



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

This Issue

1. Editorial – 2018, are you ready?
2. Bitcoin is 'gambling' and regulations are needed, Canada Central Bank head says
3. PCI Security Standards Council publishes security requirements for software-based pin entry on COTS devices
4. Interac partners with ICC Solutions to further chip and pin payments migration for Interac in the US
5. RBC to open a cybersecurity lab and fund new research at the University of Waterloo
6. Payments Canada is seeking feedback on the modernization target state
7. Biometric identification must be made available for all MasterCard users by April 2019
8. VISA joins other major credit cards in getting rid of signature requirement
9. Gemalto to launch biometric dual interface payment cards for Bank of Cyprus
10. Announcing Google Pay: 3 things you need to know
11. Moneris partners with Kount to expand fraud protection services for Canadian online businesses
12. Ingenico set to acquire Paymark network
13. G+D mobile security supports Rabobank in launching a sophisticated and secure mobile payment solution
14. Toronto's fintech ecosystem: 74 companies reshaping Canada's financial services industry
15. Verifone helps expand AliPay acceptance to select Lacoste US stores
16. Cardtek and priority group holdings announce partnership to deliver next generation P20 payment solutions in Africa



17. RFI Group insight - Canada: strong foundation, uncertain future - credit unions in Canada
18. Dream Payments launches Clover and QuickBooks integration to help merchants automate their accounting
19. FIME supports acquirers globally to achieve UnionPay certification
20. Mylo, the fintech app that invests Canadians spare change, raises \$2.5m in seed round
21. WeChat poised to become China's official electronic ID system
22. UL accredited by MasterCard to perform CPV certifications for MasterCard cloud-based payments solutions
23. PSD2 takes center stage and open banking era opens
24. Can Curve make smart cards work where others have failed?
25. Constellation software's Harris Operating Group acquires ACCEO Solutions
26. Payments chatter invades CES

ACT Canada Partners

INGENICO - *Payment Acceptance Solution Provider*

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.



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4PAY Inc. ~ member since 2016
ABCorp ~ member since 2017
Best Buy ~ member since 2017
MaRs Discovery District ~ new member
UL ~ member since 2015

Associate Member

Norton Rose Fulbright Canada LLP ~ member since 2013

Career Opportunities

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

Looking for good people?

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

Calendar of Events

2nd Internet of Things India Expo 2018

Mar 7-9, 2018
New Delhi, India
www.iiotindiaexpo.com
ACT Canada Members receive a 20% discount

Payments Summit, presented by the Secure Technology Alliance

Mar 26-29, 2018
Orlando, FL, USA
www.stapayments.com
ACT Canada Members receive a 20% discount

MoneyLIVE: Cards & Payments

Mar 12-14, 2018
Amsterdam, The Netherlands
<https://new.marketforce.eu.com/monkey-live/event/cards-payments/>
ACT Canada Members receive a 15% discount

ATMIA Canada Conference 2018

Apr 24-25, 2018
Toronto, ON, Canada
www.atmia.com/conferences/canada



ACT Canada Forum (formerly Cardware)

Apr 30 - May 2, 2018
Niagara Falls, ON, Canada
www.actcda.com/calendar/act-canada-events/forum-2018/
ACT Canada Members receive a 20-35% discount

CardForum

May 7-9, 2018
Miami, FL, USA
www.paymentssource.com/conference/cfe-2018
ACT Canada members receive a \$200 discount

Loyalty Expo

May 15-17, 2018
Orlando, FL, USA
<https://loyaltyexpo.loyalty360.org/>
ACT Canada Members receive a 20% discount

Money20/20 Europe

Jun 4-6, 2018
Amsterdam, the Netherlands
<https://europe.money2020.com/>
ACT Canada Members receive a €200 discount on top of existing discounts

Articles

1. EDITORIAL - 2018, ARE YOU READY?

Source: Andrea McMullen, President, ACT Canada (01/30)

2018 is starting off with a bang! In reviewing this month's new release, a few themes developed - Bitcoin, software-based PIN entry, strong authentication and data regulations have dominated the headlines.

Last week's World Economic Forum saw more attention paid to Bitcoin and the potential for regulation. The Bank of Canada urges caution around Bitcoin as it is "not a currency" and "not an asset". Global regulators are looking at option regarding Bitcoin regulations.

The PCI Security Standards Council published the security requirements software-based PIN entry on COT devices. ACT Canada held a meeting of our Payment Stakeholders Strategic Leadership to discuss the issues around PIN on glass as well as to review the current state of the market. Our thanks to Nick Norman of Consult Hyperion for giving us an overview presentation of what has been happening in this space.

Recent press release from MasterCard and Visa suggest that strong authentication is on the rise. MasterCard announced a biometric authentication requirement for remote payments by April 2019. Could this mean stronger, more ubiquitous CNP solutions are on the horizon? Visa joined the other major credit



card providers by announcing they will be dropping its signature for EMV cards starting in April.

PSD2 (the 2nd Payments Services Directive) is now in place and the GDPR (General Data Protection Regulation) will be coming into effect in May. PSD2 changes will enable: faster payments, API driven interoperability, strong customer authentication and the regulation of Third Party Providers (TPPs). The GDPR aims to improve data privacy and security approaches as well as update the definition of personal data. Each of these initiatives have far reaching implications for our industry, and for consumers in general.

In a fast-paced industry, you need a reliable source for information, advice and connections. For 28 years, ACT Canada has been there. We provide member services and events to meet your needs and to ask the questions you may not have thought of yet. Join us April 30-May 2 at the ACT Canada Forum (formerly Cardware). Registration will open early February.

It's a brave new world in commerce – are you ready?

2. BITCOIN IS 'GAMBLING' AND REGULATIONS ARE NEEDED, CANADA CENTRAL BANK HEAD SAYS

Source: CNBC (01/25)

Bitcoin trading is "gambling," Canada's central bank governor told CNBC on Thursday, adding that he was looking to work with global regulators to develop regulations around cryptocurrencies. Stephen Poloz, who heads up the Bank of Canada, said buyers of digital coins should "beware" and that he would not call cryptocurrencies assets.

"They are crypto but they are not currencies," Poloz told CNBC during an interview at The Sanctuary in Davos. "I'm not really sure what they are. They are not assets really, I suppose they are securities technically ... There is no intrinsic value for something like bitcoin so it's not really an asset one can analyze. It's just essentially speculative or gambling." Poloz joins a chorus of central bankers and regulators warning about the dangers of cryptocurrencies which saw huge price surges in 2017. Lars Rohde, the head of Denmark's central bank, called bitcoin investing "deadly" last year.

Many business leaders have also warned on the dangers of investing in bitcoin including J.P. Morgan CEO Jamie Dimon who famously called the cryptocurrency a "fraud" while investing legend Warren Buffett said the space will "come to a bad ending."



Poloz told CNBC that if the cryptocurrency market, which is highly volatile, were to crash, it would not have bad implications on the wider economy.

"One parallel we could draw would be the tech wreck. When we had the tech wreck, that was a much more widespread exposure. And the fact it had barely had perceptible effect on the real economy because it was not a stock market crash but just a segment of the stock market. But it was highly speculative, there was all kinds of bubbles there," Poloz explained.

"So I think if you take that experience to heart, if something like that were to happen in the cryptocurrency space, it would probably be smaller today ... It certainly has the potential. I don't want to minimize the risk that you raised because any mania has the scope to get much bigger." Poloz told CNBC that the central bank will look to regulate cryptocurrency.

"I have no doubt that at least for the purposes of consumer protection ... We will be developing regulations around this space in due course. But what we are being careful to do here is to not stifle innovation," Poloz said.

Blockchain 'genius'

The Canadian central bank chief added though that blockchain technology which underpins cryptocurrency, is "a true piece of genius and it will be applied to many many areas in the economy."

Blockchain is the underlying technology behind bitcoin. It acts as a public record of transactions that is tamperproof and requires no central authority to clear transactions. This technology is seen as a way to make a lot of businesses processes faster and cheaper. The Bank of Canada currently has a project codenamed Jasper, which is looking into how to use the blockchain. Poloz then turned to the idea of a central bank issued digital currency, and said that if it were to create one, it would be backed by the Canadian dollar. He added that cash is "still doing its job" and that there is no rush to introduce it. The central banker also added that any fiat-backed digital currency would not necessarily need to run on the blockchain.

"No one's in a rush to get this done. Will it therefore be necessary for it (blockchain) to be part of a digital currency if central banks issued it? Well the answer is I think not," Poloz said. "The reason that it has such appeal in the case of bitcoin is it gives you finality of settlement that eventually grinds through the distributed ledger and therefore you trust that. Whereas the central bank, if the Bank of Canada, were to issue a digital currency, well you already trust the Canadian dollar, and so you don't need a distributed ledger in order to believe you just received final payment in your digital wallet."



Clarification: This article has been amended to make clear that the Bank of Canada is working with global regulators to create regulation around cryptocurrencies.

3. PCI SECURITY STANDARDS COUNCIL PUBLISHES SECURITY REQUIREMENTS FOR SOFTWARE-BASED PIN ENTRY ON COTS DEVICES

Source: Business Wire (01/24)

PCI Security Standards Council (PCI SSC) announced a new PCI Security Standard for software-based PIN entry on commercial off-the-shelf devices (COTS), such as smartphones and tablets. The PCI Software-Based PIN Entry on COTS (SPoC) Standard provides requirements for developing secure solutions that enable EMV contact and contactless transactions with PIN entry on the merchant's consumer device using a secure PIN entry application in combination with a Secure Card Reader for PIN (SCRIP).

