POSitivity magazine

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December **WEB NEWS**

selection of TOP NEWS from industry portals

American Express Eliminates Signature Requirements Worldwide. American Express today announced it is eliminating the requirement for merchants to collect Card Members' signatures for all purchase transactions at the point of sale beginning in April 2018. The move, which applies globally to all American Express-accepting merchants, will help provide a more consistent and simplified checkout experience for merchants and Card Members in regions around the world, speed up the process of paying in store and help reduce merchants' operating expenses associated with retaining signatures.

Source: [American Express]

EBA publishes final draft technical standards on the future EBA register under the Payment Services Directive. The European Banking Authority (EBA) published today its final draft regulatory technical standards (RTS) and implementing technical standards (ITS) on the EBA electronic central register under the Payment Services Directive (PSD2). The RTS specify the procedures competent authorities (CAs) should follow when providing information to the EBA and those that apply to the EBA when processing and publishing that information. The ITS specify the information that will be made available on the EBA Register. The aim of the EBA Register is to provide transparency on the operation of payment and e-money institutions across the EU, enhance cooperation between competent authorities in the Member States and ensure a high level of consumer protection.

Source: [EBA Europa]

Norwegian banks to combine payment units Vipps, BankAxept, BankID. Norwegian banks agree to combine payment units Vipps, BankAxept and BankID Norge to improve product offering and prepare for competition against global tech firms. Deal is preliminary, and ownership stakes are still being negotiated . Also aim to promote their products abroad "Through this undertaking, the Norwegian alternative is better positioned to compete against the major foreign players," Vipps CEO Rune Garborg said * DNB CEO Rune Bjerke said: "We have two choices. Either let the existing payments infrastructure wither away, or join forces and push forward." The aim is to get the new company up and running by Aug. 1, 2018, pending approval from Norwegian authorities Changes in regulations from 2018 onwards make it possible for companies outside the banking industry to facilitate payments, with Apple, Facebook, Google and others seen as potential competitors Further company coverage: (Reporting by Ole Petter Skonnord,

Source: [Reuters]

Norwegians can now pay their bills via Facebook Messenger. Nordea launches the first Nordic bank service via Facebook Messenger. Powered by Nets, it initially allows for payment of Norwegian bills via an e-invoice in Facebook Messenger – anytime and anywhere.

Source: [Nets]

VISA announced a suite of sensory branding that will support the Visa brand in an expanded universe of connected, payment-enabled devices. These new sound, animation and haptic (vibration) cues will help signify completed transactions in digital and physical retail environments when you pay with Visa. The sound of Visa will debut in Visa's global advertising campaign ahead of the Olympic Winter Games PyeongChang 2018.

Source: [Business Wire]

Launch of SEPA instant credit transfer scheme. The European Payments Council has published a press release announcing that its Single Euro Payments Area (SEPA) instant credit transfer scheme is operational. This scheme covers transactions denominated in euros, up to €15,000. The scheme currently covers nearly 600 payment service providers from eight different European countries and allows the transfer of money in less than ten seconds. EPC, 21 November 2017

Source: EPC

WeChat Pay at POS in UK. Camden Market First to Offer WeChat Pay at the Point of Sale in the UK With SafeCharge. SafeCharge, a leading payments technology company, in partnership with Camden Market, a part of the Market Tech portfolio, has announced the ground-breaking integration of WeChat Pay, a widely adopted e-wallet payment solution in China. The iconic Camden Market, London's fourth biggest tourist destination, is the first in the UK to make WeChat Pay available at the point of sale. Chinese tourists and the UK's Chinese community will now be able to shop using their preferred payment method as the introduction of the payment system begins and WeChat is implemented in stages across Camden Market.

Source: PR News Wire

Regulation section

PSD2, GDPR: impact on European Merchant Payments

Anticipating new value propositions, services, and solutions from new entrants, FIs and FinTech start-ups?

MPE 2018 introduce **150+** speakers from **40+** countries in exceptional discussion on the **PSD2 & GDPR** challenges and opportunities in 2018:

Raymundo Leefmans, CEO & Co-Founder, **Dimebox**
Andrea Dundlop, CEO Acquiring & Card Solutions**, Paysafe Group**
Francisco Tur Hartmann, Deputy Head of Division**, ECB**
Jean-Marc Thienpont, EVP & MD POS Solutions**, Adyen**
Dag-Inge Flatraaker, Chairman of the Mobile Channel Working Group & member of the Executive Board**, EPC**
Osama Bedier, Founder & CEO**, Poynt**
Joe McGuire, Global Head of Sales & Partnerships**, Airwallex**
John Snoek, VP Product**, Acapture**
Faheem Bakshi, Head of Payments**, Kinguin**
Etienne Martin, Product manager**, Lyst**
Tomasz Pieta, Senior UX Designer**, Booking.com**
Max Geerling, Executive Adviser e-Payments**, iDeal**
Martin Sweeney, CEO**, Ravelin**
Stephen Ufford, Founder & CEO**, Trulioo**
John Basquill, Editor**, PaymentsCompliance**
Axel Schaefer, Advisor – Payments**, IKEA**

Payment Services Directive (PSD2)
Brief Timeline

25 Nov 2015
PSD2 adopted (published 25 December 2015, in force as of 12 January 2016)

8 Dec 2015
EBA published discussion paper

12 Aug 2016
EBA publishes consultation paper

23 Feb 2017
EBA publishes final draft RTS SCA and submits it to the Commission

May 2017
if the European Parliament does not block the RTS, publication of the RTS

May 2017
ERPB Working Group publishes its recommendations on PIS

24 May 2017
Commission sends letter to the EBA with amended draft RTS

29 June 2017
EBA comments on amendments

27 Nov 2017
Commission adopts the RTS

When will the new rules become applicable?
PSD2 will become applicable as of 13 January 2018, except for the security measures outlined in the RTS. These will become applicable 18 months after the date of entry into force of the RTS. Subject to the agreement of the Council and the European Parliament the RTS is due to become applicable around September 2019.

Perspective: Why Should Retailers Worry About **The General Data Protection Regulation?**

This article describes the key themes of the General Data Protection Regulation (GDPR) to help retailers understand the new legal framework in the EU and the UK for the protection of personal consumer data. Brexit will have no impact, the GDPR will apply in the UK from 25 May 2018, just as it will across the rest of Europe and beyond. Yes – beyond Europe, where non-European companies are handling data that belongs to EU data subjects. The UK government has confirmed that the UK's decision to leave the EU will not affect the commencement of the GDPR. Anyone in a retailer who has day-to-day responsibility for data protection must be gearing up to be GDPR-ready.

A key takeaway of this article is to see how the GDPR is not just a question of compliance but the legal framework for data protection which will be a platform to generate new business opportunities. These new business opportunities will help realise the value of consumer data.

As we already know, the use of innovative technology in retailing is transforming the relationship between retailers and customers. From a customer's perspective, it has never been easier to be connected anywhere, anytime to get product information and compare prices. From a retailer's perspective, technology creates new opportunities to sell products and communicate with customers, for example, push marketing and location-based offers. Mobile technology is another area where retailers can differentiate themselves by offering an improved shopping experience, creating new use cases and generating additional sales.

A constantly connected environment highlights the increased significance of digital channels as sales channels. Global e-commerce sales are growing at more than 19% a year and are expected to reach nearly US$4 trillion value of sales by 2020 (around 14% of total retail sales compared with 10% recorded today). The global m-commerce market is also expanding significantly and is expected to account for almost a quarter of overall e-commerce revenues by the end of 2017.

What does this mean for data protection? GDPR will revamp the way personal data is collected and used. Retailers must understand the priorities for online and offline retailing. Consumer consent, the use of cookies, behavioural advertising and mobile devices all must be appraised. A retailer must be prepared for explicit consent across multiple channels. After years of creating an omnichannel strategy for your consumers, GDPR now requires you to review how you achieve this. Your omnichannel strategy may be deploying disruptive technologies, such as iBeacons, virtual reality, facial recognition, digital marketing, etc. There are both ethical and privacy concerns, especially when considering the roles of the data controller and the data processor. A proper due diligence of your vendor relationships must be conducted. There are also implications of the data that you use for protecting against fraudulent purchasing behaviour or the growing area of 'returns fraud'.

Technology Alone Is Only Part Of The Solution

When Edgar, Dunn & Company provides advice to retailers we generally look at the omnichannel strategy and the customer experience from a payment's perspective. Payment is at the heart of every retailer-consumer interaction. The payments industry is increasingly encrypting consumer data at the point of sale using tokenization as a security technology. A token has no meaning for a cyber-attacker, rendering the customer's sensitive card details meaningless.

