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

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ACT Canada Partners

ACCEO - *Payment Solutions Partner*
The e-business operations expert, ACCEO Solutions is a leader in banking, accounting, and business software, SaaS solutions, and cloud computing. We also offer a wide range of specialized consulting services covering strategic advising, IT management and infrastructure, payment solutions, custom development, and full integration of our own and of our partners' ERP solutions.

GIESECKE & DEVRIENT - *NFC / Mobile Solutions Partner*
Giesecke & Devrient has introduced a comprehensive mobile wallet solution for NFC services and beyond, brining all the functions of an electronic wallet onto a common platform. Now you can access your mobile services anytime, anywhere: at work or home, while travelling or for shopping. Visit http://www.gi-de.com/can/en/trends_and_insights/tsm_for_nfc/_wallet_/wallet.jsp.

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

PAYMENTS BUSINESS – *Media Partner*

New and Renewing Members

Principal Members
Credit Union Central of Canada ~ member since 1990
EWA-Canada Ltd. ~ member since 2004
Pivotal Payments ~ new member

General Members
ARI Financial Services Inc. ~ new member
Carta Worldwide ~ member since 2012
ICICI Bank Canada ~ new member

Associate Members
M. Blair Consulting Inc. ~ member since 2010

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

Business Development Manager
In order to support its business expansion, Desjardins Card Services is seeking for candidates to contribute gaining new grounds in the acquiring/processing business.
- Using strong connections in the industry, the Business Development Manager will be accountable for identifying, qualifying and signing new national merchant accounts.
- Engage with strategic partners (Credit Unions, VARs), the successful candidate will be responsible to generate/exploit lead-opportunities.

Development Center Manager
Our company is recognized as a leader in the payment industry. With customers in Canada and United States, our Toronto team is focused on innovation, vision and a commitment to delivering quality software solutions that are easily adaptable and exceptionally reliable. The Development Center Senior Manager will provide leadership and build functional strength in Customer Support, QA, Development and Project Management teams with around 30 people and two Managers.

For a full description of these postings, please visit
http://www.actcda.com/information/careers/

Calendar Of Events

IdentityNorth
May 6, 2014
Toronto, ON
http://www.identitynorth.ca/?conference=conference-2014

Cartes America
May 13-15, 2014
Las Vegas, NV
http://www.cartes-northamerica.com

2014 CNP Expo
May 19-22, 2014
Orlando, FL
http://cardnotpresent.com/cnpexpo/

ATMIA Canadian Conference 2014
June 4-5, 2014
Niagara Falls, ON
http://www.atmia.com/conferences/canada/

SDW 2014
London, England
June 16-18, 2014
http://www.sdw2014.com/

Cardware 2014, presented by ACT Canada
June 17-18, 2014
Marriott Gateway on the Falls
Niagara Falls, ON, Canada
http://www.actcda.com/cardware
Online registration is now open!

Canadian Payments Association's Payments Panorama 2014
Charlottetown, PEI
June 25-27, 2014
http://www.cdnpay.ca/conference/english/homepage.html

The **Mobile Stakeholder Engagement** meeting was held on April 23rd to look at the merchant and consumer barriers to mobile adoption and next steps. The results will be presented at Cardware.

Visit us at:
- **Cartes America** - visit our booth. Catherine Johnston is moderating the Mobile Payment Ecosystem (view 1) and speaking on "Canada vs the USA - The Contrast and Lessons for Mobile Payments" with Jacqueline Chilton, Muration Group
- **CNP Conference** - Catherine Johnston to moderate "The 800-LB. Gorilla, The EMV liability shift is looming" panel
- **Revolutionary Payment, Solutions 2014 and Beyond** (Toronto, June 9 / Calgary, June 11) Catherine Johnston speaking in Toronto

and visit ACT and our members at Cardware 2014 - much more than a conference!

Articles

1. EDITORIAL COMMENT -
Source: Catherine Johnston, President & CEO, ACT Canada (04/29)

Busy is the new poor. You can likely remember a time when you didn't have enough money to pay all of your bills in the same month. Most of us can. But you can always find a way to make more money or to borrow what you need. Not having enough time is a very different problem. You can change how you allocate your time, but you will never be able to make another second. Time is finite. What is worse is that technology has robbed us of "down time" because our work now travels everywhere with us and people expect responses close to 24/7. Now, let's add the third problem –the unbelievable mass of information available on the internet and our compulsion to view enough sites to feel comfortable that we have made a correct decision.

Busy? Struggling for a way to get the exact information you need when you need it? Reading is good, but if you are trying to develop something, be it a simple plan or a complex strategy, it isn't good enough. Think of it like static data related to a payment card. You need the equivalent of dynamic data. When you are busy you need people to talk with. They will add their knowledge, perspective and context. They will help you develop and refine your thoughts. If what you want to do includes or affects them, they become essential to your success. It is human nature to be inspired and grow from group discussions. That is where you so often hear the words, "I never thought of that". I'm not advocating endless meetings. Been there, done that, regret it. What I do recommend is that you identify the areas of your life and work where other people could provide those insights that would save you time, money and stress. Who has a stake in what you do? They are the people you need to talk with.

In our industry, stakeholders meet on key issues and initiatives through ACT Canada's strategic leadership teams. If there isn't one that addresses your interests, let us know and we will poll other members to see whether they share your interest. Then there is Cardware. Invest two days, join the dialogue, and strengthen your ties with stakeholders who can help you through the next 365 days. I promise it will be dynamic and a great use of your time.

2. ROGERS LAUNCHES NFC-ENABLED MOBILE WALLET IN CANADA
Source: MobilePaymentsToday.com (04/14)

Rogers Communications launched the suretap wallet, a new application that lets customers use their NFC-enabled smartphones to make payments at tens of thousands of retailers across Canada. "Our customers are inseparable from their smartphones, and we know they are ready and want to use them to make

payments. With the suretap wallet, their smartphones and wallets will now be one and the same," Jeppe Dorff, vice president for transaction services for Rogers, said in a press release. "Now thousands of our customers across the country can make simple, secure and fast payments using their smartphones instead of fumbling through their wallets to find their payment cards."

