



Welcome to the **January** edition of ACT News. This complimentary service is provided by ACT Canada; "building an informed marketplace". Please feel free to forward this to your colleagues.

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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 Member

Canadian Western Bank ~ member since 2010
CIBC ~ member since 2011
Gemalto ~ member since 2005
Giesecke & Devrient ~ member since 1990
Ingenico Canada, Ltd. ~ member since 1990
MasterCard Worldwide ~ member since 1999
Walmart Canada Corp. ~ member since 2011

General Member

Apriva ~ member since 2009
Canadian Prepaid Providers Organization ~ new member 2016
CPI Card Group ~ member since 1999
Discover ~ member since 2011
Imperial Oil ~ member since 2010
Infineon Technologies ~ member since 1998
nanoPay inc. ~ member since 2014
Ombudsman for Banking Services & Investments ~ member since 2009



PRESTO-Division of Metrolinx ~ member since 2013
Torys LLP ~ member since 2012
UL ~ rejoined in 2015

Associate Member

JM Consulting ~ new member 2016
Munson Consulting ~ new member 2016

Career Opportunities

UL is recruiting for Sales Executives to join the growing UL Transaction Security North America Commercial team. In this role, you provide business and technical consulting services, and occasionally training services, on design, implementation, testing and certification of solutions in the domain of Mobile Secure Transactions and Mobile Payment Services. Likely customers include Mobile Network Operators, OEMs, Mobile Service Providers (for example, issuing banks) and different Mobile Technology Providers.

For full details, please visit <http://www.actcda.com/information/careers/sales-executive-payments-and-mobile-solutions.html>

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

Mobile World Congress

Feb 22 - 25, 2016
Barcelona, Spain
ACT Canada Members receive a 15% discount
www.mobileworldcongress.com/

Connect:ID

Mar 14 - 16, 2016
Washington, DC, USA
ACT Canada Members receive a 20% discount
<http://www.connectidexpo.com/>

Canadian Institute's 11th Annual Forum on Payments Compliance

Feb 23 - 24, 2016
Toronto, Canada
ACT Canada Members receive a 10% discount
<http://www.canadianpaymentsconferences.com>

All Payments Expo 2016

Mar 21 - 23, 2016
New Orleans, LA, USA
ACT Canada Members receive a 10% discount
<http://www.iirusa.com/allpaymentsexpo/>



Money20/20 Europe

Apr 4 - 7, 2016

Copenhagen, Denmark

ACT Canada Members receive a €200 discount

<https://www.money2020europe.com>

Payments Summit

Apr 4 - 7, 2016

Orlando, FL, USA

ACT Canada Members receive a 20% discount

<http://www.scapayments.com/>

ACT Networking

Apr 26, 2016

Houston Avenue Bar & Grill, Toronto, Canada

ACT Canada Members receive a 35% discount

<http://www.actcda.com/calendar/act-canada-events/active-networking.html>

Cardware 2016

Jun 14 - 15, 2016

Marriott Gateway on the Falls, Niagara Falls, Canada

ACT Canada Members receive substantial discounts by using their member rate

<http://www.cardware.ca>

Strategic Leadership Team Meetings

We have the following Strategic Leadership Team meetings scheduled in February:

- Merchant Strategic Leadership Team - February 9th
- Mobile Strategic Leadership Team - February 25th
 - o Consumer Adoption sub-group - February 9th & 23rd
 - o Merchant Acceptance sub-group - February 3rd & 17th

For more information, please contact info@actcda.com

ACT Canada will be at the following events in February:

The Merchant Advisory Group's 2016 Mid-Year Conference "Fostering Merchant and Financial Institution Collaboration in Payments"

Feb 16-18, 2016

Tampa, FL

Mobile World Congress

Feb 22 - 25, 2016

Barcelona, Spain



Cardware Update

Cardware is innovating. We are adding training / learning sessions on the Monday afternoon (June 13th) and an informal networking meet-up that night. And that's just the beginning of the changes.

The Cardware program will be released in February and registration is now open!

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

Andrea McMullen Named President of ACT Canada

Announced earlier this month to the membership, ACT Canada is pleased to announce the promotion of Andrea McMullen to the position of President.

As President, Andrea McMullen will be responsible for implementing high-level strategies, making major corporate decisions, managing the overall operations and resources of the association and directing its growth.

As Ms McMullen steps into the position of President, Ms Johnston will continue to serve as Chief Executive Officer, setting the strategy for the association. She is responsible for market and industry issues management, advocacy, and external relationships. She is also the association's Chief Privacy Officer and media spokesperson.

For more details, please visit the full press release at <http://www.actcda.com/information/media/andrea-mcmullen-named-president-of-act-canada.html>

Articles

1. EDITORIAL - PAYMENT INNOVATION: WHERE IS THE BAR?

Source: Catherine Johnston, CEO, ACT Canada (01/29)

Don't you wonder why it has taken so long to get the majority of people to use mobile for payment? I remember the 90's when I was told that we would never put a chip on a card because we were going straight to mobile phones. Last week I was at a meeting where we were using a tool that we have used many times in the past and in the same way that we have often used it. My expectation was that it would work the same way it always had – but it didn't. As we struggled and the minutes (which seemed like hours) ticked by, I started to think about credit and debit cards. They continue to work the same way everywhere you go around the world and they've maintained that reliability for 58 years.



In the same 58 years we have suffered through almost countless changes in the software we use. In fact, can anyone tell me why it was necessary to change the process for closing apps between Windows 8 and 8.1? Whether it is mobile or any other evolution in payment, the bar is set by our credit and debit cards. Any new product or interface must offer everything they do and more, work the same way everywhere and be accepted everywhere today's card are. Payment will evolve far quicker if we focus on meeting these expectations. Until then, a growing number of people around the world will use mobile, but we won't reach the tipping point any time soon and we will continue to spill red ink.

One last thing. To the payment networks, the issuers, merchants and acquirers – job well done! In spite of all the changes to hardware and software over 58 years, you've maintained the consumer experience, even when introducing new places where cards can be used. I remember the introduction of ATMs and electronic readers at the point of sale. You've set the bar high for the continued evolution of payment and you've shown you can manage that evolution.

2. DESJARDINS AND MASTERCARD BRING NEW PAYMENT OPTIONS TO CANADIANS

Source: MasterCard (01/14)

Desjardins will begin issuing MasterCard credit cards, giving MasterCard distinction as the only payment network in Canada to be offered by all major financial institutions. Desjardins's association with MasterCard will give consumers in Quebec and Ontario more choice and unsurpassed acceptance around the world. The Desjardins Cash Back MasterCard card will be offered with no annual fee and include up to 1% cash back on sales. The Desjardins Cash Back World MasterCard card will be offered with an annual fee of \$50 and include up to 2% cash back. It will also feature Rental Vehicle Collision/Loss Damage Insurance.

"We're giving Desjardins members and clients what they told us they wanted: access to the world's two leading payment networks, which lets them do business with the vast majority of merchants in Canada and abroad," said Caroline Lavallée, Director, Desjardins Card and Payment Services. "By offering our members and clients credit cards from two payment networks, one of which is MasterCard, we're helping them take advantage of the unique benefits of each network and giving them the option to manage all their accounts through a single financial institution." "This partnership is significant because it brings together two iconic brands with a shared vision of offering Canadians unparalleled acceptance, safety, convenience, and choice," said Brian Lang, President, MasterCard Canada. "We're proud to partner with Desjardins, Canada's leading financial cooperative group, and thrilled to note that with this partnership MasterCard demonstrates that we are a partner of choice for all major banks and financial institutions in Canada."



Desjardins and MasterCard are members of ACT Canada; please visit www.desjardins.com and www.mastercard.ca.

3. NANOPAY ACQUIRES MINTCHIP FROM THE ROYAL CANADIAN MINT

Source: nanoPay (01/12)

The Royal Canadian Mint is pleased to announce that all assets related to MintChip, a digital currency product developed by the Mint, have been sold to Loyalty Pays Holdings corporation – a wholly owned subsidiary of nanoPay, a fullyintegrated loyalty and payments platform provider. As a digital payment technology with many of the attributes of cash, MintChip enables consumers and merchants to exchange value faster, safer and at a fraction of the cost of other digital payment alternatives available today. It is also uniquely able to support compliance of regulatory standards, including anti-money laundering (AML) and know your customer (KYC) rules

MintChip uses secure asset stores to move funds, which can be denominated in any recognized national currency, between parties without an intermediary and can process transactions both online and offline. This reduces the cost and risk of financial transactions by enabling real-time settlement with no recourse and non-repudiation. MintChip transactions are private, secure and enable frictionless retail, ecommerce and B2B payments. "This transaction, which was conducted through an open, transparent divestiture process, allows MintChip to move to its natural next step of commercialization in the private sector," said Bob Zintel, Senior Director, Finance at the Royal Canadian Mint. "Canadians can now look forward to the evolution of MintChip as nanoPay explores the full potential of this digital payment technology in the global marketplace."

"Digital currency is inevitable and our newly-acquired MintChip platform delivers a digital cash future to consumers, businesses and governments today," said nanoPay Founder & CEO, Laurence Cooke. "Digital cash will transform payments globally, from the unbanked to the largest financial institutions, and MintChip will help easily transition to the reality of cashless payments." The MintChip platform was successfully tested by the Mint in a six-month internal trial and has been granted five patents, with another five applications in process. The platform is now live and processing transactions today, and will be commercially deployed in the coming weeks. nanoPay is now focused on expanding partnerships with central banks, commercial banks, telcos, acquirers, retailers, as well as developers and POS providers, that will further expand the utility and acceptance of MintChip.

nanoPay is a member of ACT Canada; please visit www.nanopay.net.



4. CANADIAN PAYMENTS MARKET TRANSITION: A STUDY BY THE CANADIAN PAYMENTS ASSOCIATION

Source: *Let's Talk Payments* (15/12/23)

The Canadian Payments Association (CPA) gathered 2014's retail payments data from payment service providers, consultants and researchers from the Bank of Canada to provide an overview of the most common consumer and business payments in 2014 and gain insights on emerging payments. The year 2014's data and analysis demonstrate that the payments market has continued its steady transition to electronic payments with incumbent payment providers and bank-led networks leading the space. However, the data also shows a payment system in transition. While traditional forms of payments still form the majority of Canadian payments, there is fast growth in the number of transactions using newer channels to access funds from deposit and credit card accounts, including e-wallets, contactless technology and e-commerce platforms.

Transaction channels

The study demonstrated that the most common consumer and businesses transactions totaled 20.7 billion transactions, worth \$8.6 trillion. Cash accounted for nearly a third of all payments volume. However, prepaid, debit and credit cards combined surpass cash transactions by accounting for around 45% of the transactions volume. The traditionally dominating checks are being challenged by ETFs in the total value of transactions with 43% against 45%.

Two new payment channels emerged in 2014:

- Contactless payments accounted for over half a billion transactions at the POS
- Online transfers grew to account for over 80 million payments

Channels transition

In order to understand how the Canadian payments market evolved in a given time frame, the CPA revealed a historic data demonstrating the overall growth both in annual total transaction average value (5%) and volume (2%). Overall growth was distributed differently across channels with some of them seeing a decline. Even though paper-based transactions are the ones used most often, these methods saw a decline of 5-6% in volume in comparison to the strong growth of card transactions—5-8% in volume—and a growth of 5% in volume of ETF transactions. Among cards, credit and prepaid demonstrated a strong growth, particularly at POS. The CPA attributes it to credit card rewards and a head start in the contactless channel. Online transfers involving online e-wallets and electronic P2P transactions were the fastest growing payment type.

