

### Smart Card & Identity News

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## Our Comments



*Patsy Everett*

Dear Subscribers,

What is identity? Everybody seems to be talking about it as if it was some process where we can just verify some artefacts and bingo we know who you are.

I think the definition is rather easy. It is the measurable properties of an object that are adequately unique to distinguish a given object from the total population of objects.

So if I were to put 5 £20 notes on the table you could tell the difference between them and easily recognise a particular note if I presented it again in a different set of £20 notes. We would of course do this just from the number printed on the note which we know to be unique.

Taking the matter further if I printed a number on everybody's forehead with non removable ink at birth then I could always identify the person. At the same time of course in my database I would probably record some more information about the person such as their name, parents, date of birth, etc. In fact not too different from what we do in a birth certificate.

You can see where we're going, in today's world you turn up at the bank or whatever clutching your birth certificate and you say that's me, as described on this bit of paper. The trouble is there is absolutely nothing to connect you with the bit of paper. The bank representative cannot possibly tell if it's you on that bit of paper or not. Even then you don't even really know if the document is authentic, if somebody gave you a birth certificate document how would you know it's genuine?

Well, we're not going to stop there, please bring two utility bills with you, does this really offer any value? With today's technology I would have said it's the easiest thing in the world to produce a couple of fake utility bills.

Then of course you can get somebody to vouch for you, as for a passport application some trusted professional who has known you for at least 2 years will sign your application form. Excuse me, what value does that have? A reference point of 2 years is meaningless on any normal scale assuming a life span of 80 years, just a couple of percent!

Several people have suggested that you should take somebody's DNA at birth and use that as the reference point. It sounds a little impractical right now but in the future who knows? At least you are starting to measure the properties of the subject you are trying to identify or more usually verify.

Biometrics must have a place here somewhere. This at least measures some properties of the subject, but to make any sense it has to start from birth. Can anybody think of any biometric you can apply to a baby that will follow their complete life cycle reliably? The truth is we can't really do it successfully for much shorter parts of our human life cycle at least not in a way that can cover the complete population.





Dog owners will see where this is going, we have no problem in chipping our dog at birth and it stays with them for their complete life cycle. Could we apply this to humans? I don't see a problem there but how about those people who want to change their identity, you can imagine re-chipping stations popping up all over the place. However, the fraudsters would still need to get hold of an authentic chip and what that should mean is that they would have to rely on removing chips from those no longer with a need (trying not to be too gruesome here).

Probably, we just need to close the loop. When you get chipped at birth your DNA is also taken and entered on the chip suitably protected with cryptography of course.

So there you have it, a working identity system reliable for the life of the subject that can be used anywhere from setting up bank accounts to claiming social services.

Do we really think that is going to happen any time real soon? No, but you could apply it to a subset of the population that need it the most, so to speak!

Patsy & David

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## Events Diary

### June 2011

- 13-15 Prepaid 2011, London - <http://www.prepaid-conference.com/>
- 13-14 NFC Payments Europe 2011, London - [http:// www.nfcinsight.com/paymentseurope](http://www.nfcinsight.com/paymentseurope)
- 20-21 Contactless Cards and Payments, London - <http://www.smi-online.co.uk/events/overview.asp?is=8&ref=3515>
- 28-29 SIMposium 2011, Berlin, Germany - <http://www.simpodiumglobal.com/>

### July 2011

- 4-5 The Future of Cards & Payments, Radisson Blu Portman Hotel, London - <http://marketforce.eu.com/Conferences/cards11/>
- 12-13 Mobile Payment China 2011, Shanghai - <http://www.mobilepaymentchina.com/mobilepayment/>
- 13-14 Mobile Payments and NFC Asia 2011, Smart Eaton, Hong Kong SAR, China -

Source: [www.smartcard.co.uk/calendar/](http://www.smartcard.co.uk/calendar/)





## Orange & Barclaycard Launch Contactless Mobile Payments.... Continued from page 1

The phone is the Samsung Tocco Quick Tap, this is not an Android or NFC phone instead it uses an active SIM which means the SIM card contains the smart card chip and an ISO 14443 antenna. It's really quite incredible it works at all with such a small antenna and the fact that the SIM card connector has a metal top plate. The advantage of the Active antenna is that the power is supplied from the phone battery, with a normal contactless card you are relying on absorbing power from the antenna to power the smart card chip. This will significantly increase the antenna range for a given size, I wouldn't give much for your chances if the chip had to be powered from the antenna.

The blurb that comes with the phone makes it clear that both the location and orientation of the phone against the reader are critical. There is a quick Tap square clearly marked on the back cover of the phone. Now here's something interesting, the spot to touch on the back cover is not actually over the SIM card, it's directly over the battery. A more careful look at the back cover and you can see it has got a stick on sheet across the complete back cover. There's only one simple explanation and that is the sticky encapsulates a transformer effect between two coils where one is placed over the SIM and the other much larger area coil behind the sweet spot marked on the cover. This gives an amplification effect over the very small SIM antenna.

