



Welcome to the **August** 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**

#### **GIESECKE & DEVRIENT** - *NFC / Mobile Solutions Partner*

Giesecke & Devrient has introduced a comprehensive mobile wallet solution for NFC services and beyond, bringing 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](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**

Canadian Tire Financial Services ~ member since 2006

Visa Canada Inc. ~ member since 1995



### General Members

ACCEO Solutions Inc. ~ member since 2010  
Amex Bank of Canada ~ member since 2008  
Cardtek USA ~ new member  
LoyaltyOne Inc. ~ member since 2008  
Christian Ali ~ new member  
Delego Software Inc ~ member since 2013  
GFH Group ~ member since

### Associate Members

Card Resource Group Inc. ~ member since 2010  
Maria Capparelli ~ new member  
Mohawk Council of Akwesasne ~ member since 2010  
Norton Rose Fulbright Canada LLP ~ member since 2013

## Career Opportunities

### Looking for good people?

There is a lot of movement in the market, so if you are looking for new employees, we are always aware of some great people. Please contact ACT Canada for more details – [postings@actcda.com](mailto:postings@actcda.com).

## Career 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

### Biometrics UnPlugged

Sep 15, 2014  
Tampa, FL  
<http://www.regonline.com/builder/site/Default.aspx?EventID=1558281>

### Fraud Summit Toronto

Sep 17, 2014  
Toronto, ON  
<http://www.ismgcorp.com/fraud-summit/toronto>



**Women in Payments Annual Meet,  
Greet and Charity event**  
Oct 2, 2014  
Toronto, ON  
<http://www.actcda.com/calendar>

**Mobile Payment Conference**  
Oct 6-8, 2014  
Chicago, IL  
<http://mobilepaymentconference.com/>

**Cardware Connections, ACT  
Canada's AGM, 25th Anniversary &  
Awards Reception**  
Oct 16, 2014  
Toronto, ON  
<http://www.actcda.com/calendar>

**Smart Card Alliance Government  
Conference**  
Oct 29-30, 2014  
Washington, DC  
<http://www.govsmartid.com/>

**Money2020**  
Nov 2-6, 2014  
Las Vegas, NV  
<http://www.money2020.com/>  
*ACT members receive a 20%  
registration discount*

**Cartes Secure Connexions**  
Nov 4-6, 2014  
Paris, France  
<http://www.cartes.com/>  
*ACT members receive a 20%  
registration discount*

**Cartes America**  
Apr 28-30, 2015  
Las Vegas, NV  
<http://www.cartes-america.com/>

**Cardware 2015**  
Jun 16-17, 2015  
Niagara Falls, ON  
<http://www.actcda.com/calendar>

**Please sure to submit your awards nominations before the September 5<sup>th</sup> deadline!** Details can be found at <http://www.actcda.com/calendar/act-canada-events/25/awards/>

### **September**

- 11/12 - ATM and Mobile conference, Washington DC, speaking on the EMV panel
- 15<sup>th</sup> - Biometrics UnPlugged, Tampa – ACT members get a 15% discount on registration
- 15/18 - MAG conference, Fort Lauderdale

*Strategic Leadership Team Meetings* (see [www.actcda.com](http://www.actcda.com) for more information)

- Customer Authentication - September 9
- Mobile - September 15
- Multi-App Issuance - September 23

### **October**

- 2<sup>nd</sup> - Women in Payments Annual Meet, Greet and Charity event
- 6<sup>th</sup> - EMV Strategies for Retailers training session, featuring Jacqueline Chilton, Principal, Muration Group and Nigel Codrington, Payments Consultant, FICS Consulting Inc. at the Mobile Payments Conference, Chicago



- 8/10 - Mobile Payments Conference, Chicago, EMV Leadership panel (Registration discounts for ACT Canada members)
- 16<sup>th</sup> - ACT Canada Annual General Meeting, Cardware Connections, 25<sup>th</sup> Anniversary Celebration and Annual Awards Ceremony
- 29<sup>th</sup> - Revolutionary Payment Solutions 2014 & Beyond, Legal & Regulatory Compliance Primer, Toronto

*Strategic Leadership Team Meetings* (see [www.actcda.com](http://www.actcda.com) for more information)

- Customer Authentication - October 14
- Mobile - October 20
- Multi-App Issuance - October 28

## **November**

- Cartes – ACT members get a 20% discount on registration
- Money 2020 – ACT members get a 20% discount on registration

*Strategic Leadership Team Meetings* (see [www.actcda.com](http://www.actcda.com) for more information)

- Customer Authentication - November 11
- Mobile - November 17
- Multi-App Issuance - November 25

## **December**

*Strategic Leadership Team Meetings* (see [www.actcda.com](http://www.actcda.com) for more information)

- Customer Authentication - December 9
- Mobile - December 15

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## **Articles**

### **1. EDITORIAL COMMENT - Conference Fraud!**

*Source: Catherine Johnston, President & CEO, ACT Canada (08/27)*

Unless you can afford to waste both time and money, you'll need to be careful when deciding which conferences to attend. I looked at one conference web site this month and thought the lineup of speakers was terrific. The only problem was that I was aware that three of the listed speakers had not agreed to even attend the conference, let alone speak at it. This is a conference that has a history of doing this. When deciding whether or not to attend a conference, the speaker line up is often a contributing factor. Every one of us who run conferences knows that. To state that someone is going to speak when they have not agreed falls under the definition of fraud. Legitimate conferences will show their unconfirmed speakers as "invited" or "to be confirmed" so that prospective delegates can make informed decisions.

Now, if you have ever run a meeting or event with one or more guest speakers, you know how difficult it can be. Confirmed speakers can cancel at any time for understandable reasons. We've had speakers who lost their jobs between the time they agreed and the day of the conference. Personal or family illnesses can prevent the speaker's appearance and there are other legitimate reasons. In these circumstances, the conference organizer does his or her best to deliver meaningful content and "the show goes on". But claiming that someone will speak when you don't have a written confirmation is something different. At the very least it is reprehensible. Someday a delegate will sue for damages when they have been misled. How can you protect your time and money? Start with the agenda and the speakers list. Does every speaker appear on the agenda? Do you know any of the speakers? If you do, ask them if they have confirmed. Ask around. This is still a small industry and word spreads quickly when people do bad things!

