



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

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## **ACT Canada Partners**

### **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.giesecke.com/can/en/trends\\_and\\_insights/tsm\\_for\\_nfc/\\_wallet/\\_wallet.jsp](http://www.giesecke.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**

Giesecke & Devrient ~ member since 1990  
HSBC Credit Card Services ~ member since 2006  
Manulife Bank of Canada ~ member since 2012  
Walmart Canada Corp. ~ member since 2011

### **General Members**

A LA CARD Marketing & Consulting Services Ltd. ~ member since 2004  
Berkeley Payment Solutions ~ member since 2012  
Instant Access 360 Inc. ~ new member  
Multos International Pte Ltd ~ member since 2007  
nanoPay inc. ~ new member  
SPARC Security Solutions ~ member since 2013  
Wellspring Financial ~ new member

## Career Opportunities

Looking for good people?

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

## Calendar Of Events

**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>

Our award nominations for our Annual Innovation Awards are now closed. Winners will be announced at our 25<sup>th</sup> Anniversary & Awards Reception on October 16<sup>th</sup>. Join us for:

### October

- 2nd - Women in Payments Annual Meet, Greet and Charity event
- 6th - 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

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

*Strategic Leadership Team Meetings* (visit <http://www.actcda.com/teams/slts/> for more information)

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

## **November**

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

*Strategic Leadership Team Meetings* (visit <http://www.actcda.com/teams/slts/> for more information)

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

## **December**

*Strategic Leadership Team Meetings* (visit <http://www.actcda.com/teams/slts/> for more information)

- Customer Authentication - December 9
- Mobile - December 15

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## **Articles**

### **1. EDITORIAL COMMENT - 550 MILLION & 270**

*Source: Catherine Johnston, President & CEO, ACT Canada (09/29)*

In roughly 270 business days the EMV liability shift will come into effect in the US. Last week, at the Merchant Advisory Group conference, we heard that 550 million chip cards will have been issued. These two numbers add up to a lot of work and a lot of room for unintended consequences to creep into stakeholders' lives. How can risks be mitigated? Ask a lot of questions and provide a lot of



answers. Communications will make a world of difference, as we saw in our rollout of EMV. Let me give you just one example. Issuers want the best possible experience for their customers when they first use their new chip credit or debit cards. Merchants want the best possible experience for their customers when they use their chip cards at the store. That means that cashiers should be trained just before the first cards show up at the point of sale. For everyone to get their wish, issuers and merchants need to discuss dates. I could give you a thousand or more examples, but who has the time to listen (or read)?

If you are a Canadian reading this, and I applaud you for getting to this point, you're probably asking why you would care. Here's the point. We all need to keep talking with other stakeholders. It led to a very smooth rollout for us on EMV and we absolutely need to keep it up. We have issues in our market that need to be resolved and opportunities we want to benefit from related to wallets and mobile. Let's keep up the best practices that we used for EMV. If you are an American reading this, the BEST best practice for rolling out EMV is communication among and between all the stakeholders.

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## **2. APPLE UNVEILS AN 'ENTIRELY NEW PAYMENT PROCESS' WITH APPLE PAY**

*Source: Digital Transactions (09/09)*

After weeks of fevered anticipation, it's finally out. Apple Inc. unveiled a new payments system called Apple Pay along with its iPhone 6 and large-screen iPhone 6 Plus smart phones and a snazzy new smart watch. As predicted, the updated iPhone uses near-field communication (NFC) technology for fast contactless payments at the point of sale as well as online, and it also uses tokenization to get vulnerable payment card numbers out of the transaction process. Apple Pay's supporting cast includes the Visa Inc., MasterCard Inc., and American Express Co. payment networks as well as 11 large credit card issuers representing 83% of U.S. charge volume, Apple chief executive Tim Cook said at the unveiling. Apple Pay also has bevy of national merchant acceptors, including Walgreen Co.'s Duane Reade chain, McDonald's, and Disney as well as its own retail stores. But absent from the initial list, with the exception of Target Corp.'s e-commerce site, are the big merchants that support the nascent retailer-controlled Merchant Customer Exchange mobile-payment system, recently rebranded as CurrentC, including Wal-Mart Stores Inc. and Best Buy Co. MCX reportedly requires exclusivity from its merchant members in their use of mobile wallets, and it's unclear whether Apple's huge customer base could force a change in that policy.

MCX refuses to comment on Apple Pay, citing press of business. Another rival mobile-wallet provider, Softcard, did not reply to a request for comment. Known as Isis until last week, Softcard is controlled by major mobile carriers. In addition to the NFC antenna, the new iPhones have a secure element that stores the holder's payment information, Apple senior vice president of Internet software



and services Eddy Cue said at the event in Cupertino, Calif. The data are encrypted. The system will automatically use the card credentials the customer has on file with Apple's iTunes service, which has 800 million users, as the default payment account. Users can add more cards by taking pictures of them with the phone's camera; Apple then verifies the account data with the issuers and places the cards' digital renderings in its existing Passbook wallet app. Cook and Cue emphasized the ease with which iPhone owners will use Apple Pay. Opening an app is not required, all the user has to do is hold the Touch ID button on the screen to authenticate herself by fingerprint while tapping the iPhone at a terminal in one of the 220,000 U.S. merchant locations that can accept contactless payments. The phone generates a small vibration and beep to confirm the transaction. Merchants also can integrate Apple Pay into their own mobile checkout systems. The two executives repeatedly claimed the system is highly secure—a suddenly sensitive issue in the wake of revelations last week that nude photos of celebrities stored on Apple's iCloud service had been stolen.

In that vein, Cue played up tokenization and related security measures to differentiate Apple's system from conventional magnetic-stripe cards. "When you add a new credit card, we don't store the credit card number and we don't give it to the merchant," he said. "We create a device-only account number and we store it safely in the secure element. And each time you pay we use a one-time payment number along with a dynamic security code so you no longer have the static code on the back of your plastic card." Cook also addressed the issue of why mobile wallets have mostly been a dud with consumers (the major exception, not noted by Cook, being that of PayPal Inc.). "Most people that have worked on this have started by focusing on creating a business model that was centered around their self interest instead of focusing on the user experience," he said. "We love this kind of problem," Cook continued, calling Apple Pay an "entirely new payment process." Apple's initial merchant partners also include Macy's and Bloomingdales, Staples, Subway, Starbucks, Whole Foods, Groupon, Uber, Panera, Major League Baseball's MLB at Bat, OpenTable and Tickets.com.

The launch card issuers, with more coming, are Bank of America, JPMorgan Chase, Citigroup, American Express, Wells Fargo, Capital One, U.S. Bank, Navy Federal Credit Union, USAA, PNC, and Barclays. Scott Rau, director of mobile payments at JPMorgan Chase's credit card unit, says Apple Pay "looks pretty exciting and innovative," though he would not predict how many Chase cardholders are likely to load their credentials into it. Rau says Apple's use of tokenization will advance payment security, though tokenization is just one part of a secure payment system. "It's a combination of the tumblers and a lock," he says. "There's no magic, single answer."

