Welcome to the **November** and **December** 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
RBC Royal Bank of Canada ~ member since 2014
Verifone ~ member since 2012

General Members
ICC Solutions Ltd ~ member since 2003
MULTOS International Pte Ltd ~ member since 2007
Mobeewave Inc. ~ new member
Softhouse Solutions Inc. ~ new member

Associate Members
Card Resource Group Inc. ~ member since 2010
NorthCard Inc. ~ member since 2012
Norton Rose Fulbright Canada LLP ~ member since 2013

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

ACT Networking
January 27, 2016
Toronto, Canada
http://www.actcda.com/calendar/act-canada-events/active-networking.html
ACT Canada members receive a registration discount

Mobile World Congress (MWC)
February 22-25, 2016
Barcelona, Spain
http://www.mobileworldcongress.com/
ACT Canada members receive a registration discount

Cardware 2016
June 14-15, 2016
Niagara Falls, Canada
http://www.cardware.ca
ACT Canada members receive a registration discount

Articles

1. EDITORIAL - WHAT DO YOU FEAR?
Source: Catherine Johnston, President & CEO, ACT Canada (12/04)

What do you fear?

I don't mean heights or spiders or other such fears; I mean what is it you fear in terms of how people see you. I'll tell you some of mine. I live in dread of someone asking me, "What were you thinking?" The question usually implies that you weren't thinking. I fear the thought that I might not look at the pros and cons of every situation and as a result would choose or send someone in the wrong direction. I'm panicked by the thought that I'll create a new problem while solving an old one, because I haven't thought it through. Enough about me. If any of these scenarios worry you, chances are you've had a rough year. Just as payment is getting much more complex due to the ability of other payment stakeholders to impact our plans, we also have more technology choices and more competitors than 5 years ago. We are pushed to make decisions that involve large corporate investments, because fear, uncertainty and doubt are dominating the agenda. Return on investment and mid to long term strategy take a back seat, when they should actually be driving the innovation bus.

You could take a leap of faith hoping that this isn't like your mother asking you, "if all your friends jump off a cliff would you jump too?" You could do extensive internet research, but no matter what you decide, your career and your company will be best served if you also talk with the people who will be affected by your plans. They can help – or they can hurt. Think of it this way. If someone else was planning something that could help you, but they make a decision that has a negative impact because they aren't familiar with your processes, how would you feel? Would you give them credit for their good intentions, or would you ask yourself why they couldn't just talk to you before heading down the rabbit hole (and dragging you with them)?

This is our last e-news for 2015 so let me tell you what I wish for you in 2016:
1. No rabbit holes
2. Successful stakeholder discussions. We arrange them all the time for our members, so don't hesitate to ask us to help.

2. SURETAP PARTNERS WITH POINTS, BECOMES FIRST CANADIAN MOBILE WALLET TO OFFER FULL LOYALTY INTEGRATION
Source: EnStream (11/03 and 11/27)

Suretap, a leader in open mobile wallet technology, announced a partnership with Points, the global leader in loyalty currency management, making Suretap the first mobile wallet to truly integrate loyalty cards in the Canadian market. With this update, Suretap introduces a loyalty section to its wallet app, powered by the Points loyalty network, where users can store loyalty information from more than 100 global loyalty rewards programs, making it easier to earn and use loyalty rewards. The addition of the loyalty section provides participating loyalty programs with additional exposure to suretap wallet users and provides current program members with new ways to earn and use their loyalty rewards. "With this partnership, we're proud to join forces with one of Canada's leading digital wallet providers. By providing suretap wallet users with access to loyalty rewards management and transaction capability in one place, we're excited to open the door to a better consumer experience in the wallet, and for loyalty programs to both better engage their customers and drive attractive incremental economics via this new channel," said Rob MacLean, CEO of Points.

Launched four months ago with support from Canada's major wireless carriers, the suretap wallet allows Android and Blackberry smartphone users to make quick, easy and secure mobile payment transactions at any retailer that accepts contactless payments, including credit, gift and pre-paid cards. Points Loyalty Commerce Platform is connected to over 50 global loyalty programs and provides technology solutions to enable the world's top brands to better engage their consumers through loyalty programs. In other news, suretap announced the appointment of Almis Ledas, an accomplished executive in the Canadian mobility and mobile payments ecosystem, as its new president. Ledas previously held senior management positions with Bell Mobility and currently serves as the chief operating officer of EnStream, Canada's mobile payments hub connecting mobile network operators and financial institutions.

EnStream is a member of ACT Canada; please visit www.enstream.com

3. APPLE PAY LAUNCHES IN CANADA WITHOUT COOPERATION FROM CANADIAN BANKS
Source: IT Business (11/17)

Apple Pay launched in Canada, allowing consumers to make purchases with their iPhones at the checkout in places like Tim Hortons, Indigo, McDonald's, Petro Canada and Staples. But since Apple Pay's merchant partner is American Express, Apple Pay is essentially limited to those with AmEx cards, making it extremely difficult for Canadians to get access to. Sources told the Globe and Mail that Apple's negotiations with Canadian banks and more widely used credit-card

networks were dragging on, and that the company decided to proceed with AmEX instead of waiting any further. In comparison, Apple Pay in the U.S. launched in October 2014 and currently accepts Visa, MasterCard, American Express and Discover cards from most major banks. On Tuesday, it also expanded its support to more than 100 additional card issuers.

The current requirements to using Apple Pay in Canada are:
- You own an Apple Pay compatible device such as the iPhone 6, iPhone 6S, or Apple Watch.
- You are an AmEx cardholder.
- You're shopping at a retailer that supports both tap-to-pay and also accepts American Express.

As ITBusiness.ca reported previously, there may be a few people who meet these requirements, so it's still very unlikely that Apple Pay will be replacing your analog wallet anytime soon.

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

4. GIESECKE & DEVRIENT ENABLES CONTACTLESS PAYMENT WITH SWATCH BELLAMY
Source: Giesecke & Devrient (11/04)

Giesecke & Devrient (G&D) is the provider of the embedded smart card chip and the operating system that enable the first contactless payment watch in China, Bellamy, by the Swiss watchmaker Swatch. "We are very proud and honored that G&D had the opportunity to contribute to the innovative Swatch Bellamy watch", said Stefan Auerbach, Group Executive Mobile Security at G&D. "Partnering with hardware manufacturers is an ideal way of combining style, convenience and security. The Swatch Bellamy makes every-day payment transactions more convenient for the global user, and we make sure that these transactions are protected. We see 'smart hardware' as the next step toward a hyperconnected world and are poised to support this development with our security expertise. Payment functions are gradually becoming a standard feature for wearables, and we expect this trend to expand to other hardware, incorporating not only payment but also other applications, such as for example public transport. Security for these applications, the protection of data and privacy, is a must in order to create broad acceptance in the markets."

