



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

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ACT Canada Partners

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, 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.

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

Capital One ~ member since 2008

Scotiabank ~ member since 2013

General Members

B2 Payment Solutions ~ new member

CanCard Inc. ~ member since 2008

Clearbridge Mobile Inc. ~ new member

DirectCash Payments Inc. ~ member since 2010

RFID Canada ~ member since 2013

Associate Members

Cassels Brock & Blackwell LLP ~ member since 2011

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

NFC Solutions Summit 2014

June 3-4, 2014

Austin, Texas

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

ACT members receive 20% registration discount

ATMIA Canadian Conference 2014

June 4-5, 2014

Niagara Falls, ON

<http://www.atmia.com/conferences/canada/>

SDW 2014

June 16-18, 2014

London, England

<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>

ACT members receive substantial discounts

Canadian Payments Association's Payments Panorama 2014

June 25-27, 2014

Charlottetown, PEI

<http://www.cdnpay.ca/conference/english/homepage.html>

Money2020

Nov 02 - 06, 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/>

What a month. Here is what we are watching on behalf of our members.

Legislation – Bill S-4: An Act to amend the Criminal Code (Identity Theft and Related Misconduct) *

- The Ontario election – how many candidates say they will support secure ID for health care? We'll know because we are asking them. Our Secure ID report will be available for the incoming government.
- Innovation – while speaking at Cartes America and CNP Expo, we've checked out new products, services and interesting statistics.



Coming Up – Join us for:

- **Cardware**, June 17-18; to register visit www.actcda.com/cardware
- **Multi-Issuance, Customer Authentication and Mobile Strategic leadership** teams will all meet in July to set their new mandates. Monthly meetings for all three teams will take place over Q3 and Q4.
- **Merchant Advisory Group Conference, Fort Lauderdale**, September 15 – 18 (if you are a merchant, talk to me about this)
- **Mobile Payments**, October – we are providing the EMV workshop
- **The Annual ACT Canada Innovation Awards** and celebration of our 25th anniversary, Toronto, October
- **Cardware Connections Networking, our Annual General Meeting** and the **Women in Payments Annual Charity Event**, Toronto, October
- **Lexpert, Revolutionary Payment Solutions 2014 & Beyond**, October
- **Cartes**, Paris, November

The list grows every month, so keep tuned.

Articles

1. EDITORIAL COMMENT

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

Innovation – What is on the wish list? First – congratulations to the Canadian financial and telecom sectors for leading the North American market in terms of mobile payment apps. Congratulations to Walmart. I used my chip and pin card at 2 Florida locations this month. As we move forward, here is what is on people's innovation wish lists. Canadian issuers and US merchants: changes to the EMV testing and certification process that would allow US merchants to be compliant by the liability shift dates. Obviously the process would have to ensure the same level of security as the existing end-to-end tests, but there may be ways to accomplish that. The need for this is driven by the number of test cycles available and the number of merchants who need to work their way through this in the next 16 months. If you wonder why this is important to Canadian issuers; the cross border fraud figures continue to show how costly it is for them while the US is not EMV compliant.

Canadian and US users of Square: a secure EMV compliant reader. Square proved that there is a large market for readers. In spite of Square's business issues, there is an opportunity for someone to come forward and claim this market, but new readers can't be mag stripe alone. Smart phone users: a consumer product to protect against mobile viruses and it has to be easy to use, effective and affordable. Canadian and US merchants: more mobile channel



support. Only 12% of merchants surveyed by Kount, don't see mobile as a channel for their business. 88% are currently supporting it or plan to in 2014. What they have on their wish list are effective fraud tools.

*ACT Canada: all of the above for the sake of a vibrant and safe payments market AND to see you **June 17th and 18th at Cardware**. What has that got to do with innovation – come and find out ;)*

2. CANADIANS HAVE NO TIME TO WAIT AT THE CHECKOUT

Source: TD Bank Group (05/14)

TD Canada Trust announced TD Mobile Payment, a secure payment solution that allows customers to pay for everyday purchases with their smartphones. Available on the Bell, Rogers, and TELUS networks, TD Mobile Payment offers customers a simple, convenient and safe way to pay at their fingertips. According to a recent poll commissioned by TD, the ability to make quicker payments will come as a relief to Canadians. The poll showed people were irritated by a number of things shoppers do while waiting in line. For instance, 76 per cent of respondents were frustrated by shoppers attempting to use multiple credit and debit cards, while 71 per cent become annoyed by people who couldn't find their payment cards. Additionally, 63 per cent have no time for shoppers who fumble through their wallets for exact change.

"We're proud to be the first bank in Canada to offer a mobile payment solution with Canada's three major wireless networks, on a variety of devices," said Rizwan Khalfan, Senior Vice President, Digital Channels, TD Bank Group. "We know our customers want more convenient ways to pay - our research shows that more than half of Canadians are already comfortable using their smartphones for everyday purchases. TD Mobile Payment, which is embedded in the TD mobile app, makes it simple, fast and easy to pay for things like your morning coffee." Embedded in the TD mobile app, TD Mobile Payment leverages Near Field Communication (NFC) to make safe and secure contactless purchases with Android or BlackBerry mobile devices at Visa payWave enabled merchant point-of-sale terminals. The TD mobile app is the most downloaded banking app in Canada with more than 2 million users.

"Our focus is on making our customers' journey simple and convenient no matter when, where, or how they choose to bank with us. We've found that Canadians value a quick checkout, which made sense given the growth and popularity of our mobile app and the increasing number of retailers using NFC," added Khalfan. TD Mobile Payment keeps TD customers' credit card information safely encrypted on a specialized NFC SIM card within the mobile device. The TD mobile app also offers a personal passcode to access TD Mobile Payment, adding another layer of protection. Customers are offered the same level of protection and



reassurance as they receive when making payments with their plastic credit card. About the TD mobile banking survey:

- 75% of Canadians admit their mobile phones are always within reach throughout the day.
- 39% of 18 - 34 year-olds said they would return home to get their phones if they forgot them, 10% higher than the national average.
- When asked to name the most important place to pay quickly, given a variety of options including grocery stores and convenience stores, the most popular payment location among Canadians (23%) was everywhere because their time is valuable.
- The average maximum purchase Canadians would be comfortable making in a single transaction with a smartphone is \$95.
- More than half of Canadians with mobile phones are comfortable using their smartphones for everyday purchases, like: Lunch: 79%; Movies: 79%; Groceries: 78%; Gas: 75%; Coffee: 72%

About the TD mobile app:

- Make everyday purchases with your smartphone
- Bank, manage personal investment accounts and trade with a single app
- Pay bills and view account history
- Transfer money between accounts
- Get real-time quotes for stocks, ETFs, and mutual funds
- Locate TD Canada Trust branches and ATMs

TD Canada Trust, Rogers, TELUS and Visa are members of ACT Canada. TD and Visa are Cardware Sponsors. Please visit www.td.com; www.rogers.com; www.telus.com and www.visa.ca.

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

3. MOBILE PAYMENTS VIA BARCODE TECHNOLOGY AT TIM HORTONS IN CANADA, USA

Source: Let's Talk Payments (05/23)

On 22nd May 2014, Tim Hortons – one of the largest restaurant chains in North America and Canada – announced the launch of mobile barcode payments at restaurants across Canada and the US:

- Tim Hortons says that the barcode technology provides a quick, simple as well as secure scan-to-pay option at participating Tim Hortons branches.
- This is possible only after a prepaid Tim Card is registered on the company's well-liked TimmyMe App.