Barclays/Barclaycard have so far issued over 11 million contactless cards in the UK which sounds a lot but you never seem to see them, probably because there are so few places you can use them.

The MasterCard PayPass technology is used in the SIM card and this is the smart version not the magnetic stripe emulation widely used in North America. However it should be noted that the security still depends on whether the terminal knows the necessary keys to check the transaction cryptograms. Are we using symmetric or asymmetric cryptography in these implementations? If it's symmetric crypto then you are relying on the merchant terminal either taking a risk or going for an on-line authorization which just seems to defeat the purpose of low value transactions. This is based on the assumption that the terminals are highly unlikely to be given symmetric keys.

However I have saved the best bit till last, the SIM card (i.e. the UICC) is provided by Gemalto as part of their Trusted Service Management. In other words Orange and Barclays are sharing the SIM with Gemalto as the trusted overlord. This is the most significant commercial TSM scheme I am aware of and from the whispers I have heard it took longer to complete the legal agreements than the whole technical development.

Many observers are convinced that the financial institutions will go the MicroSD route to manage their applications in a smart card chip embedded in the card, like a double SIM but not controlled by the Network Operator. I can only observe that we do still seem to be having problems with NFC, the much glorified Samsung Galaxy S2 arrived in the UK last month specified as an NFC phone but strangely the NFC chip appears to have been disabled. It's there alright, the NXP PN544 but deathly quiet. Apparently Samsung are waiting for the MNOs to prepare their NFC applications, isn't that interesting? But you can't blame them because the MNOs are the biggest purchaser of mobile phones!

I just wanted to tell you how painful it was to set up the new Quick Tap phone, yes, I rushed out to buy one so that I could try it out. Nothing to do with the man in the Holborn Orange store, thank you James you were unbelievably helpful in getting me going. However the Orange automated on-line help system was most unhelpful. I followed the instructions that came with the phone and contacted the given number, it was one of those if you want this press 1 type automated conversations. Anyway after about half a dozen ambiguous questions I was suddenly told that Orange could not help me and the line was cut dead. How wild does that make you?

Not wishing to give up I then tried to register my Barclaycard with the PayPass application on the phone. Even following instructions the event took about an hour partly because of all the information they ask that you don't know and have to go searching for. I've also lost track of how many pins and passwords had to be invented during the registration process, I think it was 5 or more and they all had to be the right form and length and yes, each one was different. To the MD of Barclays, I challenge you, get one of these phones and try and set it up to make contactless payments and to the guys in the security department you may think it's secure but it's close to unworkable.

Am I the only one that thinks we have lost the plot in how to efficiently authenticate customers?

By Dr. David Everett, Smartcard & Identity News





## World News In Brief

### France's \$28.57 Million NFC Bid

France's ministry of economy, finance and industry has introduced a US\$28.57 million budget call for the country's first ever NFC projects. There will be 20 to 30 such Near Field Communication or NFC projects for installing mobile services for French residents in large metro areas.

The French ministry has already launched contactless cards or NFC-enabled mobile phones to purchase and validate public transport tickets. People can also use their contactless cards or mobile phones to access public services more easily and can gather enriched local information on museums and local events.

The ministry has earlier carried on pilot projects and will now introduce contactless technologies in real-life operations. Under the terms of the call for projects, interested parties must declare their intent to bid by 1 July 2011 and final submissions need to be complete by 14 October.

### Morpho Deploys Next-Gen Biometric System

Morpho (Safran group) announced its first supply of MorphoBIS biometric system to the Calgary Police Service and the Edmonton Police Service in Canada. MorphoBIS is a next generation Automated Fingerprint Identification System (AFIS) that can be used for investigation, identification and verification in law enforcement agencies. The Calgary and Edmonton Police Services needed a biometric system to meet the demand for rapid paperless responses, real-time identification and biometric data exchanges.

MorphoBIS is formed merging Morpho and Printrak (Printrak, Motorola's biometric business, was acquired by Safran in 2011). The next generation technology enables real-time identification of suspects and criminals, using its fused algorithms, workflows and features. AFIS is a crime-solving tool that fully integrates fingerprints and palm prints.

MorphoBIS is compliant with international standards and deploys biometric matching technology ranked number 1 by NIST (National Institute of Standards & Technology) for latent fingerprint accuracy.

### Apple iOS 4 Encryption Cracked

Russian digital forensics toolmaker, Elcomsoft claims to be the world's first to have successfully cracked the hardware encryption protecting the Apple-owned iOS4-based iPhones. In an announcement, the security firm said "its tool can extract all relevant encryption keys from iPhones running iOS 4 and can also use those keys to decrypt iPhone file system dumps". The company further added "they will have black-hats working to replicate its results". Apple claims iOS4-to be the world's most advanced mobile operating system.