Users can add multiple cards to their suretap wallet, including a Rogers prepaid MasterCard that can be topped up with funds for mobile payments. Also available for purchase are gift cards from Canadian food and beverage merchants and retailers including Swiss Chalet, Milestones Grill and Bar, Montana's Cookhouse, Harvey's, Kelsey's, Indigo, Earls Restaurants, Ardene and Spafinder Wellness 365. In the future, the suretap wallet application will offer more retailer gift cards, as well as store loyalty cards, coupons and ID cards, Rogers said in a press release. The application is available for download on select Android and BlackBerry 10 smartphones that include NFC capabilities.

Rogers Communications is a member of ACT Canada, please visit *www.rogers.com*

3. CREDIT UNIONS FIRST TO LAUNCH FULLY INTEGRATED PERSONAL FINANCIAL MANAGEMENT INTO ONLINE AND MOBILE BANKING PLATFORM
Source: Central1 (04/16)

Cornerstone Credit Union in Saskatchewan is the first financial institution in Canada to fully integrate personal financial management (PFM) tools into an online and mobile banking platform. Using Central 1's MemberDirect Services online and mobile banking platform, Cornerstone is now offering its customers a seamless way to track their spending and expenses, set and monitor budgets, and link their accounts held at other financial institutions across North America — all without having to leave their online banking session or open a separate web-browser tab. Central 1 partnered with Yodlee to provide integrated PFM capabilities to its credit union customers. Personal financial management tools automatically categorize users' purchases and bill payments into categories, such as groceries, entertainment, gasoline and utilities, among others. Categorization facilitates spending analyses, making it effortless for users to better understand where they are spending their money so they can make informed decisions that align with their financial goals.

Easy-to-read charts and graphs allow users to see their spending across all categories for a chosen period and also view individual categories and transactions. At the same time, dynamic budgets update to show users how fast they're approaching the amount of money that they've allocated to spend on any given area. The budgets are automatically set for all categories based on users' last five months of spending and can be changed at any time. By allowing customers to see all their financial activity in one place, financial institutions using

MemberDirect Services with personal financial management can better position themselves as their customers' primary institution and improve their ability to attract new customers and deepen existing relationships. An overview of Central 1's integrated personal financial management

- Categorizing transactions. Makes it simple for users to get breakdowns of which areas they spend money on.
- Spending analyses. Show users their total spending over a 13-month period or a selected period of time and by category.
- Managing budgets. Lets users easily set budgets and stay on track with their expenses.
- Linking accounts. Provides a complete picture of a user's overall finances because they can view the balances and activity of all their holdings, including accounts held at other financial institutions, invesents, credit cards and even reward programs.
- Going mobile. Users can view their spending and budgets through mobile web and mobile app services.

Central1 is a member of ACT Canada, please visit www.central1.com

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Need to know the latest developments facing the Canadian payments landscape? Join our top rated speakers at Cardware 2014 on June 17-18 in Niagara Falls – www.actcda.com/cardware

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4. SQUARE RIDES A WAVE OF UNCERTAINTY
Source: Mobile Payments Today (04/25)

Square these days finds itself in a precarious position. As the big daddy of the current mobile point-of-sale craze, Square has name recognition other providers in this vertical wish they had. It created a market to service micro merchants that once only accepted cash at flea markets, art shows and similar environments. The company expects to process some $30 billion in transactions this year, according to some estimates. But Square is reportedly losing big money, burning through the cash it received from multiple funding rounds, and it spent a lot of energy earlier this week deflecting rumors about a sale to the likes of Google and others. The company has some shortcomings, but also some positives it could ride to profitability or make it an attractive acquisition should a deal ever materialize.

Challenges

Square's flaws start with one of its strengths: servicing micro merchants. "[Micro merchants] have the thinnest revenue opportunity of anybody," Thad Peterson, a senior analyst with Boston-based Aite Group, told Mobile Payments Today. "The opportunity to make a large margin on that client is pretty much not

there." Indeed, Square founder Jack Dorsey has admitted as much publicly on a couple of occasions. When The Wall Street Journal reported earlier this week that Google was interested in acquiring Square, it also noted Dorsey has a plan to make the company profitable in 2015. Square has a chance to march to profitability if it chooses to service larger merchants. "It seems to me if my market niche is the micro merchant and I have a good position and good brand there, the logical place to go is one step up the ladder to the small merchant," Peterson said. "[Square could reach] merchants who are under $1 million [in sales per month] that might not be well served by traditional acquirers and processors, but at the same time have enough revenue and margin that you can add some value to the offer and get yourself into a more profitable situation."

The drawback there, however, is that other companies are playing with tablet point-of-sale products with those next level of merchants, Peterson added. Cambridge, Mass.-based Leaf is one such company and has funding and support from an established processor in Heartland Payments Systems. Square bypassed small and medium-sized merchants altogether and went straight to the big leagues with Starbucks, but that deal is now a black hole for Dorsey and company. The Wall Street Journal indicated Square lost at least $20 million on the deal. That, however, did not stop Square from forming a partnership with Whole Foods. The high-end grocer uses the Square Stand product, a standalone point-of-sale terminal complete with a payment card reader for use with an Apple iPad, in store environments outside the traditional checkout line. Many Whole Foods stores have separate wine and cheese stands, as well as areas that sell coffee, espresso drinks and pastries, and stands where you can buy made-to-order food items. Whether Square's partnership with Whole Foods is paying dividends in the early stages is anyone's guess.