In Article 25, 'data protection by design and by default' and again in Article 32 of the GDPR it is more clearly prescriptive around anonymization and pseudonymization. The regulation supports that the principles of data protection do not apply to anonymous information (i.e. information that does not relate to an identified or identifiable natural person or to personal data that does not identify an individual). Pseudonymisation, as in the handling of personal data in such a manner that they can no longer be attributed to a specific person without the use of additional information, such as a token, is positively encouraged by the GDPR.

Retailers that can take advantage of pseudonymization, encryption or anonymising personal data will be able to reduce their risk of non-compliance. This helps retailers mitigate risk, such as a data breach of personal consumer data. However, GDPR is not just a question of technology. Personal consumer data includes the home address (required for home deliveries) and email address (required for marketing communications, e-receipts, loyalty and reward programs). Retailers (or their solutions providers) who believe that technology is the sole solution to GDPR will be very wrong.

Data Ownership

The regulation gives customers the right to opt out or to stop their data being used by the retailer or by their partners. In Article 17, 'the right to be forgotten', there are potential new scenarios that will enable consumers to edit, extract, transfer and delete any data held on them by any part of the business. This opens huge opportunities and risks for new propositions and business models. In Article 20, 'the right to data portability', the more innovative retailers which are thinking outside the box are considering how data portability could be an opportunity to access new customer segments.

Data is always considered to be a valued asset but now that 'personal data' is the customers to do with as they see fit, it will become a currency which retailers will have to demonstrate they are worthy of holding and looking after on behalf of the consumer. You could compare personal data held by a retailer with the money held by a bank. A bank customer can request their bank to return their savings or transfer it to a competitor. In the future, a consumer could approach Tesco, for example, and request all the data that they have on them, their spending patterns, and shopping preferences, etc. and transfer it to Amazon Fresh because Amazon has made an offer of 20% discount on their first six months of grocery purchases.

Know Your Personally Identifiable Information

The term 'Personally Identifiable Information' (PII) is not explicitly used in the GDPR, but it will cause a significant challenge to anyone seeking compliance with the GDPR. In the GDPR personal data is all about how a person is identifiable as Recital 26 reads:

"To determine whether a natural person is identifiable, account should be taken of all the means reasonably likely to be used, such as singling out, either by the controller or by another person to identify the natural person directly or indirectly. To ascertain whether means are reasonably likely to be used to identify the natural person, account should be taken of all objective factors, such as the costs of and the amount of time required for identification, taking into consideration the available technology at the time of the processing and technological developments."

This may not be the most readable extract of Recital 26 but after a couple of readings of the entire Recital, it is certainly a bullet proof description of the principles of data protection. Personally Identifiable Information (PII) is a term found in the US but it is loosely defined and varies from state to state. On the other hand, in the EU, PII may be a term not used in the GDPR but it does more clearly describe what personal data includes. The regulation is littered with references to personal data and identification of personal data. One of my favourite Recitals is 4 that reads:

"The processing of personal data should be designed to serve mankind. The right to the protection of personal data is not an absolute right; it must be considered in relation to its function in society and be balanced against other fundamental rights, in accordance with the principle of proportionality."

This may be Euro-speak, gender specific and grandiose but the regulation does strongly define a linkage between identification and personal data. Personally Identifiable Information will have significant implications for retailers and the data processors that serve retailers, such as payment service providers, fraud prevention vendors, credit agencies, coalition loyalty programs, search engines, and any shopping apps that use personal data. The list keeps going. The use of social media, Twitter, Google Analytics, Instagram, Facebook, etc. is another area to consider. As we all live our lives digitally we interact with interconnected companies, and the GDPR aims to echo that fact. One of the first steps that any retailer must perform as part of their GDPR program is to create a 'data map'. Data Mapping should be performed from three different perspectives:

- Understand who in your ecosystem can connect and which personal data attributes are used with which providers, partners, processors, such as a consumer's address with a courier for home deliveries
- Understand which personal data attributes and identifiers that you receive to hold or process by other providers/partners/processors
- Assess what personal data you hold within your systems or pass on for further processing. As a 'data controller', you are partly responsible for protecting some of the rights that have been granted to individuals in the GDPR

The GDPR does not actually define what 'Data Mapping' is or whether you need a data map but any data protection expert will tell you Data Mapping is an essential prerequisite for any privacy compliance strategy. Data Mapping will help retailers comply with the GDPR obligations.

In general, data mapping requires comprehensive information gathering from all business units and a visualisation of the information gathered. There are various tools on the market that will help with this exercise. If you need more information on this topic or creating a GDPR change program please contact Edgar, Dunn & Company and ask for Mark Beresford.

New But Old Entrants

Most people will hold a passport which identifies you as you move from one country to another. It effectively allows access to different countries. Just as the consumer shops around, popping into different retailers along the high street, or visiting different stores online, there is no equivalent passport. Now imagine a third-party offering a 'data identification passport' for consumers to shop. This almost happens today online. Websites allow you to log-in via third parties such as Google Plus, Linkedin or Facebook. These third parties are collecting personal data from multiple sources – across different retailers. After 25th May 2018, under the GDPR, these third parties, with the consent of the consumer, could request the original data sources be deleted. Thus, removing the ability for the retailer to get to know you as a consumer – just as if you were paying in cash over the counter in the store. No personal data will be retained by the retailer.

Personal information can be ported to any third-party only when needed, such as for an online purchase, and removed once the transaction is completed. The business that created the data identification passport would be the trusted provider, holding the personal data as the currency. In turn, the customer would know their data is securely held in one place by a company they trust. This is very like the Amazon buy button on a non-Amazon website. The payment credentials and home delivery information is retained by Amazon as the data controller and the retailer merely ships the products or provides the services. The retailer doesn't get to see the payment method and is not able to retain any personal data.

Consumers, post-GDPR, will have the ability to and are expected to take greater control and responsibility of their personal data. Personal data will have a value and consumers will gain more power and benefits based on their transaction history with a third-party data identification passport company. A third-party provider could aggregate groups of consumers with similar requirements to benefit from a bulk deal. Imagine, if there were 25 unrelated families wishing to book a ski chalet during the school holidays – traditionally a peak time and notoriously a very expensive vacation. The ski company would benefit from filling the chalet to its full capacity and in return, the consumers would benefit from a bulk discount. Another example could be an app that aggregates all the best deals and prices on the consumer's preferred brands or specific products and services into a single location. These new

propositions could change shopping as we know it today.

Beyond Compliance

GDPR is not just about compliance. Retailers need to evaluate their role in holding and processing personal data for consumers. It is time to ask yourself whether you can invest in the extra burden of data protection required for GDPR. In the Retailer Payments Practice within Edgar, Dunn & Company (EDC) we are assisting retailers to answer the strategic questions around the role of personal data which GDPR compliance is highlighting, for example:

- Can you be the trusted partner for your consumers to manage data protection?
- What is the role and value of personal data within your company?
- How can retailers or brands harness the true power of personal data to create valuable experiences for customers?
- Does your brand have the appropriate brand currency?
- What is your competition doing to be the trusted partner for personal data services?

25th May 2018 is not far away and there will be considerable work to be done within many retailers. Nonetheless, it is important to recognise that although this may look like a deadline, it is not one that you must cross and then relax when you believe you are GDPR compliant.

Data protection and the role of data in your organisation must follow the principles of 'data protection by design' – as the regulation states. Data protection will be a continuous activity, it will be operational and embedded into everything you do, from the boardroom to the shop floor. Data protection should be part of your DNA. At Edgar, Dunn & Company we anticipate that in the future, the responsibilities of the Chief Information Officer or Chief Digital Information Officer will include valuing company data. The degree to which data will add value to your business, your customers, and your partners is entirely up to you.

By: Mark Beresford|
Source: Edgar Dunn

Perspective: The Nordics implement PSD 2

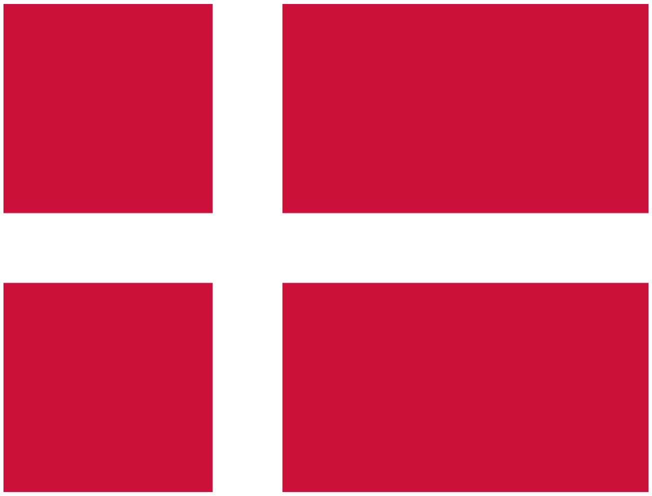
The Payment Services Directive II (Directive 2015/2366/EU of 25 November 2015 on payment services in the internal market) (PSD 2) must be transposed into local legislation by 13 January 2018. PSD 2 enables bank customers, both consumers and businesses, to use thirdparty providers (Payment Initiation Service Providers (PISPs) and Account Information Service Providers (AISPs)) to manage their finances. The scope of regulation will also include the issuing of card-based payment instruments connected to an account provided by another payment service provider (Third Party Payment Instrument Issuers). Once their customers have provided consent, banks are obliged to provide these third-party providers with access to such customers' accounts through machine-to-machine communication. Banks can, however, also act as PISPs and AISPs themselves.

