



Welcome to the **May** 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**

Scotiabank ~ member since 2013

Tangerine ~ member since 2013

President's Choice Financial ~ member since 2008



### General Members

Bulloch Technologies ~ member since 2013  
Canada Post Corporation ~ member since 2006  
Capco ~ member since 2014  
Consult Hyperion ~ member since 2013  
MNP LLP ~ new member  
SecureKey Technologies Inc. ~ member since 2009

### Associate Members

EMA Partners Toronto ~ member since 2013  
Deepworks Consulting ~ new member 2015

## 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](mailto:postings@actcda.com)

## Calendar Of Events

### NFCP Global Summit

Jun 4, 2015  
London, England  
<http://www.nfcpglobal.com/>

### The 14th Annual Smart Card Alliance Government Conference

Jun 9 - 10, 2015  
Washington, DC  
<http://www.govsmartid.com/>  
*ACT members receive a registration discount*

### Cardware 2015

Jun 16-17, 2015  
Niagara Falls, ON  
<http://www.cardware.ca>  
*ACT members receive substantial registration discount*

### Money20/20

October 25-28, 2015  
Las Vegas, NV  
<http://www.money2020.com/>  
*ACT members receive a registration discount*

### CARTES SECURE CONNEXIONS

November 17-19, 2015  
Paris, France  
<http://www.cartes.com>  
*ACT members receive a registration discount*



We're just 2 weeks away from this year's Cardware - June 16th & 17th. Check out [www.cardware.ca](http://www.cardware.ca) to get all the details. Visit our program to see the latest speaker updates - <http://cardware.ca/program/>

We've been reviewing the presentations and couldn't be more pleased with this year's speakers! Join us for what promises to be a great event. Cardware is known for bringing the most relevant topics to our audience – no “one size fits all” approach here.

As we warned at the beginning of the month, our conference hotel and alternate hotel have sold out. Please visit <http://cardware.ca/register-now/location.html> for details on the next closest hotel.

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## Articles

### 1. EDITORIAL - VISITING THE LAND OF WHAT IF

*Source: Catherine Johnston, President & CEO, ACT Canada (05/29)*

You've heard of this place. It is right next door to the LAND OF CONVENIENCE and also borders on the LAND OF WISHFUL THINKING. Beyond its borders, for those who travel far enough is another land - one of progress, rewards and dreams realized. This land, SUCCESS, is the one that we all want to get to, but the road through WHAT IF can be difficult and expensive. Part of the problem is that WHAT IF is unmapped and yet it has countless roads. On your way to SUCCESS there may be many routes that could get you there, but in WHAT IF they are often twisted and sometimes double back on themselves, so without a map you'll need the courage of your convictions. On your travels you'll see many signposts, but you better question who put them there and why. Not everyone wants you to reach SUCCESS. Beware those who would tell you to rush ahead before you have decided your final destination. They would detour you to the LAND OF WISHFUL THINKING. It may be close to SUCCESS but it can't offer you the advantages. Ignore those from the LAND OF CONVENIENCE because it too falls short of SUCCESS.

In the context of secure payment, regardless of form factor, success is reaching your business or policy goals. To get there you'll need access to good information from a variety of sources. Your trip to the land of WHAT IF can be useful, because there you can ask questions that will help you define your goals and develop strategic plans for reaching them. But remember, it's a nice place to visit, but you wouldn't want to stay there. For Canadians, the road to balancing security, convenience and privacy through the use of cards, mobile phones and wearables, takes us on a complex journey. Information and insights are the pathways that can lead us to SUCCESS. I hope that you will join us on June 16<sup>th</sup> and 17<sup>th</sup> in Niagara Falls for Cardware 2015: Payment and Digital ID Insights. We



will help you with your journey because we want you to reach SUCCESS. Take a minute to register now at [www.cardware.ca](http://www.cardware.ca)

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## 2. CANADIANS PAY CASH LESS THAN HALF THE TIME, BANK OF CANADA CALCULATES

*Source: CBC (05/14)*

Cash is no longer king for Canadians when it comes to paying for retail transactions. A study released today by the Bank of Canada shows that less than half of our purchases are made in cash. The number of cash transactions dipped from 53.5 per cent in 2009 to 43.9 per cent in 2013, the central bank found. However the value of transactions made in cash remained almost unchanged – at 23 per cent of all the goods and services sold. And even the small transactions once exclusively cash such as paying for parking, entertainment and food are increasingly done by credit cards. The Bank of Canada says the rise of contactless credit and payment cards – cards with an embedded chip where consumers simply tap a reader to make a payment – is probably the reason why cash transactions are in decline. The bank reviews methods of payment regularly to ensure it has enough polymer bills on hand for Canadians' cash needs.

### We're shunning the ATM

Consumers over age 55 were more likely to use cash, but even they do less than half their spending with cash transactions. As a result, the number of ATM transactions has fallen over that five-year period, the bank found. In 2009, Canadians went back to the ATM about 4.4 times a month, by 2013 it was 2.7 times. Credit card use is on the rise, accounting for 31 per cent of transactions, an increase of 11 percentage points from five years ago. Mobile payment systems are expected to make inroads over the next few years, but currently are quite a small share of retail payments, just 7 per cent. The big users are the 18–34 year olds, who pay by cellphone for 16 per cent of transactions. The bank also asked Canadians how much cash they have in their wallet. The average? \$84.

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**Need to know the latest developments facing the Canadian payments landscape? Join us for the “Payments in Canada: The Changing Trends” & “2016 Payment Predictions – What to Expect” presentations at Cardware 2015 on June 16-17 in Niagara Falls. For a full list of speakers and to register online visit [www.cardware.ca](http://www.cardware.ca)**

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## 3. GOOGLE LEVERAGING YOUTUBE AS E-COMMERCE PLATFORM

*Source: CNP Report (05/26)*

Heading into the holiday weekend, Google shared some details about a foray into e-commerce that will enable consumers to buy products from within ads



on YouTube. At a San Francisco advertising conference, Google senior vice president for advertising and commerce Sridhar Ramaswamy said the company will offer a "buy" button on YouTube ads viewed on mobile devices. Ramaswamy said the buttons will appear in ads that run before searched videos and the offers served up will be personalized for the search. Shortly after the ad starts, a button will appear (similar to the wildly popular "Skip Ad" button) that, if clicked, will provide the viewer with a sidebar of product images and prices.

The new product is called "TrueView for shopping," but the button does not provide users with the ability to directly purchase items through YouTube. Google has stressed that the buy button will take viewers to third-party sites to complete the transactions. Published reports indicate "TrueView for shopping" is an attempt to regain share from Amazon, which Google appears to be losing to people who go directly to Amazon to search for product information and reviews rather than starting at Google, as they have in the past.

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#### **4. MASTERCARD MAKES SENDING AND RECEIVING MONEY FASTER, EASIER AND MORE SECURE WITH MASTERCARD SEND**

*Source: MasterCard (05/19)*

MasterCard today launched MasterCard Send – a first-of-its-kind personal payments service that enables funds to be sent quickly and securely to consumers domestically and internationally. Through a single connection to the MasterCard Send platform, businesses, merchants, governments, non-profits, issuers and other senders can send money to consumers whether they are banked or unbanked, and located domestically or abroad. By digitizing personal payments that are typically handled via cash or check, MasterCard is providing greater convenience, choice and security to both payment senders and receivers in developed and developing markets. MasterCard Send is breaking down barriers by delivering immediate and secure payments transactions to consumers, who can easily receive funds in real-time – anytime, anywhere and through any channel, based on their personal preferences. This includes the receipt of funds on MasterCard and non-MasterCard cards, into mobile money and bank accounts, and via cash agent outlets.