Payments consultant Steve Mott of Stamford, Conn.-based BetterBuyDesign tells Digital Transactions News by e-mail that Apple's combination of NFC with one-time tokens and Touch ID "is substantively better" than the static tokens and host-card emulation (a modified form of NFC) that the





payment card networks and their EMVCo standards body are focused on currently. Still, given the iCloud flap, the notion of reinventing payments, as Cook promised, “makes a grizzled payments veteran shudder a bit,” he says. “That’s proved hard for everyone to master.”

*Capital One, MCX, Target and Walmart are members of ACT Canada; please visit [www.capitalone.ca](http://www.capitalone.ca), [www.mcx.com](http://www.mcx.com), [www.target.com](http://www.target.com) and [www.walmart.ca](http://www.walmart.ca).*

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### **3. THE PAYMENTS INDUSTRY NEEDS TO FIND COMMON GROUND ON TOKENIZATION, GROUP SAYS**

*Source: Digital Transactions (09/24)*

Tokens, that is, tokens for securing electronic payments, almost became a household word two weeks ago when Apple Inc. introduced Apple Pay, a mobile-payments service that will rely heavily on tokens when it launches next month. The concept of tokenization, however, has been around for quite some time in the payments industry. Now a public-private group concerned with advancing mobile payments says industry players need to agree on standards and coordinate several different tokenization solutions floating around the industry. “The security of mobile payments has always been a top concern and one of the main barriers to widespread adoption of certain mobile- and digital-payment technologies,” Marianne Crowe, vice president of payment strategies at the Federal Reserve Bank of Boston and chairperson of the Mobile Payments Industry Workgroup (MPIW), said in a statement. “With the recent introductions of new platforms that use tokenization technologies, including Apple Pay, we are even more convinced of the need to evaluate the optimal approach to tokenization and determine how the payments industry can better coordinate efforts to protect consumers and businesses alike.”

The MPIW, whose members come from the Boston Fed, the Federal Reserve Bank of Atlanta, and private-sector payments and technology firms, this week released a summary of a meeting it held in June. At that meeting, according to an MPIW statement, the panel “found that developments in tokenization should instill confidence in a payments environment challenged by frequent data breaches and other payments fraud activity, but some hurdles to broad industry adoption of tokenization remain, particularly around standards and coordination of the different solutions.” The MPIW defines tokenization “as the process of randomly generating a substitute value to replace sensitive information. When used in financial transactions, tokens can replace payment credentials—such as a bank account or credit/debit card numbers.” Removing these sensitive credentials from payment transactions can greatly increase data security. But, reflecting other fissures in the payments industry, tokenization is becoming a battleground of competing proposals.

For example, models under development include those from EMVCo, which is controlled by the payment card networks, and The Clearing House, which is



controlled by banks. Other proposals have come from PCI Security Standards Council and the Accredited Standards Committee X9. In a statement summarizing the June meeting, the MPIW said “members noted the challenges to developing common standards for tokenization, especially given the variety of models under development...as well as the lack of consistent terminology around tokenization.” The MPIW plans to address these issues through a newly-formed tokenization subgroup. The report lists nine key considerations for tokens. Among them are static versus dynamic tokens; tiering of tokens by venue and use; the prevention of fraudulently created tokens; how tokens affect payments infrastructure and interoperability; and the role of tokenization in host card emulation, a newer variant of near-field communication (NFC) technology that has attracted some support by mobile-wallet developers.

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#### **4. CANADIAN TIRE UNVEILS NEXT EVOLUTION OF ITS ICONIC LOYALTY PROGRAM**

*Source: Canadian Tire (09/09)*

As a pioneer of loyalty programs in Canada, Canadian Tire and its iconic Canadian Tire 'Money' have long been synonymous with customer rewards and value. Today, Canadian Tire announced the evolution of its much beloved loyalty platform, introducing My Canadian Tire 'Money', an easier way to collect and redeem Canadian Tire 'Money'. The program will launch in Nova Scotia on October 10 and to customers nationally on October 28, 2014. The digital rewards program will complement paper Canadian Tire 'Money', which will remain in circulation. My Canadian Tire 'Money' combines the best attributes of Canadian Tire's paper 'Money' with the benefits of a digital rewards program, making it easier and faster for customers to collect, and redeem. Members can collect e-Canadian Tire 'Money' on qualifying purchases at Canadian Tire stores, at [canadiantire.ca](http://canadiantire.ca) and at participating Canadian Tire gas bar locations. e-Canadian Tire 'Money' can also be redeemed for merchandise and gift cards or donated to Canadian Tire's Jumpstart charity. Customers can also collect and redeem e-Canadian Tire 'Money' on automotive services, a benefit to the updated program.

"As Canada's oldest loyalty program, we know Canadian Tire 'Money' holds an extraordinary place in the hearts of Canadians," said Allan MacDonald, Chief Operating Officer, Canadian Tire. "We're building on it by introducing another way to reward loyal customers who prefer the ease and convenience of digital currency and rewards, further improving the Canadian Tire shopping experience and ultimately helping our customers tackle the jobs and joys of everyday life in Canada." A true evolution to the program Canadians have known and loved for 56 years, new benefits include the ability to collect 10 times the amount of e-Canadian Tire 'Money' when using a Canadian Tire Options MasterCard to pay for qualifying purchases at Canadian Tire stores, Mark's, Sport Chek, PartSource, L'Equipeur and on Canadian Tire Home Services. Additionally, My Canadian Tire 'Money' Members receive exclusive bonus offers sent directly to their online account and smartphone. As part of the program, Members can collect e-Canadian Tire 'Money'





when making payment by cash, debit and credit cards, providing enhanced value and convenience. Importantly, e-Canadian Tire 'Money' has no expiry date and can be shared with other members by request.

To fully take advantage of the program's benefits and features, customers are being encouraged to download Canadian Tire's enhanced Mobile App. The updated version, available for download at launch, allows users to collect, redeem and manage their e-Canadian Tire 'Money', view bonus offers, review transactions, and return products in-store without presenting a receipt. "Meeting customer needs has always been at the heart of our innovation strategy, ensuring that everything we do has a positive end benefit for the consumer," said MacDonald. "My Canadian Tire 'Money' will serve as a great complement to our existing data programs, allowing us over time to increase the relevancy of our messages, provide a more personalized and tailor made approach and ultimately better serve our customers."

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

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## **5. SAY HELLO TO THE FUTURE WITH DESJARDINS MOBILE PAYMENT**

*Source: Desjardins (09/03)*

Desjardins Group is the first Quebec-based financial institution to offer its new mobile payment service through several Canadian cellular networks. Thanks to Desjardins Mobile Payment, paying for everyday purchases using a smartphone is now possible on Bell Mobility, Rogers and Virgin Mobile networks. Other mobile carriers, including TELUS, will soon be added. The ground-breaking payment solution offers Desjardins members and clients, who are also Visa Desjardins credit or prepaid cardholders, a simple, practical tool to pay using their smartphones at the many merchants accepting Visa payWave contactless technology. "We are proud to use our financial expertise to partner with leaders in the Canadian wireless industry to offer a cutting-edge mobile payment service that meets the evolving needs of our members and clients," said Patrice Dagenais, vice-president, Payment Services and Business Partnerships at Desjardins.

