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

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

PAYMENTS BUSINESS - *Media Partner*

New and Renewing Members

Principal Member
Capital One ~ member since 2008
Gemalto ~ member since 2005
Giesecke & Devrient ~ member since 1990

General Member
A LA CARD Marketing & Consulting Services Ltd. ~ member since 2004
Accenture Strategy - Financial Services ~ member since 2015
Bassett Direct ~ new member
Cardtek USA ~ member since 2014
Chase Paymentech ~ member since 2014
Collabria Financial ~ member since 2015
Discover ~ member since 2011
nanoPay inc. ~ member since 2014
TSYS ~ member since 2013

Associate
Bennett Jones LLP ~ member since 2011
EMA Partners Toronto ~ member since 2013
LMI Payments Consulting ~ new member

Career Opportunities

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

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

Calendar Of Events

Cardware Connections East & West
Calgary - Oct 4
Vancouver - Oct 6* Payments Bootcamp will be offered in the afternoon

http://www.actcda.com/calendar/act-canada-events/connections.html
ACT Canada members receive discounts

Payments Bootcamp
Oct 6, 2016
Vancouver, BC
http://www.actcda.com/calendar/act-canada-events/payments-bootcamp-vancouver.html

Trusted Execution Environment (TEE): Connected Device Security for Today and Tomorrow
Oct 13, 2016
Santa Clara, CA
http://www.globalplatform.org/TEEevent/
ACT Canada members receive discounts (guaranteed early bird rates even after it expires)

Payments Bootcamp
Oct 19, 2016
Toronto, ON
http://www.actcda.com/calendar/act-canada-events/payments-bootcamp-toronto.html
ACT Canada members receive discounts

ACT Canada's Annual General Meeting & Biometric Authentication Cardware Connections
Oct 19, 2016
Toronto, ON
http://www.actcda.com/calendar/act-canada-events/cardware-connections.html
ACT Canada members receive discounts

IVIES Awards Gala
Oct 19, 2016
Toronto, ON
http://www.actcda.com/calendar/act-canada-events/ivie-awards.html
Submit your nominations at http://www.actcda.com/ivie-awards.html
ACT Canada members receive discounts

Money 2020
Oct 23-26, 2016
Las Vegas, NV
http://www.money2020.com/
ACT Canada members receive discounts

GSMA Mobility Live! – North America
Nov 1-2, 2016
Atlanta, GA
www.mobile360series.com/north-america

TRUSTECH
Nov 29-Dec 1, 2016
Cannes, France
www.trustech-event.com
ACT Canada members receive discounts

Cardware 2017
May 1-3, 2017
Niagara Falls, Canada
www.cardware.ca
ACT Canada members receive discounts

Money2020 Europe
June 26-28, 2017
Copenhagen, Denmark
www.money2020europe.com
ACT Canada members receive discounts

1. EDITORIAL - WAR AND PEACE, CATS AND DOGS
Source: Catherine Johnston, CEO, ACT Canada (09/29)

Let's start by saying that all payment stakeholders want the same thing; safe, reliable and cost effective payment. I know that to be true. I suspect that everyone believes that they are doing all they can to make this happen, but that isn't always the case. Acquirers, issuers, merchants and payment card networks are all under pressure from many sources. The state of the payment business in 2016 is far more challenging than that of 2006. It's time to circle the wagons, time to set aside old feuds and work together.

The enemy is the group that would defraud and steal from us. Thinking that a competitor is the enemy is a mistake. Business competitors can be allies in fighting the real enemy because they have the same thing at stake. Right now online fraud is a problem that every payment stakeholder wants to solve. There are a number of tools that could be used effectively, and deciding which ones to deploy needs to be done with input by all the stakeholder groups, because all of them will be impacted. Biometric authentication is a strong contender, but it is complex. Getting it right is important because do-overs only benefit the bad guys. Getting it right means that all stakeholders need to understand how it will work and impact their processes. All stakeholders need to also understand risks associated with enrollment and use.   Because solving online fraud is so important, the dialogue needs to move quickly.

I invite you to join other acquirers, issuers, merchants, payment networks and industry experts to add your input on October 19th, as payment stakeholders meet in an ACT Canada forum to move the discussion forward. More details are available at www.actcda.com. On a final note, I need to return to the subject of enemies. Over the past year I have been witness to a growing war between two payment stakeholder groups. I've heard disrespectful and vitriolic comments that are unprofessional. None of them have come from senior executives, and I doubt that they are even aware of this blight on their corporate culture. It reminds me of the theory that cats and dogs are natural enemies. While it is true that cats are very territorial, when a cat and a dog have something in common such as the desire to have a comfortable home, they co-exist naturally. Payment stakeholders have a lot in common and each deserves respect.

2. PEOPLE'S CHOICE VOTING NOW OPEN
Source: ACT Canada (09/29)

The IVIE nominations are in and the judging is underway! This year, we have introduced the People's Choice award - an opportunity for you to vote for your favourite of the nominees. Vote for the People's Choice Award at this year's IVIE

Awards! - THE MORE PEOPLE VOTE - the more meaningful the award will be. A synopsis of the award nominations and voting instructions are available at *http://www.actcda.com/ivie-awards.html*. Please review these nominations and vote for your favourite!

Please note that voting ends **Friday, October 7th at 12pm ET**.

<u>COME & CELEBRATE WITH US!</u>

Join us at the 2016 IVIE Awards as we celebrate the innovators, champions and the social benefactors who have excelled in secure payments. This year's awards are being held in conjunction with our Cardware Connections on October 19th in Toronto.

Reserve your table / tickets today at *http://www.actcda.com/calendar/act-canada-events/ivie-awards.html*.

3. PAYMENT STAKEHOLDER STRATEGIC LEADERSHIP TEAM LAUNCHED
Source: ACT Canada (09/29)

ACT Canada announces a structural change and name change for ACT Canada's Strategic Leadership Teams (SLT). The Merchant, Mobile, and Payment Acceptance Strategic Leadership Teams will be replaced by Payment Stakeholder Strategic Leadership Team. ACT Canada is grandfathering all the current SLTs and is moving towards only one payment forum whereby any topic of interest, industry concern, or payment market impact may be brought forward for a discussion with other Members. This forum will give our Members the opportunity to table what is most important to them, the payment industry and the market. More details on the function and objectives for this forum will be available shortly and updated on our website.

For further information, please contact Joanne Modugno- joanne@actcda.com or 905-426-6360 ex 119

4. AIR CANADA AND CIBC LAUNCH MULTICURRENCY PREPAID CARD FOR TRAVELLERS
Source: CIBC (09/26)

Air Canada and CIBC introduced a first-of-its-kind multicurrency prepaid card in Canada, allowing Canadians to purchase and store multiple currencies that can be used at retailers around the globe wherever Visa is accepted. The CIBC Air Canada Conversion Visa Prepaid Card, available exclusively through Air Canada, is a reloadable prepaid card that allows clients to store up to 10 currencies on one card, all managed by a dedicated mobile app.

Benefits include:
- Managing up to 10 currencies online or through the card's mobile app without the worry of fluctuating foreign exchange rates
- Making point-of-sale, tap and pay transactions, ATM withdrawals and online purchases anywhere Visa is accepted - automatically in the local currency
- No additional fees when used at retailers
- Ability to view latest activities and purchases; check card balance(s); move funds between currencies
- Chip and PIN security, emergency card replacement and emergency cash disbursement bring peace of mind to cardholders

"Air Canada carries 41 million customers each year to more than 200 destinations on six continents. To make their travels even more convenient, we have partnered with CIBC to create a prepaid global currency card. This innovative card gives travellers flexibility and security when dealing with foreign currencies so they can focus on exploring new places," said Duncan Bureau, Vice President, Global Sales at Air Canada. "As a leading provider of foreign exchange in Canada, we are pleased to deliver this innovation in partnership with Air Canada – a first in North America, making it easier to pay for purchases in foreign currency when travelling outside of the country," says Vineet Malhotra, Head, Alternate Solutions Group, CIBC Capital Markets.

