



Welcome to the **July** 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.

PAYMENTS BUSINESS - *Media Partner*

New and Renewing Members

Principal Members

Coast Capital Savings Credit Union ~ member since 2013

Ingenico Canada, Ltd. ~ member since 1990

Manulife Bank of Canada ~ member since 2012

General Members

Advanced Card Systems Ltd. ~ member since 2013

Associate Members

Cassels Brock & Blackwell LLP ~ member since 2011

Career Opportunities

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

GlobalPlatform Presents the Trusted Execution Environment (TEE): Next Generation Mobile Security for Today and Tomorrow

October 13, 2015

Santa Clara, CA

<http://www.teeseminar.org/>

Money2020

October 25-28, 2015

Las Vegas, NV

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

ACT members receive a registration discount

TRUSTECH, formerly Cartes Secure Connexions

November 17-19, 2015

Paris, France

<http://www.cartes.com>

ACT members receive a registration discount



August

- Strategic Leadership Team meetings:
 - o Merchant Strategic Leadership meeting - August 11
 - o Mobile Strategic Leadership meeting - August 20
 - o Customer Authentication Strategic Leadership meeting - August 20
- Call for nominations for the annual IVIE awards

September

- ACT launches its new member networking events (date and location to be announced)
- Catherine Johnston will chair a panel at the MAG (Merchant Advisory Group) conference in San Antonio

October

- ACT Canada goes across Canada to deliver closed door briefings for members and meet with stakeholders (dates and cities to be announced)
- Meet with Catherine and Andrea at Money 2020

November

- Our annual AGM, Cardware Connections and IVIE awards (date to be announced)

Articles

1. EDITORIAL - MALWARE, DIGITAL CURRENCY AND THE ROLE OF GOVERNMENT

Source: Catherine Johnston, President & CEO, ACT Canada (07/29)

We've been hit – but before you start to worry about what we have on file, let me hasten to assure you we do not store any payment card, social insurance or drivers' licence numbers on our files. What we lost was all of our current working files, much of our archive files, our faith that our backups were working, about 3 man-months of productivity and money that was not in the budget for such a disaster. Oh yes – and some sleep. What we gained was a new 3rd party service to back up our files, with a secondary backup, 2 additional backups for our archives, and a lot of questions about Bitcoin and other digital currencies. Let me share those with you. A ransom was demanded for the decryption software and key that would restore our files. It was payable only in Bitcoins. The anonymity of this particular digital currency is supposed to protect both the parties in the transaction. REALLY!

First you need to get a wallet. Depending upon whose wallet you choose you'll need to provide the information on both the front and back of your driver's licence, as well as a picture of you holding it. Another wallet provider wanted



passport information. A third wanted government ID, as well as proof of residency which entailed providing a picture of a utility bill sent to you within the past 90 days. A staffer at the wallet provider looks at the uploaded images of your ID, and when satisfied that you are who you claim to be, sends you something to use as authentication when you are purchasing or transferring coins. In our case it was a QR code. You are certainly not anonymous as a wallet holder. In fact, I don't remember a Canadian financial institution ever demanding to see my passport. There are 10 different types of ID from which you can choose 2, but your passport doesn't have to be 1 of them.

Next you need to purchase your coin(s) from an exchange. This is done pushing a buy order from within your wallet and then depositing the purchase amount into the exchange's bank account, depositing cash into a Bitcoin kiosk or sending a money order or wire transfer to the exchange. When payment is received by the exchange, they use the buy order information from your wallet provider to deposit the Bitcoin(s) into your wallet. Then you need to transfer the payment from your wallet to the other party's wallet. In our case, the cyber terrorist/criminal/punk – take your pick of descriptions. This was done by going to the URL they provided and keying in a code linked to their wallet. When they received the transferred funds – in other words the ransom, they sent us the software and key they promised.

So, our wallet provider knows who we are. Their wallet provider knows who they are. Sometimes the buyer and seller both use the same Bitcoin wallet provider and sometimes the wallet provider and the Bitcoin exchange are the same company. Theoretically that provider knows who is buying, who is selling and how much is being spent. Anonymity – REALLY! But, dear reader, here is my real issue. A number of digital currency exchanges have been shut down by governments around the world on the claim that they are used as a conduit for moving money to fund criminal and terrorist activities. Many ransomware attacks, such as the one we suffered, will only accept digital currency. Ours would only accept Bitcoin. It is time for governments around the world deal with this problem. That people want digital currency is without question, but we need to decide who can “mint” it and how it is regulated.

2. WHITE PAPER OUTLINES PRINCIPLES FOR SECURE, WIDE-SCALE ADOPTION OF INNOVATIVE PRODUCTS AND SERVICES IN THE CANADIAN PAYMENT INDUSTRY

Source: Canadian Bankers Association (07/13)

As the mobile payments landscape rapidly evolves, the banking industry today published a Payments Security White Paper highlighting the need to maintain the highest level of payment security, promote competition and support innovation for the benefit of Canadian consumers and retailers. The Payments Security White Paper is based on the following principles:



- Security – Maintain the level of security that consumers and retailers have come to expect from payment service providers in Canada, equivalent to that provided by EMV chip and PIN. Identify and protect consumers and retailers against technological and operational risks;
- Openness – Create and support an open mobile payments environment that allows consumers to pay for goods and services using any mobile wallet on any mobile device, leveraging the contactless payment terminals that many retailers already have;
- Innovation – Support innovation in mobile payments by creating an environment that promotes consumer choice and is conducive to the development, evaluation and introduction of new products and services.

These principles are intended to encourage the introduction and adoption of new and innovative mobile payments products and services in Canada, without compromising the integrity of the Canadian payments infrastructure. The white paper was developed by the following banks: BMO Bank of Montreal, CIBC, National Bank of Canada, RBC Royal Bank, Scotiabank and TD Bank Group. "The introduction of new mobile products presents both opportunities and challenges to the security of the payments system in Canada," said Terry Campbell, president, Canadian Bankers Association. "This market is changing so rapidly, it is necessary to examine how key players can protect consumers and retailers from exposure to fraud and other risks in the mobile payments market, while also encouraging an innovative, competitive environment."

The Payments Security White Paper provides an overview of developments in the payments system and, in particular, recent developments in mobile payments. It reviews topics such as the importance of customer identification and verification methods and management of dynamic data to prevent account takeover and transaction level fraud in this dynamic environment. It raises some of the potential security concerns and questions that could arise in an open marketplace and lists possible ways to address them.

To view the white paper, please click here:

<http://www.cba.ca/contents/files/submissions/misc-2015-paymentssecurity-whitepaper-en.pdf>

CIBC, National Bank of Canada, RBC Royal Bank, Scotiabank and TD Bank Group are members of ACT Canada; please visit www.cibc.com; www.nbc.ca; www.rbc.com and www.td.com.



3. GIESECKE & DEVRIENT IS THE FIRST SIM PROVIDER TO RECEIVE MIFARE CLASSIC AND MIFARE4MOBILE CERTIFICATION FOR ITS SKYSIM CX HERCULES

Source: Giesecke & Devrient (07/03)

Giesecke & Devrient is the first SIM card provider to receive both the product certification from NXP Semiconductors for MIFARE Classic and from the MIFARE4Mobile Industry Group for MIFARE4Mobile Version 2. With this first certified SIM platform – SkySIM CX Hercules – G&D provides a SIM card for secure remote provisioning and management of MIFARE-based services for mobile network operators, trusted services managers and service providers. The SkySIM CX Hercules from G&D is based on a powerful processor and offers enough storage capacity for several transactions to run simultaneously at high speed. Since it supports the contactless technologies such as MIFARE (Classic, DESFire, EV1) and Calypso, users benefit from a highly secure SIM when using their devices as an electronic ticket, for example in public transport or at events of any kind, or for identifying themselves when passing through physical access control systems.

“Integrating standardized MIFARE product technology into the mobile NFC technology enables end users to take full advantage of security in NFC enabled devices. The standardization of processes and interfaces enables a huge variety of services to be deployed in a short time to market. Consumers benefit for example from convenience of usage, as it is very easy to buy tickets directly through their NFC enabled mobile devices and in using their securely stored electronic tickets when entering at a gate. The user has full control of all the MIFARE transactions performed,” said Andreas Morawietz, Head of Marketing Telecommunication Industries at G&D. “The MIFARE4Mobile product technology provides an interoperable standard to manage MIFARE based services.”

“MIFARE is the number one product in contactless transport ticketing worldwide. With G&D’s SkySIM CX Hercules transport operators can now for the first time easily integrate a mobile solution in to their existing systems. It is also very convenient for customers to be able to easily top up their transport tickets via NFC enabled mobile phones whilst on the move and without having to join a queue to buy a ticket. MIFARE in Mobile is rolled out in 16 cities already. MIFARE4Mobile has now truly arrived and this will open up a whole new variety of MIFARE applications from transport ticketing, access control and micropayment to be available for customers on their mobile phones” said Matthias Poppel, General Manager, Secure Mobility & Retail, NXP Semiconductors.

Giesecke & Devrient and NXP Semiconductors are members of ACT Canada; please visit www.gi-de.com and www.nxp.com.