"Mobile point-of-sale (MPOS) solutions have become very popular with smaller merchants for their flexibility and efficiency. MPOS has enabled them to take orders and accept payments on a tablet or smartphone, anytime and anywhere. However, some small merchants in markets that require EMV chip-and-PIN acceptance may have found the costs of investing in hardware prohibitive," said Aite Group Senior Analyst Ron van Wezel. "With the new PIN entry standard, the PCI Council has responded to market need by specifying the security requirements for allowing PIN entry directly on the mobile touchscreen. This means that merchants can accept payments with just their mobile device and a small, cost efficient card reader connected to it along with a secure PIN entry application. The payment industry will benefit overall from the wider choice in payment acceptance, as it will drive the growth of electronic transactions."

"The PCI Council has a long history of developing standards for protecting PIN as a verification method in hardware-based solutions. Existing PCI PIN Standards require hardware-based security protection of the PIN," said PCI SSC Chief Technology Officer Troy Leach. "We are now building on this foundation with a new standard that allows for an alternative approach to secure PIN entry by isolating the PIN from other data and using a new robust set of security controls that extend beyond the physical hardware device itself. The PCI Software-Based PIN Entry Standard gives solution providers and application developers a baseline of security requirements specifically for accepting EMV contact and contactless transactions using software-based PIN entry."

Key security principles included in the standard's security and test requirements are:

- Active monitoring of the service, to mitigate against potential threats to the payment environment within the phone or tablet;
- Isolation of the PIN from other account data;



- Ensuring the software security and integrity of the PIN entry application on the COTS device;
- Protection of the PIN and account data using a PCI approved Secure Card Reader for PIN (SCRIP).
- The Software-Based PIN Entry on COTS Security Requirements are for solution providers to use in designing each part of a complete solution. These requirements are available now on the PCI SSC website.

The Software-Based PIN Entry on COTS Test Requirements outline testing processes for laboratories to use in evaluating solutions against the standard. These will be published in the next month, followed by a supporting program that will list PCI validated solutions on the PCI SSC website for merchant use.

“This standard gives solution providers and application developers a baseline of security requirements for how to securely accept PIN-based transactions on a COTS device, as well as methods to test that security is working, even as updates to the devices and applications occur frequently. PCI validated solutions will meet a robust set of security objectives that have been tested by independent laboratories,” added Leach. “More and more businesses are now accepting payments with smartphones, tablets and other COTS devices, especially within the small business community. The PCI SSC Software-Based PIN Entry Solution listing will provide these merchants with a resource for selecting PIN entry solutions that have been evaluated and tested by payment security laboratories, and their customers will benefit by having the best available protection for their payment data.”

4. INTERAC PARTNERS WITH ICC SOLUTIONS TO FURTHER CHIP AND PIN PAYMENTS MIGRATION FOR INTERAC IN THE U.S.

Source: ICC Solutions (01/16)

Canadians will be able to use chip technology through the Interac Debit service at more merchant locations across the U.S., thanks to a new partnership between Interac Association/Acxsys Corporation and ICC Solutions, a crossborder debit certification provider. With this partnership, ICC Solutions becomes a preferred chip certification vendor for Interac in the U.S., facilitating testing support for U.S. merchants and acquirers and validating Interac’s certifications results in accordance with its U.S. specifications.

“We’ve seen an increased appetite amongst U.S. merchants to better serve their Canadian consumers when it comes to cross-border payments,” says Edwin Lam, Director, International Products at Interac. “ICC Solutions will help us bring the Interac Debit service’s chip and pin payments to more merchants across the U.S., offering Canadians a more secure way to pay across the border.” The Interac Debit service allows consumers to pay for purchases with their own money,



straight from their bank account, at a comparatively low acceptance cost for merchants. Thanks in part to chip technology, Interac transactions are secure and protected.

“ICC Solutions is delighted to be selected as the preferred chip certification vendor for Interac in the U.S.,” says Derek Ross, Head of Sales and Business Development, ICC Solutions. “We welcome this new opportunity to partner with Interac Association, having successfully worked together on chip projects during the migration to chip in Canada. Our proven expertise in the provision of chip test tools and services will enable merchants in the U.S. to experience an efficient Interac certification campaign.”

ICC Solutions Limited and Interac Association are members of ACT Canada; please visit www.iccsolutions.com and www.interac.ca.

5. RBC TO OPEN A CYBERSECURITY LAB AND FUND NEW RESEARCH AT THE UNIVERSITY OF WATERLOO

Source: RBC (01/29)

Online malicious attacks and botnets have become increasingly sophisticated and targeted as people share more and more personal data online. Security teams are often working within legacy hardware systems, across international borders with varying restrictions, and need to prepare for the post-quantum threat. Researchers are poised to create new solutions beyond the current infrastructure, the current encryption systems and the current computing capabilities.

The funding will support researchers in the David R. Cheriton School of Computer Science and the Department of Combinatorics and Optimization at Waterloo’s Faculty of Mathematics.

In addition to the new RBC cybersecurity lab for the financial sector within Waterloo’s William G Davis Computer Research Centre, the funding will support research in the following areas:

- Data-driven software defined security, led by Raouf Boutaba, will focus on detecting and mitigating security threats using machine learning and AI.
- Privacy enhancing technologies, led by Ian Goldberg, will focus on the safety and security of consumer metadata, including identity and location.
- Post-quantum cryptography, led by David Jao, will focus on a unique blend of pure mathematics and computer science that produces a data encryption so strong that quantum computers cannot crack it.
- CryptoWorks21, an enhanced education program focused on post-quantum cryptosystems is also included in the support. Led by Waterloo’s Michele Mosca, RBC will also sponsor the CryptoWorks Industry Day, a



graduate student scholarship, a thesis prize, and support for professional teaching.

“Collaborating with the University of Waterloo’s Faculty of Mathematics and their pool of talented researchers will give us more brain power to continually develop Canadian talent to support the demands of the cyber security industry,” said David Fairman, Chief Information Security Officer, RBC. “This partnership is important to RBC as we’ll be able to leverage Waterloo’s unique capabilities in mathematical science as it applies to tackling increasingly sophisticated cyber attacks.”

“This project provides our researchers with what they need to excel and provides RBC with access to Canada’s premiere talent in cybersecurity,” said Stephen M. Watt, Dean of the Faculty of Mathematics, University of Waterloo. “The area of cybersecurity is highly technical and complex, but is essential for all aspects of modern society. These technologies, from network protection to mathematical cryptography, are central to personal privacy online, safe national infrastructure and trustworthy commerce.”

Royal Bank of Canada is a member of ACT Canada; please visit www.rbc.com.

6. PAYMENTS CANADA IS SEEKING FEEDBACK ON THE MODERNIZATION TARGET STATE

Source: Payments Canada (01/23)

Have your say on the future of payments in Canada! Payments Canada is seeking the public’s feedback on the Modernization Target State. If you have not already shared your feedback, please submit before the consultation process ends on Friday, February 23, 2018.

The Modernization Target State provides a detailed view of the target end state for payment system modernization in Canada. This includes descriptions of the infrastructure, rules and standards that will benefit Canadians and businesses from coast-to-coast.

Your opinion is important! Canadians are encouraged to share feedback by e-mailing consultation@payments.ca.

Payments Canada is a member of ACT Canada; please visit www.payments.ca.



7. BIOMETRIC IDENTIFICATION MUST BE MADE AVAILABLE FOR ALL MASTERCARD USERS BY APRIL 2019

Source: MasterCard (01/23)

MasterCard announced that all consumers will be able to identify themselves with biometrics such as fingerprints or facial recognition, when they shop and pay with MasterCard by April next year. In practice it means that banks issuing MasterCard-branded cards will have to be able to offer biometric authentication for remote transactions, alongside existing PIN and password verification. It will also apply to all contactless transactions made at terminals with a mobile device.

The increased availability of biometric capabilities on tablets and smart phones – consumers’ clear preference for these kind of solutions – and the EU’s new regulatory requirements for strong authentication suggest that the time is ripe for enabling biometric validation solutions for digital payments.

The vast majority of consumers—93%—prefer biometrics over passwords for validating payments and according to a recent research paper conducted by Oxford University in collaboration with MasterCard, 92% of banking professionals want to adopt biometric solutions.

Banks also report that when such biometric authentication is used, customers are much more inclined to go through with their purchase. The abandonment rates can drop by up to 70% compared to other methods like One Time Password sent via SMS, which reflects the much improved user experience.

Mark Barnett, President, MasterCard UK & Ireland said: “Biometric technologies perfectly meet the public’s expectation for state-of-the-art security when making a payment. This will be of great benefit to everyone: consumers, retailers and banks. It will make the purchase much smoother, and instead of having to remember passwords to authenticate, shoppers will have the chance to use a fingerprint or a picture of themselves.”

Existing methods to prove an identity online can take shoppers away from a retailer’s website if it is time consuming or complex. One way to solve that is moving from a reliance on what the consumer knows (e.g. passwords) and what they have (card or smart device), to what they have (e.g. mobile phone) and who they are (their biometrics).

MasterCard has been leading the advancement of biometric technology in payments for years with a focus on improving both consumer experience and security online and offline.