Now live in the U.S., MasterCard Send is designed to align with the needs outlined in the Federal Reserve's initiative focused on enhancing the speed, security and efficiency of the U.S. Payments System. This unique platform will enable disbursements and person-to-person (P2P) payments to and from virtually any U.S. debit card account, including non-MasterCard debit cards. MasterCard Send is the only personal payments service that can reach virtually all U.S. debit card accounts and enable funds to be sent and received typically within seconds – far superior to existing solutions that either limit transfers within a closed-loop network or involve ACH, which can take several days for funds to be received.



P2P Payments – With MasterCard Send, consumers can seamlessly send and receive funds from friends and family typically within seconds through providers including issuers, money transfer operators, merchants and more. The service also provides the capability for cross-border P2P payments reaching consumers anywhere. Disbursements – Insurance claims, rebates, e-marketplace payouts, social benefits and tax refunds can now be sent in real-time, which means no more waiting to access vital funds. Berkshire Hathaway Travel Protection and FreeShipping.com are among the first to leverage MasterCard Send for disbursements. Merchants and businesses across a wide array of industries, as well as government and other non-profit organizations can also take advantage of the reach, speed and simplicity of MasterCard Send, while providing a better consumer experience.

Josh Jandrain, vice president of application development for Berkshire Hathaway Travel Protection, noted, “From the very beginning, this has been an easy integration into our claims processing system and we look forward to bringing this capability to our customers. We take pride in providing our travelers with the latest innovations and technologies, and paying claims instantly to their personal accounts is another example of what makes us unique.” Berkshire Hathaway Travel Protection recently completed development, and will go live in the months to come. “We’re excited about the enhanced service and convenience that MasterCard Send provides,” said Tom Caporaso, chief executive officer of FreeShipping.com. “This new payment platform will allow us to deliver rebates and cash-back payouts quickly and seamlessly to subscribers who register any debit card account, including non-MasterCard cards, with FreeShipping.com.”

“Through MasterCard Send, we have enabled a breakthrough solution that takes the pain out of the system, provides faster clearing of payments, and delivers a better user experience for senders and receivers alike,” said Ed McLaughlin, chief emerging payments officer, MasterCard. “MasterCard Send is addressing a real need that exists in today’s digital world to enable consumers, businesses, governments and more to have a safe, simple and secure way to transfer and receive funds quickly.” MasterCard Send is the only end-to-end digital platform that leverages the industry-leading MasterCard network, paired with key capabilities from other personal payments platforms including HomeSend.

*MasterCard is a member of ACT Canada and a sponsor of Cardware, Canada’s premier payment stakeholder event. Please visit [www.mastercard.ca](http://www.mastercard.ca).*

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## **5. INGENICO GROUP TERMINALS READY FOR ANDROID PAY**

*Source: Ingenico (05/28)*

Ingenico Group, global leader in seamless payment, announced today that its smart terminals will be able to process Android Pay transactions in the United States once it launches later this summer. Ingenico Group smart terminals also



support Android Pay's loyalty and offers functionality, used to track merchant loyalty program transactions and redeem coupons via NFC. Virtually all Ingenico Group terminals implemented in the U.S. by large and medium tier merchants are NFC capable, and many of those merchants have already enabled this capability in order to accept other types of mobile wallet payments. The majority of smaller merchants who are using Ingenico Group solutions are now receiving NFC-ready terminals.

"Android Pay was unveiled today at Google I/O 2015 and we expect it to quickly become a popular payment method for Android users," said Greg Burch, VP of Mobility, Business Development & ISV Relationships for Ingenico Group. "Ingenico Group strives to simplify payment for merchants and help them to accept multiple payment methods including new payment alternatives as soon as they're made available. We are very happy that the majority of our merchant customers already have everything they need to accept Android Pay."

*Ingenico is a member of ACT Canada as well as an exchange place expert and sponsor of Cardware, Canada's premier payment stakeholder event. Please visit [www.ingenico.com](http://www.ingenico.com).*

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## **6. STARBUCKS: 'NOT HACKED' BUT USER ACCOUNTS COMPROMISED**

*Source: CNP Report (05/14)*

Starbucks says its popular mobile app has not been hacked, and that may be true, but a report by consumer reporter Bob Sullivan that fraudsters are specifically targeting the mobile app's users to drain their accounts then siphon off even more money when the auto-reload function kicks in appears to be accurate. Sullivan reported this week that fraudsters are taking over users' Starbucks accounts, changing the usernames and passwords, sending themselves an e-gift card with whatever funds are loaded in the account, and using the auto-reload feature—after they have increased the amount automatically reloaded with a linked credit card—to reload the account and repeat the process.

Starbucks appears to be taking umbrage at the usage of the word "hacked" in media reports, suggesting criminals obtained the account data from Starbucks' own network. The company said in a statement yesterday, however, that "unauthorized activity on [customers'] online accounts... is primarily caused when criminals obtain reused names and passwords from other sites and attempt to apply that information to Starbucks." But, wherever the fraudsters obtained the usernames and passwords to effect the account takeovers, clearly the community of cyber thieves is aware of and has been hammering away recently at this particular vulnerability. Account takeover has become one of the most common types of fraud directed at online merchants and consumers. Starbucks may be the one answering question publicly because of the sheer popularity of its app. It remains the most successful mobile payment deployment by any merchant. During





the Seattle-based coffee giant's Q2 earnings call just three weeks ago, CEO Howard Schultz said customers loaded a record \$1.1 billion on their Starbucks cards in the second quarter. The company reports 16 million active users of the mobile app make eight million mobile payments a week, accounting for nearly 20 percent of all transactions at its U.S. stores.

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**How can world class companies help you advance your business objectives? It's not just about product lines – their experience can help you avoid pitfalls during planning & implementation. Meet with our Exchange Place Expert at Cardware 2015 on June 16-17 in Niagara Falls. Visit <http://cardware.ca/exchange-place/participants.html#EPP> for a list of experts and a description of what they'll be showing.**

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## **7. GLOBAL PAYMENTS LAUNCHES EMV & CONTACTLESS MOBILE PAYMENTS SOLUTION IN CANADA**

*Source: Let's Talk Payments (05/03)*

Global Payments Inc. announced the launch of the new Ingenico Companion Mobile Payments (iCMP) MPOS – a turnkey mobile point-of-sale solution offering full debit and credit EMV and contactless payment acceptance to Canadian merchants. The iCMP MPOS solution includes a secure Bluetooth-enabled reader that pairs with a merchant's Apple, iOS or Android device for simple and secure on-the-go payment acceptance. Through the robust iCMP MPOS app, merchants can manage their businesses on the go, with an in-app inventory catalogue, digital receipts and a merchant portal that provides real-time insights into business operations with detailed reporting.

“As we continue to expand our leading selection of innovative point-of-sale solutions, we're pleased to offer our merchants a growing number of mobile payment offerings designed to meet evolving business needs for portable payment convenience,” said Rene Belanger, President, Global Payments Canada, said in an official press release. “Unlike other mobile solutions, the iCMP MPOS supports EMV and NFC contactless credit and debit card acceptance, including Apple Pay, providing our merchants with an off-the-shelf solution that is flexible, simple and secure and will position our customers for the future.” As a PCI PTS 3.0 and EMV Level 1 and 2 certified solution, the iCMP MPOS complies with the latest payment and security standards for secure payment processing capabilities, designed to encrypt card data at the time of the transaction. The iCMP MPOS is an affordable solution for small businesses, offering a flat-rate pricing structure, free EMV- and contactless-enabled reader and no set-up fees. Global Payments has made it easy for merchants to get started with the iCMP MPOS solution, with a simple, online application offering an automated approval response.