Currencies: Australian dollar-AUD; Canadian dollar-CAD; Euro-EUR; Great British pound-GBP; Hong Kong dollar-HKD; Japanese yen-JPY; Mexican peso-MXN; Swiss franc-CHF; Turkish lira-TRY; and U.S. dollar-USD. How it works: If you travel frequently, the CIBC AC Conversion Card allows you to purchase foreign currency with your smartphone app at your convenience at a fixed Exchange rate. You will also have the benefit of chip and pin security, the ability to tap and pay, and one free ATM withdrawal per country each month.

CIBC and Visa are members of ACT Canada; please visit www.cibc.com and www.visa.ca.

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5. VISA AND INGENICO COMBINE CONTACTLESS PAYMENTS WITH DIGITAL SIGNAGE AT TIFF
Source: IT Business, by Brian Jackson (09/09)

A lot of celebrities are making red carpet appearances at the Toronto International Film Festival (TIFF), and so is a new method of contactless payments thanks to a collaboration between Ingenico Group and Visa Inc. Ensconced in a Visa-branded enclosure inside the festival's pedestrian-only zone, the six-foot tall Visa Connected Screen is collecting donations in $2 or $5 increments for the TIFF Pocket Fund, an organization that provides funding for young people that want to access TIFF's educational programming. The unit is the first of its kind in North

America, and the second instance of a Connected Screen deployment in the world – following a pilot in France, where Ingenico is headquartered.

Payments are accepted from any Visa payWave-enabled credit card or smartphone authenticated with a Visa card. TIFF is the perfect place to demo the technology, say organizers. "We wanted to shine an international spotlight on it because it's capable of accepting all international Visa cards," says Chris Tyghe, vice-president of strategic development at Ingenico Canada. "We thought it would be awesome to align the stars and unveil it here." Visa is a headline sponsor of TIFF for the 20th straight year, and it was using the opportunity as a way to highlight where it sees the future of payments technology going. Contactless payments have hit full speed in Canada, according to Visa, with 21 payWave transactions taking place every second. Visa points to Ingenico's Connected Screen as an example of how the Internet of Things trend will see contactless payments capability embedded in more devices.

"Most of the time digital signage is about product awareness. This actually allows you purchase," says Derek Colfer, head of innovation and digital technology for Visa Canada. While demo organizers couldn't provide a timeline for seeing these payments-enabled displays ubiquitous in the market, and Ingenico says pricing for interested merchants is still to be determined, a couple examples of use-case scenarios were offered. In South Korea, commuters can tap their smartphones to a display to pay for groceries that are later delivered to their doorstep, Colfer says. In France, fully-serviced camp grounds offer guests the opportunity to buy firewood and even groceries from digital signage in a central location, delivering the items to the camp site later, Tyghe says. Colfer also points out that charities that rely on spare change donations in crowded locations may want to tap into this solution, as fewer people carry around cash these days.

"A lot of time you just don't have cash in your pocket," he says. "This is a great bridge technology that allows people to give when they wouldn't have otherwise." Ingenico says that while the TIFF display is showcasing Visa's payments network, it will work with anyone interested in the technology. Tyghe says Ingenico is in talks with others at the moment.

Ingenico and Visa are members of ACT Canada; please visit www.ingenico.com *and* www.visa.ca*.*

6. ELAVON LAUNCHES NEW TABLET-BASED PAYMENT PRODUCT IN CANADA
Source: Elavon (09/12)

Elavon is launching a tablet-based payment solution in Canada that will provide small and medium-sized businesses with secure, interactive payment processing, powerful data analytics and affordability to help businesses effectively

manage and grow their businesses. The solution is the result of a relationship between Elavon and talech, a fast-growing Silicon Valley software company. Together, the duo now equips Canadian businesses with Elavon's strength in payment solutions and talech's intuitive and intelligent tablet-based point-of-sale platform. "Together, talech and Elavon are helping small and medium-sized businesses compete with large retailers around the world," said Irv Henderson, CEO of talech. "From our initial U.S. launch in 2014, to Europe last year and now Canada, we are making it possible for the corner store to obtain sophisticated customer data to grow its business."

This powerful combination makes sophisticated data accessible and relevant for small to mid-sized businesses, enabling them to compete effectively against the marketing and operational might of much larger chains. The launch in Canada expands talech's relationship with Elavon, which began when the companies joined forces in 2014 to offer a similar solution in the United States. Mia Huntington, SVP and general manager of Elavon Canada, said, "Our new solution offers a simple, intuitive tool that puts data-driven insights at the fingertips of any business owner. Now, the local vintage clothing store or nearby bakery can take orders, manage inventory, access customer information and view daily reports in real time with just a few taps."

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

7. APPLE, PAYMENT PROVIDERS LAUNCH APPLE PAY FOR WEBSITES
Source: CNP (09/15)

Apple revealed this summer at its World Wide Developer Conference that Apple Pay would be available for Websites before the holidays. On Tuesday, Apple, along with support from various e-commerce platforms and payment processors, made it a reality for merchants that want to offer the online payment method. With this week's release of iOS 10, the functionality is available for mobile Websites that consumers access via the Safari browser on iPhones and iPads. Apple said next week it will extend the same ability to Mac users with the release of the new operating system for that device. Announcements quickly followed from e-commerce platforms like BigCommerce and Shopify, mobile-first online payment providers like Stripe and Braintree and traditional payment processors including Vantiv.

While media reports have concentrated on Apple Pay as an in-store payment method, its potential as an online payment method is enormous. In-app online payments have always been possible with Apple Pay, but enabling Apple users to make one-touch payments at mobile Websites and one-click payments from their desktops could drive sales, according to Tony Rose, head of emerging product initiatives for Vantiv. Rose told CardNotPresent.com that the combination of Apple Pay on the Web and Android Pay on mobile Web—which he said will be

available at the end of the month—will completely change the adoption curve for those mobile wallets. "The in-store experience, especially the friction of adoption, has been heavily scrutinized. And, as far as in-app goes, not every merchant can afford an iOS development squad. By making it available on the Web and as easy to adopt as they have, this makes Apple Pay available to almost any online merchant," he said. "And it's not just how easy it is for merchants to adopt. How much friction it will remove from the checkout process is game-changing."

Rose said several Vantiv merchants were part of Apple's early adopter program for Apple Pay's Web version and, as word filtered out that the Web version was available, the company has seen a "significant uptick" in the number of merchants interested in adding Apple Pay.

8. MAJOR BANKS UNITE TO CREATE WORLD'S FIRST RULES-BASED BLOCKCHAIN PAYMENTS NETWORK
Source: Let's Talk Payments (09/23)

Ripple announced that a number of global banks are joining forces to establish the first interbank group for global payments based on distributed financial technology. Bank of America Merrill Lynch, Santander, UniCredit, Standard Chartered, Westpac Banking Corporation, and Royal Bank of Canada are the founding members of the organization, known as the Global Payments Steering Group (GPSG). The GPSG will oversee the creation and maintenance of Ripple payment transaction rules, formalized standards for activity using Ripple, and other actions to support the implementation of Ripple payment capabilities. CIBC will also join the GPSG as a new member.

