



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

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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.

New & Renewing Members

Principal Member

Canadian Credit Union Association ~ member since 1990

Desjardins ~ member since 2012

Scotiabank ~ member since 2013

General Member

PVH Corp ~ member since 2016

SecureKey Technologies Inc. ~ member since 2009

TJX Canada ~ member since 2007

Associate Member

Mills & Mills LLP ~ member since 2010



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

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.actcanadaforum.com

ACT Canada Members receive a 20-60% discount based on membership type

CardForum

May 7-9, 2018

Miami, FL, USA

www.paymentsource.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

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Articles

1. ACT CANADA FORUM INNOVATION AWARDS

Source: ACT Canada (03/29)

The ACT Canada Innovation Awards celebrate the market shapers and their achievements. Help us celebrate innovation & excellence by submitting your nominations by the April 11th deadline.

Winners will join a prestigious group of past award recipients. Join us at the ACT Canada Forum as we honour the winners (visit www.actcanadaforum.com for event details).

Award categories include:

- Fraud Prevention/Security Innovation of the Year
- Fintech/Incumbent Collaboration of the Year
- Payment Solution of the Year
- Digital Identity Innovation of the Year
- Retailer Payment Innovation Launch of the Year
- Acquirer Payment Innovation Launch of the Year
- Issuer Payment Innovation Launch of the Year
- Privacy by Design Award
- Sonja Halvorson Memorial Social Merit Award
- Champion's Award
- David Chaudhari Memorial Lifetime Achievement Award
- Innovator of the Year Award

How to Apply:

Step 1 - visit <http://www.actcda.com/awards.html> to review the list of awards and the nomination criteria

Step 2 - submit your nomination before the April 11th deadline - <https://www.surveymonkey.com/r/ACTAwards2018>

Step 3 – promote your award submission for the People's Choice award

We look forward to hearing from you!

2. CANADA COMPLETES FIRST MILESTONE ON PAYMENTS MODERNISATION PROGRAM

Source: Payments Canada (03/12)

Payments Canada is implementing a new credit risk model for the country's retail payment system, effective March 12, 2018. This enhancement - the first



major deliverable on the organization's multi-year payments modernization journey - improves the safety and soundness of the existing systems.

"The retail payment system processes about 28 million transactions each business day. It is our job to ensure those values transfer safely, efficiently and effectively," said Gerry Gaetz, President & CEO of Payments Canada. "With the continued support and investment of Canadian financial institutions, this is one of many improvements on our modernization journey that will enhance the safety and soundness of the country's payment systems and facilitate future innovation."

With these changes, the retail system, called the Automated Clearing Settlement System (ACSS), will be aligned with international best practices and risk management standards. The Interim Credit Risk Model will see system participants pledging collateral to cover the risk they bring to the system.

The ACSS is where the vast majority of payments in Canada are cleared, including both paper-based and electronic payments. The system is used by specific participant financial institutions, referred to as direct clearers, who handle the clearing and settlement of payments for their own customers, as well as for customers that maintain accounts at other financial institutions, known as indirect clearers.

"Delivering the new ACSS Credit Risk Model is a result of ongoing collaboration and input from our member financial institutions," said Jan Pilbauer, Executive Director of Modernization & CIO at Payments Canada. "Working closely with our members and the wider payments ecosystem is an integral part of our modernization efforts to ensure that we are meeting the needs of Canadians."

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

3. INSTAGRAM BRINGING TAP-TO-BUY SHOPPING FEATURE TO CANADA

Source: Financial Post (03/20)

Instagram is expanding its shopping feature to Canada. The social media giant will allow businesses to tag products in their posts, which users can tap to purchase or learn more about. The feature will also let businesses add a "Shop" tab to their profiles and collect data on how many people are tapping to see or buy their products via Instagram.

Alongside Canada, the feature will also be available in France, Germany, Spain, Italy, Brazil, Australia and the U.K. It originally launched in the U.S. last year. The social media giant said 200 million people visit business profiles on the app every day, but only one third already follow the company they're browsing.



ACT Canada Forum Keynote Presentation: Reengineering Retail

We're pleased to have Doug Stephens, one of the world's foremost retail industry futurists as our keynote speaker. His intellectual work and thinking have influenced many of the world's best-known retailers, agencies and brands

Join us to learn actionable strategies that will separate the winners and losers in the market and show you what smart brands and retailers are doing today to secure their place in the hearts and minds of tomorrow's consumer.

Visit <http://actcanadaforum.com/reengineering-retail.html> for more details.

4. CANADIAN CONSUMERS TRUST FAMILIAR PAYMENT METHODS; MAY BE SLOWER TO ADOPT EMERGING FORMS OF PAYMENT, ACCORDING TO VISA STUDY

Source: Visa Canada (03/28)

A new Visa survey of 1,000 Canadians exploring perceptions of trust and security around payment methods reveals that security and convenience are the most important factors when choosing a payment method.

Seventy-one per cent of respondents say they use chip-and-pin cards regularly, which is in line with their view that these cards are very convenient (82 per cent) and very secure (74 per cent). Contactless cards are increasingly a preferred way to pay with 52 per cent of respondents saying they use it regularly. In addition, eight-out-of-10 Canadians view contactless cards as a very convenient way to pay, and 45 per cent view it as very secure.

"When making purchases, consumers most often reach for the familiar," said Gord Jamieson, Head of Risk, Visa Canada. "Canadians gravitate towards chip-and-pin and contactless cards not only because these methods of payment enable a fast and convenient checkout experience but they are also some of the most secure ways to pay at point-of-sale."

The study also found that familiarity fosters trust. There is a strong relationship between usage and perceptions of security.

These findings may represent a hurdle to the adoption of emerging payment methods. Only 35 per cent of respondents consider digital wallets very secure, followed by mobile apps (34 per cent), peer-to-peer websites (27 per cent), and wearables-based pay (26 per cent). Relatedly, only a small minority of consumers regularly use these new forms of payment like mobile apps (nine per cent), digital



wallets (six per cent), peer-to-peer apps (four per cent), or wearables-based pay (three per cent).

"At Visa, we are continuously investing in technology to provide faster, more convenient ways to pay while ensuring that our customers maintain the utmost trust in the security of our products and services," continued Jamieson. "Emerging forms of payments use the same dynamic security as contact chip cards so while Canadians may see them as less secure than traditional methods at this time, as we have seen with contactless cards, we expect to see that perception change as consumers become more familiar with these new payment technologies."

5. WHEN IS A BITCOIN NOT A BITCOIN? WHEN IT'S AN ASSET, SAYS G-20

Source: Bloomberg Technology (03/20)

Finance ministers seeking to crack down on tax evasion this week in Buenos Aires have cryptocurrencies like Bitcoin at the forefront of their minds. The Group of 20 countries are moving to a consensus that cryptocurrencies aren't money after all, but an asset. That means trades potentially could be subject to capital gains tax. Cryptos "lack the traits of sovereign currencies," according to a draft G-20 communique obtained by Bloomberg. The G-20 ministers are scheduled to discuss the issue in full Tuesday afternoon.