- Tim Hortons has also added industry-leading security features to this payment alternative for consumers.
- The new technology is available on Android, BlackBerry 10 and iOS.
- It is designed to improve speed of service as well as enhance the guest experience.
- This is part of their ongoing commitment to operational excellence and customer satisfaction – via mobile, online and in-restaurant, says the company.
- The TimmyMe App also offers guests several exciting features to help stay connected with the company.
- Users can find their favourite Tim Hortons menu item as well as reload their Tim Card on their mobile device.

“We’re continuously working to implement best-in-class, customer-centric technology in our restaurants and the launch of mobile barcode payments enables us to offer the best overall guest experience,” stated the COO of Tim Hortons, David Clanachan. “Enhancing our technology so that guests can store their digital Tim Card in their phone for quick and easy payments is an added convenience we know customers will enjoy.”

4. CIBC RANKED TOP CANADIAN BANK FOR MOBILE BANKING

Source: CIBC (05/28)

CIBC announced that Forrester Research, Inc. released their 2014 Canadian Mobile Banking Functionality Benchmark report, with CIBC receiving the top overall ranking for mobile banking functionality in Canada among the big 5 banks evaluated. Forrester evaluated the mobile banking offerings of the five largest retail banks in Canada across more than 35 criteria, and CIBC was cited for best-in-class transactional features, such as:

- easy to use account management features, including CIBC eDeposit which allows clients to deposit a cheque simply by taking a picture of it with their smartphone
- breadth of devices and platforms supported
- the ability for clients to easily navigate to other channels for additional assistance, giving them the option to contact a CIBC representative by phone or email as needed
- and, best in class features such as a wide range of mobile alerts for clients to stay connected to their finances, and stay on track towards their financial goals

"CIBC was first to market with a mobile banking app in 2010 and we've been innovating to meet client needs through their mobile device ever since," said David Williamson, Senior Executive Vice President and Group Head, Retail and Business Banking, CIBC. "We believe this recognition from Forrester speaks to our commitment to ensure our clients can bank where, when, and how they want."



Mobile Financial Services are Growing in Canada

Canadians have embraced mobile banking and it now forms an important part of a client's overall experience with their bank. CIBC notes that the adoption rate for mobile banking has exceeded that of online banking in the 1990s, an indication of the popularity of banking on the go. This strong growth is driven by two factors - the rapid adoption of smartphones among Canadians, and the growing demand for flexible banking solutions. "Canadians want increased flexibility and convenience in their banking, to save time and stay on top of their finances," said Mr. Williamson. "CIBC clients have enjoyed being the first in Canada to benefit from banking and payments innovations, and we will continue to invest in building the services that meet the changing needs of our clients and Canadians going forward."

Mobile banking's growing popularity is part of a broader trend in mobile financial services. Following the introduction of the first mobile banking app in Canada in 2010, CIBC launched a first of its kind mobile payment app in 2012, allowing Canadians to make a credit card payment at their favourite retailer simply by waving their smartphone at a contactless payment terminal when checking out. Last year, CIBC was first among the big five Canadian banks to deliver eDeposit allowing clients to deposit cheques using the camera on their smartphone, a significant enhancement to the client experience. More recently, CIBC was the first bank in Canada to bring eDeposit to business banking clients who receive a larger volume of cheques. These clients use a special desktop scanner to securely scan and upload images of cheques for deposit, giving businesses faster access to their working capital to meet outgoing cash flow needs.

CIBC is a member of ACT Canada; please visit www.cibc.com.

5. SIX MOBILE PREDICTIONS FOR 2014 THAT WERE OFF THE MARK

Source: Forbes.com (05/27)

Predicting the future can be like "throwing guesses at the wall" and waiting to see which ones stick. Considering how quickly mobile has proliferated the marketplace in the last few years, with almost seven billion mobile users in 2012 and another three billion expected by 2017, and forward-thinking companies rolling out sophisticated mobile apps that use advanced technologies like beacons to meet these users' growing needs, no wonder this is an area where thought leaders like to place bets. But now that we're halfway through the year, it's worth taking a closer look at which of those predictions made by technology pundits, media and bloggers back in January hit or missed the mark. Here are seven mobile predictions that have been off by a mile so far in 2014:



1) Mobile payment apps like Google Wallet and Square will dominate the retail space.

There are just too many platform hurdles to overcome before this prediction becomes a reality. Some retailers are using NFC or scanning barcodes on the mobile phone, and a small number of consumers are using the phone to scan barcodes. But the added value right now at most retail shops to pay with a mobile device as opposed to pulling out a credit card is very minimal. Certain high repeat transactions will continue to migrate to mobile payments: Starbucks, of course, and certain weekly transactions like purchasing gasoline. But for the most part, plastic still rules.

2) Google Glass will become a consumer product.

2013 was the year for Google Glass to roll out its beta version to a small subset of techies, and Google won developers' hearts for future Glass apps. Next, Google announced Glass for the masses. The problem with this prophecy is that people are very fashion-conscious when it comes to their mobile devices, especially wearables. Google missed a huge opportunity aesthetically in the design of this product. The way Google Glass is currently designed is more practical for specialized industries like surgeons or security guards who need access to data in a hands-free environment. For the rest of us, that widely-viewed SNL parody still hits a little too close to home. One day the Glass technology will be designed to sit in high-end glasses and sunglasses, but it could take years to miniaturize the technology and remedy battery life issues.

3) Retailers will embrace touch-screen showroom experiences to streamline browsing and provide access to product information and social reviews.

The concept of a consumer walking around a store and having relevant discounts and information pushed to their mobile device is still futuristic. The problem is, people aren't looking to buy the majority of what they happen to walk by, or even what they stop to browse in the store. If bombarded with information and offers from retailers on a regular basis, while in-store, consumers will simply uninstall apps as quick as they installed them. The term "showrooming" creates problems because it implies some sort of complicated process related to user behavior. The reality is users are doing two things with their mobile devices while in stores: comparing prices and searching for product reviews from third parties (e.g., Amazon). Launching new showroom mobile experiences is not going to change this.

4) mHealth, Telehealth and Social Media will combine to evolve into the new healthcare delivery model.

This last prediction is definitely premature. It will take years to connect legacy healthcare systems in a way that will truly help patients with all of their



highly individualized needs. Mobile access to general information is already ubiquitous and social media is available for sharing advice and knowledge regarding health conditions, symptoms and more. But the ability to access individual health records, prescriptions, payments/insurance, care plans, etc., all in one simple mobile interface or dashboard is years away. In the meantime, mhealth will continue to offer a very disjointed consumer and provider experience that causes as much frustration as it does provides relief.

5) Wearables will become mainstream and generate more data than marketers can handle.

It's too early to say what the outcome will be on this one. But as of now, health and fitness tracking wearables like Fitbit are really more of a trend than an indicator of complete human behavior change. And other sustainable wearables are taking a long time to reach mass adoption. I expect we'll see greater user adoption of wearables by 2016.

6) Apps with less than a four star rating will not survive.