Phil Sealy, a research analyst with ABI Research in London, believes most of Square's challenges begin and end with EMV. Sealy recently examined the mobile point-of-sale market and ranked providers based on 10 different criteria, all under the categories of implementation and innovation. Square fell outside the top 10. ROAM Data, which has EMV-capable devices, topped the list. Square danced around the EMV issue when contacted by Mobile Payments Today. "Square is committed to building the tools businesses need to be successful, including providing the best tool to accept the forms of payment their customers want to pay with," a spokesperson wrote in an email. "We will continue to build payment devices that reflect the most current needs of Square merchants and their customers." Square did not respond to an additional inquiry, specifically about EMV as a standard from the card brands. "Maybe they want to rephrase that [answer] to [they are providing for] what's out there at the minute," Sealy said "They are providing a platform from which merchants can currently accept cards in the United States, which is fine. "They do need to push EMV forward [to expand into Europe]. Once Square does add EMV, it could reignite their business. They could

potentially make themselves the number one vendor, not just in terms of dongles in the field, but active dongles, and transaction volume."

Positives

Sealy and Peterson agree Square's name recognition does give the company an advantage over others. Dorsey, who also co-founded Twitter, had 2.58 million followers on the platform he helped invent. He tweets often about Square. He's rubbed shoulders with President Obama and is one of the most recognizable faces in Silicon Valley next to Facebook's Mark Zuckerberg. Dorsey brought instant credibility to Square. "[Square] has an active customer base and that's not a small asset," Peterson said. "If you look at the number of merchants PayPal has at this stage in time in the physical world after how many years, and compare that to what Square has, Square is much bigger. There is some money there." Sealy noted Square has a payments processing platform other mobile point-of-sale providers do not possess. That is what could have made it an attractive acquisition for Google. "From a Google perspective, they can look at integrating it into Google Wallet," Sealy said. "They would be more interested in the payment platform than the devices themselves."

Google has said publicly it has no interest in acquiring Square. Square also has two products that have not gained much traction in Square Wallet and Square Market. Square Wallet uses a consumer's location to add that person to a list of customers currently in a merchant's store. When it comes time to pay, the cashier locates the customer's profile using the attached profile picture in order to process the transaction. Square Market is an online marketplace for merchants. Square could invest more time and funds in those areas to help its bottom line down the road. "If you think about where they are, that would be a logical thing to be chewing on," Peterson said. "In the best case, it's going to add costs in the short-term."

5. INSIDE SECURE ACQUIRES METAFORIC, GAINING ACCESS TO KEY TECHNOLOGIES FOR ENABLING CLOUD-BASED MOBILE PAYMENTS SECURITY WITH HOST CARD EMULATION (HCE)
Source: Business Wire (04/07)

INSIDE Secure announced that it has acquired Metaforic, a leader in the development of software obfuscation1 technologies and encryption-related security software for a variety of industries, including the mobile payment and mobile banking markets. Such Metaforic technologies are critical to securing Host Card Emulation (HCE)-based mobile payments, mobile wallets and mobile banking applications. The Supervisory Board of INSIDE Secure has unanimously approved this transaction. By leveraging INSIDE Secure's strong security capabilities, the combined comprehensive solution will lead to additional sales, and reinforce INSIDE Secure's position as a key player in the fast-growing mobile security solutions market, as Metaforic:

- Complements existing INSIDE Secure enterprise secure access (Virtual-Private-Network or VPN products) and content protection (Digital Right Management or DRM products) solutions by adding mobile payments and uniquely positions INSIDE Secure as the only company able to provide security solutions for enterprise secure access, digital entertainment and financial services markets, the three key market drivers for mobile security;
- Extends INSIDE Secure's lead in providing the most comprehensive system solution offering (hardware, software and IP) in the security industry from secure software solutions to alternative secure element-based hardware and IP. Such solutions are designed to target smartphones and other mobile device markets and to overcome upcoming architectural and certification discontinuities in mobile security;
- Brings an extensive, high quality security intellectual property and technology portfolio, in line with INSIDE Secure's long-term strategy to expand its own IP licensing revenue;
- Complements INSIDE Secure's know-how with a talented team of highly qualified employees located in the UK and the US;
- Expands INSIDE Secure's customer base in the mobile and payment industries.

Commenting on this announcement, Remy de Tonnac, Chief Executive Officer of INSIDE Secure, said: "The Metaforic acquisition is superbly aligned with INSIDE Secure's strategy. Metaforic brings critical technologies to address HCE-based, cloud-based mobile payment solutions which will become mainstream following support announced by major payment brands. It will uniquely position INSIDE Secure as the only company able to provide security solutions for enterprise secure access, digital entertainment and financial services markets, the three key market drivers for mobile security." Andrew McLennan, Chief Executive Officer of Metaforic, stated: "We are delighted to join INSIDE Secure and bring our key software obfuscation and encryption-related security software, in order to accelerate our jointly held vision to secure all aspects of mobile life. The tight integration of Metaforic's technology within INSIDE Secure's offering will bring to the market the world's most comprehensive, mobile security system solution."

INSIDE Secure is an ACT Canada member and a Cardware Exchange Place Expert, please visit www.insidesecure.com.

6. FIME LAUNCHES CUSTOMIZED EMV CHIP MIGRATION CONSULTING TO U.S. PAYMENTS ISSUERS AND ACQUIRERS
Source: Yahoo Finance (04/22)

FIME launched a customized consulting offer to help U.S. payment card issuers and acquirers accelerate their move to secure EMV(R) chip payments. Designed specifically for the unique and complex U.S. payments industry, FIME's EMV chip consulting packages can ensure successful, cost-effective and efficient

migrations for organizations of any size and at any stage of implementation. With offices in the Americas, Asia, Europe and the Middle East, FIME has extensive experience consulting issuers and acquirers on global EMV chip implementations from initial education through to successful implementation. In the North Americas, FIME has achieved EMVCo accreditation and works closely with payment brands, industry participants and the cross-industry EMV Migration Forum to advance EMV chip migration. "We recognize that introducing a new payments infrastructure in the U.S. is a significant undertaking. Organizations are in various stages of implementation and many are striving to meet the October 2015 fraud liability shift deadlines," said Xavier Giandominici, director of FIME America. "Just as no two organizations are the same, no two EMV chip migrations will be the same. FIME customizes each migration package to fit the unique needs of the business with a common end goal -- to provide all of the tools necessary to successfully introduce EMV chip payments, as well as the expertise to manage the new infrastructure in the future."