"Whether you call it crypto assets, crypto tokens -- definitely not cryptocurrencies -- let that be clear a message as far as I'm concerned," said Klaas Knot, president of De Nederlandsche Bank NV, who also chairs the Financial Stability Board's standard committee on the assessment of vulnerabilities. "I don't think any of these cryptos satisfy the three roles money plays in an economy."

It's already proving an issue in the U.S., where only a tiny fraction of Americans are reporting their crypto deals to the Internal Revenue Service, according to Credit Karma Inc. Less than 100 of the first 250,000 federal tax returns filed as of February 2018 included a declaration related to crypto gains and losses, it found.

While few officials at the G-20 were talking about cryptos six months ago, it's been hard to escape this year, after one of the wildest investment manias in history that's led to worries about money laundering, cyberthefts, excessive speculation and more. The Financial Stability Board, which is chaired by Bank of England Governor Mark Carney, warned Sunday the rapid growth of cryptocurrencies such as Bitcoin may one day make them a threat to the financial system.



Countries are keen to set up an international regulatory framework while the crypto industry is still in its early stages, hoping to avoid a repeat over how to tax tech giants like Alphabet Inc.

6. BANK OF CANADA CALLS FOR GLOBAL ALIGNMENT ON CRYPTOCURRENCY POLICY

Source: Canadian Underwriters (03/27)

The Bank of Canada's senior deputy governor is calling for authorities to work toward a coherent set of globally aligned policies governing cryptocurrencies. Carolyn Wilkins told a University of Toronto conference on Thursday that such a strategy will need to cover risks in both cash and derivatives products, as well as the related ecosystems.

Wilkins referred to cryptocurrencies as "crypto assets," rather than currencies because "they do not perform any of the key functions of money."

"While activity might be too small right now to be systemic, at some point they could have implications for financial stability," she told the audience at the Rotman School of Management. "The crypto world is moving fast, and is largely unchecked."

In a speech that was largely focused on lessons learned from the global financial crisis, Wilkins said that risk raises concerns about investor protection, market integrity and the use of crypto assets in illegal activities.

She also said during a question and answer session after her speech that it was important to have a strategy on crypto assets that is as consistent as possible across countries. The different forms of crypto assets, such as tokens, should be put on a "level playing field" with other ways of raising money, she added. Her comments come after the central bank governor raised concerns earlier this year about cryptocurrencies, such as Bitcoin. Stephen Poloz in January said Bitcoin was more akin to gambling than investing.

If a digital currency would be to be widely adopted in the future, that would present major challenges for the central bank to execute monetary policy, she said.

"Whether we do it or someone else does it, at some point digital is going catch on," she said.

"And the only way to understand it in my view is get in early on the ground level and work with the technology, and the entrepreneurs and the industry who are also working on it."



7. RBC FIRST CANADIAN BANK TO OPEN AN API DEVELOPER PORTAL

Source: RBC (03/20)

With a focus on driving innovation to deliver leading-edge solutions for its clients and support the Canadian innovation community, RBC is the first Canadian bank to launch an Application Programming Interface (API) developer portal. The RBC Developers™ portal will allow eligible, external software developers, industry innovators and clients to access select RBC APIs.

"Across other industries we've seen the transformational effect of APIs," said Sumit Oberai, Senior Vice-President, Digital Technology, RBC. "By providing external developers, industry innovators and clients with access to select RBC APIs, we have the opportunity to increase connectivity, create new tools and experiences for clients, and enable open and innovative collaboration to improve the future of banking."

APIs allow applications to talk to other applications. This communication layer allows third party applications secured access to select data and capabilities from RBC. Once registered and approved to use the RBC Developers™ portal, external parties will be able to browse and learn about the APIs offered and build, test and deploy their applications using these APIs.

RBC is initially offering five API packages in the portal. Each API package delivers the data elements, orchestration and business logic required to deliver the end to end business process. Additional API packages will be added in the future.

- Credit card catalog API – Provides access to credit card rates and fees through a business oriented interface. These values are organized in terms of line of business, product family, and individual products
- Minimum down payment API – Calculates the minimum down payment required for a given purchase price of a home
- Branch locator API – Accepts postal code or keyword search term and returns the address and hours of operation of the closest branch, or a list of the closest branches
- Amortization schedule API – Calculates the number of payments associated with a mortgage amount, amortization period, interest details and payment details
- Safety deposit box inventory API – Provides safety deposit box information at a specified branch

For more information about the RBC Developers portal, including registration, getting started and terms and conditions, please visit: <https://developer.rbc.com>.

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



Change in payments has gone into overdrive, and will only get faster. From digital disruption and the race to innovate to regulatory requirements and customer demands, traditional payments players are being squeezed from all sides.

Join us at the ACT Canada Forum as we explore the **10 Mega Trends Driving the Future of Payments** with Jonathan Magder, Payments Lead, Canada, Accenture. Visit <http://actcanadaforum.com/program/trends-driving-payments.html> for more details

8. HOW BANKS ARE DISRUPTING PAYMENTS – TWO INTERNATIONAL MODELS

Source: Medici (03/08)

There is an outstandingly large community of over 10,000 FinTech startups operating around the world – shedding international borders, democratizing remittances in the name of inclusion, facilitating inclusion through economic identity on the blockchain, and a lot more.

The FinTech startup community is very diverse and rich in ideas and solutions. We track around 50 FinTech sub-segments into which the 10,000+ startups fall, but there are only two categories continuously at the top of their game in terms of capital saturation and entrepreneurial activity – lending and payments. No wonder. The role models – Stripe, Square Cash, PayPal, M-Pesa, Alipay, and Venmo – opened the floodgates into the world of social payments and efficient e-commerce, demonstrating opportunities that technology brings into this segment. Let's look at PayPal's 2017 operating results for some numbers:

- Active customer accounts of 227 million, up 15% with growth of 29 million net new actives
- 7.6 billion payment transactions, up 24%
- \$451 billion in total payment volume (TPV), up 27% both on a spot and FX-neutral basis
- 33.6 payment transactions per active account on a trailing 12-month basis, up 8%

Once the way was paved and proven to be lucrative, enthusiastic entrepreneurs knocked down a lot of VC doors to launch the next best thing in payments. In fact, within the payments segment, mobile wallets/payments represent the largest pieces of the pie – over 30% of the companies, according to MEDICI data.

For a brief moment there, the bank-FinTech narrative was in the stage of the perceived competition and winner-take-all attitude. But the narrative evolved,



and institutions went through a rich stage of exploration, collaborative relationships, and extensive learning when partnerships were formed and startups acquired. As we have entered the stage of the Hybrid strategy, an interesting process is gradually taking place around the world in some of the most advanced economies.

