



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

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ACT Canada Partners

INGENICO - *Point of Sale Equipment Partner*

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

INTERAC - *Payment Network Partner*

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

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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

Cartes America

May 5 - 7, 2015
Washington, DC

<http://www.cartes-america.com/>

ACT members receive a registration discount

CNP Expo

May 18 - 21, 2015
Orlando, FL

<http://cardnotpresent.com/cnpexpo/>

NFCP Global Summit

Jun 4, 2015
London, England

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

The 14th Annual Smart Card Alliance Government Conference

Jun 9 - 10, 2015
Washington, DC

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

ACT members receive a registration discount

Cardware 2015

Jun 16-17, 2015
Niagara Falls, ON

<http://www.cardware.ca>

ACT members receive substantial registration discount

Are you going to Cartes Secure Connexions America? Be sure to catch Catherine Johnston as she co-chairs the EMV, The Best Way to Reduce



Fraud Track. Visit ACT Canada in booth 120 to learn more why so many payment stakeholders find value in membership, how membership can benefit you, and why should attend Cardware.

Speaking of Cardware, Canada's premier payment stakeholder event is just around the corner on June 16th & 17th. Check out www.cardware.ca to get all the details. Visit our program to see the latest speaker updates - <http://cardware.ca/program/>

Limited exhibit and sponsorship opportunities are still available – visit <http://cardware.ca/sponsorship/> and <http://cardware.ca/exchange-place/>

There are less than 10 rooms available at our conference hotel, so we have arranged for discounts at the next 2 closest hotels. Please visit <http://cardware.ca/register-now/location.html> for details.

Articles

1. EDITORIAL - DO YOU KNOW IT, THINK IT, OR JUST HOPE IT'S TRUE?

Source: Catherine Johnston, President & CEO, ACT Canada (04/29)

In 26 years, I have never seen so much doubt and concern how payment is changing. The usual players are present: visionaries, missionaries and nay-sayers. The missionaries talk passionately. They will tell you definitively how payment will change and what every stakeholder will have to do or not do. These people are dangerous. I used to be one of them. Nay-sayers will tell you all the reasons why things won't work. They often raise good points and can bring value if you take what they say and then look for solutions and mitigating strategies.

Visionaries combine the best of missionaries and nay-sayers. They identify goals, stages and stakeholders. They focus on how to overcome barriers and they understand both the value and necessity of working with those stakeholders. Visionaries are the people who successfully innovate, who see how to make things more efficient and profitable. Visionaries provide the competitive edge and enhance the careers and lives of those around them. These heroes are often misunderstood and undervalued. Isn't that strange? Today's market is being driven by missionaries. They are passionate about where technology could take us. I think they are right about the fact that mobile offers much, but they just don't seem to think about what and who it takes to get there. Visionaries know that it takes more than investing money.

Be a visionary!



2. CANADIAN GOVERNMENT EXTENDS CODE OF CONDUCT TO MOBILE PAYMENTS

Source: Mobile Payments Today (04/21)

Joe Oliver, Canada's Finance Minister, announced on April 13 that the Code of Conduct for the Credit and Debit Card Industry in Canada, a set of rules designed to protect merchants and cardholders, has been extended to mobile payments. The move will provide regulatory certainty for Canada's nascent mobile payments market, particularly given the prospect of Apple Pay coming to Canada this year. A bottleneck to Canadian contactless card and mobile payments adoption is the fact that, while many Canadian credit cards contain contactless chips, there are still few contactless debit cards in circulation. Interac, the Canadian domestic debit scheme, only lists 13 FIs, including CIBC, RBC Royal Bank of Canada, Scotiabank and TD, as supporting its Interac Flash contactless application. In March 2013, RBC carried out the first Canadian mobile payment involving Interac Flash.

Code of Conduct

The Code was introduced in 2010 to promote merchant choice, fee transparency and disclosure, and fairness in the Canadian credit and debit card market. It stipulates that merchants accepting credit card payments from a card network aren't required to accept debit card payments from the same network, and vice versa. Merchants are also allowed to provide discounts for different methods of payment - for example, cash, debit card and credit card - as well as different levels of discounts among different card networks. All the Code's terms, including a new requirement that acquirers pass on Visa and MasterCard's November 2014 credit card interchange reductions to merchants, now apply to mobile payments. For example, merchants accepting credit card credentials from a particular network via consumers' mobile wallets or mobile devices, can't be forced to accept debit card mobile credentials from that network and vice versa. "With contactless cards already in market and smartphone payments the wave of the future, the modernization of the Code is vital and something we've been pursuing on behalf of Canadian retailers," Diane Brisebois, the Retail Council of Canada's president, said in a statement.

Consumers will have full control over their mobile wallets' default settings so they are free to choose which debit or credit card payment apps to use, the Code states. "All representations of payment apps in a mobile wallet or mobile device, and the payment card network brands associated with them, must be clearly identifiable and equally prominent," according to the Code.

Opting out

The Code states card networks will not have the right to force merchants to accept contactless payments or to upgrade their POS terminals to accept



contactless payments. Merchants have three choices under the enhanced Code, the Retail Council of Canada said:

- Don't accept contactless payments;
- Accept all networks' contactless products;
- Accept a single network's contactless products.

Under the enhanced Code, mobile payments and contactless card-based payments are priced the same, so merchants cannot choose between different types of contactless payments. The Code stipulates that merchants have the right to stop accepting mobile payments with 30 days' notice without penalty if their acquirer increases its mobile payment fees relative to its contactless card payment fees, and just accept contactless card-based and contact card-based payments without accepting mobile payments.

"If mobile payments do become more expensive than other forms of contactless, you will be able to de-select mobile while maintaining in place all other provisions of your existing contract," the Retail Council of Canada said. "These provisions could prove to be of real importance if major handset device and software manufacturers and telecoms companies seek to enter the payments industry. They will be additional "mouths to feed" (i.e. incremental costs), but the enhanced Code prevents these additional costs being passed on to merchants without their agreement." Dan Kelly, president of the Canadian Federation of Independent Business, told the Canadian Press the enhanced Code will give merchants ammunition in the battle against new mobile fees. "Our fear was there will be a big fee-apalooza when mobile payments go mainstream," Kelly told the news agency. "The new rules make that less likely."

Compliance

The major Canadian card networks, acquirers and issuers are signatories to the existing Code, compliance with which is monitored by the Financial Consumer Agency of Canada, an independent watchdog established by the government in 2001. They will be invited to sign the enhanced Code along with new entrants to the Canadian payments market, the Department of Finance said. "The card networks, issuers and acquirers will have 30 days from the date of the (enhanced) Code's release to publicly re-commit to the Code," the Department said. "Most elements of the Code will come into force within nine months of the date on which the networks adopt the Code. Some elements, such as the measures to facilitate the pass-through of interchange rate reductions to merchants and the new rights for merchants regarding acceptance of contactless payments, will take effect immediately (i.e. on April 13)."

CIBC; Interac; RBC Royal Bank of Canada; Scotiabank and TD, are members of ACT Canada. Interac and TD are sponsors of Cardware, Canada's premier payment stakeholder event. Please visit www.cibc.com, www.interac.ca, www.rbc.com, www.scotiabank.ca and www.td.com.

