



Welcome to the **September** 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 Member**

Interac Association ~ member since 1995

Pivotal Payments ~ member since 2014

### **General Member**

ACCEO Solutions Inc. ~ member since 2010

RFID Canada ~ member since 2013

Telus ~ member since 2014

TSYS ~ member since 2013

### **Associate Member**

Bennett Jones LLP ~ member since 2011

Lorna Johnson ~ 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**

### **eID Conference 7th edition**

September 28-29, 2015

Washington, DC

<https://www.eidconference.org/>

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

October 13, 2015

Santa Clara, CA

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



### Money2020

October 25-28, 2015

Las Vegas, NV

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

*ACT members receive a registration discount*

### GSMA Mobile 360 Series

October 27-29, 2015

Atlanta, GA

[http://www.mobile360series.com/north-america/?gclid=COnY1Y\\_ewscCFQEaaQodJ6oDeQ](http://www.mobile360series.com/north-america/?gclid=COnY1Y_ewscCFQEaaQodJ6oDeQ)

*ACT members receive a registration discount*

### Cardware Connections, ACT Canada AGM & IVIE Awards Gala

November 9, 2015

Toronto, ON

<http://www.actcda.com/calendar/act-canada-events/ivie-gala.html#cid=1024&wid=1201>

*ACT members receive a registration discount*

### TRUSTECH, formerly Cartes Secure Connexions

November 17-19, 2015

Paris, France

<http://www.cartes.com>

*ACT members receive a registration discount*

## ACT

### October:

- ACT Canada goes across Canada to deliver closed door briefings for members and meet with stakeholders in the following cities:
  - o **Vancouver** – October 13 - member briefing from 9-11am & 1-3pm; non-member briefing from 3:30-5:00pm
  - o **Calgary** – October 15 - member briefing from 9-11am & 1-3pm; non-member briefing from 3:30-5:00pm
  - o **Ottawa** – October 20 - member briefing from 9-11am & 1-3pm; non-member briefing from 3:30-5:00pm
  - o **Montreal** – October 22 - member briefing from 9-11am; non-member briefing from 5-7pm

For details and how to register, please visit <http://www.actcda.com/calendar/act-canada-events/fall-tour.html>

- Meet with Catherine and Andrea at Money 2020

### November:

- Our annual **AGM**, Cardware Connections and **IVIE Awards** will be held on November 9<sup>th</sup> in Toronto. Registration and sponsorship opportunities are available at <http://www.actcda.com/calendar/act-canada-events/ivie-gala.html#cid=1024&wid=1201>
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## Articles

### 1. EDITORIAL - WHAT I LEARNED FROM COL CHRIS HADFIELD

Source: Catherine Johnston, President & CEO, ACT Canada (09/28)

The quick answer is “everything you need to know to succeed” no matter what you do for a living or who you work for. I was really fortunate to hear Colonel Hadfield speak last week. It was one of those life changing moments, not because he was an astronaut, but because of what he said. He talked about many things but the one that really resonated with me was how to mitigate the risk of dying in space. He pointed out that in less than 9 minutes after liftoff you are either in orbit around the world or you are dead.

From there he talked about how to stay alive when you are living on the space station with a very small team and you can't call 911 in an emergency. He pointed out that every additional skill your team has is an improved chance for success. So if you are in a small team you need people with both specialized and generalized skills and experience. That isn't surprising but his next insight might be, unless you work in risk management. He said that we shouldn't visualize success but instead we should always ask, as space teams do, “What can kill us next?”

In consistently asking and answering that question, they were able to avoid or manage situations that could have killed them, such as the escaping ammonia problem. This approach is often silo'd in most organizations, but it should be pervasive and serve as a pillar of the foundation of every department. Product planning, development, marketing, sales, HR, finance and every other part of your organization should constantly ask, “What could kill us next?” Identifying weaknesses and vulnerabilities and developing strategies to overcome them in our products and processes is a great way to guarantee success.

It isn't just rocket science, it's corporate. After all, if it is good enough to build a space station and launch rockets, it will work for all of us.

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### 2. GOOGLE LAUNCHES ANDROID PAY, IN-APP CAPABILITY DELAYED

Source: CardNotPresent.com (09/14)

Android Pay, Google's e-wallet for Android devices designed to compete with Apple Pay, officially launched last Thursday. This is Google's second attempt at a mobile payment solution after trying with Google Wallet four years ago and not gaining any traction as adoption lagged (Google also announced a revamped version of Google Wallet, which will focus on P2P payments). At launch, the tech giant said Android Pay will be accepted at more than a million retail locations and is supported by most of the large U.S. credit-card issuers. One feature not

available at launch? In-app payments, which Google's Director of Product Management Pali Bhat said will be available later this year.

Mobile wallets enabling contactless purchases at stores have had numerous false starts. The latest round of mobile hype, which started with Apple Pay last year and continued with the recent introduction of Samsung Pay, may be a catalyst for a tipping point in consumer adoption. A recent survey by InfoScout, however, found that the number of eligible iPhone owners trying Apple Pay for the first time dropped from 15 percent in March to 13 percent in June. An increasing percentage of those surveyed cited security (19 percent in June vs. 15 percent in March) as the reason they don't use Apple Pay. Google hopes messaging around security can help allay that concern with Android Pay.

"We know how important it is to keep your personal and financial information secure, so Android Pay is supported by industry standard tokenization," said Bhat. "This means your real credit or debit card number isn't sent with your payment. Instead, we'll use a virtual account number that provides an extra layer of security." Android Pay will come preloaded on all Android devices sold by Verizon, AT&T, and T-Mobile.

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### **3. VISA INNOVATES CHIP-BASED BIOMETRICS**

*Source: PYMNTS.com (09/16)*

Visa just took its EMV and biometrics game to the next level — by combining the two. Visa announced that it has launched a new specification that allows biometrics with chip card transactions. This technology will allow palm, voice, iris, or facial biometrics to be used in what Visa calls the “first-of-its kind technology framework” that’s compatible with the EMV chip industry standard. Both EMV, a security standard aimed at preventing payment fraud, and biometric verification are two methods companies are hoping can help make payments more secure. Visa’s architecture of its new specification allows fingerprints to be securely accepted by a biometric reader, encrypted, and then validated.

This supports what is called “match-on-card” authentication, which is where that biometric is validated by the EMV card — making it so its data is never exposed or stored on a central database. The specification allows for issuers to validate the biometric data within their own transaction systems, such as ATMs. “There is increasing demand for biometrics as a more convenient and secure alternative to signatures or PINs, especially as biometrics technologies have become more reliable and available,” said Mark Nelsen, senior vice president of Risk Products and Business Intelligence at Visa. “However, to support wide adoption, it is equally important that solutions are scalable and based on open standards. Building on the EMV chip standard provides a common, interoperable foundation, as well as encourages innovation in cutting-edge biometric solutions.”



By building this specification based on the EMV standard, this allows biometric cardholder verification to be integrated with the technology that's used by the roughly 3.3 billion chip cards around the world that financial institutions, solution providers, and others in the payments ecosystem rely upon. Visa's specification that is being used to develop a proof of concept trial beginning this fall will start with Absa Bank, a wholly-owned subsidiary of Barclays Africa Group. Cardholders will use fingerprint readers at select Absa-owned ATMs instead of a PIN to complete transactions. Visa will offer to provide the specification to EMVCo, the global technical body that manages the EMV specifications.

*Visa is a member of ACT Canada; please visit [www.visa.ca](http://www.visa.ca).*

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#### **4. DESJARDINS LAUNCHES TWO NEW MOBILE PAYMENT SOLUTIONS FOR SMALL BUSINESSES AND SELF-EMPLOYED WORKERS**

*Source: Desjardins (09/23)*

Small businesses, self-employed workers, seasonal workers and merchants on-the-go (e.g., plumbers, painters) can now enjoy a completely secure way to accept debit and credit card payments thanks to two new Desjardins mobile payment solutions that are easy to use and very affordable: Monetico Mobile and Monetico Mobile +. "We're proud to offer these innovative payment solutions tailored to the needs of small businesses and self-employed workers to support their growth," said Andre Chatelain, Managing Vice-President and General Manager, Card and Payment Services. "We're confident that these solutions will help them build customer loyalty and even increase their customer base."

Monetico Mobile and Monetico Mobile + are easy to use. A keypad the size of a small calculator is connected via Bluetooth to an Android (Google) or iOS (Apple) smartphone or tablet loaded with the Monetico Mobile app. The merchant enters the amount of the transaction on their smartphone or tablet and passes the keypad to the customer. The customer inserts their chip card in the keypad, enters their PIN and they're done! Receipts can be sent by email or text message. These payment solutions are completely secure, since all Monetico Mobile devices comply with EMV standards (chip cards) and PCI DSS (Payment Card Industry Data Security Standard), and are Visa and MasterCard certified. Monetico Mobile is perfect for owners of micro-businesses and self-employed workers who are frequently on the move or who have occasional or seasonal needs for a payment solution. Monetico Mobile accepts payments by Visa and MasterCard credit cards, and will be available for \$49. However, it is available free to Desjardins members as one of our many Desjardins Member Advantages.

Monetico Mobile + is designed for clients with more regular payment needs, and those who are looking for advanced management options for their business. With this solution, clients can create quotes, invoices and product catalogues, and manage their business expenses. Monetico Mobile + accepts payments by Visa,



MasterCard, American Express and JCB credit cards, as well as Interac direct payment.