While each package will be uniquely adapted to an organization's requirements, FIME's EMV chip migration package options include:
- Customized training events and workshops to equip internal project teams with the expertise and tools for a successful migration and beyond
- Analysis of the impact of migration on current infrastructure, processes and organization
- Identification of all business and technical requirements to build a complete roadmap to EMV chip technology
- Definition of testing and certification requirements
- Delivery of tools for in-house testing or FIME delivers testing and integration services
- On-call personal consultant for advice throughout the entire migration process

FIME is a member of ACT Canada and a Cardware Exchange Place Expert, please visit www.fime.com.

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7. VERIFONE UNVEILS ITS FIRST HANDHELD EMV-CAPABLE PAYMENT TERMINAL WITH BLUETOOTH, 3G RADIO AND WI-FI
Source: RetailCustomerExperience.com (04/09)

VeriFone Systems has announced the VX 690, its first handheld EMV-capable payment terminal featuring Bluetooth, 3G radio and Wi-Fi connectivity. According to the company, the terminal's size, design and multiple connection capabilities meet merchants' mobile point of sale demands, especially in North America, Australia and parts of Asia, where 3G connectivity is increasingly required for payment device acceptance. "It is no secret that merchants increasingly want a user experience that parallels that of a consumer electronics device," said Bill Nelson, executive vice president of global product management

for VeriFone. "The VX 690 achieves this goal while providing 3G connectivity that is critical in many markets where 2G networks are transitioning to 3G. The user experience of the terminal combined with its robustness, flexibility, and technical communication capabilities will not only enable payments today — it will enable commerce tomorrow."

According to the company, the VX 690's Bluetooth, 3G radio and Wi-Fi combination provides fast, wireless payment convenience as well as fewer dropped transactions in virtually every type of merchant environment. Dual SIM functionality enables the terminal to connect quickly to different networks to keep transactions moving, while built-in GPS allows merchants to track the location of every transaction, providing greater visibility into operations and inventory across multiple stores. The terminal is PCI PTS 3.0-compliant and features built-in security protection that includes end-to-end encryption to protect data at every point of the transaction.

VeriFone is an ACT Canada member and a Cardware Exchange Place Expert, please visit www.verifone.com

How can world class companies help you advance your business objectives? It's not just about product lines – their experience can help you avoid pitfalls during implementation. Meet with our Exchange Place Expert at Cardware 2014 on June 17-18 in Niagara Falls – www.actcda.com/cardware

8. ROYAL CANADIAN MINT LOOKING TO UNLOAD MINTCHIP PROGRAM
Source: PYMNTS.com (04/07)

After a big announcement and bold plans for the future of secure payments in Canada, the Royal Canadian Mint has officially decided to ditch the MintChip program and is looking to pursue a sale of the business. "The Mint is currently working with the Deparent of Finance to explore divestiture options. The Mint is also in the process of completing development of MintChip to package the assets for divestiture," says Mint spokeswoman Christine Aquino, reports Finextra. The program would have allowed Canadian consumers to use a chip to load value onto a mobile device or store its information in the cloud to enable both real-world and online purchasing power. POS terminal giant Ingenico as well as vendor Security Key had both been brought into the project within the last year. According to the Mint spokeswoman, their plans have "matured," making this the right time to hand the project over to the private sector.

The Royal Canadian Mint is an ACT Canada member and a Cardware sponsor, please visit www.mint.ca*.*

9. TARGET APPOINTS NEW CHIEF INFORMATION OFFICER AND PLANS TO ENABLE MASTERCARD CHIP-AND-PIN TECHNOLOGY FOR REDCARD PORTFOLIO
Source: PYMNTS.com (04/29)

Target Corp. announced the company has hired a new technology leader to help guide the company's information technology transformation. Target also provided details on additional security enhancements the company has made following its 2013 data breach, and shared plans to incorporate MasterCard chip-and- PIN technology across its REDcard portfolio. Effective May 5, Bob DeRodes will lead Target's information technology transformation as executive vice president and chief information officer. In his role, DeRodes will assume oversight of the Target technology team and operations, with responsibility for the ongoing data security enhancement efforts as well as the development of Target's long-term information technology and digital roadmap. The company is continuing its active search for a chief information security officer and a chief compliance officer.

Target's Technology Enhancements

Since the initial confirmation of the data breach, Target has shared that there has been an active investigation. During that time, the company has taken significant actions to further strengthen security across the network, just a sampling includes:

- Enhancing monitoring and logging - Includes implementation of additional rules, alerts, centralizing log feeds and enabling additional logging capabilities
- Installation of application whitelisting point-of-sale systems - Includes deploying to all registers, point-of-sale servers and development of whitelisting rules
- Implementation of enhanced segmentation - Includes development of point-of-sale management tools, review and streamlining of network firewall rules and development of a comprehensive firewall governance process
- Reviewing and limiting vendor access - Includes decommissioning vendor access to the server impacted in the breach and disabling select vendor access points including FTP and telnet protocols
- Enhanced security of accounts - Includes coordinated reset of 445,000 Target team member and contractor passwords, broadening the use of two-factor authentication, expansion of password vaults, disabled multiple vendor accounts, reduced privileges for certain accounts, and developing additional training related to password rotation

<u>New MasterCard Initiative and Commitment to Chip-and-PIN</u>

Target also announced a significant new initiative as part of the company's accelerated transition to chip-and-PIN-enabled REDcards. Beginning in early 2015, the entire REDcard portfolio, including all Target-branded credit and debit cards, will be enabled with MasterCard's chip-and-PIN solution. Existing co-branded cards will be reissued as MasterCard co-branded chip-and-PIN cards. Ultimately, through this initiative, all of Target's REDcard products will be chip-and-PIN secured. Earlier this year, Target announced an accelerated $100 million plan to move its REDcard portfolio to chip-and-PIN-enabled technology and to install supporting software and next-generation payment devices in stores. The new payment terminals will be in all 1,797 U.S. stores by this September, six months ahead of schedule. In addition, by early next year, Target will enable all REDcards with chip-and-PIN technology and begin accepting payments from all chip-enabled cards in its stores. "Target has long been an advocate for the widespread adoption of chip-and-PIN card technology," said John Mulligan, executive vice president, chief financial officer for Target. "As we aggressively move forward to bring enhanced technology to Target, we believe it is critical that we provide our REDcard guests with the most secure payment product available. This new initiative satisfies that goal."