4. MOBILE TICKETING COMES TO TORONTO'S TRANSIT SYSTEM

Source: Mobile Payments Today (07/13)

Bytemark, a mobile commerce ticketing and integration provider for the mass transit industry, announced that the Toronto Transit Commission, the third largest transit agency in North America, has awarded it an exclusive contract to expand its vehicle and subway payment options with an integrated mobile application, TTCconnect, and system supporting mobile ticketing for riders throughout Toronto. The deal accelerates Bytemark's ongoing global expansion following its recently announced contract award with FutureRailway in the United Kingdom, according to a press release. The Toronto Transit Commission is a public transportation agency that employs 14,000 personnel and operates the subway, streetcars, buses and paratransit services in Toronto, according to the announcement. The TTC, with 525 million riders in 2013, has the third largest ridership of any public transit system in North America, after the New York City Transit Authority and Mexico City Metro. Bytemark's mobile ticketing implementation will start the process of replacing the 2.5 million annual cash-based transit fares with mobile payments.

"The Toronto Transit Commission represents exactly the kind of progressive transit authority we value as a partner," Micah Bergdale, CEO of Bytemark, said in a statement. "TTC CEO Andy Byford is leading a revitalization in transit commerce by adapting to his riders' behavior and delivering the kind of high-quality transportation services they want. In addition to TTC, we are working with Metrolinx on a mobile ticketing solution for its rail service, Union Pearson Express. Our mission is to upgrade and modernize public transit services in the Toronto metro by year end." The TTCconnect app will be available for free download on iOS and Android starting this month with additional functionality and features to be released throughout the year.

5. NEW GLOBALPLATFORM WHITE PAPER EXPLORES THE VALUE OF THE TRUSTED EXECUTION ENVIRONMENT TO MOBILE SERVICES SECURITY

Source: GlobalPlatform (07/07)

GlobalPlatform has published a free to download white paper, which introduces the Trusted Execution Environment (TEE) and examines its role in addressing an increasing number of security concerns within the expanding mobile services market. The TEE is a secure area of the main processor in a smart phone (or any connected device) which ensures that sensitive data is stored, processed and protected in an isolated, trusted environment. Industry interest in the TEE is gaining momentum, as it addresses the needs of most applications by offering a higher level of security than a Rich OS, without the constraints associated with the secure element (SE).

The white paper, entitled: ‘The Trusted Execution Environment: Delivering Enhanced Security at a Lower Cost to the Mobile Market’ introduces the TEE and its general security characteristics, before progressing through the key security concerns and perspectives of various actors and markets. The paper illustrates particular use cases, offering an understanding of how a TEE lays to rest major concerns within those use cases. In particular, the TEE’s role in the following implementation examples is examined: mobile payments, enterprise (bring-your-own-device), content protection and government eID solutions. “As mobile and consumer markets for connected devices mature and expand, an increasing number of security concerns demand attention,” explains Kevin Gillick, Executive Director of GlobalPlatform. “Yet while it’s in the interest of all actors in the mobile services value chain to protect applications on many levels, a balance has to be struck to ensure that security doesn’t compromise the end-user experience or the relative ‘openness’ of the device environment which offers commercial opportunities to so many stakeholders. This need to balance security and openness is a key challenge faced by the mobile services industry today.

“The TEE offers a solution which addresses many security concerns without imposing an undue burden on applications,” concludes Kevin. “This white paper will help audiences understand why this is the case and outlines its relevance for many use cases.” GlobalPlatform is currently leading global TEE standardization efforts to ensure the development of a globally interoperable mobile ecosystem. To support this, the organization is launching a TEE Security Evaluation Secretariat to manage its TEE Certification Scheme. This initiative will work to accelerate the deployment of certified TEEs and to create an ecosystem where GlobalPlatform certification of TEE products is a prerequisite amongst service providers and handset manufacturers. The new GlobalPlatform white paper, which can be downloaded from the GlobalPlatform website, will be of interest to stakeholders across the connected devices market, including service providers, software vendors, device manufacturers, platform providers and mobile network operators.

GlobalPlatform is a member of ACT Canada; please visit www.globalplatform.org.

6. AMEX LAUNCHES ONLINE PAYMENTS WITH AMEX EXPRESS CHECKOUT

Source: CardNotPresent.com (07/13)

American Express launched an online payment method for cardmembers called Amex Express Checkout to compete with PayPal and Visa Checkout. The New York City-based card brand said the new online payment option is not a wallet—it will not require the creation of a new account. Cardmembers can pay at participating Websites by entering their existing americanexpress.com userid and password. When they choose Amex Express Checkout, American Express will automatically fill in the account information at the checkout page and will transmit



tokenized payment information. "We know our Card Members and merchants want a simple, fast checkout process to make online shopping easy and delightful," said Leslie Berland, executive vice president of Digital Partnerships & Development at American Express. "Amex Express Checkout leverages our unique technology to create a checkout experience unlike any other, one that is valuable to merchants and secure for Card Members, giving them peace of mind."

Amex Express Checkout is available immediately at BarkBox, Burberry, Ledbury, Newegg, Sabon, Ticketmaster, Warby Parker, The Wall Street Journal and any merchant using Stripe to process online payments. Avis Car Rental, Banana Republic, Cole Haan, Hulu, Gap, Intermix, Old Navy, POPSUGAR Must Have, Rocketmiles, 1-800-FLOWERS.COM and others will be coming online with the service "in the coming months."

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

7. INCOMM AND GEMALTO DELIVER SECURE PREPAID MOBILE NFC PAYMENTS

Source: Gemalto (07/21)

InComm and Gemalto announced a strategic initiative to offer secure prepaid mobile NFC payment. The InComm Mobile Platform (IMP) enables mobile wallet providers and merchants to streamline the deployment of prepaid contactless payments. InComm is leveraging Gemalto's infrastructure to securely pass prepaid card information from InComm's platform to the consumer's NFC-enabled mobile device. The credential management is powered by the dedicated Allynis Trusted Services Hub (TSH) and enables the consumer to immediately use their prepaid card for fast and convenient mobile payments at participating retailers. "The prepaid card market is one of the fastest growing non-cash payments markets with growth expected at an annual rate of 22% through 2017. In this booming market, we are working closely with InComm to provide bank-grade security during the mobile provisioning of payment card information," said Sebastien Cano, President of North America at Gemalto. "The combination of our TSH and InComm's IMP is facilitating the transition of tangible prepaid to mobile payments."

"Working with Gemalto, InComm now has the ability to offer secure NFC payments through mobile," explained Michael Parlotto, Vice President of Emerging Technology at InComm. "Leveraging Gemalto's secure provisioning for retailers and prepaid product providers transitioning into the mobile arena combined with InComm's open loop prepaid cards, puts us in a strong position to make the prepaid experience more secure, convenient and customized for consumers."

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



8. MONERIS MAKES CHECKOUT EASY FOR RETAILERS AND CONSUMERS WITH PAYD PRO PLUS

Source: Moneris (07/08)

Moneris Solutions Corporation (“Moneris”) announced the launch of PAYD Pro Plus a solution that helps retailers manage sales, inventory and customer profiles from an intuitive, customizable app. This mPOS solution combines robust, cloud-based POS capabilities with the flexibility of the Apple iPad. PAYD Pro Plus helps retailers accept payments anytime and anywhere with easy access to Moneris expertise including advice, on-site installs, training and integrated accessory combinations for a variety of retail environments. "Retail expectations have really changed. Today, our customers want their business apps to be like consumer apps- easy, intuitive and user-friendly. Also, consumers want to pay their way with a card or a tap. With PAYD Pro Plus we provide that balance. Whether businesses are in a single or multi-location operation, this is the simplest way to take advantage of an all-in-one mPOS solution." Rob Cameron, Chief Product and Marketing Officer at Moneris

PAYD Pro Plus comes a year after the introduction of North America's first mobile debit and credit POS system to accept chip and PIN, PAYD Pro. Via a Bluetooth-enabled PIN pad developed with Ingenico, PAYD Pro Plus allows retailers to accept payments however their customers want to pay: chip and PIN, contactless, Apple Pay and other mobile wallets and wearables. "As a retailer of premium chocolate products, it's very important that we effectively manage our inventory to ensure we're stocking the right products customers want and cycling our offerings to maintain variety and quality. With PAYD Pro Plus we've found an easy solution that helps us scale and keep business on track - but it certainly helps that our staff and customers love how cool the mobile solution is, too." Etienne Gravel at Daniel Le Chocolat Belge

With the introduction of PAYD Pro Plus, Moneris has also added new field service capabilities to help merchants get up and running with onsite installation. The Warhol Revisited Gallery in Toronto's prestigious Mink Mile shopping district has already taken advantage of this new service. "We needed a payment solution that would get guests through lines quickly and efficiently, but also fit the design of our space. PAYD Pro Plus met these expectations and more, especially with on-site installation and support while we were working quickly to launch our gallery." Ron Rivlin, owner of Warhol Revisited Gallery. PAYD Pro Plus customers have several options, from initial set up to 24/7 support:

- Compatible hardware including scanners, cash drawers, printers and stands
- Customization of the PAYD Pro Plus interface for business branding
- Management of product inventory and customer profiles by leveraging the iPad camera to load photos and detailed information
- Access of real-time transaction and batch reporting
- Same-day fund settlement
- 24-hour technical and business support by phone, email or online

- Onsite PAYD Pro Plus installation and training

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

9. THE NORTH WEST COMPANY INTRODUCES FIRST SCALABLE DIRECT DEPOSIT SOLUTION FOR PREPAID CARDS TO STORES ACROSS NORTHERN CANADA

Source: Visa (06/17)

The North West Company Inc. (“North West”) and Visa Canada announced the launch of a standardized, scalable, integrated direct deposit solution now available on North West’s We Financial Visa Prepaid card. The solution will enable residents of Northern Canada to elect to receive payroll deposits and Federal and Provincial government benefit payments for the first time using a direct deposit feature. The We Financial Visa Prepaid card is a reloadable prepaid card offered by North West, which is used by many cardholders in lieu of a bank account, enabling access to electronic payments for Canadians who live in remote communities in Northern Canada with limited access to traditional financial services. The new direct deposit solution leverages an industry standard process by enabling We Financial Visa Prepaid cardholders to use a routing and account number format to sign up for direct deposit of Federal and Provincial government benefits and payroll. Cardholders who previously needed to use over-the-counter services to load their We Financial Visa Prepaid cards for payroll cheques as well as Federal and Provincial government benefits can now sign up to receive these funds using the new direct deposit feature.

“We are pleased to continue to bring new and innovative financial solutions to our customers in Northern Canada. Making direct deposit easily accessible across our Northern and NorthMart stores will make a positive difference, in terms of both time and money saved, for our valued customers,” said North West’s CEO, Edward Kennedy. “Given that the Government of Canada plans to phase out Federal government cheques by April 2016, we are pleased to offer our customers a direct deposit solution onto our We Financial Visa Prepaid card for their government benefits and payroll needs.” “Bringing safe, reliable and convenient digital payments to everyone everywhere is incredibly important to Visa. The North West Company has deep roots in the communities of Northern Canada and the new Visa-processed direct deposit solution is a more secure and efficient alternative to cheques for thousands of Canadians living in Northern Canada,” said Rob Livingston, President, Visa Canada.

Cardholders can enroll in direct deposit by visiting their local Northern or NorthMart store and speaking to a customer service representative. North West staff will provide customers with the appropriate Federal and Provincial government and personalized forms and account details, which will make the sign-up process easy and convenient. Customers can also call the number on the back



of their card to obtain assistance or can visit the We Financial website at www.wefinancial.ca.

The North West Company and Visa are members of ACT Canada; please visit www.northwest.ca and www.visa.ca.

10. FIME FIRST TO RECEIVE EMVCO QUALIFICATION FOR CONTACTLESS TERMINAL RF TEST TOOL

Source: FIME (07/20)

FIME's EMV RF test tool, which incorporates Keysight Technologies' Contactless Test System, is the first to achieve EMVCo qualification to perform Level 1 PCD analogue testing on contactless terminals. The tool confirms that the communication between the terminal and a contactless card, or near field communication (NFC)-enabled smartphone, is in line with EMVCo's EMV Specification 2.3 requirements. Contactless terminal and mobile point of sale (mPOS) manufacturers can use the tool to speed up their EMV Level 1 analogue approval process. The test tool is used by manufacturers throughout the development cycle to ensure their hardware aligns with the EMV specifications. This helps them save time and money by mitigating the risk of failure during the final certification stage. FIME will use the qualified tool to perform certification services in all of its international EMVCo-accredited laboratories.

The tool is fully automated, using an automatic positioning robot, to further reduce the timescale of certification projects. FIME's team of experts provide tailored support services and training on the use of the RF test tool, and on the EMVCo specifications, to ensure a smooth and successful approval process for contactless terminals. "Manufacturers need to certify their products prior to launch," comments Pascal le Ray, CEO of FIME. "We're here to make sure that they can get the approval they need as quickly and efficiently as possible. Our partnership with Keysight Technologies has enabled us to be the first to support the market with qualified Level 1 PCD analogue testing. This functionality is more important than ever as contactless rolls out worldwide, mPOS innovation continues and solutions like Apple Pay and Samsung Pay become more widespread."

FIME, in collaboration with its partners, also provides digital test solutions and services for EMV PCD, comprehensive analogue and digital approval solutions and services for EMVCo Level 1 Proximity Integrated Circuit Cards (PICC) and mobile devices, in addition to ISO 14443 and 10373-6. For NFC Forum specifications, the partners offer analogue, digital, logical link control protocol (LLCP) and simple NDEF (NFC data exchange format) exchange protocol (SNEP) testing, services and tools.

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

11. ANYWHERECOMMERCE BRINGS UNMATCHED VERSATILITY TO RETAIL WITH MEPOS TABLET POS PLATFORM

Source: *Anywhere Commerce (07/27)*

AnywhereCommerce announced the availability of its MePOS 5-in-1 Tablet solution, a made-for-purpose platform that delivers unmatched flexibility for Independent Software Vendors (ISVs) and merchants that are reimagining customer engagement and payment acceptance services. Supporting a broad range of retail use cases, the MePOS unit can be easily configured for cashier operation, as a self-service kiosk, or as a mobile point-of-sale (POS) system. It is compatible with iOS, Android and Windows operating systems, and integrates with a broad range of commercial tablets, tablet POS applications, and PIN Entry Devices (PED). In addition, the MePOS products can be branded to suit merchant service provider and retailer needs.

Mobile technology—together with the emergence of EMV and NFC payments—is driving the adoption of tablet POS systems. As merchants work to adapt to these changes, many are also using it as an opportunity to reevaluate their infrastructure for interacting with customers in the mobile environment,” said William Nichols, president and chief executive officer for AnywhereCommerce. “Our MePOS platform not only gives merchants the flexibility to employ a variety of payment options and maximize a mobile workforce, it also is designed for those businesses interested in repositioning the POS as a vehicle to better engage with customers through promotional branding and marketing, loyalty, and other compelling value added services. The MePOS platform represents a dynamic shift in the ways that POS technology can be leveraged to reshape how merchants use the point-of-sale.”

The modular design of MePOS incorporates a tablet and PIN pad (PED) stands, an integrated receipt printer, and connectivity for all peripheral devices, such as barcode scanners and cash drawers. It powers all connected devices through one universal power supply, eliminating cable clutter. Its intelligent self-diagnostic system interconnects attached devices and performs ‘condition-based monitoring’ to ensure correct operation and system integrity. MePOS is compatible with most tablet POS software solutions and supports EMV-certified payment devices from AnywhereCommerce, as well as devices from many of the leading traditional manufacturers. Integration is accomplished via intuitive APIs and SDKs to ensure rapid time to market. The MePOS base unit features removable exterior panels can easily be replaced with affordable customized panels that feature logos, branding graphics or special promotional advertising, changing the point of sale into a point of promotion. This unique feature can be sold to advertisers, resulting in an almost immediate ROI for the system.

AnywhereCommerce is a member of ACT Canada; please visit www.anywherecommerce.com.

12. REPORT: EUROPE 'WINNING THE WAR' ON CNP FRAUD

Source: CardNotPresent.com (07/27)

Report: Europe 'Winning the War' on CNP Fraud Card-not-present fraud continues to dominate card fraud in Europe, but the efforts specifically tailored to curtail it seem to be making some headway, according to a new report from data analytics firm FICO. The company's research used the U.K. as an example, where CNP fraud accounts for 70 percent of total fraud losses, up from 54 percent in 2008. However, since 2008 the total value of CNP fraud losses in the U.K. has grown only 1 percent from £328 million (\$509 million) to £331 million (\$513 million) while total e-commerce spending during that time doubled. "We are winning the war on CNP fraud, but we still have a long way to go to get CNP fraud fully under control," said Martin Warwick, FICO's fraud chief for Europe. "Authentication of customers and their devices will play an ever-increasing role."

The report also noted that much of the card fraud emanating from European countries was not perpetrated within their own borders. In the U.K., for example, FICO said cross-border fraud on debit cards increased by 25 percent, but 47 percent of those fraudulent transactions were taking place in the U.S. The company attributes this increase to the U.S. being one of the last countries not protected by EMV.

13. ICC SOLUTIONS EXPANDS TO MEET GROWING CUSTOMER DEMAND

Source: ICC Solutions (07/08)

ICC Solutions is pleased to announce its recent office expansion to support its rapidly growing team and global customer base. The head office which is located in Warrington, Cheshire, UK will serve as a centre of excellence offering comprehensive EMV testing solutions that dramatically improve the quality, security and speed of card and payments testing for clients. As the number of card payments made globally rises, there is a growing need for transaction-based equipment to be maintained to the highest-possible industry standards to protect businesses and their customers from fraud. ICC Solutions is committed to providing businesses with an extensive range of stand-alone, cost effective packages that enable them to emulate and test complex EMV chip environments to facilitate the early identification of transactional and security issues, saving clients time and money.