Vladimir Katalov, ElcomSoft's CEO stated, the hardware can easily break "into the heart of iPhone data encryption". The software uses its unique ID and escrow keys (which exist to allow remote devices to sync with the iPhone) to access data.

According to online sources; data can only be extracted from an iPhone that's booted in Device Firmware Upgrade mode, which allows direct copying of data on the Flash drive. This breaks iOS's protection of the keys themselves, which are not visible to applications running in normal mode.

### India and Brazil Tops Kaspersky Spam List

India and Brazil scored high in the list of popular spam sources. The Kaspersky Lab April 2011 report stated, India accounted to 12.76 percent and Brazil accounted to 7.15 percent of the total volume of spam been sent across the world.

Compared to the previous month, the amount of spam in email traffic increased by 1.2 percent and averaged 80.8 percent. In the second half of April, the average figure exceeded 83.6 percent, suggesting the share of unsolicited mail will continue to grow in the coming month.

Of particular interest in April was the appearance of Packed.Win32.Katusha.n and Trojan-Downloader.Win32.FraudLoad.hxv in the rating of malicious programs blocked by mail antivirus. Both malicious programmes are linked to fake AV - the former is used to pack them while the latter downloads them to people's computers. In April, 3.65 percent malicious files were found against all emails, an increase of 0.43 percent compared with the previous month.





## *Contactless payments are on the up with Turkey leading the way* *By Mehmet Sezgin, CEO of Garanti Payment Systems*



**Mehmet Sezgin**

The growth of mobile payments is beginning to accelerate and Forrester Research predicted that 2011 will mark the year that it becomes mainstream, in its March 2011 report 'Mobile Payments Enter A Disruptive Phase', while Google CEO Eric Schmidt said that "NFC should revolutionise electronic commerce as well as payments", in his keynote at 2011's Mobile World Congress. So the tide is turning, contactless payments are gathering pace and the technology is here to stay.

Contactless payments bring many benefits to all parties involved. For card associations it increases the reach of their products and for card issuers it can differentiate products and services. For retailers, it speeds up transaction times to under a second, allowing them to serve more customers, who in turn spend less time waiting in queues. In addition, retailers can also expect an increased spend from shoppers who are no longer limited by the change in their pocket. Contactless also helps reduce errors and risks associated with cash handling, improving the quality of customer service.

Despite all these benefits, many retailers are still not entirely convinced of the advantages. This is particularly true in the United States where retailers can already offer 'no signature required' card payments, which simply require a swipe of the customer's magstripe card through a reader. With 'no signature required' considered just as convenient to use as contactless, the question remains whether contactless would really generate considerable extra sales.

Moreover, in the UK, contactless is still a game of chicken and egg, where a lack of terminals for the consumer has created little incentive for card issuers to invest in supplying contactless cards to customers. Barclaycard is the exception with its efforts to replace its regular Chip-and-PIN credit cards with contactless cards. Despite this, retailers are still reluctant to spend money on new terminals with only a very small percentage of their customer base able to use them. It appears that in the UK, critical mass in issuance is still needed to bring major retail and foodservice chains on board to contactless acceptance.

### **Technology advances**

Recently, a significant driving factor in the future uptake of contactless has been Near Field Communication (NFC) used in mobile phones. Never has a technological advancement changed the way people not only communicate but also consume, than the mobile phone. In the UK for example, the growth of mobile has been phenomenal, with 95 percent of the population owning a mobile device. According to Ovum, in 2013 sales made through mobile phones are also expected to reach £275 million. Therefore the development of NFC functionality within handsets is one of the primary factors in the UK that can really create a surge in contactless adoption.

In light of these developments, Garanti and mobile phone operator Avea, launched the world's first NFC-enabled SIM card that can be used in any mobile device to make contactless payments. Users are able to convert their existing mobile phone to become compatible with NFC technology simply by installing the new SIM card.

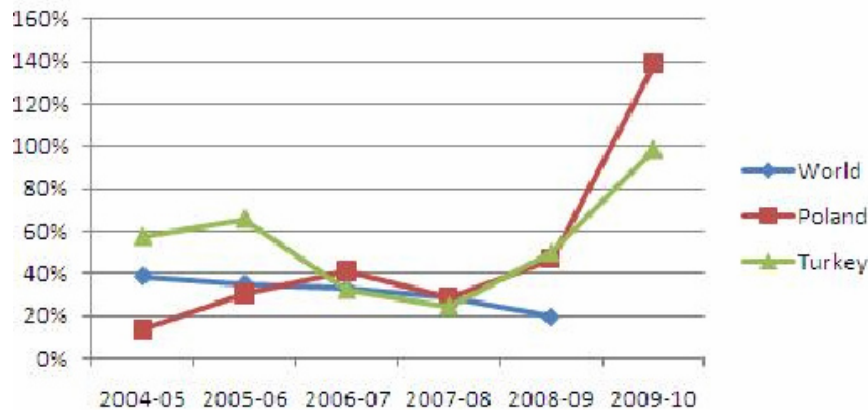
### **Who is getting it right?**

According to a recent report by Euromonitor International 2010, Turkey, along with Poland, are the front-runners for contactless card growth, with Turkey seeing almost 100 per cent growth year on year. One example of the many Polish banks to adopt contactless is PKO Bank Polski, aiming to convert its entire Visa portfolio to contactless cards by mid-2012.