"The Chinese and Asian markets are trendsetters when it comes to mobile applications as well as smart devices and smart hardware," stated Dr. Roland Savoy, Managing Director APAC at G&D. "In cooperation with partners across industries, such as Swatch, we have been fostering innovation and smart security in these markets. Swatch affording us the chance to supply security for its Bellamy

watch is a clear signal that we are on the right track with our mobile security products and solutions in Asia." Nick Hayek, CEO of Swatch Group and Swatch: "We are happy with the cooperation with the G&D team in the Swatch Bellamy project. And we look forward to developing this relationship further."

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

5. FOR CARD PAYMENTS, UNIFIED STANDARDS ARE KEY
Source: PYMNTS.com (11/20)

In Europe, unified card payments standards have been gathering a drumbeat of growing support. In a white paper titled "Understanding the Benefits of Adopting nexo Standards," a group of retailers and industry experts explained that there is lack of harmony across European payment acceptance standards. nexo, the international nonprofit based in Brussels – set up to promote a universal standard across card payments in Europe — said its commissioned research, which was conducted in April and May of this year, spanned multinational retailers. The reason for the lack of cohesive standardization comes from the fact that each country embraces its own standards, many of which differ in terms of technology and process. The fragmented nature of the markets was not necessarily problematic when initially adopted as long as three decades ago, when merchants and financial institutions served, primarily, home markets. But that changed as sweeping social and political changes have led to globalized trade on an ever larger scale and, in Europe, with the advent of the euro.

In the research conducted for nexo, key findings point to the continued interoperability challenges that could be mollified by open standards across countries, which would also be free of royalties and universal in scope. Upon the adoption of universal standards, the payments industry would enjoy a number of benefits, and the most immediate would include cost savings, which nexo estimates peg at greater than 20 percent. Speed to market, in terms of implementation time to get a payments system up and running, would also be streamlined, by at least four months, the research showed. There's also a boon tied to centralization for software developers, too, as they do not have to create individual products for each of several different countries.

Though the benefits of adopting nexo standards may be self-evident, the paper noted, reluctance may be an impediment to widespread universal standards adoption, chiefly because of time and money that has already been invested. In reference to standards, data showed that the ISO 20022 platform is becoming widely adopted due to the fact that it is flexible enough to be used across a number of transactions, ranging from corporate payments to securities to trade between entities. Speaking to technology, said nexo, XML and consistent messaging standards ensure data flow and transparency. nexo's own standards, as recommended, look to support contact and contactless payments and both EMV

and non-EMV security approaches, along with several pathways to customer verification, such as online and offline PIN, signatures and also tokenization.

In addition, there are clear advantages that can be realized with the nexo EPAS Retailer standard, which adds layers of security by separating software applications that are found on an ePOS terminal, which record transactions as they happen, and which share hardware such as card readers and printers. The EPAS standard, posited nexo, allows for smooth adoption of PCI DSS, and also allows retailers to maintain some level of choice in suppliers and technology. Companies like ACI Worldwide have already begun working with clients to take advantage of the nexo EPAS standard. Andrew Quartermaine, VP Merchant Retail at ACI, commented, "We are seeing increased interest in nexo standards from clients who are looking to deploy payment solutions rapidly, easily and optimized in all countries of operation. One single platform provides faster time to market, higher operational efficiency, and reduced compliance and certification costs." Adds Quartermaine, "We would urge retailers to evaluate the nexo standards to ensure they can take advantage of the opportunities that these standards deliver for profitable cross-border growth."

6. DESJARDINS GROUP ESTABLISHES AGREEMENT TO JOIN SECUREKEY CONCIERGE AUTHENTICATION SERVICE
Source: SecureKey (11/17)

SecureKey Technologies announced that Desjardins Group has reached an agreement with SecureKey to become a Trusted Sign-In Partner participating in the SecureKey Concierge service, following integration and associated compliance approvals. The SecureKey Concierge service is delivered through a secure cloud service that grants users access to critical online services via their familiar online banking sign-in process, rather than having to create yet another user ID and password to manage. While using their trusted credential from a Sign-In Partner to access online services, SecureKey Concierge ensures that no passwords or personal information (name, date of birth, etc.) are shared or exchanged. Through SecureKey Concierge, Desjardins members and clients will be able to securely access online services from subscriber organizations in the public and private sector, including the Government of Canada, using their existing Desjardins online banking login IDs and passwords.

SecureKey Concierge has experienced substantial usage growth in the past year and operates on SecureKey's industry-leading briidge.net Exchange Platform, the market-leading multi-tenant federated authentication and identity platform. "As consumers rely on online services for everything from taxes, to banking, to shopping, the need to create and remember multiple passwords is growing more frustrating—causing headaches for both the consumer and service provider," said Didier Serra, EVP, sales & marketing, SecureKey. "SecureKey Concierge eliminates this burden by enabling citizens to sign in to critical online

services using existing banking credentials to provide more convenient access. We're thrilled to have Desjardins Group committed to joining the already impressive list of Sign-In Partners to offer citizens the best of both worlds—simple access to online services, and the security and privacy they expect."

Desjardins Group and SecureKey Technologies are members of ACT Canada; please visit www.desjardins.com and www.securekey.com.

7. INGENICO GROUP AND AAVA MOBILE LAUNCH THE FIRST FULLY INTEGRATED TABLET WITH CONTACTLESS PAYMENT
Source: Ingenico (11/12)

Aava Mobile and Ingenico Group announced the launch of a retailer-specific tablet that will combine contactless payment and POS management features (CRM, stocks etc.). Running on Intel technology, this latest integrated tablet will offer new mobile features to the retail business. Easy to use for retailers, this solution will fully integrate a contactless payment module that complies with the highest security standards. It will optimize the purchase experience for consumers, a key factor in developing the brand image of major retailers. Our partnership with Ingenico Group and Intel enables us to harness the added value of both mobile technology and secure payment", indicated Markus Appel, CEO at Aava Mobile. "This new concept meets the expectations of retailers, who require tools that are robust, light and all-in-one. Integrating payment into a standardized tablet will offer them greater ease-of-use, while perfectly complementing their existing IT systems."

We have a vision that consumers and merchants should be able to conduct transactions securely on any device, anywhere, anytime" said Michelle Tinsley, Director of Mobility and Secure Payment for Intel's Retail Solutions Division. "This fully integrated design is the first mobile payment device capable of activating Intel's Data Protection Technology for Transactions and demonstrates our commitment to delivering security enhanced mobile payment solutions." We are delighted to be able to offer, alongside Aava Mobile and Intel, this new tablet concept that can support contactless payment. This innovation forms a part of our strategy to support retailers in developing their activities through innovative and easy-to-use payment solutions", commented Michel Leger, EVP Innovation, Ingenico Group. "This partnership illustrates our ability to develop initiatives integrating payment features into connected devices, one of the key areas in our innovation strategy."

