



Welcome to the **May** 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. ACT Canada congratulates the winners of the ACT Canada innovation awards
2. Payments Canada, the Bank of Canada, TMX Group, Accenture and R3 demonstrate feasibility of instantaneous equity settlement through distributed ledger technology
3. Metrolinx planning to allow smartphone fare payments as part of PRESTO system
4. TD joins Canadian Institute for Cybersecurity
5. Instagram payments could be a surprise threat to PayPal
6. McDonald's selects Ingenico as its long-term payment solution provider
7. VISA and PayPal extend partnership to accelerate adoption of digital and mobile payments in Canada
8. Goldman Sachs just launched a new cryptocurrency
9. SecureKey technologies to explore interoperability between verified.me and Hyperledger Indy
10. Ticketing (finally) comes to Google Pay
11. FIME first lab & tool qualified by GlobalPlatform for consumer eSIM
12. Consumers want novel payments innovations but feel secure with old providers
13. SpotOn adopts VeriFone Carbon with Connect, helping SMBS in North America transform the checkout experience
14. Western Union adds WeChat Pay to GlobalPay for students product
15. Wirecard to power contactless payments in Garmin smartwatches



16. For Goldman and Apple, one word: plastic (cards, that is)
17. Ingenico, USA Technologies partner on payments for unattended retail
18. Shopify to open first bricks-and-mortar service location this year

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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Interac Corp. ~ member since 1995

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Bulloch Technologies ~ member since 2013

Collabria Financial Services Inc ~ member since 2015

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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

2018 EMV User Meeting

San Diego, CA, USA

May 20 - 21, 2018

<https://www.emvco.com/get-involved/meetings-events/>

ETA Policy Day - Toronto

Toronto, ON, Canada

May 29, 2018

<http://www.electran.org/eta-events/2018-eta-policy-day-toronto/>

Money2020 Europe

Amsterdam, the Netherlands

Jun 4 - Jun 6, 2018

<http://www.europe.money2020.com>

ACT Canada Members receive a €200 discount on top of existing discounts

Money2020

Las Vegas, NV, USA

Oct 21-24, 2018

<https://us.money2020.com>

ACT Canada Members receive a US\$250 discount on top of existing discounts



Articles

1. ACT CANADA CONGRATULATES THE WINNERS OF THE ACT CANADA INNOVATION AWARDS

Source: ACT Canada (05/02)

ACT Canada, the stakeholder association Engaging, Enabling and Evolving Commerce in Canada since 1989, is pleased to announce the winners of the ACT Canada Innovation Awards. The ACT Canada Innovation Awards recognize the ingenuity of the winners and the value that implementations of emerging technologies bring to the market.

We are pleased to announce the following winners:

Retail Payment Innovation Launch of the Year

Presented to Zomaron for Givepoint

Fraud Prevention/Security Innovation of the Year

Presented to Gemalto for Gemalto Assurance HUB (GAH)

Fintech/Incumbent Collaboration of the Year

Presented to Berkeley Payments & Mastercard for their collaboration on the Instant Issuance Prepaid for Disaster Relief

Payment Solution of the Year

Presented to Interac Corp for INTERAC e-Transfer Autodeposit and Request Money

Sonja Halvorson Memorial Social Merit Award Recipients

Berkeley Payments & Mastercard for Instant Issuance Prepaid for Disaster Relief
Zomaron for Givepoint

Champion's Award Recipients

Debbie Gamble

Todd Roberts

People's Choice Award

Everlink Payment Services Inc for Lock'N'Block™

"ACT Canada is pleased to provide a program through which innovation and excellence in our industry is recognized. Innovation and ingenuity are key for market growth," said Andrea McMullen, President of ACT Canada.



2. PAYMENTS CANADA, THE BANK OF CANADA, TMX GROUP, ACCENTURE AND R3 DEMONSTRATE FEASIBILITY OF INSTANTANEOUS EQUITY SETTLEMENT THROUGH DISTRIBUTED LEDGER TECHNOLOGY

Source: Accenture (05/11)

Payments Canada, the Bank of Canada, TMX Group and Accenture have demonstrated that the instantaneous clearing and settlement of securities on-ledger is feasible, showing for the first time that both central bank cash and assets can be tokenized to complete an instant, end-to-end equity settlement on distributed ledger technology (DLT).

Project Jasper is a collaborative research initiative between Payments Canada, the Bank of Canada and TMX group to experiment with an integrated securities and payment settlement platform based on DLT. Jasper III, a continuation of previous work launched in March 2016, is a proof of concept that was delivered by Accenture, leveraging R3's Corda DLT platform. It explores the impact and potential benefits of DLT on broader Canadian financial market infrastructure.

“This proof of concept shows that it is possible to deliver payments in a way that has never been done before – by directly swapping cash from buyers to sellers, resulting in instant settlements,” said Gerry Gaetz, President and CEO of Payments Canada. “We continue to see how the application of distributed ledger technology can help extend the vision of payments innovation in Canada and potentially, one day, help promote financial market integration, both nationally and internationally.”

Previous phases of Project Jasper focused on the clearing and settlement of high-value interbank cash payments using DLT. Phase III explores an integrated payments and securities infrastructure. The proof of concept allowed clearing and “delivery versus payment” settlement immediately, demonstrating that it's possible to complete post-trade settlement on a DLT platform. The ability to settle transactions immediately significantly reduces counterparty risk and frees up collateral.

“We have witnessed an impressive achievement and an important financial technology milestone for Canadian capital markets with the successful transaction of tokenized securities and cash in their basic forms,” said John Lee, managing director, Enterprise Innovation & Product Development, TMX Group. “Many complex challenges remain as we move ahead, but we look forward to the crucial collaborative work necessary to effect substantive, transformative change in global markets.”