*Global Payments and Ingenico are members of ACT Canada. Ingenico is an exchange place expert and sponsor of Cardware, Canada's premier payment stakeholder event. Please visit [www.globalpayments.ca](http://www.globalpayments.ca) and [www.ingenico.com](http://www.ingenico.com).*

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## **8. NORDSTROM AND TD BANK GROUP ANNOUNCE STRATEGIC CREDIT CARD RELATIONSHIP**

*Source: Canadian Newswire (05/26)*

Nordstrom, Inc. and TD Bank Group (TD) announced an agreement under which TD will acquire Nordstrom's existing U.S. Visa and private label consumer credit card portfolio, which currently totals approximately \$2.2 billion in receivables. In addition, the two companies have entered into a separate long-term agreement under which TD will become the exclusive U.S. issuer of Nordstrom-branded Visa and private label consumer credit cards to Nordstrom customers. This transaction enables Nordstrom to retain all aspects of customer-facing activities, aligning with Nordstrom's strategy of enhancing the customer experience while allowing for improvement in capital efficiency. "When we began this process a year ago, our number one goal was to continue to take care of our customers directly. We are pleased to meet this goal through our collaboration with TD, a premiere global financial institution and experienced credit card partner. We found TD to be a strong cultural fit, sharing our customer-focused approach and providing capabilities to help us further enhance the customer experience," said Blake Nordstrom, co-president, Nordstrom, Inc.

"This agreement with Nordstrom, achieved through great partnership and collaboration, continues the success of our growing North American credit card business," said Bharat Masrani, Group President and CEO, TD Bank Group. "TD will be working with one of the most highly respected retail brands in the world and one with a well-established, national customer base. We are excited that they have chosen us as their credit card partner."

*TD is a member of ACT Canada and a sponsor of Cardware, Canada's premier payment stakeholder event. Please visit [www.td.com](http://www.td.com).*

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## **9. ROGERS PAYMENT SOLUTION SURETAP SPUN OFF, TO LAUNCH NEW MOBILE WALLET PRODUCT**

*Source: Mobile Syrup (05/06)*

The Canadian mobile payment space is confusing and disjointed. We've written about this many times before, from the half-measure solutions proposed by Canada's carriers and financial institutions, to consumer unwillingness to adopt smartphone-based payment solutions. Rogers has dipped its toe into the payment space already, releasing two products under the Suretap brand. The first is an actual payments solution, where Rogers works with financial institutions — so far,



CIBC, TD, Desjardins and Scotiabank are on board — to allow certified devices with secure SIM cards to make touchless payments at NFC-based payment terminals. At the time, we noted that Rogers paid a high price for being first: it and CIBC had sunk \$60 million into the project.

The second, Suretap Wallet, launched in early 2014, allows Android and BlackBerry users to purchase a prepaid MasterCard and load funds for payments at touchless retail terminals. The app also facilitates the purchase and redemption of gift cards from companies like Indigo and Cineplex. Initially, Suretap as both a product and technology was supposed to catalyze the growth of mobile payments in Canada. The latter has allowed Rogers' customers to make payments through their banks' mobile apps, but the former has floundered in obscurity, with promises of a universal credit card wallet that would make it easy to make payments from any credit, debit or loyalty card. MobileSyrup has now learned that Rogers has been working with Bell and Telus on just such a product, and is poised to release a mobile wallet solution that would be largely carrier and bank-agnostic. Rogers has reportedly struck deals with many of the Canadian banks that already have mobile payment solutions of their own. Suretap will work alongside those existing solutions rather than replace them.

This isn't the first time the Big Three have worked together on a mobile payments solution. EnStream, which we've confirmed to be part of the ownership hierarchy for Suretap LP, began its life as a co-branded peer-to-peer payments service before transitioning into "end-to-end 'hub' solution" for mobile credit and debit cards. Incorporated under the Suretap brand, the goal is to give Android phones a solution that would rival Apple Pay, which has kept carriers out of the certification process entirely. Apple Pay is expected to launch in Canada by November. It is unclear whether this new version of Suretap will use the existing SIM-based secure element standard, or whether it has adopted Host Card Emulation, a relatively unknown solution that Google incorporated into Android 4.4 KitKat in 2013. Unlike SIM-based solutions, which require device-specific certifications, limiting the number of compatible Android smartphones, HCE works with the credit card facilitators, Visa and MasterCard, to securely store user credentials in the cloud. Any device running Android 4.4 or above is theoretically capable of using an HCE-powered mobile payment solution.

Suretap LP, as the company is known, operates out of Toronto, independent of Rogers. Andy Tom, Suretap's Operations Manager, has been leading the company in stealth since September 2014, and according to our sources is gearing up to launch the mobile wallet product "imminently." Prior to Suretap, Tom was Operations Manager for Atlanta-based Global Payments, one of the world's largest merchant payment solution providers. Suretap LP reportedly has around 20 employees, most of whom came from Rogers. Considering the carrier has been very bullish on mobile payments, it makes sense that we'd see a spinoff company, run more as a startup without the restrictions of a large



corporation. A Rogers representative would not comment, but said it is “committed to bringing customers a secure, seamless and open mobile payments experience.”

*CIBC, Desjardins, EnsStream, Scotiabank, TD Bank and TELUS are members of ACT Canada. Desjardins and TD are sponsors of Cardware, Canada’s premier payment stakeholder event. Please visit [www.cibc.com](http://www.cibc.com); [www.desjardins.com](http://www.desjardins.com); [www.enstream.com](http://www.enstream.com); [www.scotiabank.com](http://www.scotiabank.com); [www.td.com](http://www.td.com) and [www.telus.com](http://www.telus.com).*

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**Cardware delivers the right speakers at the right time – EnStream will explain how they’re working with the telcos to deliver mCommerce; Visa will discuss the Canadian Digital Consumer; plus a number of presentations discussing SE; HCE; mPOS; tokenization; security & the Internet of Things. Register now for Cardware 2015 on June 16-17 in Niagara Falls – [www.cardware.ca](http://www.cardware.ca).**

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## **10. SASKTEL & MTS TEAM UP TO EXPAND MOBILE PAYMENTS IN CANADA**

*Source: Let's Talk Payments (05/14)*

Canada has been emerging as a cashless society. The country has shown a high level of progress as highlighted by its nearly comprehensive financial inclusion (96% of Canadians aged 15 and over have a bank account) and a long-standing government focus on optimizing national payments systems. Much of the nation’s success in cashless initiatives can be attributed to early adoption of debit card POS usage, and the rapid uptake of MasterCard PayPass which has opened up the category for other networks’ NFC-enabled low-value payment solutions. In Canada, 78.1% merchants have adopted POS systems and there are about 2.13 POSs per merchant store in the country. The market sizes of mobile POS and contactless POS are growing at rates of 9.2% and 16.4% respectively.

Recently, MTS and SaskTel introduced mobile payments services in the nation. Customers of these provincial telecommunications companies can now pay with their phone. TD Bank is the first financial institution to offer this service to MTS and SaskTel customers. Five mobile networks now provide Canadians with the ability to pay for purchases with a tap of their mobile device. SaskTel and MTS are enabling mobile payments through EnStream. EnStream’s platform acts as a hub connecting multiple Canadian banks and mobile network operators. EnStream’s platform securely delivers the credit, debit and prepaid cards offered by financial institutions to wireless handsets while preserving each bank’s direct relationship with their customers through their own banking and payment applications.

