





[www.plastikkart.com](http://www.plastikkart.com)

## Plastikart

Plastikart is a provider of solutions based on smart card technology. Their website has a very simple homepage with impressive colourful graphics and an up-to-date scrolling news service. The site itself is highly informative and easy to navigate. The product and services section is detailed and appear conveniently in their own individual windows. The actual content is kept short but relevant and to the point. This is a well branded and professionally managed site.

Navigation       
Content       
Appearance



[www.smartcities.co.uk](http://www.smartcities.co.uk)

## Southampton SmartCities

This website has easy navigation but this is mainly due to the fact that it has very little real substance to it. The content is very basic information with no real use of effective vision aids. The content is crammed into a small framed area which means that you have to continually scroll down to read any information. The information about the scheme is also very limited and does not really explain the Smart Card scheme or lay out its benefits. The website itself is colourful but they have not really used their website to great affect.

Navigation       
Content       
Appearance

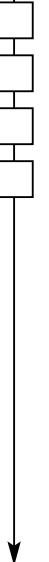


[www.axalto.com](http://www.axalto.com)

## Axalto

Axalto, a newly formed company from Schlumberger's Smart Card & Terminal Division, benefits from a clean fresh website layout and attractive new logo. The colour scheme of the page is visually stimulating and has well written content. The flash opening page is very impressive but SCN suggest you skip the intro as it does take time to view. The product catalogue is extremely informative and gives you actual product run downs and photographs. This is backed up with a login based online store for streamlined purchasing. Overall the website has very impressive graphics backed up with strong informative content.

Navigation       
Content       
Appearance





# UK Card Fraud Running at £411.6 Million

Fraud on UK-issued debit and credit cards reached £411.6 million in the year ended 30 June, according to statistics released by the Association for Payment Clearing Services' (APACS) Card Watch.

Counterfeit card fraud topped the list at £128.8 million, followed by phone, fax, Internet and mail order card fraud at £110 million while fraud on 'card-not-present' purchases was £109.6 million. Lost or stolen card fraud was £107.2 million, mail non-receipt £41.0 million and identity theft £25 million.

An example of how serious card fraud can be was the September jailing of the UK's biggest card fraudster, who downloaded details for nearly 9,000 credit cards, and robbed UK banks of £2.21 million before he was caught. The report warned Christmas shoppers who use debit or credit cards in the "new High Street" buying goods over the Internet, by mail order, by phone or by fax that they risk becoming victims of a £300,000-a-day fraud problem because many still ignore the most basic security precautions when using their cards.

Banks and retailers are currently introducing EMV (Europay/MasterCard/Visa) Smart Cards and rolling out their chip and PIN initiative in which signatures will be replaced by four-digit personal identification numbers (PIN) for card transactions. The majority of card transactions will be chip and PIN by 2005. Sandra Quinn, spokesperson for APACS, said: "Chip and PIN will have a significant impact on counterfeit, lost or stolen and mail non-receipt fraud."

Meanwhile, card issuers in the United States are losing around \$1 billion a year in credit card fraud, so will the US migrate EMV-compliant chip cards? This topic was debated at the recent Smart Card Alliance conference and Julie Krueger, Vice President Smart Cards for JCB in the US, drew an interesting parallel with the mobile communication sector. "Look at GSM. In 1993 or 1994 GSM was not on the roadmap of any US operators and now it is here. It was driven here because it was a standard across the world." She saw Smart Cards being adopted by the US banks in a similar way. Krueger added that all new JCB cards being issued in Japan were EMV-compliant Smart Cards, and by 2006 the migration of their entire base of 40 million cards would be complete.

Another view came from Patrick Gauthier, Senior Vice President New Product Development for Visa, who said: "As the rest of the world moves to EMV, the cost will decrease, and we will see innovation and infrastructure initiatives." These infrastructure changes, made to support other regions, will make it easier to migrate in the US because large processors are increasingly going across boundaries and are coming to the point where it is easier to have one platform vs. multiple regional platforms.

It was the consensus of the discussion group that any US migration to EMV would take time and would be an evolution, not a revolution.

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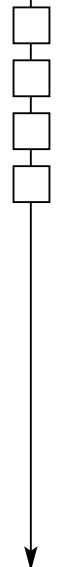
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Our Website containing daily News On-Line, and information about the full range of SCN services, can be found at the following address: [www.smartcardgroup.com](http://www.smartcardgroup.com)

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## NTT 1Mb GlobalPlatform Card

A multi-application Smart Card complying with GlobalPlatform V2.1 specifications and offering the largest memory capacity (1 MB) for this type of card, has been developed by Nippon Telegraph and Telephone Corporation (NTT).

Because this card offers far more memory than existing GlobalPlatform cards, it enables installation of several more application programs, as well as storage of large volumes of data, such as fingerprints and other biometric information required for biometrics authentication.

The card also offers a number of features such as contactless interfaces and execution functions for programs created in C language, enabling GlobalPlatform cards to be used in fields that emphasise speed and contactless operation, such as electronic tickets, electronic money and building entry management cards.

More than 300 Kb of memory is available for storage of downloaded application programs, making it possible to load five or six times more application programs than in the past. The card can also store over 100 Kb of biometrics authentication data at the same time.

## VeriFone Terminals for South Africa

EDCON, one of South Africa's largest retail groups, is rolling out VeriFone's SC 5000 programmable point of sale PINpads.

In an initial deal worth R12-million (US \$1.7 million), secure e-payments company Prism Holdings together with First National Bank have implemented the POS technology into Edgars, CNA and United Retail (Jet, Sales House, Cuthberts and Smileys) stores throughout South Africa.

Apart from supplying the initial 700 VeriFone SC 5000 PINpads, Prism has developed an integrated payment application for the terminals into Edcon's existing POS system.

The SC 5000s support global Smart Card solutions based on the EMV (Europay, MasterCard, Visa) specifications as well as existing magnetic stripe debit and credit cards.

The terminal also features an integrated Smart Card reader with support for Security Access Module (SAM) slots to enable acceptance of a broad range of Smart Card-based loyalty and electronic purse schemes.

## SCM Delivers 24,000 Readers

SCM Microsystems has delivered 24,000 Smart Card readers to RMW Enterprises for use by the US Defense Finance & Accounting Service.

The technology is being implemented as part of the Department of Defense's (DoD) Common Access Card program (CAC), which SCM has previously supported with 1.5 million readers.

This deployment extends RMW's position as a leading provider of CAC-certified Smart Card solutions. RMW has supplied more than half a million Smart Cards and middleware site licenses to the DoD to support CAC requirements.

## First Roll-out of Prisma Cards

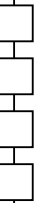
Under the terms of the 10 million card contract signed with the KBC Banking and Insurance Group, Oberthur Card Systems is now shipping volumes of its MoneyIC Prisma BP 8 Smart Cards to KBC issuers in Belgium, Poland, the Czech Republic, Slovakia and Hungary in what is the first roll-out of Proton Prisma cards in the world.

The cross-border roll-out by KBC issuers constitutes a migration of existing debit and credit card programmes to EMV standards and brings a host of benefits to the issuers linked to overall product compatibility and common supply criteria.

The issuers across the KBC territories will be serviced from Oberthur's offices and factories in Sittard (Netherlands), Tewkesbury (UK), Warsaw (Poland) and Budapest (Hungary).