Jasper III is currently the only proof of concept that maintains privacy for market participants and their transactions by giving only the parties involved in



specific transactions the ability to view the transaction history, without providing the same visibility to other participants on-ledger.

“Maintaining privacy, as well integrating other assets onto the same ledger as payments, would provide important benefits for the financial system from the use of a DLT-based wholesale payment system,” said Carolyn A. Wilkins, Senior Deputy Governor at the Bank of Canada. “Indeed, a key lesson from prior phases of Jasper was that the benefits of a DLT-based wholesale payment system likely lie in its interaction with the broader FMI ecosystem. Such benefits would come from reaping economies of scope and reducing costs to participants.”

John Velissarios, Accenture’s Blockchain Technology & Security Lead, said: “Project Jasper positions Canada as a leading innovator, the first to fuse assets and fiat currency on ledger, which is fundamental to moving towards production. Canada is the first developed market to focus on a full-cycle, on-ledger, trade-settlement system ? laying the groundwork for the Canadian financial market infrastructure to collaborate with similarly positioned global partners to derive new, mutually beneficial opportunities and benefits of DLT.”

Jasper III initial findings were presented at the Payments Canada SUMMIT by Andrew McCormack, vice president of Payments & Technology at Payments Canada; John Lee of TMX Group; Scott Hendry, senior special director of Financial Technology at the Bank of Canada; and John Velissarios of Accenture. A white paper detailing the complete findings will be released later this year.

Payments Canada and Accenture are members of ACT Canada; please visit www.payments.ca and www.accenture.com.

3. METROLINX PLANNING TO ALLOW SMARTPHONE FARE PAYMENTS AS PART OF PRESTO SYSTEM

Source: The Toronto Star (04/26)

Metrolinx, the provincial agency in charge of transportation for the Greater Toronto and Hamilton Area, revealed details of its plan to enable mobile phone payments on the Presto fare system Thursday at a meeting of its board.

Board chair Rob Prichard described the initiative as a “new era” for the agency. “Ultimately it’s about increasing the attractiveness of using public transit,” said Annalise Czerny, acting vice president for Presto. “It’s giving people choice, and we know everyone wants to use their phone.”

Metrolinx plans to roll out the Presto Mobile program in three phases. The first, scheduled for completion by the end of this year, would be the introduction of



an app that would allow customers to add money to their cards and manage their accounts from their phones.

The second would allow riders to pay their fare by tapping their phone against a Presto reader. Czerny said there was no firm time line for completing that phase, but predicted it would take far less than five years. "We're going as fast as we can," she said.

The third phase of would add a multi-modal trip planning function to the app, and could be combined with third-party providers like Uber and Bike Share TO to create a single hub for transportation planning and payment.

Presto is not planning to eliminate fare cards as part of the program.

Other transit agencies around the world, including in London, Los Angeles, and Japan, have already enabled smartphone payments or are months away from doing so.

Meanwhile Presto's physical fare card system, which is being used by 11 transit services in Ontario, is not yet fully in place. Its installation on the TTC is a joint effort between Metrolinx and the Toronto transit agency, and is expected to be substantially complete this summer, seven years after the TTC agreed to adopt Presto.

Czerny asserted Metrolinx couldn't have moved any quicker to enable mobile payments. "The transit agencies who originally started Presto first got together almost 15 years ago, and quite frankly this (mobile payment system) didn't exist. This would have been a fantasy at that time. So we put in the infrastructure that was state of the art at that time," she said.

"You have to walk before you run."

TTC spokesperson Brad Ross said the Toronto agency supports the move toward smartphone payments. "In fact, customers ask us about such a feature all the time. We will continue to work with Metrolinx to ensure any new technology meets our customer needs," he said.

Not all smartphone owners will be able to use Presto Mobile, at least not at first.

Some of the functions planned for the first phase, as well as the ability to tap a phone to pay a Presto fare, may initially be only be available on late model Android devices, and not on Apple iPhones.



Czerny said the obstacle has to do with the electronic chip that's in every Presto card. The chip's manufacturer has a digital version that works on Android phones, but "Apple simply hasn't picked that up."

Metrolinx is hoping the tech giant will get on board as the Presto Mobile program advances. Czerny told the board Apple contacted the agency on Wednesday to set up a meeting.

Metrolinx CEO Phil Verster couldn't immediately provide a budget for the mobile project, saying it was still in its "experimental phase."

4. TD JOINS CANADIAN INSTITUTE FOR CYBERSECURITY

Source: TD Bank Group (04/30)

TD Bank Group (TD) will become a founding corporate member - and the first Canadian bank - to join the Canadian Institute for Cybersecurity, a hub for cyber technology research and collaboration based at the University of New Brunswick.

TD's involvement with the Canadian Institute for Cybersecurity supports the bank's focus on investing in technology talent and will include the co-development of new cyber risk management technologies.

"We are building a digital bank for the modern customer," says Jeff Henderson, Executive Vice President & CIO at TD. "As the digital landscape evolves, we will continue to invest in technology partnerships and talent so that we can deliver innovative experiences that our customers can trust and rely on. The University of New Brunswick is fast becoming an international centre of cybersecurity excellence and we look forward to working with its multidisciplinary teams on real-world problems, while growing our technology talent base."

The Canadian Institute for Cybersecurity, launched in early 2017 and housed at UNB's Fredericton campus, is a comprehensive multidisciplinary training, research and development and entrepreneurial institute which operates in close collaboration with researchers in the social sciences, business, computer science, engineering, law, and science, as well as at other national and international research centres.

The institute's cybersecurity graduate students will work directly with TD technology teams to develop and operationalize new threat assessment methodologies and algorithms.