"The creation of GPSG is significant because this represents the first time that major banks have formulated policies to govern the transfer of money across borders using blockchain," said Donald Donahue, Chairman of GSPG and former President & CEO of The Depository Trust & Clearing Corporation (DTCC). "I'm very excited to be a part of this group of forward-looking leaders who are building the payments network of the future today." These leading banks are working with Ripple in an effort to drastically reduce the time and cost of settlement while enabling new types of high-volume, low-value global transactions. By coming together to form the GSPG, they are laying the foundation for a modern payments network underpinned by Ripple's solutions and supported by rules and governance for global settlement.

"Today, people expect money to move at the speed of the Internet. That's why we're working with these top banks to address the need for faster cross-border payments," said Ripple CEO and co-founder Chris Larsen. "The work of GPSG, a new global interbank network, will give financial institutions and their customers the ability to make new types of payments at mass scale." Several of the banks commented about their decision to launch the network:

- Jason Tiede, Head of Innovation, Global Transaction Services at Bank of America Merrill Lynch said, "We are committed to delivering innovations that support the evolution of global payments networks. We are pleased to join this steering group and explore practical applications for blockchain technology that will advance commerce in all regions of the world."
- Julio Faura, Head of R&D at Santander said: "It's time for banks to push on and move from discussing the potential benefits of blockchain, to making them a reality. As ever, the devil is in the details. We are joining the GPSG in order to contribute to the definition of the standards and processes which the industry now needs in order to move ahead and build better payments networks."
- Carolyn Burke, Head, Regulatory Payments, RBC said: "As a leading Canadian player in the global payments ecosystem, RBC is at the forefront of developing payment technology that provides greater choice, security and options for its clients."
- Gautam Jain, Global Head, Digitisation and Client Access, Transaction Banking, Standard Chartered said, "As a leading international bank committed to digitization, our involvement in this group is only natural. In addition to promoting the use of distributed ledger technology, we have been, and will continue to, drive standards and policies in order to create new value propositions for our clients and wider industry."
- Mike Baldwin, Head of Transactional Solutions, Global Transactional Services at Westpac Institutional Bank said: "A common set of standards and protocols is critical for the integrity of any platform that transfers money across borders. This is an important milestone for banks to embrace distributed ledgers in the move from proof-of-concept to commercial-ready solutions," said Mike Baldwin, Westpac Institutional Bank's Head of Transactional Solutions, Global Transactional Services.
- Phil Griffiths, SVP, Global Transaction Banking, CIBC said, "Leading in innovation means recognizing the value of collaboration, and we look forward to bringing that approach to this important effort to shape the payments market of tomorrow for our business clients."

Today, Ripple's growing, global network includes 15 of the top 50 global banks, 10 banks in commercial deal phases, and over 30 bank pilots completed.

CIBC and Royal Bank of Canada are members of ACT Canada; please visit www.cibc.com *and* www.rbc.com*.*

9. CANADA'S FINTECH ECOSYSTEM IS GAINING MOMENTUM AS A GLOBAL HUB FOR INNOVATIVE TECHNOLOGY
Source: Let's Talk Payments (09/28)

As FinTech hubs around the world enter various phases of growth and development, the attention of financial industry professionals is being scattered over emerging locations and new opportunities for businesses. While Canada is not really a 'freshman' ecosystem in FinTech, the country appears to be gaining attention as possibly one of the hottest FinTech hubs. The Canadian FinTech landscape has been a hotbed of activity with 100 Canadian FinTech startups raising over $1 billion since 2010. Some professionals believe that Canada is on the verge of a tech-powered evolution in the financial industry as technological innovation in blockchain, lending, payments, wealth management, capital markets, are transforming the financial system to better improve services, convenience and access to capital.

Roundtable organized by Canada 2020, a think-tank redefining the role of the federal government for modern Canada, revealed an opinion on the opportunities in the market along with barriers. Among the arguments for a progressive development of national financial technology ecosystem is the fact that the six most powerful banks in Canada recognize that innovations are inevitable, so the banks have an incentive to be active participants, rather than facing challenges from outside, such as from global players like Google and Apple. Canada's FinTech is even invited to establish ties with foreign governments through open-border initiatives in order to explore other markets. The UK Department of International Trade (DIT) in cooperation with British Airways, for example, will be hosting a Canadian FinTech mission to London at the beginning of December, to which Canadian FinTech companies are invited to explore and connect with the UK's FinTech ecosystem.

Probably one of the most interesting hallmarks of Canada's FinTech is its collaborative attitude. Vancouver, one of Canada's and the world's most interesting FinTech hubs, has quite a vibrant set of startups. The ecosystem is described as having a unique lifestyle appeal to talented professionals, and its proximity to the Silicon Valley and Asian markets, allowing for collaboration and financing. Speaking of Vancouver's FinTech landscape, it is worth mentioning that some of the most successful and fast-growing FinTech startups are based in Vancouver, a region that has continued to attract VCs attention across several borders. For example, Trulioo, the leading provider of global identity verification for the online payments industry, in December 2015 raised $15 million in an equity financing – an investment participated by American Express Ventures and existing investors BDC Capital, Blumberg Capital and Tenfore Holdings. Another great example is Zafin, which developed a relationship banking platform that uses advanced analytics to tailor banking products and services, track conditional offers, and optimize pricing and product mix for each customer. In other words, it enables banks to be less product-centric and more customer-centric.

Characterizing the uniqueness of Vancouver's FinTech ecosystem, Christine Duhaime, Founder and Executive Director of the Digital Finance Institute, based in Vancouver, shared with Trulioo, "The interesting thing about Vancouver's FinTech ecosystem compared with Singapore and London is that we don't have any government or global bank subsidized FinTech centers or FinTech innovation labs," said Duhaime. "The growth of our FinTech ecosystem is real, organic, and much more viable and sustaining as a result, at least for the short term." However, there is always room for improvement and Canada's FinTech scene has work to do. As professionals suggest, in order to succeed in Canada, startups require three components: access to funding, attracting and retaining talent, and government support. "The overall sentiment from most stakeholders was that Canada ranks between moderate to high in terms of supporting startups, but there is room for improvement. Stakeholders said that funding, engagement, policy initiatives and support from the Canadian government for FinTechs in Canada can help the country become an international leader," as stated by Betakit.

10. AMERICAN EXPRESS CHANGES THE FACE OF REWARDS IN CANADA ALLOWING CARDMEMBERS TO USE POINTS FOR ANY PURCHASE USING THE AMEX APP
Source: American Express (09/09)

American Express Canada today announces the launch of Use Points for Purchases, a dynamic new capability that allows eligible Cardmembers to use Membership Rewards points towards a wide range of eligible everyday purchases charged to their Card. Eligible Cardmembers enrolled in the Membership Rewards program can access and redeem against eligible spending on purchases they love such as retail, dining and entertainment straight from the Amex App with a few easy taps. "We're excited to be able to offer our Cardmembers the ultimate flexibility when it comes to redeeming their points," says Megan McKee, Vice President of Consumer Card Marketing, at American Express Canada. "By using their points towards eligible purchases, eligible Cardmembers can use their Membership Rewards Points simply and conveniently through their Amex App. Whether it's new furniture for the home, or back to school shopping or travel, Cardmembers have more choice than ever before when it comes to redemption."

This new capability comes at a time when American Express is especially focused on streamlining Cardmembers' lives to make their every day as seamless as possible. The company, which has always been known for its exceptional service, is focusing its attention on taking that service to another level and reaching its mobile-first customers. This includes an increased focus on the Amex App (with revamped, new features, like Use Points for Purchases), providing more options to pay with an American Express Card using a mobile device, and giving Cardmembers first access to presales and exclusive offers through entertainment email alerts.