As well as creating a framework to allow new competitors to enter the market, PSD 2 also creates a single set of rules for payments and payment services across the European Union. PSD 2 also requires the payment service providers to exercise robust customer authentication when a customer initiates an electronic payment transaction and accesses its payment account online.

PSD 2 is relevant to payment service providers, such as credit institutions, payment institutions, e-money firms and their agents, many FinTech firms, social media networks and telecommunications firms among others.

PSD 2 is a maximum harmonization directive, so the member states may not introduce provisions other than those laid down in the directive. However, PSD 2 provides for a number of options, meaning that each individual member state can decide whether or not to exercise such optionality.

PSD 2 will have a major impact on payment and account services delivered in Europe. Together, the Nordic countries (Denmark, Finland, Norway and Sweden) represent a



significant and strategic market in Europe. This article describes the implementation of PSD 2 in the Nordic countries, highlights the applied member state options and points out where the local implementation goes further than the minimum obligations in the directive.

Denmark

On 2 June 2017, the Danish parliament passed legislation which implements PSD 2. The legislation comes into force on 1 January 2018. Generally, the Danish legislation does not differ substantially from PSD 2. However, in certain areas the Danish implementation law goes further than the minimum obligations in PSD 2 in relation to having sufficient consumer protection and keeping existing Danish payment solutions in tact, especially regarding the national debit card 'Dankortet'.

In short, the areas concerned are:

- Data-protection
- Rules concerning payment institutions and e-payment institutions management and organization of such institutions, especially the obligation to have an arrangement for their employees to be able to report any possible breach of the law committed by the institution
- Rules on good business practice
- The obligation to provide information of any surcharges prior to the execution of a transaction

Furthermore, some of the optionality provided for in PSD 2 has been used in the Danish implementation law. This is the case for:

- Article 32 – exemption for smaller payment service providers from part of the procedure and conditions
- Article 42 and Article 63 – doubling the amounts set out in the PSD 2 for the value of individual payment transactions, spending limit and store funds according to the framework contract for low-value payment instruments and electronic money
- Article 74 – reducing liability for unauthorized payment transactions in favor of the consumer

Finland

In Finland, PSD 2 will be transposed in two par ts. Titles III and IV are implemented by changes to the Finnish Payment Services Act and titles II, IV and VI by changes to the Finnish Payment Institutions Act.

The draft Finnish implementation acts and the draft explanatory notes were published in March 2017 (Payment Services Act) and July 2017 (Payment Institutions Act). Both drafts are subject to consultation. Thereafter, the Finnish legislator will present its final proposal for the changes to the respective acts and the parliament of Finland will decide on the proposal before the acts are final. It is intended that the legislation will be in force by the PSD 2 deadline of 13 January 2018.

Generally, the Finnish implementation does not go further than the directive and the existing legislation is amended only to the extent required by the implementation of PSD 2.

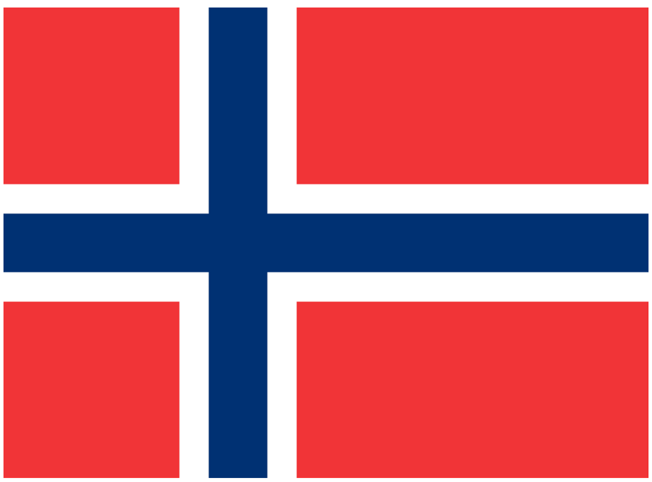
Some of the optionality provided for in PSD 2 has been used in the Finnish implementation, corresponding with the member state options applied initially in the implementation of the original Payment Services Directive (PSD) in Finland. The optionality has thus been exercised to the same extent as exercised in the implementation of PSD and PSD 2.

In short, the member state options include:

- Article 2 – exempting Finnvera Plc and Finnish Fund for Industrial Cooperation Ltd. (Finnfund) from the scope of PSD 2
- Article 3 – exempting services based on specific payment instruments valid only in Finland provided at the request of an undertaking or a public sector entity and regulated by a national or regional public authority for specific social or tax purposes to acquire specific goods or services from suppliers having a

commercial agreement with the issuer of such specific payment instrument
- Article 8 – disapplying own funds requirement in relation to payment institutions which are included in the consolidated supervision of the parent credit institution
- Article 29 – requiring payment institutions having agents or branches in Finland to report to the Finnish Financial Supervision Authority on the activities carried out in Finland
- Article 32 – exempting smaller payment service providers from part of the procedure and conditions
- Article 109 – automatically granting authorizations and registry entries

Options included in Articles 29(4), 32(1) (national threshold) and 32(4) PSD 2 will not be exercised.



Norway

In Norway, PSD 2 will also be transposed in two parts. Titles III and IV are implemented by changes to the Norwegian Finance Contract Act and titles II, IV and V by changes to the Norwegian Financial Undertakings Act of 2015 and the Payment System Act of 1999. Norway is still in the early stages of the legislative process of implementing PSD 2. The draft implementation acts and draft explanatory notes in respect of the institutional rules in titles II, IV and VI were published in May 2017, subject to consultation and with a deadline to comment by mid-October 2017 and the other consultation paper in respect of titles III and IV on 7 September 2017 and with a deadline to comments by mid-December 2017.

The reason for this division is that the regulations come under two different ministries. According to market participants, it is difficult to respond properly to the draft implementation acts in respect of the institutional rules without seeing the other part of the draft proposal however, which is now recently published. PSD 2 must also be incorporated into the European Economic Area (EEA)-agreement as Norway is an EEA country. It does not seem likely that the deadline set by European Union for implementation of PSD 2 legislation will be met by Norway.

In short, the member state options dealt with in the draft implementation acts in respect of the governing business rules included:

- Article 2 – entities exempted from the scope – as the Capital Requirements Directive IV (CRD IV) is currently not incorporated into the EEA-agreement, the discretion to exempt certain entities from the scope in accordance with the CRD IV is not a relevant option for Norway
- Article 8 – disapplying the own funds requirement in relation to payment institutions which are included in the consolidated supervision of the parent credit institution (the Norwegian legislator has decided not to take advantages of this option)
- Article 32 – exempting smaller payment service providers from part of the procedure and conditions – the Norwegian legislator has proposed to continue the current regime for a limited payment service license and operating with the same threshold in respect of transactional volume
- Article 62 – the option to prohibit or limit surcharges at a later date – Under Norwegian law an empowering provision has been included which states that the legislator may, at a later stage, adopt a regulation to prohibit or limit surcharging. According to the explanatory notes of the draft implementation acts of Article 62, the legislator refers to the empowering provision set out in the current legislation and states that an introduction of a prohibition of surcharging will require a more comprehensive review. The draft implementation acts regarding the payment services, which has not yet been seen, will address the implementation of PSD 2, Article 62, paragraph 4

Sweden

The Swedish government has not yet published any draft government bill. Until now, the government has only published an official report (SOU 2016:53, published on 31 August 2016). Generally, the official report's proposition for new legislation does not go further than the directive and the existing legislation is proposed to be amended only to the extent required by the implementation of PSD 2. The report, however, proposes an implementation of the exclusion in Article 3(b) of PSD 2 that appears to be contrary to the wording and intention of PSD 2.