## Smart Labels for Students

INSIDE Contactless has announced that its Chinese partner, Beijing Global Card Technology Centre, has been chosen by the Chinese Ministry of Education to supply more than 8 million pieces of PicoTag Smart labels by INSIDE Contactless





The PicoTag Smart labels are for the students of Chinese colleges and universities this year, making it the biggest RFID project in China. The paper based Smart labels will be used by Chinese Students as personal ID cards (with their data stored on the chip) to buy their discount railway tickets.

Until now, the Ministry of Railways and Education had a hard time authenticating genuine student ID cards for the purchase of discounted railway student tickets to regulate fraud.

The use of the secure PicoTag chip, and its good read/write communication distance, was the solution to fight ticket counterfeiting, fraud and to provide a strict regulation of whom the authorities sell the discounted tickets to.

### SmartCities/Worldcard Team

Southampton's SmartCities Card has teamed up with Worldcard to offer local residents the chance to benefit from a new loyalty reward points scheme.

Now when SmartCities cardholders use their free card for one of the many services on offer they can clock up reward points which can be spent in local shops, restaurants, pubs, clubs and leisure outlets.

Southampton's Smart Card was launched more than two years ago initially to combine the city council's library card, leisure venues card and the University of Southampton's student card.

Now card owners can use the card as proof of age and for travel on Unilink buses, while pupils at Belle-moor School are using the card to pay for their school meals and collect reward points.

Tom Downes, CEO of Worldcard, said: "We are delighted to be able to place Worldcard on the Smartcities card and have no doubt that it will soon become a "must-have" lifestyle accessory for the majority of residents in Southampton.

### HBOS Orders 15 Million Cards

Gemplus International has won a contract to provide Halifax Bank of Scotland (HBOS), with 15 million Smart Cards over the next three years as the bank moves from magnetic stripe cards to EMV-compliant cards.

HBOS currently issues approximately 5 million debit cards per annum, making it one of the largest debit card issuers in the UK.

### Visa Smart Secure Storage

Visa has announced Visa Smart Secure Storage (VS3), a new specification simplifying how non-payment programs are stored and updated on Visa Smart Secure Storage Smart Cards.

VS3 allows issuers to create pre-formatted "cells" that they can offer to their partners to populate with data related to their programs, such as loyalty programs, personal identity services and club memberships. The VS3 specification is EMV-compliant and can reside on a static chip or GlobalPlatform multi-application chip.

### Cubic Awarded \$72.5 Million Contract

Cubic Transportation Systems Inc., has been awarded a \$72.5 million contract from the Metropolitan Atlanta Rapid Transit Authority (MARTA) to deliver a Smart Card-only multi-modal fare collection and revenue management system. The new system will be the first in the U.S. to deploy a low-cost, limited-use Smart Card.

Under the contract, which could be worth as much as \$104 million, Cubic will replace MARTA's existing magnetic ticketing and token-based system with a open architecture Smart Card ticketing technology that will allow commuters to use one card to pay for rail, bus, L-van (paratransit) fares and park-and-ride fees. Beginning in 2006 when the system launches, patrons will be able to use a customer service Web site to order and register cards, make account queries and add value to their cards with the online "Autoload" software feature.

For more information visit ...



**NTT**

[www.ntt-east.co.jp](http://www.ntt-east.co.jp)

**RMW Enterprise**

[www.rmw-enterprises.com](http://www.rmw-enterprises.com)

**INSIDE Contactless**

[www.insidefr.com](http://www.insidefr.com)

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**Worldcard**

[www.worldcard.co.uk](http://www.worldcard.co.uk)

**Matrics**

[www.matrics.com](http://www.matrics.com)





Added value can then be collected automatically the next time customers use their cards in the system at rail stations, on buses and L-vans, and when parking.

## Card Production in Turkey

Gemplus is partnering with Turkish Smart Card manufacturer Plastkart to bring Gemplus' card technology to the Turkish market using Plastkart's local production facilities.

## Mobile Barking Translation

There have been many novel uses for Smart Cards, but the latest innovation from Japan is probably the strangest yet.

According to channelnewsasia.com, the Japanese mobile phone unit of the UK's Vodafone is to make the 'Bow-Lingual' dog bark translator available for mobile phone subscribers.

Starting in December, the Bow-Lingual CONNECT service, which converts dog barks into text and graphic illustrations of a dog's emotions, will be available to users who buy a Smart Card for a new handset developed by Japanese electronics giant Sharp.

"After inserting the card into the card slot and booting the Bow-Lingual CONNECT application, if a customer comes within 40 centimetres of a barking dog, barks will be analysed resulting in text and illustrations of six dog feelings: happy, sad, frustrated, on-guard/territorial, assertive/showing off and needy," Vodafone KK said in a statement.

channelnewsasia.com explained further that Bow-Lingual, a computerised gadget that interprets the warp and woof of a dog's life for its owner, was first unveiled in August 2001 by major toymaker Takara Co and became a hit when it went on sale in Japan in September last year.

Overseas release followed earlier this year, to be followed by a cat-language version, Meow-Lingual this month.

SCN thinks 40 centimetres is too close to discover if a dog is friendly or aggressive.

## Smart Card Scheme Launched for Coal Miners in India

The Indian Government's Coal Minister, Shri Kariya Munda, has announced a new Smart Card Scheme for coal miners. The Smart Card enables employees to examine their Provident Fund accounts without having to visit the Coal Mines Provident Fund Organization's (CMPFO) office. By inserting the Smart Card in a kiosk at Coal India Limited's office at Kolkatta, users can check their pension status, lodge grievances or just make general enquiries.

## Smart Cards for Dover Port

Dover Harbour, northern Europe's busiest ferry port, is to install contactless Smart Card technology from LEGIC IdentSystems for secure access control and time & attendance systems at the UK port.

Dover Harbour Board said: "Initial use will see LEGIC ID Smart Cards used for staff across the whole Port of Dover facility and we plan to implement cashless payment and time and attendance functions to those cards at a later date."

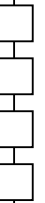
The port handles around 16 million passengers and some 19 million tonnes of freight per annum; supports 6,700 jobs in port operations, processing and regulatory authorities, and there are an additional 3,000 indirect supplier businesses with a total of approximately 60,000 staff who require access to the port facilities throughout the year.

## TV Conditional Access System

The Kudelski Group has announced that Nagravision, its digital TV company has successfully completed the installation of its Alladin-based latest generation Conditional Access system on the Premiere Network, Germany's largest supplier of Pay TV services. The agreement involves the exchange of 2.7 million Smart Cards used in the set-top boxes.

## Smart Cards for Pensioners

Oberthur Card Systems and Face Technologies have been selected by the South African Post Office for the delivery of 170,000 CosmopolIC Smart Cards to be distributed to social pensioners in the North-west Province of South Africa.





The cards will enable welfare payment recipients who never enjoyed the convenience and social standing of a bank account to open a basic Postbank account. The card, with a magnetic stripe, will contain the holder's pension number, ID number and electronic fingerprints. The technology deployed will reduce fraud and increase security in the welfare payment arena.

"This collaborative project named the Paymaster to the Nation will help the Government deliver on its commitment to the underprivileged people of our country" stated Marietjie Lancaster, Head of the New Ventures Division of the Post Office.

## SAGEM ID for Paris Airports

SAGEM has been selected by Aéroports De Paris (ADP), as the prime contractor for the biometric identity control of personnel entitled to access the apron security areas of the airport.

The programme, which uses fingerprints, will be implemented in partnership with OMNITECH, specialists in security information systems and involves 90,000 people at the two airports of Roissy Charles de Gaulle and Orly. The system, to be installed during 2003/2004, will enforce security, increase control reliability whilst reducing the staff's access time to their working zones.

