



POSITIVITY magazine

THE OFFICIAL MAGAZINE OF MERCHANT PAYMENTS ECOSYSTEM • ISSUE 80 / JULY 2019



WHAT INFLUENCES MPE 2020 INFLUENCERS?

LIBRA CRYPTOCURRENCY BY FACEBOOK

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Collaborating
to Realize
NextGenPayments
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Culture that enables innovation*	(AI, Machine learning & IoT)
Challengers vs Incumbents - Innovation POV	(Fin-tech startups re-building payments)
New entities on the horizon of PSD2	(Open banking & API's)
Marketplaces & social media commerce	(Changing face of commerce & CX)
Payment innovation in different verticals*	(B2B payments)
TRUST, Security & fraud prevention	(Spotlight on Asia)
Digital Identity 2.0	(Latest trends, technology, & innovations at POS)
Payments compliance 2020	(Tech giants: The growth of Superplatforms)
	(Industry-specific ways to pay: Cards vs. APMs)

*NEW @ MPE 2020



MPE 2020 INFLUENCERS

MPE 2020 conference themes were carefully selected by our highly curated **ADVISORY BOARD:**

Gijsbert Van der Poel / Raiffeisen Bank Int.
 Oksana Korobkina / Yandex.Money
 Silvia Mensdorff-Pouilly / ACI Worldwide
 Carlos Gutierrez Arguello / Demtech Int.
 Steve Cook / Biometrics for eCommerce
 Zachary Powers / FareHarbor & Booking.com
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 Michael O'Loughlin / Token
 Martha Mghendi-Fisher / EWPN
 Melisande Mual / The Paypers
 Dikla Sharabi / Tenengroup
 Paul Adams / Barclaycard
 David Parker / Polymath Consulting
 Christian Bucheli / BS PAYONE
 Debbie Crawford / Mastercard
 Faheem Bakshi / Kinguin
 Ghela Boskovich / Rainmaking Innovation
 Nathan Jackson / Presentify



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VISIONARIES



INFLUENCERS



LEADERS

If you have something great to talk about, tell us all about it and we consider your entry. Present in front of **1,200+** key decision-makers from merchants and payment providers!



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Recommendations from MPE 2020 Advisory Board

WHO INFLUENCES THE MPE 2020 INFLUENCERS?

MPE Advisory Board members are the TOP merchant payments industry personalities with biggest influence on next edition of MPE 2020.

We asked them to share their recipe on how to stay up to date with industry news and trends. See their recommendations below for merchant payment professionals!



Carlos Gutierrez Arguello Open Innovation and Partnership Director Demtech International

RECOMMENDED READING

Q: Could you share with our reader your recipe on how do you stay up to date with industry news and trends?

Payment industry is always changing. I believe it will never be one single source of information that will be able to cover all the entire aspects; nevertheless my main sources of information will come from 4 main areas: 1) Industry experts, these people one is able to find in the daily work, especially if you are related or building deals within banks, financial institutions, events or any other player that might serve as partner, 2) News related to payments that will take care of publically available information, 3) Changes or new law proposals made by local or European regulators and 4) see and establish a

natural conversation with payments users, you will find interesting payments trends that are bases on consumer behavior that later on it could adopted by any actor within the payment industry.

Q: Which is the best source to get daily news?

They are several sources, just to mentioned a few: The Paypers, PYMNTS, Payments Journal, FinTech Business, Payments Cards & Mobile, others.

Q: What is your favorite book you'd recommend to merchant payment professionals?

Curiously this are not books with a "payment related title" on the cover page; but they several methodologies that it can be apply to payments professionals:

1. Bank 4.0. Banking Everywhere, Never at a Bank, by Brett King.
2. Sprint: "how to solve big problems and test new ideas in just five days", by Jake Knapp.
3. Rebel Talent, by Francesca Gino
4. What will Google Do? By Jeff Jarvis.

Yet if you are looking for books, exclusively to payments this is the list:

1. The world of Digital Payments, by Pavlo Sidelov.
2. A Global Guide to FinTech and Future Payment Trends, by Peter Goldfinch.
3. Payment System in the US, by Carol Coye Benson and Scott Loftesness (Note: Although we live in Europe this books explain really well the basics on Payments and that can easily correlate to the European, LATAM or any other environment)

TRENDS/COMPANIES TO WATCH:

Q: Which companies: startups and/or established players you would recommend to our readers to watch/ follow in 2019/2020?

As established player I will mention Amazon, Facebook, Apple, AliPay, Cielo Payment Gateway (Brazil) and Prosa Payments (Mexico)

Regarding growth stage or startup companies I will take a look to Bluecode International, VIPPS, AliPay, PPRO, Advanon, iBanFirst, dividio, Rapyd, Paykey, Token, Stripe and Ripple.

Q: Who are the most inspiring merchant payments Influencers & leaders you would recommend to follow?

This is a really tricky question, usually people related to payments on the merchant side provide few innovation or improvement within the payment ecosystem by ideas or business models that could have generated by themselves.

Even though they are some merchants that are giving to payments a more important role, than just providing a new payment method or business case.

To mention a few of this merchants would be IKEA, Lidl, Lufthansa, Carrefour, Starbucks, Walmart, LG, others.

To mention some names, Karla Allen (Walmart), Heike Birkenbach, (Lufthansa Group SVP), Eric Bailey (Microsoft), Arne Sorenson (Marriott).

MPE 2020 - INSIDER TIPS

Q: Why would you recommend payment professionals to attend MPE2020?

MPE2020 will be a magnificent event with experience people on the payment industry in which any attendee will be able to dialogue, learn and do business. All in one single event.

Q: What are the topics close to your heart in the MPE2020 agenda?

1. European Wallet Alliance: This means that payment methods that before were consider to be local, now they can interoperate allowing the users to pay abroad. This is an initiative started by Alipay and announced at UEFA event in Porto, during the month of June, 2019.
2. "Brave Acquirers "Jumping boarders and attacking new markets: Currently many acquirers are deciding to jump boarder and target not their natural markets since they are seeing several needs on merchant that are not cover by their local services providers. Examples: Elavon, Revolut and many others.
3. Is VISA and MasterCard doing a contingency plan to keep their business running by Acquiring new Fintech players? Visa and MasterCard have already announced the increment on their scheme fees, creating more discomfort on the payment ecosystem and at the same time they see their market share reduce by alternative payment methods. Bringing several questions: Why are they acquiring FinTech? Do they see the need to diversify their business? What is the future of Visa, MasterCard or any Card Based Scheme?
4. Apple becoming a bank by 2020: Many of us saw the big news when Apple lunched the Apple Card in partnership with Goldman Sachs. Currently Apple Pay holds the customer journey
5. Facing Instant Credit Transfer Challenges: In Europe the most advance region for SEPA Instant Credit Transfer is the Nordics, yet in the rest of Europe there is a lack of comprehension and understanding on the business model and technology challenges for such type of transactions.



Zachary Powers

Director of Payments Strategy

FareHarbor & Booking.com

RECOMMENDED READING

Q: Could you share with our reader your recipe on how do you stay up to date with industry news and trends?

- I subscribe to regular digital updates and email mailing lists. I'll mention a few of those in the next section.
- I also try to attend a payments event every few months. This normally includes one annual event per major PSP that we use per year in addition to roughly one or two non-company-specific payments conferences per year, for example, MPE being one of them in 2019

Q: Which is the best source to get daily news?

- I subscribe the #payments hashtag on LinkedIn – super easy to set up
- I also subscribe the following free daily email mailing lists
 - PYMNTS.com
 - TechCrunch (not payments specific but mentioned payments a lot)

Q: What is your favorite book you'd recommend to merchant payment professionals?

- I'm not much a novel reader, but I feel that I have learned most of my knowledge of the payments industry through hundreds of conversations with other payments professional.
- However, I've come across this Skift article multiple times on the travel side of the payments industry: <https://skift.com/history-of-online-travel/>

TRENDS/COMPANIES TO WATCH:

Q: Which companies: startups and/or established players you would recommend to our readers to watch/ follow in 2019/2020?

- FareHarbor! We're turning a once-offline part of the travel industry based on pen and paper into great on-line experiences. We're expanding and hiring! Also, if you know a solid tour and activity provider, feel free to set them our way and we're set up their customers with a seamless online payments experience.

Q: Who are the most inspiring merchant payments influencers & leaders you would recommend to follow?

- I do not actively follow any big leaders, but I'm a fan of some of the marketplace solutions I see in the industry.

MPE 2020 - INSIDER TIPS

Q: Why would you recommend payment professionals to attend MPE2020?

- It's a great opportunity to see the industry – meeting providers and merchants!

Q: What are the topics close to your heart in the MPE2020 agenda?

- One of the things that I value most about MPE is meeting merchants, especially in ecommerce. Benchmarking best practices in payments is helpful to limiting payments growing pains. The merchant break-outs on the agenda are great for that.



Christian Bucheli

Strategy and M&A

BS PAYONE

RECOMMENDED READING

Q: Could you share with our reader your recipe on how do you stay up to date with industry news and trends?

To stay ahead of the curve I regularly attend conferences, networking events, read several newsletters, white papers and often times also drafts of new legislations impacting payments. On top of it I watch specific blogs and speeches online – sometimes also not really about payments but with a potential to impact shopping behaviour.

Q: Which is the best source to get daily news?

I have subscribed to a number of internet newsletters around the world in payments plus receive press clippings and M&A news.

Q: What is your favorite book you'd recommend to merchant payment professionals?

Any edition of Walt Disney Scrooge Mc Duck

TRENDS/COMPANIES TO WATCH:

Q: Which companies: startups and/or established players you would recommend to our readers to watch/ follow in 2019/2020?

Bluecode, Customweb and Fairtiq

Q: Who are the most inspiring merchant payments Influencers & leaders you would recommend to follow?

Dave Birch, Peter Jones, Claude Brun, Nick Santschi, Milan Bartik

MPE 2020 - INSIDER TIPS

Q: Why would you recommend payment professionals to attend MPE2020?

MPE is the key event in merchant payments acceptance in Europe. It allows to learn about the most important trend and network with the entire industry with one single trip to bubbling Berlin.

Q: What are the topics close to your heart in the MPE2020 agenda?

InApp Payments, CheckIn vs Check out, New digital business models, Digital Identity, Biometrics and Device Fingerprinting.

Debbie Crawford

Vice President, Acquirer

Management Europe

Mastercard



RECOMMENDED READING

Q: Could you share with our reader your recipe on how do you stay up to date with industry news and trends?

Like many I am signed up to various newsletters, emails and regular digests, which are all useful ways of staying up to date and keeping abreast of current and future developments. However for me they are usually the trigger that sends me out to my network of colleagues and friends that I have been fortunate to build up over many years. This enables me to dig a bit deeper but also to get some perspective as to what this really means for the payments ecosystem. The combination seems to work well giving a balanced view on what is happening in our industry.

Q: Which is the best source to get daily news?

I am fortunate that mastercard provides a daily digest of payments related topics published by a wide variety of companies and organisations. It enables me to personalise the feeds I get so that I can focus on what is pertinent to my role and areas of interest.

Q: What is your favorite book you'd recommend to merchant payment professionals?

I would like to recommend a book called Brave Not Perfect by Reshma Saujani. The book explores the ways in which girls are urged to play safe from an early age, while boys are encouraged to speak up and take risks, leading to a wealth of women who are held back by their fear of failure. The payments industry has a long way to go in promoting gender equality and diversity and this book tells stories and shares insights that we all need to hear if things are to change.

TRENDS/COMPANIES TO WATCH:

Q: Which companies: startups and/or established players you would recommend to our readers to watch/ follow in 2019/2020?

I would prefer not to single out any specific company as there are so many promising and established players that do great work. However, I generally suggest to watch those companies that are part of our Startpath programme.

Q: Who are the most inspiring merchant payments Influencers & leaders you would recommend to follow?

As a goodwill ambassador for the European Women Payments Network, I am privileged to have met the founders of this inspiring group of women and any one of these could be held up as an inspiring influencer and leader in the payments industry. However, if I have to choose just one, it would be the founder of this amazing movement, Martha Mghendi-Fisher, who I am proud to work with on this Board of Advisors.

It is important to remember that gender equality and diversity are not just the right thing to do but are good for your business too. A diverse workforce brings a wealth of knowledge that enables you to draw on a wider range of experiences and insight.

MPE 2020 - INSIDER TIPS

Q: Why would you recommend payment professionals to attend MPE2020?

There are many great reasons for attending MPE. It is a great opportunity to hear first hand from some of Europe's leading players and to take a real temperature check on what is hot, in the industry. However, for me, I think the biggest benefit is in the opportunity to network: catching up with familiar faces, meeting with customers and making new contacts.

Q: What are the topics close to your heart in the MPE2020 agenda?

Those topics closest to my heart are those that are keeping myself and my customers busy. With the recent EBA announcement on Grace Periods, I still expect Strong Customer Authentication (SCA) to be a topic for 2020, but believe that the conversation to have moved on and for their to be a greater focus on the opportunities that PSD2 has created particularly around Open Banking and the new business models appearing. I also envisage further developments on the use of artificial intelligence and of blockchain in payments. Secure Remote Commerce is also increasingly becoming front and centre and perhaps any developments enhance consumer trust in e-commerce and digital payments are certainly critical.

Mélisande Mual

Managing Director, Publisher The Paypers



RECOMMENDED READING

Q: Could you share with our reader your recipe on how do you stay up to date with industry news and trends?

To stay up to date of industry news and trends I read The Paypers, Financial Times of India, China Daily, China Economic Daily, Xinhuanet, The Economic Times, and China Skinny. Furthermore, I follow the topics presented at leading industry events as MPE, MRC events, Money2020, The Global Payment Summit, Know, Open Banking Forum, and Sibos.

Q: Which is the best source to get daily news?

This might not come as a surprise, the best source for this industry is The Paypers. Other sources I read regularly are, The Financial Times, Techcrunch, and The Verge.

Q: What is your favorite book you'd recommend to merchant payment professionals?

The Must Read for this industry is Everything a Transaction (<https://www.everythingtransaction.com/>), written by Shikko Nijland, Douwe Lycklama (Innopay) and Chiel Liezenberg. Everything transaction is about digitisation and how the Internet offers ever more far-reaching possibilities for digitisation. The authors advocate for a new way of looking at data as the only way to control the ongoing digitisation and platformification. This new way implies a paradigm shift from „the winner-takes-all“ platform model to a model that is based on collaborative advantage. The authors point out that people have the right to be in control of their data, making the book a call to action to everyone to take responsibility and ownership for changing the way we deal with data.

TRENDS/COMPANIES TO WATCH:

Q: Which companies: startups and/or established players you would recommend to our readers to watch/ follow in 2019/2020?

Interesting companies to watch are Adyen (Product Development), Rapyd (ambitious Fintech as a Service road map), Modo Payments (reconciliation capabilities), Banking Circle (Financial Utility offering VAS to PSPs and Acquirers, FX/Virtual Iban/Merchant Lending), PayPal (marketplace development?), Trustly (merge with PayWithMy bank), MuchBetter (e-wallets), Arkose Labs, Signicat (Digital Identity), Feedzai, Simility, and Datavisor (AI/ML decision engines). And of course Libra (not to be underestimated). I hope Libra will increase the sense of urgency among banks to make instant payments the new normal and help them get ready for PSD2/Open Banking and make use of the SEPA API Access Scheme.

Q: Who are the most inspiring merchant payments Influencers & leaders you would recommend to follow?

