is much more deadly. Many medical devices, such as pacemakers, insulin pumps and other medication dispersion systems, are Internet- or Bluetooth-enabled. Ransomware could utilize that open connection to infect the IoT device,” the report explained. Of course, this isn’t the first we’ve heard about the growing cybersecurity threats facing IoT and the connected devices it powers. Earlier this month, a new report from Bitdefender explained something that most tech consumers already know — that their smart thermometers, light switches and device hubs aren’t as secure as they could be — but in a way that might not be common knowledge.

In an in-depth breakdown of the security measures of four popular consumer IoT products, the software security company found that hackers often don’t have to do much hacking at all to turn IoT devices into ransomware bricks. The authors of ICIT’s report said one of the most effective ways to combat the threat is through endpoint security. The report states: “The only defense is a layered defense, of which endpoint security is an essential layer and can offer a potent ingredient for next-gen cyberfortification.”

22. 800,000 CUSTOMERS NOW USING COMPASS CARD: TRANSLINK CEO

Source: Vancity Buzz (04/15)

The number of transit users who have switched over to using the Compass Card to get around Metro Vancouver’s public transit system is creeping up towards the one-million mark. During a press conference on Thursday, newly appointed TransLink CEO Kevin Desmond said 800,000 people are now using the Compass Card on a regular basis and over 1.3 million taps are recorded on a daily basis on average. Moreover, 94% of all trips on the transit system are now made using a Compass Card or a single-trip Compass Ticket from a Compass Machine and 149,000 people are loading their monthly pass into the Compass Card. Desmond, who was previously the general manager of King County Transit and has been on the job as TransLink’s leader for barely three weeks, says the results have been relatively impressive compared to his previous experiences with automatic fare collection systems in New York City (Metro Card) and Seattle (Orca).

“To get to 94% boardings using the Compass system within a four month transition is pretty astonishing from where I come from,” said Desmond. “Even to use Seattle as an example, we launched the system in 2009 on the King County Metro system... only 70% of the boardings are with the ORCA system.” There has been some criticism on TransLink’s handling of the functionality of the fare gates

for individuals with disabilities without the use of their hands and the revelation of a hack that enables free single-trip rides. But Desmond says the incidents are small in number and efforts to find a fix will not affect the continued implementation of the Compass system.

The so-called hack reprograms the NFC computer chips embedded inside the single-trip Compass tickets by using a smartphone app that duplicates valid fares. It only affects single-trip paper Compass tickets from a Compass Machine; reusable Compass Cards are not affected. "TransLink knew about this in advance and asked Cubic, and in fact other Cubic properties throughout the world use the same systems," said Desmond. "A decision was made to go ahead and bear that risk because there was a back-office way to minimize that potential outcome. A hotlist is run continuously, and within an hour in the back office Cubic is able to detect a ticket and kill it."

Since December, there have been just 35 detections of fake tickets, resulting in a total loss of \$150 in fare revenue. As for the fare gate disability access issue, Desmond says a more permanent fix is being worked on. In the meantime, staff are still in the process of transitioning into the new staff protocols of leaving one disability gate open when fare gates are left unattended. "We recognize we haven't been perfect at that," he said. "The other day we heard news that someone at Burrard Station had to wait for 10 plus minutes. That is not acceptable." "We're going through a transition, this is a big change for our customers and employees. We did all the training and preparations in advance, we're learning as we go. We have a list of things we need to attend that we're learning over the last 10 days since we closed the gates." Permanent solutions for the accessible gates could include a pedestal that allows passengers to call the control centre to open the gate or more manpower.

23. SMART PAYMENT ASSOCIATION RELEASES 2015 SMART PAYMENT CARD SHIPMENT FIGURES

Source: Smart Payment Association (04/27)

The Smart Payment Association (SPA), the trade body of the smart payments industry, today released the findings from its annual review of the smart payment cards market. Data collated by the SPA from its members reveal 2060 million payment chip cards were shipped globally in 2015. This represents an increase of 34% on last year's figures. The gathering pace of EMV migration in the United States played a major factor in the uplift of worldwide shipment figures. In 2015, SPA members report making 570 million smart payment card shipments to the US - a two-fold increase on 2014 numbers. High volume shipments in China are contributing too with a 27% growth versus previous year. Demand for contactless payment cards continued to surge in geographies where the technology already has a foothold. In 2015, 56% of all smart card shipments



globally (excluding the Americas) featured contactless technology – a 24% growth as compared to the year before.

As in previous years, much of this increase was driven by demand in Europe and Asia. Last year, 53% of all cards shipped in Europe were contactless, while in the Asia Pacific region an impressive 74% of cards featured contactless technologies. Andreas Strobel, President of the SPA, commented: “These figures demonstrate how EMV is now a truly global, established, secure and interoperable infrastructure. SPA reported the first billion of smart payment card shipments in 2011 and it took the industry only 4 years to deliver the second billion. Crucially, the data also reveals how fast the adoption of EMV-standard technology in the United States took off in a significant way in 2015, as issuers proceeded at full speed with the implementation of EMV migration.