Mobile payments are now supported by Bell, Rogers, TELUS, MTS and SaskTel, who collectively provide services to over 94% of Canada’s wireless subscribers. With appropriately provisioned smartphones, their customers now have the ability to “pay with their phone.” Similarly, five of Canada’s six largest financial institutions, CIBC, Desjardins, RBC, Scotiabank and TD Bank—who together serve 85% of Canada’s households with retail banking services—are



providing mobile payments through their own applications. This mobile payment capability helps to transform smartphones into virtual, mobile wallets, that can eliminate the need to carry individual cards, passes or cash.

*EnStream, MasterCard, TD Bank and TELUS are members of ACT Canada. MasterCard and TD Bank are sponsors of Cardware, Canada's premier payment stakeholder event. Please visit [www.enstream.com](http://www.enstream.com); [www.mastercard.ca](http://www.mastercard.ca); [www.td.com](http://www.td.com) and [www.telus.com](http://www.telus.com).*

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## **11. INGENICO GROUP ENTERS STRATEGIC PARTNERSHIP WITH FOSUN TO ACCELERATE DEVELOPMENT IN CHINA**

*Source: Ingenico (05/07)*

Ingenico Group announces a strategic partnership with Fosun (Fosun International Limited and its affiliates), a leading China-based, globally oriented investment group, to extend its development strategy in China. Under the terms of the deal, the partnership will take the form of an investment by a fund managed by Fosun into Ingenico Group's Hong Kong-based holding. Over the last years, Landi, Ingenico Group's Chinese subsidiary has significantly expanded its position with banks and payment services providers to become the number one payment terminal provider in China. At the same time, the Group launched several initiatives to expand beyond payment terminals, notably through ZIMPAY, a JV with Chinese telecom equipment provider ZTE, to deploy value-added services at Point of sales, in interaction with mobile phones.

"Through this partnership, both companies will combine Ingenico Group's technologies and know-how in payment with Fosun's extensive foothold and investment capacity to further expand their position in the fast-growing Chinese payment ecosystem. We are very pleased to announce our strategic partnership with Fosun," commented Philippe Lazare, Ingenico Group's Chairman and CEO. "We entered the Chinese market in 2008 with the acquisition of Landi, which has captured tremendous growth over the years and is now the market leader in payment terminals. With Fosun on board, we are entering the next phase of our development strategy in China with the right partner. This is a unique opportunity to capture China's growth potential in payment terminals and beyond. I am confident that this alliance will place us at the heart of the Chinese payment ecosystem."

"Fosun is very pleased to join hands with Ingenico Group, the world's leading seamless payment solutions provider, in what will be our first partnership in the electronic trade industry. Ingenico Group's Landi is China's leading POS terminal provider, whose products and solutions are used in financial institutions all across China. We believe that this partnership will effectively combine our resources in financial services and Mobile Internet with Landi's strong foothold, thus enhancing Fosun's comprehensive financial capabilities while driving



Ingenico Group's growth in the electronic payment market in China", said Guo Guangchang, Chairman of Fosun.

*Ingenico is a member of ACT Canada, exchange place expert and sponsor of Cardware, Canada's premier payment stakeholder event. Please visit [www.ingenico.com](http://www.ingenico.com).*

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## **12. GEMALTO CONTACTLESS PAYMENT WRISTBANDS ENABLE SPEEDY AND SECURE PURCHASES FOR SARACENS SUPPORTERS**

*Source: Gemalto (05/05)*

Gemalto is supplying Saracens, one of the UK's most successful rugby union clubs, with prepaid wristbands that offer fans speedy and secure contactless payment for food and drink at its Allianz Park stadium in north London. The pilot project marks the first step towards deployment to all season ticket holder later this year. It promises supporters an even better match day experience, cutting queues for refreshments and eliminating the hassle of fumbling for notes and coins. The new Gemalto smart wristbands also facilitate access to London's public transport network with just a tap of the wrist, and can be used at any payment terminal displaying the contactless logo. The wristbands were supplied to selected fans ahead of Saracens' home match on April 11th, preloaded with £5 credit. They can be topped up online quickly and easily, simply by linking the wristband to an existing credit or debit card and used for the remaining matches of the season.

Gemalto is supporting the new initiative at Allianz Park through its Allynis Smart Event Platform for cashless stadiums. The Allynis Smart Event Platform service encompasses not just production of the wristbands, but also packaging, fulfilment and added value services such as integrated mobile apps, mobile marketing and social media campaigns. "Offering supporters the convenience and security of payment with nothing more than a tap of the wrist is another example of our determination to deliver the best possible match day experience," said Stefan Crouse, Chief Operating Officer for Saracens. "Gemalto has unrivaled experience in this field, and the Allynis Smart Event Platform offers all the advantages of a single and fully integrated source of supply."

"This is the second 'cashless stadium' project we have supported in the UK this year, underlining the fact that wearable contactless solutions capable of encompassing transport, access and payment are very much the future for sports, music and other mass participation events," added Philippe Cambriel, President for Europe, Mediterranean and CIS at Gemalto. "Saracens is recognized as one of the most progressive professional sports clubs in Europe, fully reflected in their goal of full scale deployment of contactless wristbands for the start of the 2015-16 season."



*Gemalto is a member of ACT Canada as well as a sponsor of Cardware, Canada's premier payment stakeholder event. Please visit [www.gemalto.com](http://www.gemalto.com).*

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### **13. PIVOTAL PAYMENTS' FLEXPOINT DIVISION PARTNERS WITH DATACAP SYSTEMS INC. TO SIMPLIFY PAYMENTS INTEGRATION**

*Source: Let's Talk Payments (05/24)*

Pivotal Payments announced a partnership between its FlexPoint division and Datacap Systems Inc., a top North American provider of payment integration software. The partnership signifies the launch of Pivotal Payments' exclusive FlexPoint ePay and FlexPoint Tran services based on Datacap's popular integrated payments middleware. The combined hardware, software and middleware solutions will provide FlexPoint's network of Value Added Resellers (VARs) and Integrated Software Vendors (ISVs) affordable and simple solutions to rapidly integrate their payments at the point-of-sale and evolve their payment distribution strategies. By combining the strength of Datacap's robust ePay and Tran payment integration software and Pivotal Payments' world-class payment-processing services, FlexPoint will offer VARs and ISVs more integration choices than ever under its FlexPoint Partner Advantage Program.

These robust PA-DSS-validated solutions are currently integrated into hundreds of POS systems in practically all vertical markets and support an array of embedded applications including ECRs (electronic cash registers), mobile POS, kiosks, vending machines and more. The program offers a logical roadmap for payment solutions providers to evolve their business models as they expand their distribution and payment responsibilities, enter more markets and ultimately increase their revenues. "Pivotal Payments' partnership with Datacap is another example of our commitment to align with best-of-breed, innovative solution providers, creating more payment technology options for merchants and opportunities for our partners," said Joe Lane, Senior Vice President of FlexPoint, a division of Pivotal Payments. "We continue to expand our certifications to create new partnerships that will deliver higher value to our clients across North America."

The partnership will immediately cover POS dealers in the U.S. with future support planned for the Canadian VAR market, resulting in a comprehensive North American program. The joint solution will also provide U.S. merchants with an easy transition to EMV via one simple integration ready for the October 1, 2015 liability shift.