While banks were not as fast in making decisions and getting their hands dirty as startups (that had the luxury to do so for a long time), what really matters in the payments sphere is the endgame. That is because payments is the area where the ever-increasing granularity of the market is not in the interest of any party involved. And in certain nations, banks are ready to take over the innovation race with a radical response to traditional payments rails – Visa and MasterCard, for example – as well to the diverse startup ecosystem in this popularized segment.

Certain national banking ecosystems are ahead of the world with their approach to changing the rules of the game in payments – US (Zelle), Australia (NPP), India (UPI by NPCI), China (IBPS), Japan (MoneyTap), and a dozen more jurisdictions where central banks have real-time interbank payments solutions, powered by a range of institutions. Published in 2017, FIS Flavors of Fast uncovers the world of real-time payments that's been boiling within the institutional financial system.

There are two interesting models I'd like to pay attention to: the first one – open model, where banks build and control the processing infrastructure, but leave the front-end competition to the market (hence enabling modular entities); and the second one – where banks are uniting into consortiums to control both parts of the business, processing and user interface, through their own solutions.

Modular framework (central banks are offering robust infrastructure)
Among the most impressive machines falling into the first model is China's Internet Banking Payment System (IBPS), a part of an established second-generation payment system developed by the People's Bank of China.

"IBPS connects the online banking systems of the various commercial banks. Payments between banks can be received in near real time, with acknowledgments within 20 seconds.

China offers credit transfers (push payments) and considers direct debits are considered as pull payments. IBPS is ISO 20002-based and is the latest service to operate on the foundation of the China National Advanced Payment System (CNAPS II) interbank clearing platform.

Over recent years, the use of IBPS has skyrocketed. By the end of 2016, there were 195 institutions with direct access to the online payment interbank clearing system. In 2016, the internet interbank settlement systems handled



around 4.453 billion payments to the tune of about 37.46 trillion yuan. This represents a growth of over 50% in volume and 35% in value.”

FIS reports that going forward, the expectations are that banks and more interestingly third-party organizations will develop new and innovative products & services on top of the IBPS platform, leading to higher market penetration and dominance.

China’s IBPS is reminiscent of the NPCI UPI model, where the state builds a universal infrastructure, seamlessly powering payments across both sides of the industry – banks and compliant third-parties. UPI is a platform designed for the mobile age that helps with easy integration of various payment platforms. UPI is powered by a single payment API and a set of supporting APIs. It has a fantastic value proposition including a simple authentication process, simple issuance & acquiring infrastructure, national interoperability, and more.

UPI has reshaped entity-entity relationships (whatever entities those are – merchants, payment gateways, banks, network owners).

As Harshil Mathur, Co-founder & CEO of Razorpay, explained, “...instead of having to build 57 bank relationships a gateway has to build right now, it needs to build only one relationship with the UPI. So it will ease our efforts and help out the merchant.” Australia’s NPP is also a very important example of how institutions are redefining payments framework on a national level.

As described by Nathan Lynch, Regional Bureau Chief, APAC, Financial Crime & Risk – Thomson Reuters, the Reserve Bank of Australia had insisted that the NPP platform be designed using a distributed layered architecture. This meant the system would be divided into a Basic Infrastructure (BI) layer and have a range of Overlay Services (OS) that could sit on top, allowing innovation and flexibility at the user interface level.

“The BI consists of distributed connectivity points (banks), message flows, a switch, a fast settlement service, and an addressing service. The OS, meanwhile, promises to allow NPP participants, approved third parties and “FinTechs” to develop payment services that sit on top of the basic layer. This forward-looking design means the platform can evolve while the underlying architecture remains stable.”

Infrastructure + front-end competition with proprietary solutions
The second model is a bit more radical than the first one: bank-owned front-end as opposed to the back-end infrastructure (or, in other words, the modular model).

There is one well-known – Zelle in the US – and another one that just made its debut in the news – Japan’s MoneyTap.



This Monday, Ripple announced that the Japan Bank Consortium (comprised of 61 banks covering more than 80% of all banking assets in Japan) will release a smartphone application called “MoneyTap” – powered by Ripple’s blockchain technology – to allow customers of the bank consortium to settle transactions instantly, 24/7. MoneyTap is the first mobile app of its kind to be developed and used by multiple banks in the country.

Three members of the Japan bank consortium: SBI Net Sumishin Bank, Suruga Bank, and Resona Bank will be the first to go live on the mobile app in autumn of 2018. This will be followed by a staggered roll out to the rest of consortium.

MoneyTap allows the bank consortium customers to make instant domestic payments and only requires a bank account, phone number, or QR code. What’s more, Ripple shares, MoneyTap helps shed the costs associated with existing banking and ATM fees that are currently applied to domestic money transfers in Japan, making those payments not just faster, but cheaper overall. Zelle is the US equivalent of what Japan is doing. In 2011, Bank of America, Wells Fargo, and JPMorgan Chase teamed up to work on a digital payments solution that would allow their customers to send money to each other. The first product they developed, with the help of bank-owned company Early Warning, was called clearXchange. The solution was officially rebranded as Zelle in June 2017, with an emphasis on bringing as many financial institutions onboard as possible.

Under the covers, Zelle still functions by combining a directory of emails and phone numbers matched to bank account data along network rules for moving money along the ACH network. Thanks to bank agreements, the money is made available immediately to the receiving user, despite the overnight timing of the actual money movement.

With eventual cooperation from more than 30 of the leading financial institutions in the United States and the world, Zelle is successfully gaining ground. About \$1.5 billion worth of payments were processed through Zelle just in October 2017, which is up 90% from the same month last year. At that time, Zelle counted 2.5 million active users, with thousands more signing on every day. At the end of Q3 2017, BofA had 23.6 million active users of its mobile app. The volume of mobile check deposits made on the app corresponds to the work of 1,100 branches.

There are significantly many more examples we could cover – variations of those models and their mix exist across a large number of jurisdictions. But all of this to make an important observation – banks are taking full control over payments. Here is why it’s important: the reality is that financial institutions in developed economies service a large part of the national population, and in



economies with a significant number of underbanked, they are looking to offer the easiest way to get plugged into the world of digital financial services. Both models have their advantages and challenges for different types of economies, but one thing is clear – they are run or majorly controlled by banks, not by startups or processors.

9. INGENICO GROUP INNOVATES FOR MICRO-MERCHANT WITH A PIN ON GLASS SOLUTION

Source: Ingenico (02/28)

Ingenico Group has developed an innovative payment solution for micro-merchants based on a technology generally called PIN on Glass (PoG) or PIN on Mobile (PoM). It will enable consumers to insert their cards in a compact smartcard reader and manually enter their PIN on the personal mobile device of the merchant. This concept was developed with our technological partner, MYPINPAD, a global leader in payments software authentication solutions headquartered in the United Kingdom.