Need to know the latest developments facing the Canadian payments landscape? Join our top rated speakers at Cardware 2015 on June 16-17 in Niagara Falls – www.cardware.ca

3. APPLE PAY'S EXPANSION TO CANADA FACES COST AND SECURITY QUESTIONS

Source: Canadian Business (04/21)

Apple Pay will be expanding into Canada this fall, according to unnamed sources cited by the Wall Street Journal. The newspaper report adds a few more questions about Apple's mobile payment system to what is already a long list of unknowns. One of the big questions is just how successful and desirable Apple Pay would be if and when it launches in Canada. As the WSJ report notes, Canada is in good shape to accommodate the payment system, which lets iPhone 6 and Apple Watch owners pay by waving their devices over a point-of-sale terminal. More than three-quarters of Canadian merchants are already equipped with the technology for contact-less payments, compared to just 2% in the United States. The infrastructure to allow mobile payments is firmly in place here.

However, that same near-ubiquity is also an obstacle for Apple. Tapping a credit card to make a payment, after all, is just as simple as waving a phone or watch. Apple would need to convince its customers that its method is somehow superior. That could be tough given some of the doubts raised by the WSJ report. Canada's big six banks—Royal Bank, Toronto-Dominion, CIBC, Scotia, National and Bank of Montreal—are apparently concerned about costs and security. If either of those issues develop legs, Apple Pay could be dead on arrival or give Canada a pass altogether.

Apple is reportedly asking for a higher base cost per transaction than in the United States, although the article doesn't say why. An unnamed source says the cost could be up to 25 basis points per transaction, compared to 15 down south (a basis point is 1/100th of a percentage point).

4. SASKTEL TO LAUNCH PAY WITH YOUR PHONE CAPABILITY

Source: SaskTel (04/23)

SaskTel announced that they launched a new mobile payments solution effective April 22, 2015, allowing customers to make purchases using only their mobile device and their banks mobile payments application. At launch, the service will be available to TD customers with other financial institutions being added in the future. To offer this new service, SaskTel partnered with EnStream, a company that develops standardized, secure and easy-to-use mobile payment capabilities that work with existing credit, debit and pre-paid capabilities offered by financial



institutions and across all wireless carriers. “SaskTel and our customers embrace innovative technology and believe that it exists to simplify and enhance our day to day life,” said Ron Styles, SaskTel President and CEO. “We are very excited to launch this service and plan to offer this functionality to our customers with other financial institutions in the near future.” EnStream’s solution gives banks the proven security of SIM based secure elements, as well as the opportunity to maintain their direct relationship with their customers, through their own banking or payment applications. For more information about this new service, please see sasktel.com/mobilepayments.

EnStream and TD are members of ACT Canada. TD is a sponsor at Cardware, Canada’s premier payment stakeholder event. Please visit www.enstream.com and www.td.com.

5. AFTER VISA, MASTERCARD & AMEX, APPLE PAY ROPES IN DISCOVER AS WELL

Source: Let’s Talk Payments (04/28)

Apple Pay already supported cards that represented roughly 90% of the credit card purchase volume in the US. Now it seems Apple wants to take this to 100% with Discover getting on the Apple Pay bandwagon. Discover has announced an agreement with Apple that will allow Discover cardmembers in the U.S. to make contactless payments in participating stores through Apple Pay – the easy, secure, and private way to pay, using iPhone 6, iPhone 6 Plus, and Apple Watch. As part of the agreement, Discover Network will enable eligible financial institutions, including Discover Debit issuers, to let their card holders use Apple Pay. Discover credit card members will still receive all of their current benefits, including Cashback Bonus and the new Freeze It security tool that allows them to stop any new purchases, cash advances, and balance transfers when they temporarily misplace their cards.

When cardmembers add their credit or debit card to Apple Pay, the actual card number is not stored on the device or on Apple servers. Instead, a unique Device Account Number is assigned, encrypted, and securely stored in the Secure Element on the device. Each card transaction is authorized with a one-time unique dynamic security code (tokenization), instead of using the security code from the back of the credit or debit card. In addition to paying in stores with iPhone 6, iPhone 6 Plus and Apple Watch, millions of Discover cardmembers can also use Apple Pay with iPad Air 2 and iPad mini 3 when paying for goods and services within apps beginning this fall. By roping in Discover, Apple Pay will now support all major credit cards in the US. Apple is trying hard to further increase its share in the mobile payments market. By the end of last December, Apple Pay accounted for only 1.7% of mobile payments market. Apple wants to increase this number rapidly, as it is poised to face further competition from other tech giants such as Samsung. Apple also launched Apple Watch to add another platform to Apple Pay and gain



a wider consumer base. Apple also released numerous payments and commerce apps for its smartwatch. With the US market in tow, the challenge ahead for Apple Pay is international expansion.

Discover, MasterCard & Visa are members of ACT Canada. MasterCard and Visa are sponsors of Cardware, Canada's premier payment stakeholder event. Please visit www.discover.com, www.mastercard.ca and www.visa.ca.

6. OT EXTENDS ITS WEARABLES OFFER WITH A NEW CONTACTLESS PAYMENT STICKER

Source: Oberthur (04/22)

Oberthur Technologies (OT) announced the launch of a new contactless Visa and MasterCard-approved payment sticker from its Flybuy wearables range. Payment Wearables are “extensions” of dual interface cards, which customers can carry with them all the time. On this market segment, OT was the pioneer with the first sticker six years ago, followed by keyfobs and wristbands and now OT tags on-board other devices such as fitness bands or smartwatches. This new Flybuy sticker is therefore a new member of this growing device family that brings ubiquity and convenience to customers. We consider our mobile phone as an extension of ourselves. Wherever we go we keep it with us. For those who do not have NFC-compatible phones, OT offers a Visa and MasterCard-approved payment sticker, bringing ease of use, security and convenience. It can be pasted onto any mobile phone to convert it into a payment support and is fully secured as it relies on EMV technology. End-users just have to wave their phone in front of a contactless terminal to make a fast and convenient payment. OT also provides issuers and their customers with a guide of recommended sticker locations for the most common handsets (top, bottom, vertical, horizontal, etc.).

OT's contactless payment sticker targets various stakeholders of the payment ecosystem and is already deployed by a variety of customers such as banks, prepaid issuers and MNOs (launching companion cards to mobile wallets). This sticker can also host transport applications. “As the leader on the payment sticker market, we are delighted to offer this new contactless payment sticker which is approved by Visa and MasterCard. This is one of OT's ultimate wearable solutions offering flexibility to end-users who do not have NFC-compatible phones” said Eric Duforest, Managing Director of the Payment Business Unit at OT.

Oberthur Technologies is a member of ACT Canada and an Exchange Place Expert at Cardware, Canada's premier payment stakeholder event. Please visit <http://www.oberthur.com>.

Cardware isn't just a conference – it's a meeting of the payment stakeholders to address the issues of the day. Sponsorship and Exchange Place tables are a cost-effective way to make a lasting impression on these key players. Join us at Cardware 2015 on June 16-17 in Niagara Falls – www.cardware.ca.

7. GOOGLE WALLET FUNDS BACKED BY FDIC

Source: Mobile Payments Today (04/20)

Google recently told Yahoo Finance that funds in a Google Wallet account are now FDIC-insured. According to the report, Google will hold Wallet balances in multiple FDIC-insured banking institutions. Should Google go under, Google Wallet users who have funds left in their wallet balance from funds transfer will be able to recoup the money. Yahoo Finance reported that Google did not indicate when the company would update its Google Wallet user agreement.