*Pivotal Payments is a member of ACT Canada and an exchange place expert of Cardware, Canada's premier payment stakeholder event. Please visit [www.pivotalpayments.com](http://www.pivotalpayments.com).*

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#### **14. BPCE GROUP AND OBERTHUR TECHNOLOGIES LAUNCH A WORLD-EXCLUSIVE INNOVATION: THE FIRST DYNAMIC CRYPTOGRAM PAYMENT CARD**

*Source: Oberthur (05/20)*

Banque Populaire and Caisse d'Épargne, in association with Natixis Payment Solutions and Oberthur Technologies (OT) announce the pilot of the first payment card integrating Motion Code, OT's dynamic cryptogram solution. This world-first replaces the three-figure security code on the back of the card with a 'mini-screen' displaying a code that automatically changes periodically. This innovative technology also adds a new layer of security to online transactions, but with complete transparency for cardholders and retailers. Banque Populaire and Caisse d'Épargne will pilot the Oberthur Technologies' Motion Code solution this September with 1,000 customers.

For holders of this new generation payment card, the solution is completely transparent and involves no change to the normal purchasing process. The only visible difference is the three-figure cryptogram mini-screen on the back of the card. Because this technology allows the card security code to be regularly and automatically changed, the system prevents fraudsters stealing the code either visually or online. For e-retailers, the solution requires no change in their online payment acceptance system, either in the form of a new plug-in or a new payment button. BPCE Group continues to pioneer in payment means (payment via Twitter, the launch of V.me, etc.), and with this high added-value solution will soon be testing a complementary service in line with card usage of its customers. It also forms part of the Group's ongoing commitment to online payment security.

Cesar Lengelle, Credit Products & Payment Means Manager at Banque Populaire: "Banque Populaire has a constant commitment to offering its business and personal customers the best in face-to-face and digital services. This innovation from Oberthur Technologies will therefore extend the payment solutions already offered by Banque Populaire by introducing a new level of security and simplicity to the customer experience, without requiring any change to e-retailers online payment systems." Romy Lecoq-Champeau, Deputy Director, Personal Banking at Caisse d'Épargne: "By deciding to go with the Motion Code solution from Oberthur Technologies, Caisse d'Épargne is offering its customers the first dynamic cryptogram payment card. This innovation delivers an additional layer of security to everyday card usage. Caisse d'Épargne has a strong commitment to developing France's preferred method of payment, and regularly introduces new affinity options with cards designed specifically for women or sports fans, for





example, as well as added-value services through its Premier, Platinum and Infinite VISA cards.”

Nicolas Chatillon, Head of Development – Payments, Strategic Marketing and Studies – Commercial Banking at BPCE Group: “The Banque Populaire and Caisse d’Epargne networks will be the first banks in the world to give their customers the opportunity to experiment with this new payment card technology to make their online purchases even more secure. This initiative is an integral part of the BPCE Group’s commitment to payment solutions and its determination to step up the battle against fraud.” Catherine Fournier, Managing Director of Natixis Payment Solutions: “Our involvement in this pilot scheme is a practical illustration of the Natixis Payment Solutions commitment to proactively improving the security of payment solutions. Experimenting with solutions that integrate fraud prevention systems tailored to today’s new payment patterns, and making those solutions available to consumers and retailers, is integral to our vocation.”

Eric Duforest, Managing Director of OT’s Payment Business Unit: “OT is delighted to be the strategic partner of BPCE and Natixis Payment Solutions and to work alongside them in making online transactions more secure. Motion Code is a revolutionary innovation that ensures maximum security of payments made over the Internet in the form of a solution that can be rolled out rapidly and can deliver an excellent customer experience. OT is ready to deploy this offer for universal adoption by all users in all markets.”

*Oberthur Technologies is a member of ACT Canada and an exchange place expert of Cardware, Canada’s premier payment stakeholder event. Please visit [www.oberthur.com](http://www.oberthur.com).*

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## **15. CFIB, CHASE PAYMENTECH DELIVER CREDIT CARD SAVINGS FOR SMALL BUSINESS**

*Source: Payments Business (05/13)*

Chase Paymentech and the Canadian Federation of Independent Business (CFIB) today announced a new agreement that provides preferred pricing to small businesses in an exclusive offering for CFIB members. After years of lobbying by CFIB, Visa and MasterCard announced that they would reduce the average effective interchange rates on consumer cards. As these new interchange rates take effect, Chase Paymentech and CFIB have renewed their more than 10-year partnership. "Collectively, CFIB members process billions per year in card-based transactions allowing us to negotiate a much better rate than a small business would be able to get on their own," said CFIB President Dan Kelly. "Not only does our relationship with Chase Paymentech mean that small firms get a terrific deal, but it ensures our members are treated well by one of the best companies in the business.”



Chase Paymentech has a proven track record of delivering customer-focused, innovative, reliable and affordable payment processing solutions for businesses. They are a principal ally to Canada's small businesses through its partnership with CFIB, whose members will benefit from new, lower preferred pricing for MasterCard, Visa and Interac while staying in step with the latest reliable payment processing technology. Chase Paymentech offers a full range of point of sale, wireless, ecommerce and integrated hardware payment solutions that can help small businesses more effectively handle any payment type, including EMV Chip, mobile and contactless.

"We are dedicated to providing our small business clients with solutions that help them reduce the overall cost of payment processing and grow their business," said Nick Samurkas, president, Chase Paymentech Canada. "Our longstanding partnership with CFIB reinforces our commitment to working with entrepreneurs and the small business community."

*CFIB, Chase Paymentech, MasterCard and Visa are members of ACT Canada. MasterCard and Visa are sponsors of Cardware, Canada's premier payment stakeholder event. Please visit <http://www.cfib-fcei.ca>; [www.chasepaymentech.ca](http://www.chasepaymentech.ca); [www.mastercard.ca](http://www.mastercard.ca) and [www.visa.ca](http://www.visa.ca).*

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## **16. REPORT: COMPANIES UNDERINSURED AGAINST CYBER RISK VS. PHYSICAL RISK**

*Source: CNP Report (05/14)*

Despite an increase in the value of data compared to physical assets, most companies are underinsuring against cyber-attacks compared to insuring against loss of property, plant and equipment (PP&E), according to a new report conducted by the Ponemon Institute and sponsored by insurance provider Aon. The global survey of executives found that, while they value information assets about the same as physical assets, companies are only insuring 12 percent of non-tangible assets compared to 51 percent of PP&E. "The perception of the risk is interesting," said Dr. Larry Ponemon, chairman and founder of the Ponemon Institute. "It's clear that there is a risk and losses can be anticipated, but organizations are not insuring against the risk. This report substantiates a risk manager's initiatives for how they allocate resources and where they focus."

Among its other findings, the report noted only 19 percent of those polled say their company has cyber insurance, despite the fact that they estimate the loss of information assets is nearly three times more likely than the loss of physical assets, on average. The survey also found that 37 percent of companies "experienced a material or significantly disruptive data breach one or more times during the past two years and the average economic impact was \$2.1 million." "The explosion of cloud computing, mobile devices, big data analytics and the Internet of Things is creating enterprise risk management issues that are rapidly



growing with the increased use of information assets and technology," said Kevin Kalinich, global practice leader for cyber/network risk at Aon Risk Solutions. "Companies large and small are advised to consider cyber threats in this perspective."

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**With so many reports on security breaches & cyber-attacks, why are we avoiding the big issue? Our kick-off panel will look at this problem in the "Securing the Internet: a Stakeholder Play". Join all of our top rated speakers at Cardware 2015 on June 16-17 in Niagara Falls – [www.cardware.ca](http://www.cardware.ca).**

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### **17. BECK TAXI LAUNCHES MOBILE APP WITH PAYPAL AND CREDIT CARD IN-APP PAYMENT**

*Source: Payments Business Magazine (05/22)*

Canada's family-owned taxi brokerage Beck Taxi, has announced the launch of their innovative custom end-to-end digital dispatch system. The system includes a mobile customer application that offers in-app payment in collaboration with PayPal for the first time ever in Canada. Built for both iOS and Android platforms and accessible for Blackberry 10 users, the app allows commuters to ride with Beck, wallet and hassle-free. With outstanding benefits to the consumer and many new features, the mobile apps allows people to get to their destination sooner, while helping to reduce traffic congestion and taxi idling in the city.