Credit cards are the fastest-growing “traditional” form of payment, growing by a total of about 60% volume and 49% in value since 2008. Rewards and incentive programs have helped to grow the use of credit cards in all types of

traditional card transactions, from bill payments to small transactions at the POS. About 73% of Canadians have a reward program associated with the credit card they use most. In addition, credit cards have become the dominant payment method in newer payment channels of contactless and e-commerce, where credit cards are accounted for the vast majority of transactions in Canada. The EFT segment has grown by a total of 67% in value since 2008 and constituted the second largest payment segment in 2014 with 44% of all transaction value.

While online transfers are only a small segment of payments, they have grown at the fastest rates—by a total of 184% in volume and 228% in value since 2011. Both e-wallet and e-P2P payments are benefitting as Canadians become more inclined towards electronic payments, and more comfortable with online and mobile device banking & commerce. In total, this segment has accounted for nearly 82 million transactions valued at \$32 billion in 2014, as stated by the CPA. While these payments are still in the early stages of growth, they have the potential to impact nearly every other payment segment. The CPA paid particular attention to the transitions made at POS. Different payment methods used at POS have seen certain changes in usage. In total, over 15 billion payments worth about \$822 billion were made at POS in 2014.

The most drastic decline happened on both the volume and value of cash transactions at POS. In 2014, cash was used for around 25% fewer POS transactions (in both value and volume) than in 2008. Debit and credit card transactions are happening at a gigantic volume with a significant growth over the years. Credit cards are accountable for most of the growth as they gained over 900 million transactions since 2011 and expanded to 57% of the total value of POS transactions. Credit card growth has mostly been successful in the lower-value transactions segment.

Two main reasons are suggested by the CPA to explain the credit card growth at the POS:

- Credit cards provide an effective enticement for use, with about 75% of cardholders' primary credit cards having some form of reward-incentive
- Credit cards have a sizeable head start in the expanding payment channels of contactless and e-commerce, and appear to be successfully leveraging this position.

It is worth mentioning that contactless payments account for a relatively large segment of the total POS transactions—7% of all consumer debit and credit card transactions were performed using the contactless channel, equating to over 650 million total transactions. In 2014, credit cards dominated the contactless channel, being used in about 7 out of 10 contactless transactions and accounting for over 90% of the value of contactless transactions.

However, the CPA suggests that debit cards have a great potential to become a larger source of contactless transactions moving forward as they demonstrated

a quick progress given that credit cards had a multi-year head start. E-commerce only accounted for about 3% of all of the POS payment value in 2014, or about \$26 billion. Even though it represents a very small portion of POS value, e-commerce is considered an important part of Canadian commerce with many expecting it to become a significant part of the shopping and payments experience in the coming years. Again, credit card transactions dominated the e-commerce channel and are accountable for about 90% of the volume and 85% of the value of e-commerce in Canada.

Commercial payments accounting for about 2.4 billion transactions are valued at \$7.3 trillion. EFT payments have become the most common form of commercial payment, growing to account for more transaction volume than checks and credit cards combined. EFT and checks dominate the total commercial transaction value—47% and 52% of total value respectively. Overall, commercial use of checks is declining—volumes decreased by about 100 million items or about 13% in total since 2008. Checks remain an important payment instrument for certain commercial transactions, including B2B and real estate transactions. Commercial use of credit cards grew by about 30% to just under 400 million transactions. While credit cards account for a low proportion of total commercial payments, their value has nearly doubled in six years, demonstrating the potential for longer term growth.

The Canadian payments industry is dominated by traditional forms of payments. Instruments such as cash and checks are still prominent, and established electronic items including EFT, credit and debit card network payments have become hallmarks of the Canadian payments market. However, while traditional forms of payments maintain the largest segments of Canadian payments, there has been a rapid growth in transaction volumes using newer channels. The existing networks are providing different avenues to the use of deposit and credit card account funds, through the use of e-wallets, contactless technology, and e-commerce portals and applications.

Additionally, EFT growth shows that businesses and governments are reducing their use of checks, and are beginning to better leverage online banking, invoice and treasury management tools to send/receive funds. Credit card payments are becoming dominant in the new payment channels and are continuing to take a greater share of the payments made to merchants. New players and payment niches might take hold quickly and the trends observed in 2014 might take off in new directions, impacting existing payment instruments and the payment environment.



5. SURETAP AND ENSTREAM TAKE BIG STEPS FORWARD WITH SOCIETE DE TRANSPORT DE MONTREAL IN MOBILE TICKETING

Source: Let's Talk Payments (15/12/08)

Suretap and EnStream LP have successfully completed a proof of concept that would enable transit users to pay their fares with a smartphone. The work was conducted in a controlled environment for the Société de transport de Montréal (STM) as part of ongoing research and development activities. We are excited to be collaborating with STM on this mobile ticketing prototype, said Almis Ledas, President of suretap and Chief Operating Officer of EnStream. Enabling the suretap wallet to support transit access is the next major step in the evolution of the mobile wallet, which today offers mobile commerce support for credit cards as well as gift and loyalty cards. suretap and EnStream successfully reproduced the purchasing and validation features of STMs OPUS smart card on multiple Android mobile devices using near field communication (NFC) technology.

Downloading an app that virtually reproduces Calypso-type smart cards such as the OPUS card, the initiative tested multiple components of a quick and secure mobile ticketing solution for commuters:

- The secure storage of data-encrypted OPUS smart card credentials on NFC SIM cards
- Fast recognition and processing (less than 500 milliseconds) of commuter OPUS credentials at turnstile transit readers, to reduce bottlenecks at entry points during peak periods.
- Ticket purchases using credit cards, downloaded into the suretap wallet app.

EnStream is a member of ACT Canada; please visit www.enstream.com.

6. NEW CREDIT UNION ASSOCIATION LAUNCHES IN CANADA: CANADIAN CREDIT UNION ASSOCIATION

Source: Canadian Credit Union Association (01/27)

We are pleased to announce the formation of a new national trade association – the Canadian Credit Union Association (CCUA) – created to represent Canada's credit unions and caisses populaires (outside of Quebec). It is the first, national credit union governed organization in Canada, distinct in its commitment to co-operative values. The CCUA is owned and directed by its members - 316 credit unions and caisses populaires with more than \$185.7 billion in assets. These credit unions and caisses populaires serve over 5.57 million members; from more than 1,817 locations across Canada; are governed by more than 2,800 volunteer directors; and employ more than 28,500 Canadians. For more information, read our National System Results.



More than 5 million Canadians trust their local credit union as their partner for day-to-day banking. Banking with a credit union keeps money in their pockets, while helping Main Street and small businesses prosper. While each credit union is independent, democratic and locally controlled by its member owners, all credit unions share a common bond: a dedication to the people and communities they serve. While other financial institutions focus on providing profits to shareholders, credit unions' purpose is to provide service to members. This extends to innovations that promote prosperity and quality of life. Locally, this spirit drives community economic development, supports members' financial empowerment and a wide-range of philanthropic contributions. Together, credit unions contribute to the Canadian economy, making billions of dollars available that can be invested in jobs and growth. Read our Credit Union Community and Economic Impact Report to learn more.

The new association's mandate and priorities are focused on: national advocacy, regulatory compliance, professional development and education, and building awareness about the credit union difference. "The creation of the Canadian Credit Union Association and the transfer of the assets of the former Credit Union Central of Canada, comes at an important time: through a shared vision of success, credit unions have never been better positioned to create a more vibrant future for Canadians — one that is built on the strengths and diversity of co-operative finance," says Martha Durdin, president and CEO, Canadian Credit Union Association.

The CCUA is governed by an elected board of credit union CEOs from across the country, and chaired by Stephen Bolton, President & CEO of Libro Credit Union. "This new Association better reflects our role as an industry leader for a successful, competitive and growing credit union system. There has never been a better time to create a bigger, bolder future for the Canadian credit union system – a future built on the unique difference and values that make credit unions an integral part of our local communities and significant contributor to the national economy." Canadian Credit Union Association Board Chair, Stephen Bolton.

The Canadian Credit Union Association is a member of ACT Canada, please visit www.ccu.com.

7. GLOBAL STUDY SHOWS INCREASING SECURITY RISKS TO PAYMENT DATA AND LACK OF CONFIDENCE IN SECURING MOBILE PAYMENT METHODS

Source: Gemalto (01/26)

With acceptance of mobile and other new forms of payments expected to double in the next two years, a new global study shows a critical need for organizations to improve their payment data security practices. This is according to a recent survey of more than 3,700 IT security practitioners from more than a



dozen major industry sectors independently conducted by the Ponemon Institute on behalf of Gemalto. According to the independent study on Payment Data Security, over half (54%) of those surveyed said their company had a security or data breach involving payment data, four times in past two years in average.

This is not surprising given the security investments, practices and procedures highlighted by the surveyed respondents:

- 55% said they did not know where all their payment data is stored or located.
- Ownership for payment data security is not centralized with 28% of respondents saying responsibility is with the CIO, 26% saying it is with the business unit, 19% with the compliance department, 15% with the CISO, and 14% with other departments.
- 54% said that payment data security is not a top five security priority for their company with only one third (31%) feeling their company allocates enough resources to protecting payment data.
- 59% said their company permits third party access to payment data and of these only 34% utilize multi-factor authentication to secure access.
- Less than half of respondents (44%) said their companies use end-to-end encryption to protect payment data from the point of sale to when it is stored and/or sent to the financial institution.
- 74% said their companies are either not PCI DSS compliant or are only partially compliant.

"These independent research findings should be a wakeup call for business leaders," said Jean-Francois Schreiber, Senior Vice President for Identity, Data and Software Services at Gemalto. "Given what was found with traditional payment methods and data security, companies involved with payment data must realize compliance is not enough and fully rethink their security practices, especially since a full one-third of those surveyed said compliance with PCI DSS is not sufficient for ensuring the security and integrity of payment data. The financial fallouts from data breaches, and the damages to corporate reputation and customer relationships will carry even greater potential risk as newer payment methods gain adoption," added Schreiber.

New Payment Methods on the Rise and So Are Security Concerns

According to the study, acceptance of new payment methods such as mobile, contactless and e-wallets will double over the next two years. While respondents say mobile payments account for just 9% of all payments today, in two years they expect this ratio to increase to 18% of all payments. Given the issues companies IT professionals reported to face in securing payment data accepted today through traditional methods, companies are likely to face even more difficulties in securing new payment methods. In fact, the study found that nearly three quarters (72%) of those surveyed believe these new payment methods are putting payment data at risk and 54% do not believe or are unsure

their organization's existing security protocols are capable of supporting these platforms.

"Looking forward, as companies move to accept newer payment methods, their own confidence in their ability to protect that data is not strong. The majority of respondents felt protection of payment data wasn't a top priority at their companies, and that the resources, technologies and personnel in place are insufficient. Despite the trend to implement newer payment methods, those in the 'IT security trenches' don't feel their organizations are ready. It is clearly critical for companies to look for and invest in solutions to close these data protection gaps, expeditiously," concluded Schreiber.