The system integrates fingerprint biometric recognition, data encryption and contactless Smart Cards. With over 100 fixed and 15 mobile security checkpoints, the system will be Europe's largest airport staff identity control system.

## National ID Card for UK?

UK Home Secretary David Blunkett is still facing stiff opposition from colleagues in the Cabinet over the Governments £3 billion plan to introduce a national ID card into the UK. Prime Minister, Tony Blair, said recently that ID cards were a good idea "in principle" and could yield substantial benefits.

Meanwhile, the UK Cabinet has tabled a draft bill on identity cards to be announced by the Queen in her annual speech to the nation at Christmas. This bill will allow the Home Office to start technical preparations for a compulsory national scheme. Currently work on a biometric passport and an EU driving licence is underway.

The draft bill will require foreign nationals, resident in Britain for more than three months, and less than five years, to purchase a biometric Smart Card intended to provide foolproof identification through fingerprint, iris or facial technology.

## SIM Awareness Grows in US

Gemplus International says that US consumer awareness of SIM cards is growing according to the results of its US SIM Card Consumer Survey. Three years ago, 6% of US mobile phone users had SIM cards in their mobile phones.

Today, more than 30 million US residents (20%) have one, and this number is rapidly growing with the adoption of SIM cards by various operators, including AT&T Wireless and Cingular Wireless.

The survey reveals that SIM cards have already gained 39% awareness among mobile phone users in the US. Only 20% of users, however, understand that SIM cards are Smart Cards.

Gemplus's survey indicates that mobile phone users rank customer service features as the most appealing, giving priority rating to applications that send automatic notification of service problems (rated 7.8/10) and that enable self-care (6.5/10).

Mobile phone users ranked the ability to easily transfer phone numbers between handsets (5.8/10) and the use of larger phone books (5.7/10) third and fourth respectively. 78% of mobile phone users said they would be interested in using SIM cards to easily transfer their phone books between handsets, while 69% said they would like to use their mobile phones during international trips.

For more information visit ...



**Plastikart**

[www.plastikart.com](http://www.plastikart.com)

**Vodafone**

[www.vodafone.com](http://www.vodafone.com)

**LEGIC Identsystems**

[www.legic.com](http://www.legic.com)

**Port of Dover**

[www.doverport.co.uk](http://www.doverport.co.uk)

**The Kudelski Group**

[www.nagra.com](http://www.nagra.com)

**SEGEM**

[www.segem.com](http://www.segem.com)





## Wireless Payment Processing

VeriFone has launched a new mobile, wireless and permanently connected credit and debit card payment processing system, developed in conjunction with UK card payment processing system provider, Commidea.

The system, called Ocius, is the first in the UK to carry payment transactions over General Packet Radio Service (GPRS), delivered via one of the UK's leading mobile communications network.

The system is based on VeriFone's Omni3600 portable wireless terminal.

## Facial Recognition Breakthrough

OmniPerception has announced a technological breakthrough that will enable video cameras, secure entry systems and even Smart Cards to recognise their friends and neighbours - and pick out potential enemies - by "seeing" and recognising their faces automatically by computer.

The face recognition software operates on a new Smart Card from Japanese electronics company Sharp.

The company says this unique new British technology is expected to have enormous significance for the cash cards, identity cards, entitlement cards and machine readable travel documents of the future.

## Dutch E-Ticketing Project

Trans Link Systems has chosen The East-West Consortium, led by Thales, Accenture and Vialis, to design, develop and implement a unified electronic ticketing and payment system for public transit in The Netherlands.

The new system, which will cover train, metro, bus, ferry and tram journeys, will be the first e-ticketing and payment system in the world to be implemented on a national scale.

It is anticipated the system will be rolled out beginning September 2004 in Rotterdam.

The contract is valued at 120 million euros, with additional contracts for products and services to follow over the next five years.

## JCB to Test Fingerprint ID

JCB Co has announced that it is to test the usefulness of fingerprint authentication for mobile access to its on-line cardmember account inquiry service 'MyJCB', using NTT DoCoMo's F505i mobile phone equipped with a fingerprint scanner.

Employees of the credit card issuer will download the JCB Safety Login i-appli application, developed in cooperation with Fujitsu, to the phone to verify fingerprint information.

After initial set-up, access to the 'MyJCB' service is permitted only if fingerprint authentication is successful.

## NEC Launches Biometric Card

NEC has announced the launch of their new biometric Smart Card security system which allows authorised users physical access to corporate buildings as well as allowing network and application access.

The new biometric system, which NEC have deployed internally, comprises a Smart Card containing a photograph and printed name and uses an encrypted digital security certificate with fingerprint details for network access.

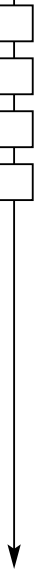
## Biometrics for Fire Credit Union

SAFLINK Corporation and Passlogix have announced that the 18,000-member San Francisco Fire Credit Union (SFFCU) has selected both companies to provide a single sign-on fingerprint biometric security system for its network users.

SAFsolution Enterprise Edition will be combined with Passlogix v-GO Single Sign-On (SSO) to securely authenticate users via fingerprint scan and extend the benefits of single sign-on to the credit union's numerous network applications.

## Biometrics on Visa Applications

American embassies worldwide have started using photographs and scanned fingerprinting as part of a new visa application process. This process is part of a new US law that requires embassies to collect biometric identifiers from all visa applicants by October 26, 2004.





## E-Check-in at Tokyo Airport

All Nippon Airways has introduced a trial e-check-in system at Tokyo's Narita airport using facial technology to verify the identity of passengers.

Travellers will have their faces scanned in the departure lobby and again at the boarding gates by two types of e-check-in machines.

The trial will run from December to the end of March next year on a voluntary basis - travellers with e-tickets will be able to opt to check-in using the technology.

## Co-operation Deal for Ticketing

Smart Card developer On Track Innovations (OTI) and Scheidt & Bachmann, a private German company have announced they will be providing mass transit ticketing solutions to the Metropolitan Transit Authority of Harris County (Houston), in Texas.

This system is scheduled to go online in 2004. Scheidt & Bachmann will act as the system integrator with OTI supplying the front-end solutions including readers and support software.

## Dobson Selects Axalto SIMs

Axalto (formerly Schlumberger Smart Cards & Terminals) is to provide US wireless telecommunications operator Dobson Cellular Systems with Simera Java SIM cards with a Wireless Internet Browser (WIB) application to support Dobson's GSM conversion.

The SIM card will enable Dobson to offer services, such as games, Internet banking, Web browsing, location-based services and customised news feeds to customers.

## Hitachi Moves into Biometrics

Hitachi, Japan's biggest electronics maker and Glory, a money-handling machine maker announced they have developed technology that can identify faces with 99% accuracy.

To be launched in Japan in 2005, Hitachi believes this new biometric technology will generate 20 billion yen (\$181.5 million) in sales.

The technology can be used in combination with other biometrics such as fingerprints and iris recognition technologies or combined with Smart Card technology.

## Sharp Selects Atmel FingerChip

Atmel Corporation, a designer and manufacturer of non-volatile memory and RF semiconductors, has announced that their AT77C101B FingerChip biometric sensor has been selected by Sharp Corporation to provide logon security for its newest and first fingerprint-protected Tablet PC, Sharp Mebius Muramasa PC-TN1-H1W.

Integration of the FingerChip into Sharp's Tablet PC provides users with improved security and increased convenience towards protecting their information.