Desjardins Mobile Payment is designed for use with several smartphones, including: Samsung Galaxy S3, Samsung Galaxy S4, Samsung Galaxy S5, Samsung Galaxy S4 Mini, Samsung Galaxy Note II, Samsung Galaxy Note III, HTC One (M7), BlackBerry Bold 9900. Other devices will be added to the list shortly. For more information or to download the Desjardins Mobile application, visit the Desjardins, Google Play or BlackBerry World websites. Users must have an NFC-enabled SIM card that provides the required security and connectivity.

Desjardins Mobile Payment complies with Canadian mobile payment guidelines in terms of security, reliability and user-friendliness for both consumers and merchants.

*Desjardins, Telus and Visa are members of ACT Canada; please visit [www.desjardins.com](http://www.desjardins.com), [www.telus.com](http://www.telus.com) and [www.visa.ca](http://www.visa.ca).*

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## **6. TRANSPORT FOR LONDON GOES CONTACTLESS**

*Source: Paymenteye.com (09/15)*

We've all heard the announcements about 'card clash' – from tomorrow London commuters will be able to pay Tube and rail fares using contactless cards. Contactless payments will work the same way as payments using Oyster cards. Adult pay-as-you-go fares will be charged when swiping in and out at the beginning and end of each journey. Daily and weekly fare caps will still apply, but those using concessionary or season tickets will need to continue using Oyster. Since fares will be charged directly to customer's contactless bank cards, there will be no need to waste valuable time on the daily commute topping up Oyster cards. "Customers can look forward to having an easier and more convenient way to pay for their travel, freeing them of the need to top up Oyster credit and helping them to get on board without delay," said Shashi Verma, TfL's director of customer experience.

Contactless payments have been accepted on London buses since December 2012. TfL's plans to gradually reduce cash payments will not only save customers time, but will also and save the transport system itself money. TfL estimates it can save £30m a year from no longer having to accept cash on buses, and even more once contactless payments roll out across the rest of the transport system.

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## **7. CHINA MOBILE AND GEMALTO DEPLOY NFC TRANSPORT IN BEIJING**

*Source: Gemalto (09/25)*

Gemalto has been selected by China Mobile<sup>1</sup> to offer its UpTeq NFC Multi-tenant SIMs to protect consumer credentials used for mobile contactless applications, starting with mass transit services in Beijing. China Mobile is the largest operator in the world with a total subscriber base of close to 800 million. Gemalto pre-loads the SIMs with the Beijing transport application and enables over 22 million daily commuters<sup>2</sup> in the city to ride buses and the metro by simply tapping their smartphones on the contactless ticket reader. Beijing commuters are demanding convenient and fast solutions to navigate the crowded transport system in one of the most populated cities in the world. China's payment systems are already moving rapidly towards contactless form, with over 3.6 million terminals accepting UnionPay's contactless QuickPass. And with around three times more mobile phones than there are payment cards<sup>3</sup>, there are huge potentials for millions of commuters to enjoy the speed and convenience of contactless transactions.

In addition to the transport application, the UpTeq NFC Multi-tenant SIMs installed in all types of handsets will be immediately ready to host and enable a



rich addition of secure services such as mobile payment, loyalty and couponing programs, and access control for private enterprises. The LTE-ready capabilities also allow subscribers to download NFC applications with the convenience and speed of the latest 4G networks. "Over 53% of China's population live in urban areas. Contactless projects are well underway in mega-cities like Beijing, Shanghai, ChengDu, Nanjing, GuangZhou and Tianjin," said Suzanne Tong-Li, President for Greater China and Korea at Gemalto. "We have provided a customized solution to China Mobile, leveraging our strong understanding of the Chinese market and regional networks, which will allow them to adapt and expand their services to other cities. In the future, commuters will be able to travel from city to city with just one download wherever they go instead of having to buy a new transportation card each time. " The UpTeq NFC Multi-tenant SIM forms part of Gemalto's complete portfolio of mobile contactless solutions, which include the Allynis Trusted Services Hub.

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

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## **8. INGENICO GROUP FURTHER EXPANDS GLOBAL PARTNERSHIP WITH ELAVON**

*Source: Ingenico (09/22)*

Ingenico Group announces that Elavon will rely on its EMV-ready payment solutions to power two key Elavon initiatives in the United States. Elavon has worked with Ingenico Group to build EMV-enabled payment solutions in Europe, as well as in Canada and Latin America. Based on its demonstrated ability to deliver consistently high quality infrastructure and support, Elavon has now selected Ingenico Group to be a key partner in supporting its migration to EMV-based payment processing infrastructures in the U.S. In addition, it has chosen Ingenico Group to run Fanfare, Elavon's omni-channel marketing and customer loyalty program for small-to-medium size U.S. customers. Ingenico Group has worked closely with Elavon in key markets around the world, which has allowed Elavon to experience our EMV expertise firsthand," commented Thierry Denis, President of Ingenico Group North America. "We are pleased Elavon has selected Ingenico Group as a key partner to support its U.S. merchants' EMV migration. Our payment solution, combined with Fanfare, offers customers a versatile and customized customer loyalty management solution.

Elavon's Fanfare program is the next-generation consumer engagement, retention and loyalty program, combining best-in-class payment, customer analytics and marketing tools," said Marianne Johnson, EVP, Global Product & Innovation at Elavon. "Ingenico Group's payment smartcard technology provides a great fit for our customer loyalty program with secure processing and dedicated service at the point of sale.

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*Elavon and Ingenico are members of ACT Canada; please visit [www.elavon.com](http://www.elavon.com) and [www.ingenico.com](http://www.ingenico.com).*

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## 9. RETAILERS SEEN UNLIKELY TO WARM UP TO APPLE PAY

Source: *Chicago Tribune* (09/10)

Apple Inc's launch of its own tap-to-pay system using near-field communication in its new iPhones and smartwatches may not be a game changer after all. The success of Apple Pay, unveiled at a gala launch on Tuesday, hinges on the willingness of retailers to use NFC-based payment systems, industry experts said. So far the technology, which uses wireless technology to transfer data over short distances, has failed to catch on due to the high costs involved. An NFC-enabled reader costs between \$250 and \$300. In addition to that, merchants also need to train staff and set up backend IT systems. Apple is betting on the popularity of its iPhones and the convenience and security of its payment system to prompt customers and retailers to make the shift. The technology will allow iPhone users to pay for anything from office supplies to burgers at the tap of a button, using their American Express Co, Visa Inc or Mastercard Inc bank cards.