8. TELUS AND CIBC TEAM UP TO ADD VALUE TO CANADIANS' EVERYDAY PURCHASES WITH NEW CREDIT CARD

Source: CIBC (04/20)

TELUS and CIBC announced the launch of CIBC TELUS Rewards Visa card, a new co-branded credit card that delivers reward options to TELUS and CIBC customers. Part of the new TELUS Rewards Program and an extension of CIBC's broad line-up of credit cards, the CIBC TELUS Rewards Visa card will offer TELUS loyalty rewards to clients on their everyday spending. Customers can earn reward points on everyday card purchases which can be redeemed for a selection of TELUS products and services including the latest smartphones and tablets, charitable donations, travel passes and TELUS prepaid cards that can be used on a variety of products, including wireless accessories. "As part our commitment to put customers first in everything we do, we are constantly looking for new ways to enhance our customers' experience while also making their lives easier," said Drazen Lalovic, Vice President, Emerging Markets and Capital Planning, TELUS. "Not only does this program bring customers more value for their everyday spending, it also gives them a new way to save on their next TELUS purchase, whether they're upgrading their device, activating a tablet, buying a new wireless accessory, donating to a charity or more."

"As a recognized leader in mobile innovation, we know how much Canadians love their smartphones and we're delighted to partner with TELUS to bring greater choice and deliver everyday value and rewards to our clients," says Jenny Fagg, Executive Vice President, Products and Payments, CIBC. "With our new co-branded card, clients are able to earn rewards that will allow them to upgrade to the newest smartphones, accessories and mobile services they want faster and at lower cost. Strategic partnerships like the one we have with TELUS



enable CIBC to deliver banking that is easy, flexible and personalized to our clients." Using the CIBC TELUS Rewards Visa card to earn TELUS Rewards points is easy and convenient. Customers can:

- Earn one point for every dollar spent using the rewards card
- Earn 1.5 points on all rewards card purchases at grocery and gas retailers
- Earn 1.5 points on TELUS purchases made on the rewards card - paying their monthly bill, purchasing accessories or mobile devices, etc.
- Earn additional points by signing up for pre-authorized payments and e-bill, or adding services to their account including Optik TV or adding additional subscribers
- Enjoy no annual fee

Customers can easily access their rewards account via the TELUS Rewards portal and view account information including point accumulation, points balance, activity on their rewards account and redemption options.

CIBC and TELUS are members of ACT Canada; please visit www.cibc.com and www.telus.com.

9. VODAFONE ADDS BANK CARDS TO ITS NFC-BASED MOBILE WALLET SERVICE VIA PARTNERSHIP WITH VISA & CARTA

Source: PCC Mobile Broadband (04/05)

Vodafone has inked a new agreement with Visa and Carta Worldwide to enable bank card payments via its Vodafone Wallet service in European markets, from the second quarter of 2015. The new service which requires a Vodafone NFC SIM will allow Vodafone customers to add bank cards to their Vodafone Wallet and use smartphones to pay for goods and services at contactless terminals. The service will kick-off on Android smartphones, said the company. According to Vodafone, the Vodafone Wallet app enables bank card payments by storing an alias for each card in the Vodafone NFC SIM and by using the Verified authentication from Visa to validate the ownership of each stored card.

Vodafone Wallet is currently available in Germany, Spain, the UK, Italy and the Netherlands. The Vodafone Wallet already offers a range of mobile commerce facilitation including the ability to add loyalty cards and use the Vodafone SmartPass that was launched in partnership with Visa in 2013 to make payments via mobile devices. Vodafone added that the recent addition of bank cards to its wallet and the continuous evolution of the service is part of the Vodafone mCommerce strategy designed to provide a mobile alternative to coins, banknotes and plastic cards.

Carta Worldwide & Visa are members of ACT Canada. Visa is a sponsor of Cardware, Canada's premier payment stakeholder event. Please visit www.cartaworldwide.com and www.visa.ca for details.

How can world class companies help you advance your business objectives? It's not just about product lines – their experience can help you avoid pitfalls during planning & implementation. Meet with our Exchange Place Expert at Cardware 2015 on June 16-17 in Niagara Falls – www.cardware.ca.

10. MERCURY LAUNCHES NEW EMV SOLUTIONS

Source: Mercury Payment Systems (03/31)

Mercury Payment Systems, a Vantiv company, launched new EMV solutions for integrated software vendors (ISVs) and small and medium-sized businesses (SMBs) at ETA's TRANSACT 15 in San Francisco. "SMBs with integrated point-of-sale systems face different challenges implementing EMV than those using unintegrated systems," said Matt Ozvat, vice president of developer integrations at Mercury. "A good solution needs to be quick and easy to implement, integrate with a merchant's POS and meet the EMV requirements of the networks. Mercury's new EMV solutions do just that." Using a single integration approach, Mercury offers unique, semi-integrated EMV solutions that include end-to-end encryption. The solutions allow developers to quickly add services such as gift card acceptance and additional features – such as ApplePay and NFC acceptance – all with one easy integration.

"We know EMV, compliance, and security are complicated matters," added Ozvat. "Mercury's payment experts can help ISVs and merchants navigate the payments landscape and select the right payment products and services." With the new offerings, ISVs can choose Datacap's dsiEMVUS application, Datacap's IPTranLT Mobile device or Mercury's Pay-at-the-Table solution to meet the rapidly approaching October 1, 2015 liability shift deadline.

- Datacap's dsiEMVUS is a semi-integrated client-side payment application that drives many different EMV devices and simplifies the EMV certification process.
- Datacap's IPTranLT Mobile solution supports web based POS, tablets, and ECR based developers and is available in a low cost monthly rental program. The solution combines a payment drawer, printer, EMV enabled pin-pad, and other hardware accessories with one simple integration.
- Mercury's Pay-at-the-Table solution for restaurants is a hardware-based, semi-integrated solution that pushes non-sensitive wireless transaction data to a secure application running on a Pay-at-the-Table EMV device.

By using Mercury's solutions, an ISV will be able to support EMV transactions with solutions that meet the needs of PC, tablet and browser based developers as well as electronic cash register. The Mercury Developer Integration team is currently implementing support with select POS ISVs and will be offering support to all its ISV partners in early summer 2015. Merchants should expect solutions to



become available beginning late summer 2015. Mercury will provide robust support during and after the integration.

Mercury Payment Systems is a member of ACT Canada; please visit www.mercurypay.com.

11. NORTH AMERICAN CONSUMERS OVERWHELMINGLY TRUST BANKS TO SECURELY MANAGE THEIR PERSONAL DATA, ACCORDING TO ACCENTURE REPORT

Source: Accenture (04/28)

Bank customers in North America overwhelmingly trust their banks far more than all other institutions to securely manage their personal data, according to a new report on the banking industry by Accenture. The report, titled “Banking Shaped by the Customer,” is based on a survey of more than 4,000 retail bank customers in the United States and Canada and is the most recent report in Accenture’s multi-year research on the banking industry. When asked what type of company they trust most with securely managing their data, the vast majority of respondents – 86 percent – chose banks and financial institutions. This is more than 10 times the number of respondents who chose payment companies (7 percent), mobile phone providers (2 percent) or consumer technology companies (2 percent). Only 1 percent of consumers said they trust social media providers the most to manage their data.