Beck Taxi's partnership with PayPal allows Torontonians to pay directly with their mobile device through their PayPal account without waiting for paper receipts or processing payments through a terminal. Mobile payments with PayPal are safe and secure and provide drivers and riders freedom from extra fees associated with debit cards. Additionally, commuters can pay via their credit card directly through the app and receive email receipts for both PayPal and credit card transactions. "Minutes are everything to Torontonians, and we are committed to continuing to provide transportation solutions that support our city's commuters and get people where they need to go faster, said Kristine Hubbard, Operations Manager at Beck Taxi. "This update offers customers the ability to pay in-app and view wait times, all while providing riders with a quieter trip by cutting down on some of the radio chatter, which we know Beck customers will appreciate."

"At PayPal, we are in the driver's seat for mobile payment innovation in Canada," said Alexander Peh, Head of Mobile and Market Development at PayPal Canada. "We believe that people will use their mobile phones to pay if there's a clear benefit. We're delighted to team up with Beck Taxi to make it easy for Torontonians to book and pay for cab rides from their phones so they can enjoy a smooth commute and get to their destination faster." "We are thrilled to partner with PayPal to offer greater choice and added convenience for both customers and drivers and make mobile payments a greater reality for Torontonians – this is truly



a ground breaking partnership," says Hubbard. Better ride, richer mobile experience.

The new app allows users to rate each ride at the end of their trip. It also provides fare estimations and the ability to 'favourite' any pickup or drop off location. It still includes coveted features like the ability to provide special instructions to drivers, to schedule a ride up to 30 days in advance and to receive your car number upon ordering. Other updated features include notification of your Beck's arrival, and a new map view as well as a list view. "We listened to our customers and drivers and included all the features they were looking for to help make their lives easier," said Kristine Hubbard. At roughly 15.5 million Beck rides per year, early estimates indicate the app will save approximately 60 seconds off each ride, easing traffic congestion and reducing emissions, which National Resources Canada equates to more than 850 metric tonnes per annum.

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## **18. ACS LAUNCHES ACR890 ALL-IN-ONE MOBILE SMART CARD TERMINAL AND SOFTWARE DEVELOPMENT KIT**

*Source: ACS (05/08)*

Advanced Card Systems Ltd. launched the ACR890 All-In-One Mobile Smart Card Terminal, which combines magnetic stripe, contact, and contactless technologies. ACS also launched the ACR890 Software Development Kit (SDK). "Even as older systems require replacement, companies cannot just throw out systems they have invested in," says Gilbert Leung, Senior Vice President for Sales and Marketing. "We are thus glad to offer solutions that will help companies that are transitioning from, say, magnetic stripe to contactless, or combining different interfaces for their applications. At the same time, our solution has new features to improve the overall experience of users. "

ACR890 combines wireless data communication, firmware-upgradeability, and highly interactive user interface features (high-resolution color display, touch screen LCD, audio speaker and built-in thermal printer). It can use different connectivity types (GPRS/3G, Wi-Fi, USB, and serial ports) to communicate with other external devices within a network.

ACR890 accommodates organizations with different technological standards by supporting ISO 7816-compliant Class A, B, and C cards; ISO 14443-compliant Type A and B cards; MIFARE Classic Cards; FeliCa Cards; and ISO 7811 Tracks 1, 2, and 3 magnetic stripe cards. Its contactless support makes it ideal for mass-market applications, such as transport, loyalty, and payment. Its contact interface makes it suited for e-government applications, while its magnetic stripe support makes it applicable for loyalty and e-purse applications. It is standalone and handheld, making it primarily a field-based device. However, its different connectivity types make it also suitable for office-based operations. Meanwhile, the SDK contains a standalone device demo, a simulation of a bus



fare application, and device setting configurations. It also contains sample codes (which include source codes to help users develop their own applications), user manuals, and other reference documents. "ACR890 is versatile, high-performing, and priced competitively," adds Gilbert. "We are confident that it can become an indispensable part of many solutions worldwide."

*Advanced Card Systems is a member of ACT Canada; please visit [www.acs.com.hk](http://www.acs.com.hk).*

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## **19. TSYS AND PAX TECHNOLOGY, INC. LAUNCH SEMI-INTEGRATED EMV SOLUTION**

*Source: TSYS (05/26)*

TSYS and PAX Technology, Inc. announced a new semi-integrated solution that can help simplify the EMV certification process. Using a single integration approach, this TSYS-certified solution has the ability to process with both TSYS Guardian Encryption<sup>SM</sup> and TSYS Guardian Tokenization<sup>SM</sup>, offering Value-Added Resellers (VARs), Integrated Software Vendors (ISVs) and their respective customers a secure method for accepting payments, including magnetic stripe, EMV, and NFC contactless payments. Together, TSYS and PAX have taken the guesswork out of EMV certification. Fully certified through all major card brands, this easy-to-implement solution seamlessly integrates with point-of-sale (POS) devices, eliminating the need to go through the lengthy and often painstaking process of EMV certification. By meeting all necessary requirements, this streamlined approach allows both VARs and ISVs to easily meet the rapidly approaching October 1, 2015 EMV liability shift deadline.

"Making the switch to accept EMV transactions can be a confusing and daunting process, which is why it is important to us to offer our clients a simplified approach," said Craig Ludwig, head of product for TSYS' Merchant Services segment. "Our all-in-one solution developed with PAX not only reduces costs and time required for EMV certification, but also provides advanced security features to guard against credit card fraud." Designed for merchants and developers who place a high value on ease of use, security, reliability and Payment Card Industry (PCI) compliance, the solution decouples payments, reducing PCI scope from the POS. Using a software development kit (SDK) provided by PAX, TSYS validates the communication, ensuring that it is reliable and secure. This simple integration method provides VARs and ISVs with a quick-to-market solution with robust support from the TSYS Developer Services team — both during and after integration — while reducing overall EMV implementation costs.

"Our semi-integrated, secure payment technology can be seamlessly integrated into line-of-business applications, providing enormous value to merchants, VARs and ISVs," said Andy Chau, chief executive officer and president of PAX Technology, Inc. "Merchants, regardless of size, can now process



payments securely using TSYS Guardian Encryption, TSYS Guardian Tokenization and EMV. This will also enable them to support NFC payment methods such as Apple Pay, allowing them to take advantage of this easy, secure and private way to pay.”

*TSYS is a member of ACT Canada; please visit [www.tsys.com](http://www.tsys.com).*

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## **20. HOW TO INTEGRATE PAYMENTS IN IOT DEVICES?**

*Source: Let's Talk Payments (05/27)*

Internet of Things (IoT), from eye-wear to cars and smartwatches, is spreading its wings as the technology behind it matures. Connecting various types of electronic devices together for a great experience in the day-to day activities is stated to be the ultimate objective of IOT. So how can the commerce applications and ability to pay using such devices be left behind? If you are building an IOT device as a startup and are looking for use-cases or as a bank/fintech firm you want to do something ahead of the curve to address the upcoming demand (think millennials), what should you do?

Integration of Internet (and connectivity) into increasingly more devices along with payment functionality will lead to greater number of payment endpoints. Card issuers like MasterCard, Visa and American Express will gain from increased non-cash transactions and the wide database of the customers. To be on top of the IOT technology, Visa has opened an office with over 500 employees to ensure that every device, appliance or wearable computer connected to the Internet can become a secure place for commerce. Startups have an equally great opportunity at this intersection of mobility, money and commerce that IOT payments present. Internet of Things is attractive for fintech, not only for software and hardware developers, but also for banks and other FinTech companies to enable innovative payment experiences and provide wide range of methods to accept payments using NFC chips, payment apps, sensors, tracking devices, etc. So what options are available?