The official report proposes that some of the optionality provided for in PSD 2 should be used in the Swedish implementation, corresponding almost to the member state options exercised in the implementation of PSD in Sweden. The optionality is thus proposed to be exercised to a similar extent in the implementation of PSD and PSD 2. A notable difference is that cash-in-transit companies' 'counting services' are proposed not to be exempted from the scope of the Payment Services Act (which is currently the case). Also, the report proposes that an exemption

should be made from the scope of the Payment Services Act for payment transactions completed using mobile telephones or other technological devices, for example when purchasing an electronic ticket for a journey. One condition for such transactions being exempted is that the cost of the transaction is not to exceed an amount corresponding to €50.

Additional optionality which Sweden proposed to exercise includes:

- Article 29 – the report proposes that foreign payment institutions operating in Sweden through agents or branches be required to submit information on their activities in Sweden at the request of Finansinspektionen or the Riksbank and that payment institutions headquartered in another member state and operating in Sweden through agents be required to appoint a central contact point in Sweden if Finansinspektionen deems this necessary

As mentioned, the proposed implementation of the exclusion in Article 3(b) of PSD 2 appears to be contrary to the wording and intention of PSD 2. According to Article 3(b) of PSD 2, the directive does not apply to payment transactions from the payer to the payee through a commercial agent authorized via an agreement to negotiate or conclude the sale or purchase of goods or services on behalf of only the payer or only the payee, whereas according to the Swedish Official report's proposal to Chapter 1, Section 7, the Payment Services Act does not apply to payment transactions from the payer to the payee through a 'handelskommissionär' ie a legal figure that in Swedish law refers to a person who buys or sells movable property in ie its own name, but on behalf of someone else, in the course of a business.

Otherwise, there have not been any other noted deviations in the official reports proposal for new legislation.

Source: DLA Piper

Banking association calls for **end of 'screen-scraping'**

Fintech firms not that thrilled about the idea

The European Banking Federation (EBF) has asked the EU Commission to support a ban on "screen scraping".

Screen-scraping services, seen as a first-generation direct access technology, allow third parties to access bank accounts on a client's behalf using the client's access credentials.

The Revised Directive on Payment Services (PSD2) introduces a general security upgrade for third-party access to a client's data.

Earlier this month, 65 European fintech firms made their opposition to this known, stating in a manifesto (PDF) that "[T]he only functioning technology used for bank-independent [payment initiation services] and [account information services] must not be foreclosed."

Privacy of client data, cybersecurity and innovation are all at risk if European Banking Authority (EBA) standards are dismissed and screen scraping continues, the EBF argues.
The proposal requires banks to opt for either creating a "dedicated interface" that lets third parties access bank accounts

on behalf of clients, or to upgrade their client interface. The EBF wants to see PSD2 delivered within the framework of (EBA) standards and the end of screen-scraping.

The European Commission appears to be willing to go against the EBA advice and allow screen-scraping to continue.

Mandating banks to accept screen-scraping as an additional direct access method would force them to maintain at least two interfaces. The EBA argues that such a proposal would "harm the development of electronic payment services" while making it more difficult to protect the privacy of account holders.

Wim Mijs, chief executive officer of the EBF, said: "The development of PSD2 can be compared to designing a new plane. You develop highly secure, innovative and sophisticated systems to make it fly. But what happens now, in the final development stages, is that the designers are required to put a heavy diesel generator on board. This plane then becomes too heavy to fly. If banks are forced to accept screen–scraping then PSD2 will never fly the way it was intended.

PSD2 calls for the creation of a technology-neutral level-playing field for banks and fintech firms, new and old, to process and handle electronic payments in the European Union.

Both banks and new entrants in financial services technology are actively engaged in an industry-wide effort to develop common processes and standards. The forum for this cooperation is the Working Group on Payment Initiation Services of the Euro Retail Payments Board, created by the European Central Bank. ®

Source: The Register

Merchant Payments Ecosystem section

Mapping the PSP Landscape – Capturing the Picture of a Dynamic Ecosystem

The payments landscape in Europe can be summed up in two words: dynamic and fragmented. With hundreds of PSPs (Payments Service Providers) and other players with financial licenses, staying on top in this market is challenging and soon it will require new strategies.

In the last two or three years, the landscape begun to change, and the payments industry started moving towards consolidation. Major acquisitions in 2017, some of the biggest being Worldline's acquisition of Digital River World Payments, Ingenico's acquisition of Bambora, and Vantiv's acquisition of Worldpay, signalled an important new development. Leading PSPs are starting to scale up their operations, competing for a wider reach on the market. According to Innopay, "retail prices for online transactions are dropping, for some payment methods even at 10-15% p.a.", which means that acting as the payment facilitator may not be enough (anymore) to stay competitive and relevant on the market.

Furthermore, merchants now expect a full suite of financial services that can help them digitalize and provide better payments services to their customers, as well as gain more from each transaction, and it is no longer just about profits. Advanced business intelligence, enhanced customer experience, and innovative omnichannel strategies are becoming essential for a merchant.

On top of existing market demand and competition comes PSD2, the European Commission's new Payment Services Directive. The directive creates both opportunities and threats for PSPs. First, it opens access to consumers' payment accounts (XS2A) and creates two new regulated roles - Payment Initiation Service Provider (PISP) and Account Information Service Provider (AISP). By becoming either a PISP or

AISP, payments service providers will be able to build new financial services on top of this open infrastructure. The threat comes from new entrants who can also develop value-added services by leveraging the same financial framework.

To make heads or tails out of this new, complex, and dynamic PSP landscape, we, at The Paypers, have worked on a comprehensive mapping of all major PSPs operating on a global, international, and regional level. The mapping works as a support resource of our leading publication, the Online Payments and Ecommerce Market Guide.

Our main objective was to offer readers a complete overview of the PSP ecosystem. We started by distinguishing four categories of payments providers:

1. **Payments Service Providers**

Payments Service Providers have moved from being simple payments facilitators in the online space to aggregators of connectivity and financial flows. Their services now include aggregation of transactions data, integration with multiple payment methods, fraud and risk management solutions, and many others, depending on the size of the company.

2. **Payout Solution Providers**

Payout Solution Providers are players that specialize in global mass payout solutions. They offer their services to merchants that need to pay users of their marketplace or service platform, e.g. people selling wares on a marketplace like eBay, or drivers for services like Uber or Lyft.
This category contains two groups: players that are dedicated payout providers, like Transpay or Hyperwallet, and PSPs that offer payout solutions as part of their marketplace services, like Adyen or SafeCharge.

3. **PSP Enablers**

PSP enablers are players that offer several services or capabilities to PSPs in order for them to render payment services more effectively. The services provided by PSP enablers vary from offering connections to card acquirers and APMs, to processing and collecting services for APMs, and a wide range of other value-added services, e.g. a payment account, acquiring services, et alia. Some of the most important PSP enablers are ACI PAY.ON, PPRO, ONPEX, Limonetik, and Dimebox.

4. **PSP Connectors**

PSP connectors are relatively a new breed of technology solution providers, offering merchants the option to connect (via a single API) to multiple PSPs, acquirers, and e-wallets. With that kind of solution, they help merchants optimize routing and potentially savings on cost and higher authorization rates. Important companies of this type are APEXX Fintech, Zooz, and Swappt.

After we grouped payments providers into specific categories, our next step was to select some key variables on which to base our research. We have come up with a long list that includes target market, vertical, geographical presence, transaction handling, payment capabilities, fraud capabilities, omnichannel capabilities, and many more.

This part of the research was partly done in-house, partly by reaching out to companies for input. After we had all the necessary information, we designed a formula that gave us some key variables that define a PSP within the ecosystem. The key variables that we have selected are:

- Geographical presence - the degree of global or regional presence of a PSP (regional, international, and global).
- Omnichannel/Pure ecommerce - omnichannel PSPs offer both online and offline solutions, while pure ecommerce PSPs offer solely the former. In all three of the infographics, the PSPs are divided in two groups to signify the divide between the omnichannel and pure ecommerce PSPs.
- Payment capabilities is the main variable that determines a PSPs position on the x-axis. It is the sum of all the payment capabilities offered by the company. The y-axis measures the number of countries in which a PSP supports merchants.

The result of all our research efforts was a comprehensive mapping of the current PSP landscape, in which key players are arranged according to their market reach and payment capabilities. This gives readers a clear overview of which roles each payments provider plays in the ecosystem.

As previously mentioned, the PSP mapping serves as a support-resource within the Online Payments and Ecommerce Market Guide 2017. The guide includes thought leadership contributions from some of the most important decision makers in the payments landscape.

Some of the key topics and trends that we covered in this year's edition are best practices in payments, ecommerce development through omnichannel, data-driven commerce and Internet of Things, how people pay and the customer journey, ecommerce across borders, marketplaces, and the link between regulations and innovation in digital transactions.