At Ingenico, we believe that PIN on Glass technology will accelerate the deployment of mPOS solutions among micro-merchants as it offers excellent customer experience without compromises on security.

The solution is comprised of:

- A secure card reader (SCR) to read EMV and contactless bank cards,
- A mobile PIN entry application (MPEA) to enter the PIN on the merchant's device,
- A back-end Trust Service to analyse and verify that the execution environment of the merchant's device is secure before manual PIN entry.

Ingenico Group has successfully integrated PIN on Glass into the overall payment process and existing infrastructure. Its solution has been approved by the main card schemes such as Mastercard. Ingenico Group has received waivers to conduct field tests in several countries, which are about to be launched.

Ingenico Group has anticipated the new security requirements published by the PCI Security Standards Council in January 2018, on which this innovation is based. The Council will also release the certification framework during the course of 2018.

"This PIN on Glass solution will perfectly complement existing Ingenico offers. It will allow our clients to build disruptive business models and extend card acceptance among micro-merchants, with a solution designed for their specific payment needs." said Patrice Le Marre, Executive Vice President, Banks & Acquirers Business Unit, Ingenico Group.



"Digital innovation is happening at a rapid pace, and standards are critical to ensuring the security, consistency of experience and adoption of new technology. It is great to see Ingenico develop a PIN on Glass solution that advances our vision of every device being a secure acceptance device." said Bruce Rutherford, Senior Vice President of security standards and solutions at MasterCard.

Ingenico is an ACT Canada Forum sponsor. Ingenico and MasterCard are members of ACT Canada; please visit www.ingenico.com and www.mastercard.ca.

*What are the security considerations when migrating from payment terminals to mobile phones and the drivers for the adoption of downloadable terminal applications? Join us at the ACT Canada Forum as we explore **Securing Downloadable Terminal Applications** with Nick Norman, EVP Sales, America, Consult Hyperion. Visit <http://actcanadaforum.com/program/securing-downloadable-terminal-applications.html>.*

10. UNDERSTANDING THE ROLE OF ARTIFICIAL INTELLIGENCE IN PAYMENTS

Source: Forbes Finance Council, by Patricia Carlin (03/22)

The payments landscape continues to rapidly evolve, driven by emerging technologies and digital transformation across industries. One of the biggest catchphrases of the last few years is "artificial intelligence," and many are wondering how AI will impact the payments space in the near and long terms.

It's already clear that digital commerce has expanded beyond the desktop and even beyond mobile. As the Internet of Things (IoT) continues to expand and consumers become connected at every level -- from devices to clothing and appliances -- the ability to pay anywhere at any time will become more ubiquitous. Artificial intelligence will amplify and accelerate this reality, using the power of machines to streamline payments at every level.

Conversational Commerce Paving The Way

Consumers have come to expect a frictionless checkout experience that doesn't sacrifice security, and they expect this experience to be available at their convenience. Since messaging apps have surpassed social networks in popularity, these channels have been targeted by smart retailers as a lucrative payments opportunity.



This conversational commerce opportunity sits at the intersection of commerce and popular messaging apps, providing a streamlined purchase experience where consumers prefer to spend their time. It's not limited to messaging apps, either. Digital assistants have jumped into the payments parade, allowing users to order items by voice command.

Brands are just beginning to scratch the surface with conversational commerce, and the integration of AI will expand capabilities and increase automation. AI technology is currently used via chatbots to converse with shoppers, providing relevant content and suggestions and collecting valuable information. These smart chatbots elevate customer service and automate things on the back end, expanding retailers' abilities to sell to anyone, anywhere in an intelligent way.

Boundless Possibilities

On the consumer-facing front, AI has the power to personalize experiences. Customers now have the ability to quickly ask questions, obtain information, narrow searches and complete purchases by interacting with a chatbot programmed to connect in a personal way with consumers. The implications for payments reach even further.

Retail giants use AI to guide logistics, fulfillment and fraud prevention. And many organizations see an even broader horizon of potential, including anti-money laundering, customer retention, product innovation, reconciliation and authorization.

Another consideration is real-time payments (RTP). The U.S. is just beginning to dip its toes in RTP, though sustaining this system is certain to require the aid of machines. The supporting processes behind RTP need to be just as fast as the payments themselves. In this regard, AI can trim down the resources -- and costs -- banks currently sustain to facilitate operations. Automation through AI can substantially increase the efficiency and speed needed for agile real-time payments.

The biggest barrier to adoption right now is the lack of proof points -- businesses are eager to see more specifics and use cases around the business applications of AI. While AI has gained popularity in consumer tech, its payments applications thus far are more limited, making some businesses hesitant to dive in. That said, many businesses believe that banks will lead the charge in AI adoption to improve payments efficiencies in the near term.



Regulations Begetting Prudence

Another friction point for AI adoption in banking and payments is the strict regulatory environment. Players in the payments ecosystem are eager to embrace AI technology but also need to practice caution in adopting untested methods. While other industries may outpace in AI adoption, the risk tolerance in banking and payments is much lower due to the regulatory environments in which they exist. Regulatory acceptance will continue to underpin the rate of adoption and expansion of scope with AI technology.

On the other hand, many emerging payments and banking technology and apps are employing AI from the start. These newer fintechs have the leg up on existing payments players that must affect change from legacy systems to newer technology, which can be a slow and laborious process. Established payments companies will need to increase agility and take some calculated risks in deploying AI and other technology to maintain pace with newer players.

11. AMEX FILES BLOCKCHAIN FASTER PAYMENT PATENT

Source: PYMNTS.com (03/16)

American Express has reportedly filed a patent related to faster payments and blockchain technology, reports in CoinDesk said. The U.S. Patent and Trademark Office released the patent application filed by American Express Travel Related Services Company, the payment technology firm's travel unit, which outlines the use of blockchain technology to accelerate payments between two parties.

The filing describes a blockchain solution to receive requests for payment, which would then be approved or rejected, a process that would include risk analysis, reports said. If approved, the platform would automate processing and adjust accounts on both ends of the transaction.

The solution would require both payer and payee to create a blockchain-based digital wallet, enabling payments to occur on the blockchain platform itself rather than via a third-party institution.

Reports noted that American Express' filing emphasizes the potential for blockchain to enhance existing card networks.

"A payment network based on peer-to-peer payments may be used to facilitate most functions of traditional card payment networks and to enable additional services and functionality," the document stated.



But the ongoing volatility of bitcoin, coupled with the fact that blockchain is a public ledger, are two barriers to American Express adopting such a solution, the company said. American Express has been exploring blockchain technology for some time. Last November, the company joined blockchain network RippleNet to explore the use of blockchain technology for faster, more efficient B2B payments.