“Despite the many threats that banks face, they still possess competitive advantages that are critical in today’s digital world,” said Dave Edmondson, senior managing director of Accenture’s North America Banking practice. “At the same time, our report highlights several trends that are causing significant challenges for banks and should serve as a call to action for them to focus more on improving customer perceptions and gaps in their digital offerings.” For instance, the survey found that most consumers (79 percent) define their banking relationship as transactional or commoditized, rather than advice-driven and offering high-margin products and services. These consumers said that their relationship with their bank is defined by simple transactions like paying bills and receiving checking-account statements.

The survey also found that consumers shop around and choose sources other than their primary bank for high-margin products. For example, the majority of consumers said they went to other sources to purchase auto loans (70 percent), brokerage accounts (61 percent), registered retirement accounts (53 percent), financial advice (52 percent) and home mortgage loans (52 percent). “Consumers’ perception of their banking relationship as transactional and not advice-driven is growing at a rapid pace,” Edmondson said. “Banks run the risk that consumers increasingly view them as a utility — a service for basic financial transactions — and not as the first choice for seeking financial advice. Banks need to become



more relevant to customers' everyday lives, including recommending suitable products and services, whether these options come from the bank or third parties.”

Consumers said they would be interested in several value-added services provided by banks, including: discounts for purchases (54 percent); proactive bill-pay services (53 percent); product recommendations (52 percent); end-to-end assistance with car buying, such as help with negotiating a loan and providing vehicle recommendations (49 percent); and buying a home (46 percent).

Millennials switch banks twice as often as other consumers

When looking at millennials, consumers aged 18-34 years old, the survey found that banks can't rest on their laurels and must do more to retain them as customers. Though millennials overwhelmingly said they are satisfied with their online banking experience at their primary bank (cited by 92 percent of millennial respondents), they also change banks more often than customers in other age groups. Nearly one in five millennials (18 percent) said they switched from their primary bank in the past 12 months, compared with 10 percent of customers aged 35-54 and only 3 percent of people 55 and older. Though local/community banks were the biggest “winners” of this trend, 17 percent of millennials who switched chose online-only banks. Surprisingly, slightly older consumers were even more likely to have switched to an online-only bank within the past 12 months, with 31 percent of consumers aged 35-39 years old saying they did so.

Millennials also have distinct preferences for how banking services should be delivered. Two-thirds (67 percent) of them said that the traditional and digital banking experience they receive at their current bank is only somewhat or not at all seamless, and nearly half (47 percent) said they would like their bank to provide tools and services to help them create and monitor their budget. Nearly half (48 percent) also said they would like their banks to offer video chat on their website or mobile/tablet application, compared to only 30 percent over 55. “In 2015, as millennials overtake baby boomers as the largest living generation in the United States, they are becoming one of the most influential – and challenging – customer groups for the banking industry,” said Robert Mulhall, managing director and North America lead for Accenture Distribution and Marketing Services, Banking. “Not only are millennials more likely to switch banks, but many continue to migrate to online-only banks, which poses a significant risk for banks in the future.”

Local bank branch less important to consumers

Accenture's survey also found that consumer relationships with local bank branches are changing. An overwhelming majority (81 percent) of consumers said they would not switch banks if their local branch closed – a significant increase from the 52 percent of respondents in Accenture's 2013 retail banking study who said they would be unlikely to switch banks if their branch closed. At the same time, 34 percent of consumers said that online is the most important channel for banks



to invest in over the next five years, followed by mobile (cited by 20 percent of respondents).“This is a big change in the evolution of retail banking,” Mulhall said. “For the first time in our research, consumers ranked online banking services as the number one reason for staying with their bank, ahead of branch locations and low fees. It’s no longer a question of proximity to the local branch that is driving consumer choice, it’s a matter of which banks are offering the strongest online capabilities and mobile applications.” “Banking Shaped by the Customer,” Accenture’s 2015 North America Consumer Digital Banking Survey Report, is available for download.

Methodology

The report is based on an online survey of 4,004 bank customers in North America conducted for Accenture by Market Knowledge Online between January 19 and January 26, 2015. Approximately 70 percent of the respondents (2,803) were in the United States and 30 percent (1,201) were in Canada. The survey has a statistical margin of error of 1.55 percent.

Accenture Strategy Financial Services is a member of ACT Canada; please visit www.accenture.com.

12. DISCOVER QUALIFIES CONTACTLESS D-PAS TEST PACKAGES FROM ICC SOLUTIONS

Source: ICC Solutions (04/27)

ICC Solutions is pleased to announce the release and immediate availability of the Discover Contactless D-PAS (D-Payment Application Specification) Certification test suite. This addition to the Discover portfolio will allow greater flexibility for acquirers and merchants by allowing terminals to accept D-PAS contactless EMV chip cards. The D-PAS suite supports current EMV standards, ensuring easy application and assimilation. Contactless D-PAS joins the evolution of contactless EMV technology allowing consumers to make quick and efficient purchases at the POS for low value transactions without the need to enter a PIN or provide a signature.

Marc Regan, Acquirer Test Manager, ICC Solutions commented “Working closely with Discover, we are pleased to announce the implementation of the ICCSimTMat Discover Contactless test tool for D-PAS Contactless Testing. With this new addition to our comprehensive test tool library ICC Solutions has enabled our members to continue to grow their EMV portfolio with a solution that will instill confidence to the user.”

Discover and ICC Solutions are members of ACT Canada. ICC Solutions is an Exchange Place Expert at Cardware, Canada’s premier payment stakeholder event. Please visit www.discover.com and www.iccsolutions.com.



13. ICICI BANK LARGEST LAUNCHES NFC-BASED MOBILE PAYMENTS IN INDIA

Source: Mobile Payments Today (04/20)

ICICI Bank, India's largest private sector bank, in arrangement with Tech Mahindra Limited, announced the launch of a contactless payment service based on the Near Field Communications, according to a press release. Called "Tap-n-Pay," the service enables any consumer to make over-the-counter payments either with an NFC-enabled tag or mobile phone at a merchant's point-of-sale device. Tap-n-Pay is a prepaid account, which customers of any bank can open by simply registering for it and transferring money online from any bank account. ICICI Bank customers also can transfer money to the account through an SMS. To begin, ICICI Bank is offering this product at large campuses of corporate offices. ICICI Bank and Tech Mahindra have plans to extend this service across the country, according to the announcement.

"ICICI Bank has always been at the forefront of introducing innovative technology for a world class customer experience," said Rajiv Sabharwal, executive director of ICICI Bank. "We are delighted to partner with Tech Mahindra to enable a contactless payment service in the country. This initiative will offer a new, differentiated digital solution to replace cash for regular and small value payments made over the counter in large campuses. "We believe that this service will offer users an unparalleled experience of making quick and safe payments — like buying meal coupons at canteens — with just a tap of their mobile phone or the NFC tag. Its usability is wide as it allows customer of any bank to register for Tap-n-Pay with no documentation or branch visit. It will additionally ease the day-to-day hassle of cash handling and currency change for merchants too."

ICICI Bank is a member of ACT Canada; please visit www.icicibank.ca.