**Year-on-Year Contactless Card Growth, 2004-2010**  
Source: Euromonitor International



### Turkey's contactless phenomenon

In comparison to the UK and US, the developing markets have made significant headway in their contactless innovations. Garanti Bank continues to lead in its innovation and launched an NFC-enabled SIM in Turkey in May 2010. Contactless acceptance in Turkey is steadily growing and is expected to continue, as issuing banks compete for the market's growing, young, urban consumer segment, using it as a branding tool to attract them.

Contrary to the US and UK, retailers in Turkey have since embraced contactless wholeheartedly and today, already close to 30,000 (are we sure about this number) offer contactless technology. Banks such as Garanti Bank (Garanti Payment Systems (GPS) is the division that owns card innovation), now has a total of one million contactless cards in circulation. There are a number of factors driving and shaping this adoption of new technology in Turkey.

Firstly, the country's young demographic who make-up a large proportion of the population are very tech-savvy and contactless cards have appealed to this audience. Interestingly, it became apparent that it was crucial to be more vocal about bringing the new technology to market and educate consumers with a big splash. It was also essential to find places in the market where cash was the preferred method of payment, to allow retailers to step in and replace it with contactless. Collaboration with transport operators in the roll-out was also a key success factor, allowing passengers to benefit from using contactless cards.

Turkey has also been able to tap into the country's largest retailers to enable consumers to use contactless cards in the mainstream. Banks, such as GPS, have made agreements with many fast food outlets and coffee shops around the country. What's more, GPS was the first issuer of contactless PayPass cards from MasterCard, which was then extended to the bank's existing BONUS Trink cardholders (which has contactless technology), a loyalty scheme that soon established itself as the basis for loyalty card schemes, not just for banks but also retailers in Turkey, following its introduction in 2006.

Since then, Europe's first watch equipped with MasterCard PayPass contactless technology was launched, introducing the next level of contactless payments in the region. Consumers simply tap their new watches, stickers and key fobs on the PayPass reader to make the equivalent of a credit card purchase at nearly 15,000 POS Terminals in Turkey so far, including major names such as Burger King and Starbucks and also the largest cinema chain.

### Contactless will require banks to collaborate with all parties

For a true revolution to take place in contactless payments, it remains obvious that closer collaboration is needed between banks, card issuers and retailers. Uptake around the world, as Turkey has experienced, will be driven by a proactive and vocal approach, allowing consumers to use the technology for a wide range of services every day. Only then will people's buying habits change and using devices such as phones to pay for any low cost transaction become the norm.

<sup>1</sup> <http://blog.euromonitor.com/2010/07/euromonitor-research-finds-contactless-card-growth-solid-despite-global-recession.html>





## World News In Brief

### World's First Physical Access Control Terminals Launched

Morpho has introduced the MorphoAccess VP Series, world's first range of physical access control terminals. It is made combining the finger vein and fingerprint biometrics.

The easy-to-use MorphoAccess VP Series of terminals is especially designed for authentication or identification purposes. Morpho terminals are PoE (Power over Ethernet) and Wi-Fi capable and have received FBI PIV-IQS and IP 65 certifications.

### AT&T to Offer Consumer Wireless Security Service in 2012

In an attempt to prevent rising security threats to mobile devices, AT&T will be starting a consumer wireless security service next year. Juniper Networks has already shown a 400 percent rise in tainted Android applications.

The new would-be launched AT&T wireless security service would also cover iPhone devices in response to a "spike" in attacks on mobile devices, which AT&T enterprise business chief John Stankey attributed to the growing base of mobile devices.

### MasterCard iPhone NFC Attachment Trial in Asia

MasterCard Worldwide would possibly trial the new NFC-enabled iPhone attachment in Asia soon, stated NFC Times.

The attachment - iCarte, from Canada-based Wireless Dynamics, would carry a MasterCard PayPass application in an embedded secure chip, enabling users to tap their iPhone 4 handsets to pay where the PayPass contactless payment system is accepted. The iCarte device, which has an NXP Semiconductors-made NFC chip, can read NFC tags.

David Chan, MasterCard's head of customer delivery for Southeast and South Asia said: "The iCarte is currently being trialled internally with a small number of users-less than 100 and we hope to expand this to a wider base of consumers in the near future".

Trials are expected to be held in Singapore and Malaysia and use Singapore-based Cassis

International as trusted service manager to provision the PayPass applications over the air on the secure chips, NFC Times have reported.

Singapore's EZ-Link Pte that issues contactless electronic purse - ez-link in public transport will probably participate in this trial, although there is no clear-cut comment from the EZ-Link officials.