MasterCard Identity Check, now available in 37 countries around the world, is an authentication solution that enables individuals to use biometric identifiers, such as fingerprint, Iris and facial recognition to verify their identity using a mobile device during online shopping and banking activities. This solution dramatically speeds up the digital checkout time, improves security and reduces abandonment rates.

A plan to enhance consumer experience and security in the digital environment. This shift to biometrics is part of MasterCard's new action plan to help banks and retailers to prevent fraud and improve the consumer experience in the new digital environment.

It also meets new regulatory requirements around Strong Customer Authentication set out by PSD2 and is aimed at ensuring a smoother consumer experience and reducing unjustified declines. It includes a new set of services recently designed such as MasterCard's Decision Intelligence or Automatic Billing Updater that leverage most contemporary technologies, including artificial intelligence.

With this approach, MasterCard will help its partners not only to comply with requirements set out in the new PSD2 legislation, but also to go further in optimizing the checkout experience of their customers.

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

8. VISA JOINS OTHER MAJOR CREDIT CARDS IN GETTING RID OF SIGNATURE REQUIREMENT

Source: The Mercury News (01/17)

The days of signing the receipt after a credit card purchase are numbered. Visa, the largest U.S. credit card issuer, became the last of the major credit card companies to announce its plan to make signatures optional. Visa announced it will get rid of its signature requirement for cards with EMV chips starting in April.

However, this change does not apply to every credit card in circulation; older credit cards without EMV chips will still require signatures for authentication. Visa joined American Express, Discover, and MasterCard in the phase-out. Mastercard was the first one to announce the move in October, and American Express and Discover followed suit in December.

In Canada, Australia and most of Europe, credit cards have long abandoned the signature for the EMV chip and a PIN to authenticate the transaction, like one does with a debit card.



American Express, Discover, and MasterCard are members of ACT Canada; please visit www.americanexpress.ca, www.discover.com and www.mastercard.com.

9. GEMALTO TO LAUNCH BIOMETRIC DUAL INTERFACE PAYMENT CARDS FOR BANK OF CYPRUS

Source: findbiometrics.com (10/04)

Gemalto is going to provide biometric payment cards for the Bank of Cyprus, the company has announced. Gemalto to Launch Biometric Dual Interface Payment Cards for Bank of Cyprus. The payment cards will feature embedded fingerprint sensors, and will support chip-based and contactless payments. Bank of Cyprus customers will be able to enroll their biometrics for their new payment cards at bank branches, and will thereafter be able to benefit from the security of biometric authentication for each transaction.

It's poised to be one of the first major commercial deployments of biometric payment card technology, which is expected to enjoy a boom over the coming year as major players like MasterCard introduce such solutions to the mass market. In a statement announcing the project, Gemalto did not indicate when the cards will be available to Bank of Cyprus customers, but Gemalto Banking and Payment EVP Bertrand Knopf asserted that "Bank of Cyprus customers will be first in the world to enjoy biometric convenience on a contactless payment card," suggesting that the cards' launch is imminent. MasterCard's biometric partner IDEX, meanwhile, has suggested that their biometric payment card solution will be rolled out in early 2018 as well.

Knopf added that using fingerprint authentication for contactless payments "allows a better user experience, enabling higher transaction amounts without entering a PIN".

The news comes soon after Gemalto announced that its Trusted Services Hub can be used as a gateway for MasterCard and Visa tokenization services, a move that further solidified Gemalto's position in the payments market.

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



10. ANNOUNCING GOOGLE PAY: 3 THINGS YOU NEED TO KNOW

Source: MM&T (01/09)

As mobile payments become increasingly popular, adding the branding of Google Pay to the mobile payments arena could help the industry exceed the forecasted \$503 billion by 2020. Google Pay is a new name and a new look for Google's mobile payment products like Android Pay, Google Wallet and TEZ which has now merged under a single brand.

Google Pay allows mobile users to pay with any card that consumers have ever used or saved to Google Wallet, Android Pay, Google Play, YouTube, or Chrome. Google Pay ties all these saved payment options together in a single interface, which app makers and retailers can then implement using only a few lines of code.

"Bringing everything into one brand is just the first step for Google Pay." according to Pali Bhat, VP of Product Management, Payments. Google Pay is not an inherently new product, but rather a "new name and look for existing Google payment products."

With Google Pay, it will be easier for consumers to access and utilize payment information saved in their Google Account. Over the coming weeks Google Pay will be online, in-store, and across Google products, making checkout times quicker increasing conversions for retailers – by allowing Google users to tap into any payment method a customer has on file with Google – not just those in Android Pay. Here are the three things you need to know about Google Pay.

What is Google Pay?

Google Pay is a new name for Google's family of consumer payments products which include Android Pay, Google Wallets, TEZ (Google's new digital payment app for India). Google Pay is available to quickly check out on apps and websites like Airbnb, Fandango, Lyft, and Instacart.

Will Android Pay and Google Wallet Go Away?

Google's Mobile Payment products, Android Pay and Google Wallet are not going away they are just being re-named and grouped under the branding Google Pay. Any credit, debit, gift, or loyalty cards users added to Android Pay or Google Wallet will stay saved.



How Do Consumers Use Google Pay?

Consumers can use Google Pay if they have a Google account, and the payment information they use for Google products are linked to their Google account.

When Google account users buy a Google product or service (like an app or movie on Google Play or storage space for Google Drive) Add cards to Android Pay, Google Wallet, Chrome, or another Google payment product. For more information on which payment information you have on file with Google, visit the Google payments center.

Consumers can use Google Pay now on apps and websites or anywhere the Google Pay logo is displayed. Wherever Google Pay is accepted, consumers can opt to checkout using Google Pay and will be presented with a list of payment cards that have been saved in their Google account. To continue, just select the card to use, and Google sends this information along with the shipping address to the merchant, who then handles the rest of the transaction.

11. MONERIS PARTNERS WITH KOUNT TO EXPAND FRAUD PROTECTION SERVICES FOR CANADIAN ONLINE BUSINESSES

Source: Moneris (01/15)

Moneris Solutions Corporation (“Moneris”), announced their partnership with Kount, an online fraud protection platform that assesses customer transactions in real time. The Moneris Kount partnership will allow large businesses using the Moneris Gateway to reduce fraud exposure and chargeback risks from online and in-app transactions.

Card-not-present (CNP) transactions are the highest risk for fraudulent payments that affect businesses today – specifically those that do mail order, telephone order or ecommerce transactions. Since Canada’s shift to chip and PIN card transactions in 2011, CNP fraud has increased by 130 per cent.*

“We are pleased to partner with Kount to bring more payment protection to our merchants,” said Jeff Guthrie, Chief Sales and Marketing Officer at Moneris. “Online spend is growing and it’s important for businesses to keep on top of fraud threats. Solutions that take advantage of machine learning, and other customizable data points to reduce ecommerce, in-browser and in-app payment fraud are part of the suite of services we’re committed to providing our merchants.”

Moneris Kount allows businesses to set a risk tolerance profile that best meets their business needs. The system analyzes transaction data in real time, helping businesses make informed decisions to block problematic transactions



before they are processed. Large merchants can use the solution seamlessly with the Moneris Gateway and receive assistance throughout the set-up and integration process via the Moneris Kount support team.

“Currently, Moneris Kount tracks merchant identified transactions that flow through Moneris’ online merchant portfolio and helps to keep clients safeguarded from potential fraud,” said Don Bush, VP of Marketing at Kount. “Our mission is to help businesses accept more legitimate orders, and reduce chargebacks and lost revenue. We are happy to partner with Moneris to bring more merchants the tools that they need to run their business better.”

The Moneris Kount partnership provides businesses with layered fraud management tools. These tools take advantage of predictive modeling to analyze hundreds of variables and generate a numeric risk score for each customer that can be applied to the transaction in real-time. This helps businesses to determine valid orders from fraudulent ones, minimizing manual reviews, reducing decision time and margin of potential error.

Moneris is focused on driving business success for new and existing customers by keeping them informed and providing the tools needed to keep them secure. As part of this commitment, Moneris Kount will also be available to small businesses across Canada later in 2018.

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

12. INGENICO SET TO ACQUIRE PAYMARK NETWORK

Source: Mobile Payments Today (01/19)

Ingenico Group has announced the signing of an agreement in order to acquire Paymark, a leading New Zealand payment network, for a global consideration of \$138 million, according to a press release. The sale agreement, signed between Ingenico Group and the shareholders of Paymark (ANZ, ASB, BNZ and Westpac), includes the extension of the service agreement currently in force between Paymark and the four leading acquiring banks.

The Paymark network is connected to all major card issuers and merchant acquirers and to more than 80,000 merchants in New Zealand, and processes some 1 billion transactions annually. Closing is expected to occur during the second quarter of 2018. The transaction is subject to relevant regulatory consents. Paymark will be integrated within the Banks & Acquirers business unit.

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



13. G+D MOBILE SECURITY SUPPORTS RABOBANK IN LAUNCHING A SOPHISTICATED AND SECURE MOBILE PAYMENT SOLUTION

Source: G+D Mobile Security (01/10)

G+D Mobile Security worked with Dutch Rabobank to migrate Rabobank's existing SIM-based mobile payment solution to a cloud-based mobile payment application using state-of-the-art HCE (Host Card Emulation) technology. In addition, G+D Mobile Security's Convego AppWorld solution enables Rabobank to build their own mobile ecosystem around mobile payments with a rich choice of value-added services. "Rabo Wallet" users can therefore not only manage their mobile payment cards and make mobile payments - they can also instantly activate other services like parking and a storage function for customer shop and loyalty cards.