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## **2. 2014 ENVIRONMENTAL SCAN: GLOBAL TRENDS, CHALLENGES, AND IMPACTS ON CANADA**

*Source: Canadian Payments Association (08/25)*

The global payments sector is undergoing transformation, with the modernization of retail and large-value systems playing a prominent role in the financial reform agenda of many jurisdictions. As part of its role to promote the safety and efficiency of its national systems for clearing and settlement, the Canadian Payments Association (CPA) continually takes stock of this rapidly changing landscape. The CPA's 2014 Environmental Scan provides an overview of the drivers and trends in payments, clearing and settlement globally and comments on high-level challenges and opportunities presented by these developments (internationally and in Canada). To download the report, you can visit the CPA web site or click on the link below:

[http://www.cdnpay.ca/imis15/pdf/pdfs\\_publications/2014%20Environmental%20Scan\\_FINAL\\_EN.pdf](http://www.cdnpay.ca/imis15/pdf/pdfs_publications/2014%20Environmental%20Scan_FINAL_EN.pdf)

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

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## **3. PROVINCE OF BRITISH COLUMBIA PARTNERS WITH SECUREKEY TO LAUNCH NEW BC SERVICES CARD; TRANSFORMING B.C. GOVERNMENT SERVICE DELIVERY WHILE DEMONSTRATING WORLD LEADING PRIVACY MODEL**

*Source: Business Wire (08/11)*

SecureKey announced that the Province of British Columbia (B.C.) is using SecureKey bridge.net Connect 3.0 as the foundation for the BC Services Card, the world's first public sector Services Card for online authentication. The implementation also includes support from the world's leading supplier of secure smart card microcontrollers, NXP Semiconductors. The BC Services Card replaces the existing provincial health CareCard and creates the foundation for



multiple uses in the future. Citizens of British Columbia have the option of combining the BC Services Card with their driver's license into a single, convenient card. It is envisioned that citizens will be able to use this card in the future for secure and private authentication to access in-person and online government services.

The multi-purpose BC Services Card enhances citizen convenience and improves patient safety by ensuring that provincially funded services are delivered to the cardholder. In addition to the citizen benefits, there are significant service delivery efficiencies. Reducing card misuse and consolidating cards into a single, multi-purpose card result in cost savings for the Province. The card lifecycle management features mean the Province can ensure that a single "current" card is linked to an individual. In addition, the Province can automatically disable cards that are out of circulation and ensure cancelled and expired cards cannot be used for program access. Each BC Services Card includes advanced security features that help keep citizens' personal information more secure, as well as prevent fraud such as identity theft or misuse of government services. The exterior of the card includes a photograph of the beneficiary, anti-forgery features, and an expiration date. The card utilizes embedded chip technology that is similar to what major banks around the globe currently use for contactless EMV.

"The innovative BC Services Card the Province has introduced on behalf of its residents has provided a roadmap for a world with secure authentication. The BC Services Card will eventually be used to provide all B.C. citizens with access to the government services they need without having them create and memorize multiple user names and passwords," said Andre Boysen, EVP Marketing, at SecureKey. "By providing residents with a contactless digital card, B.C. is providing a great user experience while ensuring a strong security model and innovative privacy features. Canadians are already very familiar with how payment cards work, which will make using the BC Services Card very easy."

*SecureKey and NXP Semiconductors are members of ACT Canada; please visit [www.securekey.com](http://www.securekey.com) and [www.nxp.com](http://www.nxp.com).*

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#### **4. WALMART LAUNCHING CHIP-ENABLED STORE-BRAND MASTERCARD**

*Source: Chain Store Age (08/25)*

USA: Walmart announced in a post on its corporate blog that its store-brand MasterCard holders can expect to receive a new chip-enabled card in the "next few weeks." The discounter said it is among the first retailers to implement chip technology as a more secure payment means for cardholders. It also noted in the post that Sam's Club introduced a chip-enabled MasterCard in June. Both cards prompt customers not to swipe – but to insert and briefly leave the card in the payment terminal, so the card's embedded chip can be accessed. Walmart installed EMV-capable terminals in stores about eight years ago. The terminals are now activated in more than 4,600 stores, including all Sam's Club





locations. Terminals in the remaining U.S. stores will be activated before the end of the year.

"When the cards are used at chip-enabled terminals, the enhanced security features used for authorization help confirm that the card being presented is authentic and make it more difficult to duplicate, increasing protection against counterfeit fraud. The new cobranded card can be used anywhere MasterCard is accepted around the world," wrote Mike Cook, Walmart's senior VP of finance and assistant treasurer, and Chris McWilton, MasterCard's president of North America, in the blog posting. In another new feature of the Walmart co-branded MasterCard, cardholders will receive \$5 back on every \$500 they spend. They'll also save 5 cents per gallon of gas at participating Walmart gas stations and 15 cents during Walmart's "Great Gas Rollback" promotion running now through Sept. 8.

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

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## **5. INGENICO GROUP AND MONERIS SOLUTIONS DEEPEN LONG-TERM STRATEGIC PARTNERSHIP IN CANADA WITH EXPANSION OF MOBILE POINT-OF-SALE PORTFOLIO**

*Source: Market Wired (07/31)*

Ingenico Group announced that Moneris Solutions Corporation has selected Ingenico to deploy Canada's first EMV and contactless mobile solution. Ingenico strengthens its 15-year relationship with Moneris, following the successful deployment of Ingenico's Telium 2 range of products across Moneris' national network in the first half of 2014. With the evolution of the enhanced Telium 2 line, alongside Ingenico Group's strong local customer support network, Moneris recently completed its offering with an mPOS solution for on-the-go merchants, combining its own applications with Ingenico Group's EMV-ready and contactless mobile POS solution. PAYD PRO, Moneris' new mobile payment solution, allows merchants to use smartphones and tablets to accept both Interac Debit and credit card payments via EMV Chip & PIN, swipe and contactless acceptance technology. The anytime, anywhere payment solution is currently available on the Apple iOS platform and will be available on Android in fall 2014.

"We're very pleased that Moneris has once again demonstrated their confidence in our payment solutions," said David Chaudhari, Managing Director of Ingenico Canada, "and that they have chosen us to introduce the first and only smartphone-based mPOS solution in Canada leveraging our new Ingenico Mobile Solutions brand." The demand for mPOS solutions is rising, and Moneris and Ingenico have teamed up to respond to what merchants require in today's business environment. Since January 2013, Moneris has seen an average 10 per cent month-over-month growth in the adoption of mobile payments. With the recent addition of PAYD PRO, year-to-date mobile merchant growth has more than





doubled, at 132 per cent. "PAYD PRO is the first payment solution in Canada to give businesses a simple and reliable solution to process EMV credit and debit transactions with tablets or smartphones," said Rob Cameron, Chief Product and Marketing Officer at Moneris Solutions. "We have a long-term, trusted relationship with Ingenico Group, and rely on their expertise in developing mPOS solutions so that we can offer Canadian merchants, particularly small businesses, access to secure and innovative payment acceptance. Initial feedback on this joint solution is very positive and promising."

Merchants have underscored the benefits of PAYD PRO, the mPOS solution deployed by Ingenico and Moneris. Mike Bosch, a sports massage therapist (Athletic Kneads Sports Massage) states that his clients appreciate the contactless feature and how quickly the transaction is completed. Artisan Patrick Yeung (Patrick Yeung Ceramics) says he no longer has to lose out on sales via credit and debit when exhibiting his work at outdoor craft shows and festivals.