The FingerChip utilises a unique patented method for imaging the entire finger by "sweeping" it across the sensor. Sweeping captures successive images (slices), then uses software to reconstruct the fingerprint.

## UK Digital Tachograph

RSA Security has announced that the Driver and Vehicle Licensing Agency (DVLA) in the UK has selected RSA Keon digital certificate management software to provide the authentication features for its new digital tachograph card system, a device for recording the speed and distance of a heavy goods vehicle.

For more information visit ...



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# Industry Third Quarter Financial Results

by Jason Smith, Production Editor, Smart Cards Now

It's that financial time of year again when companies release their third quarter results of 2003 and for some it appears to have been a very successful year where others have seen a dip in performance.

Oberthur Card Systems' sales figures show a return to growth, with an all time company delivery record of 33 million microprocessor cards. Oberthur's sales reached 107.6 million euros, increasing by 11.3% before parity impact on a year-on-year basis (+ 4.2% at euros actual rates and + 18.2% in US\$). Their sales figures had increased by 10.6% compared with the second quarter 2003.

This sales growth comes mainly from the good performance of microprocessor cards both in Europe and Asia. The dynamism of activity comes from both the mobile communications market, with significant shipments of high added-value cards, and the payment market. Oberthur's third quarter revenue for such cards represents 67.4 million euros, an 18% increase on a sequential basis. The company reported that the payment market remained very active with sales for this segment - 13.4 million cards delivered during the quarter - sequentially increased by 14.9%. Growth is carried by EMV migration programs both in Benelux and the UK where Oberthur recently signed an exclusive three-year contract with retailer Marks & Spencer for the supply of credit cards.

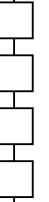
The Mobile Communications segment also experienced strong growth. With 17.8 million cards delivered, third quarter sales increased sequentially by 31.8%. During this period, high-end 64K and 128K cards represented close to a third of sales, triggering a 12% rise in average selling prices.

Currently Oberthur has seen sales grow further with the signing of a 10 million card contract with the KBC Banking and Insurance Group and has commenced shipping volumes of its Money!C Prisma BP 8 Smart Cards to KBC issuers in Belgium, Poland, the Czech Republic, Slovakia and Hungary in what is the first roll-out of Proton Prisma cards in the world. They have also strengthened their position in the market by signing a global collaboration partnership with Bell ID, a subsidiary of London-based Bell Group plc, to integrate both the companies' expertise and experience in key elements of complex Smart Card projects around the world.

Gemplus International S.A, a provider of Smart Card solutions, on the other hand announced that in their third quarter results they had made a narrower net loss of 13.1 million euros versus a loss of 38.6 million euros in the third quarter last year.. Gemplus' sales were also down from 190 million euros compared to 205.6 million euros a year earlier. Excluding currency effects, discontinued operations and acquisitions, sales slipped 0.1 percent. However Gemplus broke even at operating level with zero profit compared to a loss of 6.5 million euros a year ago. Gemplus have now entered their final quarter armed with a newly won contract to provide Halifax Bank of Scotland (HBOS), with 15 million Smart Cards over the next three years.

ActivCard, a global provider of Secure Digital Identity and Authentication solutions reported their revenues for the third quarter as \$9 million, compared to \$12 million reported in the third quarter of 2002, which is a fall in revenue of 25%. Net loss for the quarter, in accordance with U.S generally accepted accounting principles(GAA), was \$5.6 million, compared to a net loss of \$2.9 million in the third quarter of 2002. However ActivCard state that this net loss was partially incurred from the losses made by ASPACE Solutions Limited, a company which ActivCard acquired a 38% interest in during this third quarter.

Datakey, Inc., a leading developer of information security software products that simplify and secure access to corporate information, saw their revenue for the third quarter increase by 23% from the second quarter to \$1.2 million and down 9% from \$1.3 million for the same period last year. The third quarter loss from continuing operations was \$670,000, or \$.07 per share, compared to a loss of \$723,000, or \$.07 per share, in the year-earlier period.





"We continue to execute the plan outlined at the end of the first quarter and are beginning to see the results of those efforts with the second consecutive quarterly revenue increase, a reduction in our loss during the quarter and shipments to 90 new customers," said Tim Russell, President and CEO of Datakey. "With the addition of new financing announced earlier this week, we believe we now have the capital required to execute our Datakey Axis sales and marketing plans." The financing Mr Russell was referring to was the \$3.12 million injection from a group of accredited investors including three of its largest existing shareholders. In two separate transactions, the company received \$1.12 million from the exercise of existing warrants and \$2 million from a convertible debt financing.

American Express were another company to see their revenue rise in the third quarter by 9% to \$6.4 billion. Their net earning was reported to be \$770 million, which compared with net earnings of \$687 million a year earlier which shows a 12% increase from last year.

Visa USA also showed very positive figures for their third quarter. They reported that the total volume on U.S. Visa cards grew nearly 13% to more than \$285 billion for the quarter ended September 30, 2003. "Despite a challenging year, we've remained focused on growing the business. We're extremely confident that we'll hit our 2003 volume projection of \$1.1 trillion as we head into the busiest shopping season of the year," said Carl Pascarella, president and CEO, Visa USA. Visa debit card volume also continued to grow at a double digit rate reaching \$118 billion in the third quarter, a more than 22% increase over the same period last year. Visa's third quarter credit card results showed a volume growth of 7% over the same period last year to more than \$167.8 billion. These issued figures show that Visa has outperformed their 2002 levels in all product categories.

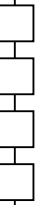
The growth in the digital pay-TV market around the world has benefited Rupert Murdoch's NDS Group plc, a news corporation company, and the leading provider of technology solutions for digital pay-TV. In their results NDS reported that they have 36.1 million active digital TV Smart Cards to date which means they have a global market share of 32%. The results that they released, which cover the first financial quarter, show NDS achieving £52 million in revenue, which is down compared to £62.5 million they gained in the same quarter of the previous financial year. The results also showed a Net income up 24% and a profit margin of £14 million. NDS are currently working on adapting the advanced Smart Card technology it supplies to BSkyB for DirecTV, the US's largest satellite TV operator in which News Corporation bought a controlling stake for £3.9 billion.

To date MasterCard International has registered a sharp growth in global demand for Smart Card services. They are currently working with more than 400 individual chip implementations around the world. This figure represents more than double the number of projects active in the fourth quarter 2002.

Smart Card adoption continues to gather force in most regions of the world. Smart Card activity has been particularly strong in the Asia/Pacific region, where the number of EMV Smart Cards has continued to double each year to 14.5 million cards today. The same basic trend holds true in Latin America/Caribbean, South Asia and the Middle East, Africa and especially Europe, which continues to lead the world with more than 200 chip migration programs now underway

Eurosmart, a company who promotes Smart Cards, released their comments on the 2003 market to date at CARTES 2003 in Paris. They stated that the market is in a growth phrase again, mainly driven by the telecoms, banking and Government sectors. The figures they released forecast a total of 1828 million units of memory and microprocessor cards will be shipped worldwide in 2003, which is a 24% increase from 2002.

Part of this increase was the 32% growth in the telecom sector boosted by the very important volumes of Smart Cards delivered in China. Asia is also an emerging market which will bring greater revenues in the forthcoming future for the Smart Card industry.





## **GHL Receives EMV Contracts**

GHL Systems Bhd, a payment services enabler, has been awarded contracts by two banks, one local and one foreign, to facilitate their Europay-MasterCard-Visa (EMV) migration and maintain their payment infrastructure. Under the terms of these contracts GHL will be employing a dynamic data authentication technology, which is a more secure system for EMV than static data authentication technology.