Some mobile experts believe that for mobile apps to remain viable and in demand, they must provide exceptional four-star user experiences. This may be true for gaming apps, but for dominant brands, their apps will do well even if they are averaging three, or even two, star reviews. The problem is that in many categories, users only rate apps when they're feeling unhappy or frustrated with a particular function or task. Think about it this way: few people will ever give the US Airways' app a five star rating, no matter how good it may be. But they'll line up to give it the dreaded one star if their flight is cancelled — a mishap completely unrelated to the app itself. So many corporate apps suffer from an extreme selection bias, meaning 4-plus star ratings really only matter in certain entertainment-driven categories. As we move throughout the remainder of the year, it will be interesting to see what other mobile predictions tossed to the wall this past January might have some holding power, and come true.

Uncover the Top 5 Challenges & Opportunities in Payments – they're not what you think! Join our top rated speakers, exchange place experts and C-Level decision makers at Cardware 2014 on June 17-18 in Niagara Falls – www.actcda.com/cardware

6. PIVOTAL PAYMENTS EXPANDS ITS CANADIAN CARD ACCEPTANCE PLATFORM TO INCLUDE DISCOVER FINANCIAL SERVICES

Source: Pivotal Payments (05/28)

Pivotal Payments announced a merchant acquiring agreement with Discover Financial Services that allows Pivotal's Canadian merchants to accept all cards on the Discover Global Network, including Discover, Diners Club



International and PULSE. Discover Global Network is the third largest payments network in the world, operating in 185 countries and territories. The agreement provides Pivotal Payments' clients with greater payment options, especially when catering to international shoppers. Businesses in the travel, entertainment, dining and hospitality industries can leverage Pivotal Payments' enhanced card acceptance platform to offer an improved shopping experience that can help increase sales and attract more clients from abroad. "Providing Discover Card acceptance is aimed directly at improving the overall payment experience for our valued merchants and their customers, especially considering the significant number of cross-border shoppers in Canada," said Ross Haider, senior vice president of Canadian sales. "We are actively seeking new opportunities that will provide better solutions to match our clients' diverse business needs."

"In 2013, Discover added more than 100,000 new Canadian merchants to its acceptance portfolio, a pace that has remained consistent during the last several years as we continue to execute against our strategic growth plan to meet cardmembers' needs," said Gerry Wagner, vice president of Discover. "With Pivotal Payments known for delivering proven acquiring solutions to a large base of clients, we are confident that our new relationship will help achieve this goal." Discover Card acceptance is one of several merchant-facing enhancements Pivotal Payments is rolling out to Canadian businesses in the coming months. As part of its expanded processing platform, the company's goal is to provide additional innovative payment services, improved hardware and software solutions, along with greater integration opportunities for its clients and partners.

Pivotal Payments and Discover Financial Services are members of ACT Canada; please visit www.pivotalpayments.com and www.discover.com.

7. RFID CANADA UNVEILS EMV / NFC COMPLIANT PAYMENT READER FOR EXTREME CANADIAN CONDITIONS

Source: RFID Canada (05/15)

Payment, RFID and NFC technology provider is introducing, the CPR46, a rugged EMV / NFC compliant payment reader designed to withstand harsh Canadian outdoor conditions.

Key Features:

- Contactless
- EMV Compliant
- NFC Compliant
- Can be flush-mounted to a metal surface
- Rugged IP65 and IK10 Classified

Key Applications:

- ATM's
- Parking Lots and Metres



- Outdoor Vending Machines
- Drive-Thru
- Gas Pumps

One of the key features of the CPR46 reader is its ability to be mounted on metal with full performance (EMV certification included testing when mounted on a metal sheet). The CPR46 has a thin profile for flush mounting, only 3mm protrusion from the surface, low standby power to support solar or battery powered terminals. It supports all next-generation contactless credit cards and contactless debit cards. Furthermore, all common ISO14443-A and -B based smart cards could be read and NFC applications are also supported. With four SAM Sockets (ID000 format), the CPR46 supports customer specific security applications. The reader offers high security authentication and encryption, data transfer between the reader and the host is AES256 encrypted. Firm-ware updates are protected by RSA algorithm and authentication.

Integrated in the CPR46 are SoftCrypto and SAMCrypto high-level features for easily operated access to encrypted data of MIFARE DESFire EV1, MIFARE PLUS and MIFARE Ultralight C smartcards. Software Development Kits (SDKs) are available for Windows and Linux (C++, Java, .NET). “Merchants who use vending machines and kiosks for unattended payment processes, are primarily interested in safe and maintenance-free payment processes on site,” said Frithjof Walk, Sales Manager FEIG ELECTRONIC and President of the US subsidiary FEIG Inc., “The optimal protection class IK10 against vandalism guarantees a long life cycle of the CPR46 and reduces maintenance costs on site, extraordinarily.”

RFID Canada is a member of ACT Canada and a Cardware Exchange Place Expert; please visit www.rfidcanada.com.

8. G&D SUPPLIES HIGHLY SECURE SIM CARD PLATFORM FOR DEUTSCHE TELEKOM'S NEW DIGITAL WALLET

Source: Giesecke & Devrient (05/06)

With its NFC-capable SkySIM CX SIM card, Giesecke & Devrient (G&D) is providing the key security component for Deutsche Telekom's digital wallet, known as MyWallet. MyWallet can be used by all Deutsche Telekom mobile network customers with an NFC-capable smartphone. As a security partner, G&D is also supplying the MasterCard PayPass payment application to enable secure electronic payments to be made via the ClickandBuy International Ltd's virtual credit card system as the first product in Deutsche Telekom's digital wallet. User-friendly payment applications – and, in future, ticketing and identification applications too – place particular demands on SIM card security. Together with G&D, Deutsche Telekom has come up with a security architecture for NFC-capable SIM cards that meets these specific challenges. These SIM cards feature a secure data vault, with the full version offering a data volume of up to 1.3



megabytes. The SIM cards also contain a powerful processor that is capable of loading the required applications within an extremely short space of time, in spite of the encryption and decryption process. These applications, such as credit card functions and the data they require, are stored in specially secured areas of the card.

In the words of Stefan Auerbach, a member of the Management Board and Head of the Mobile Security business unit at Giesecke & Devrient, "This assignment came about as a result of the intensive security partnership between our two companies. We have channeled all our leading technological expertise in electronic payment transactions and the SIM card market into this solution. With the SkySIM CX product line, Deutsche Telekom now has access to a future-proof technology platform that will enable a variety of contactless NFC services for consumers to be launched on a flexible basis in future." "In future, NFC-capable smartphones will become digital wallets," comments Michael Hagspihl, Head of Marketing for Telekom Deutschland, "Not only will they make it possible for anyone to make payments easily and securely, they will also be able to store everything that we currently still carry around with us in paper or plastic form, such as concert tickets, membership cards, or loyalty cards. In Giesecke & Devrient, we have found a partner that fulfills the high security standards we require from these services."

The NFC-capable SIM card from the SkySIM CX range has been approved by EMVCo, American Express, MasterCard, and Visa and thus satisfies the high requirements of secure payment applications such as AMEX ExpressPay, MasterCard PayPass, and Visa payWave in particular. Several different NFC applications can be run securely at the same time on the SIM card. The SkySIM CX range also supports the transit applications MIFARE, CIPURSE, and Calypso. The SIM cards are available in the form factors 2FF, micro-SIM, and nano-SIM and are compatible with 2G, 3G, and LTE networks.