"Target and MasterCard are taking an important step forward in providing consumers with a secure shopping experience, and the latest in payments technology," said Chris McWilton, president, North American Markets for MasterCard. "Our focus, together with Target, is on safety and security."

Target and MasterCard are members of ACT Canada. MasterCard is a Cardware sponsor, please visit www.mastercard.ca and www.target.com.

10. SIMALLIANCE ISSUES HOST CARD EMULATION WARNING
Source: Finextra (04/29)

With Host Card Emulation gaining industry support as a way of bringing mobile NFC payments to the masses, Secure Element advocates at the SIMalliance have looked to pour cold water on the new kid on the block. HCE, a cloud-based mechanism for hosting NFC applications outside the Secure Element, has been gathering momentum in recent months thanks to the backing of Google, Visa and MasterCard. Earlier this month even vocal mobile NFC sceptic David Marcus from PayPal admitted that HCE has forced him to re-evaluate his long-held position. SIMalliance, the non-profit industry association promoting the use of the Secure Element, has now published a discussion paper on the rival technology, conceding that HCE is "good for the NFC ecosystem as a whole", making it more accessible and versatile for developers and speeding adoption.

However, warns the paper, HCE is immature, unstandardised and, relative to secure element-based deployments, vulnerable to malicious attack. Frederic Vasnier, chairman, SIMalliance, says: "HCE is a force for good in NFC, but it's no silver bullet - service providers evaluating HCE for payment and other high-value NFC services should proceed with caution; HCE presents a new raft of challenges and has the potential to diminish both the transaction security and the end user's NFC service experience."

How is HCE changing the mobile ecosystem? What are the pros and cons of this approach? Join our top rated speakers at Cardware 2014 on June 17-18 in Niagara Falls – www.actcda.com/cardware

11. GEMALTO POWERS SECURE ACCESS FOR SFR'S "OTP CLOUD" SERVICES
Source: Gemalto (04/29)

SFR Business Team, a leading French cloud service provider, and Gemalto announce the new SFR "OTP1 Cloud" offer dedicated to business customers in Security as a Service mode, integrating Gemalto's Protiva Cloud Confirm software. Protiva Cloud Confirm transforms existing smartphone fleets into mobile authentication devices, ensuring convenience combined with outstanding levels of data protection. The new joint solution delivers seamless and secure access to customer applications hosted in SFR's cloud, as well as secure remote access to corporate Virtual Private Networks. Trust is key to the successful deployment of cloud-based services; therefore SFR has entered into a long-term partnership with Gemalto in order to build a bond of trust with its enterprise and government customers. SFR selected Gemalto, ideally positioned as a leader by Gartner in its 2013 Magic Quadrant, for its cloud readiness.

The packaged offer includes a unique "all-in-one" service, combining a smartphone app already available on every Application Stores, an SMS OTP feature and a multi-tenant, authentication "server as a service". End users simply access their cloud-based applications by entering their username on their SFR login page, along with a one-time password generated directly by the smartphone app or via SMS OTP. Gemalto's Protiva Cloud Confirm eliminates the need for helpdesk calls related to password resets or additional device loss which can represent a substantial overall cost saving for the enterprise. The solution requires no additional device invesent or infrastructure deployment on the customer's site. "Cloud services offer an opportunity for SFR to add value to existing business relationships, as well as attract new customers," said Jean-Frederic Karcher, Head of Security Marketing for SFR Business Team. "Latest security standards, data sovereignty2 and uost simplicity are key requirements for enterprise customers.

With the Gemalto solution in place to leverage the smartphone we have a significant differentiator that establishes the highest level of trust in our new service." "Gemalto's position in the 'Leader' part of Gartner's Magic Quadrant for User Authentication recognizes our company expertise in providing end-to-end solutions, which will benefit SFR and their customers alike," added Marc Hudavert, Senior Vice President of Identity and Access at Gemalto. "Protiva is based on open standards, so it is flexible and future proof, enabling SFR to adapt to current and future business requirements."

Gemalto is an ACT Canada member and a Cardware sponsor, please visit www.gemalto.com.

12. SECUREKEY DEVELOPER PROGRAM ACCELERATES INTEGRATION OF STRONG, PASSWORD-FREE, AUTHENTICATION FOR MOBILE APPS
Source: SecureKey (04/02)

SecureKey launched a new developer program and online portal to open the company's innovative multi-factor authentication platform to the broader developer community and simplify and speed integration of its groundbreaking mobile security technology into Android and iOS apps. The SecureKey Developer Program and its Developer Portal offer developers one-stop access to the briidge.net Connect Mobile SDK and security APIs, a sandbox testing environment, a developer forum, plus comprehensive documentation and other tools and services designed to bring "in-app" security and convenience to users and service providers for banking, commerce, health care, eGovernment, social networking and other mobile applications. "Through our new program and portal, SecureKey is able to offer developers the fastest, easiest path to adding strong, multi-factor device and user authentication into their mobile apps, with a supportive development environment that encourages innovation," said Didier Serra, executive vice president of global partnerships for SecureKey. "The briidge.net DNA technology is at the heart of the Connect Mobile SDK, allowing us to offer developers a cloud-based, password-free, software solution that enables them to take advantage of trusted execution environments and embedded hardware secure elements as they emerge in the market. This enables developers to deliver apps that offer the strongest level of security without sacrificing user convenience." The briidge.net Connect Mobile SDK enables developers to build simple two-factor authentication solutions into their apps with three key benefits:
- Self-contained mobile in-app experience
- Ubiquitous device reach (software-based today migrating to secure hardware)
- Designed for consumers (single multi-device QuickCode PIN)