The mobile payment functionality provided by the Rabo Wallet app is available for Android smart phones and supports MasterCard Maestro cards and the related token services. Rabobank decided to move to cloud-based mobile payments, powered by G+D Mobile Security's Convego CloudPay solution, in order to be able to scale the solution and provide services for a larger number of consumers. With the new solution, more Rabobank customers can use the mobile payment service since it no longer requires a special kind of SIM card. Furthermore, mobile payment is only one of the services provided: current value-added services in the Rabo Wallet include parking and customer shop and loyalty card storage solutions. With Convego AppWorld, Rabobank is now able to introduce additional new services easily and without the need to update the Rabo Wallet app. The new Rabo Wallet is available for download in Google Play.

"G+D is very happy to support Rabobank as one of the leading Dutch banks in its migration to the latest mobile payment technology," stated Dr. Carsten Wengel, Head of the Region EMEA at G+D Mobile Security. "Our common goal is to make the mobile payment experience for customers as easy, flexible and secure as possible. We look forward to continuing our work with Rabobank to provide their customers with an expanded mobile payment experience based on our market-leading technology."

Suzan van Eeten (Lead Product Manager Rabobank) stated "There was great enthusiasm for the Rabo Wallet. Within 24 hours, the pilot contained the maximum of 10.000 participants. 80% of the users were positive about the Wallets' functionality. That was a big incentive to place the app in the Playstore as quickly as possible."

G+D Mobile Security and MasterCard are members of ACT Canada; please visit www.gi-de.com/mobile-security/ and www.mastercard.com.



14. TORONTO'S FINTECH ECOSYSTEM: 74 COMPANIES RESHAPING CANADA'S FINANCIAL SERVICES INDUSTRY

Source: Medici (01/27)

Canada has been recognized as one of the best markets to build and test innovative FinTech solutions, and the province of Ontario, in particular, has among the highest concentrations of tech firms outside Silicon Valley, thanks in part to cheaper costs and the cluster of Toronto and Waterloo area universities producing engineers and developers.

In fact, Toronto hosts ~12,000 financial firms and 360,000 finance workers and makes up 37% of Canada's total GDP, which makes the province a strong economic driver for the nation. Toronto has also been noted as North America's second-largest financial services hub after New York.

According to the Toronto Financial Services Alliance (TFSA), with 50% of the country's approximate 60,000 Fintech employees, the Toronto region offers one of the most highly educated workforces in the developed world. TFSA also emphasizes the hallmarks of Toronto as the capital of Canada's financial services industry – Toronto is the headquarters for: Two of the world's largest life insurers; Three of the world's top 25 banks; 123 financial securities firms; Three of the top 60 global pension funds; Nine of Canada's top 10 mutual fund companies; Third-largest equity exchange (TSX) in North America and the seventh in the world.

The Toronto region is also the Canadian headquarters for some of the world's leading wireless and telecom companies, including Cisco, Ericsson and Alcatel, and for world-leading software and data analytics companies such as HP, IBM and Microsoft.

“Companies whose technologies support the financial services sector have found an ideal North American location in Toronto. More than 13,000 Tech companies in the Toronto region, from startups to global technology leaders, deliver hardware, software, and communications services to the North American and global financial services industry,” the Alliance notes.

Toronto's facilitative environment served as a foundation for growth and development for a vibrant FinTech ecosystem, representing the hottest segments and successful players. According to TFSA, Toronto's FinTech sector is in advantageous position also due to a broadly based system of R&D tax credits from the federal and provincial governments. These can reduce the gross cost of C\$100 in R&D to C\$42 to C\$54 depending on the size and type of company.

Strong support from federal and local governments, stable financial sector, access to the top talent among other factors lay a ground for the following set of FinTech innovators to expand and reimagine the financial services industry.



Toronto's FinTech Ecosystem

ASAPP Online Solutions is an omnichannel account origination and loan auto-decisioning solution for retail and small business banking. The company brings digital onboarding, deposit account origination, and lending origination & decisioning to the credit union and alternative banking space. ASAPP Online Solutions' partners count DUCA Financial Services, Northern Credit Union, Equifax, Valeyo, Celero, Fiserv, and more. In 2017, in partnership with Northern Credit Union, the company won the Innovator of the year award with the CCUA for the launch of its small-business onboarding solution.

Aislelabs is a technology company assisting retailers to achieve better and increased sales through the power of big data analytics. They help their clients understand customer traffic patterns and behavior inside and outside their physical stores in ways never before possible.

BioConnect's core solutions — its identity management platform, applications and partnerships enable the simple integration of current and future biometric technologies delivering greater security, assurance and convenience in an enterprise setting today and tomorrow.

BoardRoom provides a complete blockchain governance platform for organizations. The company develops decentralized applications that leverages smart contracts to simulate organizational structure, growth and communication.

Borrowell is an online marketplace lending platform.
Carrot Rewards is a free mobile app that rewards Canadians for making healthy lifestyle choices.

Coinkite with its web wallet system empower customers and merchants to buy, sell, accept and store bitcoins and other cryptocurrencies, in both the online and physical worlds.

Coinsquare is an online exchange that enables its users to transact using cryptocurrency. Individuals can trade their wealth for digital currency and assets. With varying fees for each transaction, users have to first fund and convert their coins before having them ready for withdrawal in their digital wallets, through proprietary Interac e-transfers.

Cryptiv's Enterprise Blockchain Wallet System allows a traditional firm to handle blockchain-enabled digital assets, like bitcoin and Ether. Cryptiv enables a firm to access multiple blockchain protocols (both private and public), manage private-keys, and grant employees limited access to the firm's digital assets



through managed wallet accounts. Cryptiv's model is to provide a secure environment for any blockchain use case so that it can reach production safely.

Decentral is a hub for disruptive and decentralized technologies. The company offer blockchain and FinTech consultancy services and software development, and a two-way bitcoin ATM.

Dream Payments enables merchants to sell everywhere using mobile devices. Dream's cloud-based payment platform combined with its mobile point-of-sale device allows merchants to accept credit and debit cards.

Easy Financial provides personal loans, mortgages, secured savings loan for Canadian customers through online channels, phone or at one of its 200+ stores/branches.

EidoSearch uses patented pattern matching technology to project probable event outcomes and find relationships in Big Data.

Equibit is a blockchain-based securities register allowing for efficient management of OTC equity, warrants, partnership units, etc. The platform includes a shareholder communications system, as well as the ability to easily issue BTC-denominated dividends and distributions to holders of equity.

Ethoca operates an online platform for card issuers and merchants to communicate outside of the payment authorization stream in the online payment industry.

Financeit provides a platform that allows businesses to offer financing to their customers at the point-of-sale using any device.

Firmex provides a SaaS-based virtual data room solution for sharing confidential data with financial due diligence and compliance.

Flexiti Financial is a Canadian sales financing company founded in 2013. The company helps retailers increase their bottom line by providing better sales financing options than a standard credit card with lower interest rates, longer payment terms and revolving credit. Using a mobile application process and patented ID scanning technology, Flexiti Financial provides quick, simple and instant point-of-sale (POS) financing for clients' customers.

Flybits is the first context-as-a-service platform, allowing the enterprise to make Android and iOS apps truly context-aware.

FreshBooks, a cloud-based accounting software, allows owners to invoice clients, track time and run their small businesses in the cloud. It helps them



manage their time and expenses, send branded invoices, and collect online payments by credit card, PayPal, or e-check.

Fundtech, which was acquired by D+H in March 2015, provides software products and services to banks of all sizes around the world. The company develops transaction banking solutions that automate activities such as payments, cash management, settlement, liquidity management, and the financial supply chain.

FundThrough offers loans to small companies that sell to bigger businesses. The company's technology allows it to approve new clients in minutes and deliver cash quickly with no obligations or long-term commitments.

GoDay.ca is a Canadian online short-term lender. Operating a mobile and desktop website, custom-built systems that leverage the latest technology, and a highly automated decision-making process, GoDay.ca allows its customers the comfort of borrowing on-the-go and delivers funds the same day.

GoldMoney offers three accounts: Personal, Business, and Wealth. Each account has different features that help owners achieve their goals, be it reliable savings, international payments, business transaction processing, or long-term wealth protection. Goldmoney provides convenient connectivity to person's other financial accounts and everyday access to free gold-based savings and payment tools.

Honk is a mobile app which allows finding parking space and paying for parking using the credit card stored in the application. The app sends alerts when the parking time is running out and allows simple tap and top up from where ever the user is.

Horizn is a go-to-market knowledge platform that helps financial service and technology companies accelerate market adoption of new products and technology with consumer-facing employees, and directly to consumers.

Iota Security provides an advanced cyberthreat defenses for mobility and the Internet of Things (IoT). Its product is an SDK for Android which is embedded within the application for advanced threat detection capability; CyberScape delivers an automated feed of emerging threats from mobile devices protected by Iota Security's SDK and Iota CyberVisor sensors.

Kooltra is a FinTech startup building a multilayered capital markets platform on Force.com and Amazon Web Services. As a Salesforce.com ISV partner, Kooltra is moving the capital markets to the cloud, securely.



KoreConX is a free all-in-one solution that helps companies navigate the process of raising equity capital, and simplifies shareholder communications to reduce risk.

Lendified is Canada's online credit marketplace providing fixed rate working capital loans to small businesses. It offers business loans within a range of \$5,000 to \$35,000 for 3 to 12 months.