*Ingenico Group and Moneris Solutions are members of ACT Canada; please visit [www.ingenico.com](http://www.ingenico.com) and [www.moneris.com](http://www.moneris.com).*

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## **6. TSYS ENABLES SECURE COMMERCE WITH TOKENIZATION**

*Source: TSYS (08/12)*

TSYS announced its Enterprise Tokenization solution to secure payment card information for purchases made online, through mobile devices and "digital wallet" applications. The solution is a key component of the company's Connected Mobility agenda which includes API interfaces and consumer-facing applications to support payments, communications and commerce. TSYS Enterprise Tokenization<sup>SM</sup> is an easy plug-and-play solution that will support the explosive growth in devices that offer a combination of mobility, business applications and commerce. According to new research released by Juniper Research\*, digital payments are expected to rise to \$4.7 trillion by 2019 — nearly doubling the 2014 forecast of \$2.5 trillion in digital payments. To truly secure mobile commerce and provide increased protection against unauthorized account use, including that stemming from data breaches and other forms of fraud, TSYS Enterprise Tokenization protects card data by substituting a card's Primary Account Number (PAN) with a token. The token acts as a substitute value for the actual PAN, while the data is in flight and at rest inside an issuer's or retailer's systems. The true PAN value associated with the token can be identified at any time with the right decryption keys. This preserves the length and format as the original PAN, and is no different from standard payment card information for transaction processing systems, applications, storage and tools.

"TSYS is at the forefront of this digital revolution in commerce," said Paul Bridgewater, group executive of Global Product, TSYS. "Retailers and consumers alike want to conduct transactions and protect personal data with confidence and security. By putting people at the center of payments, our solution delivers on this



promise." Tokenization provides a secure way for merchants, e-commerce sites and operators of mobile wallets to store sensitive payment card data on their networks. Businesses can also use tokenization to facilitate on-demand, subscription or recurring transactions, and tokens decrease shopping cart abandonment rates. With payment tokenization, consumers can register a payment card with a mobile wallet or online store that replaces the actual card number with a payment token used for that merchant or wallet vendor. TSYS Enterprise Tokenization aligns with specifications and best practice documents from various industry bodies, as well as applicable Visa, MasterCard and American Express mandates for securing and processing payments using tokens initiated via consumer-controlled devices (such as mobile devices and personal computers). The proliferation of "card-on-file" models, both remote and proximity, has created an industry need to produce and use tokens including: card-on-file at a merchant's cart, digital wallets, QR and Bar codes, NFC and chip.

\*Juniper Research, Digital Payments Strategies Online, Mobile & Contactless 2014-2019, published Jun 24, 2014

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

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## **7. CANADA CLAIMS BITCOIN THRONE**

*Source: Mobile Payments Today (08/13)*

Canada can claim first place for number of Bitcoin ATMs, or BTMs, according to BTM provider CAVIRTEX, which launched six new machines in Toronto and has plans for four more in Vancouver, Niagara, Ottawa and Halifax. Canada now has more BTMs than any place in the world, the company said in the announcement. The machines have found homes at Gateway Newsstands around Toronto. Ottawa-based provider of hardware and software BitAccess built the BTMs, which can hold up to \$3,000 (Canadian) worth of Bitcoin. "Launching these Bitcoin Teller Machines in Canada is a significant milestone that will let anyone with a cell phone and cash buy Bitcoins instantly," CAVIRTEX CEO Joseph David said in the release. "It's a big first step working with BitAccess and Gateway Newstands, and as demand increases we plan to install more BTMs across the country."

***Editor's note:*** *The term ATM used in this story is misleading. In Canada, ATMs are regulated devices, providing Canadians and other users with specific assurances. Bitcoin BTMs are not currently subject to these regulations and should not use the term ATM.*

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## **8. VERIFONE, ITS BRING PAYMENT SOLUTIONS TO SAUDI ARABIA**

*Source: ITP (08/26)*

VeriFone Systems, Inc announced the introduction of two EMV-ready payment terminals to the Kingdom of Saudi Arabia market with its partner,



International Turnkey Systems Group (ITS), an integrated IT solutions and software services provider. The terminals are part of VeriFone's VX Evolution range, its latest line of portable and countertop terminals. The Saudi Arabian Monetary Agency (SAMA), the kingdom's central bank, has certified VeriFone's VX 520 countertop payment system and its VX 675 wireless handheld payment device. SAMA oversees the Saudi Payments Network (SPAN), the payment system in the Kingdom of Saudi Arabia that connects all ATM and point of sale (POS) terminals. "VeriFone is committed to providing leading-edge, certified terminal solutions to meet the needs of our clients in key markets," said Bulent Ozayaz, president of Southern Europe, Russia, Middle East and Africa for VeriFone. "Working in partnership with ITS, we are able to continue to extend our global payments industry leadership into the kingdom and ultimately throughout the region."

ITS assisted in developing SAMA's high-level information security system, the Saudi Arabian Riyal Interbank Express (SARIE), which provides the mechanism for all Saudi commercial banks to make and settle payments in Saudi Riyals (SAR). "VeriFone's advanced payment terminals provide the latest capabilities and most robust security to meet the needs of banks and merchants throughout the kingdom," said Mohamed Nigm, sector service manager of Saudi Arabia for ITS, which will provide local distribution and support. "VeriFone solutions provide a wide range of communications options that meet the needs of virtually any merchant in the Saudi market."

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

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## **9. CARDTEK USA INTRODUCES CORDIS4NET PLATFORM**

*Source: Virtual-Strategy.com (08/12)*

Cardtek USA announced Cordis4Net to satisfy the payment system needs of e-commerce, m-commerce, transportation and mobile network operator companies. The Cordis4Net platform will play a big role in the continuous growth of these key markets in the dynamic payments systems industry. The platform offers a multi-layered infrastructure solution for these companies to retain customers by expanding their service offerings with less customization efforts in a cost-effective, easy, end-to-end secure and competitive manner. "With over a decade of international experience of EMV implementation, we have developed robust, high quality and cost-effective solutions for financial institutions and other companies providing secure environment solutions for the public," said Gokhan Inonu, President of Cardtek USA. "We have developed Cordis4Net to enable these vertical players to enrich their customer service offerings."

With Cordis4Net, companies can effectively manage the entire virtual POS infrastructure through a single interface, monitor customer profiles and card inventories, process open/closed loop transportation card solutions, provide NFC Mobile payment solutions, create their own wallets and apply cross-loyalty



programs. The platform also offers a "payment gateway," and a web-based and mobile compatible interface, provides a "3D Secure Support and Rule Management" and detailed, effective, parametric reports based on the registered cardholders and/or merchants, supports a prepaid card management system, and enables the entire electronic payment system.

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

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## **10. AMAZON ENTERS THE MPOS FRAY**

*Source: Mobile Payments Today (08/13)*

Amazon is ready for a fight in what has become a boxing ring filled with mobile point-of-sale providers. But it might have the early advantage against the reigning heavyweight champ thanks to a generous pricing model for first-time users. Amazon Wednesday released Amazon Local Register, a mobile card reader similar to offerings from Square, PayPal, ROAM and a fistful of others. The online retailer hits the market with an attractive 1.75 percent transaction rate for merchants who sign up for the service by Oct. 31. Merchants receive that rate for every swipe until the end of 2015. Amazon will still hold an edge in pricing at 2.5 percent when the promotional period ends, compared with Square at 2.75 percent. The online retailer's pricing model falls in line with the company's overall business plan in offering goods cheaper than its brick-and-mortar competitors.