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

8. GEMALTO LAUNCHES DYNAMIC CVV/CVC SOLUTION WITH BBVA BANCOMER
Source: CardNotPresent.com (11/30)

Gemalto, which unveiled in October a dynamic CVV/CVC solution to combat card-not-present fraud, announced the first issuer to roll the solution out. Mexican financial institution BBVA Bancomer will make Dynamic Code Verification from Gemalto available in its mobile wallet. The solution generates a new CVV/CVC code intermittently on the user's phone, which the issuer can validate when retailers ask for that verification type during an online or other card-not-present transaction. "This doesn't change the acceptance process for merchants in any way," Philippe Benitez, vice president of marketing for mobile payments at Gemalto, told CardNotPresent.com during a recent interview. "What it does require is for the bank to be able to authorize the CVV, which changes. It uses the existing payment rails and everything else stays the same."

Benitez acknowledged that Gemalto's dynamic CVV card would introduce additional costs for banks that wanted to issue the display card version of Dynamic Code Verification (actual physical cards with a CVV/CVC display on the back allowing for changing codes) but not as much for the mobile version, which generates the codes and sends them to the user's smartphone. Benitez sees many issuers, like BBVA Bancomer, going with the mobile version, but said issuers might target certain portfolios of their users with the physical card version (e.g., high-volume, high-spending e-commerce users).

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

9. AMAZON TO OFFER ONLINE PAYMENTS IN THIRD-PARTY MOBILE APPS
Source: CardNotPresent.com (11/02)

Amazon will start enabling consumers to pay at third-party mobile apps using the payment credentials they have on file with the Seattle-based e-commerce retailer, according to a report in Re/code. Amazon announced "Login and Pay with Amazon" two years ago for e-commerce sites, but it has yet to gain much traction. Until now, most of the company's success with the initiative has been in countries outside the U.S. including Germany and Japan. Enabling developers to include a "Pay with Amazon" button in mobile apps could jumpstart the service in the U.S. And, according to the report, it wants to "triple down" on the success it has had in other markets. With more than 200 million active accounts, the potential for Amazon to offer payments to other merchants has always been significant. The question remains whether merchants want to give a competitor visibility into their payment data.

10. AMERICAN EXPRESS CANADA TAKES ANOTHER STEP FORWARD IN DIGITAL INNOVATION
Source: Canada Newswire (11/18)

American Express has taken another big step in digital innovation, with the recent usability enhancements to the American Express App. Now featuring Touch ID* log in, Cardmembers can connect to their American Express Account with the touch of a finger on supported iPhone 5s and above devices, running iOS8 or higher. The American Express App for iPhone* and Android now features an easy to use activity timeline that allows Cardmembers to see their account summary, pending transactions and more in a single view**. The American Express App still allows users to keep track of their account, make a payment, view their Membership Rewards balance, and continue to receive the same customer service they expect from American Express. "Mobile has become the preferred service channel for some of our Cardmembers and we want to make sure we can offer them a seamless and integrated experience with the American Express App. These recent changes are another step in that direction and we will continue to invest and innovate in this area," said Suat Alaybeyoglu, Vice President, Consumer Acquisition and Management, American Express Canada.

With the new enhancements, Cardmembers can now:
- Get quick access to accounts with Touch ID log in
- View recent transaction details, pending transactions, and transactions using Apple Pay
- View activity timeline and account balance
- Manage multiple Card accounts

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

11. DANISH MOBILE PAYMENT APP EXPANDS REACH THANKS TO VERIFONE
Source: Mobile Payments Today (11/24)

Verifone and Swipp, a Danish mobile payment app, recently announced an agreement to integrate Swipp as an accepted payment method for more than 30,000 Danish merchants using Verifone devices. The app's development has been supported by more than 70 banks in Denmark, according to a press release. Based on Bluetooth Low Energy technology, the service will enable contactless payment from all phones with Swipp. The user experience will be very similar to that of NFC payments. Consumers will need to simply tap the phone in front of the terminal and swipe the app for approval. Verifone said the partnership will enable more than 800,000 Danes who currently use Swipp to send mobile payments to pay for their goods in store on a day-to-day basis. Today, Verifone supplies more than 50 percent of all terminals in Denmark. Consumers will also be able to benefit

from Swipp's high transfer limits, enabling them to pay up to DKK 25,000 (equivalent of EUR 3000 or USD 3,600) per day. The service will be live at a number of joint clients from December 2015.

"The Danes are very eager to be able to pay via their phones, and this is a genuine game changer in mobile payments in Denmark," said Chief Commercial Officer Peter Bredgaard from Swipp. "Merchants will experience an easy path to mobile payment as this only requires a minor upgrade of already installed Verifone terminals. They avoid extra devices in stores and all the cost and complexity associated with new hardware. As such it is by far the most cost-effective and fastest implementation of integrated mobile payment services you can embark on as a retail company in Denmark."

Verifone is a member of ACT Canada; please visit www.verifone.com.

12. MULTOS CONSORTIUM RELEASES NEW SPECIFICATION REVOLUTIONISING THE APPROACH TO MULTOS PERSONALISATION ENHANCING THE MULTOS PLATFORM TO BRING ADDITIONAL CHOICE AND FLEXIBILITY TO THE PERSONALISATION BUREAU
Source: MULTOS (11/11)

The MULTOS Consortium, a group of leading companies involved in the promotion and development of the MULTOS standards, announced an update to the MULTOS specifications that include enhancements to the card lifecycle management functions that will further ease perso bureau operations. MULTOS products are unique in the market, offering an enablement step that cryptographically locks the chip to the issuer of the card. Now, for the first time, the bureau can choose the method of where this cryptographic 'lock' is generated - either using the existing central MULTOS Key Management Authority (KMA), or integrating the process directly into the personalisation facility. With the new integrated enablement option, MULTOS devices are the only products on the market that can be turned from standard generic stock into locked and loaded devices in a single step.

The feature is included in the latest MULTOS specification and can now be supported by new MULTOS products. Chris Torr, Technical Manager of the MULTOS Consortium says "This is a significant release to further enhance the MULTOS provisioning methods. The new MULTOS products supporting Real-Time Enablement now allow customers to choose which method to invoke during personalisation, and the OS will automatically configure itself without the need for any special commands. This mean that products can be introduced seamlessly into existing personalisation environments and customers can take advantage of the advanced options to streamline their processes. We are already seeing the first products from MULTOS International that offer these new features entering the market."

Richard Cusson, General Manager of MULTOS International, commented "This is great news for personalisation bureaus. Our latest product releases MULTOS MC4 and ML4 P17 series support the new personalisation features. We have also introduced our next generation key management utility - called C3 - that can be integrated into the personalisation system to bring real-time enablement inside the bureau. This really does bring card personalisation to a new level, and we are excited to be already working with several customers to bring those benefits to the market."

MULTOS is a member of ACT Canada; please visit www.multos.com.