Lending Loop is Canada's first fully regulated peer-to-peer lending platform focused on small business.

Lendogram is a mobile lending and borrowing marketplace for friends with the aim to make sharing easier than buying.

Lucova's in-store technology enhances the human experience in commerce by treating smartphones as sensors that interact with the physical world. The company's tools for medium and large businesses strengthen the loyal customer behavior, powered by their proprietary Bluetooth platform.

Method:CRM for QuickBooks syncs user data in real-time and is fully customizable to their small businesses.

nanoPay is an early-stage FinTech company providing a comprehensive next-generation payments solution for online and retail merchants. nanoPay is dedicated to solving key merchant problems and increasing merchant profitability by making payments faster, more secure, easier and cheaper to process.

Nest Wealth is an online wealth management platform that provides client with customized portfolios based on their current financial situation, goals and risk tolerance. Nest Wealth monitors and rebalances the individual portfolios back to the original asset allocation established by the client.

Nexonia is a provider of Web and mobile expense, time and other business financial management solutions. Nexonia's simple-to-use and highly customizable applications are fully integrated with ERPs, credit cards and other systems supporting a variety of businesses. Nexonia solutions are designed to streamline the reporting and approval process, improve human resource management and enhance operational efficiency.

Next Door Lending is a Toronto-based micro-finance company that offers local entrepreneurs fast and flexible funding options from \$5,000–\$100,000.

NexusCrowd is an investment platform that harnesses the power of the crowd to offer investors the opportunity to co-invest alongside venture capital and private equity partners on the same terms. NexusCrowd partners with institutions



to provide accredited investors with access to exclusive private investment opportunities that have reached at least 50% of the funding target. Every investment opportunity on the platform is sourced, vetted, structured, reported on and managed by institutional partners, giving investors access to institutionally led and managed investments across all sectors, stages and securities.

Nvest is an online platform that helps people become smarter investors. Nvest evaluates people's credibility based on the accuracy of their opinions because actual performance speaks louder than credentials.

Nymi provides biometric authentication services for wearable devices. Nymi's first product, the Nymi Band, is a secure and continuous wearable authenticator that identifies a user based on their unique electrocardiogram (or ECG), through a proprietary technology called HeartID.

Obsidian Solutions is a software company focused on bringing the benefits of enterprise software to boutique investment managers while reducing operational costs and risks. Its solutions assist in automating key daily functions allowing for efficient use of resources while minimizing discrepancies. Obsidian Solutions take a multifaceted approach in determining what matters to its users and is tailoring the software functions to address their specific needs.

OutsideIQ is a company that develops artificial intelligence solutions that perform automated due diligence in an auditable and reproducible manner. This technology minimizes the otherwise enormous resources required to make the kind of informed decisions that keep organizations competitive and compliant.

Paycase is a mobile-first universal remittance platform aimed at challenging and changing the traditional money transfer model.

Paymobile is a carrier-class transaction platform that moves money for businesses and communities quickly, economically and securely around the world. With its banking partners and Visa, Paymobile provides check replacement, remittance and online virtual payment solutions for a number of business customers and government.

Plex.ai provides a platform that allows auto insurance providers to obtain remote driving data from non-existing customers. Plex.ai automotive telematics platform uses Ethereum, machine learning and artificial intelligence to give insurance companies real-time, remote, diagnostics on a car and the driver. The company is in stealth mode as of Dec 2016.

Ploto is a payment management platform for small and medium-size businesses that want to automate and streamline their payments.



QicSEND is an online international money transfer service, offering online remittance solutions.

Qmetrica is a Hedge fund management that uses proprietary machine learning algorithms to identify and capitalize on statistical patterns that are present in security prices.

Quandl is a data marketplace which helps data analysts to save time, effort and money by delivering financial and economic data in the format they want: via its website, API, or directly into dozens of tools.

RateHub.ca is a finance website allowing users to compare Canadian mortgage, insurance, and credit card rates.

Real Matters' proprietary, cloud-based real estate technology platform and network of more than 100,000 qualified independent field agents optimizes the management of critical, regulated real-estate processes such as appraisals, insurance inspections, title search and mortgage closings.

RemitBee is a money transferring service. It helps sender send money to friends and family. The company is known for its rewards program, simple yet highly functional interface and customer service.

Reportin is a platform that simplifies the reporting process from start to finish. It makes it easier to produce internal managerial reports and external filing reports such as 10-Ks, 10-Qs and MD&As on desktop, web, or mobile devices.

Rubikloud is a retail intelligence platform that connects and analyzes all the customer-centric data for the omnichannel retailer. It is a retail intelligence platform focused on turning retail data into revenue.

Securacoin aims to bring digital currencies to mainstream users by training retail money service businesses to buy and sell bitcoin and more.

SecureKey provides identity and authentication services for organizations that deliver online consumer services. It eliminates the need to store passwords by securely linking consumer ID to trusted devices while providing consumers with the choice, control and convenience over how they access the services they want.

Security Compass is an information security firm that provides professional services and training to security-conscious companies. Security Compass rapidly unifies application security with business goals. The company's goal is to help clients build secure software by seamlessly unifying their application security needs through e-learning, security requirements and verification.



SelfPay, by Digital Retail Apps, lets in-store shoppers SKIP the checkout line. Shoppers use SelfPay on their phone to scan items, view product details, and pay – all in-app – all without waiting. Shoppers save time, buy more and make more informed purchase decisions. Its solution includes a patented loss prevention component.

Sensibill provides a turnkey digital receipt solution to the financial institutions. It allows retail customers to manage their itemized receipts from trusted financial services applications.

SmoothPay is a mobile payment, loyalty and engagement company delivering valuable offers and rewards to consumers through the SmoothPay app.

SoundPays has developed a mobile wallet solution to enable secure transactions with nothing more than regular sound waves in noisy environments. Purchases are transmitted by sound to the Soundpays mobile wallet and then charged to user's debit account or credit card. Banking information is never stored or transmitted during this entire process. The company allows pairing a device with a TV and a laptop and buy a product that's being advertised at that moment right away.

Stockbet.com is an entertainment platform where people can play skill-based games and win prizes or make real money/Bitcoin bets. Street Contxt is a global knowledge exchange for institutional finance. The platform provides smart, actionable insights; helping to create a more efficient capital markets system.

Tab is a payments app for dining, providing a better and more personalized dining experience at your favorite restaurants.

Tacit Innovations' maegan™ platform offers a frictionless experience that drives repeat customers. For restaurants and venues, maegan™ offers seamless operation by integrating with point-of-sale, payment and loyalty platforms.

TouchBistro is an iPad-based restaurant point-of-sale system enabling owners to manage reservations and take orders instantly. Instead of servers repeatedly moving between customers and terminals for order management, servers can remain with customers and instantly submit orders to the kitchen and bar.

Triangle is a free card scanning API that removes the burden of card entry at the checkout.



Vena's corporate performance management software combines Excel's flexibility with the structure and security of an enterprise-class system for spreadsheet-intensive finance and accounting business processes.

VersaPay is a cloud-based payment processing and systems company providing merchant payment services. It handles all elements of both credit and debit card merchant payment processing — in person, on the go, online, and in the office.

Wave offers a cloud-based integrated suite of small business tools including accounting, invoices, payments and payroll.

WeiFund is a non-profit, decentralized, open-source crowdfunding platform built on Ethereum that can be extended to interact with token and equity share systems.

Zafin is a provider of relationship banking software solutions to the financial services industry. It covers relationship banking for retail, corporate, wealth management and correspondent banking.

Zensurance is an online platform that offers commercial insurance packages for startups and small business. The company uses data and analytics to identify business risks and recommended best insurance packages to its customers. It allows the customer to get multiple quotes, purchase and manage insurance online.

Zighra provides mobile-based authentication solutions that leverage the unique potential of mobile technology and the crowdsourced intelligence of consumers to dramatically reduce costs associated with fraud in high-risk and high-value transaction environments such as mobile payments, banking and online retail.

Dream Payments, Ethoca, Flexiti Financial, nanoPay, and SecureKey are members of ACT Canada; please visit www.dreampayments.com, www.ethoca.com, www.flexitifinancial.com, www.nanopay.net and www.securekey.com.

15. VERIFONE HELPS EXPAND ALIPAY ACCEPTANCE TO SELECT LACOSTE US STORES

Source: Mobile Payments Today (01/11)

Verifone and Alipay are expanding their global partnership to enable select Lacoste U.S. stores to accept Alipay, according to a press release. Lacoste is a French, sport-inspired lifestyle brand.



Verifone and Alipay began partnering in 2016 to enable merchants in Europe and North America with Alipay acceptance in stores, and drive brand visibility, traffic and sales through its in-app marketing tool, according to the press release. With Verifone's mobile point-of-sale, retailers can accept Alipay in stores and implement marketing campaigns targeting Chinese consumers who use the Alipay app.

"Chinese travelers love brands like Lacoste and we are thrilled to partner with Verifone to simplify their checkout experience at select Lacoste stores nationwide," said Souheil Badran, president of Alipay Americas, in the release. "Through Alipay, Lacoste stores will reduce payment and language barriers these travelers encounter at the register and ensure they have the most positive in-store experience during their visit."