But Apple first needs to swiftly add more retailers such as Wal-Mart Stores Inc and Best Buy Co Inc, which recently stopped accepting payments using NFC terminals. "At this point we have no plans to accept Apple Pay," Best Buy spokesman Jeff Shelman said. U.S. retailers have been notoriously slow when it comes to adopting new payment technology. They are already lagging in the adoption of payment systems that can read chip-enabled credit and debit cards, a move hastened by a massive data breach at Target Corp last Christmas. Trying to convince them to move to mobile-based payment terminals can be a big challenge. "Apple's tremendous failure yesterday was in demonstrating anything that was merchant-friendly," said Tom Noyes, chief executive of Commercesignal Inc, a data and payments company. "There is nothing they showed that wasn't possible 7 years ago. There's nothing for the merchants," Noyes, a former Citigroup Inc executive, added. Apple declined to comment.

### RIVAL SYSTEMS

Apple Pay also faces competition from Merchant Customer Exchange (MCX) - a consortium of retailers including Wal-Mart and Best Buy - which is developing its own mobile payment platform. MCX merchants account for over \$1 trillion of consumer spending, or roughly a quarter of the total retail spending in the United States, Morgan Stanley analyst Smittipon Srethapramote wrote in a note to clients. Its members are currently prohibited from accepting all other mobile wallets. Some members have even flipped the switch on their NFC terminals. Mobile handset makers included NFC chips in about 300 million smartphones last year, a third of all smartphones shipped. The number of NFC-enabled phones is expected to touch 550 million this year, helped by Apple's devices and an expanding number of Android gadgets, Gartner analyst Mark Hung estimated. Gartner Research had projected last year that the value of mobile payments by 2017 would be \$721 billion globally, with only 5 percent coming from NFC payments.



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

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## **10. SQUARE TO NOW ACCEPT BITCOIN AND APPLE PAY**

*Source: PYMNTS.com (09/26)*

Coming soon to a Square merchant near you: the ability to pay with bitcoin or Apple Pay. Square CEO Jack Dorsey recently told reporters in Square's new Canadian home-base that Square's next reader will come equipped to handle both alternative payment methods. "We're building a register so that sellers can accept a credit card, so they can accept cash, so they can accept a cheque, so they can accept Bitcoin and so they can accept any form of payment that comes across the counter including future ones and burgeoning ones like Apple Pay," Dorsey told the CBC earlier this week. Dorsey further noted that this plan comes as part of Square's overall vision to make it possible for merchants of all shapes and sizes to take any payments, anytime, anywhere. "Square sellers should never have to miss out on a sale. They should be able to accept any form of payment," Square spokesman Johnny Brackett told Wired.

Bitcoin is still a far cry from a mainstream payment method. More people in the U.K. believe they have been abducted by aliens than currently own bitcoin, and Apple Pay still remains in its theoretical instead of actual space—but with Square's merchants (small businesses that are unlikely to make big expensive upgrades for new POS technology) base, perhaps both could inch closer to the mainstream.

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## **11. IT DOESN'T GET QUICKER THAN THIS: COMMERZBANK CUSTOMERS RECEIVE THEIR CARDS THE MOMENT THEY OPEN AN ACCOUNT**

*Source: Giesecke & Devrient (09/25)*

Customers of Commerzbank AG can now take their debit and credit cards home with them just minutes after opening their account at a bank branch. Customers can use their credit cards for payments at supermarket checkouts just 20 minutes after leaving the branch, although for security reasons Commerzbank Girocards cannot be used until the next day. This pioneering scheme came about as a result of the close partnership between Commerzbank AG and the Munich-based technology group Giesecke & Devrient (G&D) The complete system for issuing payment cards directly in Commerzbank branches was developed and set up by G&D, with the security-related processes being managed in a highly secure G&D data center. Known as an "instant issuance" service, this system is being implemented in Germany for the first time at three selected Commerzbank AG sites.

Thanks to the "Convego System Instant Issuance" solution from G&D, Commerzbank AG can hand out debit and credit cards to customers as soon as they request one at two of its branches in Berlin and one in Stuttgart. The range of





cards available includes Girocards, MasterCard Standard and Gold cards and MasterCard Premium dual interface cards. "As far as our new customers are concerned, issuing Girocards and our credit cards directly in the branch offers real added value and is an experience in itself," says Sylvia Vandeven, Head of the Cards department at Commerzbank AG. "We are the first bank in Germany to offer this convenience without compromising on security." A similarly high level of security also applies to the personalization of the payment card, which is carried out to the standards of highly secure personalization centers run by card manufacturers such as Giesecke & Devrient. The instant issuance solution installed by G&D is made up of several key components. The security company supplies the hardware set up in the branch, which consists of PCs and a VPN router, as well as the personalization system for personalizing the cards electronically and visually. The "data generation" process, which prepares the customer's security data for chip-based card personalization, takes place via a backend server component in G&D's highly secure data center. This is connected to the PC and the personalization system in the branch via a secure data channel. The client component of the instant issuance solution, which ensures that the system can be operated easily by staff at the branch, is installed on the PC.

"The implementation of the highly secure instant issuance solution is the result of many years of cooperation between our two companies. With this solution, we are demonstrating our leading technological expertise in electronic payments," says Andreas Räschmeier, Group Vice President Marketing and Sales Financial Institutions, Mobile Security at G&D. "Commerzbank AG now has a technical platform that will enable it to quickly implement the instant issuance solution at other branches too as required."

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

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## **12. VERIFONE UX SOLUTIONS FIRST PAYMENT SYSTEMS CERTIFIED FOR INTERAC FLASH 1.5 REQUIREMENTS**

*Source: VeriFone (09/25)*

VeriFone Systems, Inc. announced that its UX Solutions series of unattended payment devices has achieved an industry-first certification to Canada's first and only contactless debit payment solution, the Interac Flash 1.5 contactless payment specifications. MSC, a VeriFone distribution partner that provides solutions for the entire unattended market in Canada and the U.S., has selected devices within the UX series to support its next-generation EMV capable, PCI compliant unattended payments solution which will include support for Interac Flash transactions. Interac products and services securely connect people to their money through Interac Cash at the ABM, Interac Debit for point-of-sale purchases across Canada and at more than 2 million U.S. retailers through Cross Border Debit, Interac Online for web based purchases, and Interac e-Transfer for person-to-person payments. Interac Flash, the secure contactless enhancement of Interac





Debit, is in widespread use at retailers across Canada and provides the platform for mobile NFC proximity payments.

UX Solutions is a series of unattended payment devices from VeriFone that enables merchants to meet growing consumer demand for self-service transactions by providing customizable payment systems that securely increase transaction volume and speed and accept payments from mobile wallets, mag-stripe cards as well as contactless and contact-based EMV. The devices can be integrated with unattended solutions such as kiosks, vending machines, public transportation ticketing and other unattended, high-transaction-volume environments. “UX Solutions are an ideal first implementation of the Interac Flash contactless payment system,” said Shan Ethridge, vice president and general manager, North America Financial Services Group, VeriFone. “And, based on its long-term relationship with VeriFone and its expertise in delivering unattended payment products, MSC is the ideal partner to introduce UX-based solutions to the North American market.”