14. INGENICO GROUP AND INTEL TO BRING PAYMENTS TO THE INTERNET OF THINGS

Source: Ingenico (04/02)

Ingenico Group and Intel Corporation announced a collaboration to combine Intel technology and Ingenico Group secure payment acceptance for the Internet of Things. The companies will jointly develop a mobile tablet that supports EMV1 and NFC payment functionalities, a standard required by banks to help prevent credit card fraud. Today, banks are responsible for fraudulent activity on credit cards, costing them US\$14 billion in 2013. By October 2015, banks will require retail merchants to upgrade their POS equipment to support EMV chip cards. If they do not, the retailers will be responsible for recovering the funds if fraud should occur. Under the collaboration, Intel Data Protection Technology for Transactions will be combined with Ingenico Group payment acceptance capabilities in mobile and future solutions in the United States and Canada,



beginning with the jointly developed mobile tablets based on the Intel Atom processor.

This will pave the way to a broader set of initiatives and value-added services to address other worldwide devices for the Internet of Things, including intelligent vending machines, kiosks and digital signage. “We are very pleased to enter a collaboration with Intel, deploying secured payment acceptance into new connected devices,” commented Philippe Lazare, chairman and CEO, Ingenico Group. “This is a great example of how innovation can simplify the purchasing experience and further enhance the merchant-consumer relationship. Bringing secure payment into connected devices will root our payment acceptance expertise in the Internet of Things”. “The shift in liability this October will be a major milestone in the United States for banks and credit card companies, but especially for retailers,” said Doug Davis, senior vice president and general manager, Internet of Things Group, Intel. “Intel and Ingenico Group are working to bridge the retail experience and security gap while also making sure devices are easy to deploy and manage so we don’t create new burdens for the merchants.”

Ingenico is a member of ACT Canada and an Exchange Place Expert at Cardware, Canada’s premier payment stakeholder event. Please visit www.ingenico.com.

15. CANADIAN COFFEE CHAIN GOES MOBILE WITH LOYALTY PLATFORM

Source: Mobile Payments Today (04/27)

Second Cup, a Canada-based coffee shop, has launched a free mobile loyalty program, Second Cup Coffee Co. Rewards, according to a company press release. It’s designed to enhance customers’ coffee experience by providing a simple and fast way to earn points, redeem rewards and be delighted by personalized offers and surprises, said Vanda Provato, VP of marketing and category. “As our Second Cup coffee revolution continues, we are igniting Canadians’ passion for our brand, thanks to the many innovations we’ve introduced,” Provato said. “Our new Rewards program and mobile app embody our commitment to creating a premium, personalized brand experience for our customers.”

To join Rewards, customers may download the Second Cup Coffee Co. Rewards app from the App Store or Google Play, or pick up a card in café. Members can also use the app on their Apple Watch, making Second Cup Coffee Co. one of the first Canadian companies to debut an app for the new device, Provato said. Rewards members earn 10 points for every dollar spent and will start earning points by signing up. To launch the Rewards program, those who join before May 20, will also receive a welcome offer of 500 points – redeemable for a free brewed coffee, espresso or tea beverage. Special surprises along the way, including a free beverage on their membership anniversary date and other personalized bonus offers.

16. MICROSOFT SECURING REGULATORY APPROVALS FOR MOBILE PAYMENTS

Source: *CardNotPresent.com* (04/09)

Microsoft Securing Regulatory Approvals for Mobile Payments Microsoft has registered as a money transmitter with the U.S. Treasury Department's Financial Crimes Enforcement Network (FinCEN), setting the stage for its entry into the mobile payments race dominated recently by Apple, Google and Samsung. According to published reports, in addition to registering with FinCEN, the company secured a money transmitter license from the Nationwide Multistate Licensing System in Idaho and has filed for similar licenses in all 50 states. In March, Microsoft demonstrated a contactless payments system leveraging Host Card Emulation (HCE) for handsets running its new Windows 10 operating system. HCE is a software solution debuted more than a year ago by Google in its Android 4.4 operating system that enables NFC purchases without access to a secure element within the handset, usually controlled by mobile carriers.

Microsoft has not confirmed reports that it will include a contactless payment ability in Windows 10 smartphones.

We hear about how is HCE changing the mobile ecosystem, but what are the testing and security implications of this approach? Join our top rated speakers at Cardware 2015 on June 16-17 in Niagara Falls – www.cardware.ca.

17. BEST BUY GETS ON THE APPLE PAY BANDWAGON

Source: *Let's Talk Payments* (04/28)

Best Buy customers, using an iPhone 6 or iPhone 6 Plus, can now use Apple Pay to make purchases in the Best Buy app. An updated Best Buy app is now available in the Apple App Store. But the latest update of even more significance is that all U.S. Best Buy stores will also start accepting Apple Pay later this year. Best Buy wants to give its customers as many options as possible in how they pay for goods and services in-store.

Best Buy, which is a member of the retailer consortium MCX, is indeed a big catch for Apple Pay. Earlier we discussed the rivalry between Apple Pay and CurrentC, the mobile payment system backed by MCX. As a result of CurrentC's exclusivity, retail members such as Best Buy had limited options in adopting mobile payment systems. As reported by Re/code, it has come to light that Best Buy is looking to adopt Apple Pay later this year as its MCX membership is expiring over the summer. Best Buy might in fact exit the consortium for mobile payments by not renewing its membership. New revelations highlight that MCX will eventually support other payment technologies besides QR codes, such as NFC & Bluetooth Low Energy. It has come to light that MCX might be in talks with credit card



companies to broaden the scope of the CurrentC mobile wallet service. Bringing Apple Pay into the picture, current MCX members who wish to accept Apple Pay exclusively won't be fined but will have to leave MCX eventually. However, Meijer, an MCX member that is adamant on using Apple Pay, has yet to be barred from the membership of the consortium.

Rite-Aid and CVS, also members of MCX, had shut down the NFC capabilities in their POS terminals in order to support CurrentC. The current situation shows that this might not have been a well advised choice. CurrentC hasn't been launched yet and it may have already missed its chance to impact the competition. Competitors like Apple Pay are increasing their transaction numbers day by day. MCX's major backer in mobile payments (Paydiant) is itself now part of PayPal, who might not want Paydiant to run a competing mobile payment system (CurrentC). Given the market reality, MCX might soon face the heat from its own members. Best Buy already has a big influence in the retail market and its approach could also affect the decisions of other retailers. One day MCX might open itself to all forms of mobile payment systems. The fate of CurrentC remains to be seen.

Considering Best Buy itself, the acceptance of Apple Pay in the Best Buy app is the latest enhancement to their mobile platform. Best Buy is also setting up a technology innovation office in Seattle this summer whose primary focuses will include mobile and the company will continue to implement new tools to the enhance customer experience in this important growth area. The technology development center in Seattle is aimed at fuelling Best Buy's rapidly expanding e-commerce and mobile development capabilities.

MCX is a member of ACT Canada; please visit www.mcx.com.

18. MASTERCARD'S ANALYTICS PLAY

Source: PYMNTS.com (04/28)

MasterCard has announced that it will acquire Applied Predictive Technologies – a cloud-based analytics provider – for \$600 million. The acquisition expands the services MasterCard can offer to its merchants – particularly APT's Test & Learn platform, which helps businesses tailor investments and enhance their bottom line by using data to calibrate marketing, merchandising, operations and capital initiatives. APT will gain access to MasterCard's analytics suite, consulting capabilities, marketing services and global footprint. "In today's competitive business climate, companies need analytics that are easy to use and drive action," said Kevin Stanton, president of MasterCard Advisors. "APT's world-class talent, technology and Test & Learn platform, matched with MasterCard's analytics, will give our customers the advantage of enhanced and actionable decision making."