Giesecke & Devrient is a member of ACT Canada and a Cardware Exchange Place Expert & Sponsor; please visit www.gi-de.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



9. IPAYMENT PARTNERS WITH VERIFONE TO BRING NEXT GENERATION POS TO MAIN STREET MERCHANTS

Source: VeriFone (05/27)

VeriFone Systems, Inc. and iPayment, Inc., announced a complete tablet point of sale solution. iPayment POS is designed for the more than 150,000 small business merchants iPayment currently serves directly, through independent sales organizations (ISOs) and other multiple direct distribution channels throughout the U.S. “We evaluated all the tablet POS offerings on the market and it became abundantly clear that VeriFone has a superior product backed by market-leading expertise and deep support capabilities that would best serve our customers,” said Carl Grimstad, iPayment’s president and chief executive officer. “The small business merchants we specialize in are eager to realize the benefits of a tablet POS solution, but want reliable providers they can depend on.” “VeriFone is impressed with the innovative technology and tools iPayment provides to small and medium sized merchants; they have been instrumental in customizing this solution to address the needs of the marketplace,” said Shan Ethridge, vice president and general manager, North America Financial Services Group, VeriFone. “The new iPayment POS solution provides small business owners with advanced capabilities and business acumen previously only available to larger merchants.”

iPayment, an industry leader and partner to small and medium sized business owners across the United States, is proud to announce iPayment POS as the next step in business strategy for their customer base. iPayment POS is a turnkey iOS app-based solution that is incredibly easy to install, affordable, and simple to use. This solution is a combination of VeriFone’s industry leading GlobalBay Merchant technology and other iPayment proprietary solutions. The bundle includes the iPayment POS software, an iPad, cash drawer, bar code scanner, stand and printer, as well as a VeriFone PAYware Mobile e100 secure audio reader or the VX805 PIN Pad. The solution utilizes secure encryption for payment processing and provides a suite of business tools that empower small merchants with capabilities formerly enjoyed only by larger retailers, such as inventory management, service and appointment scheduling, business analytics, customer management, built-in loyalty, and marketing campaigns. Merchants don’t have to worry about emerging payment options, as the VX 805 PIN pad is able to support NFC, EMV, PIN/Debit, and mag-stripe.

“Tablet point of sale is ready to move from the early adopter phase to the mainstream market of small business merchants,” said Ethridge. “But smaller merchants want innovation from providers they can depend on for years to come and that can address their concerns directly. With iPayment POS, main street merchants get a turnkey solution that leverages iPayment’s superior merchant distribution and service capabilities along with VeriFone’s resources and proven technology.”



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

10. FIME TO EXPAND U.S. EMV CHIP MIGRATION CONSULTING OFFER WITH ENHANCED TESTING CAPABILITIES FOR MERCHANTS AND ACQUIRERS

Source: Globe Newswire (05/07)

FIME announced plans to expand its U.S. EMV chip migration consulting offer with enhanced testing capabilities for merchants and acquirers. Launching later this year, FIME will add programmable test cards, which use the same technology as FIME physical test cards, on its SAVVI Test Platform. The programmable test card capability, which provides additional flexibility for users, complements FIME's offering of physical test cards that have been used by acquirers and merchants for host and terminal integration certification projects for more than a decade. The SAVVI Test Platform is designed to manage and automate the test processes required by the payment brands to validate and integrate card acceptance devices into an acquiring environment; significantly reducing the complexity of terminal integration testing and simplifying certification project management for both experienced testers and testers new to chip technology. With this enhancement, testers can choose the test media that best fits their needs – physical test cards, a programmable test card or a combination of both. FIME will initially make the programmable test cards available for MasterCard and Discover terminal testing and certification.

“This programmable test card capability is an important addition to the SAVVI platform, as those responsible for testing may have differing preferences. Many, particularly ATM testers, prefer physical cards for testing speed and sharing cards, while others prefer a programmable test card for the ability to make fast online maintenance updates. This enhancement gives testers the best of both worlds,” said Xavier Giandominici, Director of FIME America. “This new capability fits nicely into our EMV chip migration consulting offering and reflects our goals to provide flexible services that meet the varying needs of the U.S. market as it moves to chip payments.” FIME is adding this new testing capability to its comprehensive U.S. EMV chip migration consulting offering, which can ensure successful, cost-effective and efficient migrations for organizations of any size and at any stage of implementation. 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, Discover & MasterCard are members of ACT Canada. FIME is a Cardware Exchange Place Expert and MasterCard is a Cardware sponsor; please visit www.fime.com; www.discover.com and www.mastercard.ca.

11. INSIDE SECURE LAUNCHES HCE-BASED SOFTWARE PAYMENTS APPLICATION

Source: Reuters (05/15)

INSIDE Secure announces the launch of a white-label Android application for Host Card Emulation (HCE) based payments. The new MatrixHCE product enables mobile payment application providers to accelerate time to market by using the pre-validated HCE payment functionality. It includes the highest level of software security to defend against any attacks in the hostile mobile environment. Introduced on Android 4.4 (KitKat), Host Card Emulation (HCE) allows for contactless payments (and other services including loyalty programs, building access and transit passes) to be made directly between the consumers' bank mobile application and the retailers point-of-sale, using NFC technology. It allows sensitive data used to facilitate transactions to be stored on, and accessed from, cloud servers rather than a mobile device and without the use of a hardware secure element. HCE therefore enables widespread deployment of mobile payments, which have previously been restricted by the limited deployment of hardware secure elements in mobile devices. However HCE adoption has been hampered by the security concerns associated with software payment applications running on open mobile platforms. MatrixHCE combines INSIDE Secure's long expertise in payments security with the software security expertise it gained from Metaforic, a company acquired by INSIDE Secure on April 5, 2014, to address these concerns and offer the highest possible level of software security.

MatrixHCE supports the HCE payment standards announced by major payment brands such as Mastercard and VISA, in preparation for the global commercial rollout later this year. It benefits from the software obfuscation and whitebox encryption security technologies developed by Metaforic. These have successfully undergone extensive penetration tests at external security labs. MatrixHCE also embeds secure networking communication technologies to protect the exchanges between the cloud server and the mobile application, thereby further protecting banking and payment data. "The mobile payment market has tremendous potential and we are excited to bring this innovative offering to market to accelerate deployments," said Simon Blake-Wilson, executive vice president of Mobile Security division at INSIDE Secure. "Our solution raises the bar on software security by combining application and cloud security to solve the critical problem



in delivering workable HCE based payment solutions.” With the addition of MatrixHCE, INSIDE Secure offers the most complete range of client security solutions for the payments market, comprising:

- Micropass, consisting of chip, OS and payments applications for traditional card-based payments
- VaultSEcure, a hardware secure element solution consisting of chip, OS and payments applications for hardware-based mobile payments
- MatrixHCE, a white-label application, building on HCE for software-based mobile payments

INSIDE Secure is uniquely positioned 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. Benefitting from this expertise, MatrixHCE is built upon the trusted foundation of MatrixSSE, INSIDE’s software secure element, including anti-tampering and code obfuscation technologies, which allows the application to defend itself against malware, “man-in-the-app” attacks (Trojan horse) and communication spoofing attacks. MatrixSSE provides security capabilities for general applications, while MatrixHCE adds payment specific security mechanisms and transaction security capabilities on top of MatrixSSE. With this level of security, banks and financial applications providers who plan to deploy secure mobile apps can insure the highest level of protection for the payment transactions.