"We know that consumers are increasingly looking for ways to simplify their busy lives," added McKee. "With a focus on mobile-first, we're evolving our commitment to providing exceptional service, and making the benefits of Cardmembership even more relevant in today's world." Areas American Express is innovating for the mobile-first consumer:

- Mobile fraud email alerts to ensure Cardmembers can shop confidently, from anywhere they are in the world
- Review recent transactions including pending charges, bill payment reminders and instant updates on the revamped Amex App to help Cardmembers keep track of their accounts on to go
- Mobile entertainment email alerts to ensure Cardmembers are first to hear of any Front Of The Line presales or Amex Invites offers and experiences
- In-app referral capabilities so Cardmembers can easily refer friends to earn more of the rewards they love

To Use Points for Purchases, eligible Cardmembers login to their account, either through the mobile app or online at www.americanexpress.ca, and simply click to view recent charges. To select eligible transactions, they simply click "use points for purchases." Once Membership Rewards points are used, Cardmembers will get a credit applied to their account within 48 hours.

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

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11. OTONO NETWORKS AND G&D ANNOUNCE PARTNERSHIP TO OFFER ESIM ADVANCED ENABLEMENT SERVICES TO MOBILE CARRIERS
Source: Giesecke & Devrient (09/20)

Otono Networks and Giesecke & Devrient (G&D) will team up at the Competitive Carriers Association's 2016 Annual Convention to announce a partnership to offer advanced eSIM enablement and management services in the global market for device connectivity. With the first eSIM-enabled wearables coming to the North American market, there is both an opportunity and a challenge for the Mobile Network Operators (MNOs) to manage. The MNOs have an opportunity to offer additional connections to their existing consumer base with the freedom eSIM technologies offer. While adding more devices to the family share plan benefits the market, activating these devices requires technology investments.

G&D anticipates several eSIM-enabled consumer devices launching in the North American market in 2017 - starting with companion devices such as smart watches. While the market in Asia has already launched mobile devices with eSIM technology, the expectation is to see eSIM-enabled devices in North America by 2018 in a larger scale. By 2020, a hundred million smart phones are projected to be eSIM-enabled, and the GSMA predicts over 10 billion mobile connected devices

by the end of the same year. This rapid growth will be seen across a variety of industries, including consumer devices (wearables, tablets, smart phones), connected cars, Internet of Things (IoT) and Machine-to-Machine (M2M). Mobile Carriers worldwide will benefit from the Otono and G&D partnership, which pairs the G&D AirOn Platform with the Otono Platform to create a seamless user journey: eSIM activation to launch eSIM-enabled products quickly and easily. This will allow Operators to offer electronic vouchers such that their customers can remotely add companion devices without the need to visit a Point of Sale location to scan a physical voucher.

The Otono Platform is a robust and flexible global connectivity solution, focused on the enablement of wireless services for any device. The platform is both carrier- and device-agnostic, designed to meet the connectivity requirements of any MNO and integrate with any platform or technology standard. Otono handles the carrier integration, eSIM provisioning and management. "We can help MNOs launch an eSIM-enabled product in under four months at a fraction of the cost." says Emir Aboulhosn, CEO and Founder of Otono. "The Otono Platform was architected with flexibility and scalability in mind, and together with G&D, we can help mobile carriers be fast to market with any eSIM product." G&D launched the first commercial eSIM management solution and continues to onboard leading mobile network operators, and G&D's AirOn supports the Remote SIM Provisioning specification for consumer devices and M2M set by the GSMA. AirOn is a comprehensive system that efficiently and securely activates, manages, and updates SIMs and devices Over-the-Air (OTA). When users of a mobile-enabled device request eSIM activation, AirOn securely transfers an operator profile through the connected network. G&D's extensive experience in OTA systems and mobile security solutions ensures that communication and device identification will be secure.

"We are excited to work with Otono to make the user journey as straight forward and convenient as possible for the consumers and the carriers that serve them," says John Gillespie, Sr. Vice President of G&D's North American Telecommunication Industries business. "At the end of the day, carriers want to enable consumer choice and adoption of new technologies. Our objective is to make it as easy as possible for them to securely activate the growing number of connected devices on the market."

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

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12. FIME AND BSMART PARTNER TO SEAMLESSLY SUPPORT PAYMENT TECHNOLOGY IMPLEMENTATIONS IN BRAZIL
Source: GLOBE NEWSWIRE (09/27)

FIME announces its partnership with Bsmart to further enhance its strategic consultancy, implementation support and certification tools and services offering

to the Brazilian marketplace. The collaboration will be of particular value to issuing and acquiring banks implementing EMV-based technology in the region. "Brazil is an important market for FIME and we're pleased to offer extensive implementation support in local language and the ability to bill in local currency," comments Francois Gaignard, Sales Director at FIME America. "While EMV migration is near completion, we have witnessed many customers preparing for contactless and mobile payment deployments in recent months due to the influx of overseas visitors for the 2016 Olympics. We believe this trend will continue. Bsmart's expertise and unparalleled local knowledge means it is the perfect partner to support our customers and drive new business in this region." Bsmart specializes in helping companies maximize opportunities in Brazil and has extensive experience within the payments and technology sectors. Bsmart will also support FIME in working with local customers to bring card and mobile transaction services to market effectively and confidently using secure chip or cloud-based solutions across the telecoms, transit and identity markets.

Karina Prado Freitas Dannias, Managing Partner at Bsmart Consulting & Outsourcing Services, a Bsmart Group company adds: "FIME has been a leading payment consultancy in Brazil for many years. We look forward to working together to offer even more support services to FIME's customers as payment technology continues to evolve and FIME advances its services and product portfolio across vertical markets."

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

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13. ACS LAUNCHES ACOSJ JAVA CARD
Source: Advanced Card Systems (09/21)

Advanced Card Systems Ltd. launched ACOSJ, a cryptographic smart card solution that is powered by Java and compliant with GlobalPlatform Card specifications. ACOSJ provides a secure platform for rapid application development of many value-adding applets, including e-banking, e-payment, loyalty, e-government, and public key infrastructure (PKI). ACOSJ has a fast read/write speed, is highly durable, and can house multiple secure applications. It comes in contact, contactless, and dual interface options. It is listed on the GlobalPlatform website as one of the products to present a successful test report from a GlobalPlatform-qualified laboratory. ACOSJ is equipped with powerful cryptographic capabilities. These functionalities enhance the security and performance of cryptographic operations and data management, both of which are essential to fulfilling the security requirements of smart card applications.

ACOSJ employs AES, DES/3DES, RSA, ECC, SM, SEED and SHA-1/2 support. ACOSJ is either certified or compliant with the following standards: Java Card 3.0.4 Classic, Global Platform 2.2.1, Mapping Guidelines v1.0.1, CC EAL5+ (chip level), and EMVCo (chip level). ACOSJ card body can be customized upon

request, such as modifications on full color artwork, text embossing and security printing, as well as addition of signature panels and magnetic strips. "ACOSJ provides elevated security and flexibility," says Gilbert Leung, Senior Vice President for Sales and Marketing. "Through a single card, developers get an interoperable execution platform that can store and update multiple applications. It is also compatible with existing standards. It does these while providing security to the developer's solutions." For clients who are looking for a secure payment card product, ACS also developed the ACOSJ-P payment card solution, which is compliant with the UnionPay Card standard. The built-in PBOC 3.0 application works with the ACOSJ platform to enable payment functions (e.g. debit, credit and QuickPass).

Advanced Card Systems is a member of ACT Canada, please visit www.acs.com.hk.