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

8. SAMSUNG PAY TO MOVE ONLINE IN 2016

Source: Card Not Present (01/04)

Online payment is one major facet of a plan to expand Samsung Pay in 2016, according to a Reuters report. The mobile payment app, a competitor to Apple Pay that comes preloaded on some Samsung devices, has differentiated itself from other in-store mobile wallets by enabling contactless payments at the traditional swipe terminals already deployed at most merchants. While Apple Pay and other mobile wallets are accepting or plan to accept in-app payments, Samsung Pay's Global Co-General Manager Thomas Ko said in an interview that online support is "coming soon," pitting Samsung against PayPal and newer online payment methods like Visa Checkout.

In addition to trying to build an online audience for Samsung Pay, the device maker said it is expanding the number of handsets that will come with Samsung Pay capability from several of its most expensive models to more lower-priced models "within the next year."

9. ELAVON DELIVERS APPLE PAY FOR CANADIAN BUSINESSES

Source: Elavon (01/04)

Elavon now offers its customers access to Apple Pay. Following the recent launch of Apple Pay in Canada for American Express cardholders, Elavon is among the first payment processing companies to offer Apple Pay to Canadian businesses. Apple Pay works with current Elavon EMV-contactless point of sale terminals in Canada. To pay, consumers simply hold their mobile device near the contactless reader, exactly as they would a contactless card today. The payment information is then passed to the POS system once the consumer confirms the transaction using Touch ID on their device.



Security and privacy is at the core of Apple Pay, and when a consumer adds a credit card to Apple Pay, the actual card numbers are not stored on the device, or on Apple servers. Instead, a unique Device Account Number is assigned, encrypted and securely stored in the Secure Element on the device. Each transaction is authorized with a one-time unique dynamic security code. Mia Huntington, Vice President of Elavon in Canada, said, "Elavon has been an early supporter of mobile payments, and Canadians continue to demonstrate their interest in adopting new payment technologies. Along with the increasing consumer demand for contactless payments, Elavon and Apple Pay enable businesses to offer the convenience their customers expect through their preferred method of payment including their iPhone, iPad or Apple Watch."

Elavon is a member of ACT Canada; please visit www.elavon.ca.

10. BEWARE ALLEGED EXPERTS' SCARE TACTICS ON MOBILE PAYMENTS

Source: Cellum (15/12/17)

If there is one constant in the history of technological advancement, it's that every great innovation will inevitably be met with unfounded claims of danger and calamity. When the first public railway opened in Northeast England in 1825, some warned that the then-amazing speed of the train would damage or even melt the human body. More recently, the spread of Wi-Fi has led to many baseless warnings about "electrosensitivity" and other supposed perils. And now it seems to be mobile payments' turn. No doubt because of the growing adoption of mobile payments, over recent months there has been an apparent uptick in the number of stories claiming that the technology presents a security risk to consumers.

According to this piece in Infoworld late last month, shoppers should "think twice" before using mobile payment apps like Apple Pay, and if they go ahead and do use their phones to pay should realize "they are opting for the convenience of on-the-go payments over the security imparted by traditional methods like cash or checks." Meanwhile, an earlier article on a lesser-known site called IT Pro Portal tries to make the case that – according to the headline – "mobile payments are still fundamentally insecure." Both articles are sourced by businesses selling competing technologies, or security-related services that require a sense of insecurity in order to be sold. While we are not in the business of ruining other companies' PR, we feel that tactics like these are quite unfair to not only us, but to the broader m-payments industry as well.

In defense of the news sites, we do believe in their good intention to caution the public about a perceived threat. However, given the inaccuracies, wild confections and unfounded claims permeating the sources of these pieces, we cannot in good conscience avoid pointing out that better research, instead of relying on a single source, would have been needed before ringing a false alarm. As far as confections go, the InfoWorld article erroneously names Apple Pay as an

app that users might want to avoid, even though the underlying study focused on “peer-to-peer (P2P) payment apps” and “one-click merchant apps”. These are categories that are very distinct from NFC wallets such as Apple Pay, Android Pay etc.

But an even greater flaw is these articles’ failure to offer much in the way of specifics, and their reliance instead on the broadest of generalizations about mobile payments products and the m-payment industry as a whole. Specifically, the study referenced in InfoWorld was carried out on five apps on both iOS and Android, a sample size that, to say the least, does not justify sweeping conclusions. Meanwhile the, shall we say, opinion piece on IT Pro Portal (whose author happens to sell card products) presents literally zero facts in support of its claims. More to the point, these and similar pieces fail to address what any impartial observer would likely see as the three key questions about mobile payment security: 1) Have there actually been any major security issues with mobile payments; 2) How are firms in the space responding to the security challenge; and 3) how secure are mobile payments compared to other forms of payment, both electronic and otherwise?

On the first question, there is no data to indicate any significant problem with mobile payments services, at least involving security weaknesses in the services themselves. (There was one report earlier this year indicating that for some retailers in the US fraud rates involving mobile payments outstripped corresponding rates for other types of transactions, but this tended to involve fraudsters using mobile devices to exploit stolen card details obtained via hacks of “traditional” card payment systems.) Second, while there are undeniably some mobile payment players that focus more on creating fancy solutions than air-tight security, it is folly to dismiss an entire industry based on a few examples. In fact, it is almost impossible to overestimate the resources being put into security in the mobile payments space, where even smaller firms like Cellum are devoting millions of dollars and thousands of man-hours to the challenge, in some cases (like Cellum’s) to protect a 100% record of zero fraud or chargebacks. Of course, this effort does not guarantee that the fraudsters working 24/7 to hack or take advantage of every form of electronic payment won’t occasionally be successful; instead, it means that the firms leading development in the area know all too well that there is no security silver bullet, and that they must act accordingly.

Last but not least is the question of whether successive generations of mobile payment apps are likely to be more or less secure than cards, cash and other forms of payment. And here, finally, there seems to be reason for fear – but not about mobile payments.



11. INGENICO GROUP ACCELERATES EMV AND NFC ACCEPTANCE IN UNATTENDED ENVIRONMENTS WITH NEW PARTNER PROGRAM

Source: Ingenico (01/17)

Ingenico Group announced a new partner program intended to help accelerate EMV and NFC payment acceptance in unattended environments. The Ingenico Group Unattended Partner Program is designed for kiosk providers, value-added solution providers, system integrators and gateway providers who offer unattended solutions and want to protect their customers from post-EMV deadline fraud liability, while enabling consumers to pay using the latest payment methods, including Apple Pay and Android Pay. Inaugural partners include: Creditcall, Flex, FreedomPay, IBM Commercial Services, Image Manufacturing Group, INTOUCH, KIOSK Information Systems, Livewire Digital, Nanonation, Olea Kiosks, Inc., Scan Source, Tempus Technologies, TrustCommerce, Unattended Card Payments and Zivelo.

Unattended terminals are becoming increasingly common, and are often found in kiosk format – examples include high-end vending for items such as electronics and cosmetics, retail pharmacy dispensers, ticketing for public transportation, unattended parking systems, and government services such as driver's license renewals. Yet the unattended space has been slow to adopt EMV and NFC largely because of the complex partner ecosystem involved in integrating all of the components required for complete, secure solutions tailored to each customer's environment.

The Ingenico Group Unattended Partner Program provides participants with:

- Access to the latest PCI-certified, NFC and EMV-enabled original equipment manufacturer (OEM) unattended payment acceptance solutions – Ingenico Group's iSelf Series
- A complete development suite, including hardware and software integration kits
- A dedicated support team and account managers
- Access to Ingenico Group's sales channels and existing customer base
- Co-marketing opportunities
- Connections to other partners in the unattended ecosystem

“The unattended space involves many partners that need to work closely together, and updating payment acceptance options in this complex environment has been a challenge,” said Greg Burch, Vice President of Strategic Initiatives, US at Ingenico Group. “Ingenico Group's new Unattended Partner Program was designed to help foster cooperation and integration among partners so that they can offer turnkey unattended solutions for a wide variety of use cases with secure EMV and NFC payment acceptance built in. The fact that our OEM unattended solutions use the same Telium operating system as our mobile solutions and smart terminals allows our partners to deliver seamless payment acceptance throughout the enterprise.”



“KIOSK Information Systems partnered with Ingenico Group to provide best-in-class payment transaction security on many of our most widely deployed solutions,” said Tom Weaver, Chief Executive Officer at KIOSK. “EMV and PCI 3.0 compliance are top of mind with our deployers, and the Ingenico Group team has been instrumental in providing expert support in all project phases – from selection criteria to secure device commissioning. Ingenico Group’s payment acceptance components enable KIOSK to support all unattended payment types with optimized security and reliability within our client solutions.”

“Olea Kiosks is known for delivering esthetically pleasing kiosk solutions, and is delighted to partner with Ingenico Group to provide our clients with unattended self-service payment solutions that are uniquely designed and completely secure,” stated Frank Olea, CEO at Olea. “Ingenico Group’s EMV-compliant devices continue the sleek lines in Olea’s designed and manufactured kiosks and provide easy integration that delivers a world-class solution to our clients in retail, government, healthcare, gaming, hospitality, human resources, financial and ticketing. Initial feedback from clients is that they are thrilled with the performance and superior quality of the devices, as well as the top-notch customer service and support. Olea’s new partnership with Ingenico Group is a great addition to our 2016 solution portfolio.”

Ingenico is a member of ACT Canada; please visit www.ingenico.com.

12. PAYNET DELIVERS A SAFER PAYMENT SERVICE WITH FRAUDXPRT TO ITS CUSTOMERS

Source: CARDTEK (15/12/15)

With CARDTEK's FraudXpert product, Paynet which is the largest non-banking and non-factoring payment and collection organization of Turkey, has secured its customers against fraud attempts in card payment transactions over Internet. Being an affiliate of Arena Bilgisayar that has the largest network for IT products distribution, Paynet has an annual transaction volume exceeding 500 million Turkish Liras with its more than 6.000 active members on a payment platform being operated over 10 years. With its Fraud solution, Paynet has adapted its FraudXpert product to its system with the intention of preventing frauds and misconducts that can occur in B2B and B2C operations.

FraudXpert, an antifraud and decision support solution being designed for card payment systems by Cardtek's expert engineers, controls financial transactions that take place on the card and terminals in real-time. It allows comprehensive scenario definitions with its flexible and easy integration and parametric infrastructure. The system can be supported with new scenarios created in the decision support system. FraudExpert can minimize the risks by detecting misconducts that can be made on card's and merchant member's side with its improved scenarios. And it can reject transactions with online scenarios



depending on their constructs or allow such operations as viewing, tracking, reporting risky transactions and calculating risk points with near online and offline scenarios. FraudXpert, used by many banks and companies of Cardtek's customer portfolio, is preferred for its effective firewall and its fraud scenarios that can be easily customized based on companies' own business models and sector specific needs.

Cardtek is a member of ACT Canada; please visit www.cardtek.com.

13. VERIFONE EXPANDS SERVICES OFFERING FOR LARGE RETAILERS IN THE U.S. AND CANADA WITH AGREEMENT TO ACQUIRE AJB SOFTWARE

Source: Verifone (01/05)

Verifone announced it has signed an agreement to acquire AJB Software Design, Inc., a Toronto-based provider of payment gateway and switching solutions for large merchants in the U.S. and Canada. Approximately 150 large retailers in the U.S. and Canada rely on AJB's on-premise gateway and other solutions to connect nearly a half million payment devices. AJB connects devices from Verifone and other providers to more than 100 processors and applications – such as government benefits, stored value cards, and fleet cards – required by supermarkets, c-stores and other merchants. Acquiring AJB will better enable Verifone and its partners (such as ISVs and acquirers) to deliver payment and commerce services that meet merchants' demands for additional simplicity, security, flexibility and functionality.