"We always work to offer the lowest prices for the best possible services," an Amazon spokesperson wrote to Mobile Payments Today in an email. "We have actually heard from some business owners that the only thing that would make them change their POS system is cost savings." Amazon's official entry into the mPOS market leaked last month when 9to5 Mac got its hands on a Staples inventory list. Like its competition, Amazon Local Register works in conjunction with an app for Apple iOS and Google Android. Naturally, the device will work with Amazon's FireOS devices, including the company's new Fire smartphone. Amazon charges \$10 for the device with free two-day shipping, but merchants receive a \$10 statement credit down the road to cover the initial purchase. Merchants receive funds from transactions within one business day and have the option of spending them within minutes on Amazon.com.

### No EMV

One glaring omission from Amazon's reader is EMV support. Its entry into the market comes two weeks after Square announced a new dongle that will support EMV transactions of the chip-and-signature variety, which the card brands have established as the standard in the U.S. "While this card reader does not have EMV capability, we are looking forward to getting customer feedback and will continue to monitor industry requirements to ensure we are meeting those needs and creating solutions that help our customers," the Amazon spokesperson wrote in the email. Still, the initial lack of EMV is puzzling.

"It seems to me a little perverse," Andrew Copeman, a U.K.-based analyst with Aite Group, told Mobile Payments Today in an interview. "I'm slightly surprised by that decision. Maybe they want to get established first, but they will have to reissue dongles as they reengineer the process [for accepting EMV cards]." Jordan McKee, a senior analyst with the 451 Research Mobility Team (formerly Yankee Group), believes Amazon omitted EMV capability for now in an attempt to establish itself first and at a cheaper cost. "If they went the EMV route, they would've had to charge for the reader," he told Mobile Payments Today in an interview. "They wouldn't be able to get away with giving an EMV reader away for free. Even though Amazon is known for operating on razor slim margins, I don't think that would've been a sustainable approach for them. "This approach helps them get embedded with SMBs, and then as we start to near the liability shift, they will inevitably make the switch to EMV." Meantime, Amazon will need to figure out where it fits with various merchant segments.

### Add-on services

Square and others have long targeted micromerchants, which have the smallest revenue opportunity because of infrequent transactions and relatively small ticket sizes. And this appears to be the market Amazon will target with its product. In its press release, the company mentioned food trucks, contractors and accountants as businesses (or individuals) that would benefit from Amazon Local Register. "Amazon Local Register is ideal for any business or individual — regardless of size or margins — that needs a secure, inexpensive and simple way to accept payments," the spokesman said in an email. McKee said he was surprised that Amazon did not follow the brick-and-mortar point-of-sale opportunity in the same way as Leaf, NCR Silver and ShopKeep. These companies offer small and medium-size businesses software-as-a-service products that combine front-end capabilities such as payment acceptance with back office tools such as inventory management, tracking employee hours, and related business tasks.

Such products are ideal for small to medium-size business such as restaurants that have much a higher transaction volume each month than micromerchants. Amazon is offering ancillary services with Local Register, but not on the level as Leaf, NCR Silver and ShopKeep. The accompanying app will enable merchants to track sales trends, peak sales times and additional valuable data. Amazon's customer support also should differentiate itself from its competitors, McKee said. "That is a fairly significant component of the overall value proposition," he said. Kindle Fire HDX tablet users will have the luxury of using the company's famous Mayday button to summon Amazon tech support at any time. "I think we're seeing a redefinition of what mPOS is," Chapman said. "A lot of players are adding a variety of add-on services such as analytics. I think, however, there are still challenges there ... because a lot of those small merchants are not in position to make sophisticated use of that data.



"There are those merchants that are very open-minded about analytics, but a lot of mom-and-pop stores are not sophisticated enough to do detailed analytics of their customer base." Perhaps those analytics could be of more use to SMBs should Amazon loop its mobile wallet into the Local Register transaction and enable loyalty and other offers. The wallet app, which is a beta version, does not support mobile payments, but lets users to store loyalty and gift cards in a single place. McKee envisions future scenarios where the mobile wallet and Amazon's 1-Click ordering all come into play on Local Register.

"I have to imagine this is really just the tip of the iceberg," he said. "They are using [Local Register] as the entry point into the physical world and it would seem in the near- to mid-term, we'll start to see some commerce related services introduced by Amazon that are very much complementary to the point-of-sale product."

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## **11. AMERICAN EXPRESS BEGINS FIRST HCE TEST**

*Source: PayBefore.com (08/05)*

American Express has begun testing host card emulation (HCE) technology for mobile NFC payments at POS terminals in Croatia. Also part of the pilot is Croatian bank Privredna Banka Zagreb (PBZ) and Intesa Sanpaolo Card Ltd. The pilot in Croatia marks American Express' first test of HCE technology anywhere, according to a company spokesperson. Using HCE's cloud-based credential storage, a cardholder initiates payment using an NFC-enabled mobile phone and the card account and payments details are transmitted from the cloud to the NFC-enabled mobile phone and POS terminal, enabling the cardholder to complete the transaction. Earlier this year, Visa and MasterCard announced their support of HCE technology. Discover says it's currently evaluating HCE to "determine alignment" with the company's roadmap. "Our goal is to make sure the technology can create a seamless, ubiquitous and globally interoperable exchange to ensure mobile payments are safe and secure for both consumers and our merchant clients," a spokesperson tells Paybefore.

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

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## **12. GLOBAL PAYMENTS TO OFFER BITCOIN ACCEPTANCE**

*Source: Mobile Payments Today (08/06)*

Payment solution provider Global Payments Inc. announced that it has signed a referral agreement with BitPay that will allow Global Payments to incorporate cryptocurrency into its product suite and to offer bitcoin payment acceptance to its worldwide merchants. "We focus on delivering innovative products and services to our global customer base, and this relationship provides us the ability to offer our merchants an integrated digital currency payment choice," said David Mangum, President and Chief Operating Officer for Global Payments.



“We are pleased to partner with BitPay to provide next-generation payment solutions to our customers.” “This partnership with Global Payments allows e-commerce and retail merchants to easily accept bitcoin payments,” said Tony Gallippi, BitPay’s Co-founder and Executive Chairman. “The cross-border demands of global merchants present a great opportunity for bitcoin acceptance and will allow us to reach more customers in emerging markets.”

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

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### **13. INSIDE SECURE NFC PATENTS LICENSED TO SMARTPHONE MANUFACTURER LG**

*Source: INSIDE Secure (08/18)*

INSIDE Secure announced that France Brevets and NFC Technology, LLC have signed a worldwide royalty-bearing Near Field Communications (NFC) patent license with LG Electronics, Inc. (LG). This NFC patent license with LG is a first success of France Brevets and NFC Technology, LLC under the NFC Patent Licensing Program that includes INSIDE Secure NFC patents and is managed by France Brevets. This agreement is well in line with INSIDE Secure’s continued strategy to focus on high added value embedded security solutions for mobile and connected devices while having the value of its patents recognized by the market. Full financial details of the license agreement are not disclosed.

“This transaction with LG is an important step for the NFC Patent Licensing Program and does confirm the strength and expertise of France Brevets and NFC Technology, LLC to license intellectual property assets.” said Remy de Tonnac, CEO of INSIDE Secure.