Dave Maisey (CEO of ICC Solutions) commented "It is an exciting time for ICC Solutions as we continue to expand our presence to support the growing needs of the market and our customer-base. We pride ourselves in many years of industry knowledge and expertise, giving our customers confidence in the knowledge that their compliance has been proven against the most recent stipulations from EMVCo alongside a full-range of payment networks such as American Express, Discover, MasterCard and Visa. This move to modern,



prestigious offices allows us to grow our experienced staff base and ensure that we are able to rise to the challenges of the ever expanding payments industry.” We have put together a free fraud prevention guide to help readers protect their business and customers, which can be downloaded at: www.freefraudguide.com.

ICC Solutions is a member of ACT Canada; please visit www.iccsolutions.com.

14. GLOBAL ROLE FOR UNIONPAY ON THE CARDS

Source: UnionPay (07/07)

China UnionPay is aiming to build a global bank card, issued and used in countries throughout the world. "Our ambition is for UnionPay to serve customers worldwide," said Ge Huayong, chairman of China UnionPay and UnionPay International. "As a young company, we're still in the process of realizing this ambition, but we are growing fast." He was talking to the media after a speech to about 200 industry experts at the Shanghai City Campaign Forum at the Milan Expo on June 10. During the event, he signed an agreement with Cartasi SpA, an Italian credit card issuer, a deal he said is an example of China UnionPay's international development strategy to expand its customer base through partnerships with local companies in Europe, and in the process recruit European customers. China UnionPay was founded in 2002 to enable cross-city, inter-bank transactions on cards issued by China's commercial banks. The proportion of all card-based spending to total retail sales rose from 2.7 percent before UnionPay's inception to 47.7 percent in 2014.

The company began to expand internationally in 2004 and founded UnionPay International, which has built partnerships with more than 300 institutions worldwide. Today, the company's cards are accepted in more than 150 countries and regions, and roughly 5 billion UnionPay cards have been issued globally. According to the company, one key market has been South Korea, where one in five people have a UnionPay card. In Pakistan and Laos, its cards have been issued to customers for many years and have become the most recognized payment card. And in the United States, more than 90 percent of ATMs and more than 80 percent of retailers accept UnionPay. "UnionPay International is not a truly international payment card company because overseas transactions still only account for 2 to 3 percent of our overall transactions, but we have an advantage to expand fast because the Chinese economy is growing rapidly, so we are growing fast," he said.

UnionPay International's overseas expansion strategy has two models: One focused on developing economies, the other on mature economies. In developing economies, UnionPay International can use its expertise in the payment field to help its partners develop infrastructure, he explained. When the infrastructure is built, the company's cards can easily be used by those systems. UnionPay International has already employed the model in Thailand, and is working to



establish partnerships with other emerging economies, he said. "It's similar to helping a partner country build a motorway. After it's built, our cars can easily be driven on it, so we can export more cars," he said. In mature Western economies, Ge said UnionPay International enters by first serving Chinese customers who travel abroad. It will also help retailers install its terminals so Chinese tourists can shop more easily at their outlets. Making a payment via UnionPay does not require foreign currency exchange fees.

The luxurious Ritz London Hotel was the first business in the United Kingdom's capital to install UnionPay terminals in 2011. Many other hotels and luxury stores followed suit, including Harrods and Selfridges. Western banks have also become partners with UnionPay International, allowing UnionPay cardholders to withdraw cash from their ATMs. Some have also started to issue UnionPay cards to customers, although most UnionPay cards in Europe are still issued by Chinese banks, serving the Chinese community. In March, Garanti Bank, Turkey's largest, started to issue UnionPay cards, and Ge said the company is discussing similar agreements with more banks, including Italian bank UniCredit Group, with whom he held talks this month. "Such partnerships are beneficial for Italian banks, too, because it helps enlarge their customer base. We're building win-win relationships," he said. "Chip cards provide greater security, and if we help European organizations upgrade their systems and infrastructure, we can make a natural entry into their systems and markets," Ge said.

UnionPay international has a presence in 38 countries and regions in Europe, according to the company. In countries such as the UK, Switzerland and Austria, most ATMs accept UnionPay, while in countries such as Spain and Germany, UnionPay is accepted in more than half of all ATMs. In Italy, UnionPay International started to expand its operations in 2006, and now more than 70 percent of ATMs accept UnionPay. One-fourth of retailers in the country also accept UnionPay, from well-known brands to boutiques, as well as tourist destinations, Ge said.

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

15. GIESECKE & DEVRIENT RECEIVES VISA CERTIFICATION FOR HCE CLOUD PAYMENT SERVICES

Source: Giesecke & Devrient (07/09)

Giesecke & Devrient (G&D) has been certified "Visa Ready" by Visa for Host Card Emulation (HCE) cloud based payment services. With the Visa Ready status, Visa ensures that technology and service providers develop and deploy products and services that are compatible with Visa's requirements. G&D's data center in Canada has received Visa Ready certification as a provider for cloud based payment services. G&D's certification by Visa covers all core services for cloud based payments – digital credential provisioning, key management for digital



credential provisioning and token lifecycle management. G&D deploys its Convego CloudPay solution for the provision of cloud payment services to its banking customers worldwide. Convego CloudPay is compliant with the cloud based payment specifications from major payment schemes and provides a single service deployment for the issuers to offer mobile payments across the product portfolio to their customers.

Convego CloudPay consists of two main components – CloudPay Server and CloudPay Client. The CloudPay Server provides an online interface to banks, furnishing the provisioning and life-cycle management of the bank’s payment cards on the end users’ HCE enabled smartphones. The CloudPay Client is a secure software library that is integrated into the bank’s mobile application, providing a secure storage for the payment card data and payment engine to execute mobile payment transactions. The CloudPay Client implements state-of-the-art security mechanisms to protect the payment data stored on the mobile device. “Meeting the ‘Visa Ready’ requirements sends a strong signal to our markets and customers that our Convego CloudPay solution is reliable, secure, flexible, and convenient to use. Adopting our platform makes it easy for financial service providers to offer smooth and secure mobile payment applications to their customers. Our platform can also be easily adapted to future market developments”, explained Edgar Salib, Group Senior Vice President Financial Institutions division at G&D.

Giesecke & Devrient and Visa are members of ACT Canada; please visit www.gi-de.com and www.visa.ca.

16. MEET EUROPE'S LATEST DIGITAL PAYMENTS NETWORK

Source: PYMNTS.com (06/25)

One of the biggest hurdles of mobile payment adoption — besides breaking existing consumer habits — is the fact that there simply isn’t a consistency about where or how consumers can actually pay using their mobile devices. Dinube is Europe’s latest digital payments network that says it has cracked that problem. Like many other mobile payment schemes, its technology enables consumers to ditch their cards and cash and pay in a physical store using their smartphone. But unlike most mobile payment options that restrict how consumers can pay, Dinube offers three ways to pay using that device: Contactless NFC, QR codes and a one-time token. That implies that consumers aren’t dependent upon having a particular type of mobile phone to pay. All they need is a QR code or eight-digit one-time token that they can give the merchant if their handset does not enable NFC. And in the reverse scenario, for a merchant that accepts Dinube but doesn’t have the latest NFC tech, they can still accept those payments using the same mechanism.

“The challenge for everybody right now is there is no standard, uniform technology that works in every scenario,” Dinube founder and CEO Jonathan Hayes said in an interview with PYMNTS.



Inside Dinube's Digital Payment Network

As a stand-alone startup digital payments network the number of merchants that can accept Dinube's technology is still pretty small – roughly 200-plus this month. But the Barcelona-based network officially launched a week ago, and Hayes claims that there are a number of large retailers he's already in conversation with about expanding that number of merchants. Hayes is an MIT grad who spent four years developing the concept, testing it in four countries and working with consumers and merchants to get a sense of what is on their "mobile payments" wish list. One of those things is to be "interoperable" with some of the other big payment players' mobile wallet options: Apple and Google.

So for consumers who want to use Apple Pay, Google Wallet or the soon-to-launch Android Pay, Dinube is equipped to allow those consumers to pay using those mobile options, but through its own payments network. That means for all the Apple Pay users who might join when it hits the U.K., they could choose to use it through Dinube when visiting a merchant that accepts the option. "These are going to be, probably in the next few years, the two leading wallets," Hayes contends, fully recognizing the importance as a payment network's ability to enable whatever way consumers want to pay. "We haven't changed the consumer behavior at the point of sale at all. We've integrated fully into the existing path to purchase so the existing physical logic of that transactional flow when the consumer initiates the payment and confirms payment at the PIN pad," he explained. "All of that is identical, so the learning curve for end users is very simple for them to understand and it comes bundled with a whole range of what we think are very exciting features, which are going to make consumers' lives easier."

While stats about Apple Pay show that paying with a phone isn't a natural thought for consumers, Hayes said that concepts like the Oyster contactless payment card, which launched long before contactless was a widespread concept in the U.S., have helped make consumers in the U.K. quicker to adopt mobile payment options. But beyond London, there's not a lot of European regions that Hayes believes have managed to light the mobile payment fire. Everyone from startups to big tech companies are trying to ignite the market, but they still need consumers and merchants on board. "In other countries, nobody really stands out at this point. I think it's going to be a digital land grab and right now there are a 1,000 horses out there and it's anybody's bet which one of them is going to finish the race," he said.