It is always hard to come up with a list, so let me share a long list with influencers I follow: Pieter van der Does (Adyen) Son Nguyen (OneyTrust), Zennon Kapron (Kapronasia), David Marcus (Facebook), Mark Wallick (Google), Bruce Parker (Modo Payments), Debbie Gamble (Interac), Kaliya Young (Identity Woman), Douwe Lycklama (Innopay), David Birch (Consult Hyperion), Scott Farell (King & Wood Mallesons, Open Banking Australia)

MPE 2020 - INSIDER TIPS

Q: Why would you recommend payment professionals to attend MPE2020?

The event is not too big, focused on merchant payments, making it a great place to meet the right people: both merchants and their service providers.

Q: What are the topics close to your heart in the MPE2020 agenda?

Cross-border payments, securing payments, tokenization, innovation in the way we pay, local payment methods, AI & payments.

Nathan Jackson

Managing Director

Presentify



RECOMMENDED READING

Q: Could you share with our reader your recipe on how do you stay up to date with industry news and trends?

I need a familiarity across the board to know who's doing what, what's coming in the next few months, the impact of regulation etc, so I rely on summary reports so if there's a specific item I need to look into, I can. Analyst reports can be useful as they tend to pull a lot of information together.

Q: Which is the best source to get daily news?

Typically Finextra

TRENDS/COMPANIES TO WATCH:

Q: Which companies: startups and/or established players you would recommend to our readers to watch/ follow in 2019/2020?

It's still a game of consolidation – huge players buying big players, and big players buying early stage niche players to plug gaps. I believe some of the established

players have made real progress from acquisitions over the last couple of years so they can maintain their client base

Q: Who are the most inspiring merchant payments Influencers & leaders you would recommend to follow?

Any of the Advisory Board members apart from me

MPE 2020 - INSIDER TIPS

Q: Why would you recommend payment professionals to attend MPE2020?

As you've highlighted in some of the other questions, there's so much happening in the sector which is challenging to stay on top of. What MPE does really well is get the topics right which brings in the relevant audience, so attendees can have real time with those they need to talk with. The format provides essential time for networking so it's a fantastic way to meet and start conversations with all you need to in the one location.



Faheem Bakshi

Head of Payments

Kinguin

RECOMMENDED READING

Q: Could you share with our reader your recipe on how do you stay up to date with industry news and trends?

As I am working with many PSPs, we often have general discussions about the payment trend. While I have major part of my updates during networking with fintech partners, I also often subscribe to payment news feeds, along with payments journal. Not to forget MPE often keeps me updated for what happened last year and what will happen next year.

Q: Which is the best source to get daily news?

- Techcruch
- The Paypers
- Merchant payment ecosystem portals
- pymnts.com
- Linkedin network
- <https://www.paymentscardsandmobile.com/>
- <https://www.mobilepaymentstoday.com>

Q: What is your favorite book you'd recommend to merchant payment professionals?

- 'Breaking Banks: The Innovators, Rogues, and Strategists Rebooting Banking,' by Brett King
- 'The Age of Cryptocurrency: How Bitcoin and Digital Money Are Challenging the Global Economic Order,' by Paul Vigna and Michael Casey
- How to Win Friends and Influence People

TRENDS/COMPANIES TO WATCH:

Q: Which companies: startups and/or established players you would recommend to our readers to watch/ follow in 2019/2020?

- Coinbase
- Naspers
- Instacart

Q: Who are the most inspiring merchant payments Influencers & leaders you would recommend to follow?

Thats missing to be honest, but I believe you have it all covered in your advisory board

MPE 2020 - INSIDER TIPS

Q: Why would you recommend payment professionals to attend MPE2020?

If you want to be a major part of payments industry, then you should definitely not miss MPE event. You not only keep up with the industry trend, but also new connections to new merchants, payment providers, risk mitigation. There is room for improvement for anyone which can be fulfilled with the presentation and panel discussions by industry experts at MPE.

Q: What are the topics close to your heart in the MPE2020 agenda?

- How does PSD2 looks in 2020
- Why does telco payments important part of fintech industry
- What did we learn from 3D 2.0
- Panel – Is blockchain the next disrupt for the payments industry

Martha Mghendi-Fisher Founder EWPN



RECOMMENDED READING

Q: Could you share with our reader your recipe on how do you stay up to date with industry news and trends?

It is extremely overwhelming. There is an overload of information from every angle. Without proper filtering, it is impossible to take away any useful and crucial parts, leave alone process all this information. I created my own filter. I am subscribed to a few relevant newsletters. When the emails come in, I scan, not read, but scan. If I see something that I want to read in detail, I move the newsletter to a "Read Later" folder, and delete the rest. I have one day a week where I revisit the folder for these articles. Once done, I delete the ones that are relevant and move the interesting articles to "For Future Reference" and delete the rest. I have also scan through different LinkedIn groups for the same. Otherwise, one can spend their whole time reading because there is way too much information.

Q: Which is the best source to get daily news?

Podcasts! I have come to really love podcasts as an alternative to reading. There are so many incredible podcasts out there and the good thing about podcasts compared to reading, is that one can do other things while listening. Once a while, I will proactively source for articles, or books to further expand on a specific topic.

Q: What is your favorite book you'd recommend to merchant payment professionals?

Negotiating with Giants: Get what you want against the odds By Peter D. Johnston. This remains my all time favourite book. It's not specific to payments, but to everyone. It has real-life David & Goliath stories—uncovering the secrets and strategies of successful smaller players can get what they want against the odds. Giants are

part of our lives: private, work or businesses. "Our giant might be a government if we're an unhappy taxpayer, an abusive husband who controls all the money, or a massive corporation if we're a supplier negotiating a critical contract. With the worldwide growth of big business over the past quarter century—propelled by open borders, the efficiency of consolidations and relaxed anti-trust regulations—even a robust smaller business with a few million dollars in sales can find itself standing in the mind-bending shadow of a corporation 50,000 to 100,000 times its size." I would recommend to anyone to read this. It has helped me in both personal ways, but most importantly in running the organisations I run.

TRENDS/COMPANIES TO WATCH:

Q: Which companies: startups and/or established players you would recommend to our readers to watch/ follow in 2019/2020?

The industry is very large and always reinventing itself, so my suggestion is to not tie yourself down to everything, but find the companies or startups that offer solutions that are close to your heart and follow those keenly. There is no single company that fits to every individual. Every person is different. For example, my personal watch/follow is different. While the latest innovations excite me, my goal this year is to follow organisations that are taking tangible action to deal with things that matter e.g. taking actions to tackle unethical transactions that are passing through the rails. Transactions connected to combat modern day slavery, human trafficking, forced prostitution and child pornography. I am also keenly watching organisations that are working hard to deliver inclusive, ethical and sustainable products and services; the vulnerable and new technologies (ensuring older people, the vulnerable & misplaced persons are included in the development of new technologies); deliver inclusive, ethical and sustainable products and services and taking tangible actions to ensure more

diversity & inclusion. My recommendation to MPE readers is to follow such companies keenly.

Q: Who are the most inspiring merchant payments Influencers & leaders you would recommend to follow?

The industry is full of incredible leaders that I admire very much.

Viola Llewellyn- Co Founder of Ovamba

Serey Chea- Director General at National Bank of Cambodia.

Lesley-Ann Vaughan: one of the brains behind Mpesa.

Cameron Trimble- Executive Director Stop the Traffik USA. She is really one of a kind. If you don't know her, please make a point of knowing her. The list is endless.

MPE 2020 - INSIDER TIPS

Christine Bailey

CMO

Valitor



RECOMMENDED READING

Q: Could you share with our readers your recipe on how do you stay up to date with industry news and trends?

It isn't enough to simply read about news and trends, you need to read from a range of sources and perspectives to really understand the issues facing our industry. Different backgrounds and demographics will have varying opinions on an issue, so alternative perspectives are crucial. For me, this means getting opinions from many of the people I respect and admire on LinkedIn and Twitter, but then coupling this with reading high-end trade publications and resources like The Paypers, EPA Newsletter, RFI research and The Nilsson report. I also get a lot of my industry insights from simply speaking to people, from conversations with

Q: Why would you recommend payment professionals to attend MPE2020?

MPE offers a very unique opportunity to learn, share, network, build new relationships, close business deals and get insights on the latest trends and issues happening in the industry. The format is really customised to meet the needs that are specific for merchants/retailers, service providers, acquirers and other stakeholders. It is an invaluable opportunity.

Q: What are the topics close to your heart in the MPE2020 agenda?

Ethical & Inclusive Innovation. Diversity. Leveraging the power of the consumers. The agenda is very diverse and interesting.

my colleagues to the team at my PR agency, Chameleon. Having a conversation with someone shouldn't be underestimated.

Q: Which is the best source to get daily news?

I like to use Owler and paper.li to curate content from industry players and competitors. Sources like www.payments.com, www.paymenteye.com and www.fstech.co.uk provide a useful overview of the latest payments news from an international perspective.

Q: What is your favorite book you'd recommend to merchant payment professionals?

The most recent book that I'd recommend is "Marketing

Rebellion: the most human company wins” by Mark Schaefer. It is a brilliant book for anyone in marketing in the payments industry. Mark Schaefer is spot on about why marketing as we know it, just doesn't exist anymore.

TRENDS/COMPANIES TO WATCH:

Q: Which companies: startups and/or established players you would recommend to our readers to watch/ follow in 2019/2020?

The most exciting companies to watch are those that are changing the payment process. PassFort is a great example of a high growth, disruptor brand, they are currently helping regulators automate their processing. But it's also important to keep an eye on more established players looking to continuously disrupt like Valitor partners, Stripe and Klarna. The payments space is continuously evolving and it's fascinating to see how Valitor itself is continuing to adapt, but also how the industry is moving forward.

Q: Who are the most inspiring merchant payments influencers & leaders you would recommend to follow?

I follow Fintech and payments gurus Chris Skinner and David Birch. These leaders are shaping the future of their industries and therefore you'd be mad not to take note. There are also so many women from the European Women in Payments Network (EWPN), such as Silvia Mensdorff-Pouilly, Martha Mghendi-Fisher, Nadja van der Veer and Andrea Dunlop who continue to teach me so much.

Dikla Sharabi

Director of Shipping & Payments

Tenengroup



RECOMMENDED READING

Q: Could you share with our reader your recipe on

MPE 2020 - INSIDER TIPS

Q: Why would you recommend payment professionals to attend MPE2020?

MPE is the best conference dedicated to the payments industry. You are guaranteed to hear from and meet the most sophisticated thinkers, all talking about the future of payments. It's also the best place to network with colleagues in payments, especially my friends from the European Women in Payments Network (EWPN). I strongly believe in the power of networking and that means immersing yourself at the industry's key events. Don't view it from the sidelines, get involved.

Q: What are the topics close to your heart in the MPE2020 agenda?

I am always keen to hear about the latest merchant research and payments trends as well as what women in the payments industry are up to. The payments industry is so fast-paced, each year at MPE there is a new development to talk about. It's always great to be part of the conversations that are going to shape the future. For me, from a marketing perspective in the payments industry, it is all about how B2B companies can create remarkable and memorable marketing, because if it isn't, it is doomed to fail.

how do you stay up to date with industry news and trends?

Industry trends and standards always change, I listen to our customers and make adjustments according to their problems and expectations. I also read articles, attend conferences as MPE to learn, meet and share thoughts with partners from the payments and the e-commerce industries.

Q: Which is the best source to get daily news?

PSPs and payment solutions companies' websites, 'European Commission' articles and different markets locally sourced reports Regarding finance and legislation.

TRENDS/COMPANIES TO WATCH:

Q: Who are the most inspiring merchant payments Influencers & leaders you would recommend to follow?

I believe that companies such as Amazon and Booking.com make a difference but insights from our PSPs contribute even more for our learning curve and creativity

on market responsiveness.

MPE 2020 - INSIDER TIPS

Q: Why would you recommend payment professionals to attend MPE2020?

The MPE conference Reveals the news and the current flow in the payment industry. It's a perfect place where we can meet venture leaders, learn and find new business opportunities.

Q: What are the topics close to your heart in the MPE2020 agenda?

The topics would be PSD2, how to increase approval rate and minimize risk along with new trends, solutions and APM.

Ghela Boskovich

Head of Fintech & Regtech Partnerships

Rainmaking



RECOMMENDED READING

Q: Could you share with our reader your recipe on how do you stay up to date with industry news and trends?

I'm a huge fan of twitter for staying up to date on news and trends. By following certain publications, and payment influencers, I have a daily curated list of articles and news alerts specific to my interests. But the delightful thing about twitter is that it also provides intel about niche topics, and I can follow – and participate – in con-

versations about what's going on in payments with a wide swath of people who can (and will) challenge my way of thinking.

Q: Which is the best source to get daily news?

My daily reads include Fintech Futures, Medici (formerly Let's Talk Payments), and the Financial Times. Again, I rely on twitter and those I follow for recommendations about the latest news.

Q: What is your favorite book you'd recommend to

merchant payment professionals?

It's not payments or tech related at all, but Zen and the Art of Motorcycle Maintenance by Robert Pirsig is one of my all time favourite books. I have six hardcopies, all annotated, and all have been lent out over the last 25 years. I re-read it this summer, it serves as a good foundation for western philosophy, and reminds me of how my thinking affects my ability to execute. I'd also recommend Aldous Huxley's The Island, as a metaphor for how to blend Western and Eastern philosophy – which is timely as we're seeing the rise of China and Asian payment tech's influence in the industry.

TRENDS/COMPANIES TO WATCH:

Q: Which companies: startups and/or established players you would recommend to our readers to watch/ follow in 2019/2020?

I have a hypothesis that payments is just the killer app for identity – meaning that we'll actually make progress in establishing identity standards and protocols as authentication requirements in payments get solved. For me that means paying attention to KYC and regtech companies, since they're tackling identity head on. Companies like Scanovate, ComplyAdvantage, Trulioo, Identitii, and Sedicii are of particular interest to me. Same goes for those companies offering Banking/Payments-As-A-Service solutions, like Coriunder, Token.io, and even established players like HPS.

Q: Who are the most inspiring merchant payments Influencers & leaders you would recommend to follow?

Dave Birch keeps me in stitches, and he challenges the way I see the world. Conny Dorrestjin is another leader I pay close attention to – she's built a number of successful payment companies including Clear2Pay and now Bankifi. Faisal Khan always seems to know (and share) the latest news and trends. Ann Cairns of MasterCard is always insightful and her leadership style is inspiration-

al. Lizzie Chapman of ZestMoney (based out of India) is doing cool things with EMI payments without cards. And I pay particular attention to what's going on with India Stack's Unified Payment Interface development.

MPE 2020 - INSIDER TIPS

Q: Why would you recommend payment professionals to attend MPE2020?

It's a great place to hear actual case studies presented on stage, which is unique from most other events. I'm a fan of hearing real, tangible examples of how tech has been applied, how companies have worked together: it makes it easier to imagine how to transform and evolve your own business. The content at MPE is rich, it's like an intensive uni course on payments, with tracks that let you curate your own mini-payments degree. It's also a great place to network. The attendees and presenters are welcoming, and I've had many a thought provoking conversation at MPE, not to mention a lot of laughs.

Q: What are the topics close to your heart in the MPE2020 agenda?

I've mentioned it before, yet it bears repeating: identity and authentication. Identity in payments will affect how we ultimately shape self-sovereign identity. It's also critical to increasing financial inclusion.