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

16. CARDTEK AND PRIORITY GROUP HOLDINGS ANNOUNCE PARTNERSHIP TO DELIVER NEXT GENERATION PAYMENT SOLUTIONS, IN AFRICA

Source: Cardtek (01/18)

Cardtek announced its partnership with Priority Group Holdings, a leading system integrator company which provides new technology platforms for a diverse network of clients operating in the healthcare, education and financial industries, to deliver payment solutions and services around Cardtek Payment Platform in Africa

With more than 15 years of experience and providing innovative end-to-end payment solutions to more than 150 customers in 25 countries, Cardtek is a leading player in mobile payment, open-loop transit and wearable payment technologies. Priority Group Holdings joins the Cardtek family of partners to offer Integrated Grant Payment System, Card Management, Fraud Management, and Central/Instant Card Personalization solutions, digital payment solutions and smart city solutions to support the operation of companies in the Public Transport, Financial and Insurance sectors, the companies as part of an international chain of retail sales, as well as many other major and minor individuals representing every sector of the market. Under the agreement, Priority Group Holdings will be the major solutions and systems integration partner to Cardtek in Africa.

Thanks to this partnership, Priority Group Holdings offers Cardtek's experience and insight to improve the payment infrastructure of Africa region as well as providing innovative technology. On the other hand, this partnership gives Cardtek a wider geographic reach and a strong foot hold in Africa in terms of traditional and digital payment solutions and services space. African customers will



benefit from Cardtek's deep EMV, wallet and digital payment expertise and access to high quality global delivery and support services through Priority Group Holdings.

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

17. RFI GROUP INSIGHT - CANADA: STRONG FOUNDATION, UNCERTAIN FUTURE - CREDIT UNIONS IN CANADA

Source: RFI Group (01/07)

Credit Unions (CUs) are an undeniably important part of the Canadian financial landscape. According to the Canadian Credit Union Association, the industry trade body that represents the sector, more than 5 million Canadians currently bank with a CU, and according to RFI Group's H2 2017 Priority and Retail Banking Council study, 16% of Canadians consider a CU to be their main financial institution (MFI). These customers that consider a CU to be their MFI are considerably more engaged with their main bank than the market as a whole; they are more satisfied, more likely to recommend, and less likely to switch.

When we look at what drives main bank status, CU MFI customers, vs other financial institutions MFI customers, are significantly more likely to define their main bank relationship because it is the institution with which they have the longest relationship (51% vs. 42%), or because it is the bank their family has traditionally used (29% vs. 19%). This emphasis on existing relationships is the crux of the problem facing the sector; although their customers are extremely satisfied and attrition is low, CUs struggle to attract new-to-bank customers. CUs also tend to be highly regional, and thus find it much harder to engage with customers outside their limited geographic footprint.

However, new technology may provide CUs with an opportunity to overcome their perceived shortcomings by reaching and engaging with customers outside their traditional demographics and regional customer profile – particularly for the many Credit Unions which serves customers in remote locations. By leveraging live chat, video conferencing, and other technologies that allow CUs to translate their strong culture of customer service into the digital space, the barriers to customers engaging with CUs could disappear.

"While CUs excel across many aspects of customer engagement, they are generally seen as less innovative than other Canadian financial institutions – investment in new technology may help dispel this perception."

Not only will implementing new technologies allow CUs to expand their reach to new customer segments, but it may allow them to deepen engagement with existing customers. While CUs excel across many aspects of customer



engagement, they are generally seen as less innovative than other Canadian financial institutions – investment in new technology may help dispel this perception and help CUs attract younger, more tech-savvy customers, as well as galvanizing existing customers into embracing new technology.

Furthermore, the potential upside for CUs extends beyond customer engagement and could impact cross-sell. Data from RFI Group’s H2 2017 Canada Digital Banking Council shows that CU MFI customers are just as likely as customers of other FIs to consider applying for future products via digital channels, and are slightly more likely to switch to another FI that offers superior digital banking capabilities. While smaller CUs may view the upfront investment required to build and maintain a compelling digital platform as an insurmountable hurdle, Centrals can provide the collective scale necessary to remain on the cutting edge of digital innovation.

For Canadian CUs looking for inspiration and motivation to invest in technology, they need look no further than Australia, a market where CUs and the wider mutual sector have been described as the ‘fifth pillar’ of the banking system in addition to the Big 4 banks.

Credit Union Australia (CUA), Australia’s largest Credit Union, has seen significant net member growth in FY17, adding 13,409 members. This growth has been attributed to investment in digital opportunities and innovation, as well as increasing brand exposure. According to CUA CEO Robert Goudswaard, “Enhancing our digital channels and innovating are essential to attracting new members and evolving our service to respond to changing member preferences. But more than that, our digital journey is about building deeper, more personalised relationships with our CUA members by bringing a human, interactive approach to digital banking”.

Canadian CUs will need to continue innovating and adapting to evolving customer demands. While their current customer base is highly satisfied and unlikely to switch, the sector will need to work on leveraging its strong foundations and attracting new customers, or else risk fading into obscurity.

18. DREAM PAYMENTS LAUNCHES CLOVER AND QUICKBOOKS INTEGRATION TO HELP MERCHANTS AUTOMATE THEIR ACCOUNTING

Source: Dream Payments (01/10)

Dream Payments (“Dream”) proudly announces an integration with Intuit QuickBooks and First Data’s Clover platform. With Dream Payments’ Point of Sale (“Dream Payments POS”), businesses using Clover can now sync with QuickBooks Online to accept any payment type and instantly update all sales data in QuickBooks with each transaction. This integration helps businesses improve



the customer payment experience and automate their accounting, saving them valuable time and money. It also allows businesses to leverage the powerful features of both QuickBooks Online and the trusted family of Clover devices.

Dream Payments has been successfully providing a similar integration with QuickBooks in Canada since early 2017. Through the integration with Clover, Dream Payments is extending the service to the United States as merchants continue to upgrade their legacy POS systems to smart payment terminals to comply with global EMV card standards.

“This integration provides businesses with affordable access to best-in-class technology that will help them succeed,” said Brent Ho-Young, CEO of Dream Payments. “QuickBooks is the world’s number one cloud accounting software for small businesses, and Clover is one of the world’s most powerful lines of smart devices. By combining them through Dream Payments POS, we’re unlocking the cloud and simplifying the most complex aspects of running a successful business – customer experience, payments and accounting. Now businesses of any size can access a powerful commerce platform that traditionally only the largest retailers could afford.”

Compatible with Clover’s entire line of smart payment terminals (Clover Station, Clover Flex, Clover Mini and Clover Mobile), Dream Payments POS provides powerful and unrivaled interoperability with QuickBooks Online. Benefits include:

- Sales automatically recorded in QuickBooks in real-time
- Credit card, debit card, cash sales, taxes and tips automatically update into QuickBooks Online. There is a validation check for each entry, eliminating double entries and reconciliation issues typically associated with other solutions in market.
- Inventory automatically updated in QuickBooks with each sale
- Inventory quantities and values are automatically amended in QuickBooks Online with each and every sales transaction. This ensures businesses always know what’s in-stock and what needs to be ordered. In addition, all inventory transactions are fully synchronized.
- Collect and automatically close QuickBooks invoices
- Get paid faster. Businesses can access QuickBooks invoices from Dream Payments POS and accept in-person payments towards them; QuickBooks Online will automatically record them as paid and reconciled.
- Sync QuickBooks products and services
- All products and services in QuickBooks automatically synchronize with Dream Payments POS. This ensures businesses and their staff are selling from one QuickBooks products and services list.
- Accurate QuickBooks sales tax codes
- Sales tax codes are read directly from QuickBooks, ensuring every item’s sales taxes are imported properly with each transaction in real-time, every time.



Dream Payments is a member of ACT Canada; please visit www.dreampayments.com.

19. FIME SUPPORTS ACQUIRERS GLOBALLY TO ACHIEVE UNIONPAY CERTIFICATION

Source: FIME (01/11)

FIME has achieved UnionPay International (UPI) qualification for its Savvi Test Platform. With over 160 countries outside of China currently accepting UnionPay, acquirers overseas can now receive local consultancy, testing and certification support from FIME. These tools and services enable acquirers to quickly and cost-effectively complete UPI contact (UAC) and contactless (QuickPass) terminal integration testing.

FIME's Savvi acquirer and acceptance test platform is now qualified to provide automated testing and certification management for all test cases necessary to complete UPI terminal functional and integration testing. It achieves this by automatically determining applicable test cases, providing test process guidance, retrieving and validating test results, as well as generating and submitting test reports according to UPI's requirements.

Combined with FIME's Savvi Test Host, which immediately delivers acquirer host logs to testers, acquirers can perform significantly quicker debug testing. Customers can also benefit from FIME's network of UPI testing experts and localized consultancy services throughout the process to ensure everything is in order prior to submission of certification results to the test authority.

"As UnionPay assumes an increasingly prominent role in the global payments ecosystem, customer demand for our expertise and testing support is growing rapidly," comments Alex Chen, Head of Sales APAC at FIME. "Our teams of EMV* and UPI experts help acquirers with customised, local support and our Savvi tool is fully automated. This comes together to significantly speed up the testing and debug process, and mitigate unnecessary certification delays, ensuring quick, successful and cost-effective projects."

Already qualified to deliver China UnionPay testing and certification support, the latest UPI accreditation demonstrates FIME's position as a strategic partner for the scheme and its acquiring banks as it advances into overseas markets.

FIME and UnionPay are members of ACT Canada; please visit www.fime.com & www.unionpay.com.