"On the list of security issues that companies monitor, cyber threats have quickly moved to the top," says Dr. Ali Ghorbani, Director of the Institute and



Canada Research Chair in Cybersecurity at UNB. "Our teams are developing next-generation technology solutions in partnership with leading industry players like TD, deepening defences against emerging cyber threats not just in Canada but around the world."

"It's an exciting time for both the University of New Brunswick and the province. UNB is uniquely positioned to translate the collective knowledge of its students, faculty and research staff into solutions that will play a role in helping to protect the networks of some of the world's largest organizations, and the province will benefit as UNB establishes itself as a centre of excellence for cybersecurity in Canada," says Frank McKenna, Deputy Chair at TD.

As part of its global approach to talent development, TD also recently announced the opening of a cybersecurity office in Israel, a globally-recognized centre for cyber-defence technology and one of the world's leading markets for cybersecurity skills and talent.

TD Bank Group is a member of ACT Canada; please visit www.td.com.

5. INSTAGRAM PAYMENTS COULD BE A SURPRISE THREAT TO PAYPAL

Source: The Motley Fool (05/13)

Facebook quietly rolled out payments in Instagram to some users at the beginning of the month. The payments feature asks for users to input their credit or debit card information once, and then it can be used to pay for products or services advertised on Instagram. The feature currently only works for booking appointments, but it could quickly expand to more businesses, especially with the rollout of Shoppable Ads on Instagram.

Payments on Instagram could be a significant threat to digital payments processors like PayPal, which have greatly benefited from the growth of mobile commerce in recent years. Facebook could easily provide a better experience and better pricing for businesses advertising on Instagram than PayPal. And considering the amount of time spent and product discovery on Instagram, it could be a very meaningful product for both Facebook and PayPal.

Facebook's payments philosophy

Analysts asked Facebook's management several questions about payments across its apps during the company's first-quarter earnings call. CEO Mark Zuckerberg noted that it's not trying to make money off of payments in and of itself. "In general, our strategy is to offer those services at cost, and make it so that businesses can bid what it is worth to them to run ads in the system," he told analysts.



Basically, Facebook sees payments as a way to add more value to its advertising business. If a business can convert leads from ads into customers faster and more easily, it's going to pay more for an advertisement. It's all about improving the return on investment for marketers.

Facebook is increasingly focused on improving the return for marketers after coming up against ad inventory limits. Year-over-year ad impression growth lagged user growth in each of the last three quarters. Nonetheless, Facebook is able to grow revenue through significant increases in average ad price. And the average ad price is driven by providing better value to advertisers.

So, if adding payments can get users to respond to advertisements better, Facebook could only charge businesses its own costs, or even give away payment processing. It can then offset those costs by increasing average ad price. That's a huge advantage over traditional payment processors.

It's also worth noting that Facebook's ad auction will encourage more businesses to work to process transactions within Instagram than with a third-party on their own website. That's because the auction will force ad prices higher as at least some businesses gain value from payments on Instagram. That will leave others paying a premium even if they don't use payments, thus moving them toward taking advantage of the service. That can be a virtuous cycle for Facebook, but it comes at the expense of competitors like PayPal.

Keeping users on Instagram

Another benefit of payments on Instagram is that it will keep users in the app if the entire transaction can take place in Instagram. "That's going to make people's experience better, so that way we can just do that in line," Zuckerberg said.

Users already spend a lot of time on Instagram. Those under 25 average over 32 minutes per day, and those over 25 average 24 minutes per day. Creating a smooth in-line transaction process for products discovered in the app could get them spending more time in the app instead of going somewhere else to learn more about whatever they find. That means more opportunities to show ads in Instagram.

Instagram is an increasingly important part of Facebook's total business. Increasing ad value and engagement through payments could add further fuel to the growth of Instagram over the next few years. And the fact that Facebook doesn't plan to generate any profits from payments directly makes it a serious consideration for PayPal and digital payments companies.



6. MCDONALD'S SELECTS INGENICO AS ITS LONG-TERM PAYMENT SOLUTION PROVIDER

Source: *Payment Week (05/15)*

McDonald's, along with its franchisees, in the UK and Ireland has selected Ingenico Group, the global leader in seamless payment, to handle the growth in demand for cashless transactions for the next five years. McDonald's cites capacity, reliability, performance and security as the drivers for its Next Generation Cashless Solution.

In the UK, electronic payments have overtaken cash in many places. With the sharp uptake of contactless technology – now more than 1 in 3 transactions according to UK finance – this shows no signs of slowing down.

McDonald's has enjoyed considerable growth with around 3.7million visits every day to its restaurants. Lovers of the Golden Arches can now pay for their fast food favourites in a variety of ways that are convenient to them; via the McDonald's Click and Collect app, through in-restaurant self-service order screens or when using a Drive Thru.

Ingenico has worked closely with McDonald's and its franchisees, who make up over 80% of the estate, to deliver the technology to cope with the forecasted growth of cashless payments, as well as new payment technologies such as Apple Pay and Google Pay. The solution has been successfully deployed to all McDonald's restaurants across the UK and Ireland.

Jon Braithwaite, Director of IT, McDonald's Restaurants Limited, said: "We believe that this payment solution is one of the most advanced in the retail sector and is a critical component to delivering excellent experience for our customers. Leveraging Ingenico's experience of implementing complex payment programmes, our teams have been able to deliver the new service ahead of schedule, on budget and with the outstanding performance level we expected. Ingenico's payment security expertise, scale and commitment to innovation give us the confidence that we have the right partner to support our needs now and into the future."

Ian Benn, Senior Vice President, Commercial, Enterprise Retail, Ingenico Group, added: "Throughout its history, McDonald's has been a leader in customer service innovation. Ingenico is very proud to be able to play a part in that story, speeding up service, adding new payment options and staying ahead of the pace".