Finally, we would like to invite all interested readers to download this year's edition of the Online Payments and Ecommerce Market Guide, which also includes a detailed PSP mapping and an overview of some of the most important industry players!

Source: The Paypers

Infographic PSP ecosystem

Perspective:
PayThink India's open payments competition can spread to other markets

India promises to be an epic payments battleground between traditional payment systems and tech giants, and perhaps a harbinger for emerging markets in general.

Traditional retail payment systems such as Mastercard and Visa enjoy powerful network effects and market position in Europe and North America. But they were restricted in China, mobile commerce phenoms Alipay and WeChat Pay, and card network monopoly China UnionPay sewed up the market.

The world's largest in-play payments market India, however, is a wide-open, creative and competitive ferment, with Indian consumers and merchants the ultimate winners.

Card networks including national champion RuPay, U.S. tech titans, Chinese fintech powers, MNOs, and an e-tailer are among the major players in India. Mastercard and Visa bring the power of their global networks tailored to the subcontinent to bear. Unlike in the U.S., they face formidable and nontraditional competitors on near-equal footing. For U.S. tech behemoths, India is irresistible. Like the global payment networks they've largely been boxed out of China. In mature European and North American markets consumers and merchants are well served by existing payment systems and banks. Consequently, American tech titans haven't attempted to build payment networks. Instead they use and facilitate access to existing systems, thereby increasing consumer engagement on and the value of their platforms.

Tech platforms such as Google, Apple, Facebook and Amazon enjoy network effects in markets where the winner takes all or there are only a couple winners. Payments are a critical part of consumers' daily activity. It's not surprising they can then use payments to reinforce their centrality in consumers' lives.

Emerging markets like India, however, are another story. Cash rules. Traditional payment-card systems and banks are relatively weak. The dynamic between traditional payment networks, tech platforms, banks and MNOs is very different.

Google moved. In September the search mammoth introduced Tez, or "fast" in Hindi, a P-to-P and retail payments system, crossing the payments Rubicon. Tez uses the bank-owned National Payments Corporation of India's Unified Payments Interface, instantly drawing funds from consumers' accounts. While Google has provided payments since at least 2005, when it launched Checkout, until now it has leveraged existing payment systems.

Facebook's next. With 200 million active WhatsApp users in India it's going to launch a payments product embedded in chat, taking a cue from Tencent's enormously successful (with 600 million active users) WeChat Pay. Using payments to more deeply engage its users underscores why the world's leading social network in 2014 poached PayPal chief David Marcus.

The NPCI has its own mobile-UPI app BHIM, primarily supporting P-to-P payments. India's Amazon Flipkart has the other major mobile-UPI app Phonepe, which enjoyed a sizzling 800% transaction growth since December. It has 25,000 merchants and focuses on retail payments.

Facebook offers domestic P-to-P payments, on which it loses money. It's not attempting to make money directly on payments but rather to boost engagement and thereby ad revenue. Acquiring or partnering with Western Union would give Facebook or Google worldwide money-transfer reach.

The world's most valuable company, Apple, is unlikely to be a factor in India. In China the iPhone is losing share and notwithstanding support from banks and China UnionPay, Apple Pay is nearly irrelevant. In India Apple's position is even weaker.

In the developed world Chinese fintech Garguantuas Ant Financial and Tencent will have difficulty providing more than merchant acceptance for Alipay and WeChat Pay for Chinese tourists and business travelers. In India they're competing for more, through proxies. Alibaba and Ant Financial own 62% of Paytm, a high-growth Indian digital wallet and payment network with 225 million active users and 5 million merchants. Leveraging MoneyGram's network, Ant Financial could enable its portfolio company Paytm to provide global money transfer.

The NPCI, Mastercard, RuPay and Visa are supporting a new QR-code standard in response to Paytm.

Fast on Alipay's heels, Tencent led a $175 million D funding round in which India's leading mobile network operator, Bharti, also participated, for Hike, a chat service with a 100 million registered users. It's very much like and attempting to emulate WeChat's ecosystem in China. In June Hike launched its payment system.

Vodafone is India's second-largest MNO. Its M-Pesa is the poster boy of a successful emerging market payment system, the leading payment network in Kenya and active in 10 other emerging market including India. India is a bigger prize than all the rest combined. Active in India since 2013, earlier this year M-Pesa rolled out M-Pesa Pay for merchants. But M-Pesa faces longer odds on the subcontinent than in sub-Saharan Africa. No. 4 MNO Airtel has Airtel Money.

By 2024 India is forecast to become the world's most populous country. With more aggressive economic liberalization — think Hong Kong, which the Wall Street Journal and Heritage Foundation's Index of Economic Freedom rates the world's economically freest country, but with more than 1.3 billion people.

Ultimately it could be the world's biggest payments market as well. And, competition between card networks, tech titans Facebook and Google, Chinese fintechs' proxies Paytm and Hike, and M-Pesa will be fierce, and offer signs how other large emerging payments markets may evolve.

By: Eric Grover, Principal,Intrepid Ventures
Source: Payments Source

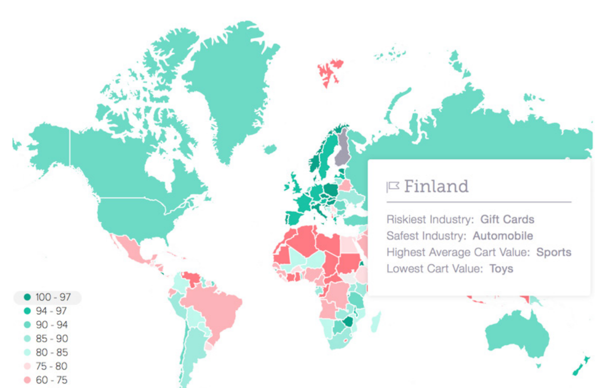
Fraud section

Riskiest merchant industries around the Globe - Visualizing eCommerce Fraud

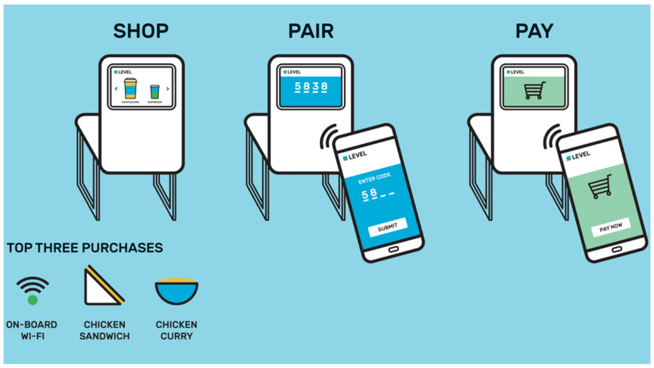
Riskified prepared and shared on it blog in October 2017: 'Visualizing eCommerce' series, a new interactive medium to review mainly around eCommerce fraud. Its first installation is a world map, organized according to approval rate categories.

Geographic data is based on IP address. Hovering over each country will reveal which industry encounters the highest and lowest rates of fraud, as well as the highest and lowest cart values.

Source: Riskified



Level launches **'Pair and Pay'** mobile payment option



International Airlines Group carrier Level has launched a new 'Pair and Pay' mobile payment option, allowing passengers to pay for in-flight services using their personal devices.

The technology enables customers to connect devices to their seatback screen, and pay for services including food, drinks, wifi, amenity kits and duty free products.

The carrier says the technology will also be extended in the future to allow for the payment of IFE content such as movies, TV shows and music.

Passengers add items to the shopping cart on their TV screen, before connecting their devices to the onboard network and pairing it with the seatback, allowing them to pay for the products.

The Levelair app – available for Android and Apple devices – allows customers to set up an account and store credit or debit payments cards, enabling them to make purchases with one click.

Level says that it is the first airline brand to introduce the technology, which is now available on flights from Barcelona to Bueonos Aires, Oakland, Los Angeles and Punta Cana.

Source: Business Traveller

Singapore Airlines' Mobile App Adds **Android Pay And Apple Pay As Payment Options**

Singapore Airlines customers can now enjoy a more convenient and faster payment method with the introduction of Android Pay and Apple Pay mobile payment services on the Airline's award-winning mobile app.

With the addition of Android Pay and Apple Pay as payment options through the SingaporeAir app, customers are able to use the popular services to pay for air tickets, redemption booking-related fees or for other purchases, such as preferred seat selection and travel insurance, at the time of booking.

With Android Pay and Apple Pay, customers are not required to fill in payment information prior to making a purchase through the SingaporeAir app. For Android Pay, the credit or debit card details and billing addresses of customers are already stored in their Android Pay1 accounts. With Apple Pay, the card details are not stored on the mobile device. Instead, a unique Device Account Number is assigned, encrypted and securely stored in the

Secure Element on the mobile device.