*American Express, Desjardins, Interac, MasterCard and Visa are members of ACT Canada; please visit [www.americanexpress.ca](http://www.americanexpress.ca); [www.desjardins.com](http://www.desjardins.com); [www.interac.ca](http://www.interac.ca); [www.mastercard.ca](http://www.mastercard.ca) and [www.visa.ca](http://www.visa.ca).*

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## **5. SURETAP EXPANDS PAYMENT OPTIONS WITH INTRODUCTION OF VIRTUAL RELOADABLE PREPAID CARD**

*Source: Let's Talk Payments (09/13)*

Suretap announced a new way to pay with the launch of the suretap prepaid MasterCard. It's a secure, easy-to-use virtual prepaid card that is now part of and only available through Canada's leading open digital wallet experience, the suretap wallet. This branded prepaid MasterCard boasts a low-fee structure that rivals most debit account fee rates, and launches with a no-monthly-fee, limited-time promotional offer. "We want suretap to meet the digital payment choices of all Canadians," said Jeppe Dorff, President of suretap. "The use of prepaid cards is growing in Canada and worldwide, and now it's part of the suretap wallet. It's time that Canadian consumers get access to their funds in real time, irrespective of where they are and what they do. We are freeing consumers from the binds of having to keep track of where their wallet – now there's no need to carry your wallet to the gym anymore."

Prepaid cards are a convenient and safe way to pay while travelling, to control expenses, for parents to teach their kids about money, and other uses. The reloadable suretap prepaid MasterCard is ideal for tech-savvy millennials, young professionals and others who want real-time and easy access to their funds while on the go. The use of prepaid cards in Canada is expected to grow from \$2 billion in 2010 to \$19 billion in 2017, according to a global prepaid sizing study commissioned by MasterCard Worldwide.

### The Suretap Momentum

Since introducing its new application in late June, suretap has experienced rapid growth as Canada's leading open digital wallet. More than 180,000 Canadians now have suretap installed on their smartphones, with 80 percent of those users coming from Android. Suretap has seen that the average purchase value per transaction on the suretap wallet has increased 22% month over month, supported by a 53% increase in reload value per account. Suretap is also seeing a rise in overall purchase volume as consumers become more accustomed with mobile payments.



## The Suretap Wallet

Suretap launched a new open wallet in June with broad support from leading Canadian wireless carriers, banks and retailers. The suretap application enables smartphone users to easily make secure mobile payments with a wide range of virtual and encrypted credit cards, gift cards and now suretap's prepaid MasterCard. Suretap will add debit cards, loyalty cards, digital coupons and deals in the not-too-distant future.

Some of Canada's leading wireless carriers such as, Bell, Rogers, TELUS, Koodo and Virgin Mobile, are now offering the suretap wallet across more than 30 Android and BlackBerry smartphones, with more smartphones and other device platforms expected to follow by the end of 2015. Suretap has also formed a partnership with the Canadian Imperial Bank of Commerce (CIBC), offering 38 credit card options available through the suretap wallet. In addition, about 30 physical and online retailers such as SIR Corp (who carry Far Niente, Loose Moose, Reds, and more), Cara Operations (who carry Canyon Creek, Harvey's, Milestone's and more), Indigo, Cineplex, Forever 21, Groupon, and others have also signed up to participate in the multi-partner program and are readily available in the suretap wallet.

*CIBC, MasterCard and TELUS are members of ACT Canada; please visit [www.cibc.com](http://www.cibc.com); [www.mastercard.ca](http://www.mastercard.ca) and [www.telus.com](http://www.telus.com).*

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## **6. THE BLOCKCHAIN'S FUTURE OPPORTUNITIES**

*Source: Mobile Payments Today (09/10)*

Bitcoin is virtual money, and that fact alone is enough to give it name recognition. Bitcoin has had enough successes and scandals to generate plenty of media interest. Yet, the blockchain technology that powers bitcoin has remained largely in the background until recently. Brad Moynes, Bit-X founder and CEO said, "[Bitcoin is] nothing more than a native currency of blockchain and the blockchain is the invention." Startups and established organizations alike are starting to see the possibilities of the blockchain.

For example, Ascribe GmbH has partnered with Creative Commons to use the blockchain to provide content creators with time-stamped attribution. "A major problem facing artists is lack of attribution and misattribution. We've met artists who mail work to themselves, to ensure that they can claim attribution if there's ever a dispute," said Ascribe Founder and CTO Trent McConaghy. "They're using the post office as a time stamping mechanism! The blockchain is the new post office: It helps creators to time stamp their attribution in a convenient and secure way." Essentially, Ascribe's service creates a block in the blockchain that contains proprietary information so that no matter where a content creator's material is sent,

it is always tied to them. According to McConaghy, it can also be used to provide the terms and conditions for reuse or redistribution of materials.

"Each work gets a unique public URL, a link to download the work, the terms and conditions of the CC license, and all relevant metadata (title, creator, year)," McConaghy said. "Creators will obtain a unique ID for every work registered on the blockchain. The ID is actually an address on the blockchain which allows for people to track all usage of the work on blockchain explorers." Experimentation with the blockchain is also being pursued by larger organizations such as Nasdaq. Nasdaq is currently examining the potential of blockchain as record-keeping for private market trades. "Blockchain technology will provide extensive integrity, audit ability, governance and transfer of ownership capabilities," Nasdaq said in its announcement.

Major banks, such as Santander InnoVentures, also are examining the potential usage of blockchain. The bank sees its potential for international payments, especially in creating a tool that could interconnect multiple bank branches. However, not every bitcoin thought leader is happy with this latest interest in the blockchain. Cryptocurrency expert Andreas M. Antonopoulos gave a talk at Wired Money 2015 in which he asserted that this focus on the blockchain is an attempt to make bitcoin more marketable and less "disruptive." He argued that the true focus should lay on the "punk rock" nature of bitcoin. "The blockchain itself is boring technology," Antonopoulos said. While debate over the future of cryptocurrency goes on, the true potential of the blockchain will continue to reveal itself. "Bitcoin is just the first app of the blockchain," Moynes said. "This is the tip of iceberg."

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## **7. CANADA MOVES TO MODERNIZE PAYMENTS INFRASTRUCTURE**

*Source: Mobile Payments Today (09/18)*

As part of its initiative to modernize Canada's core national clearing and settlement framework and infrastructure, the Canadian Payments Association is creating a shared vision for the future of payments in Canada based on research, a global perspective, and industry views. The association and the Bank of Canada this week released research that supports this initiative, outlining the most critical issues the industry must investigate to improve the payment system to best meet the needs of Canadians, according to a press release.

"There are many options for the future of payment systems and many opinions on what should take top priority," said Carol Ann Northcott, vice president of risk, security and research, and chief risk officer at the association. "This research gives us a way of assessing the issues and the tradeoffs in a comprehensive and systematic way." The research is intended as a tool to evaluate the ability of a payment system to balance Canadian public policy objectives of safety and soundness, efficiency and end-user interests given the



attributes of the system, according to the announcement. These attributes, which can be used to characterize any payment system, are access, functionality, interoperability, timeliness of payments and risk management. The research points to three areas of focus as the industry considers modernizing Canada's national clearing and settlement system:

"The global payments ecosystem is changing, enabled by new technology and driven by changing user demands," Gerry Gaetz, president and CEO of the association, said in a statement. "In Canada, we are taking a holistic approach to modernizing our systems, which includes significant research, a global perspective and industry consultation. This particular piece of research is a first step and will help frame industry discussions as we move forward."

*Canadian Payments Association is a member of ACT Canada; please visit [www.cdnpay.ca](http://www.cdnpay.ca).*

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## **8. MONERIS WORKS WITH VERIFONE TO OFFER ONE OF THE FIRST EMV-CERTIFIED UNATTENDED PAYMENT SOLUTIONS IN THE UNITED STATES**

*Source: Park News (08/31)*

Moneris Solutions Corporation ("Moneris") announced it has completed EMV certification of Verifone's line of unattended payment devices. With this certification, merchants can now adopt a secure unattended payment solution that can be deployed quickly and easily to ensure they are ready for EMV and NFC payment acceptance. Verifone's UX Solutions are a series of customizable and versatile unattended payment devices for use in all types of self-service environments. They provide businesses with fully integrated payment functionality that connects their retail systems to the Moneris payment host. Verifone's UX Solutions can support EMV and contactless\* payments (including NFC-enabled cards, Apple Pay and others), giving merchants in the unattended payment space the ability to securely accept payments and enhance the customer experience now and in the future.

"We are pleased to be working with Verifone to bring EMV-certified unattended payment solutions to the U.S. market," said Chris Lee, President of North American Strategic Partnerships at Moneris. "Verifone is a key contributor to making an easy transition to EMV and contactless-ready solutions, providing the essential payment and commerce technology for businesses to take advantage of. Together we are delivering a leading-edge product that will make payments easier and more convenient for businesses and their customers in this growing environment." Effective October 2015, payment networks are shifting the liability for certain fraudulent non-EMV transactions from card issuers to payment acceptors. As one of the only North American processors with authorization to self-certify EMV solutions on behalf of Visa, MasterCard and American Express,



Moneris is prepared to help businesses with unattended payment requirements make the transition to EMV quickly and effortlessly with Verifone's UX Solutions.

“At Verifone, we are focused on educating and helping merchants to efficiently prepare for the EMV migration in ways that not only enable them to support EMV, but also enhance security, reduce complexity and grow their business,” said Shan Ethridge, vice president and general manager, North America Financial Services Group, Verifone. “Working with Moneris helps us to deliver flexible solutions that are essential for helping merchants to easily transition to EMV in such a way, while also better protecting their customers’ card data through a multi-layered approach to security.”