14. INTELLIGENT HOMES JOINS THE MULTOS CONSORTIUM
Source: Multos (09/27

The MULTOS Consortium, a group of major international organisations responsible for the promotion and development of the MULTOS specifications, announced today that Intelligent Homes, a leading solutions provider for research, design and implementation of smart homes and cities, has joined as a Professional Partner Member. As a member, Intelligent Homes will participate in the MULTOS Business and Technical Advisory Groups which will allow them to contribute towards the development and growth of MULTOS for the Internet of Things (IoT) whilst benefiting from the Consortium's marketing and networking resources with members that span the secure smart device industry.

Richard Burgess, Director of Intelligent Homes, says "Aligning with international standards, we research, design and deliver secure internet centric platforms for multiple commercial and domestic services. With our extensive knowledge and expertise in the Utilities and Energy sector, Smart Metering, Telecommunications, and Building Management industries, we look forward to collaborating with members of the MULTOS Consortium to provide a future proof, best-in-class solution for smart homes and cities."

Paul Wilson, Commercial Manager of the MULTOS Consortium, comments "It is our great pleasure to welcome Intelligent Homes to the MULTOS Consortium. Their extensive cross verticals activities in Energy, Security, IT, Telecommunications, Electronics, and eHealth establish them as a leading business in the evolving markets of connected devices. The addition of such an experienced and innovative partner is a strong endorsement of the MULTOS technology, and we look forward to working closely together to drive compelling value propositions in new technology markets."

15. A YEAR LATER, 25% OF SAMSUNG PAY TRANSACTIONS ARE ONLINE IN KOREA
Source: CNP (08/30)

Samsung marked the first anniversary of the introduction of its Samsung Pay mobile wallet with the announcement that it has passed 100 million transactions in the seven markets where it is available. The company did not break out usage in each of the markets, but did note that in South Korea, Samsung's home, the mobile wallet's users spent more than 2 trillion South Korean won ($1.8 billion). More than a quarter of that total was spent online. Samsung Pay launched with the ability to make in-app payments online and Samsung executives have made published statements indicating a browser-based version will be available soon. "Since its introduction a year ago, Samsung Pay continues to lead mobile payments by providing services that are simple, secure and virtually anywhere," said Injong Rhee, CTO and executive vice president of Software and Services in the Mobile Communications Business at Samsung Electronics. "Our ambition to reach a world without wallets continues to draw ever closer and this strong consumer adoption signals a shift in behavior and demonstrates the continued enthusiasm for a safer, smarter and better mobile wallet."

Samsung Pay was launched with some fanfare a year ago because it does not require an NFC-enabled terminal to make a payment at the POS. The company acquired Boston-based LoopPay 18 months ago, incorporating its magnetic secure transmission (MST) technology enabling wireless communication with traditional terminals that swipe magstripe payment cards.

16. PAYMENT BRAND TEST SUITES FROM ICC SOLUTIONS SUPPORT QUICK CHIP AND M-CHIP FAST
Source: ICC Solutions (09/23)

ICC Solutions is delighted to announce full support for Quick Chip from American Express, Discover and Visa plus M-Chip Fast from MasterCard now available in the industry leading EMV level 3 test suites used globally to perform EMV level 3 contact and contactless chip terminal integration tests for payment brand accreditation. The full set of ICCSimTMat payment brand test suites are qualified to support the recent announcements from each payment brand of their versions of Quick Chip technology intended to address the unique challenges at the point of sale in the US market for both merchants and card holders. The Quick Chip technology also facilitates a streamlined test and certification process featuring fewer test cases to reflect the recommended terminal configurations enabling faster deployment of EMV chip terminals in the US market whilst maintaining the same level of security on offer from EMV technology.

Derek Ross, Head of Sales and Business Development at ICC Solutions, commented: "ICC Solutions is committed to remaining at the forefront of EMV migration and deployment of qualified test solutions in the US market. This latest feature enables our client base to benefit from the advantages on offer from the Quick Chip technology without any additional cost enhancing existing levels of reliability, efficiency and value for money when performing EMV terminal certification campaigns.

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

17. IBM AND CHINA UNIONPAY E-PAYMENT RESEARCH INSTITUTE SHARE BANK CARD BONUS POINTS AMOUNG MULTIPLE BANKS USING BLOCKCHAIN
Source: Payments Business (09/23)

At the Shanghai International Blockchain Week 2016, IBM and China UnionPay E-payment Research Institute previewed the demo of a collaborative project on loyalty bonus points exchange among multiple banks using blockchain technology. With a few simple and quick steps, consumers will be able to exchange bonus points from among any of the banks they do business with to select the rewards they want. Bonus points earned through purchases on bank cards have long been an important method to attract and encourage customer loyalty to branded bank cards. The variety and selection of merchandise available in online bonus points exchange shops are an important reason for customers to favor and use specific bank cards. Since bonus points cannot be freely exchanged among different banks, many bonus points go unused because of strict bonus points policies or a limited selection of goods for exchange.

Enabling banks to integrate and share bonus point systems can be a challenging and expensive task using conventional technology. To address this problem and provide more value for bank customers, IBM China Research Lab and China UnionPay E-payment Institute created an innovative business platform on IBM Blockchain using the Hyperledger Fabric to create a permissioned network for the exchange of bonus points.

"As a new industry pilot for blockchain technology, this represents a significant business breakthrough and innovation milestone for the electronic payment business," said He Shuo, Director, the Electronic Payment Research Institute, China UnionPay. "The joint research efforts between China UnionPay E-payment Institute and IBM Research has enabled the successful exchange of bonus points among banks using blockchain technology, which embeds trust into transactions. This pilot along with similar innovations underway using blockchain

will positively change the future of the finance industry." This joint effort will also integrate online and offline channels using blockchain. As a result, it will be possible for China UnionPay card holders to go to any offline supermarket or mall equipped with intelligent point-of-service (POS) devices to exchange bonus points for commodities by direct scanning. It is anticipated that bonus points from flight mileage, mobile phone bills, gas cards and food and beverage purchases can be freely exchanged and swapped in the future.

"The combination of blockchain technology and expertise from IBM coupled with an innovative business approach by China UnionPay in the payment industry has resulted in a significant first of a kind demonstration of blockchain technology in the financial payments industry," said Dr. Shen Xiaowei, Director of IBM Research - China, CTO of IBM Greater China Group. "IBM is partnering with the Hyperledger Project to build an open source, enterprise-grade blockchain platform and is helping clients define and develop more industry use cases. In time, we expect this to result in widespread adoption of permissioned blockchain networks to solve a number of business challenges." China UnionPay is a core transfer, settlement and clearing organization in China's bank card industry, and its transfer, settlement and clearing network operates in over 150 countries. As a subordinate research institute of China UnionPay, the Electronic Payment Research Institute is responsible for research and evaluation of cutting-edge technology and mode in payment market, study and proof of core technologies and models for payment industry in the future, rehearsal and analysis of proactive and basic technologies that impact the payment industry. It is driving the adoption of new technologies including blockchain, intelligent terminals, big data, and trusted execution environment in financial payment.

IBM is rapidly expanding its blockchain consulting services and capabilities and actively working with clients to understand what it takes to make blockchain ready for business. Through its open source contributions and resources for blockchain software developers, IBM is advancing the science of blockchain, helping to remove complexity, and making it more accessible and open. Financial services, supply chains, IoT, risk management, digital rights management and healthcare are some of the areas that are poised for dramatic change using blockchain networks.