“Cashless payment is a growing trend not just in Singapore but in many parts of the world. At Singapore Airlines, we are constantly exploring how we can improve the customer experience across our digital touchpoints. Having cutting edge mobile payment platforms such as Android Pay and Apple Pay provides our customers a seamless and more efficient payment option whenever they make a purchase on our mobile app,” said Singapore Airlines’ Senior Vice President Sales and Marketing, Mr Campbell Wilson.

1 Customers will need to download the Android Pay app from the Google Play Store first and add the credit or debit card into the wallet before they are able to make use of Android Pay. Consumers will not incur additional charges when using Android Pay.

Source: [Singapore Air]

Cryptocurrency section

Putin Orders the Issue of **Russia’s National Cryptocurrency** – the Cryptoruble

Russia’s president Vladimir Putin has reportedly ordered the issue of the national cryptocurrency, the “cryptoruble.” The Russian Minister of Communications and Mass Media has revealed some details of this new currency.

Russia’s Minister of Communications and Mass Media,

Nikolay Nikiforov, said at a closed meeting with members of the Moscow Capital Club that Putin has ordered the issue of the country’s own cryptocurrency, the cryptoruble, AIF newspaper reported on Saturday.

This decision followed the meeting that Putin had with Russia’s top regulators last week where he instructed the central bank not to create “unnecessary barriers” to cryptocurrencies. Referring to the text of the government’s decree on the issuance of the cryptoruble, Nikiforov said: “I so confidently declare that we will [soon] launch a cryptocurrency for one simple reason: If we do not, then in 2 months, our neighbors in the Eurasian Economic Community will do it.”

Preliminary Details of Cryptoruble

Nikiforov believes that “the cryptoruble will be issued quickly,” the publication noted. The official also said that the efficiency of the new cryptocurrency will “streamline the payment of personal income tax,” which would make the new currency legal tender in Russia.

The country currently has a flat 13 percent income tax rate. However, Putin has called for a reform of the tax system in order to boost economic growth. He ordered the tax code to be adjusted in 2018 and be implemented in 2019, according to The Moscow Times.

While Nikiforov said the details of the cryptoruble have yet to be discussed, AIF reported him explaining:

“When buying and selling a cryptoruble, the amount will be 13% from the earned difference…If the owner can not explain the reason for the appearance of his cryptorubles, when converting them into Russian rubles, the tax for him will be 13% of the total.”

Furthermore, the cryptoruble cannot be mined, the minister noted, adding that “most likely, it will be a closed model with a certain volume of regulated emissions.”

Russia’s Central Bank advocated for a national cryptocurrency earlier this month. Deputy Governor, Olga Skorobogatova, said at the Finopolis forum of innovative financial technologies that the bank sees many benefits in a state-run cryptocurrency. Also among the supporters for a national cryptocurrency is First Deputy Prime Minister Igor Shuvalov, who said in August that a cryptoruble should exist.

Cryptoruble Is Not Legalization of Cryptocurrencies

Regarding the regulation of cryptocurrencies, the minister explained that:

“The creation of the cryptoruble would not equal the legalization of bitcoin and other cryptocurrencies. Russia’s cryptocurrency should use Russian cryptography.”

After the meeting with Putin last week, the regulators decided that Russia will regulate cryptocurrencies. The finance ministry is working with the central bank to draft a bill which is expected by the end of the year, according to Finance Minister Anton Siluanov.

Source: Bitcoin.com

What China Ban? Cryptocurrency Market Cap Rebounding

They’re ba-aa-ack. Whether it’s the Chinese, or the Koreans, or the Russians or us Americans is anybody’s guess at this moment, but what it looks like for a few cryptocurrency players out there is that the Chinese have found a new way to get back into the game. China banned initial coin offerings and bitcoin exchanges in the first week of September. The ban caused a precipitous drop in cryptocurrency flows worldwide. As of Sept. 24 at least, the market is making a comeback.

“We could say that it looks like the ‘Chinese effect’ that provided downward pressure in the cryptocurrency market is over, but we cannot prove it quite yet,” says Dima Zaitsev, business analytics chief for ICOBox in Milan. Zaitsev and Dmitri Kornilov, director of economics at the Russian Academy of Natural Sciences, devised the chart for ICOBox, a cryptocurrency fund raising platform and service provider. “If this continues, then I would say with almost certainty that the downward pressure is over.”

Nearly a billion dollars have reportedly returned to Chinese investors that put money to work in some 40-plus ICOs that took place on the mainland this year. An ICO is a crypto-currency funding mechanism for start-ups. Some say that the money was not really returned, but was redirected to Hong Kong and Singapore, where stronger investor protections exist.

China’s central bank banned ICOs on Sept. 4 and later banned all bitcoin exchanges from operating in the country.

China’s ban is likely temporary. The U.S. and Japan are quickly moving to create rules that will help to legitimize cryptocurrencies by giving investors protections under existing securities laws. That will help companies raise capital through alternative methods, rather than via venture capital and the equity markets, potentially opening up a whole new financial market.

Most crypto-currencies have recovered since China took a hammer to the two biggest names: bitcoin and ether. Bitcoin prices are over $4,000 again.

China outlawed ICOs and, shortly afterwards, bitcoin exchanges on the mainland. Regulators demanded that companies return their capital to investors.

Xinhua news reported on Sept. 22 that 90% of the money had been returned. Between January and August, over $1.1 billion had been raised in more than 65 ICOs, according to government figures.

Source: Forbes

European Union Terror Fears Drive New Crackdown on Bitcoin Across Member States

The European Union has updated its landmark 2015 legislation, Fourth Anti-Money Laundering Directive, to include bitcoin and related businesses in its withering two-year-old creation of registering company owners for easier access by EU authorities.

Věra Jourová, European Union Commissioner for Justice, confirmed: "Today's agreement will bring more transparency to improve the prevention of money laundering and to cut off terrorist financing."

According to Reuters, "Bitcoin exchange platforms and 'wallet' providers that hold [bitcoin] for clients will be required to identify their users, under the new rules which now must be formally adopted by EU states and European legislators and then turned into national laws."

Bitcoin has been a tear the entire year, causing governments worry about adoption and potential seigniorage loss, as well as taxation hits, more than public pronouncements regarding the digital asset's use for terror. Nevertheless, the drafted legislation was in direct response to attacks in Brussels and Paris over the last two years, lawmakers claimed.

Deutsche Welle detailed the legislation in five parts: "Requires platforms that transfer bitcoin and 'wallet' providers that hold cryptocurrencies for clients to identify users; Limits use of pre-paid payment cards; Raises transparency requirements for company and trust owners; Allows national investigators more access to information, including national bank account registers; Grants access to data on the beneficiaries of trusts to 'persons who can demonstrate a legitimate interest,'" it explained.

Ireland, Cyprus, Britain, Malta, and Luxembourg all mounted various levels of opposition during negotiations, as these countries in particular are well known to court financial technology companies.

Underscoring less terror and more tax-related concerns, many news outlets also cited revelations contained in the Panama Papers and Paradise Papers, which essentially flouted avoiding EU revenue grabs (celebrities and large companies were outed), embarrassing regulators and legislators alike.

The update has to be ratified by members states and then processed regionally by early 2019.

Source: Bitcoin.com

Payments Startup **iZettle Is Said to Be Open to Sale**, Raises New Funds

Payments startup reveals $47 million funding round backed by Swedish Pension Fund

Swedish payments company iZettle AB is said to be open to a sale as an alternative to preparing for an initial public offering, in a so-called dual-track process, according to a person familiar with the company's plans.

The company, which provides terminals that allow small businesses to easily take card payments and also offers financial services, announced Wednesday that it has raised 40 million euros ($47 million) to fund growth. The round was led by existing investor Dawn and the Fourth Swedish National Pension Fund.

The new funding round follows just three months after iZettle announced it was getting 30 million euros ($36 million) in debt funding from the European Investment Bank to create new products. In January, iZettle received 60 million euros, including 45 million in debt financing from Chicago-based Victory Park Capital, where it was valued around $500 million.

A spokeswoman for iZettle declined to comment on the company's valuation.

iZettle began by selling white, rectangular credit card-readers that plug into iPhones or iPads, allowing small business owners such as food truck vendors and small retailer to quickly process transactions. Competing with the likes of Square Inc., in the U.K., it has since expanded to small business lending service and a wider range of payments software.

While iZettle's Chief Executive Officer and co-founder Jacob de Geer has previously flagged the company will target an IPO, payments companies have become increasingly attractive to private equity. Blackstone Group LP and CVC Capital Partners agreed to buy Paysafe Group Plc, which provides technology that enables digital wallets as well as online and mobile payments, for about 3 billion pounds ($3.9 billion) in August. One month later, U.S. private equity firm Hellman & Friedman LLC agreed to buy Nets A/S for about 33 billion kroner ($5.3 billion).