“Merging AJB’s solutions and expertise with Verifone’s breadth of services and systems expertise will provide retailers multiple options to better manage and secure their payment infrastructure and provide more value to customers,” said Jennifer Miles, President of North America for Verifone. “And, our partners will be able to provide this remarkable level of flexibility and functionality to their clients as well.”

Additionally, AJB will extend Verifone’s services with:

- A solution certified by major Canadian banks and processors for EMV acceptance.
- Support for Verifone and non-Verifone devices—increasing merchants’ ability to manage and seamlessly expand their payments systems.
- The ability to offer merchants a number of subscription-based hosting options.

“Combining AJB’s offerings with Verifone’s services creates an unmatched set of hardware-neutral solutions—giving merchants the ability to select from a wider range of products that best meet their business requirements,” said AJB founder and president, Naresh Bangia. “Ultimately, this enables AJB and Verifone clients to receive stronger value and support—all from a single vendor.”



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

14. VISA CHECKOUT ADDED TO STARBUCKS, WALMART, WALGREENS

Source: PYMNTS.com (01/13)

Visa Checkout, the online checkout option from Visa, just secured two major merchant partners that are adding the online checkout button to their sites. Visa announced that new merchants to add Visa Checkout as a digital checkout option include Starbucks, Walgreens, the NFL shop, HSN and Match. Walmart.com was another major merchant to top its most recent list of merchants that offer the digital checkout option. This comes at a time when, as Visa pointed to in its news release about the new merchants, mobile commerce is growing eight times faster than traditional commerce; eCommerce is growing four times faster. “Delivering a seamless payment experience for our customers is a priority for us,” said Ryan Records, VP of Starbucks Global Card, Commerce and Payment.

According to Visa’s latest data, more than 10 million consumer accounts and 600 financial institutions in 16 countries have signed up to use Visa Checkout since its launch 18 months ago. The biggest push for merchants toward a digital checkout solution like Visa Checkout — besides the security benefits of having an online tokenized payment solution — is the ability to convert more shoppers due to the reduction of consumer checkout friction. In fact, data from comScore shows that enrolled Visa Checkout shoppers tend to convert into buyers 86 percent of the time. It also indicated that Visa Checkout merchants had a 51 percent higher conversion rate in comparison to users who used merchants’ traditional online checkouts. What the data show is that shoppers are more likely to convert because Visa Checkout enables consumers to checkout without having to enter personal credentials such as payment information and address every time they checkout. The case is even stronger for mobile shopping.

“We are seeing tremendous Visa Checkout growth as we enter 2016 and are greatly encouraged by the enthusiastic response from consumers and merchants alike,” said Sam Shrauger, Senior VP of Visa’s Digital Solutions. “By re-engineering the Visa card for the digital world, we’re delivering a better way to pay through connected and mobile devices.” Speaking of mobile shopping, Visa also provided its data on shopping during the 2015 holiday season. Its latest figures show that 45 percent of Visa Checkout shoppers used a smartphone, tablet, or other mobile device in making an online purchase during the 2015 holiday period. Six months prior, that same figure was only one-third. And between July and November of 2015, the number of Visa Checkout customers who use mobile at checkout increased by 10 percent.

The data provided by Visa also shows that the digital checkout option has helped them reach new customers and boost sales. In a survey of six Visa



Checkout merchants, roughly 46 percent of customers who used Visa Checkout during a promotional period during the holidays were new to that specific retailer. During the holiday shopping period, comScore data show that transaction size for Visa Checkout orders were 7 percent higher, when compared to non-Visa Checkout orders.

Visa and Walmart are members of ACT Canada; please visit www.visa.ca and www.walmart.ca.

15. GEMALTO IS WORLD'S FIRST VENDOR TO RECEIVE COMPLETE MASTERCARD APPROVAL FOR CLOUD BASED PAYMENTS

Source: Gemalto (01/18)

Gemalto is the first mobile payment vendor to receive full MasterCard approval for a complete Cloud-Based Payment (CBP) solution. This recent MasterCard certification encompasses Gemalto's CBP server platforms as well as the payment software running on cardholders' mobile phones. The solution is available as part of the company's secure and proven Allynis Trusted Services Hub (TSH), a full turnkey business service for financial institutions. The MasterCard certification is granted following extensive functional evaluation and security testing. The certified Gemalto components perform the functions defined by MasterCard as Account Enablement System (AES), Credentials Management System (CMS), Transaction Management System (TMS) and Mobile Payment Application (MPA). This completes the certification obtained in December 2015 for the SafeNet Luna EFT (Electronic Funds Transfer) Payment HSM (Hardware Security Module) protecting the processing of payment transactions and digitization of credit card credentials.

Gemalto's suite of products allows banks to seamlessly issue digital versions of their payment cards to their HCE1-based payment apps as well as partner wallets from device manufacturers, mobile operating system providers, and mobile network operators. Issuers and processors can opt for a fully outsourced cloud service operated from Gemalto's data centers or an on-premise instance of the platforms. "The consumer lifestyle is increasingly defined by the ubiquitous smart phones and tablets and there's an ever-growing appetite for secure mobile payment," said Jean-Claude Deturche, Senior Vice President of Mobile Financial Services for Gemalto. "Gemalto's MasterCard-approved suite of Cloud-based payment solutions opens another flexible and highly efficient route into this fast-growing market, securely located under the broad umbrella of our proven Trusted Services Hub, the Allynis TSH."

Gemalto and MasterCard are members of ACT Canada; please visit www.gemalto.com and www.mastercard.ca.

16. ICC SOLUTIONS OFFERS A TIME-SAVING METHOD AND FREE GUIDE FOR TRAINING STAFF TO PROCESS CARD PAYMENTS CORRECTLY READY FOR THE NEW YEAR!

Source: ICC Solutions (15/12/15)

ICC Solutions Ltd are offering training card packs to assist merchants, particularly in the run up to 'high sales' periods during Christmas and the New Year. These packs enable quick and efficient staff training, using cards from the most popular payment brands (Visa, MasterCard, American Express and Diners) to facilitate a better employee-understanding of how to process contact and contactless cards, correctly and securely. So sales staff are able to simulate a series of frequently occurring transaction scenarios confidently which in turn benefits business owners who can rest assured that their customers have a positive payment experience.

As technology continues to become more advanced, there is a growing need for transaction based training. Not only as it's important to aid sales staff in their roles, but also because it's vital to support them in identifying and challenging potentially suspicious payment scenarios. In 2014 fraud losses on UK issued cards totalled £479.0 million - £137.4 million of which was lost due to payments made on cards involved in 'identity theft', as well as those made with 'counterfeit cards'. ICC Solutions believe that there is a way to help businesses protect themselves against these types of card related activities. For a limited time only we are giving away a FREE information guide called 'The 12 offline frauds of Christmas' to support businesses such as yourselves, who request a no obligation quote for our Training Card Packs. Dave Maisey (CEO of ICC Solutions Ltd) commented, "Christmas is a key period for businesses as they make more money in the final quarter of the year than in any other, but as a business you can't increase profits if your employees are unable to accept card payments correctly. With this in mind, we have come up with an affordable solution, to give merchants confidence that their employees are accepting transactions in the correct way and are able to process card payments efficiently and securely during high influx periods".

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

17. WALMART ADDS MASTERPASS AS ONLINE PAYMENT METHOD

Source: Card Not Present (01/07)

Walmart will add MasterCard's digital wallet as a payment method on all its domestic online properties this year. Sometime in 2016, consumers who load their credit-card information into the MasterPass digital wallet can pay with one touch on Walmart.com, the Walmart mobile Website and the Walmart shopping app. MasterPass enables shoppers to select it as a payment option at checkout and complete the transaction without entering personal information and without having to establish an account at individual retailers. "We have enjoyed a longstanding



business relationship with Walmart and are pleased to expand this into the online and mobile channels through MasterPass," said Michael Cyr, group executive for U.S. Market Development with MasterCard. "With MasterPass, consumers can go online, place their order and pay with just a click. The burden of entering delivery and billing information is eliminated, further enhancing the Walmart online customer experience."

MasterCard and Walmart are members of ACT Canada; please visit www.mastercard.ca and www.walmart.ca.

18. EQUINOX AND ACCEO PARTNER TO DELIVER INTEGRATED RETAIL PAYMENT SOLUTION

Source: ACCEO (01/19)

Equinox, a part of NBS Payment Solutions, and ACCEO Solutions Inc. announced details of their partnership relationship at the National Retail Federation Big Show held in New York City. ACCEO's secure EMV-certified Tender Retail software will run directly on Equinox's Luxe 8000i, extending an enhanced, secure integrated payments experience to retailers while reducing the overall scope of the POS environment. This new integration enhances Tender Retail's market-leading decentralized architecture that has gained mass appeal by eliminating the risk of a single point of failure associated with traditional centralized architectures. "The partnership with Equinox presents an alternative option to our market-leading architecture by offering, for the first time, ACCEO's Tender Retail integrated payment software operating directly on a PIN-entry device," said Joey Vaccaro, VP of Business Development and Strategic Alliances at ACCEO. "We are delighted to be a part of this exciting new product launch."

Added Drazen Ivanovic, president and chief executive officer, Equinox: "The unique and elegant design of the Luxe 8000i, coupled with Tender Retail's leading EMV-certified software, improves the check-out experience, while mitigating the costs and complexities associated with annual PCI compliance." By integrating ACCEO's Tender Retail software on the Luxe 8000i, merchants and POS vendors gain access to the full set of application features associated with an integrated solution, now running in a smart, semi-integrated configuration. Operating the payment application directly on the device reduces the overhead related to PCI compliance and eliminates the expenses associated with proprietary terminal-based middleware software for semi-integrated configurations.

Equinox debuted the Luxe 8000i this week. The retail PIN pad features a sleek high-gloss finish and a crystal-clear display. Its compact size, horizontal layout, and top face-mounted card readers optimize overall footprint. It features an advanced standards-based operating system and flexible connectivity options that simplify application development and integration while ensuring that customer data remains secure. POS and payment applications can be quickly and easily



implemented without the need to use man-in-the-middle software and services. The Luxe 8000i uniquely supports multiple keys for flexible and secure product-level routing to a choice of payment gateways and processors.

ACCEO Solutions Inc. and NBS Payment Solutions are members of ACT Canada; please visit www.acceo.com and www.nbsps.com.

19. UL RECEIVES UNIONPAY QUALIFICATION FOR CHINESE DOMESTIC MARKET

Source: UL (01/05)

UL is the first acquirer certification test tool provider with UnionPay's qualification for the domestic terminal integration testing within China. Only weeks before, UL had also announced the qualification of its Brand Test Tool as the first acquirer test tool for international UnionPay acceptance. UL's Brand Test Tool now has a dedicated module to simulate UnionPay cards for the certification of contact and contactless terminals within the Chinese domestic market. The module is qualified based on the requirements specified in the UnionPay Terminal Validation Toolkit Testing Guide. To ensure secure transactions, acquirers are required to have their terminals tested against the pre-defined test cases of UnionPay. With the specifications from UnionPay implemented into UL's Brand Test Tool, acquirers can now test and pre-certify their terminals against the UnionPay test cases required for China. When the terminals have been certified, they are allowed to accept UnionPay payment cards in the acquirer network.