Stronger and more convenient to use than either an online password or a mobile app PIN, a single QuickCode PIN can also be used across all of the user's enrolled devices. To provide the highest level of software security available, the

briidge.net Connect solution embeds a virtual secure element in the mobile device, providing a cryptographically unique device ID compared to weaker device fingerprinting techniques. "SecureKey has created a fantastic environment for developers to improve device security with a unique device ID and single QuickCode user authentication while reducing the over reliance on user names and passwords with a better user experience," said Bruce Parker, founder and CEO of ModoPayments, a partner in the SecureKey Developer Program. "Using the briidge.net Connect SDK, we enable our customers to integrate strong, multi-factor authentication into their apps in days instead of months, without appliances, HSMs or key stores to manage because briidge.net handles all of this in the cloud."

The SecureKey Developer Portal gives developers a convenient one-stop shop for developing and testing their mobile apps, and interacting with others through a forum environment. After downloading the briidge.net Connect Mobile SDK, a Quick Start Tutorial provides an overview of the development environment, and sample code enables developers to get an immediate feel for working with the briidge.net Connect client and server APIs. Extensive documentation, a blog, developer newsletter and online forum help ensure success in integrating the briidge.net Connect multi-factor authentication technology. The Developer Portal also provides a complete sandbox-testing environment where developers can tweak the sample code and build mobile apps using the SDK to connect to their own servers. The Mobile API Guide helps developers integrate briidge.net Connect functionality with their application, and includes sample communications to and from the server. The Server API Guide helps developers understand how to handle requests from the Mobile API and call the briidge.net Connect server to validate the request. When developers are ready to commercialize and deploy their product, SecureKey offers an easy migration path to move their mobile apps to a production environment.

SecureKey is an ACT Canada member and a Cardware Exchange Place Expert, please visit www.securekey.com.

13. PIVOTAL PAYMENTS SELECTS INGENICO TO LAUNCH ITS FLEXPOINT INTEGRATED POS SOLUTIONS IN CANADA
Source: Pivotal Payments (04/10)

Pivotal Payments and Ingenico announced that Pivotal Payments has successfully certified its proprietary FlexPoint integrated software to the Ingenico Telium iCT series terminals for its Canadian processing platform. FlexPoint allows Pivotal Payments to better adapt to emerging payment trends and will provide merchants with a faster and cost-effective solution to integrate their payment systems. Ingenico's Telium line was chosen based on its reliability, security and performance. The point of sale terminals are compatible with chip and PIN EMV cards, are NFC-enabled to accept contactless payments, and powered by

FlexPoint, are designed to seamlessly receive software updates to minimize business downtime. For merchants and integrators, FlexPoint can help reduce point of sale integrations from several months to days. The software also allows Pivotal Payments' clients to quickly react to new payment standards and provides added flexibility through third party integration. It is hailed as a future-proof, developer-friendly platform that features a simple, open API for integrating into third party applications. A firewall between FlexPoint and the core payment application ensures a highly secure implementation.

"Our strategic partnership with Ingenico gives us the ability to meet the rapidly evolving technology needs of our clients," said Philip Fayer, president and CEO of Pivotal Payments. "By certifying Ingenico's terminals to run FlexPoint in Canada, we're showing our commient to supplying our merchants and partners with one of the most innovative hardware and software combinations presently available." "We're excited to partner with a company that shares our vision for innovation and furthering advancements in the Canadian payments industry," said David Chaudhari, managing director of Ingenico Canada. "Merchants can be confident in selecting our market-proven payment solutions along with Pivotal Payments' FlexPoint software to help them with their payment acceptance needs, now and well into the future." Ingenico was recently selected as highest ranked POS terminal vendor by market research and market intelligence firm ABI Research.

Pivotal Payments and Ingenico are members of ACT Canada. Ingenico is a Cardware sponsor and an Exchange Place Expert. Please visit www.ingenico.com and www.pivotalpayments.com.

14. DCR STRATEGIES TEAMS WITH CARTA FOR MOBILE TECH SERVICES
Source: MobilePaymentsToday.com (04/03)

DCR Strategies Inc., which operates under the TruCash brand in Canada, has selected technology provider Carta Worldwide to deliver next-generation payment solutions using both conventional and host card emulation payment methods, the company announced in a press release. NFC mobile payments, virtual prepaid and integrated loyalty programs are among the services DCR will offer its customers in Europe, Canada, the United States and Latin America. DCR said in the announcement the partnership with Carta is intended to bring these services to retailers and corporations looking to engage customers with greater efficiency through mobile channels. "Carta's next generation payment and processing solution allows us to be nimble and responsive to our customers, enabling us to deliver the most innovative new payments products for rapidly changing business environments," Diana Fletcher, president of DCR Strategies Inc., said in the press release. "The speed at which Carta was able to create groundbreaking programs was exceptional."

Cardware isn't just a conference – it's a meeting of the payment stakeholders to address the issues of the day. Sponsorship and Exchange Place tables are a cost-effective way to make a lasting impression on these key players. Join us at Cardware 2014 on June 17-18 in Niagara Falls – www.actcda.com/cardware

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15. PAYPAL MAY BE HAVING A CHANGE OF HEART ON PAYMENTS TECHNOLOGY
Source: BusinessInsider.com (04/18)

In a sharp reversal, PayPal may be on the verge of embracing near-field communication (NFC) technology, which just months ago PayPal CEO David Marcus dismissed as "technology for the sake of technology." Anuj Nayar, PayPal's senior director of global initiatives, tells us that host card emulation (HCE), which stores payment information in the cloud, opens up exciting new possibilities for the once-ailing NFC. "We basically had discounted NFC completely, and now we're taking a look at it," he told Payments Insider in an interview on Thursday. In an official blog post, Marcus also wrote that he was "cautiously optimistic on NFC HCE." PayPal's change of tune comes hot on the heels of several major developments for NFC, including Google Wallet's switch to HCE for all transactions, and rumors of an NFC-compatible iPhone from Apple. The real benefit of HCE is that it allows mobile wallet providers to bypass the proprietary "secure element" hardware on smartphones, where payment information would otherwise be stored, and which is heavily restricted by mobile carriers. Nayar tells us that although PayPal remains focused on Bluetooth and Wi-Fi solutions, a pivot to include NFC wouldn't be difficult. "If it gains traction, we could turn it on pretty easily."