### Inside Secure to Go Public

France-based leading semiconductor, NFC chip supplier Inside Secure has filed registration papers with French regulators for its planned listing on the NYSE Euronext exchange in Paris later this year. Recently, Inside announced the registration with the Autorite des marches financiers, AMF and issued a preliminary prospectus.

Company executives said in a press conference: "Inside's strategy is to address markets for NFC chips, including secure elements; EMV payment cards, especially dual-interface cards and digital security, including access control, ID cards and machine-to-machine applications". According to Inside CEO Remy de Tonnac, "The IPO will give Inside Secure greater leverage to make acquisitions when opportunities arise, along with increasing its visibility on world markets".

However, Inside officials has not confirmed the news about the company trying to lift about Euro100 million (US\$141.5 million) in the IPO. They also declined to say anything on when IPO would be launched, though were confident that it would happen in 2011 only.

### Intel Rejects ARM Chips

Intel's chief executive officer Paul Otellini rejected speculation of acquiring rival ARM Holdings' technology to build mobile chips.

Intel has so far failed to get its processors into smartphones and tablets, a hot spot where chips designed with battery-friendly technology from Britain's ARM Holdings are becoming a standard.

Mr. Otellini said: "There's no advantage going in there, we'd be beholden to someone else, beholden to ARM...I think we can do a better". Intel CEO also reaffirmed his expectation that PC unit sales will increase in the "low-double digits" percent this year.



## **eWise Payo Announced New U.S. Community Bank Customers**

eWise has announced of adding 2 new community banks to its growing customer base in the U.S. Both the Meridian Bank and Metro Phoenix Bank will sponsor merchants and independent service organisations (ISOs) to accept Secure Vault Payments and provide their customers newer and more secure alternative payments.

The Secure Vault Payments (SVP) provides a new revenue source and ensures greater customer loyalty for these banks. eWise Payo is designed to offer banks an entirely new revenue stream, replacing only costs associated revenues. Bank customers can now have a fast and easy way to make secure payments and manage their online transactions right from their bank account.

The SVP network links consumers, financial institutions, merchants and billers, providing value to all stakeholders in the payment chain. It gives merchants and billers real-time authorisation of funds and guaranteed payments for ACH transactions at costs typically lower than traditional and other alternative payment methods. Since the commercial release of SVP in late third quarter of 2010, the network has enjoyed successful momentum with regular announcements of new members to the network, most notably the announcement in November of US Bank's participation and strong support.

## **Broadcom to Acquire Smart-Card Security Specialist SC Square**

Broadcom Corporation, a leading semiconductor company is set to purchase smart-card security specialist SC Square for US\$ 41.9 million. Broadcom will be using SC Square's expertise in smart-card security in communications equipment.

Broadcom's cash purchase of the Israeli security software firm - SC Square is subjected to unspecified closing conditions, and the deal is expected to close by June 30, 2011 Broadcom said. SC Square offers security work in areas of smart cards used in e-health, ID cards, passports, banking and credit cards. Its products include the Apollo smart card OS.

## **Turkey's Largest Mobile Network Operator Selects OTT's Mobile Payment Product for NFC Program**

Turkcell, Turkey's largest mobile network operator

with over 33 million subscribers has selected OTT's COPNI (Contactless Payment and NFC Insert) mobile payment solution for its Near Field Communication (NFC) program known as the "Turkcell Cep-T Cuzdan".

Turkcell has already launched an NFC program based on contactless payment applications. The Company aims to increase transaction flow and provide additional business and strengthen even further Turkcell's position as a leading technology and service provider for the Turkish market.

OTT's COPNI enables Turkcell's own branded handset - T10 to support NFC functionality and contactless payment applications from major card associations. The COPNI-enabled mobile phone simply needs to be tapped near a contactless reader to make payments or enjoy other services. Turkcell Cep-T Cuzdan subscribers can use their NFC phone for a broad range of payment transactions including prepaid, credit and debit, as well as loyalty programs and other NFC related applications.

## **Motorola Introduce Fingerprint Activated Phone**

Motorola has introduced its latest smartphone - Atrix that can only be activated via fingerprint. The owner has to swipe their finger on the touchscreen a number of times after buying the smartphone to identify them as the authorised user. This biometric-based Atrix smartphone can only be activated by the genuine owner, and hence outlaws any fraudulent activity.

Motorola's Atrix smartphone can be plugged into a range of docks that convert it into a laptop, personal computer, media centre, or a sat-nav. There is a second dock that turns the phone into a home computer. It connects the handset to a screen via a cable, having a number of USB ports and Bluetooth wireless links to a full-size mouse and keyboard.

## **MeS Launches PayEverywhere**

Merchant e-Solutions, Inc. (MeS) announced the roll out of a suite of mobile payment apps on their new PayEverywhere platform. PayEverywhere offers mobile merchants a secure way to accept all major cards, whether card-swiped or key-entered. Merchants can view their recent activity in a transaction log, check batch totals, and settle batches from their mobile device, be it iPhone, iPad, Android or Blackberry.