Moneris is committed to aligning businesses with payment tools that meet EMV specification requirements. As part of this, Moneris has been working closely with leading independent software vendors (ISVs) and integrators in Canada that specialize in implementing unattended payment solutions for various markets. With this U.S. EMV certification, Moneris plans to continue working with these businesses to expand their EMV-capable options in the U.S. These companies include:

- Parking – Cale Systems, HUB Parking Technology, iPark Solutions, Parking BOXX, T.I.B.A. Parking Systems, Ventek International, and WPS Parking Solutions
- Gas – Vertex Petroleum
- Vending – Signifi Solutions
- Car Wash – PDQ Manufacturing

An industry leader of EMV and payments integration, Moneris has built a strong foundation of EMV enabled solutions that merchants can rely on. In working with these ISVs, Moneris is providing comprehensive payment solutions that can meet the needs of any business and simplifies the payments implementation process.

\* Chip & PIN and Contactless (NFC) technology will become available in market for the Verifone UX Solution late 2015.

*Moneris Solutions and Verifone are member of ACT Canada; please visit [www.moneris.com](http://www.moneris.com) and [www.verifone.com](http://www.verifone.com).*

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## **9. NEW DUAL-INTERFACE EMV DEBIT CARD DEBUTS**

*Source: PYMNTS.com (09/07)*

Giesecke & Devrient (G&D) introduced its next-generation Dual-Interface EMV product, the first one available in the U.S. that provides all of the features necessary for full compliance with the Durbin Amendment. G&D's GlobalPlatform and EMV-compliant chip card platform Convego Join, which supports both contact and contactless payment interfaces, includes a range of U.S. debit EMV-certified



products. A company press release touts that card issuers have reported a 50 to 70 percent increase in personalization speed compared with other products.

“The Durbin Amendment posed some challenges to the implementation of EMV debit. G&D was able to meet the required functionality to support acquirer choice at the outset,” said Scott Marquardt, president of G&D America, in the release. “We are proud to be the first company to offer both contact and dual-interface debit card products that fully comply with all the requirements of Durbin. Our market expertise gained through the delivery of nearly 2 billion EMV cards has enabled us to implement features to optimize flexibility, speed and security.” Having begun in other markets, G&D began providing EMV products in the U.S. in 2011. The press release adds that the G&D Convego Join portfolio contains the latest applications for all major payment brands, including Visa, MasterCard, American Express and Discover.

*Giesecke & Devrient is a member of ACT Canada; please visit [www.gi-de.com](http://www.gi-de.com).*

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## **10. CANADIAN TIRE ENTERS MOBILE WALLET MARKET WITH MPAY & PLAY**

*Source: IT Business (09/23)*

Canadian Tire Corp. announced its second product launched to the mobile apps market and this time the effort supports its financial services division with the release of mPay & Play. The app, available on Google Play and Apple’s App Store as of today, targets the 2 million Canadians carrying a Canadian Tire Options MasterCard in their wallet. It facilitates the ability to pay with your smartphone at Canadian Tire store tills, collect and spend Canadian Tire money, and earn badges that can unlock more loyalty rewards. As a bonus, there’s a sharp shooter hockey game built into the app.

The new mobile offering – a successor to the Canadian Tire Retail app launched last year, which digitized Canadian Tire money for the first time – was described as the next step in the company’s digital journey by Eugene Roman, chief technology officer at Canadian Tire. He pointed to the Digital Garage that Canadian Tire opened up at Waterloo, Ont.’s Communitech Hub in May, and a gaming lab the company has in Winnipeg. “This is something we believe sets a whole new direction for our customers and how we interact with our customers,” he said. “Digital disruption is here, it’s been with us for a long time. We as a company and a group of dealers and operators of stores embrace that.”

Users of the mPay & Play app can earn badges by completing different activities. The app is secured through end-to-end encryption, he said. Rather than store the customer’s credit card information on the smartphone, a one-time bar code is issued to the device when a customer is ready to pay. That bar code is then scanned by the cashier. After use, the bar code is virtually shredded so it can’t



be applied to a second transaction. While Roman didn't detail the exact process used to issue the token for payment, he described it as a nine-step process that is completed in 0.2 seconds and invisible to the user. "We've seen too many companies struggle with security around everything digital," he says. "We've very sensitive to security at Canadian Tire."

*Canadian Tire and MasterCard are members of ACT Canada; please visit [www.canadiantire.ca](http://www.canadiantire.ca) and [www.mastercard.ca](http://www.mastercard.ca).*

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## **11. COLLABRIA ANNOUNCES NEW PARTNERSHIP WITH KAWARTHA CREDIT UNION**

*Source: Payments Business (09/15)*

Collabria Financial Services Inc. (Collabria), a provider dedicated to offering unique credit card solutions to Canadian credit unions and community banks, recently announced a partnership with Kawartha Credit Union (Kawartha) to offer a flexible credit card portfolio to its 50,000 members across Central and Eastern Ontario. Along with a new credit card platform, Kawartha will also partner with Collabria to provide members with fraud monitoring, robust rewards and innovative technologies. Collabria CEO John Dundas says "Our partnership with Kawartha Credit Union has been outstanding and we are excited to partner with them to deliver innovative credit card products to their members. Collabria's collaborative approach helps our customers deliver superior member experiences through flexible payment solutions."

Robert Wellstood, Kawartha's CEO added, "We are pleased to be working with Collabria - an innovative credit card supplier. Like Kawartha Credit Union, Collabria is dedicated to meeting our members' financial needs and we are proud to partner with them to deliver a simple, convenient and competitive suite of credit cards. Our Cash Back, Classic, Centra Gold and Platinum Rewards card products each offer unique benefits, quick approvals and great rates."

*Collabria Financial Services Inc. is a member of ACT Canada; please visit [www.collabriafinancial.ca](http://www.collabriafinancial.ca).*

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## **12. SOFTBANK SELECTS OT TO PARTNER ON M2M, IOT AND CONNECTED DEVICES IN JAPAN**

*Source: Oberthur Technologies (09/10)*

Oberthur Technologies (OT) announces its partnership with SoftBank Corp for M2M, IoT and connected devices in Japan where Mobile Network Operators (MNO) are leading the way on these fast growing markets. OT's longstanding experience with both MNOs and Original Equipment Manufacturers (OEM) is a key asset for SoftBank which will benefit from the state-of-the-art solutions offered by



OT to secure and enhance connectivity. SoftBank is not only a leading MNO in Japan, but also a recognized global connectivity player that serves its users through multiple approaches, targeting vertical markets that can potentially integrate M2M platforms and other specific devices and machines.

OT is a major player in securing the M2M/IoT and connected devices space thanks to its innovative solutions and existing partnerships worldwide. OT will bring SoftBank its experience and expertise on M2M through its DIM portfolio (SIM cards for M2M) adapted to all types of connected devices in terms of features and quality. Furthermore, OT will enable SoftBank to build projects with OEMs in partnership with OT for vertical markets such as the automotive industry, industrial devices, robotics, Smart metering, vending machines, gaming, etc. “We are delighted to be the first company selected by SoftBank as their strategic partner on M2M and IoT in Japan where this growing market is particularly dynamic and innovative,” said Pierre Barrial, Managing Director of OT’s Mobile Network Operators business. “Our unique DIM offer and strong experience with MNOs and OEMs will allow us, with SoftBank, to build connected device solutions meeting the highest standards of privacy and security to serve expanding M2M needs.”

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

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### **13. SAMSUNG PARTNERS WITH GEMALTO TO AID EUROPEAN MOBILE PAY LAUNCH**

*Source: Payment Source (09/03)*

SIM card and EMV technology provider Gemalto is working with Samsung to help the telecom company introduce Samsung Pay in Europe. Samsung, which has been developing its mobile pay initiative for several years, will use Gemalto's Allynis Trusted Service Hub product, according to a Sept. 3 press release. Samsung Pay has already launched in South Korea and is scheduled to launch in the U.S. in late September. The Samsung Pay mobile payments service will use Near Field Communications and magnetic-secure transmissions, which are available at many merchants. Samsung also uses technology from acquired LoopPay to broaden its reach among merchants. Gemalto's Allynis Trusted Service Hub integrates user enrollment, service installation and the management of payment credentials or tokenization services.

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

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#### **14. VISA CHECKOUT NOW ACCEPTED AT PIZZA PIZZA ONLINE, ON ANY DEVICE**

*Source: Visa Inc (09/09)*

Visa Canada and Pizza Pizza Limited are proud to announce that Pizza Pizza has joined the growing list of Canadian merchants that offer Visa Checkout. Through Visa Checkout, Pizza Pizza customers now have a fast, easy, and secure way to pay online. Additionally, Visa Canada and Pizza Pizza are offering a special opportunity to multiply the value for Canadians who order Pizza Pizza online. From now until November 1, everyone who orders online at [www.pizzapizza.ca](http://www.pizzapizza.ca) or through the company's smartphone ordering app using Visa Checkout will automatically receive a code for a free medium two topping pizza.