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13. CANADIAN GIFT TRENDS SURVEY FINDS GIFT CARDS ARE THE MOST POPULAR GIFT THIS HOLIDAY SEASON
Source: Canadian Prepaid Providers Organization (11/09)

With the holiday season quickly approaching, a recent survey reveals that more Canadians are wishing for the gift of choice and flexibility. A majority of Canadians, 79 per cent, say they would like to receive an open loop gift card, allowing them to buy exactly what they want, when they want it and 78 per cent prefer open loop gift cards versus closed loop gift cards that they can only be used at one retailer. Open loop gift cards carry the card brand of American Express, MasterCard or Visa and are accepted everywhere the card network is accepted, including in-stores and online. This data tracks with trends seen in the United States. Gift cards have been the most popular gift in America for the past eight years and open loop gift cards continue to grow in popularity. Entitled What Canadians Really Want: 2015 Holiday Gift Trends, the online survey of 1,563 Canadian consumers was conducted by Leger and commissioned by the Canadian Prepaid Providers Organization (CPPO), the voice of the rapidly growing open loop prepaid payments industry in Canada.

Open loop gift cards was the most popular gift choice at 53 per cent, followed by closed loop (also known as retail gift cards) at 45 per cent and clothing and accessories at 40 per cent. Slightly more women than men preferred to receive a gift card with 57 per cent vs. 48 per cent wanting open loop gift cards and 51 per cent vs. 40 per cent wanting retail gift cards. Canadian gift buyers also highlighted their preference for giving gift cards with 70 per cent saying they like to give gift cards over cash because they feel the recipients are more likely to spend it on something special for themselves. The majority also noted their desire to let the recipient get exactly what they want (68%) and that open loop gift cards are more secure than cash (51%). As a result, the survey found that 62 per cent of Canadians anticipate purchasing a gift card during the upcoming holiday season with 46 percent intending to purchase at least one open loop gift card. "It's not surprising that the convenience, flexibility and security of open loop gift cards have Canadians moving away from the traditional gifts of choice this holiday season," says David Eason, CPPO co-founder and Chairman of the CPPO and Berkeley

Payment Solutions. "Today's connected consumers crave the freedom to shop for what they like, wherever and whenever they like, and that flexibility is contributing to the growing popularity of open loop gift cards in Canada."

Additional results from the What Canadians Really Want: 2015 Holiday Gift Trends include:

- Open loop gift cards (53%) and closed loop (retail) gift cards (45%) are the top holiday gift picks among Canadians, followed by clothing and accessories (40%), books and DVDs (32%), mobile devices and/or computer electronics (26%) and gaming consoles and games (11%)
- One-third (33%) of Canadians have given, and 45% of Canadians have received, an open loop gift card as a gift
- While Canadians of all ages are equally as likely to give a gift card, Millennials are the most likely to have received an open loop gift card as a gift (57%)
- Over three-quarters (78%) like the flexibility of being able to use open loop cards almost anywhere versus a retail gift card
- Over half (51%) prefer open loop gift cards because it is more secure than giving cash

Open loop prepaid cards are a cost-effective, flexible and easy-to-use payment tool. The cards can be used anywhere the card network (American Express, MasterCard and Visa) is accepted, including online and around the world. They are rapidly replacing cheques as a less expensive and more secure option for issuing payments. Open loop prepaid cards look and function like traditional credit and debit cards at the point-of-sale and offer the same fraud and loss protections offered by the card network with a significant difference— they access a set amount of funds that have been pre-loaded by a consumer, by a government or by a business.

The CPPO is a not-for-profit organization and the collective voice of the open loop prepaid payments industry in Canada. It is the only Association solely focused on this growing industry and is supported by major financial institutions, card networks and other industry players. The CPPO is focused on awareness and education so that consumers and businesses can have the best experience with these popular products. Members of this not-for-profit organization include major financial institutions, payment card networks, program managers and key vendors that support the growth of this industry.

American Express, MasterCard and Visa are members of ACT Canada; please visit www.americanexpress.ca, www.mastercard.ca and www.visa.ca.

14. IOT? "NEVER HEARD OF IT," SAY OVER HALF OF CANADIAN BUSINESSES
Source: IT Business (11/19)

Almost nine out of 10 Canadian businesses admit they aren't fully utilizing digital technology and their own lack of knowledge may be partly to blame, a new Microsoft Canada survey reveals. Although half (49 per cent) of the 700 C-level executives surveyed believe technology helps their business stay competitive, 85 per cent said they're not fully utilizing the technology. When asked why, 70 per cent blamed cost, 56 per cent named integration issues and 28 per cent cited security concerns. Other parts of the survey revealed another potential reason Canadian companies haven't fully adopted digital technologies: a lack of awareness or understanding about them among the executives themselves. For example, the survey released Wednesday states that "many C-suite executives fail to understand the importance of the cloud, with 62 per cent giving it an importance rating of five out of 10 or lower."

While the number of businesses considering or implementing cloud hit 52 per cent – up nine per cent from last year's survey – half of the executives (49 per cent) said they still feel "intimidated by the cloud." When queried about the Internet of Things (IoT), nearly two-thirds (72 per cent) said it's "a confusing concept" and more than half (53 per cent) were "completely unaware of it," according to the report, which polled businesses across Canada ranging in size from SMB to enterprise. At a Toronto event held Wednesday to publicize the survey's release, panelist John Ruffolo called the findings "both enlightening and a little depressing" for Canadian businesses. "It's absolutely fine to ignore (digital technology) but you will die," warned Ruffolo, CEO of OMERS Ventures, the venture capital arm of the Ontario Municipal Employees Retirement System. He said although Canada has more startups per capita than the United States, American startups enjoy greater productivity than their Canadian counterparts just five years after launching. "Why? It's the embracing of technologies (by U.S. startups) to increase their efficiencies and ability to compete," Ruffolo said.

"Most Canadian businesses are not prepared for the Internet of Things at all," added keynote speaker Amber MacArthur, president of Konnekt Digital Engagement. While that's partly due to the fact IoT is simply a much newer technology than something like cloud, she said many people have a hard time wrapping their heads around the idea of a world with limitless connectivity everywhere at all times. "I think the tipping point (for IoT) is in the home first," said MacArthur, predicting that once consumers start to see "real savings" from IoT applications on personal items like their home energy bills, wider business adoption will follow thereafter.

15. FIRST REACTION TO APPLE PAY IN CANADA IS NOT A GOOD SIGN FOR VISA AND MASTERCARD
Source: Let's Talk Payments (11/27)

With an existing presence in the US and the UK, Apple Pay launched its service in Canada on November 17 and has been available for American Express cardholders for a little more than a week already. Surprisingly, major Canadian banks said little or nothing about Apple Pay support prior to the launch, which could mean that Apple Inc. is paving its way to the market through the network owners rather than card issuers. Canadian banks are being cautious with Apple Pay since the fraud incidents and could require Apple Pay to embed secondary verification such as PIN before the cards can be used by customers. Apple Corp., known for being the evangelist of a seamless experience with no extra clicks may object to the requirement as it can complicate the payments process. Any secondary verification can also possibly increase the cost of providing a service for the banks.

With American Express backing Apple, two other major players in the market – Visa and MasterCard – are still having second thoughts. Visa has its Visa Digital Enablement program to simplify mobile commerce for payment systems. Moreover, earlier this year, the company partnered with Google and banks across the globe to offer new mobile payments services. Given that Google has Android Pay, Visa's decision on Apple Pay may be significantly influenced. As stated by The Globe and Mail, MasterCard was reportedly willing to agree to Apple's terms and shared with Canadian media that the company is focused on having "MasterCard cards on all devices, working in partnership with all platform providers."