INSIDE Secure is a member of ACT Canada and a Cardware Exchange Place Expert; please visit www.insidesecond.com.

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

SQUARE MIGHT BE MAKING MORE ON TRANSACTION FEES THAN ANYBODY THOUGHT

Source: Business Insider (05/15)

SQUARE REPORTEDLY TAKING 34% MARGIN ON PROCESSING: Citing leaked emails and internal documents, Fortune writer Miguel Helft yesterday published a detailed snapshot of Square’s business health — the deepest look we’ve seen to date. The article appears to confirm prior reports of cash losses at Square. But Helft’s article also reveals robust revenue and margins. That suggests the losses aren’t driven by operating expenses, but are the result of its investments in a flurry of new products. Here are the key figures, which a Square spokesperson declined to speak with us on the record about:

- Square’s gross margin on transactions, or the margin left over after Square pays other parties involved in credit card transactions their share of fees, is



- 34%. In other words, in a \$100 transaction, Square would collect \$2.75 in revenue, but pay out \$1.82 in fees and keep 94 cents for itself.
- The company is processing about \$30 billion in transactions annually.
 - That would put its annualized gross profit at about \$300 million.
 - Excluding transactions at Starbucks, which cut a deal to make Square the register system in 7,000 locations, Square's overall 2013 loss was about \$100 million.
 - The Starbucks deal cost Square an additional \$25 million in losses last year.
 - Square had about \$155 million left on its balance sheet at the end of 2013

Fortune also reports that Square's recently secured revolving credit line totals \$225 million, and cites internal projections that put the company on track for profitability in about a year. Square provides hardware and software that helps small businesses accept credit and debit cards on smartphones and tablets. Square is in the midst of a big product push focused on a fast-growing suite of customer relationship management tools. Earlier this week, Square Wallet was pulled from app stores, replaced by order-ahead app Square Order, which charges a much higher processing fee. Then the company rolled out Feedback, a subscription feature that charges merchants \$10 a month to receive simple customer feedback through digital receipts they receive as part of the checkout process, and allows merchants to communicate with customers to resolve complaints. (See Business Insider's detailed walk-through of the Feedback interface.) "Square is now sending over 10 million text message and email receipts a month to buyers," Square CEO Jack Dorsey tweeted.

13. MASTERCARD ACQUIRES ELECTRACARD SERVICES

Source: ICMA Industry News (05/23)

MasterCard announced that it has entered into an agreement with Opus Software Solutions Pvt. Ltd., to acquire its subsidiary, ElectraCard Services Private Limited, a leading global provider of software solutions and processing services for electronic payment and card systems. MasterCard previously had a minority investment in ECS. This transaction is anticipated to close in the second quarter of 2014. ECS, headquartered in Pune, India is a leading provider of software products and processing services for electronic payments. Its customer base includes financial institutions, retailers and telcos in over 25 countries globally. ECS' suite of products enables customers to issue and manage all types of payment cards and electronically process card transactions across multiple channels such as ATM, POS, internet and mobile.

MasterCard is a member of ACT Canada and a Cardware Sponsor; please visit www.mastercard.ca.



14. CPI OPENS NEW EMV CARD PRODUCTION FACILITY IN COLORADO

Source: ICMA Industry News (05/23)

CPI Card Group announced that the company has opened a second secure card manufacturing facility in Littleton, Colorado as it continues to invest in EMV migration in the U.S. As part of CPI's overall plan to meet its customers' needs associated with the U.S. EMV migration, the new 50,000 square-foot facility will accommodate an increase in CPI's EMV manufacturing and personalization capacity by over 400 percent. The new secure facility, which is certified by MasterCard, Visa, Discover and American Express, features an increase in state-of-the-art equipment and associated staffing for smartcard manufacturing as well as card personalization and fulfillment services. "The addition of our new facility demonstrates our commitment to expand our capacity and capabilities to serve the growing needs of our customers as the U.S. market migration to EMV gains momentum," said Steve Montross, president and CEO of CPI Card Group. "We're dedicated to a continuous investment strategy in our readiness from both a staffing and equipment standpoint, and our newest facility provides the necessary flexibility to meet our customers' needs now and for years to come." As the leader in the financial card market in North America, CPI provides the largest EMV manufacturing capacity in North America with four certified EMV manufacturing facilities, providing customers' flexibility and back-up capability.

CPI Card Group is a member of ACT Canada; please visit www.cpicardgroup.com.

15. CANADIAN TIRE CORPORATION AND SCOTIABANK ENTER STRATEGIC BUSINESS PARTNERSHIP THAT INCLUDES SCOTIABANK ACQUIRING 20% OF CANADIAN TIRE'S FINANCIAL SERVICES BUSINESS

Source: Canadian Tire (05/08)

Canadian Tire Corporation, Limited and Scotiabank announced a far-reaching strategic partnership that creates unprecedented opportunities for joint marketing to drive new business growth. The agreement will see Scotiabank acquire a 20% equity interest in Canadian Tire's financial services business for \$500 million in cash. Scotiabank will also provide a funding commitment to Canadian Tire's financial services business with credit card receivable financing of up to \$2.25 billion. "The real strength of our partnership with Scotiabank lies in the opportunity it creates to benefit our retail customers and grow our business," said Stephen Wetmore, Chief Executive Officer, Canadian Tire Corporation. "By working together and innovating, we will better serve our customers, earn new business, and strengthen our community initiatives." Canadian Tire's financial services division is the eighth largest credit card issuer in Canada with \$4.4 billion in receivables, 1.8 million active customer accounts and \$12 billion in annual spend volume. The agreement also provides an option for Canadian Tire to sell up to an additional 29% of its financial services business to Scotiabank within the next 10 years at the then fair market value.



"We are excited about the possibilities that come with this partnership. Canadian Tire is an iconic company with an incredibly strong brand and great customer focus," said Brian Porter, President and Chief Executive Officer, Scotiabank. "This is a strategic investment in a high performing business and a partnership with the Canadian Tire family of companies will provide opportunities for us to grow our customer base and provide unique and relevant solutions to our customers." The investment in the financial services business will be funded from Scotiabank's cash resources and is expected to be modestly accretive to Scotiabank's earnings. The deal is subject to customary closing conditions and regulatory approvals and the transaction is expected to close by September 30, 2014.

Marketing Agreement

Scotiabank will become the exclusive partner for new financial products to the Canadian Tire portfolio of customers. The agreement allows for joint marketing efforts to introduce the companies' respective customers to each other's brands with exclusive offers. Available only to customers of the Canadian Tire family of companies and Scotiabank, the offers are expected to attract new customers and provide more value to loyal consumers. Today, the companies announced two inaugural offers available from May 9 to August 31, 2014 to celebrate the new partnership:

- New customers who join the Scotiabank Start Right Program, which provides new Canadians with a bank account, credit card and other financial services, will receive \$50 at Canadian Tire and \$50 at Mark's to help them buy every day essentials for life in Canada.
- Through Canadian Tire, Scotiabank will offer \$500 in Canadian Tire Money to any Canadian Tire Options MasterCard holders who switch or take a new five-year mortgage from Scotiabank.

Canadian Tire and Scotiabank are members of ACT Canada; please visit www.canadiantire.ca and www.scotiabank.ca.