“We’ve already seen evidence that blockchain technology is playing a transformational role in the way customers are served,” said Greg Keeley, executive vice president of Global Corporate Payments at American Express, in a statement at the time. “Not only does this partnership with Ripple help decrease the time it takes for international transactions to be processed, it can make our transactions more effective for our customers.”

American Express is a member of ACT Canada; please visit www.americanexpress.com/ca.

12. MASTERCARD AND DREAM SPEED UP INSURANCE PAYMENTS

Source: Mastercard (02/27)

Mastercard announced a global partnership with Dream Payments aimed at getting insurance customers paid quickly, simply and securely. Both companies share a vision where insurance policyholders will receive fast payments into any payment card or account. Northbridge Financial, a Fairfax company, will be the first insurance provider in Canada to use the Mastercard Send platform through the Dream Payments Hub, followed by international markets.

According to the latest annual Insurance Bureau of Canada report, the local insurance industry pays out approximately CAD\$30 billion in claims a year. This collaboration will allow insurance companies to digitize and automate claims disbursements, replacing the friction associated with printing, sorting, and mailing of checks, with the speed and efficiency of digital payments. Customers can expect to receive funds quickly and directly, initially into their debit card account of choice, avoiding unnecessary wait times and getting the funds when they need it the most.

Mastercard Send is a global push payments platform designed to work with banks, businesses, digital players, governments and money transfer services, helping them to modernize the way they send money, both domestically and cross-border. Already today, Mastercard Send facilitates the delivery of funds in near real-time to virtually all domestic debit card accounts in the United States.

“Mastercard is focused on improving the ways people and businesses pay and get paid, providing more choice, security and convenience”, commented Zahir Khoja, senior vice president, Global Acceptance & Solutions, Mastercard. “This collaboration with Dream Payments demonstrates our commitment to expand the



reach and depth of digital payments, enabling insurance companies to transform the customer experience.”

“Mastercard and Dream Payments are helping to digitize payments for insurance providers of all sizes”, added Brent Ho-Young, chief executive officer, Dream Payments. “Insurance customers deserve to receive their claims payments quickly, electronically, and into the financial accounts of their choice, whether it be a bank account, debit card, prepaid card, or mobile wallet.”

By integrating Mastercard Send with the Dream Payments Hub, the two companies set the stage for turnkey and scalable deployments within the global insurance sector. In addition to speeding up claims disbursements, Mastercard and Dream Payments intend to expand card and account-to-account payment solutions to other flows such as insurance premium payments’ collections, supplier and worker payments.

“Our claims experience is the moment of truth when it comes to the promise we make to our customers”, said George Halkiotis, executive vice president, Claims, Northbridge Financial. “We know that waiting for and depositing checks are key pain points and we’re excited be able to deliver a better, faster claims experience that helps make things right for our customers as quickly as possible.”

Dream Payments and Mastercard are members of ACT Canada; please visit www.dreampayments.com and www.mastercard.ca.

FinTech Isn't Disrupting, but Reviving

Ryan Stewart, Chief Commercial Officer, Bambora, breaks down the myth of FinTech and Disruption and teaches how payments platforms can empower banks and card schemes to work with and better reach FinTech companies. For more details visit <http://actcanadaforum.com/program/fintech-is-reviving.html>

13. PAYMENTS COMPANIES MAKE IT EASIER FOR CONSUMERS, MERCHANTS TO EMBRACE CRYPTOCURRENCIES

Source: Mobile Payments Today (03/16)

Don't call it a comeback. I've been here for years. The opening lines to LL Cool J's classic song, "Mama Said Knock You Out," can easily apply to the current state of cryptocurrencies as a payments choice for commerce.

While most consumers today likely view bitcoin, bitcoin cash and alternatives such as Ethereum and Litecoin as assets, some payments companies in the past couple of months have announced plans for consumers to more easily use cryptocurrencies as payment, and merchants to accept them.



Such moves harken back to almost eight years ago and the original intent of bitcoin: a peer-to-peer electronic cash system. One company has gone so far as to introduce its own twist on this trend with a poker chip-sized contactless device consumers can use to pay for goods and services in fiat currency after converting bitcoin to U.S. dollars. And at least one of the executives behind the crypto, merchant acceptance surge is convinced bitcoin alternatives such as Litecoin can help change the payments industry for the better.

The questions that remain to be answered are whether everyday consumers are ready to embrace such a change, and if merchants are in a hurry to accept cryptocurrencies.

Flip

Fit Pay Inc., a wholly-owned subsidiary of NXT-ID Inc., believed something was missing from its platform, which adds contactless payment capabilities to wearables and IoT devices.

The company saw an opportunity with bitcoin and created a new payment device that enables those cryptocurrency holders to use the value of their bitcoin to make purchases at retail locations that accept contactless payments. The device, which is a bit larger and thicker than a standard poker chip and called Flip, works in conjunction with a mobile app bitcoin holders use to convert their crypto into U.S. dollars that are then held in a card network-branded prepaid account.

It's that card network affiliation that enables Flip holders to use the device where contactless payments are accepted.

Michael Orlando, the COO of NXT-ID and president of Fit Pay, told Mobile Payments Today in a recent interview that initially the company took a wait-and-see approach with cryptocurrencies despite receiving interest from consumers about any kind of related product.

"We needed to figure out how we wanted to be able to deal with [cryptocurrencies] and what potential problems we could solve, or solutions we could deliver to the marketplace," he said. "So, Flip is really our way of entering that space. The evolution of that will become a more robust experience inside of our standard digital wallet and on top of other devices that our integrated into our platform." Flip is an answer to what can be an issue for cryptocurrency holders: the ability to use the value of bitcoin and other coins to make purchases at brick-and-mortar retail locations. That was never widespread to begin with as such transactions were confined mostly to e-commerce.



But something like Flip removes the onus from merchants because they will be completely unaware the source of those transactions originated from a user's bitcoin holdings.

"The whole notion of Flip is really developed around the idea that people have bitcoin that's sitting in an account somewhere, and over a period of time, that asset has grown," Orlando said. "What we thought was interesting is the ability to take [bitcoin], convert it into [U.S. dollars] and make it easy for someone to spend it in their daily life using our Flip device."

Flip is not yet available, but Fit Pay is accepting preorders for the device at FliptoPay.com. The retail price for Flip is \$29 with standard shipping included. There are account and exchange fees associated with maintaining a Flip digital wallet.

Orlando expects initial deliveries in the second quarter of 2018. Customers will only be charged when the product is shipped to them. Flip is currently only available in the U.S., but the company is considering expanding its availability to other regions worldwide.

Litecoin revival

While Fit Pay's approach is an indirect way for cryptocurrency holders to use their coins, Aliant Payment Systems has taken a more straightforward route.

The Florida-based merchant services provider recently announced it is offering its merchants the ability to accept Litecoin payments, as well as Ethereum, at the physical point-of-sale via Poynt's smart terminals.