## **Microexpert Appointment**

Microexpert, a UK-based IT security consultancy and Smart Card specialist, has appointed Garth Hemmingsen as New Business Development Manager. This new appointment comes at a time when Microexpert has started to expand its operations and strengthen its position within the Smart Card and security consultancy arena. Microexpert has also recently moved its office location to Colombia House in Worthing, UK to accommodate this new sales drive.

## **Advanced Card Issues New Share Placement**

Advance Card, a Hong Kong based maker of Smart Card readers and related services, is offering 78 million new shares to institutional investors at 0.32 hkd per share. The shares are scheduled to trade on Nov 10 under stock code 8210.

## **Million Card Celebration**

UK based Infineer, specialists in Smart Cards for school meals, are celebrating the news that their Smart Card manufacturing partner, Burall InfoSmart, have issued over one million cards to Infineer customers worldwide.

Colin Petrie, Managing Director of Infineer, said: "Putting over one million cards into this competitive market is a positive indicator of ChipNet's success, as we continue to offer customers alternatives to conventional magnetic card systems."

## **Atmel CC Certification**

Atmel Corporation's AT90SC9608RC and AT90SC9616RC crypto-controllers have been granted Common Criteria certification to EAL4+ (Augmented to AVA-VLA.4)

This vulnerability assessment corresponds to today's highest known proven resistance against any security attack. Both products, developed primarily for the high security Smart Card markets, feature 96K ROM with 8K and 16K EEPROM respectively and 3K RAM

## **American Express Awarded Patent for Innovative Clear Card**

American Express, has announced that the U.S. Patent Office has awarded them a patent for the invention of clear card technology. Amex's new clear card is the first transparent and translucent card product which can be used by virtually any infrared-beaming machines, such as ATMs. The clear card technology is currently being used by American Express in their Smart Card technology-based Blue card.

## **Bank of Finland Sells Setec**

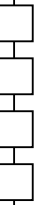
The Bank of Finland is set to sell its 40% stake in Smart Card manufacturer Setec Oy to CapMan. The transaction is currently under the approval of the Finnish Competition Authority.

Petri Niemi, Partner at CapMan, said: "Setec is a pioneer in technological competence and has the most sophisticated passport and identity card products on the market as well as chip-based debit and credit cards that comply with the new international EMV standard."

"Setec's competence and strong market position form an excellent foundation for the development of the company. CapMan's entrance will bring new resources for this development work," said Matti Packalén, Chairman of the Board of Setec.

## **Acquisitions by ASSA ABLOY**

ASSA ABLOY AB, a provider of identification solutions within the radio frequency identification (RFID) and Smart Card markets, has announced the acquisitions of Sokymat S.A., the Identification Technology Business of ACG (Advanced Component Group AG), and the majority position in OMNIKEY AG, a manufacturer of Smart Card readers. OMNIKEY represents a natural extension of ASSA ABLOY's strength in reader technology through the addition of IT applications.





# Smart Card Demands in US

by Jack Smith, News Editor, Smart Cards Now

Where are Smart Cards going in the US? The recent conference of the Smart Card alliance brought this into focus and the consensus view expressed by speakers was that US consumers, businesses and government agencies are increasingly signing on with Smart Cards, using them for everything from transit fare payment to information system security, and demand is likely to keep growing. "In 2003 the United States became the third largest market for microprocessor Smart Cards in the world, after China and the UK, and that is a tremendous success for all of us," outgoing Alliance Chairman Paul Beverly, President, Americas for Axalto announced.

"In 2003 alone our industry will ship more than 70 million Smart Cards to the US and Canada, and the outlook for growth has never been brighter. Convenience and security are catching the attention of consumers. At the same time, US card issuers from many market sectors are rapidly adding a wide range of value-added services to multi-application Smart Cards." One of the changes evident at the event was the increased activity in contactless Smart Card technology which promises to add new applications and markets that will further accelerate the growth of the industry. Apart from their wide use in public transport, American Express was market testing its contactless payment product Expresspay, and MasterCard was focussing on its contactless Paypass.

**Transit.** - Most transit operators in urban areas of the United States are implementing Smart Card-based fare ticketing systems. Greg Garback, Executive Officer, Department of Finance, Washington Metropolitan Area Transit Authority, explained: "You cannot have 40 year old technology and attract new customers. If a transit customer has to have four pieces of fare media for his or her commute, that is not a good thing. Smart Cards enable us to give the customers what they want - a single, fast, convenient ticket."

**Wireless** - Smart Cards serve as Subscriber identity Modules (SIMs) in wireless phones compatible with the GSM standard. With more than 30 million Americans carrying Smart Card-equipped mobile phones, wireless is the largest sector for Smart Cards in the US market. Hamish Caldwell, Executive Director, Product Management of Cingular Wireless, explained why Smart Cards and GSM was the right strategy for Cingular. "Customers want choices in services, and SIMs enable consumers to access those services," he said. "They are removable, so consumers can transport identity and service choices from one device to another. SIMs provide hardware-based security and enable operators to bill for services by providing identity. Services drive the move to a SIM."

**Enterprise** - Security: Corporate employees on the move, both physically and logically, are increasingly likely to use a Smart Card in their day-to-day activity. Boeing, Northrop Grumman and Sun all presented their Smart Card-based corporate ID credential programs at the conference. Sharon Lindley, Director Secure-Badge Program at Boeing, said the company planned to badge approximately 200,000 employees, customers and suppliers across the world. And at Sun Microsystems, Albert Leung, Group Marketing Manager Java Card Technology, explained:

"Every desktop has a Smart Card reader built into it." Sun has issued 35,000 JavaBadge ID credentials to employees. These multi-application Smart Cards combined several different existing cards or ID tokens into one card that can provide physical access control and logical access via single-sign on. "We saved a lot of money by incorporating all of the technology on one card," he said.

**Financial** - Contactless RF technology was a big focus in discussing retail payment. David Owen, principal, US Financial Services for Booz Allen Hamilton, estimates that more than 20 million US households are already using RF-based payment systems, of which 75% are RF toll transponders and the rest RF payment fobs. As financial services providers look for additional growth, he said, they have found that RF-based payment enables them to extend current card platforms into these still available segments.





# Chips Are Food for You - Smart Cards in the Public Sector Will be Driven by Citizen Demand



Gary Watts

By Gary Watts, Managing Director, Applied Card Technologies (ACT)

The past few years have seen growing government interest in the potential that smart cards offer in improved efficiency and service delivery. And, according to smart card specialists Applied Card Technologies (ACT), the challenge facing the public sector is not the technology itself, rather the manner and process in which it is deployed. Gary Watts, managing director, ACT, stated: "An increasing number of government projects around the world are aimed at harnessing the benefits of Smart Card technology with projects such as social welfare, identification and driver licensing.

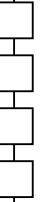
Indeed national pre paid systems - combining public transport, public telephones, merchants, and vending - have already been announced in a number of countries, and road tolling schemes at full highway speeds are in the offing." Within the UK, Smart Card activity is still at an early stage, although certain vertical sectors, such as transport and finance, are actively rolling out Smart Card technology (e.g. London Transport Oyster contactless ticketing project and the roll out of chip and PIN within the UK). As UK Smart Card deployment is set to rise so will the opportunity for Public Sector service providers to avail of the electronic and secure delivery mechanism smart cards offer.