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



7. VISA AND PAYPAL EXTEND PARTNERSHIP TO ACCELERATE ADOPTION OF DIGITAL AND MOBILE PAYMENTS IN CANADA

Source: CNW (05/09)

Visa and PayPal announced an extension of their strategic partnership to Canada that will see them work collaboratively to accelerate the adoption of secure, reliable and convenient digital and mobile payments for consumers and merchants in Canada. The two companies are already collaborating in the U.S., Asia Pacific and Europe. This latest step brings the benefits of the partnership to Canadian consumers and businesses.

The partnership creates a seamless experience for consumers who choose to pay with their Visa card at places that accept PayPal. Through collaboration between bank partners and PayPal, consumers will be able to add Visa cards into the PayPal digital wallet easily from other banking apps.

It also enables PayPal to leverage Visa Direct (Visa's real-time payments solution), which allows Visa cardholders to more easily move funds from their PayPal account to an eligible Visa debit card in real-time.

In addition, Visa and PayPal have agreed to extend participation in the Visa Digital Enablement Program (VDEP). VDEP provides Visa's partners with access to tokenisation technology, which enables simple and secure payment on mobile phones or any connected device. This will help expand the use of PayPal to businesses that accept Visa in physical locations.

"This partnership will open new avenues for Visa and PayPal to collaborate to honour consumer choice and provide greater benefits to merchants and issuers," said Stacey Madge, Country Manager and President, Visa Canada. "By working together, we will be able to bring more innovative products and enhance payment experiences online, in-app and in store for our joint customers."

"PayPal and Visa are leaders in building incredible digital and mobile payment experiences. We are delighted to collaborate and drive greater value for our 6.5 million customers in Canada by offering them more choice in how and where they pay," shared Paul Parisi, President, PayPal Canada.

8. GOLDMAN SACHS JUST LAUNCHED A NEW CRYPTOCURRENCY

Source: Futurism (05/16)

Circle, a payment startup owned by Goldman Sachs, announced yesterday that it's launching a new cryptocurrency called the Circle USD Coin. The new currency is basically a digital version of the dollar that you'll be able to purchase



by trading in, you know, real money. The USD Coin is the first cryptocurrency released by a major financial institution.

While this sort of goes against the whole point of decentralized and distributed cryptocurrencies like bitcoin, Goldman Sachs and Circle hope to bring some stability to the cryptocurrency market, which has crashed and rebounded an exhausting number of times this year alone.

Circle doesn't want its USD Coin to be subject to the instability and inflation inherent to other unregulated cryptocurrencies, so it will tie the value of a coin to that of a US dollar, according to CNBC. Again, this pretty much goes against the whole point of cryptocurrencies, which were originally designed to present a transparent financial market free of regulation from federal government and the influence of big banks. And though it has seemed increasingly likely that regulation and corporate influence will play a bigger role in the space, some, including Silicon Valley investor Sam Altman, staunchly believe that any USD-based cryptocurrency must remain under distributed control.

While other cryptocurrencies can be mined when users lend a part of their computer's processing power to help maintain the updated ledger of all transactions, it seems like the only way to acquire new USD Coin — which will operate on the Ethereum platform for the foreseeable future — is to purchase them. So your extensive rig won't help you get more USD Coin — looks like you'll just have to buy it. With USD.

Since you need to give Circle one (1) dollar every time you would like one (1) dollarcoin please, it seems like the currency will serve more as an open-source Venmo, where you can pay for things with a digital cryptocurrency instead of paying with a debit or credit card.

Given Goldman Sachs' recent investments in the crypto realm and announcement that the firm would trade Bitcoin on behalf of investors, it makes sense that the financial giant is trying to control the market as best it can.

So for now, the USD Coin doesn't seem to have any practical purpose beyond introducing a stable and maybe accessible cryptocurrency. For the foreseeable future, a dollar in your hand is about the same as a dollar on the USD Coin blockchain.

9. SECUREKEY TECHNOLOGIES TO EXPLORE INTEROPERABILITY BETWEEN VERIFIED.ME AND HYPERLEDGER INDY

Source: SecureKey Technologies (05/14)



SecureKey Technologies, the developer of Verified.Me – a blockchain-based digital identity network built upon Hyperledger Fabric – today announces it will continue its leadership in establishing standards for next generation digital identity networks by exploring interoperability between Verified.Me and Hyperledger Indy-based identity projects.

SecureKey is joining the Decentralized Identity Foundation (DIF) in efforts to advance standards-based initiatives for decentralized digital identity ecosystems. Already an active member of the open source collaborative effort, Hyperledger, SecureKey will also be highly involved in the Hyperledger Indy Project to explore integration points and projects between digital identity-focused platforms.

“Today’s digital identity systems are broken, and we at SecureKey firmly believe that companies building digital identity solutions have a responsibility to work collaboratively in developing holistic products and standards that benefit all users,” said Greg Wolfond, founder and CEO, SecureKey Technologies. “This represents an important step in leveraging the best of the mature offering we have built with Verified.Me on Hyperledger Fabric 1.1+ and extending our expertise to both the Hyperledger Indy Project and the DIF to establish firm digital identity network standards for the next generation.”

SecureKey’s forthcoming digital identity network, Verified.Me, enables users to consent to the secure sharing of digital identity attributes with ecosystem members and gain access to desired online services. The service places participating users in the middle and provides them with much greater control over when, why and with whom aspects of their digital identity are shared.

“Collaboration and the sharing of expertise is a key component in furthering digital identity networks,” said Brian Behlendorf, Executive Director, Hyperledger. “We are thrilled to see this level of cross-industry pollination and look forward to having SecureKey explore interoperability between two Hyperledger projects.”