Regulation is also a fascination for me (my background is regulatory economics), and payments is serving as the first testing ground for Open Banking, which will pave the way for Open Finance (which addresses access to credit). To make a more accessible, inclusive, and just financial system, we need open finance. Again, what's happening is payments sets the foundation for what will happen in credit, and what we learn from payments ultimately will shape our collective financial future.

The content at MPE is rich, it's like an intensive uni course on payments, with tracks that let you curate your own mini-payments degree

David Parker

CEO

Polymath Consulting



RECOMMENDED READING

Q: Could you share with our reader your recipe on how do you stay up to date with industry news and trends?

One of the key ways I stay up to date is through being involved with the Emerging Payments Association. Their breakfast briefings and monthly industry news I find is a great way to keep up to date and briefed on key topics. In addition I try and attend about half a dozen conferences a year and these to me are key at ensuring I am up to date at all times.

Q: Which is the best source to get daily news?

There are so many that I actually filter them into a separate in-box and then go through once a month. Sometimes you can almost spend your whole day just reading news. What I do look at every day is linkedin and the top trending articles there.

Q: What is your favorite book you'd recommend to merchant payment professionals?

The soon to be published Paytech Payments Book as I wrote one of the chapters in it.

TRENDS/COMPANIES TO WATCH:

Q: Which companies: startups and/or established players you would recommend to our readers to watch/ follow in 2019/2020?

Rather than a particular company I think it is a sector and this is PSD2 open banking. There are two sides to this both in terms of payments with PISP but also not so much the pure data aggregation and presentation but how companies are going to use access to the data for credit scoring, supporting underserved and other great new solutions.

- Who are the most inspiring merchant payments Influencers & leaders you would recommend to follow? You have to respect what Nick Ogden has built in Clear-Bank and certainly he always seems to be delivering something new and innovative.

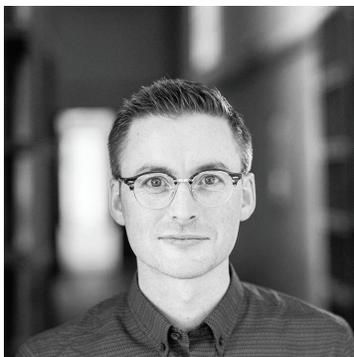
MPE 2020 - INSIDER TIPS

Q: Why would you recommend payment professionals to attend MPE2020?

PSD2 SCA and PSD2 open banking is going to cause the biggest change in merchants payments probably for 30 years if not since cards came on the scene. To keep up with what is happening this of all years will be a must attend year for MPE 2020.

Q: What are the topics close to your heart in the MPE2020 agenda?

For me it will be everything around PSD2 SCA and PSD2 open banking.



Michael O'Loughlin

Vice President, Global Solutions

Token

RECOMMENDED READING

Q: Could you share with our reader your recipe on how do you stay up to date with industry news and trends?

I turn to the usual sources really - networking, meet-ups, industry events, academic journals, blogs. Travelling to different geographies, speaking to new regulators and finding new experiences is also important. If I had to offer one piece of advice, it would be read, and read outside of your comfort zone. Don't limit reading to the banking, tech or fintech space. The real ideas and inspiration occur outside the bubble.

Q: Which is the best source to get daily news?

LinkedIn has become a part of my daily routine and is a great flight planner for staying on top of industry trends. But living it is the advice I give everyone. Speaking to clients, regulators, governments, entrepreneurs, and venture capitalists from across the world gives you the real finger on the pulse. At Token I'm privileged to work with some brilliant people with truly gifted minds. This keeps me on my game. Regular check-ins with the academic field also grounds me to the art of the possible.

Q: What is your favorite book you would recommend to merchant payment professionals?

'Super Intelligence' by Nick Bostrom - I was hooked right from the start with 'the unfinished fable of the sparrows'. This book is a few years old now but with all the advances in technology and in particular Artificial Intelligence, it is a wonderful and necessary read for anyone who wishes to remain and participate in this rapidly evolving ecosystem.

TRENDS/COMPANIES TO WATCH:

Q: Which companies: startups and/or established players you would recommend to our readers to watch/ follow in 2019/2020?

Token (obviously)...I wouldn't be here if I didn't believe that. We have big plans and the world has just seen a glimmer of what is to come. The open banking landscape will quickly become saturated with competitors offering similar solutions and we are gearing up to launch some big differentiators. Watch this space.

However, stepping back and looking at the world of startups, I'd keep an eye on Charlie Delingpole's ComplyAdvantage. His company provide real-time financial crime insights that put the bank in control. Where other solutions in the market were built for a pre-internet age, this startup is aggressively hiring machine learning engineers to implement their global vision.

On a grand scale, I think we're all watching Amazon to see if they really do send 3,000 satellites into space. This could truly change things up on a level most of us haven't even contemplated.

Q: Who are the most inspiring merchant payments influencers & leaders you would recommend to follow?

For pure amusement on Twitter and especially unique insights into the future of Identity, I don't think I'll be alone in recommending Dave Birch.

MPE 2020 - INSIDER TIPS

Q: Why would you recommend payment profession-

als to attend MPE2020?

The speaker line-up never disappoints. You will learn about practical innovation and how it is applicable to you and your team. The networking with payments professionals over a few days was also a highlight. A truly global payments event in my new hometown, Berlin. Kudos to the MPE team!



Oksana Korobkina

CCO

Yandex.Money

Q: What are the topics close to your heart in the MPE2020 agenda?

Open banking, stablecoin, Artificial Intelligence

RECOMMENDED READING

Q: Could you share with our reader your recipe on how do you stay up to date with industry news and trends?

Get a subscription to the newsletters of your favorite sources and create a curated newsfeed for yourself.

Q: Which is the best source to get daily news?

Apart from having a corporate technology for tracking ecommerce news on the internet I check the following sources:

Russian medias Vedomosti, RBC, Kommersant cover ecommerce and retail very attentively. Reading the news in relevant channels of Telegram messenger is also much helpful. As well I can recommend Habr as the main Russian blog about IT.

To keep up with the European news I usually check:

<https://ecommercenews.eu/ecommerce-in-europe>

<https://ecommercegermany.com>

<https://www.adyen.com/knowledge-hub>

Q: What is your favorite book you'd recommend to merchant payment professionals?

Books on human psychology are the key. They help you

understand user behavior; they help manage and motivate employees and even predict market changes because human creations are very dependent on human nature, at least before AI will conquer the world.

To be more specific, I would recommend the following books: PDMA handbook of new product development (Kenneth B. Kahn, Wiley); Dead Companies Walking: How A Hedge Fund Manager Finds Opportunity in Unexpected Places (Scott Fearon); AI Superpowers: China, Silicon Valley, and the New World Order (Kai-Fu Lee).

TRENDS/COMPANIES TO WATCH:

Q: Which companies: startups and/or established players you would recommend to our readers to watch/ follow in 2019/2020?

All the big players as of Adyen, ACI, Worldpay, Ingenico, PPRO and, of course, Yandex.Money and Sberbank.

MPE 2020 - INSIDER TIPS

Q: Why would you recommend payment professionals to attend MPE2020?

It is a unique opportunity to meet all the great minds in the

industry at one place.

Q: What are the topics close to your heart in the MPE2020 agenda?

It would be great to learn more about innovations, payment technology, and opportunities for PSPs.



Silvia Mensdorff-Pouilly

General Manager Europe Processors & Networks ACI Worldwide

RECOMMENDED READING

Q: What is your favorite book you'd recommend to merchant payment professionals?

I think as merchant payment professionals you need to understand human nature because payments are an intrinsic part of our daily lives and our behaviour influences how we pay. I really enjoyed Sapiens, a short history of human kind – include author. There is a beautiful section in the book that explains the relevance of money to our lives. Look it up!

Q: Could you share with our reader your recipe on how do you stay up to date with industry news and trends?

I'm a big fan of social media, both linkedin and twitter. And I use these to identify things that are of interest to me. I look at them every morning and afternoon and pick 2 or 3 articles to read. I also share those articles with my network.

Q: Which is the best source to get daily news?

The Economist and Forbes

TRENDS/COMPANIES TO WATCH:

Q: Which companies: startups and/or established players you would recommend to our readers to watch/ follow in 2019/2020?

The enormous amount of mergers and acquisitions in the merchant acquirer space is fascinating at the moment. Between Global Payments and T systems, FIS and WorldPay

and Fiserve and First Data there is a lot to watch and we're not done. But of course in the PSP space there are some fascinating unicorns like Adyen. And of course, I will always recommend to watch ACI with our unique focus as a payments software company and our universal payment strategy.

Q: Who are the most inspiring merchant payments influencers & leaders you would recommend to follow?

Of course, I am going to recommend to follow Dave Birch he is very insightful and uniquely funny. I also recommend to follow Nadia Van Der Veer and Martha MgHendi my fellow EWPN board member, these ladies have a lot to share about the industry and the importance of diversity.

MPE 2020 - INSIDER TIPS

Q: Why would you recommend payment professionals to attend MPE2020?

For the same reasons i attend MPE – a very insightful conference early in the year with great networking that make it unique.

Q: What are the topics close to your heart in the MPE2020 agenda?

Improving consumer payment journeys and ensuring payments are secure and efficient.

Missed the MPE2019 conference this year?

MPE & AITE group prepared in collaboration the post conference report:

MPE & Aite Group present the REPORT “Collaborating to Realize NextGenPayments”

summarising the key themes from MPE 2019, The leading European payment acceptance conference in Berlin, Feb 19-21. This unique report sheds the light on major themes presented at MPE 2019:

- Next-generation POS
- The new world of PSD2 and open banking
- Alternative payment methods
- Combating fraud and friction at the check-out
- Acquiring 2.0

MPE 2019 report, sponsored by Barclaycard, will guide you through over 140 presentations, panels, and discussions with conference participants as well as existing Aite Group research and market intelligence in payment acceptance.

[Download report here](#)

The image shows the cover of a report titled "MPE 2019: Collaborating to Realize Next-Generation Payments". At the top, the Aite logo is displayed with the tagline "PARTNER. ADVISOR. CATALYST." below it. A prominent orange banner across the middle contains the text "IMPACT NOTE". Below this banner, the date "APRIL 2019" is on the left, and the author's name "Ron van Wezel" with his phone number "+31.6.3629.6515" and email "rvanwezel@aitegroup.com" is on the right. The main title of the report is centered below. At the bottom, it says "Sponsored by:" followed by the Barclaycard logo. A small copyright notice is visible at the very bottom of the page.

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FOREWORD

By Paul Adams, Barclaycard Director of Acquiring, Ireland

The rapid pace of change in payment technology is bringing about a fundamental shift in the way merchants, issuers and acquirers interact to ensure the ideal purchaser experience.

As David Birch, MPE event moderator and renowned commentator on digital financial services, said: “We have no idea what could happen from month to month – which is why MPE has steadily become more valuable over the years. We’re living in a time of change.”

This year’s conference was another great success, with industry leaders sharing their thoughts and insights about how payments are evolving. Here are some of my key takeaways:

1. REMOVING PAYMENT FRICTION

There are unprecedented challenges faced by stakeholders right across the payments ecosystem, which are disrupting the very nature of transactions. Barriers such as 2-factor authentication and payments failure make for a sub-optimal experience that can deter people from making a purchase – it is estimated that up to 25% of customers will abandon the process, according to Mastercard’s Rigo Van den Broeck.

The solution for him, at least, lies in the increased flexibility allowed to merchants through 3DS2, which reduces the authentication barriers – and thus false declines – for the most trusted users.

2. BIOMETRICS WILL BE PIVOTAL

Steve Cook of Biometrics for eCommerce outlined the increasing role that biometrics is playing in innovating the secure payment experience. Not only is it the default entry technique for many digital-only banks – whether face capture or fingerprint recognition – but biometrics is the natural direction of travel for the millennial customer of today, who is driving the industry as a digital native.

The banking industry also shows significant support for the use of biometrics to improve security – in part because it sees an opportunity for increased customer engagement, better goodwill towards their brand, and a longer-term reduction in costs.

3. THE SMARTPHONE REIGNS... FOR NOW

Moderator David Birch’s scenario of the seamless retail store experience – where Internet of Things technology gives the merchant enough data to know who the customer is as soon as they walk in – presented an attractive picture of the near future.

In my opinion, however, the industry needs to agree on the problem it is trying to solve first before trying to stitch these technologies together. Are we looking to capture data on consumers to make the offering more relevant? Are we looking to strip down cost? Or seriously re-engineer the customer journey?

MPE 2019 post conference summary

What's clear is that mobile will be at the centre. Customers might still make the transaction using a different method, but the smartphone is the device that the consumer will return to to register, to authenticate, and to activate their preferences.

4. STAY CUSTOMER-CENTRIC – ALWAYS

Three days and more than 35 sessions later, one common theme across the event became clear: the smartest response to such a changeable payments climate in the face of new regulations, new technology and multiple challenges to security, lies in keeping the customer experience at the front and centre of all decisions.

Customers' expectations are changing rapidly, and we have to use new technologies intelligently to meet those aspirations.

[Download report here](#)

Selection of Merchant Payments' Industry Mergers & Acquisitions Q1 & Q2/2019

March 2019 - FIS and Worldpay As Latest Payments Mega-Deal



Europe's PSD2 regulation is one of the major catalysts, and FIS and Worldpay can play both sides of the open banking game — FIS by leveraging its relationships with banks and Worldpay by leveraging its technology and its familiarity with the European market.

"Worldpay is already working with Mastercard to respond to PSD2. FIS says it's spending about 7.5 percent of its revenue on technology, while Worldpay pours about 10 percent of its revenue back into innovation.

Source: [FIS Global](#)

June 2019 - PPRO buys Allpago



has acquired Latin American counterpart allpago. Financial terms of the deal were not disclosed.

Source: [PPRO](#)

June 2019 - Trustly & PayWithMyBank



Trustly merges with Silicon Valley-based PayWithMyBank to deliver transatlantic online banking payments coverage.

Source: [Trustly](#)

May 2019 - Ethoca & MasterCard



The Ethoca suite of products adds to Mastercard's commitment to drive greater protection in the digital space, integrating with its robust suite of fraud management and security products.

Source: [Mastercard](#)

July 2019 - VISA acquires Payworks



Visa will bring Payworks' cloud-based solution for in-store payment processing together with its CyberSource digital payment management platform to create a fully integrated payment acceptance solution for merchants and acquirers. The joint offering will provide acquirers and payment service providers with a modern, fully white-labeled omnichannel payment management platform.

Source: [Business Wire](#)

Selection of Merchant Payments' Industry News Q2/2019

A New Digital Wallet for a New Digital Currency



Today we're sharing plans for Calibra, a newly formed Facebook subsidiary whose goal is to provide financial services that will let people access and participate in the Libra network. The first product Calibra will introduce is a digital wallet for Libra, a new global currency powered by blockchain technology. The wallet will be available in Messenger, WhatsApp and as a standalone app — and we expect to launch in 2020.

If you have an internet connection today, you can access all kinds of useful services for little to no cost — whether you're trying to keep in touch with family and friends, learn new things or even start a business. But when it comes to saving, sending and spending money, it's not that simple.