## ***PIV paves the way for biometric ID cards in Europe***

***By Per Bahr, Precise Biometrics***



***Per Bahr***

New directives in the US are paving the way for an interesting development that will have an effect on the global ID market. PIV (Personal Identity Verification) is on the carpet again as new directives are pushing for a usable implementation starting next year and there are strong indications that we will see biometric Match-on-Card technology included in the scope of FIPS 201 soon. But, this is all in the US - how will it influence the European market?

The US has taken a leading role when it comes to government deployed ID programs. Already in 2004, the White house issued presidential directive HSPD-12 that demanded standard means of identification for all federal employees to ensure protection of sensitive information and interoperability between agencies. This

resulted in the issue of a new Federal Information Processing Standard (FIPS 201) which was entitled Personal Identity Verification (PIV). PIV is a standard that specifies how all federal employees and contractors need to identify themselves using a smart card

### **No use cases for PIV is about to change**

It is estimated that up to 80-85% percent of US federal employees are in possession of a PIV-enabled card today. There is just one problem - in many organisations the card has yet not been tied to any useful functionality that takes advantage of the strengths of PIV. But this is now about to change.

Earlier this year, the White House issued a directive stating that all US federal governments must have a plan in place for usage of PIV, while it also will be obligatory to issue PIV card starting 2012 in order to obtain project funding. This will have a great effect on the market and we will see PIV, in a larger extent than before, being applied on use cases for both physical and logical access.

### **Match-on-Card the future?**

But, this is not all. In April, the US National Institute of Standards and Technology (NIST) finished evaluating the interoperability of biometric Match-on-Card technology in the standardization test MINEX II. Match-on-Card is the concept of storing and matching fingerprint biometrics on a smart card. The result of MINEX II turned out very well, as Match-on-Card technology proved to offer great interoperability. As an example, biometric company Precise Biometrics' Match-on-Card technology showed excellent result and interoperability with three different smart card vendors.

NIST now states in a FIPS 201-2 draft that Match-on-Card is a good alternative verification method in any PIV program. The draft is under discussion and we will most likely see Match-on-Card finally being specified as a verification method in PIV at latest next year.

### **Match-on-Card gives usability and security**

But what would Match-on-Card add for value to PIV? Well, today federal employees use both fingerprint verification and a PIN code together with their PIV cards. As Match-on-Card enables storing and matching of a fingerprint inside the smart card the system becomes more secure. This eliminates the need for PIN codes, making the system more user-friendly.

PIV offers great interoperability as all federal organisations are using the same method for identification of employees. This means that inter-departmental interacting and cooperation is facilitated – this is one of the true upsides with PIV in addition to the security advantages and the fact that having a standard like this in place eliminates the need for each department to re-invent the wheel at every departmental ID card procurement.

### **Private sector looking at PIV**

The scope of PIV also covers all federal government contractors meaning that PIV is expanding into the private sector as well. Large contractors that are already working with the federal government are underway to implement PIV - if they haven't done it already, and it is also a great incentive for those striving to get a contract with a US federal government agency. As PIV offers great advantages there are also strong indications that it will extend to non-contractors in the private sector – for the same reason mentioned earlier: there is no





need to re-invent the wheel when there already is an ID card specification available, although we might see some minor modulations in the private deployments.

### European challenges

But, this is all in the US and this publication mainly goes out to the European market. So, what about Europe? Well, it's no news that US developments has great impact also on the European market. In Europe we don't have any institution that holds the same impact in this context such as the National Institute of Standards does in the US. The European Union of course has a great deal of power but when it comes to national departmental verification procedures that power has been limited – EU still consists of sovereign states with different legislations and – not to forget - wills.

### PIV-like systems on national level

Per Bahr is director of Authentication and Identity Management (IAM) at Precise Biometrics. He is located in the UK and believes that we probably will see PIV-like systems being deployed around Europe during the coming years, but on a national level and with a further increased focus on Match-on-Card.

- We cannot disregard the fact that EU is very diverse in terms of culture and politics. With this in mind I think it would be a challenge for the European Union to get all its member states to agree on one PIV-based system for government employees similar to the one deployed in the US. We would of course welcome such an initiative, but more realistic I think we will see PIV-like programs being deployed in Europe - on a national level. We have already seen early initiatives around the region and with the results of MINEX II. I strongly believe that Match-on-Card will be a key factor in implementing government ID card mainly because of its user-friendly advantages, but also due to its upsides in terms of security and cost-efficiency.

### Match-on-Card is the key

As the US PIV program offers such strong authentication - especially when being combined with the user friendliness of Match-on-Card technology – Per Bahr also believes that the private sector will benefit from this.

- As PIV extends beyond the government market in the US, we believe that PIV like installations will spread to the private sector in Europe as well. Especially the financial sector has a lot to gain by implementing systems like this – especially if it's complemented with Match-on-Card to achieve convenience.