“Open standards for interoperability are critical to the establishment of a worldwide decentralized identity ecosystem that works for global business,” said Marie Wieck, General Manager, IBM Blockchain. “This ecosystem can help provide a new foundation of trust for citizens, businesses, and governments around the world to interact more securely while enhancing privacy. IBM looks forward to continuing our work with both SecureKey and the Decentralized Identity Foundation to help enable permissioned blockchains leveraging interoperability with Hyperledger Fabric and Hyperledger Indy-based projects.”

SecureKey is a member of ACT Canada; please visit www.securekey.com.



10. SAMSUNG: CASH BACK AND REWARDS DELIVER OMNICHANNEL VALUE TO CONSUMERS

Source: *PYMNTS.com* (05/15)

The traditional piggy bank may have outlived its usefulness in economies that are less and less cash-based, but that doesn't mean it's time to retire the concept entirely. It's just time to introduce consumers to its digital counterpart — a virtual piggy bank where, instead of collecting spare change, consumers can collect their cash back and rewards all in a single place.

Nana Murugesan, vice president and general manager at Samsung Electronics America, said this is what Samsung has been building up to in recent years, continually tucking new value-add features into its ecosystem.

The most recent feature weaves Samsung Rewards into Samsung Pay in a way that gives users reward points every time they use the mobile payment service, no matter what the customer is buying, where they're doing business or how they're paying for it.

Those points accrue in the user's Samsung Pay wallet, incentivizing them to use the digital wallet again next time to leverage those funds. The more that consumers interact across Samsung's ecosystem, the more change they get to throw into that digital piggy bank.

Samsung Rewards launched in November 2016 along with Samsung Pay to help customers derive more value from the service. The vision for Samsung Rewards has always been to scale by giving users more opportunity to engage with a wide range of experiences across channels.

There's Samsung Pay, Samsung Health and Samsung Internet. There's Bixby, Samsung's intelligence platform, and various experiences within the Bixby bucket, from Bixby Home to voice and visual shopping via augmented reality (AR) capabilities on Samsung phones' native camera app. The Korean tech giant has tens of millions of users across these services.

In a recent interview with Karen Webster, Murugesan and Sang Ahn, VP & GM, Samsung Pay, shared how the feature will enable new experiences to cement and grow consumer usage, while also benefitting merchants who opt to accept Samsung Pay and participate in Rewards.

The Challenge of the Bridge Millennial

There are certain categories in which shoppers prefer to touch and feel products before they buy. Apparel and jewelry can be difficult to sell online for this reason. It's common for customers to do their research on the web or mobile



channel, then head to a store to get the tactile information they need to make a purchase decision.

Yet, oddly enough, many consumers go to the store and then still make a purchase online. This is a major habit among who Webster refers to as “bridge millennials,” consumers between 30 and 40 years old who are on the older end of the millennial generation and/or the younger end of Gen X.

Bridge millennials have careers and disposable income. They are paying off, or have paid off, their student loans. Many are married and starting families. They are more established in spending.

Most importantly, said Ahn, they are the first generation of connected consumers who have grown up using mobile as a tool for how they shop — and not just as a way to pay for things online, but as a method for product discovery and research.

When bridge millennials and other shoppers use brick-and-mortar retail to round out their research, but not to make purchases, merchants lose the opportunity to make a sale to a customer who has taken the time to walk through their doors.

Rewarding Shoppers AND Merchants

Ahn said that cash back and rewards can help connect the shopping experience to payments and tie the in-store experience to what consumers could find online.

When Samsung introduced cash back, the idea was to use the tech giant’s many channels and large, at-scale services to make shopping better for consumers, which Ahn said can also drive benefits for those physical merchants who enhance their foot traffic with online sales opportunities.

“We have a chance to give consumers a benefit,” Ahn said. “Anytime they enter through our Samsung touchpoints and complete a mobile transaction, we have a chance to give them a distinct benefit: a cash back reward, plus Samsung Rewards if they are using Samsung Pay. There is a distinct reason to shop with us if you’re on our platform.”

Ahn said the cash back program is live with select merchants, enabling those merchants to offer their own cash back rewards to entice consumers to complete purchasing activity in-store. It is separate from Samsung Rewards and from points or rewards offered by credit cards stored in the Samsung Pay wallet, although these components can stack to deliver even greater benefits to the consumer.



Once value is stored in the Samsung Pay wallet, Ahn said, it drives further action and encourages the customer to use Samsung Pay again.

Murugesan added that consumers are already able to get deals from merchants, but the process for accessing those deals can be fragmented. He said that's why Samsung saw an opportunity to centralize everything and put all the cash back in one place — a single digital piggy bank that simplifies how the market already works and what it already offers, rather than innovating something completely new.

What's Next

Merchants, said Murugesan, want to drive traffic and introduce new channels that they aren't already using. They want distinctive ways to communicate with consumers.

Samsung, as a tech company, has the potential to give them that, he said, so the company is working to position itself as a win for the entire ecosystem, including both merchants and consumers. It aims to grow its cash back program to more merchants in the next several months.

In addition, by the end of May, customers will have the option to buy points within Samsung Rewards to round out rewards purchases they wish to make but are just short of earning. Murugesan said this is a common demand and has been introduced already by various other loyalty programs.

"We want our consumers to know that Samsung is the most rewarding place to shop," Ahn summarized.

11. FIME FIRST LAB & TOOL QUALIFIED BY GLOBALPLATFORM FOR CONSUMER ESIM

Source: FIME (05/15)

FIME is the first to have both its test tool and laboratory qualified by GlobalPlatform in line with the GSMA's latest consumer eUICC SGP.23 specifications and the SIMalliance Interoperable Profile. FIME is now positioned to support both, M2M and consumer eSIM manufacturers, throughout the launch of their eSIM services and solutions. In 2018 February, FIME laboratory has qualified the first eSIM product for the consumer market.