Why Dinube Thinks It's Different

Of course, every new mobile wallet and digital payments network on the market claims to make consumers' lives easier, but Dinube says that it has cracked that code. With the ability to pay in-store, pay online, have instantly digital receipts that are stored in a personal Dinube cloud, built-in-loyalty with personalized



merchant rewards, budget management, and P2P payments, Hayes believes that it combines the best of both worlds of a mobile wallet and a payments network. Dinube also has in-app payments, online payments and plans to rollout a merchant app to accept payments at smaller retailers. “The credit card legacy systems are expensive, so we’ve built an entirely new payment network that has effectively digitized the Euro,” Hayes said.

Dinube also has a feature that, at least so far, is missing from other mobile wallets: the ability to go anonymous. We’re not talking bitcoin-like anonymity where only the Feds can track consumers down, but the kind of privacy that enables users to pay in a cash-like manner. Consumers can use the privacy feature on the app to have an anonymous profile to protect all personal information from those merchants. “What we’re actually building is a dashboard in the cloud where users will be able to see who has access to their information, how it can be used and then they can control who gets to see what information. Ultimately what that allows is with full consumer consent because Dinube never sells data – that’s not our business,” said Hayes, elaborating on how this provides for consumers to have a clear, transparent understanding of how their data is being managed.

“We recognize that cash is still king, particularly for some transactions. You may not want to tell the merchant who you are,” he added. “We also know that credit card companies sell data. ...Our cash-like solution emulates cash to the extent possible.”

How Dinube Solves Two Problems At Once

After traveling around Europe, Hayes was tired of collecting paper receipts in multiple currencies. Expense sheets were cumbersome and inefficient. Soon after, he went to MIT, and that’s when he and a researcher came up with the concept of making payments using a cell phone. That concept eventually led to the development of Dinube: the payments network that was simply born out of one entrepreneur attempting to solve a problem he recognized others had too. He looked at launching in the U.S., but once he discovered it took a different money license in each state to operate, he took the concept back to Europe. With just one money license in a European Union country, Dinube received instant access to providing its service in 34 countries.

Launching in Europe, Hayes emphasized, was much easier than launching in the U.S. for that sole reason. Perhaps that’s another page the U.S. might need to take out of Europe’s book if tech leaders have any chance of helping mobile payment options reach larger scale. Looking across Spain and the U.K. specifically shows how digital payments networks and mobile payment schemes might have a leg up on any U.S. launch. With a higher smartphone penetration in those regions than typically seen across anywhere in the U.S. (ironically many of those are coming from Cupertino, Hayes points out), driving mobile payments in Europe doesn’t face as many hurdles in the U.S.

That's not to say many payment solutions across Europe (and the U.S.) haven't made valiant attempts to enter the market. Many of which came with some big backing and multimillion dollar budgets. Take for example three large operators behind ISIS (rebranded to Softcard) which we all know was eventually bought out by Google. "What I've found interesting in the last four years is I've seen many mobile payment solutions come up and disappear. and we're still here with a valid model," Hayes said. "I think that what that tells us is there are some pretty smart people in the sector, there are some big budgets, they're big players and it's a very tough sector. I think the fact that we, as a small startup, are rolling out today with a successful model, I think is a result of many years of careful strategy planning and understanding the market, and meeting with consumers and meeting with merchants and solving real problems."

"Model For The Future"

Its got four years of development, testing and research behind it, but Dinube is still very much in its infancy. But that doesn't mean it doesn't have big ambitions. Those ambitions involve eventually entering the U.S. market, of course. But for now, Dinube has focused on building its reputation across 34 countries in Europe. "Dinube puts customers in control of their data, giving them a secure, private and simplified purchasing solution from their smartphone – for free," Hayes said. "We have built new payment rails so that, at last, traditional retail businesses have an alternative to the outrageous transaction fees they are charged for accepting legacy payment networks. Dinube's model also promotes growth of a retailer's top line, by helping them to curate the shopping experience with the most convenient, secure and personalized digital payment solution on the market."

It's already lining up the next round of big retailers to rollout Dinube to, and its got the technology to integrate other mobile payment wallets as they hit the market. With talks already in play with big banks that Hayes said are excited about how Dinube can help innovate the services those banks offer their customers, he's confident in the next stage for the digital payments network. "We didn't arrive yesterday. We've been working on it for four years and we've got solid research in four countries," Hayes said. "We're fairly confident that the model we built is a model for the future."

17. WHY MASTERCARD IS LAUNCHING FACIAL SCAN APP FOR SMARTPHONE USERS TO MAKE SECURE PURCHASES?

Source: Let's Talk Payments (07/06)

The biometrics system in the payments business is about to get snazzy. While Apple Pay urged its users to fingerprint their purchases, MasterCard is taking a leap forward by asking them to take a picture of themselves, i.e., a face scan or more often called a selfie. Authentication techniques are the key to safer



payments, especially in the card-not-present situations as in mobile payments. A verification technique which many banks and companies are currently piloting is Facial Recognition. Facial recognition based authentication is performed by matching a live facial image of a person with the person's stored image for the transaction to be successful.

In a soon-to-launch test programme this fall, the financial services company will be offering its starter set of 500 consumers a face scanning software that will ascertain their purchases. Users will have to download an app onto their smartphones and choose between the fingerprint recognition software or the facial recognition software. Once the face scan selection is made, a user will have to verify his/her purchase with one quick tap where the smartphone takes a picture and approves the amount spent. The service aims to make identity theft more difficult as the app is reported to be designed with complete accuracy, most pointedly identity verification online, where face-to-face interaction is impossible. If MasterCard's face scan service flies with its users, PIN numbers and passwords will soon be a thing of the past.

Currently, MasterCard lets its customers set the "secure code," which asks for a password when shopping online. This limits credit card number thieves and hackers from being able to use a card for online purchases. According to company reports, a secure code was used in 3 billion transactions last year. However, passwords often get forgotten or intercepted and MasterCard has taken the lead from Apple's iPhone fingerprint scanner to offer a service for the mostly click-happy smartphone user. To get its facial scan service rolling, it has partnered with every smartphone maker, including Apple, BlackBerry, Google, Microsoft and Samsung. It is currently in the process of final discussions with two major banks whose customers will be a part of the pilot.

However, for those who guard their privacy and pictures on their smartphone zealously, the company has said that the facial scan app will not keep an actual picture of the user. The scan will map out the face, convert it into binary functions (1s and 0s) and transmit it over to MasterCard via the Internet. Security researchers of the company stated that the facial recognition happens only when a user stares at the phone and blinks, This is the best way to prevent a thief from just holding up a picture of a user and fooling the system. The information of the facial scan will be stored in the form of an algorithm on the company's computer servers.

Though critics are pointing out that storing data on a server may actually be a risky proposition as it is tempting for a hacker, others in the industry have put their faith that the financial services company will take adequate measures to guard its customers' data. According to company representatives, though MasterCard is only at the testing phase, it might end up keeping facial scans on the device in the long run. Also in the pipeline for MasterCard are experiments with voice recognition (where online transactions can be approved by speaking into a



smartphone) and technology in tandem with Canadian firm Nymi that will approve of transactions by recognising a customer's unique heartbeat. This move makes a lot of sense for MC, given that a lot of their partners and clients are seeing facial recognition go mainstream. It has to remain ahead of the curve to make sure it remains a large part of the transactions, irrespective of the medium and method. At LTP we see that banks are also seriously considering Multi-Factor Biometrics for Authentication

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

18. CAN APPLE PAY MAKE ITS FINANCIAL MARK IN CANADA?

Source: PYMNTS.com (07/13)

Apple Pay hasn't even made its way to Canada yet and it's already gaining some negative press. This time, however, it's not about consumer adoption projection rates. Instead, a report from investment bank Cormark Securities suggests that Apple Pay won't play a role in giving Canadian banks a revenue boost, Bloomberg reported. In fact, Meny Grauman, an analyst with Cormark, said Apple Pay will likely only have an "immaterial" impact on earnings. Grauman addressed investors in a note late last week (July 9). The note addressed the annual per-share earnings impact on the major banks that have said they'll support Apple Pay. According to the note, the banks — which include Royal Bank of Canada (RBC), Toronto-Dominion Bank (TD) and four other large lenders — might actually take a hit and fall 5 basis points because of Apple's transaction fees.

The six lenders would see a profit trim of .23 percent, Grauman suggested, as most estimates peg Apple's portion of interchange fees to come in at 15 basis points. "Even at a 25 percent adoption rate, which is a very tall order, the EPS impact on the large Canadian banks would still be immaterial to overall earnings," Grauman told Bloomberg. Apple Pay is set to launch in the U.K. tomorrow (July 14). A specific date has not been released for the Canada Apple Pay launch, but most reports indicate it will be in November. There have been some reports of delays in Canada due to debates over the interchange fees. While Canadian banks appear to be behind the concept of Apple Pay, the crutch of the negotiations seems to go back to the proposed fees for the service, according to people said to be close to the matter. This issue is also what may be holding back Apple Pay's entrance into China, as Apple's negotiations with the Union Pay and the Chinese banks have stalled.