“Secure unattended payments is a rapidly emerging segment in high demand and we are ready and eager to roll out UX-based solutions to continue meeting this demand across North America,” said Doug Hatton, Vice President of Payment Solutions for MSC. The UX series provides for flexible configuration of self-service systems, as well as added benefits of field-upgradeability, tamper resistance and multiple connectivity options that meet the broad range of unattended payment requirements. UX Solutions fulfill the latest security standards, including PCI PTS 3.1 and EMV Levels 1 and 2, in addition to Interac Flash. Integrated LCD screens guide consumers through transactions and securely display payment amounts while providing merchants the ability to upsell through targeted messaging. Devices within the UX series include the: UX 100 PIN pad with integrated LCD screen, UX 110 PIN pad, UX 300 card insertion reader, UX 400 contactless/NFC acceptance unit

*Interac, MSC and VeriFone are members of ACT Canada; please visit [www.interac.ca](http://www.interac.ca), [www.msccservices.ca](http://www.msccservices.ca) and [www.verifone.com](http://www.verifone.com).*

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### **13. OT COMPLETES ACQUISITION OF NAGRAID SECURITY, THE DISPLAY CARD SPECIALIST, TO BOOST SECURE ACCESS TO THE CLOUD AND TO FIGHT FRAUD ONLINE**

*Source: Oberthur Technologies (09/02)*

Oberthur Technologies (OT) announced that it has completed its acquisition of NagraID Security. Founded in 2008 by Philippe Guillaud and Cyril Lalo and located in Switzerland, the USA and France, NagraID Security is the inventor and undisputed global leader of display cards; payment cards integrating a miniature screen, battery and keyboard. NagraID Security technology is already deployed within some of the world’s largest banks around the world. NagraID Security will continue to support its current distribution network and will be part of OT’s Payment



Business Unit run by Eric Duforest. The patented display card technology developed by NagraID Security enables significantly more secure and convenient online transactions for end customers that will transform the payment card industry thanks to:

- One Time Password (OTP), a dynamic password valid for a unique authentication displayed on the front of the payment card, a perfect answer to address skyrocketing e-banking services fraud and the vulnerability of static passwords
- Dynamic card verification value (DCVV), a dynamic 3 or 4-digit security code usually displayed on the back of payment cards, which addresses the critical need to efficiently secure e-commerce payment services. This solution enables quick adoption by the cardholder since it does not require any specific enrolment process or any changes in merchant infrastructure, so that Banks can immediately deploy it on their own initiative to block the growth of fraud.

This technology is a perfect add-on to OT's products and services in the field of payments and identification. OT has been contributing for the last 30 years to enhance the secure payment and identification markets by providing state-of-the-art technologies such as EMV, contactless technology as well as a wide range of products, solutions and services. With EMV technology being adopted everywhere in the world, fraud is shifting to transactions made online. Financial Institutions need to protect their customers, as well as their reputation and brand image, from fraud and security breaches by properly authenticating them for cloud services such as e-commerce and e-banking. OT's industrial and geographical sales coverage will enable rapid deployment of this technology so that it becomes a worldwide standard for secure payment, helping to reduce fraud and improving end-user's trust for online payments and services. In order to accelerate even further its adoption worldwide, OT will also propose this technology to other actors in the payment market, by selling components or through licensing.

"The acquisition of NagraID Security is an important step for OT in its plan to maintain leadership on its markets. We are confident that the cutting edge technologies developed by this company, combined with OT's capabilities and portfolio of blue-chip clients, will contribute to establish display cards as a real game-changer in the payment market. The move we have made today is about enabling next generation smartcard deployment and is a unique response to card non-present transaction security," said Didier Lamouche, President and CEO of OT.

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

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#### **14. EYE ON BRANDING: AS WALLETS STRUGGLE, MCX DUBS ITS SCHEME CURRENTC WHILE ISIS SAYS IT IS NOW SOFTCARD**

*Source: Digital Transactions (09/03)*

The Merchant Customer Exchange, a retailer-controlled mobile payment scheme, has given its service a name. Dubbed CurrentC, the service will not be available outside of testing until 2015. First announced in 2012, the long-gestating scheme aims to give participating retailers their own mobile-wallet service that eschews the traditional payment networks in an effort to lower payment costs. When at full scale, more than 110,000 merchant locations will accept CurrentC, MCX says in a press release. Participating retailers, according to the MCX Web site, include Walmart Stores Inc., Target Corp., Southwest Airlines Co., 7-Eleven Inc., convenience store chain Wawa Inc., and regional grocer Hy-Vee Inc. MCX declined to comment about CurrentC beyond its press release. The Needham, Mass.-based organization says the wallet will be enabled for smart phones using Apple Inc.'s iOS and Google Inc.'s Android operating systems. The service relies on bar-code scanning to complete a transaction.

In addition to a payments function, the app also will store and automatically apply offers and track a consumer's loyalty program participation. CurrentC transactions will be secured with a token that is used in lieu of sending cardholder data each time, MCX says. The app will use a bar code unique to a particular transaction and will not require additional hardware from most consumers or merchants, it says. The significance of the MCX announcement—especially in light of the scant details and a suspected announcement from Apple next week that it may introduce a mobile-payment service—can be read a couple of different ways. "It's a reminder that they're still there," says Mary Monahan, executive vice president and research director for mobile at Pleasanton, Calif.-based Javelin Strategy & Research. "We're at the table."

That's important because it is rumored Apple will work within the existing payments infrastructure. Merchants are part of the traditional payments system, Monahan says. "And if Apple goes with near-field communication, which is the rumor, they want to remind everyone they could go QR code and not turn on the NFC terminals," Monahan says. "Apple needs [merchants'] cooperation." There are about 800 million iTunes accounts under Apple's purview. Speculation is rampant that those accounts could be enabled in a mobile-payment scheme supported by an iPhone with an NFC chip. An Apple product announcement is scheduled for Tuesday, but Apple has not disclosed the subject of it. The CurrentC announcement, even without details, is significant, says consultant Steve Mott of Stamford, Conn.-based BetterBuyDesign. The testing going on now is with actual transactions at merchant locations, an expansion from activity earlier this year. CurrentC also is using tokenization technology from Paydiant Inc., which is providing the mobile wallet technology. And, it provides a preview of the benefit/value proposition with a larger focus on marketing than on payments, Mott says.