## World News In Brief

### Digital Payment Technologies to Support Contactless Payments

Today, Digital Payment Technologies announced the introduction of the new LUKE II parking pay station platform that will enable consumers use near-field communications (NFC) enabled mobile phones and contactless credit cards such as Visa PayWave, MasterCard PayPass and American Express ExpressPay for quick and secure complete parking transaction.

Digital Payment Technologies' contactless credit card payment systems include an embedded chip and antenna that can be used to pay by simply waving their card over a reader on the pay station. LUKE II features PCI compliant credit card processing.

### Simple Ticketing in an Instant

Chiltern Railways has launched a pioneering new

approach to ticketing with an integrated mobile ticketing system that enables passengers to buy, instantly receive and validate tickets through an app on their mobile phone.

The innovation marks the first time that any rail passengers have been able to use both Smartphones and everyday handsets to buy and receive rail tickets through one transaction.

### Ericsson to Acquire M2M Technology Platform

Ericsson is set to buy Telenor Connexion's M2M Technology Platform to boost its 50 billion Connected Device vision. According to Frost & Sullivan analyst Yiru Zhong, Ericsson's acquisition will provide service providers and telecommunication firms an alternative way to achieve faster time to market and deploy M2M communication services, opening up possibilities for new types of service providers.





## *Unifying physical and logical security*

*By Paul Johnson, specialist auditor and director at NGS Meridian*



*Paul Johnson*

In light of rapidly increasing threats from criminals working online, it is becoming common for smartcard vendors to extend their budgets for improving logical security; protecting their systems with rapid-response teams and advanced anti-virus software and processes.

However, the installation of a comprehensive, complementary physical security system is often overlooked in this modern age of aggressive cyber attacks. Traditionally, physical and logical security has been managed independently – an approach that can lead to such security holes as incomplete audit trails and redundant infrastructures.

However, the situation is now changing. As physical and logical security concerns begin to mount, and persistent issues such as inadequate policy control and enforcement continue, organisations are now asking why the two strands of security cannot work together, sharing knowledge and data. By doing this, smartcard vendors will be able to strengthen both areas and, ultimately, benefit from more cost-effective security solutions overall.

The concept of unification is not new - historically, it has been implementation that has presented the problem. Because the two sides of security operated in independent worlds with little reason or need to interact, convergence has often been thought of as costly and complex. A security policy, for example, would mean many different things to different people: for facilities managers, for example, it would cover physical access points and teaching staff to lock doors and windows before leaving; for IT managers, on the other hand, it would mean keeping up to date with the latest practice and ensuring only authorised users can access applications and data.

Now, however, the security industry has moved on, and the entire service tends to be managed by one individual. This is leading to a situation in which it is increasingly possible and desirable for companies to merge the two different cultural and technical worlds of building and network access with minimal disruption to their current security investments, opening up a number of opportunities for smartcard vendors.

The convergence of these two distinct disciplines should make comprehensive policy enforcement more achievable. This allows the security manager to be tough on non-compliance and enforce any changes that are required.

From a physical perspective, security policies can take many forms, which in turn mean that any unification will differ depending on the business and its requirements. However, an example which clearly shows the benefits of unification is the use of employee badging in and out of a building to maintain door access security. This is almost invariably mandatory for all staff in a policy; however, enforcing this ranges from problematic to impossible, given that an employee could easily walk in alongside a colleague ('tailgating') and leave no record of their entry. This not only breaks the physical access security policy, but also makes it much more difficult to build a comprehensive list of people in the building in case of evacuation.

By linking the physical and logical security infrastructure, however, the controls can be enforced more strictly. If an employee tailgates into the building without badging in, they can be denied access to IT assets even if they have a viable username and password; the network can query if the building access has been logged correctly before allowing login.

Traditionally, the two separate areas responsible for physical and logical security would have handled purely their own infrastructure, their own teams, their own jobs, and their own budgets and targets, giving them no reason to collaborate on projects. However, in the modern – and future – business world, the idea of one, multi-application card will offer cost benefits to all divisions. More importantly, a more secure overall infrastructure means data and physical assets are more robustly protected, offering significant opportunities to vendors allowing their system to produce solid audit trails which can be used for both internal and external audits as evidence. Plus, ultimately this unified control then benefits the smartcard buyers, end users and their own clients as security is enhanced.





## World News In Brief

### Gemalto to Issue World's First Customised Travel Card

Gemalto announced that the Stockholm Public Transport ("Storstockholms Lokaltrafik", SL) is deploying AllAboutMe, a turnkey solution to design customised travel cards online.

SL is the public transport operator in Stockholm County with around 700,000 commuters using their services daily. Gemalto is the prime contractor for the project and will provide SL with a comprehensive card issuance service. SL is the first transport operator in the world to launch a picture card program.