As for how Apple Pay is doing in the U.S., Grauman cited data from ITG Market Research that suggested that Apple Pay has only captured 1 percent of mobile payments that have been processed in the U.S. That figure, however, is anticipated to jump to 15 percent in the next four years. While the mobile payments buzz continues to dominate talks with Canadian banks, another report details how the banks have been overwhelmed by the ever-changing mobile payments market.



Fast-paced innovation on the mobile payments front is causing banks to take one step forward and then two steps back. For example, two of Canada's Big Six banks were ready to strike a deal with a digital payment solutions provider until they saw that smartphone apps had released new features.

RBC and TD Bank are members of ACT Canada; please visit www.rbc.com and www.td.com.

19. INSIDE SECURE LAUNCHES NEW PRODUCT TO MEET CYBERSECURITY DEMAND

Source: Mobile Payments Today (06/29)

Inside Secure announced the availability of the SafeZone FIPS cryptographic module version 1.1, which the company claims is the industry's first FIPS certified cryptographic module validated on a trusted execution environment. Inside said the joint product with TruStonic can provide payment, IoT, enterprise and other mobile product providers to meet market demands for government grade security without sacrificing performance in mobile applications, devices and network communications, according to a press release. The FIPS 140-2 standard dictates security requirements for U.S. federal agencies that use cryptography to protect sensitive information, according to the announcement. These requirements often apply to identification, access control and bring your own device, but also extend to services for mobile devices, such as premium content delivery and mobile payments. Both U.S. and Canadian government agencies accept FIPS 140-2 validation performed by the cryptographic module validation program, according to Inside.

Inside Secure is a member of ACT Canada; please visit www.insidesecond.com.

20. APRIVA'S DEAL WITH GLOBALCOM BRINGS EMV TO UNATTENDED MARKETS

Source: Mobile Payments Today (07/15)

Apriva announced a partnership with payments hardware company Globalcom Engineering that integrates Apriva's gateway with Globalcom hardware, according to a press release. The companies said the partnership will bring EMV hardware into a wide variety of unattended markets in the U.S. including parking, kiosks, car washes, banking, gaming, airline kiosks, vending and retail. "Patrons of unattended solutions want simple, safe, easy payments," Alessandro Gardinazzi, who works in international business development for Globalcom, said in a statement. "Combining our proven EMV ready hardware with Apriva's connections gives consumers and vendors the customizable, high quality, easy experience they desire. Furthermore, Apriva has been a great partner for entering the U.S. market due to their knowledge of the U.S. unattended market and



regulations, and their unmatched processor connections which will enable us to penetrate multiple market segments more quickly." Apriva said the hardware will be capable of accepting contactless payments, but the feature will not be immediately available.

This announcement follows on the heels of the recently announced partnership between Apriva and Amano McGann, a parking products provider serving more than 5,000 locations in North and South America, according to the announcement. Amano McGann will be using Globalcom hardware products with Apriva technology, marking the first joint customer between the two brands, as well as the debut of the joint product in the U.S. A unique feature of the combined Apriva-Globalcom product is that the payment application lives on the device itself, reducing the PCI scope and associated regulation compliance requirements, according to the announcement.

Apriva is a member of ACT Canada; please visit www.apriva.com.

21. REPORT: THE REAL SPEND IN MOBILE PAYMENTS IS ONLINE

Source: CardNotPresent.com (07/13)

Online payments made through apps, mobile sites and mobile Web browsers continue to show strong adoption and growth and will exceed \$217 billion annually by 2019, according to a new report from Javelin Strategy and Research. While mobile wallets that enable NFC payments at the point of sale hog the headlines, adoption continues to lag. One reason observers have proposed for this is, it's no easier to tap your phone than it is to swipe your card. Online mobile payments, however, continue to get easier with a proliferation of one-touch payment methods and integrated "buy" buttons. While Apple Pay is beginning to make a dent in proximity payments, the Javelin report found consumers spend \$19 through apps or mobile browsers for every \$1 spent using a mobile device at the point of sale.

"As buy buttons and one-click shopping experiences gain in popularity, consumers are coming to expect low-friction checkout experiences," said Daniel Van Dyke, research specialist at Javelin Strategy and Research. "Limiting the steps involved in checkout is critical to meet consumer expectations." Javelin also looked at the most popular purchases and found that 51 percent of consumers polled who made a mobile purchase in 2014 bought physical goods. Games and music each garnered 38 percent, 37 percent said they bought apps and 18 reported purchasing ringtones. The physical goods category was the only one to grow significantly from 2013.

22. OT SETS UP AN R&D CENTER IN SOUTH KOREA TO FOSTER SMARTPHONE SERVICES LEVERAGING EMBEDDED DIGITAL SECURITY

Source: Oberthur Technologies (07/23)

Oberthur Technologies (OT) announces the opening of a new R&D center dedicated to security technologies for Smartphones and Mobile devices based in South Korea. This center will help handset makers deploy secure high-speed mobile services to accompany fast changing mobile users' behaviors. Connected consumer electronic devices are flourishing, transforming the consumer experience, thus substantially increasing the need for both secure connectivity and secure transactions. In its new R&D center of excellence, OT will capitalize on its recognized expertise and leadership in these fields and keep innovating in close collaboration with OEMs. With embedded security software as a starting point, OT manages the critical security keys and credentials of its clients and offers end-to-end digital security solutions to OEMs and their partner service providers including:

- PEARL by OT, the most advanced multi-application eSE offering the largest memory on the market and allowing easy deployment of secure contactless payment, transit and loyalty applications as well as secure access to online services for enterprise and consumer markets. It is currently deployed in more than 160M units worldwide in today's most advanced and popular flagship smartphones.
- OT's Universal Credential Platform (UCP), a comprehensive offer securing payment diversity, is the first universal platform that enables Financial Institutions to issue, secure and manage their digital credentials across multiple form factors and devices in a secure way. It is designed to address the challenges and opportunities of today's and tomorrow's digital payments space.
- eUICC and Subscription Management, an end-to-end connectivity solution allowing Mobile Network Operators (MNOs) to remotely download, activate and change a mobile subscription in connected objects. It enables OEMs to produce objects independent of the destination country and network, while ensuring privacy and security of MNO credentials.

OT has developed strong and privileged relationships with handset makers, in particular with Samsung. Over 3 generations of Samsung handsets, including the flagship Galaxy S6 and S6 Edge, are equipped with PEARL by OT. OT has also been the first partner selected by Samsung for the launch of the Samsung Pay service in Europe, which will allow Samsung Galaxy S6 and S6 Edge owners to use their smartphone for contactless payments. Combining its unmatched experience in the secure provisioning of payment means and other services with PEARL by OT, OT is connecting its OEM partners to a large ecosystem of service providers worldwide.

"By opening this new R&D center in South Korea, our 12th worldwide and the 4th in Asia, we prove that not only digital security and innovation are at the core of OT's DNA, but also that client proximity is a top priority for us. Moving closer to



Samsung, one of our strategic and long-term partners, will help us shape tomorrow's solutions for secure mobile services," said Didier Lamouche, CEO of OT. Innovation is a key focus for OT with more than 20% of its graduate workforce dedicated to R&D distributed in 12 R&D centers, strategically located in countries all over the world including United States, Philippines, Poland, France, Indonesia and China.

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

23. CARTA WORLDWIDE'S TOKENIZATION TECHNOLOGY SELECTED TO SUPPORT MOBILE PAYMENTS FOR HP

Source: PRweb.com (07/22)

Carta Worldwide has been selected to make tap-and-go payment services available to HP customers in Europe, the Middle East and Africa, Asia Pacific and Canada. Flexible enough to be hosted on-site or as a managed service from HP, Carta's agile cloud-based payments and tokenization technology will enable HP to meet the needs of its finance and telecoms sector customers to digitise their credit card services and ensure secure transactions through mobile devices. The approach, which enables customers to rapidly deploy an agile mobile payment technology for in-market learning has minimal back-end impact, lower total cost of ownership and rapid speed to market, provides HP with a future-proof roadmap for mobile payment solutions.

Brian Semkiw, Carta CEO, said, "HP is a perfect partner for Carta. They are a highly reputable provider of payments technology to the banking and mobile sectors, and their sales and sales support channel will allow us to accelerate the scaling of our business. We are thrilled to be able to announce this partnership." "We wanted a best-in-class solution to strengthen our mobile payments portfolio," said Jon Gudelis, practice lead, financial services industry solutions, HP. "Carta is the only provider that offers everything our customers need for efficient and secure mobile payments, including provisioning, tokenization / detokenization, certified issuing processing, and mobile payment application development." Carta is exploring promising opportunities in different markets, with the goal of offering leading edge solutions to HP customers.