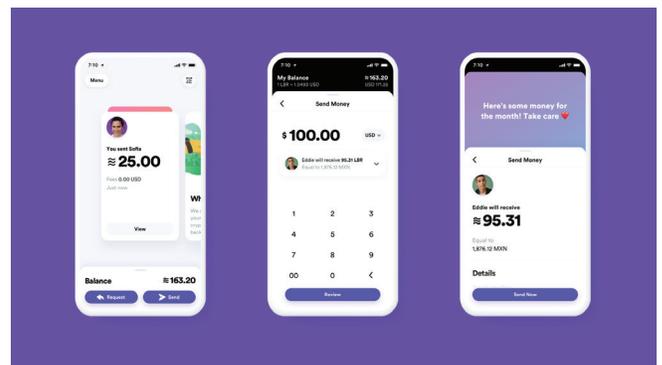
For many people around the world, even basic financial services are still out of reach: almost half of the adults in the world don't have an active bank account and those numbers are worse in developing countries and even worse for women. The cost of that exclusion is high — approximately 70% of small businesses in developing countries lack access to credit and \$25 billion is lost by migrants every year through remittance fees.

This is the challenge we're hoping to address with Cal-

ibra, a new digital wallet that you'll be able to use to save, send and spend Libra.

From the beginning, Calibra will let you send Libra to almost anyone with a smartphone, as easily and instantly as you might send a text message and at low to no cost. And, in time, we hope to offer additional services for people and businesses, like paying bills with the push of a button, buying a cup of coffee with the scan of a code or riding your local public transit without needing to carry cash or a metro pass.

Here's a sneak peek at what the experience of using Calibra will be like:



When it launches, Calibra will have strong protections in place to keep your money and your information safe. We'll be using all the same verification and anti-fraud processes that banks and credit cards use, and we'll have automated systems that will proactively monitor activity to detect and prevent fraudulent behavior. We'll also offer dedicated live support to help if you lose your phone or your password — and if someone fraudulently gains access to your account and you lose some Libra as a result, we'll offer you a refund.

We'll also take steps to protect your privacy. Aside from limited cases, Calibra will not share account informa-

tion or financial data with Facebook or any third party without customer consent. This means Calibra customers' account information and financial data will not be used to improve ad targeting on the Facebook family of products. The limited cases where this data may be shared reflect our need to keep people safe, comply with the law and provide basic functionality to the people who use Calibra. Calibra will use Facebook data to comply with the law, secure customers' accounts, mitigate risk and prevent criminal activity.

We're still early in the process of developing Calibra. Along the way we'll be consulting with a wide range of experts to make sure we can deliver a product that is safe, private and easy to use for everyone. But we're excited to share this early glimpse and we'll share up-

dates along the way. In the meantime, if you'd like to be among the first to know when Calibra is available.

This announcement contains forward-looking statements regarding our future product and business plans and expectations. These forward-looking statements may differ materially from actual results due to a variety of factors and uncertainties, many of which are beyond our control. Please note that the date of this announcement is June 18, 2019 and any forward-looking statements contained herein are based on assumptions that we believe to be reasonable as of this date. We undertake no obligation to update these statements as a result of new information or future events.

Source: [Facebook](#)

NatWest launches NatWest Tyl



NatWest has announced the launch of NatWest Tyl, a new, innovative approach to merchant acquiring, designed to make it easier for customers to run their business.

Alongside straightforward customer on-boarding, simple pricing and next working day settlement, Tyl will provide smart data-led insights to help customers make informed business decisions. Customers will have access to a sophisticated card acquiring capability (in-store and online), as well as tools to help them manage and grow their business and give back to their communities.

The Tyl team have worked collaboratively with SME customers to design and deliver this new proposition. It is currently live with a small number of NatWest customers and will be available to all merchant acquiring customers later this year.

Commenting on the launch Alison Rose, Deputy CEO NatWest Holdings, and CEO Commercial & Private Banking, said:

"We are really excited to launch NatWest Tyl, the latest in a number of innovative offerings that we have brought to our customers recently. With a constantly evolving banking and technology landscape, we are working hard to offer new customer-focused solutions.

Developing our own merchant acquiring and payments proposition is an important step forward and reiterates our commitment to harnessing the revolution in new technologies so that our customers can remain focused on growing their businesses."

Commenting further, Paul Thwaite NatWest MD, Sales, Specialist Businesses and Business Banking said:

"NatWest Tyl is designed to help make it easier for customers to run their business. By combining technology and smart data-led insights, NatWest Tyl helps SMEs make informed decisions to manage their businesses more successfully and gives them tools and insights to help them grow".

Source: [RBS](#)

Marriott Faces \$125 Million GDPR Fine Over Mega-Breach

Britain's privacy watchdog has previewed a suggested fine of £99 million (\$125 million) under the EU's General Data Protection Regulation against hotel giant Marriott for its failure to more rapidly detect and remediate a data breach that persisted for four years.

The massive data breach exposed approximately 339 million customer records globally, of which about 30 million related to residents of 31 countries in the European Economic Area and 7 million to U.K. residents, Britain's Information Commissioner's Office said on Tuesday. The ICO enforces the country's data protection

laws, including GDPR. The massive data breach exposed approximately 339 million customer records globally, of which about 30 million related to residents of 31 countries in the European Economic Area and 7 million to U.K. residents, Britain's Information Commissioner's Office said on Tuesday. The ICO enforces the country's data protection

bers, email addresses, passport numbers, and, in some cases, encrypted payment card information. Marriott says the breach appears to have begun with a 2014 network hack of Starwood Hotels & Resorts Worldwide, which Marriott acquired in September 2016 for \$13 billion (see: Marriott's Mega-Breach: Many Concerns, But Few Answers).

Marriott says it has been assisting the ICO with its investigation and has overhauled aspects of its security program since discovering the breach.



Data Protection Failure

The ICO says Marriott's security practices and procedures failed to protect personal information. "The GDPR makes it clear that organizations must be accountable for the personal data they hold," says U.K. Information Commissioner Elizabeth Denham. "This can include carrying out proper due diligence when making a corporate acquisition, and putting in place proper accountability measures to assess not only what personal data has been acquired, but also how it is protected."

laws, including GDPR.

The previewed GDPR fine was first revealed on Tuesday when Marriott International, based in Bethesda, Maryland, said in a filing with the U.S. Securities and Exchange Commission that "the U.K. Information Commissioner's Office (ICO) has communicated its intent to issue a fine in the amount of £99,200,396 against the company in relation to the Starwood guest reservation database incident that Marriott announced on November 30, 2018."

Marriott said the long-running breach exposed such information as names, mailing addresses, phone num-

bers, email addresses, passport numbers, and, in some cases, encrypted payment card information. Marriott says the breach appears to have begun with a 2014 network hack of Starwood Hotels & Resorts Worldwide, which Marriott acquired in September 2016 for \$13 billion (see: Marriott's Mega-Breach: Many Concerns, But Few Answers).

Under GDPR, EU data protection authorities, including the U.K.'s ICO, can fine organizations up to 4 percent of their annual global revenue or £17.9 million (\$22.5 million) - whichever is greater - if they violate Europeans' privacy rights, for example, by failing to secure their personal data. Separately, organizations that fail to comply with GDPR's reporting requirements also face fines of up to £9 million (\$11.2 million) or 2 percent of annual global revenue. Regulators can also withdraw an organization's ability to process Europeans' personal data.

"Personal data has a real value so organizations have a legal duty to ensure its security, just like they would do with any other asset," Denham says. "If that doesn't

happen, we will not hesitate to take strong action when necessary to protect the rights of the public.”

The proposed fine against Marriott is equivalent to just 0.006 percent of the hotel chain’s 2017 revenue.

Marriott Plans to Contest Fine

Marriott has the right to respond to the proposed fine before the ICO makes its final determination. In a statement, Marriott says it “intends to respond and vigorously defend its position.”

“We are disappointed with this notice of intent from the ICO, which we will contest,” says Arne Sorenson, president and CEO of Marriott. “We deeply regret this incident happened. We take the privacy and security of guest information very seriously and continue to work hard to meet the standard of excellence that our guests expect from Marriott.”

Marriott said in a prior SEC filing that it had taken out a cyber insurance policy prior to the breach being discovered.

The ICO has been the lead European supervisory authority probing the Marriott breach on behalf of other EU member states. Under the “one stop shop” provisions of GDPR, the hotel chain will face only a single EU fine. But besides Marriott, data protection authorities in other European countries where residents were affected by the breach will also be allowed to weigh in on the fine proposed by the ICO before it gets finalized.

Multiple U.S. state attorneys general are also probing the Marriott breach.

Hotel Chain Retires Breached System

Marriott reported that as of Dec. 31, 2018, Starwood-branded hotels are no longer using the Starwood reservation system that had been breached. “With the completion of the reservation systems conversion undertaken as part of the company’s post-merger integration work, all reservations are now running through the Marriott system,” the company said earlier this year.

Starwood brands include: W Hotels, St. Regis, Sheraton Hotels & Resorts, Westin Hotels & Resorts, Element Hotels, Aloft Hotels, The Luxury Collection, Tribute Portfolio, Le Méridien Hotels & Resorts, Four Points by Sheraton and Design Hotels.

Follows Preview of BA Fine

News of the suggested fine by the ICO against Marriott

arrived one day after the regulator said it is planning to fine flagship carrier British Airways a record-setting £184 million (\$230 million) for security failures that helped precipitate two breaches last year - one in June, the other in October. The breaches involved attackers installing malicious code on BA’s site that rerouted customers to a fraudulent site that stole their personal details, including payment card data (see: British Airways Faces Record-Setting \$230 Million GDPR Fine).

The ICO’s investigation has found that the breaches exposed personal data for 500,000 BA customers.

The proposed fine against BA is equivalent to 1.5 percent of the airline’s 2017 annual revenues.

Parent company International Airlines Group says it plans to contest the fine. “We are surprised and disappointed in this initial finding from the ICO. British Airways responded quickly to a criminal act to steal customers’ data,” said Alex Cruz, chairman and chief executive of BA.

But Denham said BA had failed to put proper safeguards in place to protect customer data.

“People’s personal data is just that - personal. When an organization fails to protect it from loss, damage or theft it is more than an inconvenience,” she said. “That’s why the law is clear - when you are entrusted with personal data you must look after it. Those that don’t will face scrutiny from my office to check they have taken appropriate steps to protect fundamental privacy rights.”

First Major GDPR Fines Have Landed

The proposed BA and Marriott fines are the first major data breach fines to be announced since GDPR went into full effect on May 25, 2018.

What accounts for the delay? In fact, it’s been expected (see: Marriott Mega-Breach: Will GDPR Apply?).

Historically, many major data breach investigations have taken a year or more to conclude. But the proposed fine against Marriott has been announced only eight months after the breach was reported to regulators, while the proposed fine against BA was announced 10 months after it reported the first breach.

Source: [Bank Info Security](#)

Facebook's cryptocurrency Libra provokes a firestorm on Capitol Hill



Facebook's cryptocurrency Libra has the potential to increase currency and payment-system competition globally. Not surprisingly it's provoked a firestorm of concern and protest from regulators, politicians, and a medley of activists.

Addressing the House Financial Services Committee July 10th Fed Chairman Jerome Powell declared Libra potentially a "systemic risk" raising "serious concerns regarding privacy, money laundering, consumer protection and financial stability." Bank of England governor Mark Carney warned it wasn't going to start unless it was "rock solid." French Finance Minister Bruno Le Maire

thundered he would prevent Libra from becoming "a sovereign currency that could compete with the currency of states."

Governments protect their currency monopolies. Liberty Dollar founder Bernard von NotHaus was prosecuted and convicted of making and distributing coins resembling U.S. coins. The North Carolina Western District U.S. Attorney lambasted Liberty Dollar as "a unique form of domestic terrorism" attempting "to undermine the legitimate currency of this country."

Facebook has managed to attract political ire on both

sides of the political aisle.

Senate Banking Committee Ranking Member Sherrrod Brown mocked Libra as “monopoly money.” House Financial Services Chair Maxine Waters worries it might be intended “to establish a parallel banking and monetary policy system to rival the dollar.”

The day after Powell’s comments President Trump weighed in tweeting “We have only one real currency in the USA,” “it will always stay that way” and that “Facebook Libra’s ‘virtual currency’ will have little standing or dependability.”

Friends of Earth-US, U.S. PIRG, the powerful public-sector union SEIU, et al demanded a moratorium on Libra pending addressing a laundry list of concerns. Some contended Libra was “too dangerous to be permitted to proceed.”

Few argue against more payment-system competition. Currency competition, however, doesn’t square with monetary economic orthodoxy, and, is alien to most Americans. But, the dollar circulates in countries like Ecuador, Panama and Zimbabwe. Hong Kong’s currency is tied to the dollar through a currency board. In *Denationalisation of Money: The Argument Refined*, Nobel-Prize-winning economist Friedrich Hayek advocated permitting private currencies to compete with government fiat money.

Designed as a global digital currency Libra could do just that. It will be a “stablecoin” backed by a reserve of fiat currencies deposited at banks and short-duration government securities. Tying it to a hard asset like gold would have been bolder but also more threatening to central banks. In contrast, Bitcoin is backed by nothing more than the hope there’s a greater fool willing to buy it for more. Cryptocurrencies Tether and Pax promise to redeem each token for a dollar. Libra, however, is designed more like a mutual fund than demand-deposit liability, perhaps to reduce the risk of being regulated as a bank.

Libra’s manifesto recites a litany of do-good pieties. One doesn’t have to be a cynic, however, to understand Facebook’s commercial motivation. Libra could enable the social-media giant to increase engagement, advertising effectiveness and commerce velocity. It could pay users Libra to watch ads and discount ads and payment fees paid in its digital currency.

Notwithstanding for the moment often weak smartphone penetration, emerging markets with weak currencies, banking and payments systems present an enticing opportunity to boost commerce. In Venezuela

with a million-percent-plus inflation Libra might be an attractive store of value, unit of account and means of payment. Activists worry about Libra’s impact on developing countries’ monetary policies. One of the best things that could happen to countries with debased fiat money would be robust currency competition and losing control of their monetary policy.

Libra will be controlled by a Geneva-based association, not directly by Facebook. Geneva conveys neutrality. Washington prevents US-headquartered Visa, Mastercard and PayPal from operating in North Korea, Iran, Syria and Crimea. The governance model is intended to allay fears it’ll be controlled by the social-media Gargantua and create a broad ecosystem of support and participation.

Authorized resellers will buy and sell Libra, supporting processing exchanges and institutions. In the US resellers and processors at a minimum are likely to be regulated as money transmitters.

Facebook will have its own digital wallet for Libra Calibra, integrated with Messenger and Whatsapp. If Libra gets traction Google Pay, Apple Pay, Samsung Pay and PayPal will likely support it.

The two genuinely global retail-payment networks Mastercard and Visa joined the Libra association. While a new currency per se wouldn’t hurt them, a widely-adopted electronic-payment system would. In the tent they signal they’re open to payments innovation and give a di rigueur nod to Facebook’s litany to more financial inclusion. Attaching Mastercard and Visa debit cards to Libra accounts would give it instant global acceptance, albeit in fiat currencies. But, if several billion Facebook users used Libra for retail payments and to transfer funds to friends and family, it’d be catastrophic for traditional retail-payment and money-transfer systems.

If Libra runs the regulatory gauntlet in enough jurisdictions, it still faces an enormous challenge. Unless and until Libra achieves network critical mass it offers little value to anybody. In payments finding a path to critical mass isn’t easy, particularly in markets well-served by established systems. Most new payment systems, notwithstanding being putatively more secure, cheaper, or in some other respect superior, fail.

Libra threaten and stress existing systems. No bad thing. A credible, lightly-regulated, new global currency and payment system would force existing currencies and payment systems to perform better.

Author: Eric Grover, Principal, Intrepid Ventures

Are Alipay and China UnionPay the future of European payments?