“Taken together, these steps verify the sustaining nature of this effort, which has already changed the conversation over how payments should be done in the future,” Mott says. “This announcement underscores the reality of an alternative to the legacy payments system approaches to transacting—EMV, EMV tokens, NFC, PCI, and associated constraints on how merchants and consumers can interact and market together.” CurrentC, given the lack of major card brands as partners, presents an opportunity for MCX to disrupt mobile payments, says James Wester, practice director for worldwide payment strategies at Framingham, Mass.-based research firm IDC Financial Insights. The MCX announcement may be a pre-emptive move against the anticipated Apple one, Wester says. “What may be counterintuitive with all of the delayed or underperforming mobile-wallet products to date is that the high expectations for Apple’s mobile-payment plans may be completely uncalled for,” he says. “Why do we assume Apple has special insight into making a mobile-payment product? Perhaps they do, but if they succeed a rising tide lifts all boats.”

CurrentC is well-positioned to drive adoption, says Beth Robertson, principal at Robertson Payment Services LLC, an advisory firm, but two challenges await. “One is the concern generated by various merchant data breaches may bleed into related concerns that CurrentC offers adequate security protections and liability coverage for users,” Robertson says. “Second is access to the device that options like [Isis] or Apple offer; this may be a hurdle for CurrentC, although not an insurmountable one.” “Right now, point solutions and trials are viable, but the key to success will be building ubiquity of access, and this may be a challenge for a merchant-driven option,” Robertson says. In related mobile-payment news, Isis, the mobile-payment scheme backed by AT&T Inc., Verizon Wireless, and T-Mobile USA, has changed its name to Softcard. The new name and logo soon will festoon the enterprise’s Web site and mobile app. Isis said it would rebrand to disassociate itself from the Islamic militant group in the Middle East. The rebranding will be fraught with obstacles, observers says. “It’ll be tough to take all of that branding and start over,” Monahan says. “They poured a lot of money into [Isis] and now they have to start from ground zero.”

*MCX, Target and Walmart are members of ACT Canada; please visit [www.mcx.com](http://www.mcx.com), [www.target.com](http://www.target.com) and [www.walmart.ca](http://www.walmart.ca).*

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## **15. TWITTER ADDING A 'BUY' BUTTON**

*Source: Mobile Payments Today (09/08)*

Twitter announced that it is testing a "Buy" button, which will allow easy purchases of products in tweets. This is an early step in our building functionality into Twitter to make shopping from mobile devices convenient and easy, hopefully even fun. Users will get access to offers and merchandise they can't get anywhere else and can act on them right in the Twitter apps for Android and iOS; sellers will gain a new way to turn the direct relationship they build with their followers into sales. The company announced it has formed partnerships with four different



platforms for the test: Fancy; Gumroad; Musictoday; and Stripe. It said that after a user taps the "Buy" button, the purchase process can be completed "in just a few taps." Users enter payment and shipping information, which the blog post said is processed securely, and can later be removed if the user doesn't want that information associated with their account.

The initial partnership consists of deals with Burberry, DonorsChoose and GLAAD, and also with a variety of big names in entertainment, including Brad Paisley, Demi Lovato, Eminem, Pharrell, Paramore, Ryan Adams, Soundgarden and others.

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## **16. DC PAYMENTS IS INTERAC FLASH CERTIFIED!**

*Source: DC Payments (09/15)*

DC Payments has completed Interac Flash certification for both the credit union direct Interac connection (with support for THE EXCHANGE network) and the Moneris gateway, enabling all our clients and partners access to this new, innovative payment option for their customers. Our product offering has raised the bar within the industry, offering clients the continuity of maintaining all their existing network affiliations, with no changes to card management systems, and the ability to maintain PIN/PAN continuity with no change to BINs or PANs. G&F Financial Group is our Central 1 Interac Flash champion client. "As a progressive credit union with a reputation for technological innovation and superior member service, G&F Financial Group is pleased to be the first Credit Union in BC to offer the convenience of Interac Flash to all members this fall. Consumer expectations and banking habits are evolving and with this product offering, G&F Financial Group continues to excel in the payment solutions space. Working with DirectCash Payments on the Interac Flash initiative has been instrumental in keeping G&F Financial Group on the leading edge," say Nelson Sandhu, VP, Member Experience and Chris Goodman, VP, Information Technology.

We are also Flash certified through Moneris and Interac with All Trans Credit Union. "All Trans is delighted to be partnering with DirectCash to introduce Interac Flash-enabled cards to our members," says Mike Alexander, Chief Executive Officer. "Over the fifteen plus years that we have been associated with Direct Cash, All Trans has introduced several exciting and innovative services; we have always found DC to be a reliable and efficient partner and have been able to introduce new services and products to our members in a timely and cost efficient manner."

*Central 1, DC Payments, Interac and Moneris are members of ACT Canada; please visit [www.central1.com](http://www.central1.com), [www.directcash.net](http://www.directcash.net), [www.interac.ca](http://www.interac.ca) & [www.moneris.com](http://www.moneris.com).*

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## **17. TSYS AND IMOBILE3 PARTNER TO PROVIDE APPLE PAY INTEGRATION**

*Source: TSYS (09/11)*

TSYS announced its partnership with iMobile3 to facilitate merchants processing transactions from the recently unveiled Apple Pay with the cloud-based PassMarket Platform. PassMarket currently provides merchants with the essential features to conduct mobile commerce with consumers that include: order ahead, loyalty, offers, e-gift cards, social media, and in-app messaging. More than 10,000 merchants and 5 million consumers are currently using PassMarket-branded mobile storefront applications. TSYS was named as a processor that immediately supports Apple Pay as announced by Apple on Tuesday, September 9. TSYS will provide its merchants and partners with the PassMarket mobile storefront platform and Software Development Kit (SDK), pre-certified with TSYS Merchant Services, and capable of processing Apple Pay. In 2014, commerce initiated from mobile phones and tablets is expected to total \$114 billion in the U.S. alone, according to research firm Juniper\*.

"TSYS' partnership with iMobile3 allows our merchants to interact and connect with customers using a best-in-class mobile storefront experience and allows secure payments with Apple Pay. We expect Apple's entry into mobile payments to revolutionize the industry and we are happy to be at the forefront along with iMobile3," said Craig Ludwig, head of product, TSYS Merchant Services. "As a mobile technology pioneer, our entire team has been grateful for the opportunity to participate in this mobile payment revolution from its inception. Our partnership with TSYS to support Apple Pay on day one is truly a special event for us at iMobile3," said Bob Leonard, chief executive officer, iMobile3. "Enabling our merchants with the ability to provide consumers an easy, secure and private payment option using their mobile devices will change the landscape of business forever."

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

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## **18. GEMALTO UNVEILS THE MOST COMPREHENSIVE HUB SERVICE TO ACCELERATE THE ROLL-OUT OF MOBILE PAYMENT AND OTHER SECURE SERVICES ON MOBILE**

*Source: Gemalto (09/08)*

Gemalto introduces its Allynis Trusted Services Hub, a turnkey business service that enables financial institutions, enterprises, transport operators and more generally all digital service providers to benefit from a single connection in order to securely deploy their value-added and mobile payment services across a comprehensive portfolio of smartphones and mobile networks around the world. Through Gemalto's Allynis Trusted Services Hub customers get a one-stop and immediate access to the largest user base using NFC smartphones already equipped with Secure Elements. Over 1.5 billion mobile users worldwide are covered by Gemalto-contracted Trusted Services Management (TSM) platforms,





with over a hundred million high-end "multi-tenant" SIM cards already in place to protect and manage sensitive application credentials.