To simplify and speed up testing for acquirers in their certification process, UL's Brand Test Tool serves as the all-in-one brand certification tool for the major payment brands. With the ability to simulate contact and contactless test cards, UL's Brand Test Tool takes away the need for using physical cards that can get corrupted or lost. The tool provides clear user guidance and is fully aligned with the test specifications of the eight major payment schemes worldwide. To gain detailed insight in the behavior of the system from end-to-end, the tool allows full insight in the technical details of the communication between the card and the terminal on the one side and between the terminal and the network on the other side. UL is the only test tool vendor to offer fully automated brand testing of payment terminals over all three interfaces: contact, contactless and magnetic stripe.

Jean-Luc Khaou - Managing Director Asia Pacific We are proud to receive the qualifications from UnionPay for both the domestic and international market. With UnionPay added to our Brand Test Tool portfolio, it will help acquirers in China to reduce the time to market, ease their device testing, and increase their confidence during the UnionPay implementation", said Jean-Luc Khaou, Managing Director Asia Pacific at UL's Transaction Security division. UL's Brand Test Tool optimizes the test execution process by means of test automation, card simulation



and appropriated authorization host behavior. Through the UL service portal, the tool will always be up to date with the latest requirements and specifications from UnionPay.

UL and UnionPay are members of ACT Canada; please visit www.ul-ts.com and www.unionpay.com.

20. AERIS AND G&D COOPERATE ON SECURE CONNECTIVITY FOR M2M APPLICATIONS AND THE MOBILE INTERNET

Source: Giesecke & Devrient (15/12/15)

Aeris, a pioneer and leader in the Internet of Things (IoT) market and Machine-to-Machine (M2M) communications, and Giesecke & Devrient (G&D) have entered into an agreement enabling Aeris to remotely manage its deployed IoT devices. G&D will supply Aeris with special plug-in and embedded SIMs and the corresponding Over-the-Air (OTA) management of the data contained within those SIMs to effectively support the Aeris cellular network, which was designed and built exclusively for the IoT. The ability to remotely manage its devices optimizes Aeris' IoT and M2M solutions across a wide range of international industries.

For Stefan Auerbach, Member of the G&D Management Board and Group Executive Mobile Security, the cooperation with Aeris is "further strengthening G&D's presence in the M2M and IoT market. As with all connectivity, security is the key. G&D is an expert in Mobile Security solutions and has a proven track record enabling secure connectivity for the myriad devices that comprise the Internet of Things. G&D delivers robust solutions for the secure, remote management of subscription data and trusted identities. We look forward to a productive partnership with Aeris." The wide range of M2M devices in fields like healthcare, automotive, fleet telematics, point of sale and utility monitoring and control requires specialty solutions. G&D supplies SIM technology in the various form factors appropriate to the device. The G&D solution could include a physical SIM card that plugs into a device or may be an embedded secure element as used in automotive applications.

"With G&D's SIM solutions coupled with the Aeris multi-technology connectivity platform, we can ensure the two major cornerstones of our services: a highly optimized and flexible global cellular coverage as well as a high level of security for the sensitive data," commented Amit Khetawat, Head of Product Management at Aeris. "G&D's OTA management capabilities enable us to optimize cellular coverage based on cost or coverage for already deployed M2M devices in a secure manner. As such, we prevent the need for device recall or truck-rolls of the deployed devices. A specific use case is the ability to help customers manage technology obsolescence (such as the 2G sunset) by dynamically switching to a different carrier or different technology without the need for a truck-roll."



“Deployment of new M2M and IoT devices is happening at an exponential rate in the U.S. The resulting communication requirements are evolving just as rapidly on security, speed, flexibility, cost, and reliability,” explains Scott Marquardt, President of Giesecke & Devrient America, Inc. “G&D is helping Aeris create an even more compelling solution for their customers with our state-of-the-art OTA remote credential management. No matter where a device is located, it can be securely updated Over-the-Air with the appropriate network credentials and security protocols. The G&D solution obviates the need for costly and possibly difficult physical exchange of SIM cards.”

Giesecke & Devrient is a member of ACT Canada; please visit www.gi-de.com.

21. MULTOS INTERNATIONAL FIRST TO OFFER PRODUCTS FOR ELO INTERNATIONAL CARDS

Source: Multos (15/12/15)

Multos International announced the availability of its latest MULTOS chip product, the first to support both domestic and international payments acceptance for Elo, the largest Brazilian credit card brand. The innovative product is a multi-application payment solution based on MULTOS technology, and validated to Elo’s requirements. Thanks to such innovation, Brazil’s card issuers will now be able to offer international acceptance to millions of Elo’s cardholders. “We understand that the internationalization of the Elo payment brand is extremely important to the Brazilian card market and also an example to other regional payment schemes of how it is possible to bring secure, advanced payments to their cardholders”, said Richard Cusson, General Manager, Multos International. “And since it is MULTOS technology, the card issuers are able to rely on the best supply chain flexibility of any platform, and of course the renowned security of the technology”.

Multos is a member of ACT Canada; please visit www.multosinternational.com.

22. CHINA’S UNIONPAY STEPS INTO MOBILE PAYMENTS IN JV WITH UK STARTUP POWA

Source: TechCrunch (15/12/16)

On the heels of reports that Apple Pay is gearing up for a February launch of Apple Pay in China, the country’s biggest credit card company has entered into a JV with a mobile payments startup out of the UK to take its own steps into smartphone-based transactions. UnionPay, the state-run company that controls debit and credit card payments processing in China, has inked a 10-year deal with Powa Technologies , a venture-backed company out of London that initially developed a Square-like dongle for payments before moving into a wider omnichannel commerce strategy. UnionPay has some 1.3 billion credit and debit card users, and is the world’s biggest merchant acquirer, with some 6 million



merchants under its wing. Powa says the joint venture will first launch in Q1 in Guangdong Province, which has a population of 106 million. Initially, the rollout will be to 100,000 merchants.

While companies like Apple, as well as local companies Tencent and Alibaba (which dominate online payments) are looking to make headway in point-of-sale transactions, Powa and UnionPay are taking a different approach. The strategic partnership — in which Powa has a 49% share and UnionPay 51% — will focus initially on the online-to-offline (“O2O”) market. That is to say, consumers will be able to make purchases of items by scanning codes in stores, in printed media and online, with point-of-sale transactions potentially coming into play down the line, said Dan Wagner, the founder and CEO of Powa. The technology underpinning the O2O transactions is called PowaTag, and Powa says that it is working on PowaTag omnichannel commerce projects with some 1,200 brands worldwide including L’Oreal and French supermarket giant Carrefour.

Powa says it has worked with UnionPay to develop a special version of this to work in China. It’s not an exclusive deal for Powa, but it does have the blessing of being integrated directly in a JV with UnionPay, and being the first to do this. “Our platform is a project which operates together with UnionPay Network Payment. Our mobile internet products, O2O products and the POS system of China UnionPay connect together, speeding up integration and extending the capabilities of PowaTag,” chairman of the joint venture, Hu Jinxiong, said in a statement. “We have a target to reach at least 50 million consumers regularly using the platform within one year from launch.” The O2O market is talked about a lot in Asian commerce, and in China alone it generated some \$47 billion (304.94 billion yuan) in the first half of 2015, according to estimates from China’s ministry of commerce. Wagner told TechCrunch that the JV estimates it will generate \$5 billion in revenues in its first three years.

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

23. INGENICO GROUP PRESENTS THE ESTATE MANAGER, ITS NEW TERMINAL MANAGEMENT SOLUTION

Source: Ingenico (01/12)

Ingenico Group announced the launch of its new terminal estate management solution designed for estate owners: banks, distributors, retailers, ISOs. Called The Estate Manager, this solution provides Ingenico Group customers with perfect control of their terminals estate through a range of advanced features and a new and powerful web-based portal. New generation terminals feature more and more new value-added services, security requirements are increasing, new innovative solutions such as smartphones integrating mobile payment acceptance are emerging. So, terminals from various generations coexist within the same estate. As a result, estate owners need fast and robust



management tools to guarantee the availability of their payment terminals, while controlling costs.

Designed in modules, the new Estate Manager solution offers a wide range of features, from core functionalities such as software provisioning, to advanced features such as advanced preventive maintenance or terminal lifecycle management. The Estate Manager solution also provides an improved user experience through a new completely redesigned web interface. It relies on unique and intuitive ergonomics, leveraging the best practices of the web UI/UX design. Estate owners now have a management tool that offers complete knowledge and full control of their estate. There are many benefits: maximizing terminal uptime, accelerating the time to market of POS seamless payment, full control of the estate total cost ownership.

"Our new estate management services fit perfectly with our strategy of supporting our clients in their need to offer more services to their merchants, while optimizing their terminals estate management costs", explains Jacques Gu erin, EVP Smart terminals, Ingenico Group. "Our new enhanced offer meets all their criteria, from the most every-day to the most advanced."

Ingenico is a member of ACT Canada; please visit www.ingenico.com.

24. HAVE IDEAS ON HELPING CANADIANS MANAGE DEBT? CALLING ALL INNOVATORS TO SCOTIABANK'S FIRST HACKATHON

Source: Scotiabank (01/28)

The Scotiabank Digital Factory is proud to present the Bank's first hackathon, when over 100 top tech minds will come together to find creative solutions to help Canadians manage debt. As part of the Bank's commitment to recruiting talented innovators, Scotiabank Hack IT will take place February 5-7 in Toronto at Scotiabank Centre, located in Scotia Plaza. Scotiabank is reaching out to developers, designers and entrepreneurs to come out for this 48-hour event, where teams will create a digital experience that helps people better manage debt.

"We are looking forward to meeting and working with the best and the brightest in these fields at Scotiabank Hack IT. We see this as a great recruitment opportunity for the Bank," said Jeff Marshall, Head, Scotiabank Digital Factory. "We are excited to be engaging with bright, talented innovators and can't wait to see what their creativity brings to life over the weekend on the important topic of debt management." There will be \$25,000 in prizes for the top three teams, who will be selected by guest judges, including Amber Mac, Ron Tite, Mike Bowler, Jeff Goldenberg and Adam Nanjee. Teams will present their solutions on Sunday from 3:00 p.m.- 5:00 p.m. in a science fair style, with the winners' announcement taking place at 5:45 p.m. The winning teams and other selected participants will be invited to interview for open positions at the Scotiabank Digital Factory. Scotiabank Hack



IT is part of the Bank's commitment to investing in technology in order to better anticipate and exceed customers' expectations.

Learn more about the event at www.scotiabankhackit.com, by following us on Twitter at @ScotiaHackIT and by using the hashtags #ScotiabankHackIT and #debtchallenge.

Scotiabank is a member of ACT Canada; please visit www.scotiabank.com.

25. DIRECTCASH BANK NOW OFFERING BULK INTERAC E-TRANSFER SERVICE TO BUSINESS CLIENTS

Source: Payments Business (01/22)

DirectCash Bank (DC Bank) and Interac Association/Acxsys Corporation (Interac) have announced the launch of Interac e-Transfer bulk disbursement ("Bulk Interac e-Transfer") for all of DC Bank's business customers. This enhanced solution extends the core Interac e-Transfer service into the commercial space by offering businesses a secure, cost-effective alternative to cash, cheque, or prepaid card disbursements for their customers.