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

24. REPORT: M-COMMERCE ACCOUNTS FOR 29% OF ONLINE TRANSACTIONS, IOS RULES

Source: CardNotPresent.com (07/09)

Mobile commerce continues to snag a growing share of all online transactions, with 29 percent of e-commerce transactions originating on a mobile device, according to Adyen's Mobile Payments Index for Q2 2015. The Index, which aggregates all transactions that cross the Dutch e-commerce processor and acquirer's network, also said smartphones continue to outpace tablets as the preferred browser-based mobile payment device, with more than 64 percent of transactions originating on handsets compared to less than 62 percent in Q1 (although, for physical goods, consumers still prefer tablets to smartphones while for digital goods, smartphones dominate).

By transaction volume, iPhones account for the most mobile payments (35.6 percent) and also account for more than 10 percent of all online transactions processed by Adyen. iPads yield the highest average ticket of all mobile devices at \$115 followed by Android tablets (\$93), iPhones (\$82) and Android smartphones (\$75). "The continued rise in popularity of the iPhone for making online purchases, coupled with the higher ATV from shoppers using iOS, suggest that businesses—especially those that classify themselves as premium brands—should target this valuable demographic in particular," said Roelant Prins, chief commercial officer for Adyen. "Apple Pay, as it becomes available in more markets, represents a great opportunity for businesses to fulfill this as it enables them to deliver a seamless payment experience to iOS users."

25. GEMALTO NFC WRISTBANDS ENABLE SPEEDY TRANSPORT IN CHINA

Source: Gemalto (07/06)

Gemalto is supplying wristbands embedded with its Optelio Contactless Chip for NFC transport in Wuhan, China. The capital of Hubei province, Wuhan is one of the most populous city in central China with a population of over 11 million. For this pilot, Gemalto will preload these wristbands with the transit application, allowing users to ride buses and metro with a simple wave of their hand. It will also integrate a fitness tracker, enabling consumers to keep an eye on their day-to-day activities such as steps taken, distance covered, and sleep pattern. Consumers can perform balance check and account top-up through a smartphone application. Wuhan is a major transportation hub in China. To ensure a smooth flow of commuters, the transit system is rapidly moving towards contactless, with more than 13 million such cards already in use(3). This simple and secure wristband, which can be enhanced to include payment and other value-added services in the future, will offer consumers an easier and faster way to travel, leading to increased user satisfaction, operator efficiency and regional growth.



Gemalto has been providing contactless transport cards to Wuhan for more than three years. The new wristbands are an extension of these advanced cards. Customized at pre-personalization level, they meet the city and local infrastructure's requirements, and offer banking-grade security. "China wearable device market is expected to exceed 10 billion Yuan (~USD 1.6 billion) this year (4)," said Suzanne Tong-Li, President for Greater China and Korea at Gemalto. "With extensive experience in contactless deployments, both in transport and payment domains, we can offer innovative wearables that contribute to Wuhan's vision to become world-class transportation hub."

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

26. PAYPAL HERE WITH EMV AND NFC

Source: Let's Talk Payments (07/21)

PayPal is expected to launch a new version of PayPal Here with a card reader capable of processing contactless NFC and EMV transactions in the US this October. PayPal Here is a POS functionality within the PayPal mobile app that allows merchants to accept payments. The updated PayPal Here reader has been developed with much consideration to the friction involved with POS hardware, multiple devices and the evolution of payment transactions. This innovative advancement will enable merchants to be equipped with an all-in-one POS solution to meet the payment needs of their business.

As the consumer use of mobile wallets increase, a POS system that can service customers paying with near-field communication (NFC) technology, such as Apple Pay, Android Pay, and Samsung Pay, is becoming a must-have for retailer with tech-savvy customers. Businesses that invest in using a multiple-interface POS system will have a competitive advantage in retaining their tap-and-go mobile wallet customers. The new Paypal Here card reader will enable these businesses to accept any chip card, magnetic stripe card, or contactless payment form, including mobile wallets. This technology can vastly improve payment functionalities for small businesses throughout the US and, as a result, increase the impact of sales for these merchants.

27. ACS LAUNCHES ACR39U SMART CARD READER

Source: ACS (07/10)

Advanced Card Systems Ltd. has released its next-generation high-speed smart card reader, the ACR39U. The ACR39 boasts greater speed than its predecessors, while maintaining the same level of cost-effectiveness and workmanship that ACS's readers became known for. The ACR39U has a read/write speed of up to 600Kpbs and has protocol and parameters selection (PPS). It also has short-circuit protection, increasing its suitability for highly



demanding applications. To ensure versatility, ACR39U was designed to support ISO7816 Class A, B and C cards, microprocessor cards with T=0 or T=1 protocol, as well as most memory cards in the market.

CCID-compliant, this plug-and-play PC-linked reader has a USB 2.0 full-speed interface which allows the reader to be easily integrated into any computing environment, such as Windows, Linux, and Mac. The ACR39U can also be used with any mobile application that runs on Android 3.1 Honeycomb and higher. The ACR39U is among the US General Services Administration (GSA) Approved Products List, and is compatible with the DoD Common Access Card (CAC) and the HSDP-12 PIV card. It has also been approved as a Transparent Reader under GSA's FIPS201 Approved Products List, establishing ACS as a trusted source of contact smart card readers for government agencies and other organizations. ACR39U is compliant and certified with major international standards, including: ISO7816, CE, FCC, VCCI, EMV 2000 Level 1, PBOC, Microsoft WHQL and RoHS 2. As the ACR39U is released into the market, ACS will work towards acquiring additional certifications, as a testament to the product's excellence.

"We have improved the world's first PC-linked reader," says Mr. Gilbert Leung, Vice President for Sales and Marketing. "We hope that ACS will be able to exceed the innovation that we have displayed in our previous readers, and be of greater service to users of smart card applications."

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

28. THE SIMPLE BUT BIG PROBLEM FOR APPLE PAY USERS IN LONDON

Source: Let's Talk Payments (07/21)

Apple Pay officially launched in the UK on July 14. Advertisements are prominently displayed on TfL (Transport for London) home page, emphasizing "The easy, secure and private way to pay with a simple touch," the TfL is one of the many UK retailers accepting Apple Pay. "Easy, secure, and private" were some of the expectations commuters hoped for. The tap in and out contactless payment option allows travelers to complete payments for rail services with just the wave of their iPhone 6/6 Plus or Apple Watch. Since the launch of Apple Pay, there have been a wave of TfL travelers with an energy-draining experience when their battery dies before their journey is complete.

To avoid such problems, TfL has advised the following direction for Apple Pay travelers along with additional helpful need-to-knows found here:

- Make sure you have enough battery
- Your iPhone or Apple Watch must be switched on to use it to travel. You should also check that you have enough battery on your iPhone or Apple Watch to complete your journey. If you don't and:

- It runs out of battery in the middle of a rail journey, you will not be able to touch out at the end and could be charged a maximum fare
- If an inspector asks you to touch your iPhone or Apple Watch on their reader, it will not be able to be read and you could be liable for a penalty fare

Also, customers can obtain a refund by logging into their online accounts or contacting customer service. Like many rechargeable devices, the battery life often varies based on the model and device usage. Contactless payment technology is reshaping customer experience, especially in travel. While Apple Pay has made a significant breakthrough in the of mobile payments space, retailers and service providers offering Apple Pay can use this technology as a launch pad to stay connect with their customers as new users get acclimated with the benefits of the service.

29. OT EQUIPS LENOVO SMARTPHONES WITH PEARL BY OT ESE TO ENABLE MOBILE TRANSPORT AND PAYMENT SERVICES IN CHINA

Source: Oberthur Technologies (07/15)

Oberthur Technologies (OT) announces that brand new Lenovo smartphones will be equipped with its state-of-the-art NFC embedded Secure Element (eSE). Thanks to this very first partnership between OT and Lenovo, OT's advanced eSE PEARL by OT will allow Lenovo to offer secure and convenient mobile payment and transport services.

Equipping three different smartphones models with OT's eSE, Lenovo will provide Chinese users with convenient and secure NFC services, enhancing their transit and payment experience. PEARL by OT is the most advanced multi-application eSE and allows easy deployment of secure contactless payment, strong authentication, transit, access and loyalty applications. The solution provided by OT to Lenovo will also include the secure Key Management system used to grant access to the eSE to partner applications, as well as the connection to OT's China secure hub, already on-boarding major payment and transport service providers in China. "We are delighted that Lenovo has selected OT to build up a solution for secure and convenient payment and transport services on its new smartphones. Our important local footprint in China is a major asset as well as our ability to provide Lenovo with a comprehensive solution which will help simplify the role and responsibility of each stakeholder providing services for NFC applications," said Cédric Collomb, Managing Director of the Telecom Business Unit at OT.

"We are pleased to work with OT to expand our service offer for the benefit of our clients in China," said Jerry Hsiao, Vice President of Lenovo. "We are confident in OT's expertise to deploy safely and efficiently its solution in line with



our need for a large multi-scheme certified eSE to expand our users' experience with our smartphones."