Ready today to handle a large number of future configurations, including Embedded Secure Elements (eSE) which are becoming available in some handsets and Trusted Execution Environment (TEE) that will be running inside next-generation mobile devices, as well as the emerging tokenization standards, the Allynis Trusted Services Hub offers both the broadest reach of users and the most future-proof technology across mobile platforms. "Mobile contactless services are becoming mainstream and the Allynis Trusted Services Hub is open today to connect service providers who desire security, to mobile customers exactly at the right time," said Jean-Claude Deturche, Senior Vice President of Mobile Financial Services at Gemalto. "Service providers understandably want a simple way to deploy their services, and mobile operators and handset makers are investing in more security capabilities. Gemalto is caringly matching these needs and capabilities, addressing service providers' desire to maximize market reach in a simple and secure way, removing deployment complexity and slashing upfront cost."

The Allynis Trusted Services Hub in particular removes the need for multiple individual contracts between service providers and mobile security enablers, which are typically required in open security schemes. The Allynis Trusted Services Hub is operated from Gemalto's certified secure data centers, delivering state-of-the-art standards of scalability and availability, and banking-grade security to ensure payment and services inter-operability. Equally important, customers connected to Gemalto's Allynis Trusted Services Hub benefit from the high assurance of confidentiality and control over their own data, as they would with in-house implementations.

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

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## **19. APPLE TO RESTRICT NFC CHIP IN IPHONE 6 TO MOBILE PAYMENTS**

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

Apple is restricting the functionality of the Near Field Communications chipset embedded in its new iPhone 6, iPhone 6 Plus and Apple Watch products to its Apple Pay mobile payments program, according to multiple reports. The restriction was first reported by Cult of Mac, and then later confirmed by other news outlets, including The Verge and CNET. The devices are the first from Apple to support NFC, which is a short-range wireless technology useful for exchanging information. However, as a result of the NFC chip's being for use solely in Apple Pay, iOS users will not be able to use NFC to pair with other electronic devices, transfer contacts and files, open doors or use other applications via NFC.

NFC has been supported in other platforms, including Android and Windows Phone, and users of those platforms do not face restrictions in how it is used. That

Apple is restricting the use of NFC is not entirely surprising, though. When the company introduced its Touch ID fingerprint scanner with the iPhone 5s in 2013 it restricted its use by third-part developers. An Apple representative confirmed the technology restrictions to CNET, adding that developers would be restricted from using NFC in other apps for at least a year. Apple declined to comment on whether the NFC capability would remain restricted after that. However, as The Verge notes, there is hope for Apple fans. Even though Touch ID was initially restricted, Apple opened up the capability to developers with iOS 8, its latest software update. Apple has signed deals with Visa, MasterCard and American Express for its mobile payments program, which will launch in October and use NFC technology, embedded in the top of Apple's new iPhone 6 and 6 Plus. Apple is also working with major banks in the U.S., including Bank of America, Capital One, Chase, Citibank and Wells Fargo, to enable the service. Apple Pay will work across more than 220,000 merchants nationwide, Apple said, including Duane Reade, Macy's, McDonald's, Sephora, Staples, Subway, Walgreens and Whole Foods.

Apple has gone out of its way to reassure consumers about security: The company said users' credit-card numbers are not given to the merchant and that instead the service uses a one-time payment number and a "dynamic security code" to protect users' financial data. In addition to NFC, Apple Pay uses the phones' Secure Element chip and Touch ID to confirm transactions.

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## **20. SUBWAY GOES WITH SOFTCARD FOR MOBILE PAYMENTS PLATFORM**

*Source: Mobile Payments Today (09/16)*

Subway announced that it will launch NFC-based mobile payments nationwide on Oct. 1 with Softcard. Softcard is a mobile commerce joint venture created by AT&T Mobility, T-Mobile USA and Verizon Wireless and is formerly known as ISIS. With the launch, Subway guests can use their smartphones to pay for their meals via the Softcard app. According to a news release, with Subway's more than 26,000 domestic restaurants, the deployment marks one of the largest of mobile payment capability in the country. The relationship between the two companies began in 2013 and developed into a pilot in the Salt Lake City market earlier this year. This national launch is the extension of a relationship that began in 2013 and included a successful pilot in Salt Lake City earlier this year.

"Softcard has proven to be a valuable partner to us and we are proud to extend our relationship with them," Subway CIO Carman Wenkoff said in the release. "As we've worked together to implement and pilot this technology, we've been impressed with the Softcard team and opportunities available through the Softcard platform. By embracing mobile payments and loyalty with Softcard's SmartTap technology, we're making it easier for customers to enjoy smart choices on the go."

## Loyalty up next

The relationship between Smartcard and Subway will continue beyond today's announcement to include the restaurant chain's loyalty program. To incentivize customers to use the app, Softcard users who tap and pay at a Subway restaurant will receive \$1 back on every purchase over \$1 made with the American Express Serve card throughout the end of the year. Also, in coming months, the Subway Card Rewards Program will be included in the Softcard app. Cardholders who load their rewards card into the Softcard app will be able to tap their phones to the reader using SmartTap for quicker presentation to the point of sale. SmartTap is a Softcard-developed protocol that adds commerce data to an NFC transaction. According to the release, SmartTap leverages industry-standard NFC technology to deliver loyalty and offers to merchant POS systems. "Subway is a leader in the quick-service restaurant industry and has placed itself at the forefront of mobile payments with today's announcement," Softcard CEO Michael Abbott said in the release. Last week, the chain was also named as an initial partner for Apple's new mobile wallet, Apple Pay.

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## **21. PIVOTAL'S FLEXPOINT ENABLES APPLE PAY**

*Source: Pivotal Payments (09/19)*

Unlike Sir Isaac Newton, we didn't need an apple to fall on our heads to realize that implementing NFC (near field communication) on our FlexPoint platform was key to supporting future payment technologies. Because of this foresight, Pivotal Payments is now easily able to provide support for Apple's long awaited payments platform, Apple Pay.

### So... How Does Apple Pay Work?

Apple Pay links credit and debit card information with a unique security code, providing ease of use, security and privacy to payment transactions in-store or online. An NFC antenna built into every new iPhone and the new Apple Watch make it possible. Take advantage of FlexPoint which easily integrates into any POS environment, is Apple Pay ready and provides added security with EMV!

### Next Steps

Apple Pay will be commercially available as a pilot in the US starting October 6 and will be arriving in Canada in 2015. Pivotal Payments continues to be at the forefront of new payment technologies to ensure we deliver greater value to our clients for years to come.