20. MYLO, THE FINTECH APP THAT INVESTS CANADIANS SPARE CHANGE, RAISES \$2.5M IN SEED ROUND

Source: Desjardins (01/09)

Mylo Financial Technologies Inc. (Mylo), the Montreal-based fintech app that lets users round up their purchases and invest the spare change, announced it has closed \$2 million CAD of seed funding. The funding round included participation by Desjardins Capital, Robert Raich and founding investor, Ferst Capital Partners (FCP).

Mylo will use the funding to scale their operations and develop their backend technology to become a full-service AI-driven personal financial management (PFM) platform that helps Canadians invest in their future, regardless of income or net worth. In addition to the \$2 million CAD of financing, Mylo has a confirmed commitment for an additional \$500,000 CAD that will close in the months ahead, bringing the total to \$2.5 million in seed funding.

"Desjardins Group has been helping Canadians plan their futures for decades. We're excited about how fintech solutions like Mylo can help respond to the financial needs of Canadians" said Jacques Perreault, Associate Vice-President, Technological Innovations at Desjardins Capital. "Mylo is making investing easy for all Canadians, regardless of the size of their paycheque or the amount they can afford to set aside, and we're invested in the idea that everyone can and should be saving for their goals."

More than half of millennials have less than \$1,000 in their bank accounts, and while four in five Ontario millennials are concerned with saving, only one in two are investing. Mylo is using technology to make it easier for Canadians to incorporate saving and investing into their daily habits, promoting financial inclusion to a segment of the population that is traditionally underserved by the wealth management industry.

With Mylo, Canadians can start investing with less than \$1, automatically investing their spare change into a personalized, diversified portfolio of ETFs (Exchange-Traded Funds). Users set an investment goal during the signup process, for example a down payment on a house or a vacation. Mylo users can also accelerate their savings by making one-time deposits into their Mylo account, called Boosts, and invested funds can be withdrawn from a user's account at any time. Since launching in July 2017, Mylo has experienced exponential growth and helped Canadians save and invest over \$1 million by rounding up over 1.6 million daily purchases.

"We're thrilled that Desjardins Capital, Robert Raich and Ferst Capital Partners share our vision of empowering Canadians to achieve their financial goals, and investing spare change is just the beginning," said Philip Barrar, CEO



and Founder of Mylo. "We're focused on building the next generation of innovative technology, using AI in conjunction with financial data, to help Canadians improve all aspects of their financial lives. This partnership is a critical milestone in realizing that vision."

Mylo acquired Tactex Asset Management in June 2017, making them the only automated, goal-based investing service to provide Canadians in every province with a professionally managed, diversified portfolio. Mylo launched their iOS app in July 2017 and the Android app was released last fall.

Desjardins is a member of ACT Canada; please visit www.desjardins.com.

21. WECHAT POISED TO BECOME CHINA'S OFFICIAL ELECTRONIC ID SYSTEM

Source: South China Morning Post (12/26/2017)

WeChat, the popular mobile application from Tencent Holdings, is set to become more indispensable in the daily lives of many Chinese consumers under a project that turns it into an official electronic personal identification system. The government of Guangzhou, capital of the southern coastal province of Guangdong, started on Monday a pilot programme that creates a virtual ID card, which serves the same purpose as the traditional state-issued ID cards, through the WeChat accounts of registered users in the city's Nansha district, according to a report by state news agency Xinhua. It said that trial will soon cover the entire province and further expand across the country from January next year.

The programme's success would mark one of the most significant milestones for WeChat after it was initially rolled out by Tencent as a mobile messaging service in 2011, and then evolved into the country's largest social network, as well as a popular online platform for payments and money transfers.

Shenzhen-based Tencent has estimated that WeChat, marketed as Weixin on the mainland, recorded 980 million monthly active users in the quarter ended September 30. The WeChat ID programme was co-developed by the research institute of the Ministry of Public Security and Tencent's WeChat team, and supported by various banks and several other government departments.

The project is expected to help deter online identity theft, as facial recognition technology is used to verify applicants before their virtual ID cards get authorised. Those verified will be able to use their WeChat ID to register in hotels and apply for government services without the need of bringing their physical ID cards.



Guangzhou's WeChat programme, however, is not China's first experiment to develop electronic ID cards using a smartphone app.

In June 2016, the branch of the Public Security Bureau in the city of Wuhan, capital of the central Chinese province of Hubei, teamed up with Alipay to launch an electronic ID card service.

That project with Alipay, China's largest payments platform operator and a unit of Ant Financial Services Group, also aimed to promote the use of electronic ID card in scenarios such as hotel check-in and going through security inspection at railway stations and airports.

Wuhan's electronic ID card programme had more than 400,000 city residents using the service tied with their Alipay accounts. Ant Financial is an affiliate of Alibaba Group Holding, which owns the South China Morning Post.

Apart from ID cards, both WeChat and Alipay have separately initiated digitalised services for the social security cards and driver's licences of their users on the mainland.

22. UL ACCREDITED BY MASTERCARD TO PERFORM CPV CERTIFICATIONS FOR MASTERCARD CLOUD-BASED PAYMENTS SOLUTIONS

Source: UL (01/05)

UL is proud to announce that MasterCard has accredited UL to provide formal approval CPV services for MasterCard Cloud-Based Payments (MCPB) solutions.

MCPB is a secure and scalable software-based solution developed by MasterCard to digitize card credentials and enable both contactless and remote payment transactions. As no secret data needs to be stored in the mobile, the solution is implemented outside of the secure element. All implementations where the mobile devices are not provisioned by the MasterCard Digital Enablement Service (MDES) must go through CPV Formal Approval. UL offers CPV for MCPB on behalf of MasterCard.

Erwin Jansen, Operations Director at UL's Transaction Security division said: "UL is at the forefront advising banks on their strategies for rolling out new and innovative payment products. We are very pleased with the expansion of our MasterCard approval services portfolio, which adds to our one-stop shop strategy for the accredited certification services we offer for different brands and industry organizations. This accreditation will greatly benefit our customers, as it will



streamline the certification process, reduce time to market, and enable interoperable and compliant devices supporting MCBP.”

MasterCard and UL Transaction Security are members of ACT Canada; please visit www.mastercard.com and www.ul-ts.com.

23. PSD2 TAKES CENTER STAGE AND OPEN BANKING ERA OPENS

Source: PYMNTS (01/15)

And so, it's finally here. If a monolith must move, can it dance? The monolith is the U.K.'s banking system. The “finally here” is the debut of Open Banking as part of PSD2, which of course extends across the 28-member EU. The dance? The nimbleness with which data is used – and that's the promise and the peril.

Here is a landscape where banking is dominated by a few marquee names – think Barclays, Royal Bank of Scotland and HSBC, among them. And as the newly arrived directive – officially, the second Payments Services Directive (aka PSD2) – takes shape, the goal is to free up data and access (with consumer approval, of course) across standardized formats and processes.

With that access, the thinking goes, new market entrants can offer new services to end users, with eyes dually focused on innovation and costs. The mechanics are as follows: PSD2's introduction brings to bear the account information service provider, which works with APIs to extract data from banks (several banks, as may be the case) and then consolidates that data in a central locale, in turn making it accessible to other providers.

The changes are big ones – and yet, might many be caught flat-footed? Some data suggests yes, at least on the consumer side. One survey (from consumer marketing firm Which?) found that as many as 92 percent of respondents had not heard of Open Banking. This means they may not be quite ready to share their data, which extends across basic financial records and branches that are used by customers, among other details that are more complex – think mortgage payment records and credit and utility payments.

In the U.K., enforcement is done through the Competition and Markets Authority and by the Information Commissioner's Office. Oversight of the data itself is the purview of banks, who must monitor transactions. The account holder has control over this, and must give approval for any data sharing – if they say no, the data does not get shared.

Mechanics aside, if the goal is to foster openness and competition in the financial arena, larger questions arise. Which services will be most readily



embraced? The path may not be linear and, as noted above, there is a distinct lacking in the education of the users themselves. But as to what to expect ...

In an interview with PYMNTS, Jordi Gascon, with EMEA Security at CA Technologies, noted the challenges for banks across the EU, right out of the gate: “PSD2 compliance is a must, and they need to cope with the intrinsic risks of opening their infrastructure to third parties.” For other firms, such as FinTechs or telecommunications companies, “they must coordinate and provide access to multiple different interfaces or protocols.”

Security may be top of mind as the firms seek to comply with the directive (security guidelines have been published by the EBA). And, said Gascon, “In terms of security, one of the weakest links in the chain is the end user. Ultimately, they decide if a process needs to be executed, a file downloaded or if they introduce a password or account number in a text field. Every bank must take responsibility to raise awareness amongst their account holders of the changes and risks that come” with PSD2, noting that “while consumer is king, banks and TPPs have a responsibility to protect them – even from themselves.” Even as open APIs boost services available to customers, Gascon told PYMNTS that “those APIs still need to be secured, monitored, controlled and managed.”

How might PSD2 have an impact beyond the European community? Gascon pointed out that PSD2 applies to payment services provided throughout the European Union, but also includes transactions with countries when only one of the payment services firms is located in the EU, as part of what is known as “one leg transactions.” As noted in other PYMNTS articles, cross-border transactions, such as those between firms based in the U.S. and consumers in the EU, may benefit from lower costs and greater transparency as payments can be initiated directly from consumers’ accounts.