### Building Apps for Smart Devices

A number of platform/software based solutions have come up to enable payments on connected devices. Specific applications being developed for such

platforms are also enabling payment capabilities as highlighted by following use cases:

- PayPal's app for wearables – PayPal has been one of the first ones to create payment applications for wearable devices. Their app is featured on Samsung's Gear 2 and Gear 2 Neo wearables. The PayPal app lets consumers make mobile payments, store and utilize rewards, and send money to other app users.
- Payments Apps on Pebble – The Pebble Smartwatch has a prominent collection of apps on its app store with some of them enabling users to make mobile payments. PayPal itself has an exclusive app for the smartwatch. The app creates an auto-generated code for making payments wherever PayPal is accepted. LevelUp's payment platform powers a payment application on the smartwatch that was developed by Beautiful Lab.

Banks have also started foraying into the IoT space by introducing apps for smart-watches such as on Apple Pay and Pebble.

#### Specialized OS for IOT (developed from scratch)

Tencent OS – Connecting IoT & Mobile Payments – Tencent, a leading tech company that owns China's largest social network, QQ, and the widely used messaging app WeChat, had introduced its mobile operating systems "TOS" and "TOS+", which can operate on multiple devices including smart TVs and smartwatches, and enable mobile payments. The new operating system includes voice recognition and payments capabilities. This means that users can use a smartwatch enabled with the TOS+ operating system to make a mobile payment.

Google's Brillo OS for IoT – Google will be launching an OS named Brillo for low-power Internet of Things in the upcoming I/O conference. The OS concentrates mainly on low-power devices such as smart light bulbs or security cameras with 64MB or 32MB of RAM. The acquisition of Nest Labs has added to the fact that Google is venturing into the space of IoT. Nest Labs, makes smart home appliances such as smart thermostats, smoke alarms and security cameras. Brillo is reported to work with all Nest devices. Since Brillo has not been launched yet, it is mere speculation that it might integrate payments technology with the devices in the future. And we can hope and expect the payments functionality to come as the Android Pay platform is poised to be launched. At the Google I/O conference scheduled to be held tomorrow, we shall get more clarity as to how the Brillo OS would be associated with the Android OS and whether Android Pay would really come into picture with respect to IoT.

There are already a few platforms and solutions available:

- NXP & Qualcomm Technologies: Qualcomm Technologies will integrate NXP's near field communication (NFC) and embedded secure element (eSE) solutions across Qualcomm Snapdragon 800, 600, 400 and 200

- processor-based platforms. The partnership will enable the rapid introduction of NFC and eSE on Snapdragon-based devices to meet market demands for increased functionality in a broad range of consumer applications. New designs will expand the reach of NFC beyond the smartphone into other applications such as home automation, consumer electronics, automotive, smart appliances, personal computing and wearables.
- Intel & Ingenico: Intel Corporation has partnered with Ingenico Group to combine Intel's technology and Ingenico Group's secure payment technology for the Internet of Things. The companies will jointly develop a mobile tablet that supports EMV and NFC payment functionalities. This will pave the way to a broader set of initiatives and value-added services to address other worldwide devices for the Internet of Things, including intelligent vending machines, kiosks and digital signage.

What is the approach(es) that Fintech and Money companies are taking to tap the IOT bandwagon currently? Apart from apps for IOT devices, Fintech companies are also making bold moves and developing customized platforms to integrate IoT with payment applications. As an example, MasterCard's Platform Approach can be considered. MasterCard aims to build an operating system for digital commerce. MasterCard is also working on new verification techniques to enable smooth payments for the future technology. It believes that the Internet of Things will boost more payments through digital wallets.

- Visa: Visa — partnering with Pizza Hut and Accenture — is working on a proof-of-concept connected car to test mobile and online purchases on the go. The connected car is expected to feature Visa Checkout, Visa's online payment service, cellular connectivity, Bluetooth low energy (BLE), as well as beacon technology deployed at Pizza Hut restaurants to alert the staff when the customer has arrived and is ready to pick up the order. The integration of these technologies is being managed by Accenture.
- American Express: American Express is looking to deliver financial services via wearable devices. It has recently enabled its service to enable payments through the fitness band Jawbone.

I was amazed to see back in 2013, the first banking app on Google Glass by Banco Sabadell (Spanish banking group) was launched. Google Glass itself is on shaky grounds now (might see an update tomorrow at Google I/O) but Banco Sabadell showed how elephants can also dance. If you look at it, Smart TVs and other smart home appliances are already a reality as they allow users to control the devices remotely. Ability to pay using smart-glasses, smart-watches and bands has already started but will be an added advantage for the appliances to have such features. A refrigerator with ability to complete a commerce transaction (with permissions) might allow for automatic refilling of the required items. Add to that, a refrigerator that regularly tracks food and health related parameters based on consumed food, using a smart scale that sends the data to a health insurance





provider to receive reward points. Futuristic, as this (and all of it) may sound. Albert Einstein said “I never think of the future, it comes soon enough”

*American Express, Ingenico, MasterCard, NXP and Visa are members of ACT Canada. Ingenico is an exchange place expert and sponsor; MasterCard and Visa are sponsors of Cardware, Canada’s premier payment stakeholder event. Please visit [www.americanexpress.ca](http://www.americanexpress.ca); [www.ingenico.com](http://www.ingenico.com); [www.mastercard.ca](http://www.mastercard.ca); [www.nxp.com](http://www.nxp.com) and [www.visa.ca](http://www.visa.ca).*

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## **21. APPLE INC. TO LAUNCH MOBILE PAYMENT SYSTEM IN CHINA**

*Source: Industry Leaders Magazine (05/12)*

Apple Inc. is entering into a partnership with Alibaba Group Holding Ltd and Chinese banks to bring the firm’s mobile payment system in China. Apple’s CEO, Tim Cook stated in an interview to China’s official Xinhua news agency that the tech goliath desires to bring Apple Pay in China, and added that he is very optimistic on Apple Pay. Apple Pay was launched in United States last year in the month of September. It allows customers that are using Apple devices to purchase goods by holding the device up to the readers’ installed by store merchants. The Apple Pay handle transactions, compared to all other contact less payment methods combined and has observed a great momentum, as claimed by Apple. Tim Cook believes that Apple Pay can take off to more fast in China.

In October, Jack Ma, Alibaba executive chairman said that the Chinese e-commerce giant was open to working with Apple on its Apple Pay platform. Alibaba has affiliated that Alipay, which is China’s largest payment service. Sources noted that analysts are expecting China to take over the American market and admitted to become Apple’s biggest market in America. China has become a crucial market for Apple. A source revealed that Apple is selling more iPhones in China than in US. For the first time, Apple in its fourth quarter of the year has sold more iPhones in china, compared to United States.

During Cook’s visit to China, he told Xinhua that Apple is currently having 22 stores in China, and the firm wishes to add 40 stores more in China by next year. He added that he wants to focus on Apple Pay’s entry along with environmental initiatives to protect forests. It is assumed that Apple is going to face quite a few challenges in China, as the country is having a large number of smartphone users. As of now, Apple Pay is working on near-field communication, a wireless system, which allows customers to pay with credit cards by simply tapping on the reader’s screen. Union Pay- China’s state-owned credit and debit card operator is dominating the payment process of NFC. The Union pay sets the transaction fees that could be possibly a hurdle for Apple in China.