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

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### **14. CPI CARD GROUP TO ACQUIRE EFT SOURCE, INC.**

*Source: CPI Card Group (08/25)*

CPI Card Group announced that the company has signed a definitive agreement to acquire EFT Source, a provider of turnkey card programs and personalization services for the financial payments industry. With the acquisition of EFT Source, CPI will be poised to continue to meet the increasing demand for innovative payment solutions in its global markets. The acquisition provides extended capacity and expertise in card personalization and fulfillment to support the U.S. market migration to EMV for small, medium and large financial card issuers. In addition, EFT’s patented Instant Issuance Solution, Card@Once, will now be made available to CPI customers. EFT Source will maintain its existing facilities located in Nashville, Tenn. and Colorado Springs, Colo.





“EFT Source’s partnership with CPI spans over 15 years and we share a common philosophy regarding the priority of client service delivery,” said Steve Montross, president and CEO of CPI Card Group. “This acquisition combines CPI’s expertise in card production technology and related services including personalization, with EFT Source’s advanced personalization and fulfillment capabilities, providing our mutual customers with unmatched products and services to meet their needs. We are very excited about this combination and the value it will bring to our customers.” “Through our close work with CPI over the years, there is great familiarity between our organizations, including our management teams,” said Bill Dinker, president of EFT Source. “Our company is a natural fit with CPI. It allows us to better support our customers through a greater depth of resources and expertise and a more comprehensive product offering and to drive greater growth in the payments industry.”

*CPI Card Group is a member of ACT Canada; please visit [www.cpicardgroup.com](http://www.cpicardgroup.com).*

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## **15. TWITTER MOVES ONE STEP CLOSER TO COMMERCE**

*Source: PYMNTS.com (08/25)*

As more and more hints have made it clear that Twitter is toying with a direct payment mechanism, the idea that Twitter will be doing payment is no surprise. But a report out now suggests that the answer to the “how” part of Twitter payments will come from a partnership with Stripe. “Later this year, Twitter is expected to unveil buttons within tweets that say ‘Buy’ or some variation of the word. After clicking on the button, shoppers are expected to be able to enter in payment and possibly shipping information without leaving Twitter’s service,” reports Re/code. “Businesses that want to sell products or services within tweets are being instructed to sign up with Stripe to process payments on their behalf. (Although) Stripe is believed to be Twitter’s only payments partner now working on the E-commerce business, it’s not clear whether that will remain the case over the long haul.” The story pointed out that Stripe is also working with Alipay to make Alipay available to businesses in the West. “Twitter has considered integrating shopping functionality into its service for several years now, but the initiative became serious when the company hired former Ticketmaster CEO Nathan Hubbard to run it last summer,” the story said.

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## **16. TAPIT: G&D SUPPLIES HIGHLY SECURE SIM CARD PLATFORM FOR THE DIGITAL WALLET IN SWITZERLAND**

*Source: Giesecke & Devrient (08/05)*

The Swiss mobile network provider Swisscom is counting on highly secure NFC-enabled SIM cards from Giesecke & Devrient (G&D) to allow its customers to make payments with "Tapit". Tapit is the digital wallet for smartphones in Switzerland. The platform is used by every mobile network provider in the country. The smartphone app uses NFC technology to allow users to make payments, collect loyalty points and open doors. G&D's SIM card is the central security



element in this system, safely storing sensitive information such as digital payment cards or employee ID for building access. Since the beginning of July, Swisscom mobile network customers are able to use Tapit in all shops which already accept contactless payments. There are already more than 50,000 such shops in Switzerland, including branches of Coop and Migros – and the trend is up. In the future, Swiss mobile network customers will also be able to use the digital wallet to manage their loyalty cards. Tapit's payment function currently supports Visa payment cards issued by Cornercard, with further card issuers set to follow, for example Aduno Group/Viseca, provider of MasterCard cards.

The NFC-enabled SIM card from the SkySIM CX family, which G&D delivers to Swisscom, fulfills the particular security requirements stipulated for conventional payment, ticketing and identification applications. The SIM card is approved by EMVCo, American Express, MasterCard and Visa. Several different NFC applications can be run securely at the same time on the SIM card. The SkySIM CX family also supports the transit applications MIFARE, CIPURSE and Calypso, meaning it can also be used as a travel pass for local public transport. The SIM cards can be supplied in the 2FF, micro-SIM, nano-SIM and triple-SIM form factors and are compatible with 2G, 3G and LTE networks.

*Giesecke & Devrient, MasterCard and Visa are members of ACT Canada; please visit [www.gi-de.com](http://www.gi-de.com), [www.mastercard.ca](http://www.mastercard.ca) and [www.visa.ca](http://www.visa.ca).*

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## **17. RETAILERS ASK SUPREME COURT TO RULE ON DURBIN**

*Source: Card Not Present (08/21)*

National retail groups are continuing their fight against the Federal Reserve's interpretation of the Durbin Amendment, officially asking the U.S. Supreme Court to review an appellate decision leaving the Fed rules on the matter intact. The saga began in the wake of the 2008 financial crisis, when retailers were able to persuade Congress to include a provision in the main Wall Street reform legislation that, among other things, limited the interchange fees issuers could charge on debit-card transactions. Retailers took exception to the Fed's rules interpreting that part of the law (introduced by Illinois Senator Richard Durbin) contending it had failed to lower interchange limits enough to capture Congress' intent. A year ago, a federal judge agreed and overturned the Durbin rules. In March of this year, however, the U.S. court of Appeals reversed the original decision by Judge Richard Leon (though it had some less than flattering things to say about the legislative process from which the rules sprung). This week, the original plaintiffs, including the National Retail Federation, NACS, the Food Marketing Institute, the National Restaurant Association and others, filed a writ of certiorari asking the high court to hear its appeal of the decision handed down by the DC Circuit Court of Appeals.

"Debit swipe fee reform was needed to address the price fixing of debit swipe fees that the giant card companies engaged in for the nation's largest



banks," said NACS president and CEO Henry Armour. "Unfortunately, the Fed overrode the language of the law and blunted the positive impact of reform. We need the Supreme Court to decide this case so that American merchants and their customers stop paying billions of dollars more than they should per year to the big banks."

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## **18. PLASTIC GIFT CARDS GO DIGITAL WITH THE LAUNCH OF MONERIS' VIRTUAL GIFT CARD SOLUTION**

*Source: Moneris (08/13)*

Moneris Solutions Corporation announced the addition of its Virtual Gift Card solution. Medium to large size merchants now have the ability to add customized, virtual cards to the Gift Card program, providing more product and delivery options to their customers. With this new offering, businesses have a seamless and secure, end-to-end gift card solution with the convenience of having the customer online experience, gift program management, and gift and payment processing all handled by Moneris. When given the option between a physical gift card and a virtual equivalent, customers chose the virtual option 70 per cent of the time<sup>1</sup>. What sets our Virtual Gift Card solution apart is that Moneris is the single point of contact, taking a lot of the work out of the merchant's hands. This makes it hassle free and cost effective to deploy." Rob Cameron, Chief Product and Marketing Officer, Moneris Solutions.