"The common application for most citizens is ID, the first thing a citizen typically does when interacting with public or private service providers is prove his / her identity. Indeed identity (accepting there are different levels of identity that can be established) is fundamental to citizen service delivery. The ubiquitous need to establish that trusted relationship with the citizen is best demonstrated by a quick look at common citizen transactions - all personal non-cash transactions are known by the banks; telephone companies have details of every phone call; retailers know what consumers buy; and ISPs (Internet Service Providers) know our every move on the Internet," continued Gary. "This is also the era of freedom of the individual; no one likes to think of themselves being watched and tracked by some faceless government institution more concerned about trust worthiness than about looking after the needs of the man, or woman in the street.

However, the truth is that service providers do not need to know the citizen to provide him/her with better-targeted information or services, but rather they need to know the profile, not absolute identity." Smart Cards provide a mechanism to provide cardholder authenticity without absolute identity. For the first time they provide a mechanism to say something secretly without divulging a secret, to prove that a person is genuine without saying who he/she really is.

"An ID application is generated once offers the common denominator for each and every market sector a citizen plays in. This in turn can provide the foundation for stakeholders to work together towards a common card and system infrastructure," continued Gary. "Smart Cards together with the appropriate infrastructure and supported by appropriate policy and legislation provides the means to establish and improve the trust between government and citizens by protecting the privacy and confidentiality of citizens personal data.

This is widely viewed as paramount to the acceptance of electronic services by the citizen." Smart Cards have a vital role to play in the realisation of the full potential of modernising government and electronic commerce delivery by securing the privacy of personal, government and corporate information, whilst offering increased efficiency and availability in service delivery for the citizen."The challenge facing the public sector is not the technology itself, rather the manner and process in which it is deployed. The technology has been around for decades and is well proven, most smart card projects are seen to fail because insufficient attention has been given to the business or service delivery behind this flashy piece of technology (cast your minds back to the Mondex Swindon trials and VisaCash Leeds trials)," added Gary Watts.





Remember, it is not the Smart Card that is being discussed here but rather the service and the method in which it is delivered via the Smart Card; the latter will determine the citizen uptake of Smart Card technology. After all the citizen will not buy into technology itself but rather what it can deliver. "Far from intruding on privacy, Smart Cards enable trust to be built, because they provide the appropriate level of identity without revealing irrelevant personal details. And most organisations operating in the consumer marketplace - whether public or private sector - feel more comfortable transacting with the citizen if they know their identity is real," concluded Gary Watts.

## The Payments Industry is Ready for CNP Fraud - but are Retailers?

By Mark McMurtrie, Marketing Director, Retail Logic



Mark McMurtrie

APACS is right, Cardholder-Not-Present is 'the next big thing' in payment card fraud and it's encouraging to see that British 'new high street' shoppers are now being educated. But what the APACS announcement omits to mention is the critical role retailers can play to protect themselves and their customers from this growing problem.

The trouble is, as large-scale Chip & PIN implementations rollout, many retailers have taken their eyes off the ball and risk being outflanked by the fraudsters.

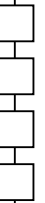
The authorities are well aware that fraud is never 'solved' - it is simply shifted. Chip & PIN will protect retailers against counterfeit card and skimming fraud, effectively forcing criminals to find alternative and easier methods. What APACS's statistics confirm is that the fraudsters have already found their new fraud method - CNP. So all retailers with online or call centre operations, and their customers, will face increasing fraud risks unless they act to prevent them or have taken steps already.

According to APACS the cost of CNP fraud is £110.1 million per year in the UK, having risen 33%. It now accounts for approximately a quarter of all fraud carried out on UK-issued cards. This figure can only rise as online spending rockets. Products already in use have been developed; certified by banks and financial incentives are encouraging their adoption. The bottom-line? If lethargic retailers do not manage fraud, it will impact their profitability. Can you afford to put your customers at risk?

Fortunately, unlike many retailers, the payments industry has not been ignoring the increasing problem of CNP fraud. International card associations, banks and the retail technology community have all been working together to devise and introduce numerous new methods and systems that will help protect retailers and their customers from CNP fraud.

It's vital that retailers' systems continue to evolve and adapt as criminals focus on new vulnerabilities to protect both their customers and themselves. Card Security Codes and Address Verification Systems are already being widely used to make the task of criminals more testing. More recently the large card associations have introduced new payer authentication schemes to further frustrate fraudsters. The Verified by Visa and MasterCard SecureCode initiatives introduce an extra layer of security on CNP purchases, so that when shopping at participating retailers customers input another password to authorise the transaction.

By supporting these initiatives, new security products increase the protection available to retailers and, along with powerful data encryption and advanced risk management products, will help stem and turn the tide of CNP fraud. But, frustratingly, the use of these systems is today the exception rather than the norm. This must change if 'new high street' shoppers are to be developed into increasingly significant revenue and profit streams. APACS's announcement is a watershed, I fully support them in highlighting the issue and see it as a call to action for retailers to check their security measures and implement tougher, more sophisticated protection systems.





# Axalto, A Schlumberger Company

By Patsy Everett, Managing Director, Smart Cards Now



Axalto was formed at the end of this summer from Schlumberger's Smart Card and Terminals division after a series of rumours that it was up for, and probably in preparation. The new company name, according to Howard Berg, Region Director-UKI is made up of words access and altitude. Access because this is what Smart Cards are about and altitude is the height to which the company aspires.

Axalto, on their web-site, claim to be the leading provider of microprocessor cards, which I am sure Oberthur would challenge, with world-wide sales exceeding 2.8 billion Smart Cards.

Axalto currently have 4,500 employees in 100 countries worldwide from 56 different nationalities. They have offices in 31 countries and 11 factories, 9 technology centres with over 50 sales and marketing sites, they also have R&D centres in China, France and the USA.

Trading on the history of the old company Axalto are claiming a number of firsts. In 1999 they claim to have been the first to introduce a Smart Card that enabled multi standard mobile phone roaming. In 2000 they developed the first 32-bit operating Smart Card system and in 2001 the company was the first to reach FIPS 140-1 level 2 certification for a Java based Smart Card.

During 2002 they shipped the first 64k smart cards to a telecommunications operator and in 2003 the company shipped the first 128K Smart Card. Pretty impressive stuff.

Axalto also have an impressive client list. In finance they have clients such as Barclays, La Poste, Lloyds TSB Bank Plc., Public Bank of China, Royal Bank of Scotland and Societe Generale. Within the public and network security sector Axalto work with company's such as CANAL+, NDS, Nissan RATP, GIE, SESAM Vitale, London Transport, Shell SNCF and the U.S Department of Defence.

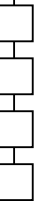
As expected Axalto have a healthy share of the Point of Sale terminal market with clients such as Banca di Roma, BNP, China Union Pay, Desjardins, Kocbank, National Bank of Greece, Payscale, POSNet, Royal Bank of Scotland and Societe Generale.

Within the telecommunications market place Axalto have telecoms cards with AT&T Wireless, China Mobile, China Telecom, China Unicom, Eircom, Etisalat, France Telecom, J-Phone, MTS, Nile telecom, Orange, SFR Telecom, South Africa Telecom, Telecom Italia, Telmex, TIM and T-Mobile.

The future for Axalto, if it remains within the Schlumberger group, is to carry on spreading smart card applications throughout the business world by recognising the importance of the largest growing smart card markets and establishing joint ventures in China.

Axalto have recognised the market promise roaming access of IT networks affords, to which end they have developed the first USB enabled smart card. They have also recognised the market potential for ID security and have become the leading specialist, through a joint design and implementation of a global smart card based ID security scheme, with the US Department of Defence.