The partnership with American Express does not seem to be the best arrangement for Apple Pay either as AmEx is the smallest players among Visa and MasterCard, having 70 million cards issued vs. 4 million from AmEx. It is not surprising AmEx was keen to partner with Apple Pay for a soft launch as the card issuer had a significant issue maintaining and expanding its market share, especially after it did not renew the contract with Costco Wholesale Ltd. for the next period, and lost to Citi the opportunity to earn $100 million annually from Costco accounts starting 2016. According to Canadian The Globe and Mail, some Canadian banks expressed concerns about whether the tech giant would push their own brands into a lesser role with consumers while others are keener to form a partnership. Twitter has been glowing with disturbing signs for other issuers and networks. This has probably been foreseen by Apple Inc. when they chose AmEx as a gateway. The strategic choice of a smaller player and disappointment of the customer base of all major players could potentially lead issuers to come to Apple Inc. themselves.

Clearly, the banks have been seeing a lot of requests on Twitter addressing to customers' frustration with the inability to use Apple Pay. Some of the customers have been considering switching the card and the bank because of the unavailability of Apple Pay. A wall of questions is being raised for the major issuers

regarding Apple Pay. As Apple Pay rolls out, frustration with the financial institutions not supporting the services is growing. Until the moment they start supporting Apple Pay, AmEx has a great opportunity to stay ahead of the game and, probably, strengthen its market position. Prior to November 17, we had plenty of questions and doubts on the partnership choice and opportunities for Apple Pay in Canada. Time has demonstrated that this has most likely been a deliberate strategic choice and a cost-effective way for Apple Inc. to get other players seek for collaboration instead of spending resources and efforts to get them on board for the launch.

The tension is rising every day for all major banks, with unhappy clients threatening to change their banks and questioning banks' ability to be up to date with trends. As a reminder, Apple Pay was launched in October 2014 and has since then been a controversial topic for discussions with different predictions on the future of the service. However, the service confidently expands its adoption both in the US and the UK, where it was launched in June 2015. Apple Pay worked with 70% of credit and debit cards in the UK including Halifax, Lloyds Bank and the Bank of Scotland; 250,000 locations in the UK have started accepting Apple Pay since July, including major merchants and Transport for London (TfL). Apple Pay already supports cards that represent around 90% of the credit card purchase volume in the US.

American Express, MasterCard & Visa are members of ACT Canada; please visit *www.americanexpress.ca, www.mastercard.ca and www.visa.ca.*

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16. CARDTEK TO PROVIDE SOLUTION TO MASTERCARD PROCESSOR
Source: Cardtek (11/12)

Cardtek has been selected by MasterCard Payment Transaction Services S.A. (formerly Trevica S.A.), a payment processing company fully owned by MasterCard, to provide their HCEXpert solution. Cardtek's solution will enable MasterCard Payment Transaction Services S.A. to provide managed services to its banking customers for NFC payments on smartphones. HCEXpert, a cloud-based mobile payment platform, offers consumers a secure and convenient mobile payment experience, while providing smooth and efficient processing of digitized credit, debit and pre-paid cards for issuers. The solution's open interface simplifies the integration process and eliminates costly IT investments, while being integrated with MasterCard Digital Enablement Service (MDES) provides additional security. Available in Android devices with KitKat 4.4 and up, Cardtek's HCEXpert is much sought after by major card schemes and issuers. With HCEXpert, issuers simplify complexity associated with launching mobile payment services with cloud-based credential management and independency from third parties.

"Our vision for digital payments is to provide the most advanced technologies for the best mobile payment experience across all channels and devices," said Erdal Yazmacı, General Manager of Cardtek. "HCEXpert is only one of the software solutions that support this vision. We always have been committed to supporting our partners by delivering top-notch payment solutions." "We are a European technology company with Polish roots, operating since 2008. We are constantly improving our competence and the technology to offer our customers the most innovative services," said Bruno Baugnies, President of MasterCard Payment Transaction Services S.A.

Cardtek and MasterCard are members of ACT Canada; please visit www.cardtek.com and www.mastercard.ca.

17. ORANGE CASH BRINGS REAL-TIME LOYALTY PROGRAM AND CONTACTLESS PAYMENT APP INTEGRATIONS TO FRANCE
Source: Loyalty 360 (11/11)

Customer experiences that are easy and convenient are turning the tide for a lot of businesses that are becoming disrupters in their space. The ability to harness and leverage the power of emerging technologies also plays a big role in this respect, and this is one of the driving reasons behind the rise of mobile wallet and contactless payment systems. Orange Cash is striving to become an industry leader in this respect, and it has just tightened its grip in France through a new nationwide launch across France. Powered by Wirecard Group, a global technology and electronic payments company, Orange Cash serves as a mobile wallet app that allows customers with NFC-enabled smartphones to make payments simply by taping their phones against any contactless Visa terminal. Currently, it is available in over 2.8 million acceptance points across Europe.

And now, after a launch in selected French cities, Orange Cash will be accessible to more than 30,000 retailers such as IKEA, Picard, Relay and more. "We've launched in six pioneer cities, taking time to pilot and use the learning's in order to launch nationwide an application that will lead the development of mobile payments in France," said Thierry Millet, SVP Mobile Financial and NFC Services at Orange Cash. "This is why we have now decided to launch throughout the whole country. Design, usability and technical simplicity have been the main drivers in the creation of Orange Cash. In Wirecard, we have a competent partner at our side, offering us an all-in-one concept - from the technical expertise, payment processing up to integrated valued-added services." This new launch comes after a successful integration in Spain earlier this year.

The popularity of Orange Cash also stems from its ability to combine contactless mobile payments with real-time loyalty programs and various promotional offerings from participating retailers across Wirecard's Card-Linked Offers platform.