Consumer demand for faster and more convenient ways to pay proved the driving force behind a further steep growth in contactless shipments in Europe and Asia. With EMV adoption powering ahead in the US, issuers are in a unique position to make the jump directly from ‘swipe and sign’ to ‘tap & go’ to everyone’s benefit : customers, merchants and them as well.” The SPA’s analysis of 2015 payment trends also highlights the growing significance of Dynamic Data Authentication (DDA), the technology which provides smart payment cards with high levels of protection against modification of data and card cloning. In 2015, 76% of all cards shipped featured DDA technology – an increase of 46% on the previous year. Figures gathered by the SPA from its members also confirm that DDA adoption proceeded steadily in all global territories.

The detailed figures compiled by the SPA also reveal smart payment cards based on open operating systems reached 70 % of total market share in 2015, a significant 58% growth on previous year’s figures.

24. CPA LEADS TRANSITION TO ELECTRONIC PAYMENTS WITH LAUNCH OF GLOBAL MESSAGING STANDARD IN CANADA

Source: Canadian Payments Association (04/25)

Canada joins a growing list of countries that have adopted ISO 20022, an important first step in the modernization of Canada’s payment system. ISO 20022 is a global standard for electronic payment messages that will help businesses and financial institutions facilitate the move away from paper by creating the ability to exchange more information – like invoices - with electronic payments. ISO 20022 also helps to streamline cross-border payments by using a common global “language” for payments data. In keeping with its responsibility to underpin the Canadian financial system and economy by providing safe, efficient and effective clearing and settlement of payments, The Canadian Payments Association (CPA) has embarked on a multi-year initiative to modernize our payments system. This



early development is an important step in a process that, over time, will enable significant improvements to the overall payments system.

“Our participant financial institutions endorse ISO 20022 because it is clear that consumers and businesses alike will benefit from exchanging more data with electronic payments,” said Gerry Gaetz, President and CEO of the CPA. “The adoption of ISO 20022 will enable the Canadian financial community to provide better service, both domestically and across borders, to their customers.” The demand for ISO 20022 is widespread amongst Canadian businesses: “Using one set of payment message definitions instead of several will save businesses time and money. We fully support this move, and we look forward to ongoing collaboration with the CPA, financial institutions and other stakeholders as payment system modernization continues,” said Cory Hathaway, Director, Treasury at Canadian Pacific.

Along with greater efficiencies, the standard brings with it tangible economic benefits. For example, recent research indicates that cost savings from the adoption of ISO 20022 could be as high as \$4.5 billion over five years from the reduction in cheque volume alone. In 2015, nearly one billion cheques were written in Canada. Though hard to quantify, the full financial benefits of ISO 20022 are expected to far exceed that figure. ISO 20022-enabled messages and rules for Automated Funds Transfers (which include payments like direct deposits and pre-authorized debits) are now available for implementation in the market and are the result of nearly two years of extensive work by CPA with financial institution participants and stakeholders. The approach for the Large Value Transfer System (LVTS) and Electronic Data Interchange (EDI) will follow.

The CPA is leading ISO 20022 with a market-driven approach to adoption out of consideration for the business cycles of its member financial institutions. As implementation proceeds, the CPA will work with financial institutions, businesses and stakeholders to determine appropriate end dates for adoption. Similar to how remote cheque deposit capture is being implemented, the CPA will support ISO 20022 adoption with sound research, industry consultation, education and training.

For more information on ISO 20022 in Canada, including rules, messages and training guide and a full list of endorsements from Canadian business community leaders, please visit the CPA's Resource Centre.

The Canadian Payments Association is a member of ACT Canada; please visit www.cdnpay.ca.

25. UNIONPAY'S NEW MOBILE PAYMENTS PARTNERSHIP

Source: PYMNTS (04/25)

Smartphone maker Xiaomi is getting deeper into the mobile payments game with a well-known partner in China. The company announced a partnership with



China UnionPay, China's state-sponsored domestic bank card organization, in order to bring it its own mobile payment service. No time frame has been announced for this service at the moment. Xiaomi appears to be playing catch-up in the mobile payments industry, particularly in China, where there are already dominating players, like Alibaba and Tencent. Playing catch-up comes via a service that will be known as QuickPass, which — like its counterparts — will enable mobile payments at the point of sale using NFC-enabled smartphones and terminals that accept contactless payments. But besides the major Chinese companies that are leading the mobile payments market, there is also Apple and Samsung vying for the mobile payments pie in the region.

The company, which currently leads mobile phone sales in China with a narrow margin over Apple, has, so far, heavily relied on eCommerce, rather than keeping stock in physical stores, to keep its prices low. Xiaomi's flagship phone, the Mi 5, is priced at \$250, which is over 2.5 times cheaper than Apple's \$650 iPhone 6s.

China UnionPay is a member of ACT Canada; please visit www.unionpay.com.