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

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## **22. APRIVA OFFERS NEW ANALYTICS AND ACCESSIBILITY FEATURES WITHIN APRIVAPAY PLUS**

*Source: Apriva (09/16)*

Apriva announced expanded features within AprivaPay Plus, its industry-leading mobile point-of-sale (POS) software. Utilized by three of the nation's top five banks, AprivaPay Plus now delivers highly sophisticated analytics capabilities to brands, enhanced reporting features to merchants via an online web companion portal, iPhone 6/iOS8 compatibility and compliance with Americans with Disabilities Act (ADA) regulations. According to a recent report by Digi-Capital, mobile commerce will be the dominant business model, with \$516 billion in sales driving more than 70 percent of all mobile internet revenue by 2017. As the industry grows, enhanced analytics, functionality, broader language support, and robust reporting for both merchants and brands are becoming more critical.

Brands using AprivaPay Plus as a white-labeled application will now be able to access detailed anonymized analytics on their brand's user base including demographics, geo-location, user engagement statistics, device information and marketing data, allowing them to identify their precise user-base, tailor their application accordingly and drive future business via key performance indicators. AprivaPay Plus enables merchant services providers and financial institutions to deliver highly secure mobile payment acceptance applications to their customers that adhere to strict federal regulations, providing an added level of security and protection for both merchants and consumers. The application is available to both iOS and Android users and features a flexible design that allows the application to adjust for screen size, fitting seamlessly on the latest available devices.

AprivaPay Plus now inter-connects with a comprehensive web portal that provides merchants with online tools for managing inventory, analyzing their sales and generating reports whether they operate via a single location or have multiple connections to a single account. In addition, AprivaPay Plus is the only mobile POS application that complies with the Americans with Disabilities Act (ADA), allowing both banks and merchants to better serve the needs of customers with physical or visual impairments. People with visual, auditory, cognitive recognition, speech or physical special needs often have difficulty accessing popular applications due to the lack of support for assistive technology. ADA compliance is required for federally accredited institutions to provide Americans with disabilities the ability to navigate and utilize digital products and services deployed in the field. Websites or applications are considered "places that require public accommodation" according to the U.S. Department of Justice, falling under the purview of ADA title III. Organizations that fail to comply with ADA standards are being faced with an increasing amount of costly and time-consuming litigation.

"With mobile POS terminals projected to grow significantly over the next few years, it's more important than ever that we serve the needs of all consumers, and continue to add vital functionality to mobile payment options," said Stacey Finley Tappin, senior vice president for North America sales and marketing



communications at Apriva. “AprivaPay Plus 3.0 gives trusted brands the ability to reach larger global audiences through new multilingual interfaces, while the Apriva Merchant Portal gives businesses complete visibility and control in managing their mobile commerce activities. AprivaPay Plus 3.0 is a compelling, reliable and cost-effective option.”

AprivaPay Plus is depended on by financial institutions and merchant services providers, including three of the nation’s top five banks, transforming iOS and Android smartphones and tablets into mobile POS terminals. The application allows merchants to securely process card-based payments, check transactions, and cash-based sales at any time, from anywhere. With the latest release, AprivaPay Plus v3.0 introduces a number of advanced features that are designed to serve the sophisticated needs of merchants, including: Compatibility with iOS 8 and iPhone 6, Multilingual interfaces for Spanish and French-speaking merchants, Integration with Apriva Merchant Portal, an intuitive web companion management suite, Full compliance with Americans with Disabilities Act (ADA) regulations, Multi-payment support for credit, debit, cash, and check recording, Enhanced analytics and reporting tools for branded white-label customers, Push notifications of transaction activity, Round-the-clock customer support.

“Robust reporting and analytics tools, web-based management features, and multilingual capabilities make AprivaPay Plus a no-brainer for providers looking to deliver effective mobile payment acceptance tools for merchants,” said Tim Sloane, VP and director of the emerging technologies advisory service at Mercator Advisory Group. “Apriva has already earned a solid reputation for its mPOS solutions, and its latest software version now protects financial institutions from ADA related expenses such as those that have plagued the ATM industry. This forethought reinforces Apriva’s commitment to providing the best, most comprehensive and compliant mobile payment solutions.”

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

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### **23. FIME FIRST JAPANESE OPERATION ACCREDITED AS MASTERCARD TEST LABORATORY FOR MOBILE HANDSETS**

*Source: FIME (09/25)*

FIME's Japanese operation has been accredited as a MasterCard test laboratory for mobile handsets. The testing focuses on confirming the compliance and interoperability with the EMVCo Contactless approval process. "With Japan being a centre for mobile innovation, the ability to save time and money throughout the certification process is of great value to Japanese manufacturers," comments Alex Chen, Sales Director at FIME Asia. "Vendors in the region can access FIME's global expertise quicker than ever before and tap into our knowledge of the regional ecosystem’s variations and complexities in order to achieve this approval quickly and effectively."





Commenting on the marketplace, Alex adds: "With contactless card payments gaining momentum globally, the mobile ecosystem is readying itself for mass market roll out. In Japan, the payments ecosystem is evolving rapidly so it has been a big priority for us to expand our local offering even further to help drive mobile payments innovation in Japan. To further support this aim, FIME has also expanded its official consulting and service capacity to support the work of various industry bodies including GlobalPlatform, NFC Forum, Softcard and others. This enables FIME to act as a single touch point for our vendor partners' complete testing needs. Standards, specifications and compliance bring stability and trust to the payments ecosystem and we are privileged to support our Japanese partners in achieving the cross-industry accreditations that their products need."

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

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#### **24. LOEWE SELECTS INGENICO GROUP'S FULLY MANAGED IPHONE-BASED PAYMENT SOLUTION**

*Source: Ingenico (09/17)*

Ingenico Group announced that Loewe, the Spanish luxury retailer, has turned to Ingenico Group for a fully managed iPhone-based in-store mobile payment solution to be deployed across its pan-European and global retail network, starting in Milan (Italy) and Omotesando (Japan). Ingenico Group's payment solution will feature a fully secure mobile POS (iCMP) connected via Bluetooth with the sales assistants' iPhone. The terminal will also include an integrated suite of m-commerce management tools to customize receipts, issue refunds, export and analyze transaction data, and more. This innovative payment solution will allow sales assistants to engage shoppers more closely while speeding up consumer check out by accepting all payment methods from anywhere in the store.

In addition, Ingenico Group will also manage all the European transactions through its central gateway. This fully PCI DSS compliant solution will help Loewe control costs, providing end-to-end security in compliance with international payment regulations and standards. We are very pleased that Loewe has chosen our fully managed mobile payment solution to cover its retail network," said Pierre-Antoine Vacheron, EVP Europe-SEPA, Ingenico Group. "With Ingenico Group, Loewe will pave the way for a new and enhanced in-store shopping experience for its customers, while improving its business performance with our centralized transaction management solution." Lisa Montague, Loewe's CEO, add: "I see this solutions as an important step in improving the customer experience in our stores so that it is seamless and uninterrupted, with a discreet and efficient transaction process. We aim to develop and implement further such improvement"

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





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