"More and more Canadians are purchasing takeout meals like pizza online both to save time and to simply enjoy meal time with friends and family," said Brian Weiner, Vice President, Product and Strategy, Visa Canada. "We are pleased that Pizza Pizza now offers Visa Checkout as a secure and simple way to help its customers speed through the online ordering process and ultimately to help make meal times a little easier." In addition to a television ad, Visa will engage Canadian pizza-lovers through an online influencer campaign that encourages them to sign up for Visa Checkout and make someone's day better by sharing their free pizza. "Our customers depend on us for quality and service," said Pat Finelli, Chief Marketing Officer, Pizza Pizza. "Offering Visa Checkout is another way for us to enhance ordering online for customers. Whether it's a family enjoying pizza night or friends getting together to watch the big game, we want to make sure that we deliver a great experience from the moment the order is placed to the meal's arrival, that is both convenient and consistent."

#### Visa Checkout: An Easier Way to Pay Online

Last year, Visa launched Visa Checkout, the online check out service that allows consumers to securely store their shipping and payment information without ever having to re-enter the information when shopping online. With Visa Checkout, consumers can simply enter their username and password, and click a button to complete the purchase. For more information on Visa Checkout, please see [www.visacheckout.ca](http://www.visacheckout.ca). A new report<sup>1</sup> from comScore<sup>2</sup> found that Visa Checkout shoppers convert to online buyers at a rate of nearly 70 per cent and that enrolled Visa Checkout customers were 66 per cent more likely to complete a transaction than customers who must enter billing and card information in the traditional online checkout path. Visa Checkout is now available in 16 countries around the world and more than six million customers have signed up for Visa Checkout accounts. Nearly a quarter million large and small merchants and over 330 financial institution partners now offer Visa Checkout globally.

*Visa Inc. is a member of ACT Canada; please visit [www.visa.ca](http://www.visa.ca).*

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## **15. NEW YORK GRANTS FIRST BITLICENSE TO CIRCLE**

*Source: CardNotPresent.com (09/24)*

14 months after initially floating a first-of-its-kind proposal publicly, the State of New York issued its first BitLicense to Circle Internet Financial. In June, the New York Department of Financial Services was the first state agency to implement a comprehensive regulatory framework for firms dealing in digital or virtual currencies such as bitcoin. The regulations cover consumer protections, anti-money laundering compliance and cybersecurity standards and experts believe the BitLicense will serve as a model for other states and the federal government in establishing rules companies that enable bitcoin payments will be required to adhere to. "Issuing the first BitLicense is an important milestone in the long-term development of the virtual currency industry," said Anthony Albanese, acting superintendent of financial services. "Putting in place rules of the road that help protect consumers from loss or theft and root out illicit activity is vital to building trust in this new financial technology. We will continue to move forward on evaluating and approving additional BitLicenses."

Circle is a Boston-based company whose app enables users to store, send and receive bitcoin.

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## **16. GLOBAL PAYMENTS WILL USE APRIVA'S EMV MPOS APPS FOR ANDROID AND IOS DEVICES**

*Source: Digital Transactions (08/25)*

Global Payments Inc. will use mobile point-of-sale apps from Apriva Inc. to service its merchants wanting EMV-capable mPOS, Apriva announced. The deal sees the AprivaPay Plus app, available for iOS and Android devices, branded with the Global Payments name. Such branded, or white-labeled, agreements enable companies to provide products quicker than if they developed them on their own. Benjamin Hurley, Apriva director of mobile product management, says Apriva has several branded mPOS apps in the market, including with major banks.

AprivaPay Plus accepts magnetic-stripe and EMV chip card transactions. Global Payments will begin offering the service as the Oct. 1 EMV liability shift nears, Hurley tells Digital Transactions News via email. Transactions made with the service sold by Global Payments will be routed through Apriva's gateway to Global for processing, he says, adding that the gateway was the first to complete the EMV Class A certification on the Global East processing platform. In addition to payment processing, AprivaPay Plus offers merchants access to reports to track sales history, sales taxes, and tips. Additionally, merchants can create sub-accounts for multiple users, and can send receipts via email or text.

*Apriva and Global Payments are members of aCT Canada; please visit [www.apriva.com](http://www.apriva.com) and [www.globalpaymentsinc.com](http://www.globalpaymentsinc.com).*

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## **17. PICARD SELECTS INGENICO GROUP'S CROSS-CHANNEL PAYMENT SOLUTION**

*Source: Ingenico (09/21)*

Ingenico Group announced the launch of its tokenization solution for Picard Surgeles, the French market leader in frozen food. As part of the Group's cross-channel offer, this solution opens windows of opportunity to build customer loyalty. Picard Surgeles now has access to a web interface which centralizes cross-channel payment transactions. Thanks to this statistical analysis data, the retailer can determine buyer profiles and analyze the effectiveness of a marketing campaign. Emmanuelle Bazin, Director of Customer Marketing and e-Commerce at Picard Surgeles, stated: "Picard is a brand dedicated to innovation and this solution fits perfectly with our customer insight strategy. Tokenization will enable us to improve our customer portfolio and provide personalized options based on our customers' buying behaviours and needs."

"With this offer, Ingenico Group supports merchants in their customer relations performance all while maintaining high payment data security." Nicolas Brand, Head of Business Development at Ingenico Group, stated: "We enhance the consumer cross-channel purchasing experience and help merchants gain customer loyalty. With tokenization, Picard Surgeles will be equipped to better serve its customers and improve its conversion rates and basket values."

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

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## **18. TD BANK PARTNERS WITH TORONTO STARTUP TO BRING MORE PERSONALIZATION TO ITS BANKING APP**

*Source: IT Business (09/18)*

One day soon, the TD Bank app on your tablet or smartphone could know that you're at the Blue Jays game, know that it's a hot summer day, and give you an opportunity to order a baseball helmet or ice cream directly from the app. That's the sort of personalized experience TD Bank Group is hoping to deliver through a newly announced partnership with Flybits. A startup out of Ryerson University's Digital Media Zone (DMZ) incubator, Flybits has developed a cloud-based context-as-a-service solution that can be used by iOS and Android developers to use contextual information – from location and social profiles to environmental data – to deliver a mobile experience that is personalized for each user.

TD has secured the exclusive rights for the Flybits solution in Canada's financial sector, and will be using the technology to drive deeper personalization through its TD mobile banking app – we can expect to learn more about exactly how it will be integrated in early 2016. The partnership is part of TD's strategy to stay connected with an innovation ecosystem said Rizwan Khalfan, TD's senior vice-president and chief digital officer, in an interview with ITBusiness.ca. The



strategy includes innovation contests within TD's engineering and design groups, an incubator at Communitel in Waterloo, Ont., and staying close to startups and accelerators.

"We thought Flybits had a fantastic offering that would help us improve our mobile app, and give our customers a relevant and personalized experience to help them with what they need to do," said Khalfan. By integrating Flybits' content deductive analysis platform into the TD's app, Khalfan said they will be able to dynamically provision services and content based on the context of the customer. Geolocation is one factor, but others could include weather, the demographic aspects of the customer, and more.

"Say you're going to a ball game at the Rogers Centre," said Khalfan. "We could draw on the information of when the game is and the services available at the Rogers Centre, and even allow you to order food and drink, providing a unique and differentiated user experience." That's just a speculative use-case; Khalfan said they're still examining possible use cases and it's still too early to go too deep into the possibilities at this stage. They plan to do a lot of development directly with customers, hoping their experiences and ideas will really drive where they take the app with Flybits' context awareness capabilities. "We have the highest number of mobile active customers on our app in Canada and they're very engaged, especially with the last few changes we've made, like allowing customers to pay their credit card balance with one touch," said Khalfan. "But it's all very transactional in nature."

Khalfan said TD sees mobile becoming a natural extension of their customers. Mobile is playing a more active and significant role in people's lives, and TD wants their app to help them live their lives the way they want. While a great deal of contextual information is out there for apps to draw upon, Khalfan said they are very concerned about privacy and will be working hard to show customers the benefits personalization and context can bring users in order to secure their opt-in and informed consent. "On the one hand we're trying to drive useful and relevant experiences, but we also want to respect their privacy and make sure they're in the driver's seat," said Khalfan.

Personalization is changing not only apps, but the way customers are expecting to interact with a business no matter what the channel of engagement. And Khalfan said the definition of personalization is continually evolving. It used to mean simple, easy and fast, and then it became more about anticipating customer needs. And now it's evolving even further. "It's not only anticipating, but delivering a humanized digital experience that looks at what the customer is trying to do that's important to them, and how we can help them achieve their objectives," said Khalfan. "We need to recognize not only that you're a TD customer, but that you're Jeff."

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*TD Bank Group is a member of ACT Canada; please visit [www.td.com](http://www.td.com).*

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## 19. NOW IS THE TIME FOR BANKS TO DETERMINE MOBILE PAY STRATEGY

Source: *Payment Source*, by Jonathan Magder (09/09)

With the mobile payments landscape rapidly evolving, banks face a vexing challenge: what should their go-forward strategy be? The stakes are high, with consumers increasingly turning to mobile payments for the security and convenience of paying with their mobile devices. Indeed, the U.S. mobile payments market will hit \$142 billion by 2019, up from \$52 billion in 2014, according to Forrester Research Inc. There is no easy answer, as new technologies emerge and established companies take steps to strengthen their position in the market to avoid getting left behind. Indeed, sorting through the proliferation of mobile payment offerings, and those expected to be released, can be bewildering.

Introduced last year, Apple Pay, which partners with the largest U.S. card issuers and is backed by more than 2,500 banks, is redefining the customer experience for in-store payments. Google's Android Pay is a framework for others to build their own payments services on top of, rather than a stand-alone payments application. Samsung Pay, expected in the fall, will allow for NFC contactless transactions via magnetic stripe transmission technology, potentially allowing it to work at the majority of retailers' point-of-sale systems. Other players include PayPal and Merchant Customer Exchange, a U.S. merchant-led mobile payment and loyalty solution that will be launched across more than 110,000 merchant locations. Figuring out a path forward is critical for banks because, to date, their significant investments in building mobile payment solutions haven't yielded widespread consumer adoption.