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

18. VISA WILL DROP STATIC PASSWORDS FOR ITS VERIFIED BY VISA ONLINE FRAUD-CONTROL SERVICE
Source: Digital Transactions (09/20)

Visa Inc. plans to phase out static passwords used with its Verified by Visa e-commerce fraud-control service beginning in April 2018. Visa's announcement precedes even more changes coming to Verified by Visa's underlying technology

called Three-Domain Secure, or 3-Secure. EMVCo, the chip card standards body owned by six worldwide payment networks, including Visa, is working on an updated version of the technology, 3-D Secure 2.0, that is expected to be available by year's end. Visa developed the 3-D Secure messaging protocol in 2001 and began licensing it in 2004 to other networks, which offer the service under their own brands.

While it can be effective in thwarting online fraud, 3-D Secure gained only limited acceptance by card issuers and merchants because of the so-called friction it generated, especially in its early iterations, when a pop-up window would force the cardholder to temporarily leave the merchant's checkout page during a purchase. Many would-be buyers simply abandoned the transaction. Even though merchants deploying 3-D Secure transfer liability for fraudulent online transactions to the issuer and can qualify for an interchange break, only about 18% of U.S. e-commerce traffic is running through 3-D Secure rails, according to an Aite Group LLC report, though that percentage has tripled since 2013.

In a Monday blog post announcing the changes, Visa said that advancements in risk modeling and predictive analytics mean static passwords can be eliminated without creating fraud vulnerabilities. Many individual issuers already have moved on to risk-based and so-called dynamic authentication that includes one-time passcodes, according to Visa. The network said the changes it announced this week will affect its entire customer base. Visa will be "phasing out Verified by Visa-specific static passwords and its enrollment processes," the post says. Going forward, Visa cardholders won't have to enter a Verified by Visa password when they make an online purchase. In some Verified by Visa implementations, the enrollment process "can give thieves a way to register a password on a cardholder's behalf," the post says. Creating a Verified by Visa static password during the enrollment process also "can introduce friction and divert cardholders from the merchant's Web site," it adds. The changes also will eliminate the risk of forgotten passwords later on, Visa said. Issuers and merchants increasingly are relying on contextual data, such as past transactions from the same cardholder at an e-commerce site; geo-location; and device checks to verify whether the computer, tablet, or smart phone has a transaction record, to assess a pending transaction's fraud risk.

"Applying algorithms to this data, the riskiness of each transaction can be assessed in real time, giving issuers better intelligence on whether additional verification is needed," the post says. "For the vast majority of transactions that are deemed low risk, the purchase can proceed without additional authentication. "And for the less than 5% of transactions that need additional authentication," the post continues, "a one-time dynamic passcode can be sent to the shopper's device, via SMS [text message] or email, to verify identity instead of asking him or her to enroll and enter a static password, which can be forgotten or worse—created, stolen, or guessed by fraudsters." The change will take effect in April 2018 for Visa issuers in the U.S., Canada, Western Europe, Latin America, Malaysia, Singapore, and

Thailand. Visa says Verified by Visa static passwords will be eliminated by October of that year for its issuers in Central and Eastern Europe, the Middle East, Africa, and the remaining Asia-Pacific countries.

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

19. CIBC FORMS STRATEGIC ALLIANCE WITH NATIONAL AUSTRALIA BANK AND ISRAEL'S BANK LEUMI
Source: CIBC (09/21)

CIBC announced that it has formed a strategic partnership with National Australia Bank (NAB) and Israel's Bank Leumi focused on delivering new and innovative ways to enhance client experiences. The partnership enables three banks on three continents to collaborate and share aspects of their proprietary innovation strategies to enhance their respective client experiences. The partners will share information regarding innovation insights and learnings, co-develop products and services to support and grow their respective client bases, and facilitate the exchange of employee talent in the innovation space. "We are excited to partner with NAB and Bank Leumi, two highly respected banks that share our commitment to client-focused innovation," says Stephen Forbes, Executive Vice President and Chief Commercial Officer, CIBC. "We have created a culture of collaboration among teams to drive innovation inside our bank, and formed important external partnerships with innovation hubs and fintechs to help us build the bank of the future for our clients. This alliance further strengthens our leadership position in innovation, and broadens our access to global insights and talent in this fast-moving space." The alliance was officially signed this week in Tel Aviv, a world leader in high-tech startups and a global tech hub.

In the two months leading up to today's announcement, CIBC and NAB worked together to test Ripple blockchain technology, moving money from Canada to Australia and vice versa, becoming part of a small group of banks globally to have successfully completed a cross-border blockchain transfer. "We're excited to be working with CIBC and have already partnered with them in using Ripple's blockchain technology to complete international payments transfers between our banks as a proof of concept," says Jonathan Davey, Executive General Manager, NAB Labs. "Like NAB, CIBC is a customer-focused bank with a strong emphasis on the use of innovation to deliver improved customer services; and like NAB, CIBC recognizes the power of partnerships to help drive transformation and true differentiation for our customers."

"It's common knowledge that Israel is the 'Start-Up Nation' and a hotbed of innovation. Bank Leumi is a key player in both the local and global innovation arena and I am strongly convinced that this alliance will enable us to mutually share innovation strategies and to enhance our respective customer experience," says Dan Yerushalmi, Bank Leumi First Executive Vice President, Group CTIO and

COO. "We find this open dialogue and knowledge sharing to be of great value and see the alliance as the beginning of a wider collaboration with NAB and CIBC in future programs."

CIBC has delivered a number of recent innovations for clients, many of which disrupt the traditional approach to banking, including:
- Launching a no-fee Global Money Transfer service, eliminating up front remittance fees and moving money faster to better meet the needs of clients who regularly send money overseas.
- Launching our new Digital Account Open technology first among the big five banks, allowing clients to open a new account through their mobile device.
- Developing an award-winning derivatives platform, recognized as the best in Canada three years in a row by GlobalCapital for its forward looking, innovative and solutions-driven approach.
- Partnering with Toronto's MaRS Discovery District as a founding partner of the MaRS C Suite, to establish CIBC Live Labs and collaborate with leading technology talent to create the next wave of banking innovations. This highly collaborative lab environment has already directly led to the launch of the CIBC Mobile Banking App for the Apple Watch, and the creation of the CIBC Hello Home App which uses image capture technology to allow clients to apply for a mortgage entirely through their mobile device.
- Delivering Apple Pay to clients;
- Partnering with C100, a non-profit based in San Francisco, to support Canadian technology entrepreneurship.

CIBC is a member of ACT Canada; please visit www.cibc.com.

20. OT INTRODUCES FLYBUY, A COMPLETE RANGE OF WEARABLE OPTIONS ENABLING SECURE PAYMENT ON THE GO
Source: Oberthur Technologies (08/30)

OT (Oberthur Technologies strengthens its leading position in the payment field by introducing its "Flybuy" range of new innovative wearable options for seamless payment on the go.

According to IHS Technology, the number of wearable devices used for payments is projected to increase from 10 million units in 2015 to over 150 million units in 2020. As a pioneer in this market with the first payment sticker and keyrings, OT has been very active working with banks, processors and partners to propose a comprehensive range of wearable options:
- Flybuy Mini Fob is a very small (SIM-size 15x25mm) contactless card including a boosted antenna that can be inserted into a silicone or leather wristband, a key chain or special pieces added to fitness trackers or watches. FlyBuy Mini Fob makes it possible to add contactless payment functionality to various existing objects.

- Flybuy Secure Element is intended for OEMs to be embedded into watches or fitness bands directly at the manufacturing stage.