This latest acquisition complements MasterCard's recent acquisition of 5One, a London-based retail consulting and analytics firm. APT is already a global firm with offices in Washington, D.C., San Francisco, London, Taipei, Tokyo and Sydney, with a well-developed list of Fortune 100 companies clients. "MasterCard is uniquely positioned, with its corporate footprint and analytics expertise, to help us expand our business, working with even more clients around the globe and evolving our product capabilities," said Anthony Bruce, CEO of Applied Predictive Technologies. "We're thrilled to join the MasterCard family." This acquisition is anticipated to close in the second quarter of 2015.

MasterCard is a member of ACT Canada and a sponsor of Cardware, Canada's premier payment stakeholder event. Please visit www.mastercard.ca.

19. GEMALTO LAUNCHES EZIO DYNAMIC FRAUD MANAGER, OPTIMIZING FRAUD PROTECTION FOR ONLINE BANKING

Source: Gemalto (04/23)

Gemalto reinforces its Ezio range of online banking protection with the newly integrated transaction monitoring software - the Ezio Dynamic Fraud Manager. Gemalto is working with NCR, the global leader in consumer transactions technologies, to offer the Fractals intelligent fraud detection solution as part of the Ezio solution. It reinforces Ezio's multi-layered security capabilities to provide the ultimate protection and user experience for banks' customers. The Ezio Dynamic Fraud Manager enables real-time calculation of the actual risk of individual online transactions. This triggers an action based on rules established by the bank, either allowing the transaction to proceed, rejecting it, asking the end user for additional authentication, or requesting action by the alert management teams. Built on an extremely flexible yet powerful rule system, the Ezio Dynamic Fraud Manager provides banks with a high degree of customization, increased reactivity to evolving patterns of fraud and improved detection rates.

Gemalto has signed a reseller agreement with NCR Corporation to offer NCR's Fractals software in the Ezio fraud management layer, to bring the power of NCR's proven Fractals risk management engine to online banking. "With continuously evolving attacks, fraud managers increasingly want agile solutions to protect bank customers," said Håkan Nordfjell, Senior Vice President of e-Banking and e-Commerce at Gemalto. "Our collaboration with NCR reinforces our layered security strategy allowing banks to further expand their online service portfolio while protecting their customers and their brand." "Preventing fraud in all forms remains a key priority for financial institutions around the world," said Ruth Fornell, vice president and general manager of Software and Professional Services, NCR Financial Services. "Our work with Gemalto will help financial institutions improve their digital banking security. Banks can now better reduce false positives, the number of alerts, and their related operational costs, as well as further enhancing the end user experience."



Gemalto is a member of ACT Canada and sponsor at Cardware, Canada's premier payment stakeholder event. Please visit www.gemalto.com.

Looking for top-notch partners? Cardware brings together the key players in this industry. Join us at Cardware 2015 on June 16-17 in Niagara Falls – www.cardware.ca.

20. FIME TERMINAL INTEGRATION SERVICES AND TOOLS UPDATED TO ALIGN WITH MASTERCARD M-TIP 2.0

Source: FIME (04/20)

Following MasterCard's release of its terminal integration process (M-TIP) specification, version 2.0, FIME has updated its services and test tools offer to align with MasterCard's latest test methodology. MasterCard requires acquiring banks to perform successful M-TIP testing before a new payment terminal can be deployed. Acquirers can verify if contact and contactless payment implementations comply with the latest MasterCard requirements, using FIME's formal approval services, technical support and qualified test tools. Importantly, M-TIP 2.0 brings the Test Selection Engine (TSE) that allows certification of dual-interface terminals through a single test plan. Acquirers now have three different certification project options: contact, contactless and dual interface. To support the change FIME has introduced an M-TIP Dual Interface service, specifically for implementations that accept both contact and contactless payments. At the same time M-TIP Contact and M-TIP Contactless services for single interface implementations are also offered.

Additionally, FIME offers technical support services for integration testing. These services ensure that acquirer projects are completed smoothly, on time, and may be offered either on-site or remotely. "Deployments of mobile and contactless payment solutions are accelerating," comments Stuart Miller, Bank Products and Services Business Line Manager at FIME. "As a result, we have restructured our technical consulting, automated test tools and certification services to simplify the terminal certification process and offer the speed, EMV expertise and flexibility required by the market. We believe our onestop solution for acquirer certification projects will maintain FIME as the first choice for acquirers around the world."

The automated SAVVI test platform is compliant to M-TIP 2.0. It is the only multi-brand tool available in the market to support physical test cards and softcards, increasing flexibility and options for acquiring banks and system integrators. It streamlines the certification process with automated testing, analysis and report generation.



FIME and MasterCard are members of ACT Canada. FIME is an Exchange Place Expert and MasterCard is a sponsor at Cardware, Canada's premier payment stakeholder event. Please visit www.fime.com and www.mastercard.ca.

21. GLOBAL PAYMENTS LAUNCHES EMV AND CONTACTLESS MOBILE PAYMENTS SOLUTION IN CANADA

Source: Global Payments (04/27)

Global Payments Inc. announced the launch of the new Ingenico Companion Mobile Payment (iCMP) MPOS - a turnkey mobile point-of-sale solution offering full debit and credit EMV and contactless payment acceptance to Canadian merchants. The iCMP MPOS solution includes a secure Bluetooth-enabled reader that pairs with a merchant's Apple, iOS or Android device, for simple and secure on-the-go payment acceptance. Through the robust iCMP MPOS app, merchants can manage their businesses on the go, with an in-app inventory catalogue, digital receipts and a merchant portal that provides real-time insights into business operations with detailed reporting. "As we continue to expand our leading selection of innovative point-of-sale solutions, we're pleased to offer our merchants a growing number of mobile payment offerings designed to meet evolving business needs for portable payment convenience," said René Bélanger, President, Global Payments Canada. "Unlike other mobile solutions, the iCMP MPOS supports EMV and NFC contactless credit and debit card acceptance, including Apple Pay, providing our merchants with an off-the-shelf solution that is flexible, simple, secure and will position our customers for the future."

As a PCI PTS 3.0 and EMV Level 1 and 2 certified solution, the iCMP MPOS complies with the latest payment and security standards for secure payment processing capabilities, designed to encrypt card data at the time of the transaction. The iCMP MPOS is an affordable solution for small businesses, offering a flat-rate pricing structure, free EMV- and contactless-enabled reader and no set-up fees. Global Payments has made it easy for merchants to get started with the iCMP MPOS solution, with a simple, online application offering an automated approval response. For more information, please visit www.globalmpos.ca.

Global Payments and Ingenico are members of ACT Canada. Ingenico is an Exchange Place Expert at Cardware, Canada's premier payment stakeholder event. Please visit www.globalpaymentsinc.com and www.ingenico.com.