Determining a mobile payments strategy requires addressing three key questions:

What role should banks play? Banks must decide whether to create their own proprietary mobile wallet, partner with a third party such as Apple Pay, or combine their own solution with a third party's offering. While a proprietary solution can allow the bank to maintain control over the user experience and customer data, all costs must be covered by the bank and consumer adoption may be limited to existing customers. Partnering with a third-party can potentially lower costs and extend the bank's market reach, but at the cost of giving up some customer control. Combining the bank's offering with one or more third-party solutions may present the best of both worlds

How can it go beyond payments? Regardless of which solution is selected, banks must determine how to go "beyond payments" to drive broader mobile adoption. In other words, consumers need a compelling reason to switch from paying with plastic cards and cash as they do today. This can be achieved by leveraging opportunities across the entire purchase lifecycle. For example, by using features and functionalities such as geo-targeting campaigns, and post



purchase, providing coupons in the pre-purchase stage, and loyalty points, social media integration and instant surveys. Consumers are receptive to such enticements. Accenture's 2014 North America Consumer Payments Survey found that 79% of people currently using their smartphones to make payments would increase usage if they were offered discount pricing or coupons based on past purchase behavior.

Who should banks partner with? To succeed in mobile payments, banks need to determine which alliances will help them differentiate and make their solutions more relevant. Banks may consider partnering with one another, particularly on a common open back-end platform, in order to reduce their overall development and operating costs, as well as enhance their market relevance with a broader consumer base. Banks should also consider engaging with merchants who, after all, heavily influence how consumers will pay at the point of sale. Merchants themselves will seek out partners who can help them attract new customers, maximize existing customers' value and cut operating costs. A compelling mobile offering may help them to achieve these objectives.

Payments have reached an inflexion point. Amid the swirl of hyper competition, new technologies and entrants, rising merchant power and changing consumer preferences, banks must quickly determine where they fit. Otherwise, they risk losing relevancy and market share. Jonathan Magder is an executive in Accenture Strategy specializing in payments and mobility.

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

## **20. PIVOTAL PAYMENTS NOW SUPPORTS ANDROID PAY, BRINGING MOBILE WALLET ACCEPTANCE TO U.S. BUSINESS OWNERS**

*Source: Pivotal Payments (09/23)*

Pivotal Payments announced it will offer Android Pay acceptance, allowing its merchants and partners to benefit from Google's flexible and secure mobile wallet platform. Android Pay enables Android users to seamlessly tap and pay with their phones in more than one million stores in the US, with more locations being added daily. Pivotal Payments' future-proof solutions continue to help business owners be ready for new and emerging payment types as soon as they are available. The omnipresence of mobile smart devices is changing the way consumers pay, with leading analysts expecting mobile payment transaction volume to reach \$720 billion by 2017. Pivotal's current hardware lineup offers near field communication (NFC) mobile payment capabilities that are fully compatible with Android Pay, plus point-to-point encryption (P2PE), providing merchants and consumers faster and safer payments.

Android Pay allows consumers to make purchases conveniently, securely and easily by simply unlocking their phone and holding it near the contactless



terminal. Sign-up and adding credit or debit card data is performed directly through the Android Pay app. To further extend the reach and benefits of Android Pay, Pivotal's FlexPoint integrated payments platform empowers ISV developers to seamlessly incorporate mobile wallets with their core payment software, gift and loyalty apps. "With more consumers beginning to rely on their smartphones to make payments, we're making it easy for business owners to accept Android Pay, adding choice, flexibility and convenience to the purchase experience," said Philip Fayer, president and chief executive officer of Pivotal Payments. "Our goal is to ultimately help our merchants and partners adopt payment technologies that make a meaningful impact to their long-term success."

"We're excited to bring the simplicity and security of mobile payments to Pivotal Payments' customers with Android Pay. People will now be able to use their Android device to pay at more than one million stores in the US and we're adding more every day," said Pali Bhat, Director, Product Management, Google.

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

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## **21. BANK OF AMERICA PATENT ON CRYPTOCURRENCY BASED REMITTANCES**

*Source: Let's Talk Payments (09/23)*

The US Patent & Trademark Office website revealed that Bank of America had filed a patent on a 'System and Method for Wire Transfers Using Cryptocurrency'. The post shows that the patent was filed on Mar. 17th, 2014 and published on Sept. 17th, 2015. This explains the relatively low profile BofA has kept when it came to discussing Bitcoin and cryptocurrencies in public.

The patent deals with using a system that would decide on one optimal method for completing a wire transfer, in other words: remittance of money. The system in this process would use multiple cryptocurrency exchanges, wherein a funds transfer initiated by one customer could be exchanged via one cryptocurrency exchange, and at the receiving end they could be re-converted to currency using another cryptocurrency exchange. The different cryptocurrency exchanges that they have mentioned include: OKCoin, BitStamp, BTCChina, Cryptsy, CoinMarket, Justcoin. However, they also mention that this list is not exhaustive. Similarly, the different cryptocurrencies that the filing has referred to are: Bitcoin, Litecoin, Ripple, Peercoin, and Dogecoin. They also included MintChip, a digital currency concept backed by the Government of Canada.

The concept sounds somewhat similar to what Ripple Labs or Stellar have built for enabling cross-border money transfers. Cryptocurrencies help reduce cost at the aggregation and dis-aggregation end points in the remittance network. Though there have been rumors about BofA showing interest in blockchain earlier,

the first use case appeared when mishandling of records was found to be an area where blockchain could be utilized. BoFA has officially always remained off the hook. It was only in Dec. 2014, that David Woo, Head of Global Interest Rates and Currencies Research at Bank of America, stated the following “I think we have to separate Bitcoin as an investment versus Bitcoin as a payment system. I think as an investment, as a store of value, it has limited upside, especially in an environment in which the dollar is going up and gold is going down, the safe havens people are using to run away from the dollar are going down”

The patent that was published last week provides us with the knowledge that BofA had for a long time been investing in understanding the cryptocurrecny system for usage within the banking infrastructure and was not interested in the currency itself like many other financial institutions. This could also be a reason behind BofA not being part of the 9 major banks’ consortium (Goldman Sachs, JPMorgan, Credit Suisse, Barclays, Commonwealth Bank of Australia, State Street, RBS, BBVA and UBS) partnering with R3CEV, a New York-based group of trading and technology executives, to back blockchain technology use in financial services. They could well be leveraging their in-house expertise in developing their own proprietary products based on this technology.

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## **22. TSYS SUPPORTS ANDROID PAY**

*Source: Let's Talk Payments (09/21)*

TSYS announced it will expand the TSYS Enterprise Tokenization solution to process tokenized transactions made using Android Pay. TSYS Enterprise Tokenization is a plug-and-play solution that enables issuers to offer digital mobile payment technologies to customers and the merchants that accept them. TSYS maintains active dialogue across the industry and consistently invests in solutions to support the evolving digital commerce landscape. This includes payment brands, smartphone providers and payment platforms such as Android Pay which is enabled by the Android operating system. Android Pay began rolling out gradually on September 10 and will continue across the next few days.

TSYS’ new Host Card Emulation (HCE) solution enhances its existing TSYS Enterprise Tokenization solution to empower mobile payment solutions like Android Pay. It allows payment card information to be stored in the cloud and transferred by a tap of the mobile device at the merchant terminal. According to eMarketer, the number of smartphone users worldwide is expected to surpass 2 billion in 2016 – 51.7 percent of all mobile phone users<sup>1</sup>. The Android operating system runs a majority of all smartphones, and major carriers have committed to providing Android Pay to their customers. “TSYS will continue to make new digital payment solutions like Android Pay a priority as we strengthen our commitment to mobile payments and the freedom of choice and convenience they provide,” said Gaylon Jowers, senior executive vice president, TSYS. “We are optimistic about the positive impact of Android Pay in the mobile payments market, and look



forward to supporting all of our clients in their efforts to offer secure and convenient mobile payments for their customers.”

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

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### **23. RBC WILL WORK TOWARDS STRENGTHENING MOBILE PAYMENTS SECURITY WITH ITS NEW PATENT**

*Source: Let's Talk Payments (09/05)*

The US Patent Office has granted the Royal Bank of Canada (RBC) a patent on its innovative Secure Cloud payment and security technology. The patent covers the usage of secure tokens by the company’s clients to facilitate payments from smartphones. Secure Cloud technology allows RBC’s clients who want to pay with their mobile devices to complete transactions with any card. It enables the user to pay at a retailer’s contactless POS terminal with any card of his choice.

“The patent on our Secure Cloud technology underscores our commitment to enhance the client experience by investing in technology and innovation,” said Linda Mantia (Executive Vice President of Digital, Payments & Cards, RBC) in the press release. “With Secure Cloud, we knew that we needed to create a solution flexible to future technologies while also providing our clients with the security they expect from RBC. As a result, we deliberately pursued an open architecture solution that would work across platforms and keep sensitive client data with the bank.” Mantia also added, “For us, innovation is about connecting what is possible to what is valuable to our clients. This patent, in conjunction with others now pending, will enable RBC to continue to provide that innovative client-centric experience across payment platforms, from mobile phones to wearables.”