Listening to the views of small scheme operators, the one underlying problem with dealing with Schlumberger was the company's disregard for their needs, they were just too small. One has to hope that the new company, Axalto can overcome the large company ethos and realise that small can be beautiful and some times profitable.





# Infrastructure, Not Cards

By Peter Tomlinson, Iosis, Independent Consultant



*Peter Tomlinson*

Be you vendors or operators of systems that use Smart Cards, you all dread the call: 'my card doesn't work'. And the error message doesn't help. This time the techies go through all the checks, and it still doesn't work. Issue another card - just the same block.

Eventually you discover that it is a problem that only happens with cards from the new batch that just arrived. Or maybe the problem is tracked down to a new batch of card readers.

The discipline of being sure to buy (or sell) the card and terminal products that have been proved to work in the system has been followed. As a vendor, you quite like that it gives you customer lock-in. As a customer, you don't in the end like customer lock-in, but you put that to the back of your mind as long as everything works.

Something isn't working with something else, so in come the experts. Now Smart Card technology is not great on diagnostics (excuse: they might help some malicious person hack the system), so the hours start to tick up on the support bill. Eventually comes the diagnosis: these cards, or perhaps these card readers or transaction terminals, are not quite the same as the previous lot.

Can it be fixed? Well, the software will have to be changed. Sometimes it really comes home to us: we actually love plug-and-play (even if it means finding the CD, even if it means downloading a new driver from the internet, even if every system has to be rebooted 3 times before it finally plays).

Then, as a manager, you receive an email to say that the organisation has a new policy of interoperability, which means several previously unseen card types have to be accepted in the systems. Perhaps a multi-application card is to be introduced as well.

Quite clearly the part of the smart card supply chain that designs and manufactures the integrated circuits is reaching maturity, although the card operating systems still have to be ported onto many of the new products. (Ask if the feature size is 0.18 micrometres or less to be sure that it's a new generation IC.)

Not much maturity in terminal system software where a PC is the terminal. PC/SC driver packages can cope with a few reader types and a few card types, but expert developers are needed to support them, as the software is effectively self-defining. OCF has faded away. MUSCLE (mainly for Linux), although backed by the usual superb practitioners, is effectively maintained by volunteers - and it is still not a method for universal deployment to handle multiple card types.

But there is hope, although it means upheavals ahead for existing systems. Along with the USB interface has come the CCID universal method for handling card readers - it is here, now, for MUSCLE, with a growing list of card readers accepting it. Global Platform, a consortium with a lot of support from Visa, assumes that multiple card platforms have to be supported, but in itself is platform neutral (i.e. it doesn't really tell us what to do, although it does recommend that cards carrying identifying data).

To be sure to be able to quickly integrate new cards into the system, the cards and the terminal equipment have to co-operate. That is what the USA NIST work understands, and it has moved on from the military Common Access Card to a more general method for civilian deployment (GSC-IS V2.1). Not yet implemented, it just might need some customer pull to get it moving along the road to providing a Windows DLL and support documentation.

The future is not quite now, but it is coming.





# Smart Card News On Line: Round-Up

Smart Card Group's *Smart Card News On Line* service is emailed to subscribers every working day, reporting on industry events as they happen. This service is available FREE to *Smart Cards Now* subscribers (£100 per year for non-subscribers). For further details and to sign up please contact Amanda Pearce — amanda.pearce@smartcard.co.uk; tel: +44 1273 515651 (further contact details are available on page 3). Here's a selection of the headlines we covered in Month:

## Banking, EMV and Finance

- APACS Exposes Growth in UK Credit Card Fraud
- Gemplus Wins EMV Contract to Supply 15 Million Smart Cards to HBOS
- Whitbread Selects Trintech's ReconNET for Automated Transactions
- Axalto Awarded EMV Certification for Terminal Integration in Asia Pacific
- Direct Response Financial Services and Bill Ray Corporation to Share Revenue
- Giesecke & Devrient form EMV Partnership with Metalplex
- Dione Chosen to Support MasterCard/ Maestro
- GHL Receives Two Large EMV Contracts
- Leading Indonesian Bank to Use VASCO Digypass 260
- GHL Secures Two Contracts for EMV Migration in Malaysia

## Corporate

- A Million Reasons to Celebrate at Infineer System
- World's First Major Rollout of 3G 128k Smart Cards by Oberthur
- RSA Signs New Partnership Agreements
- Gemplus Joins Forces with Plastkart for Smart Card Production in Turkey
- Visa USA Announce Third Quarter Financial Results
- Insas Plans to List on KLSE Mesdaq Market
- American Express Awarded Patent for Innovative Clear Card
- Provenco Group Affirms 2004 Profit Forecast
- Paymetric to Sell CardinalCommerce's Secure Payment Authentication Software
- VeriSign and Aladdin's Partnership Continues to Gain Momentum
- Three Companies Join the ASSA ABLOY Identification Technology Group
- Mosaic Software Makes Two Key Appointments to Accelerate Sales Growth
- Sony Plans to Trim 20,000 Jobs Globally
- Trintech Achieves Visa PED Certification
- Oberthur Card Systems' Release Third Quarter 2003 Sales Figures
- Gemplus Reports Third Quarter 2003 Results
- Awards Acknowledge Atmel's Security Expertise
- ActivCard Appoints William Crowell as Chairman of the Board
- Columbitech Secures Additional Financing For Further Expansion
- Bell ID and Oberthur Card Systems Form a Collaboration Agreement
- ActivCard Announces Third Quarter Financial Results
- First Data Shareholders Approve Concord Merger
- Aptite's Share Price Increase Causes Investigation
- Datakey Receives \$3.12 Million In New Financing
- Tom Miller Appointed Chairman of the Board for AIM Inc
- American Express Reports Third Quarter Financial Figures
- Bioscrypt Reports Third Quarter Financial Figures
- Oberthur Card Systems Delivers First Commercial Volumes of Proton Prisma Cards
- Microexpert Appoints New Business Development Manager
- Advanced Card Systems Receives Growth Strategy Leadership Award
- Intellect Receives Further Orders in Europe for SOLO
- Smart Chip Technologies Joins ACT Canada
- Aconite Expands into the Middle East
- ARM Stretches Out into Smart Cards
- Advanced Card Issues New Share Placement
- NGR and Matrics Partner to Support RFID
- NDS Group Plc Announce First Quarter Financial Results
- MULTIPAY launches new Partner Promotion Programme for Small UK Retailers
- ACS Goes Public
- Mühlbauer Announce Third Quarter Financial Results
- Village World.com Takes One Step Closer to BIO Merger
- FreeStar Announces Appointment of New Executives
- NDS Announce Murdoch Will Not Be Replaced
- Conduit Acquires Smart Association
- Bio-Key Announces Partnership with Netegrity
- Bank of Finland's Sells its Stake in Setec to CapMan
- Mighty Card to Market Matrics RFID
- Best Third Quarter in Company's History

- ScreenCheck and BQT form Global Partnership One Chip Phone
- DoCoMo and Sony Consider Forming Joint Venture for Smart Card Chip
- Conclusions of Experts' Report into Gemplus S.A. Support Group's Position
- Applied Card Technologies Receives ISO Status
- Datakey Sees Unexplainable Increase in Share Price
- Schlumberger Announces Third Quarter Financial Results