26. UK GRANTS ELECTRONIC MONEY LICENSE TO BITCOIN COMPANY

Source: Mobile Payments Today (04/06)

Boston-based bitcoin company Circle has officially received an electronic money license from the U.K. This license, which came from the Financial Conduct Authority, will enable customers to make payments to other consumers using a mobile app, according to a report from The New York Times. Circle's license will enable it to work with Barclays, which is considered the first time a large bank has agreed to work with a bitcoin company to enable money transfers, according to the press release about the announcement. Circle enables customers to hold their money in fiat currency to avoid bitcoin volatility. When a customer performs a money transfer, he or she can purchase bitcoin then send the money in fiat currency to a bank account. This is part of Circle's goal to use bitcoin as a network to enable users to transfer funds between currencies more cheaply and efficiently.

"For the first time any consumer in the U.S. and the U.K. will be able to beam sterling and dollars back and forth, instantly for free," said Jeremy Allaire, co-founder of Circle. "That's just never been possible."

Want to better understand Blockchain & Bitcoin? Join us on June 10th for the Demystifying the Blockchain and Bitcoin Learning Course – visit <http://www.actcda.com/calendar/act-canada-events/demystifying-the-blockchain-and-bitcoin-course-details.html> for details

Or Join the Payments Bootcamp June 13th at Cardware - visit <http://cardware.ca/program/payments-bootcamp.html> for details

27. HALF A BILLION RECORDS COMPROMISED IN DATA BREACHES IN 2015

Source: CardNotPresent.com (04/14)

The largest publicly reported data breach in history contributed significantly to the total during a year in which more than half a billion personal records were lost or stolen, according to a new report. Security company Symantec said 429 million digital identities were compromised in 2015, but, since the number of companies that chose not to report the number of records compromised in various breaches rose by 85 percent, the real total is well over 500 million. "The increasing number of companies choosing to hold back critical details after a breach is a disturbing trend," said Kevin Haley, director of Symantec Security Response. "Transparency is critical to security. By hiding the full impact of an attack, it becomes more difficult to assess the risk and improve your security posture to prevent future attacks."

While ransomware and fake technical support scams saw significant increases last year, according to the report, in the CNP world, the mountain of data available to cyber thieves has meant an uptick in the past 12-to-18 months in account takeover perpetrated against e-commerce retailers and their customers.

28. GEMALTO DEPLOYS SECURE ELEMENT BASED APPLLET TO ACCELERATE THE DEVELOPMENT OF MOBILE PAYMENTS ON WEARABLES

Source: Gemalto (04/15)

Gemalto has provided a secure element based applet for smart wearables launched by China UnionPay Co. (CUP), one of the world's major payment associations with total transactions reaching USD 1.9 trillion in the first quarter of 2015. Smart wearable devices are gaining popularity globally, with total shipments expected to surpass 200 million in 2019 [1]. CUP had launched smart wearables with embedded secure elements based payment applications last year. The payment applet runs on the secure element, to provide online and offline payment capabilities on wearables. This will eliminate the need for different card vendors to develop their own versions, simplifying deployment of payment applications on a wide range of secure elements and vastly improving time to market, for a new era of innovative wearables.

"Intelligent NFC-based wearable devices are set to disrupt our lives much beyond contactless payments – from user access and authentication to smart homes and cities, the possibilities are simply endless," said Suzanne Tong-Li, President for Greater China and Korea at Gemalto. "With extensive experience in NFC ecosystem and end-to-end security, we support CUP to not only simplify and speed up this launch for maximum outreach, but also provide consulting for next-generation solutions."



China UnionPay and Gemalto are members of ACT Canada and Gemalto is a Cardware sponsor; please visit www.unionpay.com and www.gemalto.com.

Since 1989, ACT Canada has been the internationally recognized authority in the market. As the eyes, ears and voice for stakeholders focused on secure payment, mobile, NFC, loyalty, secure identity, and leveraging EMV, we promote knowledge transfer, thought leadership and networking. We help members protect their interests, advance their causes, build their business and grow the market. We take a neutral and non-partisan approach to all issues, facilitating collaboration among issuers, brands, acquirers, merchants, regulators, solution providers, governments and other stakeholders. Over 50% of our members have been with us for more than 5 years, enjoying ongoing value from their affiliation with ACT Canada. Please visit www.actcda.com or contact our office at 1 (905) 426-6360.

Please forward any comments, suggestions, questions or articles to andrea.mcmullen@actcda.com. Please note that articles contained in this newsletter have been edited for length, and are for information purposes only. If you would like to be removed from our newsletter distribution list please follow the unsubscribe instructions at the bottom of the email.

Andrea McMullen
President
ACT Canada
tel: 905 426-6360 ext. 124
fax: 905 619-3275
email: andrea@actcda.com
web: www.actcda.com
mail: 85 Mullen Drive, Ajax, ON, L1T 2B3
<http://ca.linkedin.com/in/andreamcmullen>

Insights • Networking • Visibility

ACT Canada is the place to be to:

Filter the truth from market noise

Understand complex issues

Facilitate problem resolution

Because stakeholder dialogue helps you make profitable decisions.