GlobalPlatform, the standard for secure digital services and devices, manages compliance activity on behalf of GSMA.



“As the mobile ecosystem continues to develop, UICC is following,” comments Stephanie El Rhomri, Vice President of Services at FIME. “Combining the eSIM with remote provisioning opens up opportunities for key stakeholders. For example, device makers have greater design flexibility and consumers benefit from greater convenience and ease of use when selecting services. Chip and device manufacturers can now speak to FIME experts that worked on the specs and use our tool for pre-certification testing before submitting to our lab for full certification. This linear process minimizes the risk of delays and ensures a smooth path to product launch.”

“This achievement demonstrates the collaboration that is driving the evolution of eSIM technology,” adds Kevin Gillick, Executive Director of GlobalPlatform. “GSMA and SIMalliance have defined the specifications and GlobalPlatform is managing the certification program to promote eSIM interoperability, stability and flexibility for the protection of digital services. But we are one part of this ecosystem; qualified laboratories and test tool providers like FIME are fundamental to this work. They are on the front line, supporting live implementations of the technology and, importantly, feeding key learnings from the field back into the standardization process.”

FIME is a member of ACT Canada; please visit www.fime.com.

12. CONSUMERS WANT NOVEL PAYMENTS INNOVATIONS BUT FEEL SECURE WITH OLD PROVIDERS

Source: PYMNTS.com (05/17)

When TSYS conducted its first consumer payments study seven years ago, the primary focus was on debit vs. credit according to TSYS’ Gavin Rosenberg. The company was simply looking to gather solid information as the debit market was undergoing significant changes.

Flash-forward to today, Rosenberg told PYMNTS shortly after the release of TSYS’ seventh U.S. Consumer Payment study, and its purview has changed significantly. Legacy data on credit and debit is still important, he said, but these days, the study grew because payments and commerce have become more complex.

“There are a lot of other areas we have started to explore,” Rosenberg said. “A lot of that is based on evolving technology, topics in the marketplace, topics in the media and consumer behaviors. There’s now a lot to explore and a lot of factors that influence what we study each year.”



Thinking about how consumers pay today and how they will want to pay tomorrow is data TSYS needs to best serve its issuer clients who serve those customers. It's a conversation that has grown well beyond card types.

This year's study focuses more heavily on emerging payments, with an eye on peer-to-peer (P2P) payments and artificial intelligence (AI)-enabled personal assistants — such as Amazon's Alexa and Google Home.

What did they learn?

The Coming AI Era

When asked why AI was an area of interest for this year's study, Rosenberg noted that on some level, it kind of had to be. The rise of the voice-activated assistant was impossible to miss.

"This is the topic that is being talking about; at this point, it's hard to pick up a publication in tech or finance that isn't talking about this. What we can see right now is an increasing propensity in terms of people being interested in these devices and desiring to use them more and more as they become readily available," he explained.

According to the new TSYS report, a little over a quarter of all Americans have a voice-enabled AI assistant in their homes. However, Rosenberg noted that among those consumers, many aren't using their devices in a way that's interesting to TSYS.

"What we really care about is how they're using these tools — specifically if they're using them for financial transactions or shopping. In terms of who has Alexa to check the weather or play music for them, that's interesting but not relevant to our business. What we have a strong desire to know is how people want to use them for payments and financial transactions," Rosenberg said.

In that area, TSYS is bullish, because, as the study predicts, "within three to five years, ownership of voice-activated speakers will be more mainstream, and intelligent personal assistants will be used regularly to shop and make purchases."

The study indicated that among those who already own smart speakers, 60 percent are looking for opportunities for transactions via voice and are planning to utilize this capability when it becomes more readily available.

The study also highlighted some generational skew when it came to ownership and usage potential for AI technology, with younger respondents more likely to own a voice-activated smart speaker and to carry out more commerce functions with them.



But that generational skew was somewhat mild, particularly when viewed against the study's snapshot of the demographic divide.

P2P And Banking's Next Act In Digital

Rosenberg said when the TSYS team looked at the demographic data for P2P payments, they were not surprised by the very lopsided breakdown in the numbers. Millennial use and awareness was highest: 45 percent reported having used a P2P payments service at least once. The oldest age bracket, the over-65 group, was lowest at 12 percent.

"And you can see that direct correlation to age ... in whether they have used it [and] whether they anticipate using it in the future," Rosenberg explained.

Older consumers aren't using the technology and aren't curious about learning more about it for the basic reason that P2P feels like an unknown commodity offered by a lot of unknown providers, he said.

However, Rosenberg suspects that, based on other trends in the data, more older users are going to start using P2P than are currently reporting plans to — because P2P is going mainstream.

"I think it's very significant that is Zelle being adopted by so many mainstream banks. I think those mainstream providers making P2P technology available through their platforms with their stamp of approval from a technology and security perspective will be persuasive. I think we will see a big increase in awareness and usage among the older age groups in the coming years," he predicted.

That micro-trend appears to be a small snapshot of a larger trend, he said: Consumers are increasingly interested in seeking services directly from banks.

As of this study, 63 percent of consumers reported using mobile banking services, and a full three-quarters explicitly wished to get identity theft protection from their banks.

"And what we are starting to see, due to the proliferation of breach events, is an increasing concern among customers around things being from a known provider. With increased security concerns, people are turning back to who they trust and know, and that is often turning out to be their bank," he said.

Customers tend to have an underlying belief that they're going to be more secure and at less risk when they can get solutions from their existing provider, he explained; plus, they also tend to like to consolidate the number of entities they're having to manage.



That desire for consolidation is balanced by a consumer set that is migrating to mobile to manage an ever-growing list of life responsibilities, and they're finding providers that can help them make that transition.