Poynt, which former Google Wallet and PayPal executive Osama Bedier debuted at Money20/20 in 2014, has a marketplace where merchants can download Aliant's app to accept Litecoin and Ethereum payments via QR code.

Aliant then turns around and converts that cryptocurrency into fiat currency for the merchant, which doesn't need to hold any coins should they so choose. Aliant partnered with Vancouver-based NetCents Technology Inc. to build out the processing platform and offer its crypto portfolio to Aliant's existing merchant base, as well as new clients.

Eric Brown, Aliant's CEO, told Mobile Payments Today that his decision to go this route with Ethereum and Litecoin arose from the need to give his clients alternative payment options.

"Originally, we were going to do a bitcoin option and offer it to our higher-risk clients: online travel clients, electronics, etc.," he said. "We thought this would



be an attractive thing to have online, it would differentiate us from the competition. "When we started running test [marketing] campaigns, we were surprised in the amount of retail clients that were interested. That immediately put us in development for coming out with retail-facing version with the Poynt smart terminal."

Brown's decision to focus on Ethereum and Litecoin, particularly the latter, plays into the cryptocurrency's current trends. While bitcoin remains the preferred cryptocurrency for payments, a report from Bitcoinist shows that alt coins such as Litecoin and Dogecoin have picked up momentum in the past six months.

Litecoin in particular saw a surge at the end of 2017 as bitcoin transaction fees skyrocketed thanks to volatility. That helped lead to Stripe's decision to stop processing bitcoin transactions starting in April. Brown did not reveal how many of his clients are accepting Ethereum and Litecoin at the physical POS, but believes the boarding process has gone well.

"I wouldn't say we've seen a lot of transactions yet, but it's been a lot of work in a short amount of time," he said.

Going forward

How these initiatives from Fit Pay, Aliant and others play out long term could depend on consumers' appetite for cryptocurrencies.

While it is not as difficult today to buy bitcoin and Litecoin compared with a couple of years ago, there is still a portion of consumers that believe digital coins are a gimmick or scam.

But Brown is confident that perception is changing. "It's funny how fast the word spreads when it comes to crypto," he said. "The Twitter community is big and welcoming. I don't think you have to be a tech guru to figure it out.

"I also think they're going to be some more professionals that come out and support it. There's more material out there for people to read and educate themselves. It's not quite as intimidating." Of course, there is the other side of the equation with merchant acceptance.

"Retailers are taking a wait-and-see approach to crypto payment systems for the most part," Ricardo Belmar, senior director of worldwide enterprise product marketing at InfoVista, told Mobile Payments Today in an email. "While some leading-edge brands are taking a chance on accepting them, the main motivators are good publicity and testing the waters to gauge consumer reaction.



"We could see some retailers try to future-proof themselves by working with payment providers that support crypto payments but this will mostly be as an add-on to existing systems." Which is what Aliant is doing at the moment. And Brown is convinced this can turn into something more.

"I've been doing this for 20 something years, and nothing has ever come close to what this represents," he said. "I truly feel that [cryptocurrency] is going to change the payments industry. It's an industry that is dated. It's one that's been doing the same thing for quite some time on the same platforms."

14. ETHOCA'S INTEGRATED SOLUTION SUITE AIMS TO ERADICATE 90% OF CHARGEBACKS THROUGH PROVEN INDUSTRY COLLABORATION

Source: Ethoca (03/15)

Ethoca announced the launch of its new Integrated Solution Suite. When adopted at full scale across the industry, Ethoca's suite of products – including Ethoca Eliminator, Ethoca Alerts and Enhanced Representments – can mitigate up to 90% of chargebacks from genuine fraud, friendly (or first-party) fraud and false claims. Even more importantly, it sets the stage for increased card acceptance across the ecosystem.

Today's ecommerce ecosystem is plagued by a raft of issues that increase friction in the purchase process and create a negative experience for customers. With friendly fraud (whether innocent or hostile) and false claims now reaching 90% of all fraud volumes in sectors like digital goods, card issuers, merchants and customers are all facing a downward spiral of disputes that are having a significant impact on card acceptance. Industry estimates suggest that 'false declines' – when good customers are falsely declined due to the risk of fraud – are continuing to increase: for every \$1 in confirmed fraud, \$13 in legitimate transactions are falsely rejected. Customers experiencing a false decline will elect to abandon purchases at trusted ecommerce web sites, pull out a different payment card or, in 39% of cases, potentially abandon the purchase altogether.

Ethoca's new solution suite is solving the ecommerce friction and customer experience problem through three lines of defence. The first line of defence is Ethoca Eliminator, a ground-breaking new solution that allows card issuers to tap into deep merchant intelligence (shopping cart details, IP address, account details, etc.) at the first moment a cardholder clicks on a transaction in their mobile banking app or calls into their bank to question a transaction. This unique process allows cardholders to better recognize their own transactions, regardless of whether the intention to dispute is innocent or malicious.

With disputes now deflected in near real time, cardholders avoid having payment cards cancelled unnecessarily when good transactions are unwittingly



reported as fraud. Merchants benefit by avoiding any impending chargeback and preserving the revenue from the transaction, while card issuers create a frictionless experience for cardholders and avoid the high operational costs associated with processing disputes. In pilot with a top five U.S. card issuer and major digital goods merchant, Eliminator successfully deflected 38% of disputes that would have otherwise become damaging chargebacks. More than 15 major card issuers globally and several of the world's top digital goods brands have committed to Eliminator implementation throughout 2018.

The second line of defence in Ethoca's suite is Ethoca Alerts – the company's flagship product introduced in 2010. If during the Eliminator process a cardholder still insists on disputing the transaction, card issuers participating in Ethoca's network will provide confirmation of fraudulent or disputed transactions to Ethoca. Ethoca makes this actionable intelligence available to more than 5,400 merchants participating in Ethoca's network through real-time alerts that provide a window of opportunity to stop the fulfilment of goods and services and refund the transaction to avoid the chargeback. Card issuers who use the service benefit by avoiding chargeback processing costs and recovering fraud losses – including 3D Secure and low-value transaction write-offs – much more quickly and inexpensively than ever before.

The third line of defence is Enhanced Representments. Merchants who have sufficient compelling evidence to prove a case of friendly fraud or challenge other transaction disputes are often focused on recovering revenue they would otherwise lose through the chargeback process. Enhanced Representments is a completely automated solution focused on disputing chargebacks responsibly based on Ethoca's deep understanding of chargeback processing and compelling evidence rules. It preserves an equitable balance across the ecosystem by enabling merchants to fight only those chargebacks supported by the right compelling evidence and without creating downstream pain for card issuers who are often negatively impacted by indiscriminate representment behaviours.