In the payment field as in many others Europe has been rich with past initiatives to establish a Europe-based payment system for years but has met little success. Now, Europe has been sidelined to an observer position in the fight between world superpowers for payment supremacy.

While current leading payment schemes, Visa, MasterCard, American Express, ... focused on credit and debit cards, they are not the leaders in mobile wallets: key players in the NFC-based mobile wallets are Apple, Samsung and Google, while WeChat and Alipay have reached a pole position when it comes to QRcode based systems.

A set of European mobile wallet operators Bluecode, ePassi, Momo Pocket, Pagaqui, Pivo and Vipps, who claim to have 5 million users in 10 European countries, from Finland to Portugal, have just announced they are making their technologies interoperable. The path to interoperability has been made easy as they are all already working with Chinese giant Alipay and are using a unified QRcode technology. These six mobile wallet operators claim that around 190,000 merchants in Europe accept payments from their systems and directly from Alipay for Chinese visitors.

In terms of transaction volume, the battle for mobile payments is already over: mobile payments in the US accounted for US\$ 161 billion (EUR 142 billion) in 2018 while they were 250 times more important in China with US\$ 40 trillion (EUR 35 trillion) payment volume at

the same time, according to Medici.

The technology shift between traditional payments and mobile payments might be on its way: Juniper Research anticipates that the number of people using digital wallets will increase from 2.3 billion this year to nearly 4 billion, or 50% of the world's population, by 2024.

Chinese players have been trying to set foot in Europe already for some time. One may remember that Chinese leading players have taken many initiatives in Europe. Alipay has been granted an electronic money license in Luxembourg, after having signed an agreement with Barclaycard to expand its acceptance network in the UK. Alipay is said to have tripled its number of merchants in Europe to "tens of thousands" in 2018.

WeChat Pay has identified Europe as a key growth market, with a first focus on making shopping easier for Chinese tourists in Europe.

China UnionPay is not left behind: in the first half of 2019, UnionPay set up an alliance with Worldline expanding its acceptance network to an additional 46,000 merchant locations across Europe and has signed an agreement with UK FinTech Tribe Payments to allow European financial institutions to issue UnionPay branded credit and debit cards. More globally, UnionPay has entered a partnership with ACI Worldwide with the goal of "promoting QR code payments" without giving further details. UnionPay's global network has extended to 174 countries and regions. Furthermore, this covers 52 million merchants and over 2.6 million ATMs worldwide.

When Europeans will pay with Alipay, communicate with Huawei and travel on Comac C919, we will start to wonder why we have not been able to develop European-rooted world-level players.

Author: Thierry Spanjaard, Smart Insights
Source: [Smart Insights](#)

Infographic: Libra cryptocurrency by Facebook

Facebook has officially revealed plans for its much anticipated global cryptocurrency LibraCoin, with the backing of a number of major companies.

Facebook's ambitions for the new currency, called LibraCoin, were made clear as it claimed 1.7 billion people around the world without a bank account would be able to use it to make instant and nearly free international money transfers from their mobile phones.

With traditional banks and the other large technology

companies sitting on the sidelines for now, and with regulators taking a cautious approach to digital currencies, Facebook on has began the task of persuading merchants to use Libra as a means of payment and consumers to see it as a safe store of value.

Author: Alex Rolfe, Payments, Cards & Mobile

Source: [Payments, Cards & Mobile](#)



libra



Cryptocurrency

By Facebook (In 5 Minutes)

Mission of Libra

A simple global currency and financial infrastructure that empowers billions of people.

Revamp money. Revolutionize the Global Economy. For better lives.



Vision of Libra

Libra is a cryptocurrency built on blockchain technology, with which one can send, spend, and secure their money. It allows a more comprehensive global financial system.

Role of Libra

It works to evolve and scale the network and reserves. It supports financial inclusions worldwide. It collaborates with global communities and policymakers to help the Libra Mission.



Why Libra?

Of 7 billion people 1.7 billion are unbanked.
That's 31% of the global population.



For those who do have access costs are high. On average, it costs 7% to send money

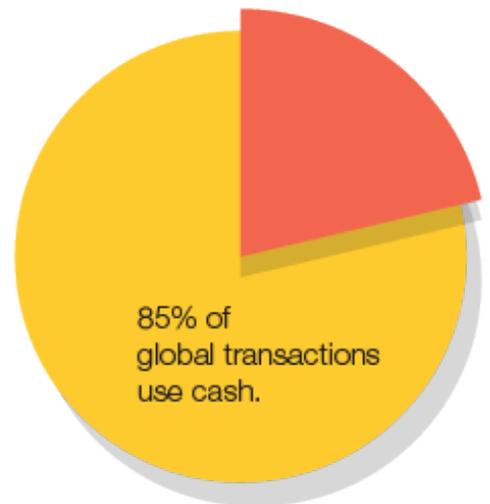


For those who do have access costs are high. On average, it costs 7% to send money internationally.



The world still runs on cash. 85% of global transactions use cash. Cash can be hard to move around, and easy to steal.

US retail businesses lose about \$40 billion annually due to the theft of cash.



85% Cash Transactions

15% Digital Transactions



And costs are higher for the poor. On average, the unbanked pay \$4 higher fees per month for cash access.

Access to digital financial services can have a BIG impact. Add \$3.7 trillion to developing economies. And create 95 million new jobs.

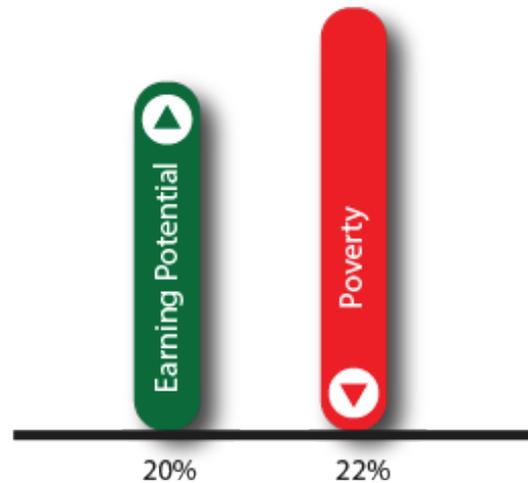


No matter who you are,
where you live and what you do.
Libra is built to make money
work for everyone.

Because when everyone has access
to the services they need, we all thrive.



It improves
people's
income earning
potential by 20%,
reduce extreme
poverty by 22%.

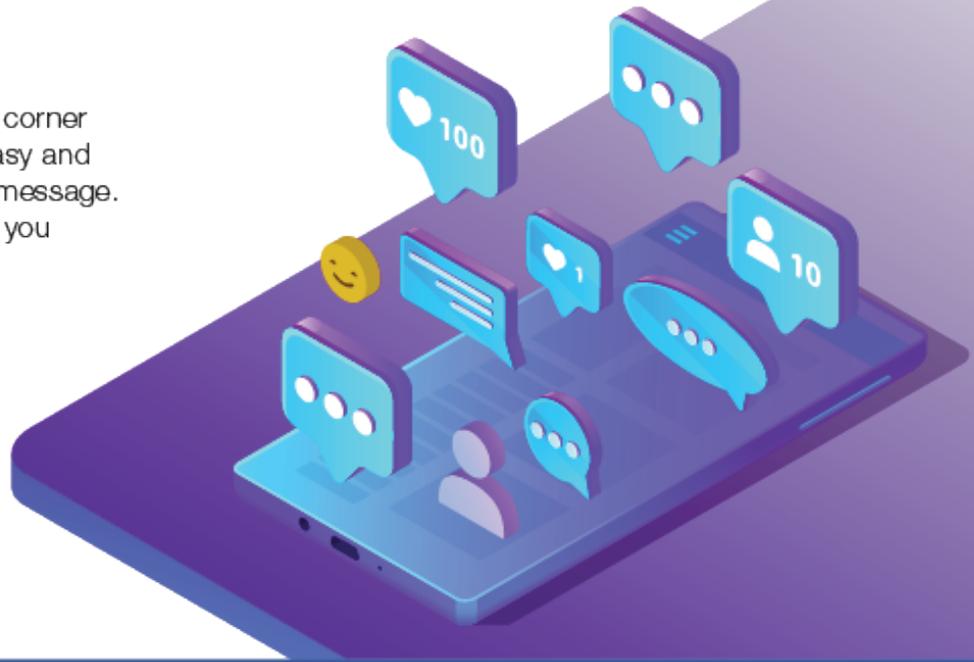


Libra for everyone

Transferring money to every corner
of the world should be as easy and
as cheap as sending a text message.



Transferring money to every corner of the world should be as easy and as cheap as sending a text message. It doesn't matter how much you earn or what you do.



Mobile

To access Libra all you need is a smartphone and data connectivity.



Stable

A reserve is made for Libra as a backup to ensure its stability.

FAST

Transactions through Libra are quick and easy, no matter where you are spending, or sending, your money.



For the world

Libra is a global cryptocurrency that will be available around the world.

Secure

Libra is a cryptocurrency build on blockchain technology keeping security in mind.



Scalable

Libra will promote an ecosystem of products and services made to help people use Libra in their Day-to-Day lives.



A closer look at

The Libra Reserve

For every Libra created, a basket of assets and currency is held in the Libra Reserve. This helps in building trust in its inherent value.





The **L**ibra **B**lockchain

A network of Validator nodes operate the Libra Blockchain. The progress of the blockchain is controlled by founding members of the Libra Association.



Libra **A**ssociation

Libra association has its headquarters in Geneva, Switzerland, it is an independent, nonprofit membership organization.

Move Programming Language

The Move is a safe and flexible programming language for Libra Blockchain. It is an executable bytecode language used to implement transactions and contracts.



Security & Privacy on Libra Network

Libra is a cryptocurrency build on blockchain technology keeping security in mind.

The association itself is not involved in processing transactions and does not store any personal data of Libra users.



Commitment to Compliance & Consumer Protection

The Libra association contemplates to work it with policymakers as the ecosystem is progressed and operationalized, as the statutes adapt to innovations and other changes.

Moving Toward Permissionless Consensus

A defined set of institutions can shape harmony and governance, and permissionless systems. One who follows the protocol and bestows the right type of resources can do so.





State Machine Replication in Libra Blockchain

LibraBFT is built on HotStuff, a protocol that leverages decades of scientific advances in Byzantine fault tolerance (BFT) and achieves the strong scalability and security properties required by internet settings.

Network of partners

Members of the Libra Association are validator nodes that operate the Libra Blockchain. This initial group of organizations will work together to finalize the Libra Association's charter and will become the association's Founding Members upon its completion.

The central logo is the Libra logo, consisting of three blue wavy lines above the word "libra" in a blue sans-serif font.

Surrounding logos include:

- MERCY CORPS
- Women's World Banking
- kiva
- vodafone
- BOOKING HOLDINGS
- USV Union Square Ventures
- ANDREESSEN HOROWITZ
- Ribbit Capital
- THRIVE CAPITAL
- FARFETCH
- VISA
- lyft
- Uber
- stripe
- BREAKTHROUGH INITIATIVES
- PayU
- ebay
- Spotify
- mercado pago
- ANCHORAGE
- coinbase
- xapo.
- PayPal
- CREATIVE DESTRUCTION
- BisonTrails
- facebook | calibra

Libra white paper

The main motto of Libra is to enable a simple cryptocurrency and a financial foundation that entitles billions of people.

Checkout Libra White Paper - <https://libra.org/en-US/white-paper/>

Sources:
<https://libra.org/>
<https://www.freepik.com>

Presented by:



<https://mrbtc.org/>

China's UnionPay: Hitting the Beaches in Europe

The irony of it all: Mastercard and Visa struggle to issue in China because of regulatory constraints while UnionPay moves into Europe. Go figure.

According to the Financial Times, UnionPay is launching a Mastercard/Visa-like model in Europe as MC and V still await issuing approval in China.

China UnionPay, the world's biggest card issuer, is to start offering debit and credit cards in Europe for the first time as the Chinese state-controlled giant continues its global expansion to challenge Visa and Mastercard.

UnionPay, which has issued more than six billion cards in China, has partnered with Tribe Payments, a new UK based back-office technology startup to allow banks and fintechs to start offering individuals and companies its branded cards.

Tribe Payments offers a variety of card services; its platform originally supported Mastercard and Visa, and now, the first in Europe for UnionPay.

This agreement shows UnionPay's intent to compete with the major card schemes in Europe, said Suresh Vaghjani, the founder of Tribe. "This is the first time European insti-

tutions will be able to put UnionPay cards in the hands of people on the street."

The Chinese group has been expanding internationally in recent years, mainly in Asia, and says its cards are accepted by more than 41 million merchants and 2 million ATMs in 170 countries, 40 of which are in Europe.

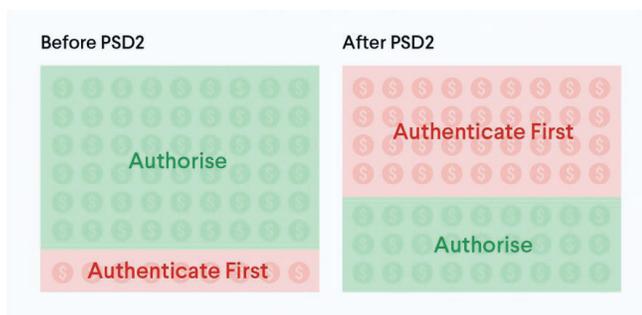
Acceptance is one thing. That is accomplished either directly or through bilateral arrangements such as Discover.

UnionPay's new move comes amid intensifying competition in its home market from digital payment groups such as Ant Financial's Alipay and Tencent's WeChat Pay. The two have dislodged UnionPay from its dominant position online, robbing it of fee income and valuable transaction data from consumers who have switched from traditional plastic to mobile phones.

High Street banks prepare for a new product offering coming to a bank near you. U.S. issuance may soon follow, but whatever happened to letting U.S. banks issue in China?

Author: Brian Riley, Director, Credit Advisory Service,
Mercator Advisory Group
Source: [Payments Journal](#)

Next steps for online sellers after PSD2 comes into effect



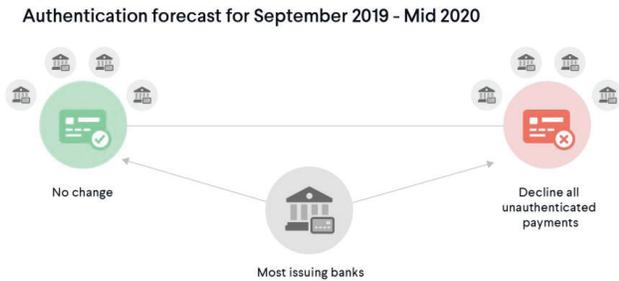
How should you handle payments after September 14?

Read our recommended next steps to manage the next 12-18 months of uncertainty.

There's not long to go now until the deadline for the Second Payments Directive (PSD2). Like it or not, online sellers are facing the reality of forced authentication on most payments from customers.

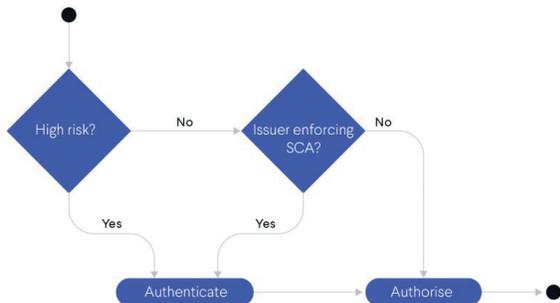
This is a complete reversal of the current situation. Now, sellers are only sending the very highest fraud risk payments to authentication, after 14th September they will

only be able to avoid authentication on payments with the least risk.