With RBC Secure Cloud, the bank keeps the sensitive data related to the client with it, as opposed to it being on the mobile device. Substitute data is transmitted, encrypted and decoded locally on the client’s mobile device at the POS terminal, instead of the sensitive data itself. Apart from the new one, RBC has several other patents pending in the payment solutions space. With the emergence of mobile payments technology, the battle between banks and technology companies is increasing as consumers are showing a keen interest in using their mobile devices as wallets. According to technology research firm Gartner, Inc., usage should rise at an annual pace of 30% over the next few years as the value of transactions exceeds \$720 billion (US) by 2017 globally.

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

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## **24. SAMSUNG EXPANDS RELATIONSHIP WITH MASTERCARD**

*Source: Mobile Payments Today (09/09)*

In support of its Digital Enablement Express program, MasterCard announced that Samsung has joined Express as one of the program's first partners. Express is intended to expedite the process of digitizing and tokenizing MasterCard accounts, giving issuers the immediate ability to participate in Samsung Pay and enabling Samsung to bring secure mobile payments to consumers more quickly, and at scale, according to a press release. "Partnering with MasterCard via Express ensures that Samsung Pay can be brought to millions of consumers globally in a scalable and efficient way that creates value for us and issuers," said Injong Rhee, executive vice president of Samsung Electronics and global head of Samsung Pay. "We are excited to combine MasterCard's Digital Express program with Samsung Pay to accelerate a digital payment experience that is simple, secure, and works virtually anywhere you can swipe or tap a card, in addition to all the benefits and guarantees that consumers have come to expect with every MasterCard transaction."

Express enables companies such as Samsung to request payment tokens through the MasterCard Digital Enablement Service, according to the announcement. This enables every MasterCard issuer to securely digitize tokens into millions of devices, Internet of Things environments and Card on File systems. "As every connected device can potentially become a secure payment device, we are excited to partner with a key player like Samsung for our Express program. Express is a powerful framework to help both Samsung and our issuers accelerate the time to market globally for secure digital payments via Samsung Pay," said Ed McLaughlin, chief emerging payments officer at MasterCard. In addition to Samsung, Google, Capital One, Fifth Third Bank and KeyBank also announced their intent to partner with MasterCard on the program.

*Capital One and MasterCard are members of ACT Canada; please visit [www.capitalone.ca](http://www.capitalone.ca) and [www.mastercard.ca](http://www.mastercard.ca).*

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## **25. APPLE PLANNING APPLE PAY MOVE INTO CHINA?**

*Source: Mobile Payments Today (09/22)*

Apple is laying the groundwork to introduce Apple Pay in China, according to reports from a state-backed newspaper and the Wall Street Journal. The Wenhui news reported that Apple in June registered itself as a payments business in Shanghai's free trade zone, which is intended to boost private investment, competition and economic growth in China. The Wall Street Journal wrote that the sole reason for Apple filing the paperwork is to introduce Apple Pay. Apple will face some stiff competition in the country should it introduce Apple Pay. Both Alipay and Tencent's WeChat have millions of Chinese consumers using their services for mobile payments.

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## 26. THE LOYALTY-PROGRAM ARGUMENT WITH MOBILE PAYMENTS

*Source: Mobile Payments Today (09/10)*

With mobile payment apps, retailers enjoy faster transactions — as every retailer knows no shopper likes to face a long line to check-out. Technology, these days, is constantly evolving, but one thing that has not changed over time is the need for companies to engage, maintain and grow their customer base. While technology has provided new ways of reaching broader audiences, the ability to secure customers has become increasingly difficult. Customers now care not only about who has the best product, but also about who provides the best customer experience. Modern consumers are savvier and more technologically versed than ever. They can compare prices and items effortlessly with a few taps on their mobile devices — ultimately leading them to the best deal. Brand loyalty is declining, as the vast majority of purchases are made based on price.

With this stark reality, hospitality brands are pushing to identify innovative ways to maintain their base of loyal customers. A recent study from the Center for Retail Management at Northwestern University highlighted that 12 to 15 percent of customers are loyal to a single retailer, resulting in 55 to 70 percent of the retailer's total sales. And since it is more costly to attract new customers than it is to retain existing customers, more brands are avidly looking to engage and develop loyal patrons.

### Tying loyalty programs to the POS

One effective way to encourage repeat customer visits is through loyalty programs. This method of consumer engagement is a pillar for hospitality brands, and a key aspect in sustaining business performance. With the growth of social media, customers hold higher levels of influence over a brand's reputation. To maintain customers in a saturated market, loyalty programs provide differentiating offers and discounts for returning guests. By analyzing user data, brands can offer timely and relevant rewards or one-of-a-kind promotions aimed at exciting members and instilling a sense of exclusivity. Clearly, this idea of loyalty programs isn't new. They were initially employed using paper coupons and punch cards manually redeemed at checkout registers. However, the rise of mobile payment apps has bred robust digital loyalty programs.

Today, digital platforms tie loyalty programs to consumption and are automated and integrated into the POS system. Each purchase is automatically tallied, and when customers meet the threshold needed to redeem a reward, they're notified in real-time on their phones and it appears on the POS. This ensures greater immediacy for both customers and restaurants, and removes the possibility of human error. Digital programs also appeal to business owners because they are secure and precise. Because they are so compelling, loyalty programs are driving mobile payment app adoption. Retailers recognize mobile payment apps enhance the guest experience and help extend their brand. With



mobile payment apps, stores enjoy faster transactions — and consumers aren't facing long lines and check-out time.

It's crucial for brands to evolve their offerings in ways that simplify, but at the same time enliven the customer experience. Mobile payments definitely further this goal. A recent report from Forrester forecasted U.S. mobile payments will increase from \$52 billion in 2014 to \$142 billion by 2019. This increase highlights a huge opportunity for the retail industry; integrating loyalty programs with mobile payment offerings paves the way for customer retention in a crowded market, and represents a marriage that will benefit both the consumer and the retailer.

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## **27. SECUREKEY ROLLING OUT SERVICE IN U.S.**

*Source: Secure ID News (09/15)*

Social logins are the norm. “Click here” to login with Google, Facebook, LinkedIn, etc., choose what information you’re giving up to the relying party and go on your merry way without having to create yet another username and password that will be forgotten a minute later. The problem with social logins is they don’t necessarily tie an identity to that account. Social media accounts are self-asserted identities and have no assurance behind them. SecureKey wants to take the idea behind social logins and add a higher level of assurance to those identities by leveraging the vetting that financial institutions have done with customers, says Stuart Vaeth, senior vice president of business development at SecureKey. “This is social login with privacy and trust,” he adds.

The company is launching SecureKey Concierge with US Bank in the U.S. This will enable US Bank customers to use the login information for their financial accounts to access other services in a secure and privacy enhancing way, Vaeth says. “This is solving two issues, password proliferation and how does a service provider verify who the user is online,” he adds. The service builds on the SecureKey’s FedRAMP certified Connect.Gov service sponsored by GSA, USPS and NIST, and on its SecureKey Concierge Service in Canada, which has experienced a doubling of user credentials in each of the past two years. A similar system has been running in Canada for three years with three banks, says Charles Walton, CEO at SecureKey. One of the main applications is enabling citizens to use the bank login for access the Canadian IRS but other applications are rolling out in some of the provinces. “In the first six months of the year – peak times – we generally see about 2 million transactions a month,” he explains.

SecureKey is in talks with other financial institutions about using the system in the U.S. and the company is focusing on health care for use cases, Vaeth says. Instead of relying on knowledge-based authentication for access to a health care insurer or provider, the Concierge service would use the bank credential to verify identity. When accessing the site the user would be given the option of using a banking credential for access, Vaeth says. Instead of answering the knowledge-



based quiz or undergoing another verification step, the user would enter the banking credential, consent to share the information and then US Bank would pass along an anonymous identifier. "This leverages the identity proofing that the banks have already done," he explains.

SecureKey is working with U.S. identity and technology partners to increase the range of the Concierge service, leveraging in-market credentials issued and managed by banks, telecommunications companies, government agencies and other organizations.

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

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## **28. APPLE APP STORE EXPERIENCES FIRST LARGE-SCALE HACK**

*Source: CardNotPresent.com (09/21)*

Apple acknowledged reports that had been leaking out during the second half of last week that said the App Store had been hacked on a large scale for the first time, with perhaps hundreds of apps infected with malicious code having been approved by Apple's stringent app review process. The vulnerability originated in China, where hackers were able to get legitimate app developers to unknowingly embed the code in apps by generating a counterfeit version of Xcode, a tool used by developers to create apps for iOS and Mac OS. The malicious code has been dubbed XcodeGhost.

"We've removed the apps from the App Store that we know have been created with this counterfeit software," Apple spokeswoman Christine Monaghan told Reuters. "We are working with the developers to make sure they're using the proper version of Xcode to rebuild their apps." While the information the hackers have been able to obtain from users who downloaded infected apps is not thought to be especially harmful, researchers have characterized it as important because it shows the App Store can be vulnerable to hackers through developers with legitimate apps. Popular Chinese apps WeChat and car-hailing app Didi Kuaidi are among the infected apps.

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## **29. TSYS RELEASES '2014 CANADIAN CONSUMER PAYMENT CHOICE STUDY'**

*Source: Payments Business (09/04)*

Canada's payments industry is driven by stability, characterized by concentration, and tends toward technical standardization, says a TSYS study. In January of this year, TSYS conducted two focus group studies in Toronto, ON and in February conducted an online survey of just more than 1,000 respondents. All participants were at least 18 years of age and owned at least one debit card and at least one credit card.