"Ethoca's belief is that a layered approach – powered by the global collaboration network we pioneered – is the only real solution to combat the pervasive friction and poor customer experience typical of today's ecommerce environment," said Keith Briscoe, Chief Marketing & Product Officer at Ethoca. "Aiming to eradicate 90% of chargebacks while laying a new foundation for a transaction acceptance experience where no good customer is turned away is our current mission. This new solution suite takes us one step closer to our vision: creating a new set of rails for the rapid exchange of rich transaction data and intelligence designed to finally make frictionless ecommerce a reality."

Ethoca is a member of ACT Canada; please visit www.ethoca.com.



*CNP fraud, customer disputes, false declines, friendly fraud, customer dissatisfaction and mounting costs. The good news is there's a new way to fight back – get the customer involved! Join us at the ACT Canada Forum as Helen Hartsell, Director of Account Management, Issuer & Channel Relations, Ethoca, presents “**the Best Way to Eliminate Ecommerce Friction? Get the Customer Involved!**” For more details visit <http://actcanadaforum.com/program/eliminate-ecommerce-friction.html>*

15. ICC SOLUTIONS QUALIFIED BY AMERICAN EXPRESS FOR AEIPS AFD

Source: ICC Solutions (03/26)

ICC Solutions is delighted to announce the immediate release of AEIPS AFD test suite, qualified by American Express, supporting the complete set of test cases to be executed during the American Express AFD for AEIPS terminal certification process. This new test suite enables Acquirers to perform the end-to-end tests to achieve certification with American Express, allowing the AFD enabled device to accept American Express branded Chip cards.

This new test suite runs on the industry leading ICCSimTMat test tool platform used by Acquirers, Processors and Merchants worldwide to perform EMV level 3 chip terminal integration tests on both contact and contactless enabled EMV chip terminals for accreditation prior to deployment.

Derek Ross, Head of Sales and Business Development at ICC Solutions, commented: “ICC Solutions welcomes the AEIPS AFD test suite as the latest addition to our extensive portfolio of qualified EMV level 3 brand test suites, re-enforcing our position as global leader in provision of qualified test tools. This new test suite comprises the same leading-edge automation features ensuring users benefit from a consistent and efficient certification test campaign.”

In other ICC Solutions news, Dave Maisey, CEO and a Founder Director, has won the UK High Sheriff of Cheshire's Award for Enterprise 2017/18 for Outstanding Cheshire & Warrington Business Leader. The award recognises an Outstanding Business Leader who has shown exceptional vision and leadership at the helm of a successful and growing business which has also contributed to the development and reputation of the whole sub-region.

ICC Solutions is an ACT Canada Forum sponsor. American Express and ICC Solutions are members of ACT Canada; please visit www.americanexpress.com/ca and www.iccsolutions.com.



16. GOOGLE ADDS P2P FUNCTION TO VOICE-POWERED ASSISTANT

Source: Mobile Payments Today (03/23)

Google has added a payments function to its voice assistant that enables users to send or request money from family and friends via Google Pay, according to a company blog post. The feature first will be available through Google Assistant on Android and iOS phones in the U.S. Google said it will add the payments function to voice-activated speakers like Google Home in the coming months.

Users who do not have a Google Pay account can set up an account as soon as they ask the assistant to send money to contacts. Funds are transferred almost instantaneously, even if the recipient doesn't have a Google Pay account. Recipients will receive an email, text message, or notification if they already have the Google Pay app installed, so they can cash out.

17. NEW CREDIT CARD PROGRAM PROVIDES IMPROVED EXPERIENCE FOR CREDIT UNION MEMBERS FROM COAST TO COAST

Source: Central 1 (03/07)

National Credit Card Program and Collabria are excited to announce the official execution of a Master Services Agreement for credit card services and the official launch of an important new partnership, creating an enhanced credit card offering and an improved credit union member experience. Collabria was selected by the CEO Payments Strategy Committee as the preferred credit card provider for Canadian credit unions. Over 210 Canadian credit unions will be offering this new credit card program and the Universal PayCard (Global Payment Card Replacement) to their members through 2018.

Today, credit unions are able to improve their members' experience, provide a wholistic approach to financial services, and take greater control and ownership of their credit card program. Considered a best in class product suite, this program will meet the diverse and changing needs of credit union members.

Through this program, credit unions can now offer both Mastercard and Visa products, including a full suite of business cards. In the future, the Universal Pay Card (UPC) will be available, replacing the Global Payment MasterCard card. The UPC offers the convenience, flexibility and worldwide global acceptance of a traditional MasterCard credit card, and can be used anywhere MasterCard is accepted, including shopping online and at ATMs. Funds are automatically moved from a member's credit union account to pay off the balance after the transaction is completed.

FlexRewards, the National Credit Card Program's rewards program, will allow members to earn and redeem points on a variety of credit card products. The



FlexRewards program provides credit union members with significant choice, flexibility and control by offering redemption of points through travel, gift cards, merchandise, or cash back (deposited directly into their credit union account).

This program is the result of the work started by the CEO Payment Strategy, and included significant effort from many partners across the credit union system. Selected for their objective in providing credit unions the opportunity for greater control and ownership of their credit card programs, Collabria has entered into a Master Services Agreement for the program that will be administered by Central 1 Credit Union, and an Executive oversight committee made of credit unions participating in the national program.

Collabria and Mastercard are members of ACT Canada; please visit www.collabriafinancial.ca and www.mastercard.ca.

18. ALIPAY CONTINUES NORTH AMERICA MERCHANT ACCEPTANCE EXPANSION WITH FREEDOMPAY PACT

Source: Mobile Payments Today (03/21)

Alipay has partnered with FreedomPay to give Chinese tourists visiting North America the ability to use Alipay at thousands of merchants that use FreedomPay's services in North America, including vendors at airports, entertainment venues, resorts, sports arenas and universities, according to a press release. Through the partnership, FreedomPay will enable Alipay with new and existing clients, focusing on the travel and hospitality markets, as FreedomPay has a strong presence in Las Vegas, as well as at airports and travel plazas across the U.S.

"Our partnership with FreedomPay will expand our footprint across North America and offer Alipay across targeted verticals, particularly those that cater to Chinese travelers," Souheil Badran, president of Alipay Americas, said in the release. "This partnership enables us to provide a robust, seamless payment-processing solution that ensures our Alipay customers can enjoy an easy and familiar payment experience whenever they travel in North America."

19. AMERICAN EXPRESS AND CONFERMA TEAM UP TO DELIVER SIMPLIFIED DIGITAL PAYMENTS TO CORPORATE TRAVEL

Source: American Express (03/18)

American Express Canada and Conferma – a FinTech company specializing in corporate travel payments – have teamed up to bring the power of digital payments to businesses with American Express vPayment™. This new



payment solution will help make it easier for companies to make reservations, book travel, pay suppliers, and reconcile costs.

To help simplify corporate travel bookings, American Express has partnered with Conferma to bring the payment technology to the Conferma platform who integrates with preferred travel providers, travel management companies and global distribution systems (GDS) to bring robust travel data to customers.