The Moneris Virtual Gift Card solution works seamlessly from the merchant and customer perspectives. When a buyer purchases a Virtual Gift Card and personalizes the order, the Virtual Gift Card order, gift card activation and payment are all processed through Moneris and its flexible interfaces. The gift card is then delivered via email to the recipient who can then choose to store the card on email, paper print-out, or Passbook, the popular mobile app preloaded on Apple's iPhone and iPod Touch, which is convenient for customers and reduces expenses for merchants. When used at the merchant's physical or online store, the Virtual Gift Card can be processed with Moneris' gift and payment-enabled POS solutions. Cabela's Canada, is a leading specialty retailer, and the world's largest direct marketer of hunting, fishing, camping and related outdoor merchandise. Since the Company's founding in 1961, Cabela's has grown to become one of the most well-known outdoor recreation brands in the world and is the first retailer to integrate Moneris' Virtual Gift Card solution into their existing Moneris Gift Card program. It was incredibly easy to get started with the Virtual Gift Card program. Not only did the Moneris team personalize the virtual gift card online shopping interface with our brand, but Moneris facilitated the entire integration process for us and fully serviced the program." Tom Hallas, Manager, Customer Service Direct.

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

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## **19. GEMALTO SELECTED BY NTT DOCOMO FOR ITS NFC SERVICES**

*Source: Gemalto (08/26)*

Gemalto announces the selection by NTT DOCOMO, INC., the No.1 mobile operator in Japan with over 63 million subscribers, for its mobile NFC services. Gemalto will provide NTT DOCOMO with an end-to-end solution featuring its Allynis Trusted Service Management (TSM) service, as well as the UpTeq NFC UICC embedding both the SIM and contactless applications. This collaboration reinforces Gemalto's long-standing partnership with NTT DOCOMO, which includes Japan's first Long Term Evolution (LTE) high-bandwidth wireless connectivity in 2010. The launch will deliver a rich variety of contactless services encompassing mobile payments, loyalty programs, e-ticketing and access control. Gemalto's solution will provide the highest level of convenience and security for NFC deployment and sensitive data management to all service providers. Gemalto's UpTeq NFC UICC is the ideal solution to use NFC mobile phones to access services requiring fast processing and high security like payment, and all other valuable future NFC services thanks to its scalable capacity and superior post-issuance management capability.

"Japan has the world's largest contactless infrastructure so end consumers are already familiar to waving their mobile phone to enjoy contactless services," said Michael Au, President South Asia and Japan at Gemalto. "The NFC functionality builds on the UpTeq LTE card that NTT DOCOMO has already started to seed the market with, and will enable them to offer their customers an enhanced NFC experience.'

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

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## **20. ADD A PERSONAL TOUCH TO PREPAID CARDS**

*Source: DCPayments (08/11)*

Imagine if every time customers paid for purchases with their pre-paid credit, debit, or gift cards, they saw your company's name advertised on the front. DC Payments offers customizable cards that keep your company top of mind, whether customers are buying from you directly, shopping online, making an ATM withdrawal, or buying merchandise elsewhere. Prepaid VISA and MasterCard credit cards, prepaid debit cards, and prepaid gift cards can all be customized with your business logo and company name. These versatile cards offer an easy and effective way to stay in front of your customers, and building brand awareness is the first step toward building customer loyalty, says Prepaid Card Specialist Chad Watts. "Customized cards promote customer loyalty," says Watts. "Professionally embossed cards with high-resolution images have a great look and offer a strong positive connection to the brand."

DC Payments offers multiple types of prepaid cards, and Watts and his team have the expertise to find the ideal program for you and your customers. DC



Payments prepaid debit and credit cards are reloadable and trackable, allowing customers to view their accounts online and track their expenditures with ease. Cards earmarked for specific uses — such as payroll cards — can be personalized to include not only your company name, but the cardholder’s name as well. The cards can also be tied to loyalty programs, another great feature, says Watts. “In addition to balance tracking, we can include the ability to track points for merchandise or cash rewards,” he says. “And clients using a DC Payments product can manage discounts in the store and issue discount rewards.” With customizable cards, the options are plentiful and getting started is easy. “We’re here to make sure you get the program that’s best for you. We can assist with every step from design to delivery,” says Watts. “These cards are versatile, cool, and easy to use for both merchants and customers. It’s not surprising that they’re so popular.”

*DC Payments is a member of ACT Canada; please visit [www.directcash.net](http://www.directcash.net).*

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## **21. GLOBAL PAYMENTS INTEGRATED SOLUTIONS RELEASES CUSTOMERBUILDER FOR DIGITAL CARD-LINKED OFFERS**

*Source: PRNewswire (08/05)*

Global Payments Inc. is pleased to announce that its Integrated Solutions division has released the CustomerBuilder digital card-linked offers product. Businesses using the product will be able to create, distribute and track digital offers through a range of publishers to attract new and returning customers. CustomerBuilder is an integrated offering allowing software developers to provide powerful marketing functionality to their customers. In the card-linked model, the consumer receives an offer and links it to a credit card, and the discount is honored in real time and reflected on the receipt. Most point-of-sale systems do not speak with digital offer programs; therefore, redemptions at time-of-purchase are cumbersome, and businesses are unable to track the results of their promotional programs easily. CustomerBuilder solves this disconnect by syncing payments and digital card-linked offers within the software application. "CustomerBuilder is a unique feature," explained Eddie Myers, President of Global Payments' Integrated Solutions division. "Demand for digital offers has never been greater. CustomerBuilder combines marketing, payments, data and technology. There's an opportunity for software developers to meet a great need and make their applications more competitive."

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

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## **22. APRIVA CERTIFIES EMV-READY POS UNIVERSAL APPLICATION ON FOUR LEADING TERMINAL FAMILIES**

*Source: Apriva (08/26)*

Apriva announced the general availability of its Apriva POS Universal Application on major terminal platforms from Ingenico, VeriFone and Equinox. The Apriva POS Universal Application is designed to simplify and streamline terminal updates for merchants across several leading terminal families by serving as a single, unified application across all of their POS hardware. Merchant acquirers have long faced a significant challenge in keeping their merchants' terminals software current. Updating, distributing and supporting distinct applications for multiple terminal lines is costly and time-consuming. It requires multiple development efforts, terminal specific documentation, and help desk personnel with expertise on multiple terminal applications. Since the merchant is often responsible to initiate an update to their software, terminals are often not updated for extended periods. It requires the terminal to be offline and typical application updates often take an hour or more to download. As a result many terminals are running software that is out-dated and non-compliant.

"The immense amount of time required to complete common updates and the complexity of maintaining various vendor terminals causes many merchants to fall behind. Unfortunately, this leaves them susceptible to new security threats and falling out of compliance with payment processors," said Chris Spinella, the company's chief executive officer. "The Apriva POS Universal Application is designed to overcome these challenges by making the application update process largely transparent to the merchant. Once the Universal Application is deployed in a merchant location the merchant will receive timely software updates. This helps them stay on top of critical compliance updates while also reducing the amount of time and money spent doing so."