Source: Bloomberg

“ BLACKSTONE GROUP LP AND CVC CAPITAL PARTNERS AGREED TO BUY PAYSAFE GROUP PLC, WHICH PROVIDES TECHNOLOGY THAT ENABLES DIGITAL WALLETS AS WELL AS ONLINE AND MOBILE PAYMENTS, FOR ABOUT 3 BILLION POUNDS ($3.9 BILLION) IN AUGUST.

Partnerships section, M&A NEWS 3-4Q/2017

Thales Buys Gemalto For $5.6B. Gemalto agrees to a EUR 51 per share acquisition offer from Thales

Source: The Paypers

Avoka Extends Strategic Partnership with Mitek for Digital Identity Verification Solution

Source: Avoka

First Data Completes Acquisition of BluePay

Source: First Data

Interviews section

Raymundo Leefmans
CEO & Co-Founder
Dimebox

Your company was launched in 2014, aiming to to provide a full stack for acquiring service providers. How it has developed and how do you see the current situation/potential for your services in the European card acquiring now?

Since our Series A investment in 2016, we have gained significant traction in the market and continue to serve more customers each quarter! In this period a new breed of customers has surfaced, now using Dimebox for our payment technology and as their enabling partner for a global expansion. These are the billion plus (r)e-tailers in need for a consistent and consolidated engagement with the financial institutions and banks they work with globally. In stead of building, maintaining and trying to understand the specifics of each integration, Dimebox provides these services allowing them to focus on their core business and growth.

Regulation& Compliance are among the key challenges for payment providers; how does PSD2, GDPR, AML, etc. affect your business?

The increasing regulatory burden imposed on Financial institutions and large global Merchants is by default an opportunity for Dimebox. Our platform and technology provide the tools and granular insights to our customers to meet regulatory requirements and capable of acting in real-time when combatting fraud and mitigating (financial) risks. We are perfectly positioned to play a significant role in the opening up of access to accounts to be a player interfacing between the banks and other payment institutions providing payment services. The big benefit of Dimebox as a technology player is the capability to rapidly anticipate future developments in this space and to act upon these without any legacy burden.

What are the key influences having the biggest impact on card acquiring & B2C payment acceptance in 2018?

First and foremost: Value added Services! In a market where payment processing is so commoditized, the only sustainable model is to start offering value added services! Not only will customers be willing to pay more for true services, it will allow for sustainable growth moving you away from the "price per click" model which is a race to the bottom. Offering value added services starts with your platform capabilities to be able to quickly respond to what the "real world" needs, not a constrictive- risk-averse way of engaging with your customers. This may seem somewhat of a contradiction: on the one hand be able to satisfy the specific risk appetite of the Financial institution, whilst on the other allowing maximum flexibility to engage with customers and their changing business models. Dimebox solves this with its full stack payments technology, providing the controls to the F.I.'s in realtime whilst allowing their customers to engage and leverage true value added services and not just sending a transaction from A to B.

What future developments do you expect for card acquiring in the FinTech times?

From its inception, Dimebox has foreseen that the above way of engaging between F.I. and Merchant will be the future of Card Processing, possibly ending up in pricing models where transaction processing itself is free, but the savings (conversion increase, cost savings, etc.) and value added services will be priced!

Articles from MPE speakers

Online marketplaces in 2018 – the PSD2 aftermath

2018 – New Year, new trends, new developments, new shifts; however, 2018 will not be just a random new year, it will actually be a decisive moment for the European ecommerce industry, with PSD2 (Payment Services Directive 2) being scheduled for implementation. If in the past two years, the industry has constantly discussed, debated and prepared for the new regulation, we can be certain that 2018 is the year of action! We'll see operators adapting to regulation changes the market's reaction, and also the first wave of regulation impact.

The PSD2 challenge

First things first: what's the aim? Why a Payment Services Directive 2? The updated directive aims to encourage consumer protection, choice and convenience through innovation, harmonization and competition among bank and fintech operators. So the expected result is a more secure shopping process and a greater variety of shopping choices for the online consumers.

While PSD2 introduces many changes for payment operators and retailers, it particularly affects a specific type of business model, the online marketplace. How so? Operators that at any stage in a transaction handle another party's funds are placed under a stricter regulation than before; being a hub connecting a multitude of retailers with consumers, marketplaces clearly position themselves under this case and they are the number 1 type of business to watch closely in 2018.

John Snoek
VP Product & Operations
Acapture

What choices do these operators have?

Marketplace operators must be sure to keep themselves very well-informed and take the most appropriate steps preventing them from any PSD2 disruption. They have two options to become PSD2-compliant: get a payments institution license or work together with an already licensed payment institution who benefits from extensive market experience.

Such license requires a significant financial, regulatory and operational challenge from marketplaces; operators will need to hire several teams of specialized experts, their senior management will need to pass a series of compliance tests and overall, they will be confronted with both limitations to a substantial amount of capital and employee bonus schemes. Adding up to these conditions, the license application can take between 6-12 months; during this timeframe, the activity of the marketplace is certainly at risk, already being non-compliant with PSD2. The estimated costs for the license could go up to EUR 200,000 together with potential penalties already make marketplace operators victims of PSD2 because the entire process of applying for the license does not guarantee any certainty of getting it after all.

Going forward – finding a customized payments solu-
tion

While for some operators, such payments license might work depending on their business plans, others might find this option very lengthy and complex. An easier and faster alternative marketplaces have is finding a trustworthy partner who can provide support for becoming PSD2-compliant, making compliance feel easy.

Acapture's dedicated marketplace solution, SlicePay, takes away the regulation complexities in a timely, flexible and cost-effective manner. Being fascinated by this growing industry, we can understand that marketplace operators must keep up-to-date with so many aspects of their business and come up with new ways to outperform themselves while keeping their customers happy. With this in mind, we created a solution that would help operators become PSD2-compliant while also support them with complex payments such as the marketplace-characteristic split settlements. With the help of an automated system, SlicePay manages split payouts to various parties. Merchants receive a single payment from the buyers, which the solution splits between the different sellers at the right time, in the respective currency and also in compliance with PSD2 regulations.

It is important that marketplace operators find a solution they resonate with from all perspectives; it should help them both with becoming compliant, but also with the complex payments they deal with. That's why marketplaces should carefully choose a solution that can offer them double support with regards to payments.

2018 success equals step on the gas!

Although there has been constant talk about this topic and there are so many concerns regarding PSD2's impact, it's actually a forward-thinking regulation expected to eventually deliver a fairer and more innovative ecommerce world. Being well-informed and taking timely steps in becoming PSD2-compliant are key for online marketplaces in making sure their business growth is not disrupted. It will definitely be interesting, to see the aftermath of PSD2 next year, the lessons learned and the impact of this regulation on the market. Exciting times await for sure!

For more facts, be sure to check out this short report discussing PSD2, the online marketplace business model and the future of European payments.

The MPE 2018 AWARDS CEREMONY is a part of the 11th annual MPE2018 (Merchant Payments Ecosystem) conference and exhibition and 14 winners will be announced in the glittering AWARDS Gala Dinner attended by 1000+ MPE conference participants on February 21.

The Awards are FREE TO ENTER and are open to any PSP, POS and merchant payment provider.

SUBMIT ENTRY BY JANUARY 31

Please download brochure to view 14 categories and entry criteria.

Download the brochure

Winners will be announced at MPE 2018 on February 21 at the 5 star InterContinental Hotel Belrlin.

The MPE event is set to sell out, so early booking is advised!

1000+ ATTENDEES

300+ C-LEVEL EXECS

150+ SPEAKERS

70+ SPONSORS & EXHIBITORS

300+ FINTECH PEERS

40+ COUNTRIES

Upcoming webinar

[WEBINAR] Latin America: Successful payment & e-commerce strategies

Sponsored by:

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the payment professionals

Register for the webinar

Are you considering entering e-commerce in Latin America? What do you need to know when considering expansion into this region?

Latin America is today one of the world's most economically and culturally diverse regions. The region's e-commerce market was worth $37.4 billion and it is also an increasingly competitive market for alternative payment methods such as e-wallets. Currently accounting for 6% of the payment market, but expected to increase in the near future.

With mobile and fixed-line penetration rates growing rapidly and a booming e-commerce market, Latin America is a lucrative and fast maturing, with opportunities for online shopping vendors that can find a way to reach their target audience effectively, particularly with a mobile optimised e-commerce experience.