The company sought to gain insight about basic payment preferences, what influences consumers when choosing how to pay, and what might change their behavior. It also sought to gauge current consumer perceptions about popular topics in our industry and offerings that could improve the payments products they care about most. Because the focus groups were conducted first, TSYS was able to revisit and amend its draft survey questions based on the dialogue in the focus groups. The survey included both general and specific questions, and gathered necessary demographic information to examine differences across consumer segments. From the qualitative and quantitative information gathered, TSYS is now able to report its findings. For information, visit: [http://tsys.com/Assets/TSYS/downloads/rs\\_2014-canadian-consumer-payment-choice-study.pdf](http://tsys.com/Assets/TSYS/downloads/rs_2014-canadian-consumer-payment-choice-study.pdf)

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

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### **30. INSIDE SECURE'S AWARD-WINNING HCE PAYMENT SOLUTION ACHIEVES VISA READY APPROVAL**

*Source: INSIDE Secure (08/25)*

INSIDE Secure announced that its award-winning mobile payments security solution is now functionally Visa Ready approved by Visa Inc., for use in Visa Inc. territories. MatrixHCE, a software-based banking and payment solution, protects sensitive data on mobile devices while allowing banks to prominently market their brands. It permits mobile phones to be used as payment cards (credit, debit or prepaid) in the retail environment and supports key features such as transaction logging, receipts, biometric authentication and token processing.

"INSIDE Secure is extremely pleased to receive functional Visa Ready approval for MatrixHCE, one of the first mobile payment solutions for financial institutions," said Martin Bergenwall, EVP of INSIDE Secure's Mobile Security Division. "MatrixHCE not only meets the latest HCE standard, but it also incorporates potential future requirements including updatable whitebox cryptography to protect tokens, code and data."

Additional features of MatrixHCE include:

- Interlocking security that protects the application and account data
- Tamper-proofing that ensures protection against malware attacks
- Dynamic White-box Cryptography (WBC) that enables full token processing by protecting all encryption keys
- Easy deployment across the Android eco-system
- Support for other leading payment networks

*INSIDE Secure and Visa are members of ACT Canada; please visit [www.insidesecond.com](http://www.insidesecond.com) and [www.visa.ca](http://www.visa.ca).*

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### **31. GLOBAL PAYMENTS ANNOUNCES FULL SUPPORT FOR ANDROID PAY IN THE U.S.**

*Source: Global Payments (09/10)*

Global Payments Inc. is pleased to announce that it will offer its merchants in the United States the ability to accept Android Pay, which will offer a range of choices for Android mobile users. Users can simply unlock their device, place it near a contactless terminal and the payment is sent for authorization. Android Pay is designed to align with industry tokenization standards and not send actual credit or debit card numbers, but instead securely create virtual account numbers for transactions. Details of a customer's card information are not released to the merchant, and customers are notified immediately when a purchase is made.

"The addition of Android Pay is another great step for Global Payments in bringing a digital solution designed to be simple, secure and innovative to our merchants and their consumers," said Frank T. Young, SVP, Global Product and Innovation. "Global Payments has the experience to leverage these solutions, and we're excited that our merchants will be able to access mobile payments through Android Pay."

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

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### **32. STRIPE, TWITTER LAUNCH E-COMMERCE INITIATIVE**

*Source: CardNotPresent.com (09/17)*

Stripe, Twitter Launch E-Commerce InitiativeLast fall, Twitter indicated it was testing a way to enable companies to sell directly through the service with a "buy button." This week, Stripe, rumored as its partner in that venture, announced the rollout of Relay, the technology that is going to bring Twitter's efforts to fruition. Relay, an API enabling stores to integrate with apps like Twitter, will streamline the buying experience and optimize it specifically for mobile devices, a sorely needed but rarely seen result, according to Stripe's Siddarth Chandrasekaran. "Most mobile shopping sites are fundamentally the same as the desktop sites that preceded them, despite the medium calling for something completely different," said Chandrasekaran. "The result has been predictable. Despite mobile devices representing 60 percent of browsing traffic for shopping sites, they only make up 15 percent of purchases."

Chandrasekaran cited native mobile apps Postmates and Instacart as examples of effective buying experiences developed especially for mobile. Stripe said Relay can provide an experience like that through apps like Twitter. Stripe said online stores provide product information which they will use to enable instant purchases through third-party mobile apps. In addition to Twitter, ShopStyle and Spring are other shopping apps integrated with Relay.

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### **33. U.S. BANK AND ELAVON CUSTOMERS CAN MAKE AND ACCEPT PAYMENTS WITH ANDROID DEVICES**

*Source: Elavon (09/10)*

Android Pay is beginning to roll out to customers of U.S. Bank and Elavon, the global acquiring subsidiary of U.S. Bancorp. Android Pay will be available for download on Google Play in the next few days, and will come preinstalled on new NFC-enabled Android phones from major carriers. With Android Pay, U.S. Bank customers with eligible consumer and small-business Visa credit or debit cards will be able to use their Android mobile phone to make fast, simple and secure payments in-store—all without pulling out a wallet.

In order to keep a customer's card details safe, Android Pay does not send actual credit or debit card numbers to merchants with payment. Instead, through tokenization, Android Pay uses a virtual account number to represent a customer's account information. U.S. Bank and Elavon merchant customers can accept Android Pay at the point of sale using terminals enabled with Near Field Communication (NFC). "Adding Android Pay as a mobile payment option for our cardmembers and merchant customers is one more way we make it convenient for our customers to do business with U.S. Bank and Elavon," said Dominic Venturo, chief innovation officer at U.S. Bank. "Android Pay aligns with our commitment to innovation that leads to better experiences for our customers."

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

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### **34. GIESECKE & DEVRIENT AND IBM TEAM UP ON NEW CONNECTED VEHICLE CRYPTOGRAPHIC SECURITY**

*Source: Giesecke & Devrient (09/16)*

Giesecke & Devrient (G&D) and IBM are teaming up to work on a new connected vehicle security solution with the intent to make car hacks much more difficult in the future. The new crypto chip and key solution was showcased first at IAA International Automobile Fair in Frankfurt, September 17 to 27. IT security is becoming a crucial precondition for the automotive industry in terms of a wider adoption of connected vehicles.

"With dozens of ECUs (electronic control units) and several in-vehicle bus systems as well as various wireless connections to the external world of a connected vehicle, it is vital to protect those systems in the best possible way against remote hacks, fraudulent attacks and any attempts that could affect traffic safety," states Erich Nickel, Director of Automotive Solutions CoC DACH at IBM. "As a multitude of connected vehicle online services are already available, involving aspects of data privacy and secure payments, secure infrastructures and communication channels are needed." Security infrastructures are required within the vehicle and from the vehicle to the backend infrastructures. As trusted partners



and suppliers for the automotive industry, IBM and G&D team up to tackle these security challenges for the connected vehicle ecosystem.

“As a leading provider of M2M SIMs and of securing digital identities, G&D has transferred its high security standards from the smart card ecosystem into the world of networked mobility. The products and solutions fulfil the requirements and standards of the specific industries such as ISO/TS 16949, which is considered the model for quality management systems in the automotive industry,” says Axel Deininger, Head of the Enterprise Security/OEM division in the Mobile Security business unit at G&D.

IBM and G&D present a first showcase of the connected vehicle security solution at the IBM booth no. 3.1 B48 in the New Mobility World. The technology partners will demonstrate a “Secure Gateway ECU” to enable a more secure communication within the vehicle and to the backend. The partners expect a further development of the platform based on OEM customer requirements over time, potentially combining other security elements to enhance the existing crypto key and chip core elements. The highlights:

- Management of trusted identities in a secure environment
- Trusted Service Management to ensure driver data security and privacy
- Secure Gateway ECU to ensure the communication within the car and to the backend
- Highly flexible connectivity management with G&D’s subscription management solution

#### Multiple IT security related solution components

The IBM/G&D end-to-end connected vehicle security solution platform will be based upon multiple IT security related solution components:

- Highly protected hardware elements with Smart Card level security, so-called “embedded Secure Elements” (eSE), within the vehicle for storing cryptographic keys in a protected high-level tamper-resistant area help to raise the level of security and to reduce the number of car hacks drastically.
- Key creation and lifecycle management in a key management back-end is essential to ensure both the availability and security of the encrypted information. The management of trusted identities protects users identity and enables authorized access to vehicle.
- The Subscription Management of the SIM modules (M2M SIM cards) provides automotive OEMs with more flexible connectivity solutions. A car can be individually configured for security settings when delivered in different markets and connected to service operators without changing the SIM module to simplify the logistics. This allows vehicle manufactures more flexibility when producing vehicles for different counties with many mobile network operators (MNOs). The subscription to the MNO can be programmed when the vehicle is delivered to the destination country after manufacturing.



- Security intelligence within the vehicle, closely linked to security intelligence capabilities on the backend side, improves the detection of hacker attacks from abnormally operation monitoring. Security intelligence on the backend side with Security Operations Centers and Security Intelligence and Event Management helps detect tampering operations at an early stage to detect hacker attacks early and to avoid damages to the system. Secured communication channels and secured data storage in the cloud ensure highest standards for data privacy. This also helps to make payment transactions safer with a resilient backend infrastructure.

*Giesecke & Devrient is a member of ACT Canada; please visit [www.gi-de.com](http://www.gi-de.com).*

### **35. VERIFONE AND AAVA MOBILE PARTNER TO OFFER FIRST INTEL-POWERED, “POCKETABLE” MPOS SOLUTION**

*Source: Verifone (09/01)*

Verifone and Aava Mobile announced the first handheld mobile point of sale (mPOS) solution powered by Intel to deliver a flexible, long-lasting EMV-ready mPOS solution for enterprise retailers. The solution is based on Verifone’s device and operating system (OS)-agnostic mPOS terminal integrated with Aava Mobile’s rugged handheld tablet PC, which is powered by the Intel Atom processor.