ACT Canada, the stakeholder association driving payment evolution & digital identity, is pleased to announce the winners of the IVIE Awards, celebrating innovation in payments and secure identity products using secure chip technologies. The IVIE Awards recognize the ingenuity of the winners and the value that implementations of emerging technologies bring to the market. We are pleased to announce the following winners of the 2015 IVIE Awards:

2015 IVIE Award for International Payments benefiting Consumers
Giesecke & Devrient for Jie Pai

2015 IVIE Award for International Payments benefiting Issuers
Gemalto for Ezio Dynamic Fraud Manager

2015 IVIE Silver Award for International Payments benefiting Issuers
Gemalto for Dynamic Code Verification

TIE - 2015 IVIE Award for Canadian Payments benefiting Consumers
DC Payments for DC TAG

TIE - 2015 IVIE Award for Canadian Payments benefiting Consumers
Wellspring Financial for Rapid Credit Solution

2015 IVIE Silver Award for Canadian Payments benefiting Consumers
suretap LP for suretap wallet

2015 IVIE Bronze Award for Canadian Payments benefiting Consumers
Scotiabank for Scotiabank SCENE Prepaid Reloadable VISA

2015 IVIE Award for Canadian Payments benefiting Merchants
Moneris Solutions for Moneris' Unattended Solution

2015 IVIE Silver Award for Canadian Payments benefiting Merchants
Wellspring Financial for Rapid Credit Solution

2015 IVIE Bronze Award for Canadian Payments benefiting Merchants
suretap LP for suretap wallet

2015 IVIE Award for Canadian Payments benefiting Issuers
DC Payments for DC TAG

2015 IVIE Silver Award for Canadian Payments benefiting Issuers
Tangerine Bank for Tangerine MasterCard Credit Card

2015 IVIE Bronze Award for Canadian Payments benefiting Issuers
Scotiabank for Scotiabank SCENE Prepaid Reloadable VISA

2015 IVIE Award for Most Innovative Company
Canadian Imperial Bank of Commerce

2015 IVIE Silver Award for Most Innovative Company
suretap LP

2015 IVIE Bronze Award for Most Innovative Company
MaRS FinTech

"ACT Canada is pleased to provide a program through which innovation in our industry is recognized and presented to our members, because innovation is a foundation for market growth," said Catherine Johnston, President and CEO of ACT Canada The IVIE Awards were sponsored by Central 1, Credit Union Central of Canada, Delego Software, Gemalto, ICC Solutions, Interac Association, Moneris Solutions and SecureKey Technologies.

For membership inquiries, events and other information, please visit *www.actcda.com.*

Canadian Imperial Bank of Commerce, Central 1, Credit Union Central of Canada, DC Payments, Delego Software, Gemalto, Giesecke & Devrient, ICC Solutions, Interac Association, Moneris Solutions, Scotiabank, SecureKey Technologies, Tangerine Bank and Wellspring Financial are members of ACT Canada; please visit www.cibc.com, www.central1.com, www.cucentral.com, www.directcash.net, www.delego.ca, www.gemalto.com, www.gi-de.com, www.iccsolutions.com, www.interac.ca, www.moneris.com, www.scotiabank.com, www.tangerine.ca and www.wellspringfinancial.com.

19. MICROSOFT LAUNCHES CLOUD-BASED BLOCKCHAIN PLATFORM
Source: PYMNTS.com (11/11)

Microsoft just got serious about blockchain technology. The company announced this week that it has launched a cloud-based blockchain platform with ConsenSys, a startup based out of Brooklyn in New York City. The platform is designed to provide a method for financial institutions to test out the blockchain. The blockchain is most known for being the technology that underpins bitcoin, but in recent months the term blockchain — which is the decentralized ledger technology that records bitcoin transactions — has been the buzzword, leaving bitcoin a bit in the dust. Its technology, of course, is not limited to bitcoin, as companies have been testing how blockchains can be used to secure and transmit multiple types of data in more secure and efficient manners.

In this particular instance, Microsoft and ConsenSys have partnered on the service that will be known as Ethereum Blockchain as a Service (EBaaS). The service will be on Microsoft Azure so Enterprise clients/developers can test working with cloud-based blockchain technologies. Enterprises using the platform will have access to the cloud-based technology without having to invest in building their own systems. "The Enterprise Partner Group at Microsoft is on the front lines with some of our largest customers. Everyone, particularly financial services, is interested in blockchain technology. While a platform like bitcoin has many great uses specifically as a cryptocurrency, Ethereum provides the flexibility and extensibility many of our customers were looking for. With the Frontier Release last summer, Ethereum is real and has a vibrant community of developers, enthusiasts and businesses participating," Marley Gray, Microsoft's Director of Technology Strategy For U.S. Financial Services, wrote in a blog post.

As Gray points out, blockchain's technology has most recently been attracting those in the financial services sectors, mainly because of its ability to innovate the space. What Ethereum Blockchain as a Service allows FS customers to do, he notes, is "allow them to create private, public and consortium-based blockchain environments using industry-leading frameworks very quickly, distributing their blockchain products with Azure's worldwide distributed (private) platform."

20. FIME LAUNCHES ONLINE NFC CAP FILE SECURITY ANALYSIS SERVICE
Source: FIME (11/13)

FIME launched TrustApp, a secure online testing portal for near field communication (NFC) applications embedded in secure elements. Mobile network operators (MNO) and NFC service providers can now validate the security of their sensitive and basic NFC applications, quicker and more cost effectively. "As TrustApp is online, it allows stakeholders to perform on-demand pre-certification security testing throughout the development process, 24/7 and wherever they are," comments Christian Damour, Head of Product and Services Marketing, Security, at FIME. "Applications can then be submitted to a test laboratory for final validation with confidence that they will pass the official testing process. This process helps our customers save time and money while avoiding the frustration that can arise if an issue is identified at this final approval stage."

The primary function of the portal is CAP File analysis. Due to the sensitivity of testing the CAP File – an NFC application's bytecode which contains intellectual property – the file is automatically encrypted on the client's machine before it is uploaded to the testing platform and stored on a secure server. Testing this file confirms that the NFC application conforms to the relevant industry security standards. The portal also gives users immediate and convenient access to fully automated end-to-end application testing and report generation, as well as report

download. "This service helps NFC service providers to ensure their NFC applications are compliant, at their convenience," adds Christian. "Both sensitive and basic applications need to be tested to complete the NFC security chain as even the simplest of NFC applications could compromise a user's device if it does not meet the required standards. The ability to access a secure online portal to perform pre-certification testing makes the whole process quicker and more convenient, while reducing overall costs and maintaining the security of customers' data." FIME has developed this service in collaboration with the Celtique team at Inria, a research team dedicated to improving the security and reliability of smart card and secure device software. It includes analysis for alignment with key security rules from a number of international industry authorities and platform manufacturers. Additional bespoke security rules can also be developed and added to the tool.

Once the basic or sensitive application has been verified by the online portal, the final stage is local laboratory validation by FIME's experts. Applications are subjected to additional CAP File analysis, source code review and testing for compliance to the key security rules. Sensitive applications are also security tested against relevant industry application requirements.

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

21. MASTERCARD CARDHOLDERS CAN NOW USE VODAFONE WALLET FOR NFC PAYMENTS
Source: Carta Worldwide (11/16)

Vodafone Wallet users will be able to pay for goods and services contactlessly using their MasterCard cards, with the service scheduled to launch to consumers in European markets within weeks. Contactless card payments using Vodafone Wallet require a Vodafone NFC SIM and are supported on more than 60 Android smartphones.

Customers can simply:
- Activate the service by inputting their MasterCard card number into the Vodafone Wallet, where it is protected by the SIM and MasterCard SecureCode;
- Pay by tapping the smartphone on a contactless point-of-sale terminal; and
- Check their balance and transactions using the app on the smartphone.