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



16. GEMALTO ACQUIRES TWO PAYMENT CARD PERSONALIZATION BUREAUS FOR THE US MARKET

Source: Gemalto (05/13)

Gemalto announced that it has acquired Shoreline and Source One Direct, two personalization bureaus in the United States which were previously part of Cardiff Holdings. Located in North Kingstown, Rhode Island and in Atlanta, Georgia, both activities provide secure personalization services for payment cards addressing credit and debit card issuers in the United States. The US is moving towards an October, 2015 liability shift which mandates EMV chip technology to replace the older magnetic stripe cards. Last year alone there were over 1.6 billion EMV cards in use across the globe and many issuers in the US are now accelerating their own migration in light of the recent security breaches that have occurred with major retailers. Commenting on the transaction, Oliver Piou, Gemalto Chief Executive Officer noted: "The US market is rapidly moving to EMV, and this is another step in our ongoing investments to have the best mix of products and services to support our customers. This move reinforces our ability to deliver advanced personalization services to card issuers in the United States and complements our unique expertise in EMV acquired through the unrivalled number of such migrations we have deployed around the world. Adding these two companies to the Gemalto family will benefit US banks and credit unions of all sizes as they migrate their card portfolios to more secure smart card technology, which has proven to mitigate fraud in all regions of the world."

Wright Ohrstrom, Chairman of the Board of Cardiff Holdings, added "Serving their collective customers for over 45 years, Shoreline and Source One Direct are leading personalization bureaus in the US. As part of Gemalto, the teams will combine their deep knowledge of the US market with Gemalto's global footprint and technological leadership just at the right time as the region implements EMV chip & pin technology as the standard for card security."

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

17. MASTERCARD AND PULSE TO ENABLE COMMON DEBIT EMV SOLUTION

Source: Discover (05/13)

MasterCard and PULSE, a Discover Financial Services company, have reached an agreement that will allow financial institutions that issue EMV debit cards that participate in both the MasterCard and PULSE networks to use MasterCard's common debit solution on those cards. The agreement will help accelerate EMV deployment for the networks' mutual debit card issuers, merchants and acquirers. U.S. debit regulations require that each debit card provide merchants and acquirers the opportunity to route debit transactions over multiple, unaffiliated networks. This is made possible for debit EMV cards through



the use of common application identifiers (AIDs). Licensing MasterCard's common debit AID will help support EMV chip adoption in the United States by enabling issuers to deploy EMV cards in compliance with this regulatory requirement.

"This is another important step in moving the industry to EMV adoption," said Carolyn Balfany, group head, U.S. Product Delivery, MasterCard. "Working together with PULSE, we are providing secure payment solutions for debit programs that deliver maximum value to merchants, consumers and issuers." "With this agreement, PULSE can now provide card issuers access to full EMV capabilities, regardless of debit card brand," said Judith McGuire, executive vice president, Product Management, PULSE. "In addition, merchants and acquirers on the PULSE network can develop their systems to support all debit routing options available through PULSE, including PIN, signature and PINless transactions." PULSE will use MasterCard's common AID to process domestic ATM and POS transactions on behalf of issuers that participate in both PULSE and MasterCard, including those initiated with contactless-enabled devices.

Discover and MasterCard are members of ACT Canada. MasterCard is a Cardware Sponsor. Please visit www.discover.com and www.mastercard.ca.

18. DELEGOMPI ENABLES MERCHANTS AND CONSUMERS A MORE SECURE ONLINE CHECKOUT PROCESS.

Source: Delego Software (05/21)

Delego Software Inc. (DSI) announced the launch of DeleGoMPI a Merchant Plug-In enabling 3-D Secure, an additional layer of authentication used for eCommerce purchases to reduce fraudulent transactions. DeleGo MPI is a secure integration that allows merchants looking to increase their online eCommerce capabilities, while protecting themselves and their customers, with an extra layer of authentication. Larry Chevalier, President and CEO, says, "DeleGo strives to provide flexible new solutions to meet the evolving security needs of our customers. Payment security is the number one headache facing merchants today. Not only does our 3-D Secure plug-in provide added peace-of-mind, it meets the evolving requirements for doing business in many emerging global markets." DeleGoMPI is the integration from the merchant's eCommerce server that acts as the controlling application to process 3-D Secure messages. DeleGoMPI is compliant with both VISA and MasterCard 3-D Secure protocol. During an eCommerce checkout customers enter their name, card number, and the card expiry. Once they click submit there is a redirect to DeleGoMPI where the customer inputs their password, which the issuer then authenticates the cardholder and reduces the likelihood of a fraudulent transaction.

"A vital part of fraud reduction is authentication. Many jurisdictions throughout the world are demanding strong authentication during all forms of payment card transactions. 3-D Secure is a proven and fast way to achieve strong



authentication,” says Richard McCammon, VP of Integrated Solutions. “Delego recognizes the need for strong authentication in eCommerce transactions and so developed DelegoMPI to assist customers in their global business requirements.” DelegoMPI provides merchants an increased level of security for eCommerce payments, while reducing fraudulent transactions, and decreasing the operational expenses associated with chargebacks. Merchants who use 3-D Secure are rewarded by the card companies by providing lower interchange rates. 3-D Secure increases consumer confidence when purchasing online, while ensuring the security of the transaction.

Delego Software is a member of ACT Canada; please visit www.delego.ca.

19. ALLIANCE DATA'S CANADIAN LOYALTY BUSINESS SIGNS NEW MULTI-YEAR AGREEMENT WITH MONERIS

Source: LoyaltyOne (05/15)

Alliance Data Systems Corporation announced its Canadian coalition loyalty business signed a multi-year agreement with Moneris Solutions Corporation as a sponsor in the AIR MILES Reward Program. With more than 350,000 customers in North America, Moneris provides credit, debit, wireless and online payment services for merchants, servicing a wide range of industry segments. In addition to the more than three billion credit and debit card transactions it processes annually, Moneris offers electronic loyalty and stored-value gift card programs. As a national AIR MILES Sponsor, Moneris will begin to offer small- to mid-market and above merchants AIR MILES reward miles for newly acquired payment processing services. Additional merchant and customer reward miles issuance growth opportunities will also soon be offered. "We are pleased to welcome AIR MILES as a strategic partner and bring the benefits of the AIR MILES Reward Program to our customers," said Rob Cameron, chief product and marketing officer of Moneris Solutions. "Moneris continuously strives to add new value to our service offering. Integration of this loyalty program is a key component of our delivery of innovative and secure payment solutions."

According to Statistics Canada, there are currently more than 1.1 million small and mid-size businesses - defined as less than 499 employees - in Canada that account for over half of Canada's gross domestic product (GDP). Ninety-eight percent of these businesses have less than 100 employees. The AIR MILES Reward Program includes a unique value proposition for Canadian small business owners through its AIR MILES for Business facet for approximately 800,000 collectors who are small business owners. AIR MILES for Business collectors earn reward miles for both personal and business transactions, and receive access to exclusive merchandise, events and travel rewards designed especially for small business owners. "A significant and growing sector in Canada, small- and medium-sized businesses create opportunities for innovative business-to-business partnerships such as this multi-year agreement, which increases opportunities for



issuing reward miles in a new merchant-to-merchant environment," said Bryan Pearson, president of LoyaltyOne, owner and operator of the AIR MILES Reward Program. "With small business being a growth category, we continue to explore opportunities to expand the small business sponsor base, increase reward miles issuance, and further engage existing small business owners to get more value out of the program by giving them the opportunity to reward themselves, their businesses and their employees."