16. SURVEY: MOST APP USERS DON'T WANT TO BE TRACKED OR RECEIVE PUSH NOTIFICATIONS WHILE SHOPPING
Source: Chain Store Age (04/23)

Survey results by location-based shopping platform Retale, which aggregates weekly circulars from more than 60 top-line retailers for mobile and digital devices, found that 71% of mobile app users don't like the idea of being tracked into a store via their smartphones. More than half (56%) say they are not interested in receiving push notifications while shopping. "For retailers looking to maximize traffic and sales, understanding consumer motives and desires is the best way to improve the shopping experience," said Retale president Patrice Dermody. "And that could mean helping consumers better understand the benefits of these technologies in order to break down the barriers to widespread adoption."

The survey asked more than 3,000 iOS and Android users about their mobile shopping experiences, usage and overall awareness. And despite the growing list of mobile technologies ranging from Apple iBeacon, that sends in-store push notifications to nearby smartphone users, to mobile payment and such shopping coupon options as Google Wallet, consumer adoption has been slowed by lack of awareness and understanding, according to survey results. As many as three-in-four survey respondents were unaware that iBeacon exists, while only 11% of Android users claim to use Google Wallet, and just 23% of iOS users have tried Passbook for coupon shopping offers. "Just like with any new technology, it often takes time for consumers to adapt and change their buying behaviors," Dermody said. Other Retale study key findings include:

- iOS users are more receptive to in-store push notifications;
- Only 29% of mobile app users are not concerned with being monitored;
- 56% of mobile shoppers don't know near-field communications is a contactless payment system used for mobile payments, and the 38% who are familiar with the technology choose not to use it. Only 5% to 6% say they regularly use NFC to pay retailers;
- iOS users are nearly split in favor for and against push notifications; and
- The majority of Android users say they don't want notifications sent to their mobile while shopping.

17. FACEBOOK WANTS TO GET INTO YOUR E-WALLET
Source: The Fiscal Times (04/14)

The National Bank of Facebook won't be setting up branches on the corner anytime soon, but the world's largest social network is apparently moving further into financial transactions than just facilitating the purchase of virtual cows for Farmville players. According to a report in the Financial Times, the California-based social media giant is only a few weeks away from receiving approval to operate as an "electronic money institution" (EMI) in Ireland. Because of European Union regulations, this would allow Facebook to offer transactional and payments services across the EU. According to the Central Bank of Ireland, electronic money is "value stored on a technical device such as a chip card or indeed, a computer memory. Electronic money (E-Money) can be best described as a digital form of cash since it has many of the characteristics of cash."

The approval would move Facebook more directly into competition with the likes of Google, PayPal and other providers of mobile payment services. The value of such mobile transactions is expected to grow by an average of 35 percent a year until 2017, according to a 2013 report from research firm Gartner. Such growth would lift the total value of such payments from some $163 billion in 2012 to $721 billion in 2017, Gartner projected. Customers of Facebook's electronic money services would effectively "deposit" money with the company in exchange for a claim against Facebook that allows the customer to direct the company to

make payments on the customer's behalf. These payments could be made either to merchants or individuals willing to accept Facebook credits. It is unclear at the moment whether and how a user of the service would be able to take money out of the Facebook system, though the company already does a robust business processing payments for third-party online applications that allow purchases, such as FarmVille. Presumably, a user's Facebook profile could be linked to a bank account or stored value card that would allow users access to their money outside the Facebook environment.

Also unclear is whether or not money deposited with Facebook would be insured in any way. Deposits in U.S. banks, for example are insured up to $250,000 per depositor. The EMI application in Ireland is seen as Facebook's first move in an effort that will reach beyond the EU and into emerging markets, where the lack of established financial infrastructure has led to explosive growth in the online and mobile payments sectors. Any extensive push by Facebook into the financial services arena will surely raise privacy concerns. As a free service, Facebook makes much of its money by selling advertisements targeted to individual users based on the company's ability to mine vast amounts of data that users put online. The recent discovery of the Heartbleed bug, an easily exploited flaw in commonly used data encryption software, may also cause users to be reluctant to move significant amounts of money into a virtual Facebook account.

18. VISA VALIDATES FIVE VERIFONE MOBILE POS SOLUTIONS
Source: RetailTouchPoints.com (04/14)

The Visa Ready Program has approved five PAYware Mobile POS devices from payment solutions provider VeriFone Systems. The program is designed to ensure that devices, software and solutions used to initiate or accept Visa payments are compatible with the credit card provider's requirements. Specific devices within the PAYware Mobile product suite that are approved by the Visa Ready Program include the PAYware Mobile e105, e210, e255, e315 and e335. "We are committed to providing innovative payment solutions that meet the growing needs of our merchants, retailers and channel partners," said Bill Nelson, EVP of Global Product Management and Services for VeriFone. "By validating the security of our mPOS technology, the Visa Ready approval gives our clients added peace of mind in knowing that they are better managing and growing their business with mPOS solutions that enhance payment security."   PAYware Mobile devices feature universal, Payment Card Industry (PCI) compliant mPOS adapters that utilize smartphones and tablets as devices designed to accept contactless, chip and PIN and traditional mag-stripe card payments. Some devices also accept NFC payments and feature high-end barcode scanning for additional functionality such as remote inventory management, checkout and access to product information.