Many online sellers are concerned about the added friction of authentication costing them business. Rightly so... one in five payments authenticated through 3D Secure is lost.

Smooth, sensible authentication is on the horizon. To achieve better security without making a huge dent in the online economy, the method for authentication is getting an upgrade to 3D Secure 2. The newest version will enable exemptions from authentication, allowing



you to avoid adding friction for your genuine customers.

But this is still a long way off, and heavily dependent on card issuer actions. At Ravelin, we're only expecting card issuers to support specific exemptions from late 2019 or maybe even later. Three different versions of 3DS will coexist until the end of 2020 with a wide variation in adoption until then.

So what should you do in the meantime to manage the next 12-18 months of uncertainty?

For now, watch how issuers handle payments. Until you have full access to exemptions, you need a short-term strategy. As the card issuer has the final say on payment authorization, knowing how they're likely to act will be critical to giving customers a smooth journey.

Immediately after the deadline, card issuers are likely to either put a blanket authentication requirement on everything, or simply carry on as normal. If a card issuer accepts your authorization without authentication, they have given an implicit exemption on that payment.

At first, we're expecting most issuers to be at either end of the scale.

Exemptions won't be relevant until later, so the best course of action is to straight authorize and avoid authenticating as many payments as possible.

But - if you try to authorize a payment and the issuer soft-declines and requests authentication, this gives your customer a bad experience, plus it might end up costing you more. How can you make sure you authenticate only the right payments before an issuer forces your hand?

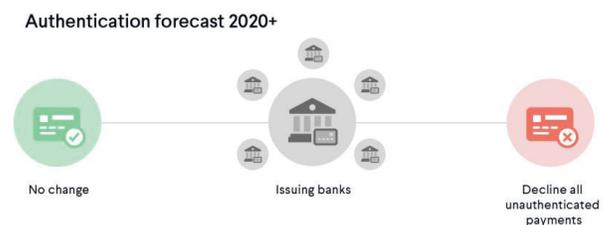
Keep an eye on how individual issuers handle payments and avoid unnecessarily asking genuine customers to authenticate. Closely monitor and report on your authorisation acceptance rates by card issuer so you can stay ahead of their changing behavior trends.

Of course, issuers will gradually move into the middle ground - the grey area between authenticating everything or nothing. When these issuers do start changing how they handle payments, you need to make sure you avoid a rise in soft declines.

2020 and beyond: what's the future for payment routing?

Over time, things will become less black and white as issuers establish which payments they'll require authentication for. After the dust settles on PSD2, you want to use the authentication method with the least possible friction every time.

As issuers migrate to a new 3DS version, you need to know as soon as possible so you can start sending all the extra data and using exemptions as soon as you can. Leading businesses will be keeping a close eye on issuers and preparing for the changes early on. To learn



more about how we're collecting issuer intelligence and optimizing payment routes check out Ravelin Accept.

The forced authentication under PSD2 will have a huge effect on the EU's 300 million online shoppers, and the online businesses that serve them. These tighter controls will also cause a 'Frexit': a ripple effect as fraudsters move to the easier targets of less secure payments made by non-European issued cards.

As the deadline approaches, have you done all you can to prepare your business for the change?

Author: Jessica Allen, Content Marketing Manager, Ravelin
Source: [Ravelin](#)

How licensed fintechs change the B2B payment

During the Merchant Payments Ecosystem Conference, Bankingblocks' CEO, Daria Rippingale, spoke about how licensed fintechs change the game of B2B payments, core banking, trust and putting lipstick on pigs.

Traditional banks lose their shine

Brick and mortar business models are hopelessly outdated, and the advancements in technology and digitisation of traditional services have created a huge shift in all world markets; even transforming entire industries. Investors have been pouring billions of pounds into financial technology businesses, which means there has been an explosion of modern, consumer-driven technical products hitting the market. Banks, however, have not been on the same trajectory; traditionally the dominant players, they were now faced with increasing regulatory pressure and changes, and have not been investing in infrastructure at the same speed as the fintech industry. Banks are only just now realising the heavy impact this is having on their market position, and that serious changes are needed urgently if they still want to be - and stay - relevant in the 21st century.

Driven by new regulations like GDPR and PSD2, consumer demand and the threat of new fintech players, banks are finally making some changes. They are, however, weighed down by old infrastructures and old ways of thinking, which spawned a huge opportunity for challengers and licensed fintech players to swoop in.

Fintechs and challenger banks are making their move

Licensed fintechs and challenger banks are targeting primary B2B pain points by focusing on ways to improve their businesses; higher speed transactions and lower

costs, more readily available information and transparency. Advanced technology and financial licensing make it possible for these fintechs and challengers to offer their clients the best of both worlds. Their use of advanced technology allows them to flexibly adapt to new trends and/or regulations, easily integrate with worldwide networks, focus on reporting, connectivity and modularity, and to reduce the cost of services while speeding up onboarding and customer support.

Financial licensing on the other hand, allows for direct provision of payment services without a banking license, grants access to SEPA and SWIFT transfers, card schemes and alternative payment methods, and allows licensed fintechs to replace the banks in B2B payments.

The solution is not to slap lipstick on a pig

Banks have joined the race to modernise their core banking later than many challengers. This means they are currently facing serious internal decisions; do they overhaul their entire core banking technologies, or try to wrap new 'modern' 'lite-banking' wrappers around their out-of-date platforms? With the pressure of open banking and PSD2-driven APIs, many banks are taking the path of least resistance; adding 'modern' layers for external access to their back-end infrastructure.

Unlike banks, disruptors aren't weighed down by these legacy issues - they started fresh with modern technology and immediately invested in new-age core banking, which now provides them with a head-start when it comes to B2B payments. Updating systems in line with new regulations is easy for these players.

A large part of why challengers and fintechs are so poised

to monopolise this market for good are their advanced technology and API-driven core banking services. Core banking benefits B2B payments in multiple glorious ways:

- Lower cost payments and banking services
- Additional security around transactional risk
- Faster reconciliation and real-time information about payments
- Faster access to instant payment methods
- Integrates financial data into internal systems for better control
- Reduced need for management of multiple banking services
- Smarter business management & analysis
- Reduces internal resources needed
- Open APIs (full integration of multiple services)
- Reduces number of partners needed

Time for banks to start taking core banking seriously! As Rippingale stated during her presentation: "Until banks modernise their core banking platforms, and stop trying to tie new tech layers to old infrastructures, they might as well be putting lipstick on a pig."

Trust

The benefits of licensed fintechs and challenger banks are

significant and clear, so why would businesses still rather bank with a traditional bank than with a fintech? The answer is equally short as simple: trust.

But, is this a real issue, or an issue of perception? These new players are... well, new. The wider business market is not a 'finance' market, and their perceptions of banks and banking are mostly quite traditional. The new regulations surrounding these challengers give businesses the same level of financial security as they get from traditional banks, but not all corporates understand this yet.

Another reason that companies are still using traditional banks, is the perception of their own (B2C) customer's trust. Some corporates might feel that using unknown or smaller players like licenced fintechs and challenger banks may reflect poorly on the business' reputation. The benefits they offer will, however, start to outweigh this perception soon.

We are very curious to see how this "battle of the payment titans" will play out in the years to come...

Author: Daria Rippingale, Chief Executive Officer, Bankingblocks

Not Everyone Will be Taken to the Future

What is the Russian payment market like today?

And what are the reasons for Payment Service Providers (PSPs) to stay on the market and the ways to be taken to the future?

RBK.money: Disrupting Russian financial market since 2002

As an innovative payment platform, RBK.money have been disruptive from the very beginning. Since our foundation in 2002, the RBK.money has grown from the start-up of Internet entrepreneurs to the leading payment provider in Russia with the offices in lots of countries. We have made several innovations on the Russian market: The 1st electronic wallet in Russia in 2002, the world's 1st financial marketplace in 2007 and the 1st virtual payment card in Russia in 2008. So, our era of digital has started sixteen years ago when we launched our first digital wallet in Russia. Now for us, the digital future has arrived and we are facing major digital transformation.

At the moment, we work in Russia and internationally with recent progress allowing us to serve customers and partners in 60 countries. And we serve 3000 ventures abroad. We have a very good growth of e-commerce market in Russia. So, the Russia e-commerce market increased to 39,5 mln euro by the end of 2018.

Since 2015, our company has developed an innovative IT structure, a new technological platform, updated business processes, and is successfully developing in Russian and global e-commerce markets. Today, there are up to 100 payment aggregators in Russia, and an increasing number of banks offer Internet acquiring services.

In order to continue to be disruptive, 3 years ago we decided to create from scratch a new technological platform for our customers and partners.

The new platform, launched in 2018, serves as another push in business development and will help us to develop an international expansion. We thought out the payment system architecture for 15 years ahead. Our payment platform is designed in a way to completely cover the needs of payment services for a country with hundreds of millions of inhabitants.

Many thousands of partners can connect to us now, and each of them will get not only guaranteed uninterrupted payment gateway operation and diverse payment methods, but also will make it convenient for the payer.

The platform has unique competitive advantages: it actually has open APIs, so we are absolutely open for developers. Our platform is developed on the open-source software, so we don't have to pay for the license fee.

We really made our open-source software available to all market participants, which is not typical for the industry. Usually, only a part of the API is open, basically only payment functions. And one major innovative feature on our platform that provides fast, convenient and secure customer, payment experience is our Checkout payment form. Now we have all the payment methods available, including tokenized payment methods – Samsung Pay, Apple Pay, Google Pay, and also offline, in one window. There is no need for a customer to be directed to the payment page of a provider while shopping. And our payment form was developed this way – to be easy, convenient, having the possibility of expansion for any payment methods. You can seamlessly skip between different payment methods and have a unique customer experience.

Russian E-Commerce and Payment Services Market: Local Specialities

Russian e-commerce market has increased to 1.25 trillion rubles (16,67 mln euro) by the end of 2018. As expected the e-commerce market in Russia will grow almost threefold – from 1.29 trillion rubles in 2018 to 3.49 trillion rubles in 2024.

Over 90 percent of Russians pay for goods and services online. In general, 95.8% of Russians use online payments at least once every six months. Last year their share was 91.5%. And over 60 % pay with their smartphones.

Russia is definitely not a country producing innovative payment technologies, but it is definitely one of them where these technologies have a high level of adaptation and use. For instance, Russia is the world leader in Visa and Android Pay.

Just a brief overview of market figures. On the day of Apple Pay launch in Russia, 20 000 customers started using Apple Pay technology, 500 000 EUR – the daily level of payments by Samsung Pay, so Russia is definitely one of the leaders in contactless payments at the moment. In 2018,

Android Pay became the most popular contactless payment method – it is used by 18.7% of Russians; Apple Pay (17%), Samsung Pay (12.3%). The audience of these services in 2018 increased 2.5 times (up to 36.3%).

Besides that, in Russia, we have one of the best mobile Internet in the world, in terms of Internet connection speed as well as mobile Internet speed. That kind of infrastructure will allow Russian companies to go further in their digital transformation.

Customer payment behavior in Russia: talking about online payment methods, 57 % of customers pay by bank cards, 37 % pay by digital wallets and e-payments system, 36 % use bank mobile applications, 29 % use Internet banking and 25% use SMS. So, in general, you can see that about 80% are using other payment methods, not bank cards. This is one of the interesting features of the Russian market.

In Russia, we have a very active market regulator – the Central Bank competing with the market monopolist – Sberbank. In order to make our financial market more competitive, the Central Bank has launched its own ecosystem for financial innovations. And one of its key steps was a fast payment system, launched in January 2019. As a result, banks started to provide money transfers by customer mobile number and will do this by other identifiers, such as QR codes, in the next months. It will improve access to financial and banking services for easy transaction of remittances, as well as may boost the e-commerce market growth.

In July 2018, the unified remote biometric identification system was launched in Russia. It is expected that by the end of 2019 100% of banks representative offices will provide remote identification. This will change the interaction between customers and bank branches and increase the financial services penetration rate.

Investing in PSPs or developing PSPs in Russia, is it worth it?

The answer to this question 5 years ago would be “yes”, as the market was growing and the bank institutions were not so much interested in e-commerce. Now the answer is complete “not”: the market is already so saturated and margin of the online payments operations are dramatically going down.

And in order to be successful on the market, you have to be independent and especially from the bank. Banks now are the main barrier for PSPs growth.

Talking about the definitions, all of the key players in Russia – QIWI, RBK.money, Yandex.Money – they have already been defined as payment systems. And all of the new providers were defined as PSPs as they were exclusive

“technologists”: as a rule, a team was going to write software and then connected it to banks and began to integrate merchants. Therefore, the banks, firstly, did not want to go into this business, and secondly, for them the margin that existed there was so uninteresting that they said: once it will become interesting for us, we'll connect them, but not by ourselves, and with the help of such PSPs. And, on the one hand, the reluctance of banks to do this on their own, but the desire to go in this direction with the help of PSPs created the conditions for the appearance on the market of such units as PSPs, namely technological PSPs.

Now the landscape has changed dramatically. There are several consequences to which all this has led. First, the online market began to develop at a very high pace, so banks, due to the decline in traditional margins in other areas, began to take an active interest in this particular business and they went to e-commerce. That is, if they hadn't been interested in small and medium-sized businesses before, they now began not only to connect the “large-scale enterprises”, but also to look closely at small and medium-sized businesses. The number of PSPs on the market has become very significant, and the marginality has begun to decline. Many PSPs began dumping and therefore, without covering their costs, they began to leave the market.

Therefore, PSPs, which by themselves are non-banking financial institutions and do not have a banking license, have practically withdrawn from the market as they did not serve cash flows.

And in these way merchants, customers began to pay only to those online services that have not only a banking license but also a good financial security. So, banks and large payment services have eventually benefited: RBK.money, Yandex.Money, QIWI and a couple of others – those who have their own technological solutions and their own banking license.

It has turned out that the future, in terms of financial market, depends on 2 key points: technological solutions and a banking license. To create only a technological solution and connect it to the bank, it means to be too dependent – on the bank that enters this market, and on the circumstances of the market, on the margin, on merchants, which are very variable and can move from one service to another, despite of services integration.

Therefore, buying PSPs now is absolutely useless, since, on the one hand, in Russia, the market is already divided and it is impossible to redistribute it. On the other hand, almost all technological solutions recently considered as breakthroughs have already been made, and due to technological solutions, it is impossible to attract new users or take existing users from market players. In fact, there are no breakthrough technological solutions these days anymore, and therefore

users or merchants will hardly switch to new platforms. And all technology companies understand that in order to retain users, you must be independent and buy a banking license. Perhaps there are some countries in which it makes sense to buy PSPs? Perhaps there are developing markets, and if there is a desire to engage in processing? Talking about a buying strategy for the sake of buying, that is, if the company has accumulated capital, it is better to invest it in proven technologies and start-ups. If they have MVP, customer integration, some sales and there are great opportunities for scaling, they have a strong team. These start-ups, especially blockchain-based, are interesting for investing, buying, integrating it into payment systems.

A short path to success for PSPs: a unique recipe

So, this is a short path to success for PSPs. Our recipe is:

Be independent

- Get your own banking license

The Revolut fintech startup case, that has worked for over 5 years with no license at all and even tried to go to different countries and Russia just as a technological solution, even sometimes insolently, has proved this does not work in the long run. Therefore, in December 2018, Revolut received a banking license in Lithuania and currently works on the basis of this license.

- Develop your own open source soft

Your tech platform should be independent as well.