Talking about Apple’s partnering with Alibaba, that own the mobile payment system – Alipay that uses different methods for scanning like scanning a special

barcode, also incorporates various authentication methods, like taking a selfie to authorize a payment source. Currently, the exact details of partnering between Apple and Alibaba are unknown, but it is assumed that by amalgamating the two giants will give solid pathway into mobile payment market in the world's second largest economy.

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## **22. APRIVA ISSUES SOFTWARE DEVELOPMENT KIT TO EASE MOBILE-PAYMENT INTEGRATION IN APPS**

*Source: Digital Transactions (05/13)*

It's no secret that one cool use of smart phones and tablet computers is the ability to use apps. Research firm eMarketer Inc. predicts that 93% of U.S. smart-phone users will download and install at least one app in 2015, and 90% of tablet users will, too. It's also no secret that integrating payments into apps makes the shopping experience that much easier. With that in mind, mobile-payments and gateway company Apriva this week launched a software development kit for iOS and Android apps to make it easier for developers to add Apriva's mobile-payments services to their apps. The SDK supports EMV, near-field communication (NFC), Apple Pay and other payment methods via apps by connecting to Apriva's gateway. In turn, that enables payments made within these apps to connect to any processor on the gateway. The SDK also supports multiple point-of-sale hardware devices, Scottsdale, Ariz.-based Apriva says.

In addition to payment card transactions, the SDK also enables cash and check recording, and reports on sales, adjustments, refunds and reversals. Developers also can enable the ability to email receipts, view transaction histories, and use encryption for transactions. "There's obviously growth in mobile point-of-sale services," says Justin Passalaqua, Apriva director of sales for integration services. "Studies show that's only going to increase." The SDK is an easy way to add payments capabilities to apps, he says. The no-fee SDK is available from Apriva's Web site. While SDKs are not uncommon within the application-development industry, payments companies tend to lag with similar services, Passalaqua tells Digital Transactions News.

Apriva's service also includes dedicated support, testing and certification services and documentation. Already, some app developers are testing the SDK in their apps, Passalaqua says. "We've seen it in field services, food trucks and general retail," he says.

*Apriva is a member of ACT Canada; please visit [www.apriva.com](http://www.apriva.com).*

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### **23. SHOPIFY RAISES \$131 MILLION IN IPO**

*Source: CNP Report (05/26)*

Canadian e-commerce platform Shopify raised about \$131 million in its U.S. IPO last week after its shares were priced at \$17, above expectations. During trading on its first two days on the New York Stock Exchange, shares of Shopify rose sharply, hitting a high of more than \$30 on Friday before settling to \$28.31 as trading ended for the Memorial Day weekend in the U.S. By some estimates, that puts the company's valuation at north of \$2 billion. After two days of frenzied trading, experts who began putting the better-than-expected performance into perspective pointed to the fact that it is an enabling platform that will expand along with the growth of online payments and that a significant amount of its revenue comes from subscriptions services and is, therefore, predictable.

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### **24. NY LICENSES BITCOIN EXCHANGE**

*Source: CNP Report (05/12)*

The State of New York late last week licensed new Bitcoin exchange itBit as the first such legally regulated entity in the U.S. The company was not, however, granted the BitLicense being formulated by Benjamin Lawsky, superintendent of the New York State Department of Financial Services (NYDFS). Final formulation of the BitLicense is still ongoing. The New York City-based digital currency exchange and trading platform said it has received a trust company charter from the state, making it the "only U.S.-chartered and supervised bitcoin exchange able to offer unique protection and security for customers in full compliance with New York and federal law."

A trust company charter, according to experts, presents an even more rigorous compliance regime than the soon-to-come BitLicense, but, for itBit, becoming a trust solves a big problem plaguing digital-currency service providers. In the absence of settled regulation, U.S. banks have been reticent to take Bitcoin companies on as customers. As a trust, itBit is permitted to hold its customers' funds itself. itBit's application was pending for more than a year and NYDFS said in a statement that it put the company's AML procedures, capitalization, consumer protections and cybersecurity standards under the microscope. "We have sought to move quickly but carefully to put in place rules of the road to protect consumers and provide greater regulatory certainty for virtual currency entrepreneurs," said Lawsky. "The technology behind Bitcoin and other virtual currencies could ultimately hold real promise and it is critical that we set up appropriate rules of the road to help safeguard customer funds. Indeed, we believe that regulation will ultimately be important to the long-term health and development of the virtual currency industry."

itBit launched in the U.S. last week with news of its licensure and of a \$25 million round of Series A financing. The company also filled several board seats



with high-profile directors including former New Jersey Senator and presidential candidate Bill Bradley and former FDIC Chairman Sheila Bair.

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**With so many changes over the past 12 months, what do you need to know about digital currency? We've brought together the experts to present the latest during our Digital Currency. Don't miss Cardware 2015 on June 16-17 in Niagara Falls – [www.cardware.ca](http://www.cardware.ca).**

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## **25. ICC SOLUTIONS ACCREDITED BY MASTERCARD FOR M-TIP PRE-CERTIFICATION APPROVAL SERVICES**

*Source: ICC Solutions (05/05)*

Working with Vantiv in the USA, ICC Solutions developed VIABLE – an innovative and highly efficient closed-loop solution designed to simplify the EMV enablement, testing and validation process. VIABLE places merchants in full control of their EMV certification activities. ICC Solutions is delighted to announce that, following the successful implementation of MasterCard's Accreditation Requirements for Approval Services, ICC Solutions is accredited for delivery of Pre-Certification for MasterCard Terminal Integration Process (M-TIP) for Contact and Contactless. This Approval Service covers contact and contactless technology for Attended and Unattended POS plus ATM terminal types.

Pre-Certification services, which consist of assisting Value-Added Resellers (VARs), Independent Sales Organizations (ISOs), terminal integrators and terminal vendors running informal MasterCard Terminal Integration Process (M-TIP) debugging sessions. The M-TIP Pre-Certification Letter is delivered when the related test results are successful. The requirements for M-TIP Pre-Certification accreditation include operating an integrated test platform and infrastructure, a MasterCard qualified test tool and confirmed ability to properly validate M-TIP sessions. A company accredited for delivery of M-TIP Pre-Certification services has to have a MasterCard Emerging Payments Support Accreditation (MEPSA) program accreditation which provides confidence in the ability to assist clients with little EMV or M-TIP expertise.

Dave Maisey, CEO, commented "ICC Solutions is delighted to achieve this accreditation offering M-TIP Pre-Certification approval services focussing on the U.S. market enabling Value Added Reseller (VAR) and Independent Software Vendor (ISV) EMV terminals to be pre-approved prior to submission for formal M-TIP approval with an acquiring organisation. The aim of M-TIP Pre-Certification is to help improve overall efficiency and ease migration to EMV."

*ICC Solutions and MasterCard are members of ACT Canada. ICC Solutions is an exchange place expert and MasterCard is a sponsor of Cardware, Canada's premier payment stakeholder event. Please visit [www.iccsolutions.com](http://www.iccsolutions.com) and [www.mastercard.ca](http://www.mastercard.ca).*

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

Please forward any comments, suggestions, questions or articles to [andrea.mcmullen@actcda.com](mailto:andrea.mcmullen@actcda.com). Please note that articles contained in this newsletter have been edited for length, and are for information purposes only. If you would like to be removed from our newsletter distribution list please follow the unsubscribe instructions at the bottom of the email.

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### **Insights • Networking • Visibility**

ACT Canada is the place to be to:

**Filter** the truth from market noise

**Understand** complex issues

**Facilitate** problem resolution

Because stakeholder dialogue helps you make profitable decisions.