19. LOYALTY CENTRAL AND DEJAVOO PRESS RELEASE
Source: Loyalty Central (04/14)

Loyalty Central Inc. and Dejavoo Systems are working together on fully secured integrated electronic transactions for Dejavoo's advanced point of sale terminals nationwide. Loyalty Central Inc. will be incorporating the patented SPARC Security Device with the strength of Dejavoo Systems to offer the most secure smart device usage in point of sale systems in the financial services industry. SPARC's advantages are numerous, including a reduced cost of hardware and software, a reduction in security losses, prevention of remote snooping and prevention of downloading of fraudulent instructions, malware and viruses while providing a superior product. Dejavoo offers some of the most innovative technologies in Stand alone terminals and Semi integrated to PCs and Tablets via its unique XML protocol through the Internet. Dejavoo provide value add application and numerous distinguishing services to its ISO community. Working with Loyalty Central, Dejavoo will be able to utilize SPARC Security in each of their terminals and all of the different technologies the terminals use.

"We are excited to work with Loyalty Central and to add even higher levels of security to our terminals and mobile devices," commented Mony Zenou, President and CEO of Dejavoo Systems. "In an age of wireless and mobile transactions becoming more of the standard, we need the most innovative security to keep us at the forefront of this technology. Today we are focused on Merchant Centric Mobile Wallet strategy, with Loyalty Central, we expand to all issuers, at once without the need to pre-registration at the Point Of Sale". This collaboration is a giant step ahead for both companies, leading the industry with security for smart device transactions in point of sale systems worldwide. "We are pleased to work with Dejavoo as our first partner in POS systems using our technology and look forward to a long lasting partnership," stated Richard Hauge, Chairman of Loyalty Central. "The results of this collaborative effort will debut at Cardware 2014: Payment & Digital ID Insights, June 17-18, 2014 at Niagara Falls, Ontario, Canada." The potential market includes over 150 million smart phones in the US market alone. It is anticipated this collaboration will be able to capture a significant share of the market with annual revenue in excess of $100 million within the next two to three years.

20. AGILENT TECHNOLOGIES AND FIME ANNOUNCE AVAILABILITY OF MOBILE PAYMENT TEST SYSTEMS BASED ON EMV CONTACTLESS LEVEL 1 SPECIFICATIONS
Source: FIME (04/08)

Agilent Technologies Inc. and FIME announced the availability of test systems based on the EMV Contactless Level 1 Specification for mobile payments. The test systems enable users to validate that a contactless payment card or mobile device achieves the required functionality and will perform as specified by EMV industry standards. This initial release is now available to purchase as an off-the-shelf product for in-house testing.   "We're excited about the addition of FIME's EMV RF test capabilities to the Agilent T3111S Conformance Test System," said Joe DePond, Vice President and General Manager of Agilent's Mobile Broadband Operation. "Our ongoing work with FIME enables us to bring our measurement technologies into the global mobile payment marketplace."   "This is a major step in the partnership recently announced by FIME and Agilent", said Pascal Le Ray, General Manager of FIME. "We are delighted to bring these state-of-the-art test systems to market to complement our portfolio of EMV contact, contactless and mobile certification tools, laboratory services and consulting expertise."

The joint FIME and Agilent PICC test systems, covering both analog RF and digital protocol, are built on Agilent's T3111S NFC Conformance Test System. The test benches are based on EMV version 2.3.1 test plans for pre-certification test and device evaluation. Qualification of the Agilent tool by EMVCo is in progress. The addition of FIME's EMV L1 Analog RF and Agilent's EMV L1 Digital Protocol test suites expand the Agilent T3111S test system's already impressive capabilities. Built on the Agilent T1141A NFC Test Set, the system is available with test suites covering NFC Forum Analog RF, Digital Protocol, LLCP and SNEP1, together with ISO 14443/18092 (proximity) and ISO 15693/18000-3 (vicinity) coverage. The test system now offers support for the FIME robots in addition to the Agilent T1142A Automatic Positioning Robot.

FIME is a member of ACT Canada and a Cardware Exchange Place Expert, please visit www.fime.com.

21. ROAM EXPANDS ITS MPOS CHANNEL STRATEGY IN THE U.S. THROUGH PARTNERSHIP WITH EVO PAYMENTS INTERNATIONAL
Source: Ingenico (04/08)

Ingenico announces that ROAM, its affiliate and the leading mobile commerce platform provider, announced today that EVO Payments International (EVO), a leading payment service provider operating in the United States, Canada and Europe, will leverage ROAM's platform to extend its full range of electronic payment service offerings to include mobile point of sale (mPOS). Through this strategic partnership, EVO will provide its large U.S. customer base of over

300,000 merchants with ROAM's advanced mPOS solutions, including the G5X mobile card reader and ROAMpay X4 mPOS application, while leveraging the advanced security and management capabilities of ROAM's mobile payments engine.

This new fully branded solution is now available to all of EVO's U.S. customers, with potential to expand into the company's global offerings. EVO is among the largest fully integrated merchant acquirer and payment processors in the world, processing in nearly 50 markets and 120 currencies. ROAM continues to accelerate its growth in the payment service provider (PSP) channel-to-market to deliver secure white-label mPOS solutions to their merchant portfolio. More generally, thanks to Ingenico's global network, ROAM increasingly opens its mobile commerce network to many of the world's leading acquirers, independent sales organizations (ISOs), financial institutions, and telecommunications providers. As part of our strategy, we work with a broad and diverse ecosystem of partners to provide innovative mPOS solutions that uniquely address the needs of all merchants," said Eric Hoffman, Senior Vice President for ROAM. "EVO is a recognized leader in the payment processing industry and we're very excited to have them join our growing partner community."

Before selecting ROAM as one of EVO's mPOS partners, we had several must-have criteria in mind, including seamless integration capabilities, advanced security features, and the flexibility to customize and brand the full solution," said Kevin Lambrix, Executive Vice President and COO of EVO. "During our evaluation it became clear that ROAM's solution meets these criteria and complements our sophisticated platform."

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    Facilitate problem resolution
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