Be simple and handy

- Adapt technologies from associated markets
- Open your solutions for market and share your knowledge

Be up-to-date

- Make small changes to your ecosystem improving user experience every day

We, RBK.money are transforming into the global digital bank. And this is the only possible way to be taken to the future and growing globally.

So, answering the question “What are the reasons for PSPs to stay on the market and the ways for them to be taken to the future” – the only way for that is to disrupt business models, technology and customer experience.

Author: Denis Burlakov, CEO, international payment platform RBK.money

Cryptocurrency – the page in the economics book that people (should) read

This article was originally published in The [Paypers' Payment Methods Report 2019](#)

"Bitcoin may be a product of computer science, but it is a very human story." – Larry Summers, American economist

Some money history...

Money in general is a human story, we might add, a tale that takes us from different stages through history, and using different technologies. Money, in general, and banking, in particular, are historical institutions, which were developed before modern capitalism and owe a great deal to the technology of an earlier stage.

Even if no one knows for sure who invented money, still, David Birch mentions in his book, *Before Babylon, Beyond Bitcoin: From Money that We Understand to Money that Understands Us*, that some 4,000 years ago the temples of Babylon were taking deposits and making loans. Money by that time was recorded on a clay tablet and was entries in a not-at-all shared ledger. The first recognisable coins date from Lydia (modern Turkey), more than 2,500 years ago, while paper money came from China. Some important years in the financial industry are marked by the creation of Bank of England in 1692, and by the launch of formal Electronic Funds Transfer (EFT) via telegraph use in 1871 by Western Union, which helped us distinguish between invention and innovation, and reinforced the point that "money innovation can come from communication companies rather than banks", the author adds.

Cryptocurrency (Bitcoin) in the beginning and today

Almost 150 years have passed since the launch of formal Electronic Funds Transfer (EFT), and while cash used to be king for most of this period, lately it has started to disappear, and the potential not only for cash substitutes, but for cash alternatives has started to grow. As such, in a generation or so, there will be a completely new set of monetary arrangements in place, David Birch predicts in his book.

And even if until recently, digital money has been conservative – "an electronic emulation of the physical currency it is replacing", we are now entering a new phase for payments/money where everything is digitalised, faster and conveniently.

Today we speak about cryptocurrency and how these "experiments" ten years ago became a reality nowadays, with people using them to buy concert tickets, governments regulating them, banks trialling them and social media companies reinventing themselves via these tokens.

A cryptocurrency is a digital asset designed to work as a medium of exchange based on strong cryptography to secure financial transactions, control the creation of additional units, and verify the transfer of assets. Cryptocurrencies use decentralised control as opposed to centralised digital currency and central banking systems. The decentralised control of each cryptocurrency works through distributed ledger technology, typically a blockchain, which serves as a public financial transaction database.

The first cryptocurrency to capture the public attention was Bitcoin. The Bitcoin concept first came into scene in 2008, when a pseudonymous software developer going by the name of Satoshi Nakamoto proposed it as an electronic payment system based on mathematical proof. To this day, no-one knows who Satoshi Nakamoto really is.

Bitcoin aimed (and still does) to challenge some of the most powerful institutions in our society – it held out the promise of taking the power from banks and governments and giving it to the people using money. In his book, *Digital Gold: Bitcoin and the Inside Story of the Misfits and Millionaires Trying to Reinvent Money*, Nathaniel Popper mentions that from the beginning, Satoshi envisioned a digital analogue to old fashioned gold: a new kind of universal money that could be owned by everyone and spent anywhere. The system was set up so that, like gold, Bitcoins would always be scarce – only 21 million of them would ever be released – and hard to counterfeit. As with the precious metal, it required work to release new ones from the source, computational

work in the case of Bitcoin.

Moreover, Bitcoins were designed to exist within a cleverly constructed, decentralised network, just as all the websites in the world exist only within the decentralised network known as the internet. Similar to the internet, the Bitcoin network wasn't run by any central authority. Instead it was built, and sustained by all the people who hooked their computers onto it (which anyone in the world could do).

In the beginnings, Bitcoin:

- was seen as a digital payment method that doesn't require users to hand over identifying information each time they use it;
- equalled universal money that doesn't have to be exchanged at every border;
- promised the fairness of a currency that even the poorest people in the world can keep in a digital account without paying hefty fees, rather than relying on cash;
- promised the convenience of a payment system that makes it possible for online services to change small amounts of money, skirting the current limits imposed by the 20/ 30 cent minimum charge for a credit card transaction.

Nevertheless, because of its volatility, Bitcoin has been viewed as not such as a reliable store of value and because of its restricted use of a medium of exchange, it remained primarily a tool for speculations.

Therefore, many bankers, economists and government officials dismissed the Bitcoin fanatics as naïve promoters of a speculative frenzy similar to the Dutch tulip mania (1637). The use of cryptocurrencies, in general, has been compared to Ponzi schemes, pyramid schemes and economic bubbles. In 2017, [JP Morgan CEO, Jamie Dimon claimed that cryptocurrency use in general is only fit for use by drug dealers, murderers and people living in North Korea, and more importantly, Bitcoin is a fraud that will ultimately blow up.](#)

Some governments even prohibited the trading of cryptocurrencies due to the lack of control and market unpredictability. But none of the critics managed to destroy the enthusiasm of Bitcoin believers, and the number of users kept growing.

Current state, brands, market reach

The creator of Bitcoin, Satoshi, disappeared in 2011, leaving behind open source software that the users of Bitcoin could update and improve. In 2016, it was estimated that only 15 % of the basic computer code was the same as what Satoshi had written.

[Since the release of Bitcoin, over 4,000 altcoins \(alternative variants of Bitcoin, or other cryptocurrencies\) have been created.](#) Other popular cryptocurrencies include: Bitcoin Cash, Ethereum, Dash, Mixin, Litecoin, Zcash, Bitcoin SV and Monero. In the fourth quarter of 2018, the cryptocurrency used the most in daily transactions was [Ethereum](#).

In April 2019, the cumulative market cap of all the cryptocurrency was around USD 417 billion and it is predicted to propel the entire cryptocurrency market to a valuation of USD 1 trillion, by the end of 2019. [According to the CEO of Kraken, Jesse Powell](#), the reason behind this growth is the fact that there are many businesses revolving around cryptocurrencies now and there are many people in the know-how of cryptocurrency.

To be able to use Bitcoin or any other cryptocurrency, consumers need to have a digital wallet. A cryptocurrency wallet is a software program that stores private and public keys and interacts with various blockchains to enable users to send and receive digital currency and monitor their balance. Since the creation of Bitcoin, in 2009, [the number of blockchain wallets has been growing, reaching nearly 35 million blockchain wallet users at the end of March 2019.](#)

If users want to purchase Bitcoin via cash or debit card, they need a Bitcoin ATM. [The number of Bitcoin ATMs increased from 954 in January 2016 to 2,053 in January 2018.](#) Most Bitcoin ATMs, as of January 2018, were located in the US and Canada. The Bitcoin ATMs located in Europe constituted 20.42% of the global ATM market share.

[Big companies, such as Microsoft, Overstock, Expedia, KFC Canada, to name just a few, accept Bitcoin](#) and other cryptocurrencies, while others, like Corporate [Traveller, Shopify, let customers make Bitcoin payments via crypto payment gateways such as bitpay.](#) Or, there is the Lightning Network that Bitcoin spenders can use to shop at ecommerce sites like Amazon, with no direct merchant integration. [The Lightning Network](#) is a "Layer 2" payment protocol that operates on top of a blockchain-based cryptocurrency (like Bitcoin). The network enables fast transactions between participating nodes and features a peer-to-peer system for making micropayments of cryptocurrency.

Overall, cryptocurrencies are not yet among the world's payment trends but, despite the lack of usability, the number of payments made using cryptocurrencies is consistently on the rise. In fact most recently big social media companies or banks have also jumped on the crypto experiment bandwagon.

The social media crypto experiment – GlobalCoin

[Facebook announced plans](#) to start testing its own cryptocurrency, which has been referred to internally as GlobalCoin. The social media company is expected to outline plans in more detail this summer as it aims to set up a digital payments system in about a dozen countries by the first quarter of 2020. It has already spoken to Bank of England governor Mark Carney and sought advice on operational and regulatory issues from officials at the US Treasury.

The project will see it join forces with banks and brokers that will enable people to change dollars and other international currencies into its digital coins. How exactly it will work and how can users start purchasing GlobalCoins most probably will be detailed by Facebook developers in the upcoming months.

Dubbed Project Libra, Facebook's plans for a digital currency network were first reported in December 2018, when the world's largest social network had been quietly trying to recruit product managers, engineers, academics, and legal experts with experience in cryptocurrencies and payments, to found a blockchain group. In the 2019 spring, [nearly 40 employees](#) — including several former PayPal executives were joining Facebook's blockchain group, with the company [hiring the team behind Chainspace, a small blockchain startup founded by researchers from University College London to support this initiative](#).

As the general criticism around crypto has been around its volatility, Facebook wants to prevent wild swings in the GlobalCoin's value by pegging it to a basket of established currencies, including the US dollar, euro and Japanese yen. The social networking site, which owns WhatsApp and Instagram, is hoping to disrupt existing networks by breaking down financial barriers, competing with banks and reducing consumer costs.

With GlobalCoin there is [a huge opportunity for Facebook to enter the remittances market](#), especially since WhatsApp is widely used worldwide and people sending money to the loved ones are in search for faster and cheaper ways to do so. Plus, if Facebook is able to stabilise the value of the token, these innovations could be embraced in places like Zimbabwe and other parts of Africa which have been hurt by hyperinflation in the past.

Still, Facebook is in the initial phase of engaging with governments, central banks and regulators, and insiders admit that launching any cryptocurrency network by the start of 2020 is ambitious. Moreover, the biggest test is likely to be whether people will trust the social networking giant enough to start changing their cash for the digital coin.

Meanwhile, other global messaging applications, such as Kakao, [LINE](#) and Telegram, [Vkontakte](#), a Russian social media platform, have already revealed plans to move into the blockchain space and develop their own crypto.

Overall, we can conclude by admitting that GlobalCoin project has the potential to become one of the most significant events in the history of cryptocurrencies, according to [Garrick Hileman](#), a researcher at London School of Economics. And not only GlobalCoin...

The biggest announcement this year so far – JPM Coin

At the beginning of 2019, [engineers at J.P. Morgan Chase have created the JPM Coin, a digital](#) token designed to make instantaneous payments based on the blockchain technology.

The JPM Coin isn't money per se, but a digital coin representing US dollars held in designated accounts at JPMorgan Chase. When one client sends money to another over the blockchain, JPM Coins are transferred and instantaneously redeemed for the equivalent amount of US dollars, reducing the typical settlement time. The lender has plans to extend JPM Coin to other major currencies over time. Still, [the product and technology capabilities are currency agnostic, according to Umar Farooq, head of Digital Treasury Services and Blockchain, J.P. Morgan](#).

There are three early applications for the JPM Coin:

- **International payments for large corporate clients**, which now typically happens using wire transfers between financial institutions on decades-old networks.
- **Securities transactions** - in April 2019, J.P. Morgan tested a debt issuance on the blockchain, creating a virtual simulation of a USD 150 million certificate of deposit for a Canadian bank. Rather than relying on wires to buy the issuance — resulting in a time gap between settling the transaction and being paid for it — institutional investors can use the J.P. Morgan token, resulting in instant settlements.
- **Large corporations** that use J.P. Morgan's treasury services business to replace the dollars they hold in subsidiaries across the world. Unseen by retail customers, the business handles a significant chunk of the world's regulated money flows for companies from Honeywell International to Facebook, moving dollars for activities like employee and supplier payments

At the moment, JPM Coin is a prototype. And as the bank moves towards production, it will actively engage regulators to explain its design and solicit their feedback and any necessary approvals.

Worth mentioning is that only institutional customers

passing J.P. Morgan KYC can transact with these coins, as they have been developed exclusively for institutional customers (e.g., banks, broker dealers, Corporates). According to [fintech expert Chris Skinner](#), it's a mistake to call it a cryptocurrency as it is clearly described by the bank as a 'digital coin', and that they do not endorse cryptocurrencies per se.

Trends to watch out for the next 12 months

1. More businesses will get into cryptocurrencies

The news from Facebook and JP Morgan regarding the launch of their own cryptocurrencies is a major development for the payments industry, suggesting they are very interested in learning more about ways of innovating the way money move and delivering great experiences for the digital era user, and we expect many other businesses to join their endeavours.

Plus, the biggest attraction of cryptocurrencies to banks and big companies is the tech that underpins them. Blockchain can help to reduce the time and cost of sending money across borders by bypassing banking networks.

2. Mass Bitcoin adoption to become inevitable

For cryptocurrencies to develop into a credible alternative to fiat currencies, they need to become a widely accepted payment method, both online and on the high street. To adapt to this shift, retailers will need to ensure they have the processes in place which enable them to accept crypto at the checkout. Many now expect the world's biggest tech companies, from Rakuten and Amazon to micro-blogging site Twitter, to drive the next wave of Bitcoin and crypto adoption.

As a result, [Jack Dorsey](#), the CEO of Twitter, is taking further steps toward incorporating Bitcoin and cryptocurrencies into his payments business, Square, as the company plans to improve money through its developments in this space. In March 2019, Dorsey said Square would be hiring three or four Bitcoin and cryptocurrency engineers and one designer to work full-time on open source contributions to the Bitcoin and crypto ecosystem.

Also, [Amazon's rival Rakuten](#), a Japan-based company with operations across ecommerce, online banking, media and communications, began accepting registrations for its new Bitcoin and cryptocurrency exchange, Rakuten Wallet.

3. Cryptocurrencies, less volatile as stable coins rise

In 2017, Bitcoin's price dropped dramatically low and then soared to great heights within a matter of weeks.

Nevertheless, since 2018, the changes of cryptocurrency prices were not as volatile as the year prior, signalling that this industry has since stabilised after several institutions have accepted it as a form of payment. Moreover, within this period, 2018 – 2019, many stable coins, used as hedging tools against the potential decline of an underlying cryptocurrency, have been rolled out to stabilise the potential volatility of Bitcoin and cryptocurrencies.

4. Increased interest in blockchain and cryptocurrencies regulation

Many companies and financial institutions will continue exploring the blockchain technology to ensure that not only each transaction, but also the cryptocurrency's overall history, remains transparent and less susceptible to fraud and third-party tampering. Nevertheless, as the global crypto space is still work in progress and full of new ideas, and cryptocurrencies are not issued or guaranteed by a central bank, it is hard to classify and regulate them.

Therefore, "transnational cooperation is necessary to regulate virtual currencies" and "it is important to consistently implement international standards agreed by international organisations on a country-by-country basis to minimise regulatory inconsistencies", as reported by [Choi Jong-ku, Chairman of South Korea's top financial regulator, the Financial Services Commission \(FSC\)](#).

Conclusion

Throughout the years, cryptocurrency, and especially Bitcoin, have spawned a global social movement with great ambitions – transaction transparency, no additional costs of moving money, empowering people financially in remote areas, etc. The concept of Bitcoin, maintained by tech developers and fintech visionaries across the globe, has attracted many jokes and critics, but this has not stopped it from growing into an industry worth billions of dollars, supported by followers and business people who have come to view it as the most important new idea since the creation of the internet.

About Mirela Ciobanu

Mirela Ciobanu is a Senior Editor at The Paypers and has been actively involved in covering digital payments and related topics, especially in the cryptocurrency, online security and fraud prevention space. She is passionate about finding the latest news on data breaches, machine learning, digital identity, blockchain, and she is an active advocate of the need to keep our online data/presence protected. Mirela has a bachelor degree in English language and holds a Master's degree in Marketing.