22. PROPAY ADDS MASTERCARD MASTERPASS CHECKOUT SERVICE

Source: TSYS (04/14)

ProPay, a TSYS company, announced that it is further enhancing online customer checkout options with the addition of MasterPass, the MasterCard digital payment solution that simplifies the entire shopping experience for consumers. MasterPass enables consumers to pay with any enrolled payment card, anywhere, using any device. Enrolling in MasterCard MasterPass is intuitive and simple. Consumers can securely store MasterCard and other branded credit, debit and prepaid card information, as well as certain private label and loyalty cards, along with shipping addresses, all in one place, so that they can be easily accessed during checkout. MasterPass eliminates the need to enter detailed payment and shipping information with every purchase, and simplifies the process of completing a transaction from any connected device.

The online checkout experience continues to be a consumer pain point with shopping cart abandonment rates as high as 74 percent, according to research firm, Business Insider. Approximately \$4 trillion worth of merchandise will be abandoned in online shopping carts this year.¹ MasterPass makes the shopping experience simple, secure and easy. "ProPay is pleased to add MasterCard MasterPass as one of its checkout options," said Dave Duncan, president of ProPay. "With the addition of MasterCard MasterPass, ProPay enables merchants with more than ten ways to accept payments so they may conduct transactions anytime, anywhere, in-person, online, and offline in a secure manner." "The checkout is simply the means to deliver on a consumer need or want and the more intuitive we can make that process the more satisfied the customer," said Michael Cyr, group executive, North America Market Development, MasterCard. "We're honored to partner with ProPay who shares this vision of driving a faster, simpler and more secure checkout experience."

¹ Source: Measure Your Margins. Business Insider, March 2015

MasterCard and TSYS are members of ACT Canada. MasterCard is a sponsor of Cardware, Canada's premier payment stakeholder event. Please visit www.mastercard.ca and www.tsys.com.

23. ELAVON SDK UPDATE ENABLES MERCHANTS TO ACCEPT APPLE PAY

Source: Mobile Payments Today (04/15)

Elavon recently announced its new software development kit, Commerce SDK, which enables businesses to start accepting ApplePay and streamlines a path to EMV, according to a press release. Elavon was one of the first acquirers to offer Apple Pay to merchants for consumer use in the U.S., according to the announcement. Elavon said the Commerce SDK comprehensive kit accelerates a business' ability to implement a secure, EMV-compliant payment product by



combining Elavon's global payment processing, EMV certification coding, encryption and tokenization implementation and hardware support for printers, terminals and mobile devices into one package that is easy to integrate. Supported platforms include iOS, Android, Linux, and Windows. Talech, a tablet platform, is integrated into Elavon's Commerce SDK, allowing businesses to accept EMV payments and Apple Pay, according to the announcement.

"The greatest value Commerce SDK provides to our customers and partners is its scalability; it's designed for businesses across the spectrum," said Wally Mlynarski, vice president of omnocommerce solutions and The Grove for Elavon. "From the large hotel chain with locations across the country to the local sandwich shop down the street, Commerce SDK significantly reduces the time it takes businesses to complete their EMV roll-out. It allows the Point of sale to communicate with printers and terminals, as well as process payments via our Converge Omnocommerce gateway." Commerce SDK is available to developers at businesses, value-added resellers, agents and solutions providers and is supported by Elavon customer service.

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

24. ALLIED WALLET PARTNERS WITH CARTA WORLDWIDE TO STREAMLINE PAYOUT PROGRAMS GLOBALLY

Source: Carta Worldwide (04/14)

In a move towards eliminating cheques and streamlining online payment processing, Allied Wallet has partnered their state-of-the-art solutions with next-generation transaction technology provider Carta Worldwide to enhance their latest line of prepaid products. A global leader in customized online payment solutions for businesses, Allied Wallet has attracted a user base of over 125 million. As a principal member of MasterCard, Allied Wallet is a licensed issuer and has selected Carta Worldwide to develop programs that allow corporations to easily send and receive payments.

"People feel secure with Allied Wallet, and we're innovating towards an all-inclusive payments solution. We want to handle currency from A to Z," said Andy Khawaja, CEO at Allied Wallet. He affirmed, "Carta's platform will allow us to streamline the process of affiliate payouts worldwide." "Carta's platform will allow us to streamline the process of affiliate payouts worldwide." After performing extensive evaluations of the processing technologies available in North America, Europe and beyond, Allied Wallet concluded that Carta's next-generation platform was their optimum choice. Carta's ability to collaborate with Allied Wallet and build cutting-edge mobile technology opens a world of advanced payment solutions to seamlessly introduce in the future.



Allied Wallet's upcoming commercial and consumer prepaid programs will leverage Carta Worldwide's breakthrough transaction solutions for cheque replacement and the convenient business-to-business and business-to-affiliate payouts. Equipped with chip-and-pin technology, their latest card programs will allow corporations to securely and efficiently transfer payments to clients, contractors, agents, vendors, distributors, and affiliates. Brian Semkiw, Carta's CEO commented, "Allied Wallet is constantly refining and innovating their products to adapt to the evolving payment processing ecosystem. Our technology-driven transaction solutions can uniquely facilitate the growth of their programs, services and merchant reach." He added, "With our leading mobile payment platform, Allied Wallet is in a great position to move into even more scalable product and user expansion."

Carta Worldwide is a member of ACT Canada; please visit www.cartaworldwide.com.

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25. MONERIS INTRODUCES 'VERIFY' TO HELP FIGHT \$1.7B IN CANADIAN RETAIL FRAUD

Source: Moneris (04/22)

Moneris Solutions Corporation ('Moneris') announced it has expanded its service offerings with the introduction in Canada of Moneris Verify powered by The Retail Equation (TRE), which is intended to help large retailers reduce losses incurred due to return fraud. Moneris Verify return authorization will help retailers target the estimated 4.2 per cent of their merchandise returns that are fraudulent, resulting in approximately \$1.7 billion in annual retail losses in Canada.¹ Moneris Verify streamlines retailers' return processes by improving the convenience and ease of regular merchandise returns, while identifying and deterring those that are fraudulent or abusive of store return policies. "Return fraud is a significant problem in Canada and we believe through our distribution, Moneris Verify will potentially reduce estimated losses by millions of dollars. Retail fraud takes many different forms, and Moneris Verify is a proven safeguard against fraudulent returns resulting in lost revenue and inventory." said Rob Cameron, Chief Product and Marketing Officer.

TRE is the industry leader in retail transaction optimization solutions. Moneris will be the exclusive reseller of TRE's Verify service in Canada, a solution used by more than 34,000 stores – including 12 of the top 50 retailers in North America. "We are pleased Moneris has chosen to offer our industry-leading return optimization technology to its wide range of customers in Canada. The Verify



technology is not only effective in reducing return rates and optimizing sales, it enables retail businesses to create a better return shopping experience for the vast majority of consumers making everyday returns.” said Mark Hammond, CEO, The Retail Equation. Moneris Verify utilizes statistical modelling to analyze data to determine if behaviour exhibited at the point-of-return is inconsistent with a retailer’s return policy or mimics return fraud. The solution’s predictive analytics looks for patterns among the different variables in a consumer’s return history, including return frequency, time of return, purchase amounts, and many more.