Mobile's Self-Reinforcing Future

After years of speculation about when mobile was finally going to “happen,” mobile managed to happen all around us, though perhaps not in the form anyone expected. It wasn't a light switch going on, Rosenberg said, so much as the development of the API economy, the app economy and a pile-up of “elegant user experiences that drew more people to use their devices more often.”

“I think we are seeing two separate but connected things going on,” he continued. “I think more people are using smartphones and other devices to transact and manage their financial lives. And I think, concurrently, more people are increasing how much they're doing on those devices. It is multiple fronts where we are seeing growth.”

The question going forward, he noted, will concern the quality of those experiences and whether mobile can continue giving the customer positive reasons for further use.

In some regards, Rosenberg said, there's still a way to go. Customers responded extremely positive to rewards offerings — particularly to rewards, benefits and coupons delivered via mobile — but the delivery of many of those benefits still needs to be refined in the digital age.

“There's a large number of people who are interested in getting offers, but they would really prefer those offers to be relevant to them and their actual spending habits instead of a mass market offering that may or may not hit their needs. I don't think most people who are doing this are really maximizing the opportunity relative to this,” he said.

Rosenberg believes that in the era of AI and with the kinds of computing power necessary to crunch consumer data down to its most granular level, there might be a better future of direct, personalized offers.

As the data in TSYS' U.S. Consumer Payment study shows, in an era of multiplying options, the consumer is “always right,” which means creating a new offering is oftentimes challenging.

“At the end of the day, consumers have an increasing expectation of a better experience when it comes to buying — elegant, effortless, automatic and



assumed. That is the challenge that everyone in the segment has to rise to," Rosenberg said.

13. SPOTON ADOPTS VERIFONE CARBON WITH CONNECT, HELPING SMBS IN NORTH AMERICA TRANSFORM THE CHECKOUT EXPERIENCE

Source: Verifone (05/16)

Owners of small- to medium-sized businesses (SMBs) often stretch themselves thin, sometimes serving as CEO, CMO, CTO and CIO all at once. To help time-starved SMBs gain efficiency as they confront changing security demands, advancements in technology, and consumer behavior, Verifone (NYSE: PAY) today announced an agreement with SpotOn Transact, LLC (SpotOn) to deploy Carbon integrated point-of-sale (iPOS) devices with Verifone Connect.

SpotOn offers non-traditional marketing solutions to drive traffic to merchants and create loyal customers. "Our technology helps businesses in all categories grow revenue by helping them build unique relationships with their customers," said RJ Horsley, President, SpotOn. "We are the first company to integrate credit card processing with marketing, loyalty, reviews management, and consumer analytics. These tools are critical to growing a business and when available on Carbon and combined with Verifone Connect, we allow businesses to not only enable all types of secure payment acceptance, but increase consumer engagement and drive efficiency."

"By deploying Carbon with Connect, SpotOn empowers businesses to provide consumers with experiences that are engaging, efficient and relevant," said Joe Mach, president of Verifone North America. "Smaller merchants, especially in the service industry, often don't have a lot of time and they are often looking for ways to save money. That's why an iPOS solution that delivers meaningful services such as a loyalty program that merchants can use right away, enables them to spend more time on growing their business, trimming operating costs and connecting with customers."

Carbon with Connect includes the Verifone Marketplace where retailers and restaurants can download the SpotOn application. Once the app is downloaded, merchants have access to popular business tools such as financial and customer analytics, review monitoring and notifications, and a marketing platform that empowers merchants to connect with their customers via mobile, social media, and email. In addition, the app allows business owners to run rewards programs, loyalty and deal redemption, gift cards and more.

With Verifone Connect, merchants can start, run and grow their businesses with secure and adaptable, end-to-end solutions, and better manage their businesses with next-generation software and services. Paired with Verifone



Carbon, a family of iPOS solutions, merchants can manage their business and drive revenue by providing personalized, meaningful customer experiences beyond just accepting payments. Providing the highest security standard with PCI 5.x, the Carbon family of devices accept all forms of payment including EMV, NFC contactless, and mobile wallets such as Apple Pay and Google Pay.

14. WESTERN UNION ADDS WECHAT PAY TO GLOBALPAY FOR STUDENTS PRODUCT

Source: Mobile Payments Today (05/01)

Western Union has added WeChat Pay to its WU GlobalPay for Students product through its alliance with Geoswift, a payment company specializing in payment products in and out of China, according to a press release.

Western Union said the enhanced capability will enable academic institutions to offer Chinese students studying abroad a wider range of digital payment options including WeChat Pay, Alipay, UnionPay and Tenpay, according to the release.

"Mobile payments play a key role in the day-to-day life of China's digitally savvy population," Adam Tiberi, senior vice president of strategy and product for Western Union Business Solutions, said in the release. "Being able to use WeChat Pay and other popular payment platforms is crucial for Chinese students. As the largest international student population in the world, Chinese students expect universities to offer them simple and convenient payment experiences. Our latest update to GlobalPay for Students allows our education customers to provide an enhanced experience for their Chinese students."

Western Union launched its enhanced GlobalPay for Students platform in 2017 to enable academic institutions to more efficiently reconcile, refund and track payments from international students.

15. WIRECARD TO POWER CONTACTLESS PAYMENTS IN GARMIN SMARTWATCHES

Source: Mobile Payments Today (05/16)

Wirecard is partnering with Garmin to provide Garmin smartwatch owners a digital payment experience through Wirecard's flagship product, boon, according to a press release. As of now, Garmin smartwatch users in France, Italy, Ireland, Spain, Switzerland, and the U.K. will be able to add their digital boon cards to Garmin Pay and make purchases with their Garmin vivoactive 3 or Garmin Forerunner 645 smartwatches anywhere MasterCard contactless is accepted.