#### Opens The Door To Widespread MPoS Adoption

Widespread mPOS adoption among multi-lane retailers is lagging due to limited flexibility typically associated with mPOS technology as well as its inability to seamlessly integrate with popular enterprise back-end systems. Most mPOS terminals only support a limited number of operating systems (OS) and tablet and smartphone form factors, requiring retailers to purchase new technology whenever they upgrade their mobile devices. The Verifone e355 mPOS terminal is agnostic to smartphone and tablet form factors and supports all major OS options, including Android, iOS and Windows—enabling retailers to make long-term investments in mPOS, at a much lower cost of ownership.

#### Windows-Based, Enterprise-Grade Tablet Powered By Intel

Multi-lane retailers have substantially invested in Windows-based back-end systems to support critical workflows across their entire enterprise. The Inari5 from Aava Mobile is powered by the Intel Atom quadcore processor and is the smallest mobile device that can run Microsoft Windows Embedded 8.1 and Windows 10. Integrating the Inari5 with Verifone’s technology provides retailers a flexible, long-lasting mPOS solution that seamlessly integrates with their legacy back-end systems, enabling them to connect their sales channels, enhance security and deliver digital commerce right to the customer—wherever they are standing.



“Verifone’s device and OS-agnostic offering combined with Aava Mobile’s Intel-powered tablet provides the ultimate in mPOS flexibility,” said Dennis Mos, general manager of Global Solutions Management for Verifone. “In addition to accepting EMV, NFC and all other payment methods, this solution serves as a connected network endpoint that also enables retailers to delight customers with an engaging digital commerce experience—anywhere in the store.”

### Enhances Security & Adds More Value To The Point Of Sale

Verifone-AavaMobile-PR-2The Verifone e355 is supported by Verifone’s Secure Commerce Architecture, which helps retailers better protect cardholder data by connecting the device directly to the processor host. This prevents sensitive payment data from becoming exposed to POS (electronic cash register) malware commonly used by cybercriminals. It also enables security and PCI software updates to be remotely uploaded to terminals throughout the retailer’s estate. Secure Commerce Architecture is also the foundation of Verifone’s Commerce Enablement offering, which enables retailers to improve customer loyalty and increase sales with targeted digital advertising, coupons and product offers delivered to consumers at the terminal.

“Aava Mobile’s Inari5 tablet provides a level of durability, memory and processing speed greater than consumer-first mobile devices,” said Michelle Tinsley, Director of Mobility and Secure Payment for Intel’s Retail Solutions Division. “As the first Intel-based mobile handheld payment solution, integrating Aava’s tablet with Verifone’s remarkably flexible terminal yields a powerful enterprise-grade solution in terms of payment acceptance, advanced architecture support, and legacy system compatibility to enable retailers to get the most out of their mPOS investment.”

This fully-integrated mPOS solution includes the following components and features:

#### Aava Mobile Inari5 tablet:

- 4.7” multimedia LCD touchscreen
- Powered by Intel Atom quadcore processor, 4 GB RAM
- Runs Microsoft Windows 8 and Windows 10, or Android 4.4 and 5.1
- 32, 64 or 128 GB storage, MicroSDXC, NFC, 802.11n, Intel Wireless Display (Intel WiDi), Bluetooth, GPS/GLONASS; optional LTE
- Drop resistant up to 1 meter; waterproof and dustproof; IP65 rated

#### Verifone e355 mPOS payment terminal:

- Supports all device form factors; Windows, Android and iOS compatible
- Modular design for multiple frame, stand and cradle configurations
- Accepts all payment types, including EMV, NFC, contactless, mobile wallet, and magnetic stripe
- EMV and PCI PTS 4.0 approved

- Optional bar code scanner for multiple use cases
- Wi-Fi, Bluetooth and USB connectivity
- Supports Verifone architecture

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

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### **36. WHAT'S THE DIFFERENCE BETWEEN ANDROID PAY AND SAMSUNG PAY?**

*Source: Android Central (09/24)*

Google and Samsung both want to handle your mobile payments, and each has its benefits. Well this is all pretty confusing, isn't it? If you have a Samsung phone in the U.S. chances are you have two new apps on your phone — Android Pay, and Samsung Pay. Well, you have an Android phone from Samsung so we suppose that makes sense, but while these apps both aim to do the same thing — handle your mobile payments — they aren't actually related in any way. On the other side of things if you don't have a Samsung phone but you're starting to see plenty of advertising for Samsung Pay, you may be confused as to why you can't have it. We're here to clarify the situation, explain the differences between these two payment platforms and help you choose which one to use and care about.

#### Android Pay

We're going to focus on what Android Pay does versus Samsung Pay, which it directly competes with. Android Pay is Google's second swing at mobile payments, replacing the old Google Wallet system. But just like Google Wallet did, Android Pay uses NFC (Near Field Communication) to transmit payment information between your phone and properly-equipped payment terminals at supporting stores. You load all of your debit or credit cards into the Android Pay app once, then you can pay with them virtually using your phone in the store. Android Pay requires that you phone has a secure lock screen (pattern, password, PIN or fingerprint) to work, and the payment information is sent completely securely.

Not all banks or card types inside each bank are supported by Android Pay, which leads to some bit of confusion. Google lists supported cards and banks (albeit roughly), but you may want to contact your bank before you get too excited about having full compatibility. For example you may be able to add a card, but you will have to enter a secondary authentication PIN to pay with it and may not get proper rewards or points from your credit card issuer when paying via Android Pay until it's fully supported. To add another level of confusion, cards previously added through Google Wallet will continue to work in Android Pay for a limited time, even though they wouldn't be considered compatible if they were added as new in Android Pay. It's a slight speed bump, but the fact that Google is working



with banks this time around is important, as you likely won't hit as many snags with payment or seeing transactions properly on your bank or credit card statements.

Android Pay also supports loyalty and gift cards. You can enter them in to the Android Pay app, and it will display them on your phone's screen as a barcode for the merchant to scan. You can only add loyalty and gift cards from programs that are recognized by the system, so you can't manually enter any random number or merchant like you could with Google Wallet in the past. Android Pay works on phones running Android 4.4 and later that have NFC and HCE (Host Card Emulation) support. The carrier you use doesn't impact your ability to use Android Pay, and though it only works in the U.S. right now you can still use it on an international phone when you're in the U.S. If your phone is compatible, you'll either get an update to your old Google Wallet app, or the new Android Pay app will be available in the Play Store. Of course the bigger issue is likely to be finding stores that support NFC payments — major chains like McDonald's, Macy's and Walgreens all support it, but it's far from being universally adopted.

### Samsung Pay

Samsung has actually been talking about its new mobile payment platform, Samsung Pay, for quite a while now, but until the release of the Galaxy Note 5 we didn't have many details on the launch. On the surface, Samsung Pay works very similarly to Android Pay. It's an app that lets you load up your supported debit, credit, loyalty and gift cards, which can then be emulated using the phone to pay in stores.

Samsung Pay will work in stores that support NFC payments, but its big trick is a technology called MST (Magnetic Secure Transmission), which it picked up with the acquisition of a company called LoopPay. MST lets your phone with Samsung Pay emulate an actual physical card swipe, meaning it can work at virtually any payment terminal where you can swipe a card. You activate Samsung Pay on the phone, authenticate with your fingerprint (or a PIN if you prefer), and then hold the phone over where you'd normally swipe a card — it'll make the terminal react as if you had swiped a card through it, and process the payment. Just like Android Pay the payment is made with a virtual card number and a one-time authorization token, so it's super safe and there's no way you can have your payment information compromised.

Samsung Pay is accepted virtually everywhere, but there are other restrictions to be aware of. Making a payment in a store using MST doesn't require "support" from the retailer in the same way that NFC payments do — if they accept credit cards, they should accept Samsung Pay. One big exception is card readers that require you to insert your card and pull it back out, like you'd find at an ATM, public transit station, parking meter and the like — these kinds of readers don't work with the system, so you'll still need to use your old physical card there. Another thing to keep in mind is situations in which you are handing over your card



to the retailer — like at a store where the merchant swipes the card on their side of the counter, or at a restaurant where the card is taken away altogether. (Of course Android Pay doesn't work in these situations either, but it's worth mentioning when you say "virtually anywhere".)

Though it works with more retail locations by far, Samsung Pay only works with a small number of banks and cards compared to Android Pay. At launch Samsung has Bank of America, Citi and U.S. Bank on board, as well as MasterCard, VISA and American Express. The slight difference here is that if you're able to add your card to the Samsung Pay app, you'll have the exact same experience between cards. There's no grey area, like on Android Pay, where you can add a card but it's only somewhat supported — if you can get it in the app, it'll work flawlessly.

Perhaps the biggest issue (though not a surprising one) with Samsung Pay is compatibility. It's only supported on the Galaxy S6, S6 edge, S6 edge+ and Note 5 — and presumably future high-end Samsung phones as well — but has the added restriction of needing a U.S. model of one of those phones on a supported carrier (at launch Sprint, T-Mobile, U.S. Cellular and AT&T). That means you can't bring an international version of the Note 5 to the U.S. and use Samsung Pay, and if your carrier — like Verizon at launch — isn't on board, you can't use it either.





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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.

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