This partnership enables the generation of a specific-use account number within the booking platform to pay travel suppliers. The unique account number is tied to one travel reservation and is used to match the reservations information to the supplier payment and support reconciliation to cost centers, departments and projects.

"At American Express, we want to be a strategic partner for Canadian companies, and one way we are doing that is with American Express vPayment, which is helping to streamline corporate travel efforts, while minimizing costs and opening up new opportunities for growth," said Paul Roman, Vice-President and General Manager, Global Commercial Payments at American Express Canada.

Simon Barker, Conferma's CEO also commented: "We are delighted to be working in partnership with American Express to help bring this innovative product to customers. As a company, we continue to push the boundaries within the virtual payment sector to bring about greater efficiencies for businesses."

"We know that Canadian companies spend a significant amount of time and money managing expenses, however thanks to American Express vPayment, businesses have the chance to start identifying efficiencies and cutting corporate travel costs without scaling back."

American Express is a member of ACT Canada; please visit www.americanexpress.com/ca.

20. WHATSAPP PAYMENTS GETS A NEW FEATURE: NOW SCAN QR CODE TO SEND MONEY

Source: Tech Desk, Indian Express (03/26)

WhatsApp Payments feature will now support the option of scanning a QR code in order to make a payment via the app. Earlier this month, WhatsApp had added the option of making payments to any UPI ID via the feature on both iOS and Android versions of the app. These features were not part of WhatsApp Payments on Android or iOS when it was launched, and other players in the market had raised questions about the interoperability of UPI Payments on WhatsApp.



The Facebook-owned messaging app had then clarified that Payments was only in beta-testing and limited to under a million users.

How to use WhatsApp to send Payments to any UPI ID

WhatsApp on iOS and Android now has the option for sending money to any UPI ID, though finding it can be a bit tricky. Users who already have Payments can go to WhatsApp>Settings > Payments. In this tab, users will see a transaction history, the bank account which is linked, followed by a new option called Send Payment. Just tap on Send Payment, and then next page will list all your contacts. However on top of that, there will be an option @ Send to UPI id. Tap on this, enter the UPI id. This means that if someone is using saying UPI on their bank app or on BHIM, one can now enter that particular UPI id and share money. The other user need not necessarily be on WhatsApp or have Payments activated on the app in order to receive money from their friends, who might prefer this particular method for sending money via UPI.

WhatsApp on Android and iOS will now let users notify their friends on activating Payments, if they have not done so. The other user will be able to activate Payments after the notification is sent out.

WhatsApp: How to use scan QR code feature to make Payments

WhatsApp's Scan QR code option is only available on the Android beta version of the app. The iOS version of WhatsApp is not reflecting this. Version 2.18.93 on Google Play via beta app shows the feature. Users can go to Settings on WhatsApp, followed by Payments, New Payments and choose Scan QR code as option. A user will then have to point the camera to the QR code and the payment will be completed. The UPI pin will be required to complete the payment process.

WhatsApp has faced criticism over its implementation of UPI-based payments, because it did not include the ability to scan QR codes, send payment to other UPI ids, etc. Also unlike other UPI-based apps, which need to have a passcode to open it, WhatsApp does not make it compulsory, though it does offer two-step verification to users.

21. INGENICO ROLLS OUT ITS PAN-EUROPEAN OMNICHANNEL PAYMENT SOLUTION FOR ADEO

Source: Ingenico (03/21)

Ingenico Group has been chosen by ADEO to roll out its pan-European omnichannel payment acceptance solution. This solution will allow the centralized management of ADEO's transactions, both in-store and online, across several



European countries. ADEO, the European leader on the DIY market, encompasses prestigious brands such as Leroy Merlin, Bricoman or Zodio. The Ingenico solution will ensure a quick and consistent roll-out for 14 of the network's brands, in 9 different countries.

This solution is based on:

- the Lane/5000 terminal of the TETRA range: designed for large retailers, this terminal is PCI PTS 4.x certified, and allows interactive services to be offered at the point of sale using HTML5 technology,
- the in-store payment services, secured through point-to-point encryption (P2PE) and certified against the most recent local and European NEXO standards,
- the online payment services, with a unique portfolio of local payment methods, a customized user experience (pages and payment methods offered based on the customer profile) and fraud detection services,
- the omnichannel payment services, centralizing both online and in-store payment flows, and allowing ADEO to implement an omnichannel customer experience.

Ingenico offers ADEO advanced, consistent and secure payment solutions, centralizing and simplifying its financial reporting, and optimizing the processing costs of its acquisition flows. "We are delighted that ADEO has chosen Ingenico to update its infrastructure with a secure, omnichannel and pan-European electronic payment solution. It is a key decision which will be of benefit to all consumers, and also therefore to the image and effectiveness of all ADEO brands", said Jacques Behr, EVP Enterprise for Ingenico's Retail Business Unit. "This partnership is testament to our ability to use the strength of our geographical network and our in-store and online payment networks for the benefit of merchants".

"We were won over by the strong multi-local presence, the extent of the offer and Ingenico's ability to manage projects on a European scale", added ADEO. "This partnership allows us to roll out our payment solution quickly, and to make the omnichannel customer journey a reality".

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

22. SWIFT TO DELIVER END-TO-END TRACKING OF ALL PAYMENT MESSAGES CROSSING THE NETWORK

Source: Finextra (03/23)

Swift is extending its gpi Tracker to cover all payment instructions sent across the network, enabling member banks to achieve full visibility over payments activity. Available since May last year, the gpi Tracker is getting a major upgrade



in November with the incorporation of an end-to-end transaction reference for all payment messages flowing over the network.

Available as an API plug-in, the tracking engine automatically provides status updates to all gpi banks involved in any gpi payment chain and allows them to confirm when a payment has been completed.

“Enabling end-to-end tracking of all payment instructions through to the end destination is a game-changer,” says Lars Sjögren, global head of transaction Banking, Danske Bank. “Until last year, it was impossible for banks to gather this information on behalf of their customers, but the introduction of the gpi Tracker has addressed this challenge head on, transforming cross-border payments and dramatically improving the service that banks can offer to their customers in a very cost efficient way.”

Launched in 2017 in a bid to improve correspondent banking services, gpi already accounts for 10% of Swift cross border payment traffic. More than 150 banks, representing over 78% of the co-operative's cross-border payments activity have signed up to the service.

Navinder Duggal, group head of cash product management from DBS, one of the early gpi adopters in Asia, describes the extension to non-gpi payments as a major step forward: "It will significantly extend transparency and it will drive more banks to join the service, rapidly making gpi the new normal in cross-border payments."



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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Enable - Provide access to the expertise of the member community to gain insights that will help strategic decision-making

Evolve - Drive positive change in the increasingly complex commerce environment