This relationship with Verifone furthers Moneris’ efforts to assist merchants in transitioning to EMV, with a focus on reducing security risks by providing solutions with a layered security approach that combines EMV, end-to-end encryption and tokenization. This approach helps reduce PCI-compliance costs and minimizes liability in the event of a network intrusion. Moneris Verify can help minimize the many forms of return fraud that retailers face today, including:

- Returning stolen merchandise - an individual shoplifts an item with intent to return the item for full retail price.
- Shoplifting - an individual purchases an item, takes it out of the store, and then re-enters the store without the purchased item. The customer proceeds to pick up the same item in the store and returns that second picked up item with the original receipt.
- Receipt fraud - an individual uses an old, found, or fabricated receipt to return stolen merchandise.
- Price switching - an individual moves a lower priced label to an item before going to checkout. The consumer then removes the sticker and returns the item at full price.
- Wardrobing or Renting - an individual purchases an item, uses it and then returns the item as new.

Moneris Verify is the ideal return fraud prevention solution for large Canadian retailers, and it is available today. For more information, contact us at monerisverify@moneris.com

Moneris and Verifone are members of ACT Canada. Moneris is a sponsor and Verifone is an Exchange Place Expert and MasterCard is a sponsor at Cardware, Canada’s premier payment stakeholder event. Please visit www.moneris.com & www.verifone.com.

26. EVO AND RAIFFEISEN CREATE NEW CARD ACCEPTANCE PARTNERSHIP

Source: EVO Payments (04/22)

EVO Payments International (EVO) announced it has entered into an agreement with Raiffeisen Polbank to form a long-term strategic alliance to provide merchants in Poland with payment services. In connection with the alliance,



Raiffeisen Polbank will transfer its existing payment services business into a new company created and managed by EVO that closely cooperates with Raiffeisen Polbank. EVO will make available to the bank's merchant customers a wide variety of market-leading card acceptance solutions and processing for alternative payment methods and will support the acquisition of market share. The deal is subject to regulatory approvals and is expected to be completed by the end of the third quarter of 2015.

"We are delighted to partner with Raiffeisen in Poland," said James G. Kelly, CEO of EVO Payments International. "This alliance further strengthens our existing position in the Polish market and provides additional opportunities to partner with a leading financial institution. We look forward to expanding our distribution by providing the powerful payment solutions offered by our European platform to Raiffeisen Polbank's valued customers. Through the alliance EVO will provide a full suite of high quality payment processing services that will appeal to both existing and prospective customers of Raiffeisen Polbank." "We have the desire to offer our customers the opportunity to use card payment services of the highest quality," said Piotr Czarnecki, CEO of Raiffeisen Polbank. "This is why we were looking for a partner who will provide them with efficient handling of all payment processes, offer them the most innovative product solutions, but will also have proven experience in working with financial institutions. The strategic alliance with EVO meets our high expectations and we will actively participate in developing the alliance, offering existing and new customers modern and practical solutions which will support them in developing their businesses. Thanks to this cooperation we plan to increase market share, not only in the micro business segment, but also in the corporate segment."

As part of the promotion currently running for the new micro business account ("Wymarzone Konto dla Biznesu"), the bank offers terminals on lease for 1 zloty for a period of two months. After this time, companies will be able to continue their cooperation as part of an attractive price plan of just 39 zloty per month for the lease of a terminal.

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

27. ACS LAUNCHES SMART CARD READER MODULE PRODUCT LINE

Source: ACS (04/20)

Advanced Card Systems Ltd. (ACS, a wholly owned subsidiary of Advanced Card Systems Holdings Ltd., SEHK: 8210) launched the smart card reader module product line. The new product line, currently containing 5 individual products, elevates flexibility for a diverse array of applications, while providing high-level security. The smart card reader module line is designed to be integrated into embedded systems, which include, but are not limited to: smart card readers, ATM



machines, kiosks, and gaming machines. Contact and contactless reader modules are both offered under this product line.

Embedded contactless reader modules are based on 13.56 MHz technology. They include ACM1252U-Y3, a USB NFC (Near Field Communications) reader module with a detachable antenna board. It supports all three NFC modes (card reader/writer, card emulation, and peer-to-peer communication). This reader module supports not only ISO14443 type A and B cards, but also ISO18092 NFC tags, Felica cards and NFC phones. Upon request, ACM1252U-Y3 comes with a Class A, ISO 7816-compliant Secure Access Module (SAM) slot. The other modules are: ACM1281U-C7, a USB contactless reader module and ACM1281S-C7, a serial contactless reader module. Each has an integrated (on-board) antenna, high-speed communication capability for ISO14443 type A and B contactless cards, and extended APDU support. These two contactless reader modules come with a built-in SAM slot compliant with ISO 7816 (Class A).

Meanwhile, the first embedded contact reader module to be launched under this product line is ACM38U-Y. It utilizes the ACR38 core, which has been recognized globally for its high performance capability for ISO7816 smart cards. Its different on-board pin connectors increase flexibility for users by extending the USB connection, smart card connector, and LED signal. It comes in two versions: ACM38U-Y3, a CCID reader module; and ACM38U-Y6, a module with SAM slot support. Since card authentication is done via the SAM interface, ACM38U-Y6 adds another layer of security for applications. "The smart card reader module product line is a timely addition to ACS's portfolio," says Gilbert Leung, Senior Vice President for Sales and Marketing. "It increases flexibility for our clients, while providing top-notch security and convenience. We expect this new product line to add value to a wide range of applications."

ACS is a member of ACT Canada; please visit www.acs.com.hk.

28. CIBC ANNOUNCES PARTNERSHIP WITH MARS DISCOVERY DISTRICT TO DRIVE INNOVATION

Source: CIBC (04/23)

CIBC announced a partnership with MaRS Discovery District to create a new corporate innovation hub and join MaRS' new FinTech cluster to support future innovations. As part of CIBC's new partnership with MaRS, the bank will be constructing a permanent corporate innovation space for financial technology. The new facility is expected to be ready this fall, allowing teams from CIBC to collaborate with leading technology talent and continue to focus on developing the next wave of banking innovations for clients. "Partnerships and innovation are the key to building the bank of the future, which is why we are excited about the opportunity to further our commitment to innovation with MaRS," said Aayaz Pira,



Vice President, Digital Channels, CIBC. "The opportunity to have our team work alongside top design talent and entrepreneurs in a collaborative environment will further our leadership in developing the innovations that will change the way Canadians bank." CIBC's collaboration with MaRS has already supported the bank's focus on innovation. The CIBC Mobile Banking app for Apple Watch was conceived by CIBC team members based at MaRS, where development was accelerated through CIBC's ability to quickly prototype the watch with business and technology teams working side by side. "MaRS is committed to building bridges between corporations and best-in-class entrepreneurs," says Salim Teja, EVP, Venture Services at MaRS. "Having just launched our new FinTech cluster, we are thrilled to have CIBC as founding partner of MaRS' corporate innovation hub. This space will help industry leaders leverage startup talent to boost creativity and innovation in Canada's financial services sector."

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Since 1989, ACT Canada has been the internationally recognized authority in the market. As the eyes, ears and voice for stakeholders focused on secure payment, mobile, NFC, loyalty, secure identity, and leveraging EMV, we promote knowledge transfer, thought leadership and networking. We help members protect their interests, advance their causes, build their business and grow the market. We take a neutral and non-partisan approach to all issues, facilitating collaboration among issuers, brands, acquirers, merchants, regulators, solution providers, governments and other stakeholders. Over 50% of our members have been with us for more than 5 years, enjoying ongoing value from their affiliation with ACT Canada. Please visit www.actcda.com or contact our office at 1 (905) 426-6360.

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