Wirecard said consumers can set up boon on eligible smartwatches by following the simple steps in the Garmin Connect mobile app to add a card to the user's Garmin Wallet.

To pay, users call up the controls menu and access the wallet. The boon card will then show up on the screen, and the smartwatch is ready to pay. Users then hold the watch against the payment terminal until a payment confirmation appears on the device screen.

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

16. FOR GOLDMAN AND APPLE, ONE WORD: PLASTIC (CARDS, THAT IS)

Source: PYMNTS.com (05/10)

Two marquee names — one in tech and the other in finance — and a card between them. News came Thursday (May 10) that Apple and Goldman Sachs Group are in the midst of bringing a joint credit card to market.

In terms of details, noted The Wall Street Journal, the card would be issued under the Apple Pay designation and may come to market early next year. The financial publication reported that “people familiar with the matter” said Apple will replace its current relationship with Barclays, under which the latter firm and Apple have a rewards card, marked by interest-free financing and rewards points tied to Apple gift cards.

The move by Goldman and Apple has a cross-pollination effect of sorts. For Apple, there’s the chance to “deepen” a “push into its customers’ wallets,” according to the WSJ, while Goldman now comes to market with its first credit card.

The embrace of plastics means Apple is continuing to train its sights beyond hardware like the iPhone and is looking to lift its Apple Pay business. In an example of that momentum, in Apple’s latest earnings report, in early May, the company said it sold 2.9 percent more iPhones in the first quarter than a year ago, to 52.2 million units. But services revenues were up 31 percent, to \$9.2 billion.

For Goldman, the extension carries beyond the company’s securities business and continues a move into consumer banking.

Beyond the card, ancillary services will be on offer, as Goldman will feature loans for customers who come into stores to buy Apple’s hardware.



17. INGENICO, USA TECHNOLOGIES PARTNER ON PAYMENTS FOR UNATTENDED RETAIL

Source: Mobile Payments Today (05/08)

Ingenico Group and USA Technologies Inc. have partnered to provide the unattended retail marketplace with a bundled service that pairs Ingenico's hardware, software, security and services products with USA's ePort Connect services platform specifically designed for the unattended retail market, according to a press release.

Ingenico's iUC285 device accepts magstripe, EMV and NFC/contactless transactions, while its software integration layer and its service platform enables deployment of acceptance capabilities of new electronic payment.

With either the USAT G10-S telemeter or the Quickconnect API channeling payments to the ePort Connect service platform, the two companies will provide EMV and NFC/contactless hardware and software paired with the first enterprise system for unattended retail. The pairing will provide cashless payment reconciliation, optimization services and a loyalty and advertising CMS, according to a press release.

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

18. SHOPIFY TO OPEN FIRST BRICKS-AND-MORTAR SERVICE LOCATION THIS YEAR

Source: The Canadian Press (05/08)

Shopify Inc. announced its first brick-and-mortar location will open later this year and unveiled a host of new in-store infrastructure in a bid to attract — and keep — more retailers on its e-commerce platform. The Ottawa-based company revealed at its Unite conference in Toronto that its first physical space for clients, a hub for retailers to get support for growing their business, will open in 2018, but did not say where.

“It is kind of weird that a company that was forged in the fires of the internet commerce is having a physical store, but it is a bit of a canvas for us to do some cool experiments,” chief operating officer Harley Finkelstein said in an interview at the conference.

Shopify's focus on physical support for retailers comes amid slowing growth — albeit at a rate that still hovers around 70 per cent — and questions about its customer retention as curiosity has grown over how many merchants open stores through Shopify only to shut them down later.



However, Finkelstein stressed that the features weren't driven by talk of slowing growth, market fluctuations or questions around merchant retention.

The questions about customer count have grown since short seller Andrew Left targeted the company late last year, saying that it relies too heavily on small merchants whose future business is uncertain and called on the company to release data about customer "churn."

But the company refuses to share its current merchant count, saying it is a total it only discloses at the end of the year.

"Some businesses don't succeed, but the ones that do, stay with us for a very, very long time and the cool part about that is that the ones that stay more than offset the ones that leave," said Finkelstein.

"This has nothing to do with the stock price, or the earnings or some short-seller. This is really about partners and merchants."

Shopify's physical space will cater to small business owners. Finkelstein figures most of the people who visit the location will be developer partners or merchants seeking information to collaborate, but he also envisions that the space could be used for events or opened to merchants to sell their products for a few days.

He said the move is in step with companies like eyewear brand Warby Parker and clothier Bonobos, which primarily sell goods online, but still operate showrooms and stores.

"The (companies) who do really well are the ones that realize we don't actually have to sell anything at our bricks and mortar store, it's just an extension of our brand, maybe it's a way for us to communicate with our community," Finkelstein said.

His remarks came after the company announced it was offering "dynamic checkout" to merchants, which eliminates the need to fill out lengthy forms and insert credit card information by allowing customers to make payments with a single tap using contactless payments systems including Apple and Shopify Pay.

Shopify also said it would roll out upgrades to its point-of-sale offerings, including tipping, in-store pickup and multi-channel return and exchange options.

It will even update its technology to accept local, cashless payment methods available overseas and offer a beta version with extended capabilities for merchants running their operations in French, Spanish, Italian, German, Japanese and Portuguese.



The company also showed off its virtual and augmented reality technology to Prime Minister Justin Trudeau at the conference.

In recent years, Shopify has been toying with using the technology surmount one of the e-commerce market's biggest barriers: getting customers to buy products without insisting on first seeing them in-person.

Some of the offerings it has been developing allow shoppers to wander around a virtual store by using a mobile phone or tablet to peek at product displays and shelves of merchandise, which customers can swivel to see from every angle, from the comfort of their home or wherever else they may be.

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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