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

30. FACEBOOK ROLLS OUT PAYMENTS FOR MESSENGER

Source: CardNotPresent.com (07/07)

Facebook rolled out to the entire U.S. a P2P payment system through its Messenger app. Users that link a debit card can send cash through the app to any other Messenger user. The funds go directly from the sender's bank account to the recipient's. Payments are initiated within a conversation by tapping a "\$" icon that will be on screen. The recipient accepts the payment by opening the message from their Facebook friend and tapping "confirm." The rollout was announced on the Facebook page of David Marcus, the company's head of messaging products and former president of PayPal. The company began piloting the feature in select markets, including New York City, in March. Facebook announced in June that Messenger now has 700 million users worldwide.

31. MONERIS DRIVES BUSINESSES TO MOBILE SOLUTIONS

Source: Moneris (07/22)

Moneris Solutions Corporation announced it has accelerated its rollout of integrated mobile solutions. Moneris is using its national scope, suite of products and end-to-end customer experience know-how to help businesses adopt management solutions that take advantage of vertical applications and anywhere, everywhere payment acceptance. The business marketplace is evolving and shifting to flexible and easy-to-use business solutions – specifically mobile ones that take advantage of cloud-based applications and are attractive for both the business and the consumer. Moneris began addressing this changing need in 2013 with the introduction of its PAYD family of mobile point-of-sale (mPOS) products. It's expected that mPOS solution will increase five fold over the next five year making up more than 46 per cent of the market by 2019*.

"The market is moving toward mobile solutions and we're seeing it with every new customer that approaches us today. We've experienced this first hand and based on our success to date with the first EMV-ready mPOS solution in Canada – PAYD Pro – and feedback from customers, we're increasing our focus on mobile. We're investing in people, products and strategic business relationships to help businesses take advantage of this technology shift." Rob Cameron, Chief Product and Marketing Officer at Moneris. One of the key drivers of mobile-led business is the growing acceptance and functionality of iPad solutions that offer familiar and intuitive interfaces that both consumers and businesses understand.



Mobile business transformation via the intuitive iOS platform fundamentally changes the POS landscape.

On Apple's July 21, Q3 2015 conference call, the company's CFO Luca Maestri mentioned that Apple is working with Mobility Partners to increase iOS presence within business. In working together, Moneris, Apple and its solution providers are educating merchants about integrated mPOS solutions and how they can help improve business efficiency, mobilize payments and create better customer experiences. Moneris and Apple have been hosting education sessions around mPOS solutions on the iPad with companies including Touch Bistro and Vend. Through these education sessions at Apple retail stores, merchants in the restaurant and general retail segments, for instance, have learned how solutions using iPads, specialized apps and integrated payment functionality can help improve business processes and, lower costs.

Helping merchants choose the right iOS mPOS solution for their business and making the setup process effortless and intuitive is Moneris' ultimate goal. Through the PAYD family of products and a growing ecosystem of integrated solutions for the iOS platform through vendors such as Aireus, Lavu, Lightspeed POS, Revel Systems iPad POS, ShopKeep, Touch Bistro, Vend and others, Moneris will continue to be a leader of mobile business solutions in Canada.

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

32. FIME INCORPORATES HCE & TOKENISATION INTO NFC SECURITY PAPER

Source: FIME (07/08)

In response to significant market demand for its host card emulation (HCE) and tokenisation services, FIME has broadened the scope of its white paper, which explains how the security framework for delivering near field communication (NFC) services needs to evolve to meet the business and technical requirements of all NFC stakeholders. The free-to-download document focuses on the work of industry body GlobalPlatform, and the development of the wider mobile payments industry, to clarify and simplify the security certification process to achieve an approach which balances security, functionality and cost requirements.

FIME is currently engaged in 18 projects around the world, offering consultancy support services – incorporating specification development, specialist training, test plan development and a range of other services – in addition to functional certification and security evaluation. The paper, entitled 'The NFC Security Quiz v2.0 - Updated with HCE & Tokenisation: 7 key questions answered', addresses many of the key lines of enquiry raised by FIME's customers, relative to cloud-based payments and tokenisation technology. The paper discusses solutions such as white box cryptography, tokenisation*, code obfuscation, data



ciphering, GlobalPlatform's trusted execution environment (TEE) and encryption of the data over the air that can be used to ramp up security for HCE.

"The mobile payments industry has evolved rapidly in the last 18 months and we have experienced a great deal of demand for our expertise," comments Christian Damour, Security Business Line Manager at FIME. "The incorporation of HCE into Android kicked off a period of intense activity and innovation in the industry. But questions remain around the security of the cloud-based mobile services model so we are seeking to offer clarity by exploring software-based security techniques and insight into the key role that payment tokenisation is playing. "The paper aims to expose the current state of play in the NFC security certification ecosystem so that service providers can identify a route forward that balances security, functionality and cost. With the NFC services industry more complex than ever, we are in a privileged position to be able to share our fime.com broad expertise. As a party that works with players across the marketplace we are excited to support the development of this next phase of mobile payments."

The white paper is freely available from the FIME website at <http://www.fime.com/whitepaper/NFCsecurityV2>

FIME and GlobalPlatform are members of ACT Canada; please visit www.fime.com and www.globalplatform.org.

33. QUESTIONS ABOUT THE FUTURE OF PAYPAL AFTER THE SPLIT WITH EBAY

Source: Let's Talk Payments (07/21)

Will PayPal lose itself in the payments space? Or will it become an 800-pound gorilla in payments? Will it become an agile and fast moving payments innovator? Or will it gobble up startups and become an aggregator of several great startups (like it has done with Braintree, Venmo, Paydiant, Xoom)? These are some questions that are floating around, post the parting of ways between eBay and PayPal earlier this week.

eBay and PayPal are no longer together. The e-commerce marketplace and the payments platform decided to part ways in September last year and yesterday was the final curtain call. Post the split, PayPal will be able to engage with other online retailers and marketplaces, which include Amazon, one of eBay's strongest competitors, Alibaba and the likes. The break up settlement does include some restrictions like PayPal not being allowed to create its own online commerce marketplace and eBay not permitted to develop its own payments systems on its core platform. The companies were together since 2002, following eBay's \$1.5 billion acquisition of the payments company.



One of the world's largest internet payment companies, PayPal moved \$228 billion in 26 currencies in 2014 across more than 190 countries, generating a total revenue of \$7.9 billion (around 44% of eBay's total profits). Thanks to PayPal, eBay had a foot in the door with millions of sellers and the payments platform was largely accountable for eBay's outperforming stock. So what really caused the drift in the partnership? eBay's slackened pace of growth and the riding on the shoulders of its acquired companies led to the relationship withering, say most industry experts. eBay's problem stemmed from the fact that it had few product specialist engineers on board. The company didn't pay as much attention to promote engineering and design to better the product, as much it did to recruit MBAs, which resulted in many lost opportunities to modernize the selling platform. According to insiders, the company's search algorithm was stored in text files for years and could be accessed by select business employees, who could also get updated search results so as to prioritize items with higher prices to try and push company revenues higher.

Another downside came when eBay changed its fee structure leading to angry protests from the site's regular sellers. As a result of the changes, sellers found low fees when listing items, but eBay took a bigger cut, when the items sold. The site also made a radical change to directly challenge Amazon, offering fixed-price sales rather than auctions, making its loyal customers very angry, who even created YouTube videos criticizing the move and targeting then CEO John Donahoe. This coupled with the fact that the company lost some of its key leaders like Jack Abraham, who was heading eBay's push into local in 2012 and PayPal president David Marcus, who was leading to an imminent downfall. There was also considerable chaos within eBay and PayPal over the latter going private, strategy decisions and political fires raging within its ranks.

This led to the board finally accepting the fact that parting ways in the changing business landscape would offer more opportunities for both eBay and PayPal. In a statement issued by the company, they pointed out that, "Separation will create sharper strategic focus and better position each business to capitalize on those growth opportunities as independent companies." The road for eBay seems a difficult one for now. As most in the industry are pointing out, Chinese e-commerce giant Alibaba is already hot on its trails for an acquisition. While eBay decides on its fate, PayPal has to deal with two challenges that lie ahead, one of infiltrating stores and other of fending off the large numbers of big and small players now entering the payments space. It is already valued at more than \$50 billion on Nasdaq under the new ticker symbol PYPL.



34. AMERICAN EXPRESS QUALIFIES EXPRESSPAY TEST SUITE FROM ICC SOLUTIONS

Source: ICC Solutions (07/06)

ICC Solutions is delighted to announce the release and immediate availability of the ExpressPay accreditation test suite qualified by American Express. This addition to the ICCSimTMat portfolio will allow Acquirers to perform American Express accreditation testing enabling contactless EMV chip terminals to be deployed / upgraded to accept ExpressPay contactless EMV chip cards. ExpressPay uses a contactless smart chip, allowing consumers to make quick and efficient purchases at the POS without the need to enter a PIN or provide a signature. Contactless transactions are already delivering quantifiable benefits to merchants and acquirers alike. Marc Regan, Acquirer Test Manager, ICC Solutions commented "We are pleased to offer this comprehensive new test suite for ExpressPay accreditation testing, qualified by American Express. The introduction of this new test suite enables ICC Solutions customers to further enhance their EMV portfolio and expand their testing capabilities."

American Express and ICC Solutions are members of ACT Canada; please visit www.americanexpress.ca and www.iccsolutions.com.

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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