LoyaltyOne and Moneris Solutions are members of ACT Canada. MSC Payment Solutions is a Cardware Exchange Place Expert. Please visit www.loyalty.com and www.moneris.com.

20. VANTIV ANNOUNCES AGREEMENT TO ACQUIRE MERCURY PAYMENT SYSTEMS

Source: Mercury Payment Systems (05/13)

Vantiv, Inc. announced an agreement to acquire Mercury Payment Systems, LLC for an aggregate price of \$1.65 billion. Mercury is a payment technology and service leader whose solutions are embedded into point-of-sale software applications and brought to market through their dealer and developer partners. Mercury is currently majority-owned by Silver Lake, a global leader in technology investing. Vantiv is strategically focused on strengthening and expanding its traditional Merchant and Financial Institutions businesses and continues to invest in strategic partner channels, including integrated payments. The acquisition of Mercury accelerates Vantiv's growth in the integrated payments space, which is expected to increase significantly over the next several years to potentially represent over 30% of total payments volume by 2017. The transaction results in a combination of leading technology, distribution and scale, which along with Vantiv's presence in online and omni-channel commerce, significantly increases Vantiv's penetration into high-growth channels.

"The emergence of integrated payment technology at the point-of-sale delivers a differentiated merchant experience and creates a highly-efficient, cloud-based delivery model for customer acquisition and retention," said Charles Drucker, president and chief executive officer of Vantiv. "By combining Mercury's distribution network and innovative solutions with Vantiv's technology platform and products, we are developing a payments eco-system that allows us to serve these clients in new and exciting ways. Bringing the companies together will dramatically enhance our distribution and technology capabilities to serve a number of large and growing industry verticals." Mercury features an extensive network of more than 3,000 point-of-sale software developers and dealers that serve small and medium-sized businesses across the U.S. and Canada. In 2013, Mercury generated net revenue of \$237 million, growing by 17% year-over-year, and adjusted EBITDA of \$93 million, growing by 23% year-over-year. Given Mercury's strong double-digit growth, Vantiv expects the transaction to add one to two



percentage points to its net revenue growth per year. The transaction is expected to be modestly accretive to non-GAAP earnings per share in 2014, with accelerating accretion in 2015.

“Vantiv and Mercury are aligned in our desire to create integrated software solutions that fulfill the specialized needs of merchants,” said Matt Taylor, chief executive officer of Mercury. “Software developers and dealers are helping to lead the way for the future of payments, and combining with Vantiv puts us in a strong competitive position to jointly offer a broader set of value-added products and services to our partners and merchants.” “It has been a privilege to partner with Mercury, and we are very proud of the company’s accomplishments since our investment in 2010,” said Mike Bingle, a managing director and managing partner of Silver Lake. “Mercury pioneered the offering of integrated payments solutions to merchants and has driven rapid growth by leveraging its large network of partners and pursuing innovative new technologies and services.” In view of the entry into the transaction, Mercury is suspending activities related to its proposed initial public offering, and in connection with the consummation of this transaction, will withdraw its registration statement previously filed with the U.S. Securities and Exchange Commission.

Mercury Payment Systems is a member of ACT Canada; please visit www.mercurypay.com.

21. TSYS EXTENDS PAYMENTS AGREEMENT WITH CANADIAN TIRE

Source: TSYS (05/27)

TSYS announced that it has extended its exclusive agreement with Canadian Tire Financial Services, a division of Canadian Tire, to provide processing and other payment card program services. The multi-year extension includes Canadian Tire's MasterCard-branded and private label retail portfolios. "TSYS has been a great partner through the years, working closely with us to understand our needs as we continue to grow and expand our payments programs," said Bonnie Agosthino, vice president, CTC and CTFS Delivery for Canadian Tire. "Their commitment to technology and customer service helps us better serve our customers now, and we are confident TSYS will continue to do so in the future." "Canadian Tire is one of our longest tenured clients in the Canadian market, and it's been a pleasure to work hand in hand with them through the years," said Bill Pruett, president of the North America services segment, TSYS. "As one of the marquee brands in Canada, it's important to us that they have a flexible, innovative payments program that meets the needs of their customers throughout the country." TSYS provides Canadian Tire with a number of additional services outside of traditional issuer processing and merchant acquiring, including fraud and risk management, portfolio analysis and a rewards and loyalty program. Canadian Tire has been a TSYS client since 1998.



Canadian Tire, MasterCard and TSYS are members of ACT Canada. MasterCard is a Cardware Sponsor. Please visit www.canadiantire.ca; www.mastercard.ca and www.tsys.com.

Looking for top-notch partners? Cardware brings together the key players in this industry. Join us at Cardware 2014 on June 17-18 in Niagara Falls – www.actcda.com/cardware

22. GEMALTO BREAKTHROUGH TECHNOLOGY PROVIDES UNPRECEDENTED QUALITY FOR ENGRAVING LASER COLOR PHOTOS IN SECURE POLYCARBONATE DOCUMENTS

Source: Gemalto (05/12)

Gemalto launches Sealys Color in Polycarbonate, a remarkable innovation that allows very high quality color photographs to be permanently embedded into polycarbonate documents such as IDs, driving licenses and passports. Images up to 1200 dpi resolution have been made robustly tamper-proof through a laser-engraving process, which applies markings deep into the document datapage. Polycarbonate documents are already recognized for their security and durability and now Sealys Color in Polycarbonate adds another unique feature to Gemalto's broad range of options to better meet the evolving demands of government authorities and national printers. The use of high resolution color portraits is well appreciated to facilitate more accurate on-the-spot identification at border checkpoints. Additional security features include deep-set embedding of microtext in the image to make alteration virtually impossible. In addition, the new technology enables personalization to be performed independently of the document manufacturing process, so as to preserve complete flexibility at issuance.

Sealys Color in Polycarbonate complements Gemalto's wide ranging and innovative laser-personalization portfolio. Unique in the market, Sealys Edge Sealer engraves the holder's name or ID number along the document edge. Sealys Window is a transparent area inside the card which makes any attempt to tamper with the document immediately obvious. "Gemalto's highly sophisticated laser engraving technology is designed to counter forgery while remaining easy for officials to verify document authenticity, hence providing more convenience to legitimate holders," commented Frédéric Trojani, Executive Vice President of Government Programs at Gemalto. "Building on Gemalto's unparalleled expertise in secure documents – reflected in over 80 national programs - it is part of our commitment to continue to invest in pioneering solutions that help keep our customers one step ahead."

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



23. BLACKHAWK CANADA ENABLES SMARTPHONE CARD PAYMENTS

Source: Chain Store Age (05/01)

Prepaid payment network Blackhawk Network (Canada) Ltd. has launched its digital platform in the Canadian market, by offering Blackhawk's gift card products to Rogers' customers in the new Suretap wallet application. The application allows customers to safely store eligible payment and gift cards on their smartphones and make purchases directly from the phone by holding it up to contactless payment terminals. Canadian retailers with e-gift cards available for purchase within the Suretap wallet include Indigo, Swiss Chalet, Montana's Cookhouse, Milestones Grill+Bar, Harvey's, Kelsey's, Earls Restaurants, Ardene, and Spafinder Wellness 365, with more available in the coming months. By leveraging Blackhawk Canada's digital platform, Rogers' customers using the Suretap wallet can redeem a gift card by selecting a gift card in the wallet and having the merchant scan the bar code. The Suretap wallet also enables customers to send Blackhawk gift cards to friends and family as well as the ability to add existing plastic gift cards to the wallet application.