FlyBuy Wearables can be positioned either as a companion extension to the existing payment card or as a stand-alone prepaid option. In both cases, their settings can be easily managed by a mobile app. They can be used for payment, but also for public transport and access control to corporate premises, fitness centers or music/sports events for example. "The global market of wearables is nascent and has huge growth potential over the coming years. With its leading position in the payment field, OT is a key and trusted partner to offer wearable payment solutions thanks to its comprehensive portfolio of products which can answer a full range of customer requirements" said Cedric Collomb, Head of Global Offer & Indirect Sales for OT's Financial Services Institutions business.

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

21. TIM AND SAMSUNG LAUNCH THE FIRST SMARTWATCH IN ITALY WITH INTEGRATED ESIM, IN COLLABORATION WITH GEMALTO
Source: Gemalto (08/29)

TIM and Samsung, in collaboration with Gemalto, launched the first smartwatch in Italy with an integrated embedded SIM (eSIM), representing the evolution of the SIM Card and mobile devices. Samsung's Gear S2 Classic 3G Smartwatch is the first wearable device in the world with eSIM, a technological innovation that marks a further step towards the digital future of the Internet of Things. The eSIM makes it possible to connect the device, simply and immediately, to TIM's mobile network using a QR code. Samsung's Gear S2 Classic 3G Smartwatch is a real watch that has all the functions of a smartphone and stands out for its essential design with a circular face and metal finish. You can make calls, send and receive text messages, receive notifications, consult your fitness data (step counter, heart rate monitor, stop watch), read emails and browse social networks in complete freedom wherever you are. Fitted with a Tizen operating system, the smartwatch allows you to navigate and choose different services and screens thanks to a revolving bezel ring. Moreover Gemalto, through its platform, will guarantee the correct management and customization of mobile radio service directly from within the embedded SIM. This initiative, achieved thanks to the expertise of TIM, Samsung and the collaboration with Gemalto, highlights the three players' ability and commitment to contribute to the development of innovative services for the Internet of Things.

Adoption of the eSIM is only the first step in the evolution of the features of the traditional SIM. This new system allows you to activate and update your subscription to the service remotely, and will then allow the eSIM to be used on other types of devices such as tablets and smartphones. Thanks to this

collaboration people will be able to manage every need on the go through increasingly simple and immediate connectivity tools and TIM's 4G network. The world of wearables in which Samsung has been investing in recent years represents a strategic technological line within a mobile ecosystem which concerns numerous applications in different areas, from sport to lifestyle and business. The introduction of the eSIM will further contribute to the evolution and spread of this category of devices which is rapidly growing.

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

22. ALIBABA EYES U.S. BIOMETRIC AUTHENTICATION STARTUP
Source: CNP (09/15)

Alibaba this week snapped up a Kansas City, Mo.-based biometric authentication technology provider that might soon have consumers verifying mobile transactions with a scan of their eye. Ant Financial, the Alibaba-affiliated financial services and payments company that operates online payment giant Alipay, on Tuesday announced it has acquired EyeVerify in a deal that is worth anywhere from $70 to $100 million, according to various reports. As the use of easily hacked username/password combinations to identify users comes into increasing question, biometric authentication methods are gaining prominence. EyeVerify scans a user's eye for the pattern of blood vessels as unique to each person as their fingerprint. The company claims the patented technology is 99.99 percent accurate. "The acquisition of EyeVerify is a critical part of our effort to make bold, yet thoughtful moves to continually enhance user trust, safety, and experience," said Jason Lu, vice president of fraud risk management at Ant Financial. "It is an important extension of our efforts to accelerate the global adoption of secure mobile payments and allows us to improve our overall risk management."

Ant Financial has been licensing the company's Eyeprint ID product for use as an authentication method by Alipay since earlier this year. The acquisition will enable tighter integration with Alipay and other Ant Financial products, like peer-to-peer lending.

23. CAPCO RESEARCH FINDS THAT BLOCKCHAIN IS SET FOR TAKEOFF FOR THE AIRLINE INDUSTRY
Source: Capco (09/21)

Capco, a global business and technology consultancy dedicated solely to the financial services industry, collaborated with IATA to deliver a study to analyze how blockchain can be used to benefit the airline industry. One area IATA is currently exploring refers to how this technology can help optimize the money flows between partners in the travel industry value chain. "Blockchain is a disruptive

technology and represents a great opportunity for digital innovation. Every single industry, from the financial sector to aviation, is trying to understand where this technology will best fit and where to start the innovation journey. Distributed ledger technology – including blockchain – is already proven to reduce transaction fees when transferring money across borders and currencies," said Assad Mahmood, senior consultant, Capco. "That represents a great promise, particularly for global businesses and industries."

"The value of having a single 'source of truth' that all business partners trust can dramatically simplify reconciliation, invoicing and settlement in our industry," added Juan Iván Martín, IATA head of Innovation, Financial and Distribution Services. The Capco and IATA research explored numerous case studies of blockchain technology developed in other industries. These existing use cases could potentially be implemented within financial services in the near future.

Capco is a member of ACT Canada; please visit www.capco.com.

24. NEW VERSION UL CLOUD-BASED PAYMENTS TEST SUITE QUALIFIED BY MASTERCARD
Source: UL (09/23)

UL is pleased to announce that the new version of the UL Cloud-based Payment Functional Test Suite for MasterCard MCBP has been officially qualified by MasterCard and is an official MasterCard qualified MPA Test Tool. The UL Cloud-based Payment Functional Test Suite for MasterCard MCBP helps MasterCard card issuers to test MasterCard mobile payment applications and allows for preparation and self-certification for formal approval by MasterCard. It includes all the contactless test cases as defined by MasterCard and allows testing of a MasterCard cloud-based payments compatible application installed on an NFC-enabled mobile device using a contactless reader. Detailed analysis of all APDU-level communication with interpretation of the data elements involved gives a tester great insight and helps in debugging the application under test. Apart from that, also testing of Digital Remote Secure Payments is supported.

The test suite supports importing test plans in the new MasterCard specific RegTool Syntax v2.1 format. This allows mobile payment application developers, card issuers and test labs to test payment application implementations based on the HCE and cloud-based specifications from MasterCard and to obtain global interoperability. Existing customers with a valid Service Contract can download the latest version, version 2.1.0, from the UL Test Tools Customer Portal.

UL is a member of ACT Canada; please visit www.ul-ts.com.

25. OT AND TOPPAN PARTNER TO LAUNCH A NEW GENERATION OF POWERED CARDS TO SECURE ONLINE COMMERCE AND BANKING IN JAPAN
Source: Oberthur (09/07)

OT (Oberthur Technologies) and Toppan (Toppan Printing), one of Japan's leading printing companies, announced during the FIT exhibition in Tokyo, their partnership to provide Japanese cardholders with OT MOTION CODETM, a dynamic cryptogram payment card, and with COSMO OTP, a payment card that generates One-time passwords (OTP). The OT MOTION CODETM solution provides an extra layer of security for e-commerce. The technology replaces the static printed 3-digit security code printed on the back of the card, by a mini screen that displays a random code that changes automatically, typically every hour. In addition to cards, the solution includes a specific server synchronized with the algorithm and refreshing rules defined in the cards. For cardholders, the solution is fully transparent and secure: no plug-in to install on their web browser, no button to press, the code appears at the same location on the card as before. And if stolen, the code rapidly becomes useless for fraudsters. Issuers can thus provide a simple yet very secure tool to pay online safely.

The partnership between OT and Toppan will also include COSMO OTP technology. This high-tech card features a 6-digit e-paper display and a button used to generate an OTP to secure online banking. This functionality usually provided by a separate dongle becomes here combined together with payment in the same card. Thus making clients' lives easier and reducing banks' distribution and management costs. Toppan will be using OT technology for these display cards that will be issued by Japanese banks. With its large card production capacity, Toppan today holds a position as a trusted supplier for most major Japanese banks and credit card issuers. OT, present around the world, has 1250 clients including the most prestigious banking institutions and has deployed OT MOTION CODETM pilots in Europe, RMEA & LATAM.