Developed as a single thin-client application, Apriva POS Universal Application enables merchant acquirers to automatically update a merchant's terminal. Following the daily settlement process, the terminal "phones home" and pulls down any pending software or parameter updates, typically in fewer than five minutes. Replacing proprietary software on terminals, the Apriva POS Universal Application simplifies the management and support of multiple terminal families. Not only are updates handled automatically, but since the application behaves the same on all terminals, the merchant acquirer can standardize documentation and help desk support. The Apriva POS Universal Application is EMV-ready, enabling the provider to future-proof their merchant terminals for the forthcoming transition to chip cards.

To meet merchant needs, Apriva has certified the Apriva POS Universal Application for use on the Ingenico Telium2, VeriFone Evolution, VeriFone Verix V, and Equinox Optimum terminal families. The Apriva POS Universal Application includes features for both retail and restaurant environments and supports credit,



debit and EBT card transactions. Through the Apriva Gateway it provides connections to more than 35 payment processors.

*Apriva, Ingenico and VeriFone are members of ACT Canada; please visit [www.apriva.com](http://www.apriva.com), [www.ingenico.com](http://www.ingenico.com) and [www.verifone.com](http://www.verifone.com).*

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### **23. SECUREKEY AND TRUSTONIC PARTNERSHIP DELIVERS SECURE, CONVENIENT AND SCALABLE MOBILE AUTHENTICATION TO CONSUMER SMART DEVICES**

*Source: SecureKey (08/26)*

SecureKey, the identity and authentication solutions provider that links consumer ID to trusted devices, and Trustonic, the leading provider of Trusted Execution Environments (TEEs) for smart devices, today announced a partnership that enables SecureKey's [bridge.net](http://bridge.net) Connect services to work with the Trustonic-base TEE in a broad range of mobile devices. As people embrace smart devices, they need next generation embedded security in their devices to speed connection to their favorite services. Trustonic and SecureKey are enabling the next generation of secure user experiences. Trustonic has a security foundation that is already built in over 250m smart devices shipped globally, which include Samsung Galaxy class devices. The solution scales to billions of devices and by anchoring consumer ID with t-base, SecureKey's [bridge.net](http://bridge.net) Connect service creates a better user experience while increasing assurance for online businesses.

"People depend on their smart devices for work and play, so it's integral to the user experience in an increasingly connected economy," said Didier Serra, EVP, Global Partnerships at SecureKey. "Together, with Trustonic, we are delivering a powerful combination of world-leading security with superior user experience that makes it easy for people to securely access online services they rely upon." A TEE is a hardware secured area built into the application processor of electronic devices. Separated from the main operating system, a TEE protects storage and processing of sensitive data and applications as well as user inputs and biometrics. It protects the integrity, confidentiality and authenticity of key resources and assets. With more cryptographic security there is less reliance on complex passwords to protect services. With on-demand installation of trusted applications t-base interoperates with [bridge.net](http://bridge.net) Connect services for deployment in trusted devices. With dynamic authentication people gain the choice, control and convenience over how they access the services they want.

"SecureKey is leading the identity revolution with a user friendly approach to eradicating the problems with unmemorable passwords and pockets full of security gadgets. Its authentication solution will always be with users in their trusted smart devices. Trustonic understands that the mobile device is the personal device that never leaves someone's side and must be secure," said Olivier Leger, EVP Sales and Marketing, Trustonic. "SecureKey's [bridge.net](http://bridge.net) Connect authentication





services that work with Trustonic technology is proof of our vision of seamless and secure digital lives.”

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

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## **24. ROAM PARTNERS WITH LEAPFACTOR TO INTEGRATE PAYMENT ACCEPTANCE INTO VERTICAL BUSINESS APPS**

*Source: Business Wire (08/04)*

ROAM, part of Ingenico Mobile Solutions and the leading mobile commerce platform provider, announced that its mCommerce platform was chosen by Leapfactor, a leading software company and provider of breakthrough business apps, to integrate mobile payment acceptance into its vertical-specific business applications. “We decided to partner with ROAM and Ingenico Group because of their industry-proven platform, enterprise-grade security features, seamless integration capabilities, global-ready technology, and highly scalable infrastructure.” Leapfactor’s proprietary cloud-based mobile platform and game-changing business apps transform the way businesses enable, empower and engage with their sales force, employees, partners and customers. The company will leverage ROAM’s APIs for payment integration within its applications and white label ROAM’s secure mobile card readers, enabling Leapfactor’s customers to create a seamless experience that extends their brand across the entire solution. ROAM’s technology will enable Leapfactor to customize its business applications for specific use cases and business needs, creating highly advanced mobile point of sale (mPOS) solutions for the Direct Selling, Pharma/Beauty, Retail and Financial Services industries.

“Leapfactor’s robust applications and deep understanding of key vertical markets make them an ideal technology partner for ROAM and Ingenico Group, and we are thrilled to be working with them,” said Jean-Marc Thienpont, Mobile Payment EVP of Ingenico Group and COO of ROAM. “This partnership validates our agnostic positioning in the mobile payment ecosystem, and it is increasingly important for us to team up with leading technology partners who can use our APIs to integrate payment acceptance into industry-specific business applications.” Now launched in the U.S., this partnership will soon be extended to other countries. “Our customers are increasingly demanding a solution to integrate secure payment acceptance into their business applications, and we’ve been seeking the right mobile payment solution provider for quite some time,” said Lionel Carrasco, CEO of Leapfactor. “We decided to partner with ROAM and Ingenico Group because of their industry-proven platform, enterprise-grade security features, seamless integration capabilities, global-ready technology, and highly scalable infrastructure.”

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

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## 25. SQUARE ROUNDS INTO FORM WITH AN EMV MPOS READER

Source: *Mobile Payments Today* (07/30)

Square's announcement Wednesday that it will finally release an EMV reader into the wild can be viewed one of two ways: Either it is too little, too late or perfect timing. For the United States, it is perfect timing since the infrastructure for EMV merchant acceptance is still in the early stages as the liability shift deadline is October 2015. Once that passes, merchants will be on the hook for purchases made with stolen cards. Square, however, could run into issues expanding its business overseas as it will face stiff competition from established companies such as ROAM, iZettle and payleven. "Square saw the writing on the wall [with EMV]," Thad Peterson, a senior analyst for Boston-based Aite Group, told *Mobile Payments Today*. "They couldn't have a device-driven payments business without an EMV-capable device, particularly since they're trying to move up from micromerchants."

Square will not change the form factor of its very recognizable dongle for EMV acceptance. Merchants will "dip" the card into the reader chip-first and it will remain there for the transaction's duration. Consumers confirm their purchase with a signature on either the smartphone or tablet screen. The dongle will still accept mag-stripe cards. Square's chip-and-signature approach is fine for the U.S. where that will be the standard, but chip-and-PIN is the standard elsewhere as companies in this market offer merchants devices with a built-in PIN pad. "Right now, we're focused on building a chip-card reader for U.S. merchants," a Square spokesperson wrote in an email to *Mobile Payments Today*. "That said, the EMV technology that we're designing is definitely a step toward building the solution for other international markets."