"Our goal has always been to provide our clients with new and innovative solutions" said Kevin Helfand, President of DC Bank. "That's why we are pleased to offer Bulk Interac e-Transfer to our business customers. The Bulk Interac e-Transfer service provides clients like H&R Block Canada, Inc. ("H&R Block") with an easy and secure method to quickly distribute payments to its large number of customers during the upcoming 2016 tax season when they select the H&R Block Pay With Refund service. This enhanced Interac e-Transfer service allows our clients access to a secure and efficient method of distributing payments by offering an alternative to prepaid cards while keeping operating costs to a minimum." "The Bulk Interac e-Transfer service was developed specifically with business needs in mind," said Mark O'Connell, President and CEO, Interac. "We are excited that DC Bank and their client, H&R Block, have decided to leverage our expertise in electronic payments to offer this solution to their customers."

DirectCash and Interac are members of ACT Canada; please visit www.directcash.net and www.interac.ca.

26. OT AND PROSA PARTNER TO LAUNCH OT MOTION CODE IN MEXICO TO SECURE ONLINE PAYMENTS

Source: Oberthur (01/12)

Oberthur Technologies (OT) and PROSA, a leading provider of payment processing services in Mexico & Latin America announced their partnership to provide Mexican banks with OT MOTION CODE, a disruptive technology that



helps to dramatically reduce online fraud. The 3-digit static code printed on the payment card is replaced by a dynamic code which is automatically refreshed. According to the Mexican Consumer Protection Agency (CONDUSEF), payment card fraud represented US\$480 million in 2014 in Mexico. Today, over 242 million CNP (Card Not Present) transactions per year are processed by PROSA. In order to help banks increase trust in online transactions and reduce the fraudulent use of payment cards, which represents an estimated 60% of the total amount of fraud, PROSA has chosen the OT MOTION CODE solution.

With this innovative offer, the static printed code (CVV) is replaced by a mini-screen that displays an automatically refreshed code generated by an algorithm loaded in the chip embedded in the card body (dynamic CVV). The refresh timing will be defined by Mexican financial institutions. As a result, if stolen, the card information, including the dynamic code, immediately loses any value for fraudsters who usually resell stolen card data on “dark websites” to people who buy them to perform fraudulent online purchases. OT and PROSA are ready to provide the OT MOTION CODE™ solution, which complies with Visa and MasterCard regulations, to 100% of Mexican Financial and non Financial Institutions. A first deployment with an issuer will be announced early 2016.

For users, this is fully transparent: there is no app to download and the code appears at the same location on the card. They can use their payment card integrating OT MOTION CODE to purchase online using a computer, a smartphone or a tablet. This partnership between OT and PROSA will be fully transparent for banks as OT’s specific server synchronized with the algorithm will be implemented on PROSA’s premises, as well for merchants who do not have to modify their payment page on their website. “We are delighted to have been selected by PROSA to provide OT MOTION CODE, our disruptive technology which makes the security code on a payment card dynamic. PROSA has a major reach in Mexico and we are delighted to offer this solution to millions of potential consumers. Online fraud is growing quickly all over the world and thanks to our revolutionary innovation, we provide support to Financial and non Financial institutions and merchants in securing transactions” said Eric Duforest, Managing Director of the Financial Services Institutions Business at OT.

“E-Commerce is booming in Mexico and we have to offer security and ease of use to end-users” said José Molina, Prosa General Manager. “As the first company to have introduced this kind of technology, OT has proved it is the best partner with a turnkey solution to help us to reduce online fraud and provide Mexican consumers with a convenient, secure and seamless online shopping experience”.

Oberthur Technologies is a member of ACT Canada; please visit www.oberthur.com.



27. MONERIS LAUNCHES BUSINESS-TO-BUSINESS PAYMENT SOLUTIONS TO OPTIMIZE COMMERCIAL CARD ACCEPTANCE

Source: Payments Business (01/21)

Moneris Solutions Corporation will be providing electronic payment processing solutions to the business-to-business (B2B) marketplace in Canada, currently valued at \$2.8T.1 B2B payments refer to any payment conducted between two companies, rather than between a company and individual consumer. Moneris' B2B payment solutions will enable businesses to accept electronic payments from commercial customers and help move them away from less efficient invoicing and paper-based systems. Moneris will offer its first B2B solution in spring 2016 through an arrangement with Boost Payment Solutions, a leader in B2B electronic payment services. The solution is designed to solve the payment challenges faced by suppliers and buyers who have not yet moved to electronic methods of payment acceptance. Suppliers are often subject to payment delivery wait times of 60 days or more and lack an automated process for logging payment information. On the other side of the transaction, buyers incur the added burden and risk associated with issuing and delivering cheques. B2B electronic payment acceptance benefits both parties by offering simplified accounting processes and an opportunity for improved cash flow.

"As a leading provider of payment processing solutions for merchant businesses, it's a natural extension of our services to move into the world of business-to-business payments," said Rob Wilkinson, vice-president, B2B sales, Moneris. "We're eager to enter this expanding market and to work with leaders in the B2B technology arena to improve the payment process for suppliers and buyers." Moneris' B2B services target business suppliers accepting payments from commercial customers and card issuing partners who require support enabling suppliers for card acceptance. Suppliers will be offered accounts receivable solutions that move them off of traditional cheque and invoicing systems, speed up payment delivery times and optimize business operations. Card-issuers will benefit from supplier enablement services that help simplify the migration to electronic payment acceptance for suppliers. Services will include strategy consulting, onboarding management, supplier enablement and reporting analytics.

Moneris is currently working with Boost to offer Boost Intercept, the first B2B payment platform in Canada. Boost Intercept supports multiple commercial card platforms and addresses pain points around security, reporting, data automation and cost. "Our decision to work with Moneris was a natural one, given their market dominance and their unequivocal commitment to serve the B2B community," said Dean Leavitt, Chairman and CEO, Boost. "We're confident that our collective expertise and the Boost Intercept platform will forever change the electronic payments landscape for businesses in Canada."

Moneris is focused on driving B2B growth for existing and new customers.



Fast facts:

- Businesses moving from cheque to electronic card acceptance save \$24 for every \$1000 in sales (Source: Visa Canada)
- 32 per cent of small businesses experienced an increase in sales when they started to accept credit cards (Source: Visa Canada)
- Small businesses account for the largest share of Commercial Consumption Expenditure (CCE) spend (45 per cent)

Moneris is a member of ACT Canada; please visit www.moneris.com.

28. GEMALTO'S ISSUANCE FACILITY FOR QUEBEC'S NEW HIGHLY SECURE POLYCARBONATE DRIVER'S LICENSE IS LIVE

Source: Gemalto (01/12)

Gemalto announces that Quebec's driver's license and vehicle registration authority, SAAQ1, has declared Gemalto's new central issuance facility for driver's licenses operational. Gemalto's professional services team worked closely with SAAQ over the past eight months to seamlessly integrate the central issuance solution into SAAQ's headquarters. The first cards have been delivered to Quebec drivers as of September 9th, 2015. In addition to providing the Coesys Issuance Solution for central issuance, the multi-year contract with SAAQ also includes a custom designed artwork and the polycarbonate-based driver license, known for its ability to support strong tactile security features. Gemalto's team of security experts addressed the complexity of maintaining the existing driver's license design while moving from the previous Teslin card to a polycarbonate one. The polycarbonate technology adds security improvements to the document without adding lengthy wait times for Quebec drivers renewing or applying for their driver's license.

Switching to a polycarbonate driver's license has two advantages: offering Quebec drivers a more secure form of identity in addition to increased durability of the driver's license. This also reduces the cost of frequent reissuance and is more convenient for citizens. "The flexibility of our driver's license solution made it easy to incorporate the number of different card types that SAAQ supported in their existing system. The new production site consolidates all of SAAQ's driver license issuance programs and includes the new polycarbonate driver's license," said Neville Pattinson, Senior Vice President of Government Programs for North America at Gemalto. "Gemalto's employees operate the solution within SAAQ and ensure that we meet the service-level-agreement set by SAAQ."

Gemalto is member of ACT Canada; please visit www.gemalto.com.

29. REPORT: IN-APP PAYMENTS MADE BIG STRIDES IN 2015

Source: Card Not Present (01/21)

Report: In-App Payments Made Big Strides in 2015 In-app online payments continue to rise in the U.S. according to new research commissioned by Verizon. Overall, 56 percent of U.S. adults made a purchase using a mobile app in 2015. Out of all smartphone users, 23 percent made an in-app payment for the first time last year. Not surprisingly, the study found younger adults were more likely to use mobile apps to buy things. Seventy percent of 18-34 year olds made an in-app purchase in 2015, 85 percent more than in 2014. A smaller share of 35-49 year olds (66 percent) used a mobile app to buy something last year and an even smaller 39 percent of Baby Boomers did so.

Ride-sharing services, airlines and restaurants were the prime beneficiaries of increased app usage, the report said. Uber, Lyft, Curb and Way2Ride were examples of the fastest growing category of app payments. Around 22 percent of U.S. adults surveyed used an app last year to book and/or pay for a taxi or car service. In 2014, only 10 percent of adults reported doing the same thing.

30. IMF PAPER ON VIRTUAL CURRENCIES PREPARES THE INDUSTRY FOR LARGER BITCOIN ACCEPTANCE

Source: Let's Talk Payments (01/23)

The International Monetary Fund (IMF) staff released a paper today that talks about the problems and risks associated with virtual currencies (VCs) and how the financial industry could benefit from virtual currencies, if it is regulated. For those who might not be familiar, The International Monetary Fund (IMF) is an organization of 188 countries, working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world. Created in 1945, the IMF is governed by and accountable to the 188 countries that make up its near-global membership. The IMF's primary purpose is to ensure the stability of the international monetary system—the system of exchange rates and international payments that enables countries (and their citizens) to transact with each other. And to serve this purpose, IMF realized the increasing popularity of virtual currencies and a need to regulate them as soon as possible.

The paper on virtual currencies talks about how virtual currencies have many potential benefits, including greater speed and efficiency in making payments and transfers, particularly across the globe and how the distributed ledger technology (blockchain) underlying some VC schemes (bitcoin) has a bigger potential to bring a transformation in the financial industry. However the IMF is worried about the fact that virtual currencies like bitcoin have potential risks that make money laundering, terrorist financing, tax evasion and fraud easier to execute.

Pointing out these risks, the paper emphasizes the legal and regulatory aspects of virtual currencies like bitcoin. VCs fall short of the legal concept of currency or money, according to the IMF staff. The legal concept of currency is associated with the power of the sovereign to establish a legal framework providing for central issuance of banknotes and coins and is based on the power of the state to regulate the monetary system

Pointing to the definition of “money”, the paper states why virtual currencies do not completely fulfill the three economic roles associated with money. High price volatility, limited acceptance network and absence of an independent unit of account are the reasons why virtual currencies can still not be accepted as money. What they are trying to say is that one can still not survive only with bitcoin in his/her wallet. Retailers who accept payment in bitcoin will quote prices in fiat currency, with the price in bitcoin based on the exchange rate at a particular point in time. In fact, bitcoin has been more volatile than any other key currency or asset, even more than oil.