This webinar will look at the state of e-commerce in the region. Concentrating on six key markets which together account for more than 95% of Latin American e-commerce turnover, it will give you the insights you need to understand this fast-developing online market

Speakers & Panelists

Mark Beresford (Moderator)
Director
Edgar, Dunn & Company

Richard Harrison (Presenter & Panelist)
Partner Development Manager,
PPRO Group

Jens Bader (Presenter & Panelist)
Co-Founder
MIR Limited

Past webinars

[WEBINAR] Beyond the credit card: Successful strategies for e-commerce in North America and Oceania

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North America's e-commerce market is worth $562bn a year – 2.6% of the GDP – making it the second largest in the world. The most common way of paying for online transactions is still credit card. However, almost 20% of Americans now use e-wallets and market statistics indicate a growing acceptance of alternative payment methods (APMs). The North American market is highly complex as well as highly competitive. In order to break into it, PSPs and merchants need to understand local market dynamics, consumer preferences and payment culture.

Oceania is an area rich in opportunities for e-commerce providers. The webinar will take a look at some unique e-commerce payment challenges in Oceania – mainly connected with distance and sparse populations. The speakers will focus on Australia and New Zealand, the two largest markets in the region. Covering their payment cultures, infrastructure and other crucial details that you'll need to know about if you're expanding into these countries.

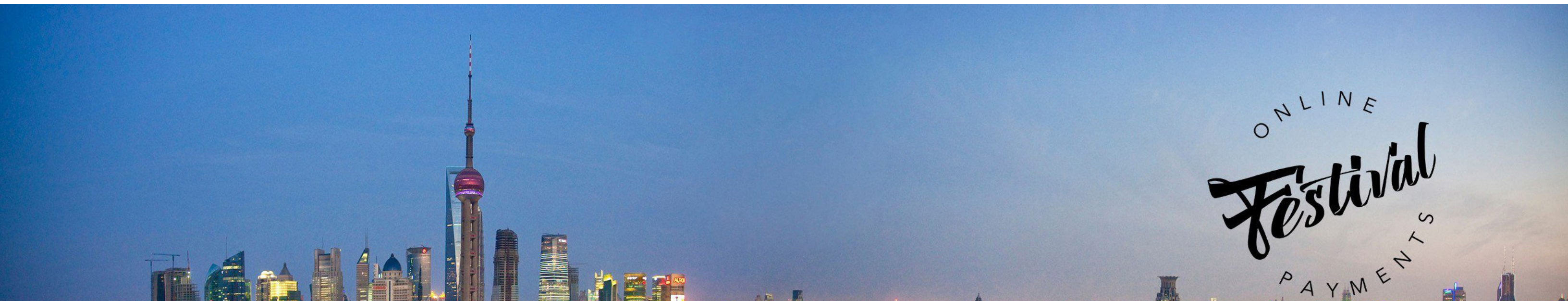
See recordings

Speakers & Panelists

Melisande Mual (Moderator)
Managing Director, Publisher
The Paypers

Tristan Chiappini (Presenter & Panelist)
Head of Account Management, Payment Services,
PPRO Group

Neeraj Gupta (Presenter & Panelist)
Leader, Product Management
Vantiv



[WEBINAR] Successful strategies for e-commerce and online payment acceptance in Asia

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E-commerce in Asia is flourishing – with $770 billion in online transactions annually and the highest e-commerce sales of any region, Asia is leading the world. And over the next 5 years, Asian e-commerce will be the main growth area for online retail.

To succeed in Asian markets, e-commerce providers need to understand local cultures, market conditions, and payment preferences.

In this webinar, in just 60 minutes, experts in e-commerce and the Asian markets will present strategies for successful online payment acceptance for companies who want to expand their e-commerce business into Asia.

See recordings

Speakers & Panelists

Volker Schloenvoigt (Moderator)
Director
Edgar, Dunn & Company

Tristan Chiappini (Presenter & Panelist)
Head of Account Management, Payment Services,
PPRO Group

Ralf Gladis (Presenter & Panelist)
Founder & CEO
Computop

[WEBINAR] E-commerce trends in Eastern Europe

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With 47.2 bn USD in transactions annually, Eastern Europe is the fourth largest e-commerce market in the world, trailing Asia-Pacific, North America and Western Europe by a significant margin.

In contrast to more developed markets, where e-commerce growth has slowed, the relatively young e-commerce market in this region offers significant opportunities for growth.

Eastern European market experts from PPRO and Coinbase will focus in this webinar on 5 key e-commerce markets: Czech Republic, Hungary, Poland, Russia and Lithuania.

See recordings

Speakers & Panelists

Mark Beresford (Moderator)
Director
Edgar, Dunn & Company

Richard Harrison (Presenter & Panelist)
Partner Development Manager,
PPRO Group

Zeeshan Feroz (Presenter & Panelist)
CEO
Coinbase

[WEBINAR] E-commerce trends in Middle East and Africa

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Are you considering entering e-commerce in Middle East and Africa? What you should know before you jumping into payment acceptance in the region?

The Middle East with its $15.6 billion e-commerce market is the smallest of all the global regional markets. However, with a dynamic, young population, one of the highest global per capita Internet and mobile penetration levels and the recent acquisition of Souq.com (e-commerce local leader) by Amazon, the region presents a tempting prospect for many e-commerce players in next 5 years.

Over 1 billion potential African customers, growing middle class and shift towards online trade, pave the wave for African and cross border e-commerce. McKinsey projected that e-commerce will be worth $75 billion in Africa's leading economies by 2025.

Speakers & Panelists

Alex Rolfe (Moderator)
Managing Director
PaymentsCM

Richard Harrison (Presenter & Panelist)
Partner Development Manager,
PPRO Group

Andy Veitch (Presenter & Panelist)
Associate
Accourt

[WEBINAR] Western Europe: Successful payment & e-commerce strategies

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Western Europe is one of the world's most prosperous regions and one of its most lucrative e-commerce markets. From Portugal in the South to Norway in the North, market conditions, payment preferences, and local challenges vary widely. But all of the markets covered in this report offer rich rewards to any company that has something to sell which Western Europeans want to buy. Richard Harrison from PPRO will dive into some obvious and less obvious Western European countries, individual payment methods and payment preferences and will also look into e-commerce growth rates, stats and figures.

The roll-out of PSD2 brings in new opportunities for digital payments. One area is receivables. The volume of overdue payments in Western Europe has grown steadily in the last decade to trillions of Euros, but few organisations are investing enough in innovating their processes. Advancements in technology and changes in consumer behaviour have created a need for frictionless payments. Steve Emecz from collectAI will demonstrate ways to get there in his webinar part of "PSD2 and how digitisation in receivables enables frictionless payments."

Speakers & Panelists

Mark Beresford
(Moderator)
Director
Edgar, Dunn & Company

Richard Harrison
(Presenter & Panelist)
Partner Development Manager,
PPRO Group

Steve Emecz
(Presenter & Panelist)
CCO
collectAI

Ralf Ohlhausen
(Panelist)
Business Development Director
PPRO Group

Partners' events

Future of Payments Conference

1st February 2018

More info

Future of Payments Conference

28th June 2018

More info

Future of Payments Conference

11th October 2018

More info

Global Map of mPOS Providers

The most comprehensive industry overview of mPOS providers. The interactive map monitors the increasing complexity of mPOS ecosystem listing players coming in from different sectors around the Globe.

www.merchantpaymentsecosystem.com

2010 Jan

Square

Provider to merchants: ✓
(Core Service & Wallet)

Vendor to providers: ✗

Accepted Card Brands: VISA, MC, AMEX, DISCOVER

Countries Serving:
United States, Canada, Australia, Japan

Product Names: Square Register
Connection Type: Audio jack card reader
Features: Free secure card reader available after sign up, secure encryption, easy setup, free Square Register app, no setup fees or long-term contracts, funds from swiped payments are deposited directly into bank account within 1-2 business days, includes checkout customization, management tools, data analytics
Verification Method: Signature
Compatibility: iOS, Android

Website: www.squareup.com

2010 Mar

Lightspeed

Provider to merchants: ✓
(Core & Front Office & Back Office & Open API)

Vendor to providers: ✗

Accepted Card Brands: VISA, AMEX, DISCOVER, MC, JCB

Countries Serving:
United States, Australia

Product Name: LightSpeed Mobile
Connection Type: Mobile payments sled, serial port & audio jack card readers
Features: Create new invoices, perform inventory lookups, add or create a customer, scan products with linea-pro hardware, process credit card payments, accept signatures on-screen, email receipts. LightSpeed is the complete retail solution
Verification Method: Signature
Compatibility: iOS

Website: www.lightspeed.com

2010 Apr

Shopkeep

Provider to merchants: ✓

Product Name: Shopkeep