Separately, and again looking at the U.K. as Open Banking takes shape, Richard Ransom, head of business development at Bottomline Technologies, said in a statement before the launch that “Open Banking will make it easier for businesses to use faster payments in the U.K., on a multi-bank basis. Additionally, the new payment architecture currently being designed for the UK will make faster payments even more valuable.”

He noted in his statement that “new initiatives, such as ‘Request to Pay’ and ‘Enhanced Data,’ will see the potential introduction of sophisticated electronic invoicing into the payment system, ultimately making it easier for companies to pay and get paid.”

Regulation News Closer to Home: The CFPB. Separately, it wasn’t all PSD2 in the regulatory arena.



Domestically, in the continuing battle over who runs what at the Consumer Financial Protection Bureau (CFPB), a federal judge dismissed a request for a preliminary injunction against acting director Mick Mulvaney. The judge ruled that Leandra English, who has sued to stop Mulvaney from serving as acting director, didn't meet standards for the injunction's approval.

As noted earlier in the week, the Justice Department has effectively gutted the Cole memo, which allows the cannabis industry to operate at the state level. At the same time, the Financial Crimes Enforcement Network was caught a bit off guard, having not been informed beforehand, with one impact possibly being that billions of dollars tied to the industry might be pulled from banks.

Bitcoin Ban or No?

And in the “will they or won't they” department, in terms of bitcoin, it seems they won't. South Korea's government has backed off the idea of banning bitcoin trading, after backlash and petitions seemingly brought about a rethinking of such a freeze.

24. CAN CURVE MAKE SMART CARDS WORK WHERE OTHERS HAVE FAILED?

Source: PYMNTS (01/19)

There have been a lot of smart card products announced over the last few years — Plastc, Coin, Stratos — that have generated a lot of buzz, but haven't really had much success taking hold. Plastc blew up on launch and went under with \$9 million worth of preorders unfilled. Coin did a little better: It managed to get cards into customers' hands, but its product disappeared when it was acquired by Fitbit.

But Curve, which is getting its first full product launch in London this week, is different from what has come before in the world of smart cards. Curve isn't just a card, according to Shachar Bialick. Instead, it's a tool that allows users to have control over all their financial accounts in a single location in a mobile app. To make that possible, their smart card product consolidates all of a user's credit and debit information into a single card and then uses that master card to switch between one's various accounts.

“By doing so, the app itself can keep track of nearly the entire breadth of consumers' spending activities,” Bialick said. “Customers can log in, see their spend, set goals and really understand how they are spending.”

Today, Curve helps consumers more easily track their finances. Bialick believes the upcoming Open Banking/PSD2 regulations will broaden Curve's



ability to expand a consumer's view of their spending life, as banks are now required to let third-party apps access customers' transaction data and make payments on their behalf (with permission, of course).

That new transparency, according to Bialick, will help Curve track all of a customer's spending — not just card transactions — providing a much fuller picture of one's financials.

Moreover, the app also offers customers a host of other useful goods — like the ability to be able to turn a card on and off, send instant text notifications on spending as well as alerts when customers are at risk of overspending balances or pre-set spending limits. The card's most important feature, Bialick said, is its ability to allow customers to “go back in time” and change how they made their purchases.

If a customer for some reason can't log into the app and change the card they are using from a standard to maybe a store card you have in their wallet. et. What Curve does is let people go back to the app within two weeks and switch the payment method they actually want to use.

The customer gets the rewards points they're entitled to without having to return the good and repurchase it. Other card platforms have failed by over-promising and under-delivering, but he noted that Curve has 100,000 satisfied customers for its product coming out of beta — and 50,000 more sitting on a waitlist.

25. CONSTELLATION SOFTWARE'S HARRIS OPERATING GROUP ACQUIRES ACCEO SOLUTIONS

Source: ACCEO (01/16)

Constellation Software Inc. (“Constellation”) announced that it has, through its wholly-owned subsidiary N. Harris Computer Corporation (“Harris”), completed an agreement with Acceo Solutions Inc, (“Acceo”) and its shareholders, to purchase the assets and shares of Acceo.

Acceo provides management, accounting and payment solutions, consulting and support for e-business to small and medium businesses, hardware and building centers, retail, public sector, daycare centers and tour operators.

“Harris is looking forward to building upon our decade long presence and commitment in and to Quebec and is excited to continue the journey of one of Quebec's largest software enterprises – a journey that began almost 30 years ago. The Acceo software solutions are supported by a group of experienced and dedicated employees as well as relied upon by many loyal customers – we will be



engaging with both to support them now and into the future”, said Jeff Bender, Harris’ Chief Executive Officer. “We are very proud to have built a company that is highly visible in Canada’s IT industry. Being well recognized has sparked the interest of Constellation, a large organization that has demonstrated its ability to acquire and integrate companies with great success. I am confident that Acceo will be in good hands as part of the Harris family and that both clients and employees will benefit from this acquisition. We have numerous products that are complimentary and will contribute to growth opportunities”, said Gilles Létourneau, Acceo’s Chief Executive Officer.

The purchase price is CDN \$250 million, before possible post-closing adjustments. Acceo’s estimated and unaudited trailing twelve month gross revenue for the period ended November 30, 2017 was CDN \$116M. Subsequent to completion of the transaction, Constellation expects to finance the Acceo acquisition on a stand-alone basis. This is a continuation of Constellation’s use of leveraged capital structures to compete more effectively for larger vertical market software businesses.

Acceo Solutions Inc. is a member of ACT Canada; please visit www.acceo.com.

26. PAYMENTS CHATTER INVADES CES

Source: Mobile Payments Today (01/18)

The vision of the "connected consumer" who purchases whatever and wherever they want inspires retailers and brand marketers, but several roadblocks are standing in the way of making this vision a reality. While progress has been made in making in-store payments more secure in recent years, many U.S. consumers are still wary about the security of online payments.

A panel session at CES in Las Vegas titled "Payments Deconstructed" explored the challenges of payments technology. Such challenges include the high level of friction that exists with online payments, glitches in online payment systems, the lack of retail locations that accept mobile payments and problems specific to cross-border payments.

The promise versus the reality

The promise of frictionless, secure transactions in real time from any payment device (be it a kiosk, smartphone, computer or payment terminal) is one that gives the consumer complete control over their purchasing experience, noted panel moderator Thad Peterson, senior analyst at Aite Group, a research and advisory firm for the financial services industry.



However, ecommerce presently accounts for just 9 percent of total retail sales, observed Edward Glassman, executive vice president of account management at MasterCard. While some see this as a sizable number, it only increased by one percentage point in the past year.

Mobile purchasing is growing slightly faster than overall ecommerce, Glassman said, but it, too, is not growing as rapidly as many had hoped. To his point, Peterson noted that only 1 percent of in-store sales are made with mobile wallets.

"What's it really going to take to turbocharge this?" Glassman asked.

The number one factor is the need to reduce friction for the customer, the panelists agreed.

In-store purchases more secure

The payments industry has made progress providing data security in the physical retail space thanks to EMV, the panelists noted, but this level of security needs to extend to the online space as well. While the EMV transition continues in brick-and-mortar retail locations, the online customer is less secure.

"Right now, (online) customers don't feel secure," Glassman said. "If you get your data compromised, it's a pain in the neck. As an industry, we have not gotten it done."

While several mobile wallets have been introduced to encourage mobile buying, the multitude of options in this space has created a challenge for consumers, observed Nana Murugesan, vice president and general manager of services and new business for Samsung Electronics America.

What's to be done?

For mobile payments to take hold, Murugesan said there are still glitches in the systems that have to be removed, and the acceptance points have to be ubiquitous, meaning locations that accept mobile payments have to be pervasive across the retail landscape.

Murugesan noted the technology Samsung Pay uses called "Magnetic Secure Transmission" that enables most card readers to accept mobile payments. MST emits a magnetic signal that mimics the magnetic strip on a traditional payment card, according to Samsung's website. MST sends a magnetic signal from the customer's device to the payment terminal's card reader. The technology emulates swiping a physical card without having to upgrade the terminal's hardware or software.



Samsung has also created new rewards incentives for customers and merchants to adopt mobile wallets that doubled usage in the past year, he said. Customers known as "power users" quadrupled their mobile payments.

Cross-border concerns

Companies are also finding online cross-border payments are more difficult than many expected, noted Beric Farmer, co-founder of XE.com, which provides currency conversion and cross-border payment services.

Farmer said there is an inherent financial risk in cross-border payments due to changing currency exchange rates. Government regulations also pose another risk to cross-border payments, Farmer said. In June of 2016, when the British voted to leave the European Union, many people found they could not make cross-border payments to the U.K.

He noted the General Data Protection Regulation will affect many people making cross-border payments. Designed to protect consumers within the European Union, the GDPR applies to the export of personal data outside the EU, according to Wikipedia. It becomes enforceable on May 25, 2018.

"It's very exciting, but there are some challenges," Farmer said with respect to cross-border commerce.

Nevertheless, the panelists agreed that the challenges will be overcome and online commerce will become pervasive. Sih Lee, senior vice president of payments technology and innovation at Synchrony Financial, said retailers must understand how customers use personal electronic payment devices and they must reduce distractions in the retail environment.

"The customer will have more options with how they access and receive products," Lee said.

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

ACT Canada helps members understand complex issues and filter truth from market noise for current and emerging commerce trends. Through a consultative approach with all stakeholder groups, the association provides knowledge and expertise to help members leverage opportunities, confront challenges and advance their businesses. Please visit www.actcda.com or contact our office at 1 (905) 426-6360.

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