Emerging Uses of Distributed Ledgers:

The paper also praises the blockchain technology and its increasing popularity in the financial technology industry as opposed to virtual currencies. It mentions the following emerging uses of distributed ledgers or blockchain:

- Several startups, especially in the area of money transfer, offer blockchain-based platforms. Established financial institutions are also joining the competition. Some global banks have jointly started an initiative to develop distributed ledger technologies for use in global financial markets.
- Distributed ledger technology could reduce the cost of international transfers, especially remittances.
- Distributed ledgers can shorten the time required to settle securities transactions.
- Distributed ledger technologies can improve back office functions for securities dealers and enhance their transparency.
- Together with other developments in financial technology, distributed ledger modalities could portend important structural shifts in the financial industry.

As the main intention of this paper is to address the regulatory and policy challenges associated with virtual currencies, the report continues with the topic after emphasizing the importance of distributed ledgers (blockchain).

Regulatory Challenges:

The paper mentions the follows regulatory challenges associated with virtual currencies: Defining virtual currencies is tough: VCs combine properties of currencies, commodities, and payments systems, and their classification as one or the other will often have implications for their legal and regulatory treatment—in particular, in determining which national agencies should regulate them. In the

U.S., the tax authority, the IRS, has classified VCs as “property” for the purpose of federal taxation while the Treasury Department’s FinCEN has classified VCs as “value” for the purpose of AML/CFT obligations. VC schemes are difficult to monitor: Their opaque nature makes it difficult to gather information, including statistical data, or to monitor their operation. The transnational reach of VCs complicates regulation. National authorities may find it difficult to enforce laws and regulations in a “virtual” (online) environment, especially when cross-border transactions will be involved.

Cryptocurrencies pose particularly difficult challenges: Their decentralized nature does not fit easily within traditional regulatory models. A decentralized system leads to the question of whom to regulate – the individual VC users or other parties within the system. However, efforts have been taken by regulatory bodies in different countries around the globe to deal with virtual currencies fairly by either amending/clarifying the interpretations of existing laws and regulations or by issuing consumer warnings. In determining who to regulate, national authorities have mostly targeted VC market participants and financial institutions that interact with them by either regulating virtual currency market participants that provide an interface with the broader economy (for example, virtual currency exchanges) or by restricting the ability of regulated entities like banks to interact with virtual currencies and virtual currency market participants. In September 2015, we covered the news about banks in Australia closing accounts of bitcoin companies without giving any formal explanation. The probable reason for this could be questions raised by regulatory bodies for the banks. Not just in Australia but the resistance for bitcoin has been observed in many other countries. As we previously covered this on LTP, the Russian government is concerned about illegal use of Bitcoin and has even blacklisted certain Bitcoin websites. The European Union’s security watchdog has issued a call for evidence to ascertain whether the blockchain technology is viable to enter the financial mainstream. And these are valid concerns for many reasons. The European Securities and Markets Authority is keeping a close eye on Bitcoin, and is monitoring investments in the sector. Some U.S. states like California and New York are coming up with new regulations and license requirements that could affect peer-to-peer Bitcoin exchanges.

The paper states that a number of international bodies like the Financial Action Task Force (FATF), the AML/CFT standard-setter and the United Nations Office on Drugs and Crime (UNODC) have both provided a forum to discuss issues related to VCs and contributed to the debate through the issuance of reports, guidance and manuals in their areas of expertise. The paper suggests considering developing international standards and best practices to provide guidance on the most appropriate regulatory responses in different fields, thereby promoting harmonization across jurisdictions.

Risks Associated & How Are They Being Dealt With:

Financial Integrity: Virtual currencies are being used to hide or disguise the illicit origin or sanctioned destination of funds, thus leading to money laundering (ML), terrorist financing (TF) and other illegal activities. The paper talks about applying anti-money laundering (AML) and combating the financing of terrorism (CFT) controls to virtual currencies. The FATF, the international standard-setter for AML/CFT, has also provided some guidance on the application of the AML/CFT standards to virtual currencies. The paper also discussed the application of these controls on wallet service providers and payment processors within that currency system if the currency were to become widely accepted.

Consumer Protection: The paper talks about consumer protection too. We have seen leading bitcoin exchange players like Mt. Gox shutting down suddenly and people losing millions of dollars because of it. People weren't protected from these virtual currency fraud and thus they have no one to complain to about their loss. Virtual currency holders are also vulnerable to scams, such as stealing VCs through hacking, fraud, or misrepresentations about fraudulent investment schemes. Moreover, errors in virtual currencies cannot be reversed. In an attempt to fight against these risks, most countries have issued statements highlighting the above risk. Jurisdictions are also beginning to clarify how existing consumer protection legislation applies to virtual currencies.

Taxation: Taxation is particularly complex with cryptocurrencies, where participants need not disclose their identity, and transactions are peer-to-peer and can take place across borders. The paper suggests that tax record keeping requirements for virtual currencies will be substantial and may reduce the attractiveness of VCs in everyday use. The paper discusses other risks like exchange controls and capital flow management and financial stability and how can they be dealt with in the coming future as virtual currencies gain popularity. "Virtual currencies and their underlying technologies can provide faster and cheaper financial services, and can become a powerful tool for deepening financial inclusion in the developing world," said IMF Managing Director Christine Lagarde, who presented the report at the World Economic Forum, in Davos, during the panel Transformation of Finance. "The challenge will be how to reap all these benefits and at the same time prevent illegal uses, such as money laundering, terror financing, fraud, and even circumvention of capital controls."

The paper concludes with a list of guiding principles to national authorities in further developing their regulatory responses so that they are prepared if virtual currencies like bitcoin start becoming widely accepted in the future. They include:

- Regulatory responses should be commensurate to the risks without stifling innovation.
- Regulators should design approaches that take into account the novel business models inherent in VC schemes.

- Regulation may need to address not only market conduct issues (for example, AML/CFT, fraud), but also the financial soundness of VC intermediaries.
 - Due consideration should be given to the degree of integration between the conventional financial system and the VC market.
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31. TARGET PLANS TO LAUNCH OWN MOBILE WALLET

Source: Let's Talk Payments (15/12/20)

Every other month, yet another industry giant announces or gets into rumors of launching its own payment solution. This time, Target, a force behind MCX, is reported to be in the early stages of developing its own mobile wallet, as shared by Reuters. Wallet from Target increases the pressure for Apple Pay and all other “Pay”s already in the market and the ones to come. Target is the fourth-largest retailer in the US and with the financial power and its extensive store network, the proprietary wallet will instantly get a great base to roll out on. Target has not yet committed to launching the product. Even though it is too early to say, the wallet could be out as early as the beginning of 2016.

Target does not yet accept any mobile payments solutions in its stores, but the Apple Pay option is available in its mobile application. One of the Reuters resources also added that Target is planning to integrate its wallet into its existing mobile application, but does not intend to deploy the NFC technology like Apple and Android Pay are using. Instead, the retailer is in favor of the QR code technology. Target aims to directly link customers’ credit cards to its payment app. Target’s team has already been in talks with credit card companies, which are prone to process transactions using scanning technology to communicate with payment terminals, as unnamed sources shared. Even though Target is reported to be collaborating with card issuers, it has not been testing the wallet in stores yet.

The payments market is getting increasingly competitive with tech and retail giants launching their own solutions one after another. Apple Pay, Samsung Pay and Android Pay are already in a tight race. Target’s possible launch of its own wallet, however, is a fundamental power shift in the market. Target’s RED store credit cards also cannot be ignored in light of this news. The retailer will have to find a way to integrate the card as well as all cards from other issuers to make the solution valuable for customers.

Target is a member of ACT Canada; please visit www.target.com.



32. APRIVA LAUNCHES ASU DEALS APPLICATION

Source: Apriva (01/11)

Apriva and Arizona State University (ASU) announced the launch of the ASU Deals application, now available for students and the broader community. The application offers a diverse range of benefits to students, staff and merchants that span coupons, loyalty programs and mapping capabilities, helping drive engagement between the university population and the local community. ASU Deals encourages students, faculty, staff, alumni, families and community supporters to engage with campus-sponsored events and nearby participating businesses through special deals, tailored marketing promotions and sharing of relevant campus information. The ASU-branded mobile application makes it easy for customers to discover new places and great deals around campus, while enabling local businesses to capitalize on the benefits of mobile marketing to target new and repeat customers in the area. A robust group of merchants, including the Sun Devil campus store, restaurants, cafes, sporting stores and other service provider merchants, have already signed on for the program, offering unique deals through the application and providing users with a variety of options while on or near campus.

ASU Deals is built on the proven AprivaLife customizable, cloud-based mobile commerce application, which complements Apriva's full range of point of sale solutions by combining payments, loyalty programs, promotional offers, location-based services, social media, and identification features into a secure, intuitive and flexible platform. "Mobile marketing presents a fantastic opportunity for businesses in the coming years, especially when it can be paired with payments functionality. According to eMarketer estimates, more than 200 million United States consumers will have smartphones by 2017," said David Riddiford, President at Apriva. "The ASU Deals app which, is powered by AprivaLife, represents the future of mobile marketing, customer loyalty and payment applications; we're empowering merchants and organizations to take full advantage of these mobility trends for customer relationship development and business growth while delivering valuable services to their community."

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

33. HOME TRUST AND GIANT TIGER LAUNCH NEW GIANT TIGER REWARDS VISA CARD

Source: Home Trust (15/12/16)

Home Trust Company announced that it has joined forces with Giant Tiger to launch the new Giant Tiger Rewards Visa card. The Giant Tiger Rewards Visa card offers customers the ability to earn valuable rewards on all their purchases, every time they use the card. "Home Trust is pleased to be the issuer of this unique credit card program," said Martin Reid, President of Home Trust. "Giant Tiger is a



leading brand with a very loyal customer base and this new Visa program is the latest example of the value Giant Tiger provides to its shoppers.” The card comes with no annual fee and rewards are earned on all purchases whether made at Giant Tiger or elsewhere. The potential to earn rewards is unlimited and points never expire before being automatically converted to Giant Tiger gift cards once point totals reach certain levels.

“At Giant Tiger, we strive to deliver outstanding value to Canadian families, and with Giant Tiger’s Rewards Visa card, our customers are provided with an additional way to save money,” added Thomas Haig, President and COO of Giant Tiger Stores Limited. “Home Trust worked closely with the Giant Tiger team to design and implement this program and we are thrilled to offer this exciting rewards program to our many customers.”

Home Trust and Visa are members of ACT Canada; please visit www.hometrusted.ca and www.visa.ca.

34. GLOBAL PAYMENTS TO ACQUIRE HEARTLAND PAYMENT SYSTEMS

Source: Global Payments (15/12/15)

Global Payments Inc. announced that it has entered into a definitive agreement to acquire Heartland Payment Systems, Inc. The transaction significantly expands Global Payments' U.S. direct small and medium-sized enterprise distribution, merchant base and vertical reach. Heartland's strengths in direct sales and technology-led distribution are highly complementary to Global Payments' expertise in 60 vertical markets with 2,000 technology partners. The combination will leverage Global Payments' scalable, worldwide infrastructure, and drive substantial technological and operational synergies.

Global Payments expects to accelerate revenue growth by combining Heartland's deep expertise in technology solutions with its OpenEdge partner integration, network and marketing capabilities to create a distinctive set of solutions and distribution. In addition, Global Payments plans to leverage Heartland's product and sales capabilities globally through direct distribution in the 29 countries in which Global Payments currently does business. Opportunities to cross-sell Heartland's point of sale, payroll, loyalty and gift solutions into Global Payments' core U.S. and international markets will be augmented by deeper penetration into key Heartland vertical markets including restaurant and education.