"OT found in Toppan the perfect partner to bring our technology to the Japan market. Our partnership will combine Toppan's expertise and knowledge of their Japanese customers with OT's innovation leadership" said Eric Duforest, Managing Director of the Financial Services Institutions business at OT.

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

26. MASTERCARD ACCELERATES THE PACE OF COMMERCE INNOVATION WITH LAUNCH OF MASTERCARD DEVELOPERS
Source: MasterCard (09/28)

MasterCard makes it even easier for developers to create next-generation commerce solutions with the launch of MasterCard Developers. This single gateway enables MasterCard partners to access a diverse range of Application Programming Interfaces (APIs) across payments, data and security. The platform also includes a 'New and Experimental' API category that enables partners to test new technologies and applications. The experimental APIs, developed at the company's eight R&D Labs around the world, will help partners build, scale and enable payments on new platforms. At the same time, they will have a foundation to explore payments integration into new categories such as augmented reality, virtual reality and the Internet of Things.

"We see MasterCard Developers as empowering our customers, partners and their developers in their efforts to innovate and grow their own businesses," said Oran Cummins, senior vice president for APIs at MasterCard. "The new platform will serve as a key way to integrate MasterCard technology and services into their digital solutions in an easy and cost-effective way. And, consumers will benefit from the simpler, faster and safer experiences driven by these efforts." Partners now have access to more than 25 MasterCard APIs – including key services like Masterpass and MasterCard Digital Enablement Services – in a format they can more easily connect to and integrate with. Included in this is a new API that has been developed to maximize financial inclusion efforts. The MasterCard Aid Network helps to streamline aid distribution, even in the absence of telecommunications infrastructure, while providing more transparency to humanitarian organizations and non-profits. The new MasterCard Developers provides a streamlined experience and clear, developer-friendly documentation with APIs supported by software development kits (SDKs), developer tools and sample code for the top six programming languages. The platform has been growing and has seen a 400 percent increase in usage in the past year.

Key APIs in MasterCard Developers:

Payment:
- Masterpass: A digital payment service that simplifies the shopping experience. It allows consumers to pay with any payment card, anywhere, with any device.
- MasterCard Digital Enablement Services (MDES): Provides services around the tokenization of MasterCard card numbers for increased payment security.
- MasterCard Send: Can send P2P, Disbursement, and Remittances transactions to almost any Debit account, often within seconds.

Data Services:
- Market Insights: Provides access to trend and sales data at industry and micro-sector levels far earlier than government or other industry sources.
- Retail Location Insights: Offers insights to commercial real estate about the monthly performance of retail locations to help evaluate acquisitions, optimize rents, and validate conclusions.
- Media Measurement: Measures the impact of digital media campaigns on online and offline sales.

Security:
- Fraud Scoring for Merchants: Allows a merchant or its fraud solution provider to obtain a transaction score ranging from 000 to 999 – the higher the score, the higher the likelihood of fraud.
- MATCH: Helps acquirers identify potentially high-risk merchants before entering to a merchant agreement.
- Assurance IQ: Provides a confidence level for a user's digital identity, which can then be used to determine if a further form of authentication is suggested.

Experimental:
- Bot Commerce: Provides bot integration with commerce platforms to enable commerce functionalities and Masterpass integration.
- Qkr! with Masterpass: A mobile payments platform that enables consumers to order and pay for goods & services from their smart device.
- MasterCard Vending: Helps to easily connect your mobile app to our vending platform – enables customers buy directly in-app.

Financial Inclusion:
- MC Aid Network: An end-to-end, non-financial service designed to streamline aid distribution even in the absence of telecommunications infrastructure.

Additional services will be added to MasterCard Developers in the coming months. For more details about the platform, please visit developer.mastercard.com.

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

27. GEMALTO AND VALEO PARTNER TO TURN YOUR SMARTPHONE INTO A SECURE CAR KEY
Source: Gemalto (09/21)

Valeo, one of the world's leading automotive suppliers, has partnered with Gemalto to ensure the security of its virtual car key system called Valeo InBlue. With Valeo InBlue, drivers can use their smartphone or connected watch to lock, unlock and start their car, control applications and remotely access useful vehicle

data using Bluetooth. This innovation is based on an on-board equipment, connected to a Smartphone Development Kit (SDK) hosting a secured virtual car key provided by the Valeo cloud-based platform. Valeo InBlue leverages the Gemalto Allynis Trusted Services Hub (TSH) solution providing secure Over-The-Air (OTA) deployment and lifecycle management of applications and sensitive credentials for vehicles. Thanks to Gemalto security solutions, virtual car keys are securely sent to smartphones and stored with a high level of security that is comparable with current mobile payment solutions being deployed with banks around the world.

Valeo InBlue is compatible with Android or iOS based smartphones on any mobile network. This easy to implement solution makes the technology deployable on any market. "In 2015, 1.4 billion smartphones were sold worldwide and the number of smartwatches is expected to reach 50 million this year, opening the door to a world of possibilities to leverage devices with smart car applications" said Marc Vrecko, President of Valeo's Comfort and Driving Assistance Business Group. "Gemalto is a pioneer of secure connected car technology and its proven Trusted Service Hub has helped us deliver next generation services with enhanced security for drivers and car manufacturers." With Valeo InBlue, authorized users can remotely register new connected devices for use with a vehicle and receive vehicle information such as car location and fuel level, enabling easy secured car sharing and simplified rentals. "People love their cars as much as their connected devices. The convergence of the two is transforming the automotive sector enhancing performance, safety and driver comfort, and is a stepping stone to new upcoming mobility services starting by easier car rental & sharing" said Frederic Vasnier, Executive Vice-President Embedded Software and Products, Gemalto. "Valeo InBlue technology defends against key fob hacking thus improving security and convenience for drivers. It is revolutionizing car sharing and car rental, establishing an entirely new marketplace that Frost & Sullivan says will be used by 26 million people by 2020."

28. UTAH INVESTIGATING MOBILE DRIVER LICENSES
Source: Secure ID News (09/16)

The Utah legislature passed a law requiring the states' Department of Public Safety and the Department of Technology Services to identify the challenges and the opportunities to developing mobile driver licenses. State officials released a detailed report looking at some of the different aspects of mobile licensing. "An individual's driver license is one of the key documents that people keep in their purse or wallet. The driver license is not only the identifying document that allows people to drive a vehicle, but has also become a key document for other types of authentication such as at banks, retail outlets, air travel, etc.," the report states. "With all of that in mind, however, the driver license is one of the last document types to go digital." Utah already enables citizens to take advantage of digital access to hunting and fishing licenses. License holders can download an app and

officers can scan it to validate it. Mobile driver licenses present other concerns because it would have to be accepted by more jurisdictions. The state surveyed citizens on their interest in mobile driver licenses and more than two-thirds – 68.5% – think it's a good idea

The Utah Department of Technology Services and the Driver License Division say that mobile driver license is inevitable and are willing to support any initiative by the legislature. There are obstacles, however, both agencies also agree the current technology is not fully mature and work needs to be done. An acceptable solution could be either developed in house or in conjunction with a third party vendor. The report estimates $750,000 to $1.1 million to get the app developed and up and running with annual cost to keep the project going at around $260,000. That said a mobile driver license wouldn't be able to be rolled out before December 2018. This recommendation assumes that the next legislative action would occur during the 2017 General Session and that funding would not be available sooner than July 2017.

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