## Government

- US Embassies Begin Using Biometrics on Visa Applications
- Smart Cards are a Dumb Idea Says South Wales Commissioner
- Queen Speech Set to Address UK Nation ID Card
- Blunkett Faces Opposition Over National ID Card Scheme for UK
- Thai Government to Introduce Smart Cards

## Healthcare

- Labcal Technologies Collaborates to Create Electronic Health Record System

## ID and Authentication

- JCB to Test Biometric Authentication
- Identix Wins Biometrics Solution for Aramco
- INSIDE Contactless selected to deliver smart labels for the China Educational System
- Canada's National ID Card Under Fire
- ActivCard Authentication To Be Used by Dutch Ministry
- Chinese Ministry of Education Awards Student ID Cards

## Leisure

- Boots Introduces New Electronic Gift Cards
- Legic Event Ticketing Technology Used at Swisscom Tennis Tournament
- Kudelski Group Install new Conditional Access System for German TV
- Smart Cards Introduced to Stop Australian Satellite TV Piracy
- Irdeto Access Partners with Adtec and Coship to Offer Pay-TV System

## Misc

- NTA Slams Online Retailers for Complacency and Slow Responses Following NatWest Online Banking Scam
- Canada Approves Smart Chip Technologies' Patent on Loyalty System
- Docent and Galaxy Scientific Provide Learning System to CATSA
- Smart Customer Launches Smart Customer Loyalty Program in North Carolina
- Reward Scheme on Smart Cards for Southampton Citizens
- UK School to Monitor Pupils' Food Intake with Card Payment System
- EDF Energy Signs Up with UK's Nectar Card Loyalty Scheme
- Essel Group Launches Pre-paid ITZ Cash Card in India
- Ecuador Mall Installs VeriFone's Wi-Fi Enabled Omni 3750 Terminals
- Prison Smart Card Wins Award
- Europe's Premier Indoor Tennis Tournament uses LEGIC Technology
- ID Data Helps MVC Offer More
- Who Goes There: Friend or Foe?
- Smart Card Scheme Launched for Coal Miners in India
- Bahrain's First Ever Computer Festival
- Australia's Disabled Taxi Program in Victoria to be Overhauled
- QI Systems to Supply Smart Card based Smart Water Dispensing System
- QI US Grows Concerned Over Smart Card Based Voting Systems
- QI OTT Installs Wireless Petrol Payment Solution in Mexico

## Technical

- Homebase Chooses IBM Anti-Fraud Technology
- Sharp Selects Atmel's FingerChip Biometric Sensor
- Intellect Wins Major Deal in South Africa
- Intrusion Inc. Teams with Sytex Inc. to Stop Classified Information Leaks
- EPSON Systems Available With Smart Card Payment Processing Capability
- Hitachi Announce New Ninety-Nine Percent Accurate Biometric Technology
- RomCard turns to OpenWay and iBiz for 3-D Secure
- Visa Develops Specification to Enable Value-Added Services on Multi-Function Chips
- ADS Announce Forthcoming Launch of VeriChip in Brazil
- Vital Approves Hypercom's T7Plus Card Payment Terminal
- Trintech Launches New Anti-Fraud Solution for Payment Lifecycle
- Rainbow and Microsoft Announce New Hardware for Windows Rights Management Services
- MasterCard Introduces New Payment Tools
- Sony Adds Biometric Access to USB
- NTT Develops First Multi-application Smart Card in Compliance with GlobalPlatform V2.1 Specifications
- Smart Tachographs a Must
- VeriFone Launch New Payment System
- Sendo Unveil First Symbian Smart Phone
- Smart Chips Could Get Thinner
- DVLA Implements RSA Security Digital Certificates for UK Digital Tachograph
- Indian Fabrication Facility VLSI to Manufacture Smart Cards and MEMS
- MasterCard's PayPass Pilot to Use Hypercom's Contactless Payment Terminal
- WLAN Smart Card Consortium Releases WLAN-SIM Specification V1.0
- Emosyn Signs PI Components as Microprocessor Distributor in Brazil
- Altium Launches TASKING Toolset for Renesas Technology's R8C/Tiny
- SAFLINK and Passlogix Provide Biometric Solution for San Francisco Fire Credit Union
- RFID-Enabled Visitor Services Launched by Athenic Systems
- NEC Launches Biometric Smart Card
- VOCEL Selected For inCode's 3rd Generation Wireless Technology Laboratory
- ActivCard Announce Secure Remote Access Solutions
- NTT Communications and Secom Launch New Smart Card

## Telecoms

- New Mobile Security Solution
- Mobile Phones Reloaded

## Transport

- Legic Appoint First City Care as New License Partner in the UK
- McCarran International Airport to Implement RFID Baggage Tagging System
- NY Gets Smart Cards to Improve Their Transport
- Tokyo Airport First to Use E-Check In System
- LEGIC Increases Harbour Security at the Port of Dover
- Cubic Awarded Contract to Deliver Atlanta's New Smart Card Fare Collection System
- SAGEM Wins the Personnel Identity Control System of the Paris Airports
- US Government Department Approves Export of Zephyr PASS-PORT Software
- TI and Scheidt & Bachmann Sign a Cooperation Deal for Ticketing Solution
- Netherlands Select Consortium for National Public Transit E-Ticketing and Payment System
- Airport Biometric Scan Breaks Greece's Privacy Law

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Credit Card

Number

Expiry

Signature

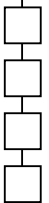
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Company

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# Sesames 2003 Awards at CarteS, Paris

By Patsy Everett, Managing Director, Smart Cards Now



Patsy Everett

The CarteS & IT Security 2003 exhibition and conference was held in Paris this month. An important part of the event is the SESAMES Awards for the best innovative products and applications for the Smart Card industry.

A panel of international judges, taken from the press, industry professionals and manufacturing experts sit a deliberate about the 31 nominations for 10 awards.

*"The Best Technological Innovation Award"* went to ENST, for their La carte EAP Smart Card which processes EAP packets, and is compatible with the emerging security standards. It can also be used in multiple authentication frameworks like GSM and PKI.



*"The Best Software Award"* went to Fortress GB Ltd for their contactless Smart Card stadium management solution. *"The Best Transport Application Award"* went to ERG Transit Systems for their enhanced integrated fare system installed in Singapore with 6 million cards in circulation.

Inside Contactless won *"The Best Application Award"* for their Smart Film which they co-invented with FASVER to protect biodata on official documents. The film contains a printed antenna and contactless chip.



*"The Best Banking Award"* went to Way Systems for their MIT Mobile Transaction Terminal, and *"The Health Care Application Award"* went to Lifecarte for their Smart Card which is readable in a GSM phone, that is not linked to a GSM subscription by inserting it into the SIM. The phone then displays information in six languages on the persons medical history, identity, and people to contact in an emergency.

*"The Best GSM Application Award"* went to Axalto, a Schlumberger Company for Simsave product which wirelessly backs-up the SIM phonebook over SMS.

*"The Best Loyalty Application Award"* went to E-Safetransfer for their HutCash payment system which integrates loyalty and pre-paid cash in one card using e-purse features. The overall winner of *"Best Application"* was awarded to Celavie for their Lifecarte card.

## Events Diary

### December 2003

8--10 Inside ID: Identification SOLUTIONS Mega Show, Washington, DC Convention Center, USA  
**Website:** <http://www.insideid.com>

11-13 Infra-Comm India 2003 - an International Exhibition & Symposium, Pragati Maidan, New Delhi, India  
**Email:** [info@infracommindia.com](mailto:info@infracommindia.com)  
**Website:** <http://www.infracommindia.com>