Rogers is a member of ACT Canada; please visit www.rogers.com.

24. GOOGLE ADDS PAYPAL TO GOOGLE WALLET FOR ANDROID DOWNLOADS

Source: Slashgear.com (05/15)

Google has added PayPal support to Google Wallet, allowing Android users buying apps and content from Google Play to use the rival payment system rather than its own. The additional payment method - which will sit alongside registering a credit card with Google Wallet, not replace it - will launch in twelve countries initially, of which the US and UK are included. Austria, Belgium, Canada, Finland, France, Germany, Ireland, Italy, Netherlands, and Spain will also get PayPal support in Google Play. However, it's worth noting that while the payment method is supported for apps and digital content, like movie rentals, it can't be used to buy devices or accessories. They'll have to go through Google Wallet's own payment system as usual, as will any other purchases made outside of Google Play that rely on Wallet. Meanwhile, Google is also boosting the number of places where carrier billing is supported, charging apps to a monthly cellphone service provider's bill, rather than to a separate card. Now, 24 countries support it, including operators in Singapore and Taiwan. Finally, Google Play gift cards are now being offered in thirteen countries, and developers in thirteen new locations can sell paid apps. Buyer currency support is offered in 28 new countries, bringing the total to sixty.



25. APPLE AND CHINA UNIONPAY'S MOBILE PAYMENTS PARTNERSHIP

Source: ICMA Industry News (05/23)

China: Apple and China UnionPay have agreed to partner on a mobile payment service that will bring the bank card organization's app to iPhones nationwide. This will make it possible to pay-by-phone at the three million "QuickPass" POS machines nationwide, reports Brightwire. The two companies are also collaborating on separate mobile payments solutions that will allow for purchases within Apple stores. The system is designed to follow standards set for QuickPass by the Peoples Bank of China (PBOC). Chinese banks have been invited to participate in the project. China UnionPay is the only domestic bank card organization and interbank network in China and links the ATM services of 14 major banks. While bringing expanded mPay to China, Apple is also moving to integrate Near Field Communication (NFC) technology in the next generations of iPhones. The software/hardware giant filed for a patent covering NFC technology with the U.S. Patent and Trademark Office.

More than just a conference – Cardware is THE meeting place of payment stakeholders. Attendance will help you navigate the issues facing your role in the next 365 days. Don't miss Cardware 2014 on June 17-18 in Niagara Falls – www.actcda.com/cardware

26. GLOBALPLATFORM LAUNCHES SECURITY TASK FORCE

Source: GlobalPlatform (05/22)

GlobalPlatform, the association that standardizes the management of applications on secure chip technology, has announced the launch of a Security Task Force. It will define the association's security philosophy and tailor GlobalPlatform's Specification offerings for the security ecosystem. The group will identify specific industry use cases and work to apply the best combination of GlobalPlatform Specifications to offer practical and proportionate levels of defense against the unique threats that each use case faces in the real world. "Security is not about making something bigger or stronger," explains Jon Geater, Chair of the Security Task Force. "These concepts are comforting but are meaningless on their own: security is far more contextual than that. Our work is about bringing GlobalPlatform's spectrum of specifications together in a way that best defends real assets from real threats in real devices and systems." The task force has been created in response to the increasing number of secure and trusted services that are being deployed on devices such as smartphones that contain often under-utilized secure chip technology, but need to be protected. The group's immediate priorities are to develop white papers to communicate GlobalPlatform's role in the security ecosystem and to host GlobalPlatform security workshops with industry representatives to explore the management of secure and non-secure applications on a mobile device. In order to achieve its goals, the group will also facilitate



discussions regarding security requirements for devices incorporating secure chip technology and actively contribute to industry efforts to streamline security certification. The group is currently made up of 42 GlobalPlatform Member companies.

Jon continues: "This group will not be creating any new technology but will instead focus on advancing the security and utility of GlobalPlatform Specifications in meeting the evolving and, at times, complex needs of the user. To achieve this we are evaluating the security challenges faced and analyzing how to leverage our arsenal of secure chip specifications to create appropriate levels of defense for each use case. " "Migration to mobile security requires evolution in the traditional security concepts so right from the word go, we have seen engagement in the group from both security providers and from those that use these products. GlobalPlatform aims to connect security experts with users such as service providers to discuss use cases for GlobalPlatform Specifications as input from both sides will help us to tailor GlobalPlatform's offering to the specific requirements of the marketplace," adds Kevin Gillick, Executive Director of GlobalPlatform. "As an association, we have always worked closely with the security ecosystem and have formed this task force to better address the needs of the rapidly evolving secure chip industry. As end users begin to use a reduced number of devices there is a need for convergence in security management. We therefore ask entities that create security solutions, and those that utilize them, to contribute to our work to create a proportionate and user-friendly security environment. As work is just beginning, this is a real opportunity to be involved in shaping GlobalPlatform's work in this area from the offset."

GlobalPlatform is a member of ACT Canada; please visit www.globalplatform.org.

27. FIME EXPANDS SERVICES TO OFFER COMPREHENSIVE PCI PTS TESTING

Source: FIME (05/07)

FIME, has expanded its services to offer PCI PTS (payment card industry – PIN transaction security) testing. This new offering enables FIME to not only provide functional compliance for payment brand specifications, but also perform security evaluation for payment terminals and mobile point of sale (mPOS) solutions against the PCI PTS requirements set by the PCI Security Standards Council. The PCI Security Standards Council -an open global forum set up by American Express, Discover Financial Services, JCB International, MasterCard and Visa- is responsible for the development, management and promotion of the PCI security standards. PCI PTS, which is a mandatory requirement from all major payment brands, was implemented to raise standards of card data handling by ensuring point of sale terminals are highly secure and resistant to hacking. The service, in partnership with EWA-Canada, a laboratory accredited by the PCI Security Standards Council, will offer terminal manufacturers the security expertise



required to achieve PCI PTS compliance. This includes source code and product design review, vulnerability analysis and penetration testing before products are formally approved by the PCI Security Standards Council.

“The new service offers our customers a ‘one-stop shop’ for all of their terminal testing needs,” comments Christian Damour, FIME’s Security Business Line Manager. “This simplifies the process by reducing the complexity of managing various testing providers and requirements, which in turn speeds up product time to market.” In addition, through its partnership with EWA-Canada, FIME can deliver testing for payment devices against Australian Payment Clearing Association (APCA) requirements and confirm that mobile point-of-sale (mPOS) solutions meet the specifications outlined in the Visa Ready Program for mPOS.

Christian continues: “EWA-Canada is a proven expert in security testing and maintains the same high standards as FIME. It was important for us to find a partner with a similar ethos to ensure that we consistently deliver quality results for our customers.”

FIME and EWA-Canada are members of ACT Canada. FIME is a Cardware Exchange Place Expert. Please visit www.fime.com and www.ewa-canada.com.





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