Payments are automatically charged to the selected cards, which are protected with a user-defined 4-digit PIN for higher value payments. Mark Ritzmann, Head of mCommerce at Vodafone Group said: "We are delighted to enable MasterCard cards to be used contactlessly with Vodafone Wallet. Following our announcement earlier in 2015, MasterCard customers will also be able to add their cards and pay within minutes using our fast, secure and simple contactless payment system

when it rolls out in the coming weeks." David Dechamps, Head of Emerging Payments Europe at MasterCard said: "MasterCard's priority is to provide everyone with more options to pay with their mobile phone, securely and conveniently. With their MasterCard cards enabled in the Vodafone Wallet, consumers will be able to pay in a contactless manner at more than 3 million retail locations around the world."

Carta Worldwide has partnered with Vodafone to provide the payment card enabling technology. Vodafone Wallet is currently available in Germany, Spain, the UK, Italy, The Netherlands and Hungary. Customers can already add loyalty cards into the Vodafone Wallet and since 2013 have used Vodafone SmartPass to pay for goods and services. This evolution of the Vodafone Wallet is part of the Vodafone mCommerce strategy designed to provide a mobile alternative to coins, banknotes and plastic cards.

Carta Worldwide and MasterCard are members of ACT Canada; please visit www.cartaworldwide.com *and* www.mastercard.ca.

22. 'TIS NOT THE SEASON FOR SOCIAL MEDIA 'BUY' BUTTONS
Source: PYMNTS.com (12/02)

The 2000s were defined by millions upon millions of Americans jumping on board social networking sites like Facebook, Twitter and more. So far, the 2010s have been defined by retailers' inabilities to convert these user bases into active shoppers. Look no further than the slow burn of buy buttons on major social networks this holiday shopping season, Re/code reported. Despite active buy button initiatives at Twitter, Facebook and Pinterest, some of which have been ongoing for more than a calendar year, shoppers are not routing even a significant fraction of their purchases through these social commerce channels. In fact, Re/code reported that Pinterest is seeing fewer than 10 purchases per day through its "Buyable Pins" feature. A Pinterest spokesman told Re/code that though sales may be slow to nonexistent at the moment, there are achievements to celebrate with the buy button experiment.

"Although it's still early days with the program, we are hearing from merchants that many of their customers coming through Buyable Pins are new and we are driving higher mobile conversions," the spokesman said in an email. While some of the biggest names in social commerce can't seem to find traction with buy buttons, it might actually be the niche brands that see more sales in the short term. Jason Goldberg, senior vice president of commerce and content at Razorfish, told AdAge that the concept of buy buttons is still so new to the average consumer that only those shoppers performing deep dives in search of unique items from familiar retailers would drive any sales at all. "Only a few retailers that have specific merchandise are going to be able to squeeze it in," Goldberg told AdAge. "Right now, retailers have to go buy the tool and figure out how to use it. By next holiday

they will already have the tool and know how to use it and will be making a strategic decision on which products to sell on which networks."

23. SWATCH TIES UP WITH VISA TO ENABLE NFC PAYMENTS
Source: Let's Talk Payments (12/01)

Swatch SA and Visa Inc., along with Visa Europe, have signed an agreement providing eligible Visa cardholders in the US, Switzerland and Brazil the ability to tap and pay with Swatch's forthcoming "pay-by-the-wrist" watch Swatch Bellamy. Scheduled to launch in early 2016, Swatch Bellamy can be used globally, in any location where contactless, NFC-based (near-field communications) Visa payments are accepted. The Bellamy watch is named after American writer Edward Bellamy, who in the 19th century envisioned a utopian world in which cash will be replaced by credit/debit cards; Bellamy was the first to write about such cards, 40 years before anyone else did. Contactless payment systems are devices that use radio-frequency identification (RFID) or near field communication (NFC) to make secure payments. Contactless payments have been around since 1997, mobile being one of the early adopters. Since then, major players in the industry have begun adopting this technology considering the amount of effort and resources that have been saved.

The new Swatch Bellamy watches have a built-in NFC chip hidden under the dial. Like a prepaid bank card, a Swatch Bellamy watch enables users to pay for items using merchants' contactless POS terminals. Swatch Bellamy is scheduled to be initially available in early 2016 in the US, Switzerland and Brazil. Swatch Bellamy was first presented in China in October 2015. According to a recent report from Tractica, wearable payment transaction volume will grow from $3.1 billion in 2015 to $501 billion worldwide by 2020. The market intelligence firm anticipates that in five years, wearable payments will represent approximately 20% of the total mobile proximity transaction volume and about 1% of total cashless transactions in retail. If we talk about the contactless payments market in Europe, the figure clearly indicates that it is the right time for new players to grab the opportunity. Contactless payments in the UK are on their way up with impressive usage statistics. According to Visa Europe, there are now almost 70 million contactless cards in circulation in the UK, and halfway through 2015, contactless spending is already outstripping the amount spent during the whole of 2014. Indeed, in June of this year, £567 million was spent using these cards compared to £287 million in January. Retailers are eager to meet consumer demand for contactless payment, and contactless point-of-sale terminals are becoming ever more commonplace. We'll see contactless acceptance continue to expand as NFC-enabled mobile and wearable devices continue to grow in popularity.

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

24. APPLE PAY SEEKS FEB. LAUNCH IN CHINA, INCREASED ADOPTION IN U.K.
Source: CardNotPresent.com (11/25)

Breaking into China with Apple Pay has not been completely smooth for the world's most profitable company, but Apple said it will launch the mobile-payment service in China in February, according to a report in the Wall Street Journal. Published reports earlier in the year suggested Apple was struggling to make the deals necessary for a Chinese launch, but yesterday's report indicated the Cupertino, Calif.-based device maker has struck deals with China's four state-run banks: Industrial & Commercial Bank of China, China Construction Bank, Agricultural Bank of China and Bank of China. While neither Apple nor representatives of any of the banks commented for the story, the report said much of the resistance Apple had been running into centered around the fees it would charge and that, given the number of different agencies responsible for financial services and e-commerce in China, regulatory approvals could be slow in coming. The company hopes to launch before Feb. 8, which is China's Spring Festival holiday.

25. LG ANNOUNCES MOBILE PAYMENT SOLUTION
Source: CardNotPresent.com (11/23)

LG, the world's fifth-largest smartphone manufacturer, has joined Apple and Samsung as the most recent device maker to develop its own mobile payment solution. The South Korean company late last week unveiled its plans for LG Pay (echoing Chase Pay, Samsung Pay, Android Pay and, of course, Apple Pay). Details about the features of the service were thin when the company announced on its Facebook page it had partnered with South Korean issuers Shinan Card Co. and KB Kookmin Card Co. on the venture. Published reports said whatever solution is finally developed will work on all LG models, not just new ones. And, sources from the company indicated it will work on all types of POS terminals, not just NFC-equipped models. As for in-app payments, which currently are supported by Apple Pay and planned by subsequent entrants, it is unclear if LG Pay will include that capability. The company did not indicate when the service would be available in South Korea nor when it plans to expand internationally.

"The LG Pay mobile payment service will provide a consumer-oriented and general-purpose payment experience from the existing mobile payment systems," said KB Kookmin Card CEO and President Kim Duk-Soo in published reports.