The combined company will provide market-leading payments solutions to nearly 2.5 million merchants globally. On a combined basis, the businesses expect to generate in excess of \$3.0 billion of adjusted net revenue and \$1.0 billion of EBITDA annually. As a result of the transaction, Global Payments anticipates raising its cycle guidance to high-single digit organic adjusted net revenue growth, up to 75 basis points of cash margin expansion annually and mid-teens cash



earnings per share growth. "This partnership with Heartland marks a major milestone for our company, significantly enhancing our direct presence in our largest market and transforming Global Payments into the leading provider of integrated payments technology solutions in the world," said Jeffrey S. Sloan, Chief Executive Officer of Global Payments. "The combination of strong businesses and cultures in high growth markets will generate exceptional opportunities for our employees, customers, partners and shareholders worldwide."

"The combination of Global Payments and Heartland will be transformative for the worldwide payments industry," said Robert O. Carr, Chairman and CEO of Heartland. "Under Jeff's leadership, I believe the combination of our companies will become the most valuable payments company on the planet. Heartland is excited to team with a truly international company. In the U.S., Heartland will continue to operate under its brand and under its business model of fair dealing--with the Merchant Bill of Rights and the Sales Professional Bill of Rights guiding the way to future growth and innovation." Cameron M. Bready, Executive Vice President and Chief Financial Officer of Global Payments, stated, "We are delighted to report strong results for the quarter, particularly in light of continued currency translation headwinds across a number of our markets. Based on these results and our outlook for the remainder of fiscal 2016, we continue to expect adjusted net revenue to range from \$2.06 billion to \$2.10 billion, or growth of 6% to 8% and 10% to 12% on a constant currency basis over fiscal 2015. We are again raising our expectations for margin expansion and cash earnings per share and now expect annual fiscal 2016 cash operating margin to increase by as much as 60 basis points on a constant currency basis and earnings per share on a cash basis to range from \$2.90 to \$3.00, reflecting growth of 15% to 19% over fiscal 2015."

Global Payments is a member of ACT Canada; please visit www.globalpaymentsinc.com.

35. STARBUCKS EXPANDS MOBILE ORDERING SERVICES IN TORONTO, VANCOUVER

Source: ITBusiness (01/12)

Three months after giving iPhone users access to its Mobile Order & Pay service at 300 Toronto-area stores, Starbucks has announced that as of Jan. 11, Toronto-based Android users will also be able to access its advance ordering service – and that iOS and Android users in Vancouver will be able to join them on Jan. 19. An expansion of the company's successful mobile app, which invites users to pay for orders in-store using their phones, Mobile Order & Pay allows Starbucks lovers to order their food, coffee, or custom frappuccino before leaving home and choose which location they will pick it up from, complete with an estimated pick-up time. Their order is ready when they arrive. "Starbucks has seen an incredible uptake of mobile ordering since we first introduced Mobile Order & Pay to Toronto-

based iOS users last October,” Jessica Mills, the company’s Canadian director of brand and digital, told ITBusiness.ca. “The whole program has gone from 30 stores to more than 7000 in less than 18 months.”

While Starbucks has not released the specific number of users who have placed orders using Mobile Order & Pay, Mills said it’s seen “strong adoption” of the service among the 18 per cent of its customer base that already used the Starbucks app to pay for orders in person, and that the service’s rate of use has “exceeded” the company’s expectations. “The key to our success is keeping the customer and barista connection at the heart of the experience while... listening to what our customers say they need,” she said. The company’s user-first approach can serve as a useful model for other organizations considering mobile apps that allow users to make retail transactions, Mills said, though she notes that the developers of such apps should always be prepared to innovate and make changes to their programs to ensure an easy user experience.

36. GEMALTO, ORANGE, RATP AND SNCF JOIN FORCES TO CREATE WIZWAY SOLUTIONS

Source: Gemalto (15/12/03)

Heads of four leading public services and companies in France—Elisabeth Borne, Chairman and CEO, RATP; Guillaume Pepy, Chairman, SNCF Executive Board; Olivier Piou, CEO, Gemalto; and Stéphane Richard, Chairman and CEO, Orange—announced the creation of Wizway Solutions*, a joint venture dedicated to developing contactless mobility solutions. The consortium is supported by France's Ministry for the Economy, Industry and Digital Affairs and Ministry for Transport. Wizway Solutions, the world's first consortium dedicated to contactless mobility, harnesses the expertise of each of its four partners to offer Transport Organising Authorities (TOAs) and transport companies a modern and simple ticketing solution that will facilitate door-to-door travel.

Advances in technology and increased use of mobile devices together create an environment conducive to contactless solutions. These solutions are also a major vector for promoting door-to-door mass transit options and paving the way for ever more sustainable mobility. Using mobile devices that are compatible with NFC (near field communications) technology, passengers will be able to purchase all types of tickets—single fares, railcards and more—anywhere, anytime with their carrier's or TOA's app, and store these tickets securely on their SIM card. When travelling, passengers will simply pass their cellphones over readers or terminals, or present them to agents checking tickets. A mobile device will suffice for travel, even if it is out of battery or switched off.

The solution offered by Wizway Solutions incorporates two industry standards: Calypso, a contactless international standard that is widely used in France, and NFC (near field communications) technology for mobile phones. It will

be compatible with the various operating systems used by mobile phone manufacturers as well as those of telecoms operators in France and, in the medium term, on international markets. The four founding members each hold 25% of Wizway Solutions, which remains open to other operators and carriers. The current timeline calls for its products to be made available to TOAs and transport companies in 2016, and to be deployed in the general public in 2017.

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

37. UNEXPECTED NEWS: REPORT ON BLOCKCHAIN POINTS OUT FLAWS IN ITS APPLICATION

Source: Let's Talk Payments (01/22)

On January 15, 2016, the government of Vermont, a small state in the northeastern part of the U.S., published a report on blockchain that includes findings and recommendations concerning the potential opportunities and risks of creating a presumption of validity for electronic facts and records that employ blockchain technology and addressing any unresolved regulatory issues. It is not the first time that we are seeing the government researching blockchain. Close to Q4 2015, UK government also expressed an interest via its blog in using the blockchain technology for maintaining all their registers. The UK Government wants to conclusively make the registers perfect where data hasn't been tampered. For this purpose, they have been researching blockchain technology for keeping their registers clean, transparent and interconnected.

However, the conclusions about blockchain technology for Vermont's recordkeeping is not something that you would have expected. For them, the costs and challenges associated with the use of blockchain technology for Vermont's public recordkeeping outweigh the identifiable benefits. The report states, "Providing legal recognition of blockchain technology may create a "first mover" advantage with the potential to bring economic activity surrounding the development of blockchain technology to Vermont, but this potential is difficult to quantify and challenging to capture due to the nature of the technology." The report indicates a red signal to the usage of blockchain technology by the state of Vermont. Apart from costs, the report mentions that their research leads to the conclusion that blockchain technology does not address the reliability or accuracy of a digital record. Instead, it can address a record's authenticity by confirming the party or parties submitting a record, the time and date of its submission, and the contents of the record at the time of submission.

Their research concludes that blockchain technology offers no assistance in terms of the reliability or accuracy of the records contained in the blockchain; if bad data is used as an input, as long as the correct protocols are utilized, it will be accepted by the network and added to the blockchain. If a document containing false information is hashed as part of a properly formatted transaction, the network

will validate it. It also identifies another flaw that the network is unable to distinguish between a transaction by an actual user and a malicious transaction by someone with unauthorized access to the user's private key. Furthermore, the network could not obviously, through its protocols, determine whether a sender was reliable in terms of the veracity of the submitted information.

On the other hand, the report states that it not a technology that is completely incompatible with their legal structure but that there are benefits associated with it too. Explicitly pointing out the difference between reliability/accuracy and authenticity, the report states, "Where blockchain technology does provide an advantage is in its ability to evaluate the authenticity of records. The blockchain can potentially provide an immutable registration of a record, to which future records can be compared for authenticity. Any presumption of validity around records registered in a blockchain must be limited to authenticity."

Even if the blockchain technology benefits the private record keeping in the state of Vermont by eliminating centralized recordkeeping or authenticity-verifying authority, there are complications to it. The report states, "First, the blockchain does not store documents, only hashes. Parties transacting business in a blockchain would need to preserve electronic documents themselves (which could be confirmed by comparison to the hashes in the blockchain). Private individuals and organizations are often not well-equipped for the long-term preservation of their electronic records. Second, while a blockchain may reduce costs, there will likely still be some transaction fees related to verification, as described above."

One of the biggest problems in using blockchain for recordkeeping as pointed out in the report is the need to preserve copies of electronic records for a long period of time as blockchain technology will only register hashes. The need to preserve copies of electronic records for long periods of time is already essential to state business and strategies and tools are in place to address these needs. Hence the researchers conclude that blockchain technology would be of limited value in conducting state business. The report continues to highlight the benefits of blockchain on the financial transactions side. It mentions that the underlying principles that underpin this technology are well established, and recognizing it for confirming authenticity of a document seems well-founded.

Along with the benefits, the reports also included the risk of using blockchain technology for recordkeeping and financial transactions. The researchers are afraid that if the system becomes decentralized, the individual economic gain (from lower costs in transactions) must be balanced by the inevitable losses in employment in those areas where people are no longer needed to perform all of the back-office work. The state of Vermont also does not want to take any initiative to make blockchain regulated as any additional costs may discourage companies from being located in Vermont. The state of Vermont also expresses concerns about the absence of consumer protection associated with blockchain technology



and exemplifies bitcoin for the same. It mentions the numerous problems (fraud, illegal activities, etc.) associated with bitcoin and states that something similar may happen to other applications of blockchain.

Finally, the report concludes by stating that blockchain or any application of blockchain will have to support and not replace the existing records management infrastructure and that the benefits of adoption of blockchain technology by state agencies is, at this time, not outweighed by the costs and challenges of such implementation.

38. INGENICO GROUP PROUDLY ANNOUNCES THE OFFICIAL LAUNCH OF ITS NEW BRAND: INGENICO EPAYMENTS

Source: Ingenico (01/18)

Ingenico Group proudly announces the official launch of its new brand: Ingenico ePayments. Ingenico Group's online and mobile commerce division combines the former Ogone and GlobalCollect organizations, merging capabilities and offerings, and providing merchants around the world with enhanced end-to-end products and services. The launch of the Ingenico ePayments brand now completes the integration process and enhances the Group's position within the ePayments industry. Philippe Lazare, Chairman and CEO of Ingenico Group, has stated: "I am so pleased to announce the official launch of our new brand, Ingenico ePayments. This brand will undoubtedly solidify our position within the eCommerce industry, taking us a step further towards becoming an omni-channel player and bringing added benefits to our merchants."

Working closely with clients and partners, Ingenico ePayments enables over 150 different payment methods in more than 170 countries. It offers merchants advanced data analytics through its business intelligence tool Elevate, as well as fraud management solutions and cross-border commerce expertise. Ingenico ePayments also provides advanced integration and mobile-optimized checkout solutions through Ingenico Connect, making it easier for merchants to offer payment options on more devices. These value-added services and innovative technologies allow merchants to optimize their business and grow into cross-channels and new markets.

Ingenico is a member of ACT Canada; please visit www.ingenico.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.

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