Online Banking e-Payments: Trends and Developments

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On one hand, we distinguish multi-bank online banking e-payments schemes (a set of agreements between multiple banks that facilitate the initiation of one payment between banks) such as Incasso Machtigen, iDeal, My-Bank, or Giropay. Merchants need to connect once, and afterwards all players of all banks can pay at this particular merchant. On the other hand, there are mono-bank online banking e-payments schemes, such as ING Home Pay. In a mono-bank situation, every bank offers its own solution and merchants must integrate separately with every online banking e-payment solution.

Popularity and usage

Bank payments are an attractive option for online merchants and consumers thanks to their low acceptance costs and the convenience they offer for online shopping. Some of the factors that contribute to the increase in usage are related to fewer chargebacks for merchants, a regulatory push from PSD2/Open Banking mandates in Europe, and a rise of banked populations in emerging markets. According to Worldpay's [Global Payments Report 2018](#), over the next five years, the use of this alternative payment method will exceed that of credit and debit cards on a global level. In addition, as research by [Ovum](#) forecasts, instant payments will become one of the main online payment tools in Europe, accounting for approximately EUR 338 billion of direct online expenditure.

The popularity of bank payments is mostly built on the trust consumers have in their bank. The advantages of using this payment method include:

- **convenience:** in the Netherlands and Nordic countries, for example, bank payments offer a frictionless payments experience, especially on mobile;
- **speed:** the implementation of the Faster Payments infrastructure reduces settlement times from hours to seconds, bringing benefits both to merchants and consumers, and it also enables instant settlement of refunds to consumer bank accounts, drastically improving the shopping experience;
- **lower cost** for the merchant.

Moreover, the popularity of online bank payments among European online merchants can be explained by the fact that, according to a [report](#) by Trustly, many Europeans (68% of Spaniards, 66% of Italians, 61% of French, 55% of Germans, 55% of Dutch, 51% of Swedes) would more likely shop from international websites if they did not have to disclose credit or debit card information to obscure or unknown foreign merchants. People would shop on foreign sites more often if online banking was offered as a payment method (59% of Spaniards, 59% of Italians, 55% of Dutch, 47% of French, 44% of Germans, 35% of Swedes), according to the same report.

The convenience also comes from the fact that the risk of fraud is almost absent, thanks to strong two-factor authentication, which is required. This way, online bank payments align with PSD2, the legislation currently adopted across the EU, which aims to drive innovation, competition, and reduce costs for consumers. When online merchants offer this payment method, consumers feel safe shopping abroad because they do not risk compromising their card details.

Online banking e-payments is one of the most important growing payment method across Europe, getting the biggest traction thanks to the combination of PSD2 and SEPA Instant Credit Transfers. Instant payments will facilitate the growth of online bank payments as a payment method across Europe. When it comes to cross-border transactions, merchants may also see it as more advantageous.

This payment method is currently also emerging in the US as an alternative to credit cards. Here, PayWithMyBank is one of the best-known providers of ACH payments. The company allows customers to pay or get paid easily by connecting to their online banking account without leaving the merchant's site or app. In June 2019, [PayWithMyBank has merged with Trustly](#) for transatlantic online banking payments coverage. The two companies will enable global merchants to accept online banking payments from European and US consumers. This merger addresses the needs of merchants that look for an alternative to the card networks and accept online payments directly from consumers' bank accounts.

In India, Unified Payments Interface (UPI), an instant real-time payment system developed by the National Payments Corporation of India, facilitates inter-bank transactions. The interface is regulated by the Reserve Bank of India and works by instantly transferring funds between two bank accounts on a mobile platform. Currently, there are [142 banks live on UPI with a monthly volume of 799.54 million transactions](#) and a value of INR 1.334 trillion (USD 19 billion). In January 2019, the aggregate volume of transactions through the [UPI has surpassed that of credit and debit card transactions](#), according to the National Payments Corporation of India (NPCI) and Reserve Bank of India (RBI).

Innovation

Digital authentication methods have started to become more mainstream in certain markets, which is expected to drive the popularity of online bank payments due to the increased convenience. In Sweden, Mobile BankID lets consumers authenticate themselves with a few taps and is widely used by banks and government organisations. In the UK, Barclays lets users verify themselves via [PINsentry](#), a feature of the Barclays Mobile Banking app

that enables users to log in to Online Banking without having to carry around a card reader or use their debit card.

Another innovation in this space is represented by the move from bank-based peer-to-peer payments to customer-to-business and business-to-customer payments, with providers such as Tikkie in the Netherlands and Mobile Pay in the Nordic countries. With Tikkie, users can get paid quickly and easily over WhatsApp, not matter with whom they bank with. MobilePay is a mobile payment service developed by Danske Bank and is mainly used in Denmark, but also in Finland. MobilePay was also available in [Norway](#), but shut down due to competition from Vipps.

About Ana Păstrăvanu

Ana is Content Editor at The Paypers and has been actively involved in covering digital payments and e-commerce related topics. She is passionate about finding the latest trends and developments in cross-border e-commerce, payment methods, and fintech startups.

Shifts and Trends in the Retail Payments Market

This article was originally published in The [Paypers' Payment Methods Report 2019](#)

When it comes to the retail vertical, the environment is changing at a rapid pace, with new platforms, providers, and payment tools emerging almost every day. Going from cash to cards, and from cards to online and mobile payments, consumers require improvements with regard to the convenience and speed of payment methods. Moreover, in the light of the latest developments in the payments space, customers expect omnichannel solutions for commerce – they want to use the same payment methods to safely buy products both online and in-store.

Challenges in retail payments

In order to get a grasp on retail payments, let us take a look at some of the key challenges that retailers en-

counter nowadays:

- *the omnichannel approach*: it is essential to understand the multiple payment methods preferred by customers while making purchases. Therefore, retailers need to create a seamless experience in order to provide a [connected customer journey](#);
- *personalisation*: according to Forrester's [report](#) called 'The State of Retailing Online 2019', personalisation represents a problem for retailers because of the limited data, seldom visits even from their best customers, and product catalogues that do not drive any lift in conversion. Thus, personalisation plays a major part in converting a one-time customer into a loyal one;
- *retaining millennials*: in order to retain millennial customers, retailers must be able to provide a streamlined customer-centric experience and appoint customer service professionals who are able

to make specific recommendations for the needs of this demographic group, whether we talk about online or in-store shopping. Therefore, retailers need to use [customer data](#) in order to deliver an improved in-store experience;

- *in-store innovation*: global brands, such as Apple and Amazon, constantly innovate in order to streamline their customers' experience, followed by online-only companies, [like Made.com](#), that open physical stores just to better connect with their customers. In order to increase loyalty, retail companies must continuously innovate, providing secure, cutting-edge technology for payments, and finding new ways of getting new customers' attention. Let us take a look at Amazon's convenience stores. With its Amazon Go store, the multinational technology company provides a new physical retail experience that is quite different from brick-and-mortar stores, since it requires no checkout. When customers arrive at the store, they use the app to enter it, then they can just browse and shop – closely monitored by many cameras. The system can track what is taken from and put back on the shelves, while also distinguishing between similar products. Thus, Amazon Go sets a new standard for in-store innovation.

Current trends and the future of retail payments

Currently, there are many new ways to pay for different products, but what is the future of retail payments? Will cryptocurrency be ubiquitous and cash forgotten? Which are the main trends to be observed in this space?

Many of the challenges encountered by retailers nowadays show how important convenience is for customers, which is why currently most developments in the retail payments space have been about streamlining the buying process and making it quicker and safer. There are also many choices available to both customers and retailers, especially in ecommerce. From bank-owned e-wallets, to services like PayPal that are widely accepted, to e-wallets like Apple Pay and Google Pay, the options are countless. All these payment solutions can have added benefits by connecting information about a customer to transactions.

It is almost impossible to talk about developments in this space without mentioning cryptocurrencies as well, especially Bitcoin, one of the most well-known blockchain-based cryptocurrencies. Websites want to show inclusiveness, and to provide their customers with as many payment options as possible. That is [one of the reasons](#) why online retailers, such as Expedia and Cheap Air, have added cryptocurrencies as a payment options, thus allowing customers to pay for goods this

way. Even if globally cash payments still account for at least [20%](#) of all retail transactions by value, as more and more cryptocurrencies seem to appear every year, the retail payments space is expected to be influenced by these developments.

Another development is represented by the expansion of Smart POS solutions. Since card payments are part of the POS operations, smart functions relate to POS features. Consequently, Smart POS terminals emerged. They usually have an inbuilt receipt printer, touchscreens for the navigation of POS features, and also a customer-facing display, an inbuilt camera for barcode scanning, and they function through WiFi, 4G or [3G](#). They are produced by different companies, such as Spire Payments, Verifone, Clover Network, and myPOS.

About Raluca Constantinescu

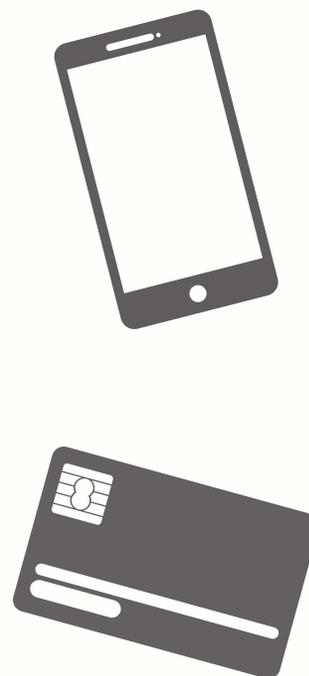
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Michael O'Loughlin, VP,
Global Solutions, Token

...Regulation does not necessarily stifle innovation, actually brings together profit making institutions...



Angus Burrell, GM UK,
Valitor

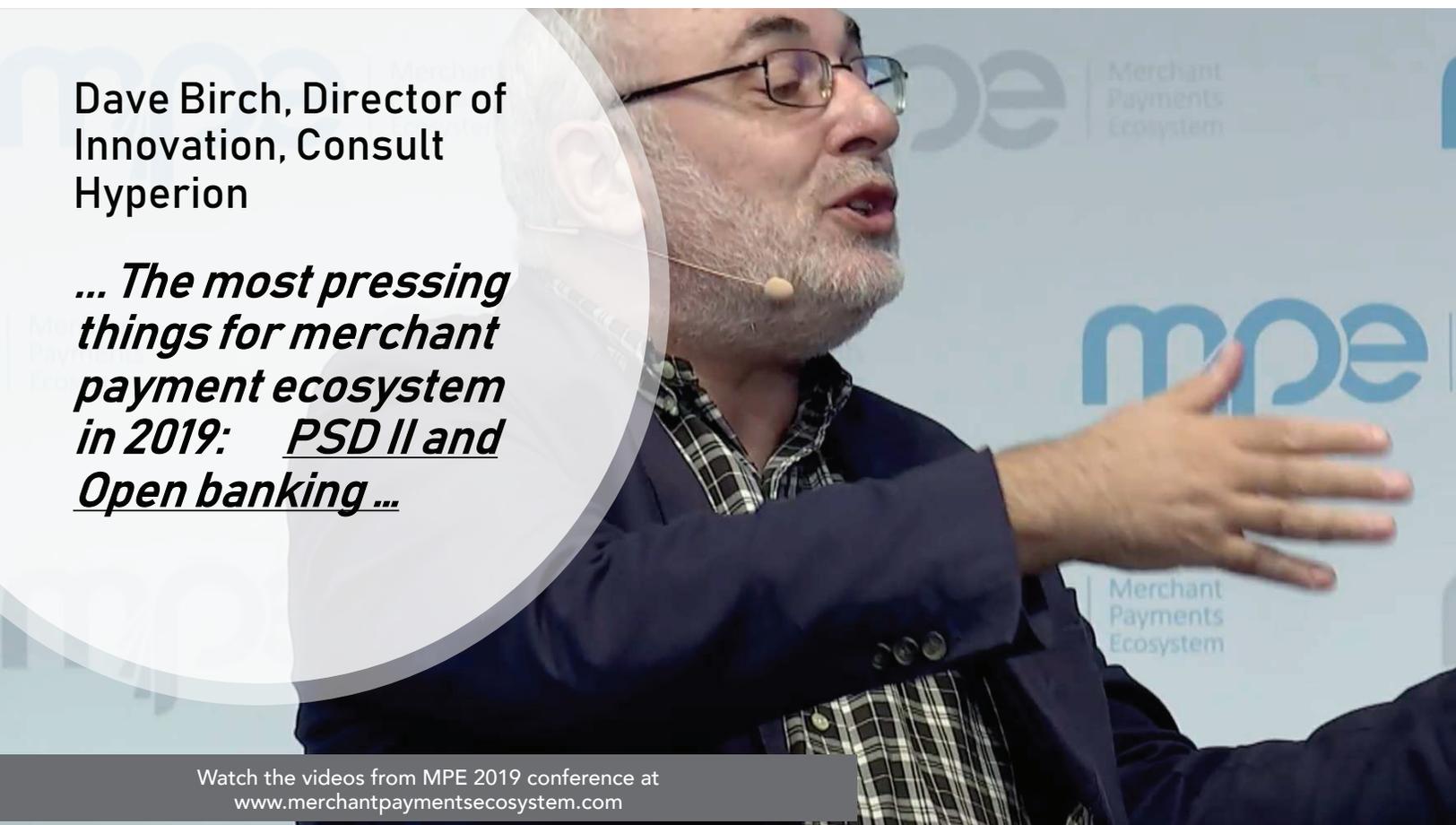
...The most important thing in 2019 is to understand the regulation and where the regulation is going...

Watch the videos from MPE 2019 conference at
www.merchantpaymentsecosystem.com



Jeremy King,
International Director,
PCI Security Standards

... We need to collaborate and work together to improve the security and payment processes...



Dave Birch, Director of
Innovation, Consult
Hyperion

... The most pressing things for merchant payment ecosystem in 2019: PSD II and Open banking...

Andrew Cregan, British
Retail Consortium

***...Card transactions
are not regulated
properly. There is a
market and
government failure
here at the level of
European
institutions...***



Paul Rodgers, Chairmen,
Vendorcom

***...Help educate ignorant
regulators!
Help them understand
the complex payment
environment we live in! ...***



Watch the videos from MPE 2019 conference at
www.merchantpaymentsecosystem.com



Travel Payments in Europe

Local payments for a global industry

Sponsored by:



Local payments. Worldwide.

Consumers can experience so much — new ideas, cultures and places — virtually. Yet the market for real-world, physical travel is still growing. Unsurprisingly, more and more of this is booked online. So, how has the travel industry managed to sustain growth and stay relevant in a shrinking world? And what can other industries learn from their example?

In our live webinar, we give insights in payments and a highly interesting travel industry. Matt Jackson from PPRO will give an overview about local payments, their impact on businesses in Europe and how to manage the complexity nowadays. Wilhelm Hamilton from Klarna

will then dive deeper into the travel industry, their specific needs when it comes to payments and tips and tricks about how to overcome any kind of hurdles...

Speakers & Panelists



Andrew Whitcombe
(Moderator)
Principal Consultant
Consult Hyperion



Matt Jackson
Partner Manager
PPRO Group



Wilhelm Hamilton
Senior Commercial
Manager
Klarna

[Download webinar here](#)

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

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

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 POS
The simplest way to make smarter business

Shopkeep

Provider to merchants: ✓
(Core Service & Wallet)

Product Name: Shopkeep