26. RESULTS OF INGENICO GROUP'S FIRST HACKATHON FOR INNOVATION

Source: Ingenico (11/24)

Ingenico Group has proved the maturity of its Telium Tetra offer by launching its first hackathon for innovation. Participants were asked to develop HTML5 applications to reinvent convenience shopping on payment terminals. 80 developers and candidates with innovative ideas were given 48 hours to come up with new HTML5 applications allowing merchants to offer value-added services to their customers from payment terminals. Of the 23 finished projects presented to the jury, 4 teams won and each received a prize of €4000. The 4 finalist teams then joined the fast-track incubator to refine their projects and present them to visitors at the Ingenico Group stand during the Cartes exhibition. "We were impressed by the ideas and talent that emerged from this hackathon," explains Michel Léger, EVP Innovation for Ingenico Group and member of the hackathon jury. The quality of the applications and the business models presented by the participants were of a professional level. The jury, moreover, awarded prizes to 4 teams instead of 3 as initially planned. We also offered to accompany all of the participants in continuing to develop their applications in order to integrate them into our marketplace."

The 4 finalist teams presented their project at the Ingenico Group stand during the Cartes exhibition and visitors were able to vote for the best application. The first prize 'Ingenico Innovation' went to project 'Louise', an application allowing merchants to call in extras when one of their employees does not show up. The terminal becomes multi-functional since it allows the merchant to send his request, contract and sign-up the part-time worker.

The 3 other finalist projects were:
- 'Shopeaz', an application which allows small traders to offer click-and-collect,
- 'Agora', an application which digitizes local classified ads,
- 'Pay&win', an application intended for on-line gambling.

"Organized in partnership with Bemyapp, this first hackathon has been a real success for us. This project has proven, in particular, that it is simple and fast to develop a new business application on the Telium Tetra platform," adds Jérôme Bourreau, VP Marketplace for Ingenico Group. "It is an initiative that we intend to renew on a regional level to encourage the development of our ecosystem of business partnerships that will enrich our Telium Tetra Marketplace".

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

27. GEMALTO PAYMENT HSM SUPPORTS CLOUD TOKENIZATION REQUIREMENTS FOR SECURE MOBILE PAYMENT TRANSACTIONS AND DIGITIZATION OF CREDIT CARD CREDENTIALS
Source: Gemalto (12/01)

Gemalto announced that its SafeNet Luna EFT (Electronic Funds Transfer) Payment HSM (Hardware Security Module) supports new standards from the major credit card networks for secure implementations of contactless payments via mobile phones. The SafeNet Luna EFT device is able to deliver on highly secure cloud tokenization requirements in order to protect the processing of payment transactions and digitization of credit card credentials. With the growing popularity of mobile payments and the emergence of new technology such as Host Card Emulation (HCE), new software-based standards have been developed by major payment players to digitize card credentials and enable secure, device-based payment transactions. Banks, card issuers and payment service providers can now deploy the SafeNet Luna EFT Payment HSM and offer customers contactless payment applications that are compliant with these specifications. The SafeNet Luna EFT Payment HSM plays a central role in protecting payment data by managing the entire cryptographic process that secures the enrollment, provisioning, and tokenization of payment card credentials and payment operations.

"Given the disruptive nature of being able to use your phone to pay for goods and services, it's important that we recognize the role that security will play in making it a reality," said Todd Moore, Vice President Data Encryption at Gemalto. "For any bank or service provider that wants to offer cloud-based payments they must deploy an HSM, and our SafeNet Luna EFT Payments HSM is certified to deliver the specific functionality required by major payment players." "The convenience of paying with a mobile device is becoming clearer for consumers as more products hit the market," said James Wester, Research Director for IDC Financial Insights. "Although previous strategies to provision cards into these devices have presented challenges for card issuers, merchants and payment vendors, many of these challenges can be avoided by storing payment data in the cloud with host card emulation (HCE). By adding tokenization to HCE, every stakeholder has confidence that mobile payments are not only convenient but also a very secure form of electronic payment method."

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

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28. MODERNIZING COMMERCIAL PAYMENTS: WHEN DUCT TAPE AND RUBBER BANDS NO LONGER WORK
Source: PYMNTS.com (12/01)

The patchwork of applications and technologies on top of legacy payments infrastructure seems anything but capable of keeping up with today's mobile-

empowered customers. IBM says that a faster and more streamlined payments system must pick up where the duct tape and rubber bands leave off if we want a modern commercial payments ecosystem capable of serving a modern customer. IBM's latest white paper, titled "Faster Payments: Three Steps To A Modern Commercial Payments System," argues that the uncertain and ever-moving payments marketplace is in desperate need of modernization or it will be left to deal with the consequences.

Continuing to support siloed legacy payments infrastructures has left financial institutions to deal with poor visibility, operational inefficiencies, inflexibility and an uphill battle in terms of evolving to meet customer expectations, IBM explained. The complexities of these existing systems are only exasperated as financial institutions push for newer applications and subsequently implement patchwork solutions and integrations to keep them running. But a move toward near real-time payments, which the white paper identifies as a movement being pursued worldwide, may be the change commercial payments processing needs. "It is inevitable that faster or real-time payments will become a reality worldwide — it's just a question of timing," the white paper states.

The significance of transforming the current commercial payments system into a more sustainable infrastructure is underpinned by the fact that nearly 85 percent of financial institutions have either deployed or plan to deploy a payments convergence project to simplify and streamline processing, according to a recent survey conducted on behalf of IBM. In order to reach a payments environment nirvana – one that is inherently more modern, streamlined and flexible – the white paper suggests banks and financial institutions follow three fundamental steps, as well as creating a strategic blueprint to reach a more modernized payments system.

Step 1: Converge Multiple Payment Systems On A Unified Platform

Rather than entirely replacing legacy payment systems, which is not only time-consuming but also not cost-effective, IBM suggests modernizing the payments ecosystem should involve bringing together existing applications and processes on a unified, robust platform. Supporting a platform based on open standards can position banks to consolidate, standardize and centralize payments operations through a middleware integration layer. Eliminating a disparate infrastructure reduces operational inefficiencies and helps to future proof systems for ongoing innovation, the white paper stated.

Step 2: Use Analytics For Greater Payments Insight

Instituting more holistic and advanced payments reporting and analytics will help financial institutions combat many of the challenges current being faced in the payments landscape. IBM argues that the use of predictive analytics tools provides improved depth and immediacy into how customers are being serviced and can

deliver more insight into risk and fraud management, compliance strength, profitability measurements and potential revenue opportunities.

Step 3: Progressively Evolve Payments Infrastructure

Instituting an approach to iteratively evolve legacy payments systems is preferred over the "big bank" rip-and-replace strategy, which IBM identifies as impractical from a disruption, risk and cost perspective. With the necessary technology in place, modernizing commercial payments processes in a progressive manner can help banks reach their goals of implementing systems that support reduced technical requirements and a greater ability to adjust to faster market changes, IBM stated.

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