Up until this point, Square's lack of EMV support was an issue it dodged whenever industry analysts and reporters broached the subject with the company. Earlier this year, ABI Research ranked the expanding mobile point-of-sale market based on a number of categories in implementation and innovation. Square did not place in the top 10 based on missing EMV support, which limits its growth potential worldwide. "In terms of market share, they have that going for them," Phil Sealy, the report's author, told *Mobile Payments Today* in April. "They are doing very well in the States, which is a hotbed for mPOS deployments at the moment. But they fall short in EMV support. That has limited their potential, and that will have to be addressed." Sealy Wednesday was whistling a different tune about Square. Square's EMV reader will prevent other vendors from swooping in to try and steal the company's current business, he said.

"It will help them protect the legacy business that they've already established," Sealy said. "The other vendors out there would have been potentially targeting that business as the U.S. migrated to EMV. This is a way of protecting their base, particular in the States where they have a strong foothold." Square vowed in its press release to release the reader at a price that is much cheaper than its competitors. The company now offers its mag-stripe reader free to



merchants that order it online. Apple and other retailers sell Square for \$10, but there is a \$10 rebate. A heftier price for a Square EMV dongle is not necessarily a bad thing, Sealy said. "If they charge per unit, it gives people a reason to reuse it instead of using it once and putting it in a drawer," he said. "That might help them get more consistent business from each device."

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## **26. MONERIS SOLUTIONS AND MILANO SOFTWARE OFFER NEW INTEGRATED PAYMENT SOLUTION**

*Source: Business Wire (08/12)*

Moneris Solutions Corporation and Milano Computer Systems, Inc. announced their partnership to provide a new integrated payment processing and salon management solution to the beauty and health industry in the U.S. and Canada. Moneris is one of North America's largest payment processors and Milano Computer Systems is a leading developer of Milano Software, a comprehensive management solution for spas, salons and retail customers. "Moneris brings the same focus to excellent customer service that we take pride in, so combining our resources and products was an ideal arrangement," said Imran Zalfackruddin, President and CEO of Milano Computer Systems. "We're looking forward to offering our clients even more software and tools with the added benefit of accepting credit and debit card payments to help them more easily run their businesses."

This partnership will combine Moneris' reliable, secure payment processing platform with Milano's salon and spa management tools. Clients will experience seamless credit and debit card processing that will enhance Milano's robust suite of solutions, which manage everything from appointments and client relations to security and marketing. Adding Moneris' payment processing platform offers spas and salons many benefits, including: Enhanced data security and fraud protection; EMV processing solutions in Canada, and soon in the U.S.; Best-in-class reporting and significant back-office tools to manage client payments; Recurring billing, which automatically collects payments occurring on a regular basis; and a team of specialists available 24/7 to provide professional support. "This new partnership offers an innovative solution to our spa and salon clients while allowing us to deliver secure, best-in-class payment tools that streamline the business of the beauty and health industry," said Chris Lee, President, North American Strategic Partnerships and Emerging Markets for Moneris Solutions.

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

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## 27. GEMALTO TO ACQUIRE SAFENET

Source: Gemalto (08/08)

Gemalto announced that it has signed a definitive agreement to acquire 100% of the share capital of SafeNet, a worldwide leader in data protection and software monetization, from Vector Capital for US\$890 million on a debt free/cash free basis. Headquartered in Belcamp, Maryland, USA, and presently located in 27 countries, SafeNet is one of the largest dedicated digital information security companies in the world, trusted to protect, control the access to, and manage the world's most sensitive data and high value software applications. As an example, SafeNet technology protects over 80% of world's intra-bank fund transfers and its 1,500+ employees, including 550 cryptographic engineers, serve more than 25,000 customers, both corporations and government agencies, in over 100 countries. Customers utilizing SafeNet solutions include Banamex, Bank of America, Cisco, Dell, Hewlett-Packard, Kaiser Permanente, Netflix, Starbucks and many more of the world's best known companies. In 2013, SafeNet recorded revenues of US\$337 million and profit from operations of US\$35 million and expects revenues of US\$370 million and profit from operations of US\$51 million for 2014.

As Gemalto enters into its 2014-2017 multi-year development plan, the digital world enters a period in which proper control over sensitive information is paramount. Nearly 400 million digital data records have been lost or stolen already in 2014, prompting a significant rise in global awareness regarding the effective protection of data. With this acquisition, Gemalto and SafeNet combine the best technologies, expertise and services available for securing a complete infrastructure: network, users, data, software, at the core and at the edge. SafeNet provides an extensive portfolio of data protection solutions including HSM1 advanced cryptographic key management systems, encryption technologies for civilian applications, authentication servers and authentication as a service, as well as sophisticated software license management and monetization solutions. As an example, HSMs are the essential cloud-based secure elements generating and protecting the fundamental cryptographic keys and processing units used by digital authentication, encryption and signature mechanisms within computer networks and the Internet. All of these will perfectly complement Gemalto's offering of embedded software and portable secure elements, which are used globally at the other end of the network security chain, i.e. in the users' pockets and inside the network-connected terminals.

Once the acquisition is completed, SafeNet will significantly reinforce Gemalto's Identity and Access Management business. It will become part of Gemalto's Payment & Identity segment, and its Platforms & Services activity, that account respectively for €1,329 million and €715 million of the 2013 pro forma revenue. The purchase price of US\$890 million is self-funded with US\$440 million from available cash, and US\$450 million drawn from existing long-term credit facilities. Depending on market conditions, Gemalto may refinance the credit facilities through a bond issuance or other means at a later date. The closing of



the transaction is expected to occur in Q4 2014, after approval from the relevant regulatory and antitrust authorities. After the acquisition is completed, Gemalto will retain a strong financial structure with a net debt/EBITDA ratio < 1. The transaction will be accretive to adjusted EPS (Earnings Per Share) before purchase price allocation upon completion.

As a result of the acquired business's anticipated profitability, growth and synergies, Gemalto expects to surpass its 2017 profit from operations<sup>2</sup> objective of €600 million by approximately +10%. "The opportunity to acquire SafeNet has come at exactly the right time, as we have just entered into our new multi-year development plan and there is a perfect fit between Gemalto's "security at the edge" and SafeNet's "security at the core" capabilities. This will enable us to further accelerate the deployment of strong security solutions in the Enterprise sector, and expand our technologies and growth opportunities in protecting online access. Overall, our global leadership in digital security will be reinforced", said Olivier Piou, Gemalto CEO.

"We are very excited for the opportunity to join Gemalto, which is recognized internationally for leadership in the digital security domain. Our products and routes to market are perfectly complementary and our visions for the future naturally intertwined," said Prakash Panjwani, SafeNet President and Chief Executive Officer. "The combination of our portfolios will allow customers to have access to world's leading security products for mobile and cloud, delivering best-in-class protection of data and identities. This transaction will accelerate the delivery of Gemalto's security solutions to the Enterprise while also making SafeNet's data protection solutions accessible to the Banking and Telecom sectors – truly a win-win for everyone involved."

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

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Now in our 25<sup>th</sup> year, 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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**Insights • Networking • Visibility**

ACT Canada is the place to be to:

**Filter** the truth from market noise

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Because stakeholder dialogue helps you make profitable decisions.