The full-service solution includes online purchase and web plug-in, contactless card production, image verification, secure personalisation and printing and delivery to the cardholder. All issuance services are performed in Gemalto's personalisation centre in Sweden, to ensure commuters receive their card by mail within a few days.

Serverside, part of the Gemalto Group, provided an intuitive software interface that enables users to easily upload a personal photo on SL's website or select a visual from their gallery and then securely order their card online. Commuters can enjoy the convenience of ordering their card from home whenever they want, which means greater comfort and considerable time saving. The new picture card service has had huge success, with a high adoption rate of close to 50% for online buyers, just one month after launch in February 2011.

### Oberthur Looks to Sell 60% of Smart Card Business

Oberthur Technologies the second largest smartcard company, is looking to sell 60 percent of its smartcard business, which accounts for nearly three quarters of its total revenue and is valued around Euros 1-billion.

According the Les Echos the French financial newspaper, Oberthur enlisted the advice of Rothschild to carry out this operation. Oberthur is working with several banks and will send next week a memorandum to investment funds that may be interested. The first round to collect the tender will take place during the first fortnight of June.

### UK Data Sharing Code Revealed

A new statutory code of practice has been published by the Information Commissioner's Office (ICO). The code is designed to help businesses and public sector bodies share people's personal information properly, and cover both routine and one-off instances of data sharing.

The data sharing code contains good practice advice that will be helpful to all organisations that share personal information. The code also gives advice on when and how personal information can be shared as well as how to keep it secure.

The ICO consulted on a draft code in October, 2010. Since then a number of changes and improvements have been made, including the addition of more public and private sector case studies to explain practically how the Data Protection Act applies to data sharing.

Along with the full code of practice, the ICO has also published a summary checklist that can be used as a quick reference guide to sharing information.

### PIN Pad Tampering Hits USA Chain

Michaels Stores Inc, has learned that 90 PIN pad have been tampered with in selected stores across the USA. And as an additional precaution, Michaels is screening all PIN pads in Canadian stores.

Michaels were alerted after being contacted by the banking and law enforcement authorities after debit card fraudulent transactions were reported. It is unclear if the terminals were tampered with or swapped by thieves who stole account and PIN numbers. As a result customers are reporting unauthorised ATM withdrawals.

Michaels has removed the PIN pad tampering threat from its U.S. stores and believes it has identified the time frame that customer information was exposed. Based on the latest information available, exposed PIN pad transactions occurred from February 8 through May 6, the date Michaels disabled the tampered devices.



## Cross Match to Offer Biometric Security Technology to Argentina

Cross Match Technologies, Inc., a leading global supplier of biometric identity solutions, has signed a deal with the Government of Argentina to support the later in its introduction of identity management systems based on forensic-quality fingerprint and palm-print capture devices, capture systems, multimodal biometric, document readers, software and other associated professional services, throughout the country.

According to news, the National Public Administration of Argentina is evaluating new biometric systems to support key administration activities. Pedro Janices, National Director of the National Office of Information Technologies said: "Biometric devices will help to enhance existing and forthcoming services provided by the Government".

Cross Match will also help devise biometric security policies, train human resources, provide technical assistance and conduct research to the Argentinean Government.

## Now PXT Money App for Smart Phones

PXT Payments, an electronic payment solutions provider, has announced the launch of PXT Money, a stored value app for consumer smart phones and a transaction settlement system for merchants. PXT Money is mobile, digital, transferable stored value at consumers' fingertips that replaces the need for credit cards, debit cards and merchant loyalty cards in any local environment.

Wherever there is internet access, consumers can pay for any item, restaurant bill or professional services of any kind by clicking on the PXT Money icon. Consumer's give their cell phone number to the merchant and approve the resulting transaction with their PIN on their own cell phone. Merchants receive the payment authentication from the PXT Money system, and then receive payment through PXT Payments' fully secure transaction settlement system via the Federal ACH network.

When consumers need more cash on their phones, they can load more using the PXT Money web site either directly from their bank accounts or using their credit/debit cards.

## Citi and MasterCard to Launch NFC on Google's Nexus S

Citigroup and MasterCard Worldwide is about to announce NFC mobile-payment service on Google's Nexus S mobile phone in USA. Citi will issue a prepaid MasterCard PayPass application on the Nexus S mobile wallet, and perhaps in other Android phones.

Google is expected to have overall control of the secure chip, according to news sources. Large U.S.-based processor and merchant acquirer First Data will also work on the project, including providing trusted service management. The actual launch of service might not happen until next fall.

## Strathclyde Commuters Get Smart

Riders of buses, trains, ferries and subways in Strathclyde and Glasgow will soon have a new single smartcard to use instead of buying tickets from different operators. The planned introduction of the new smart travel card will help passengers easily top-up their cards with credit at stations and shop online. The programme is the result of an innovative Joint Venture between Strathclyde Partnership for Transport and Ecebs. An initial investment of £775,000 is made in this public/private sector joint venture. The single smartcard system will be fully operational in advance of the 2014 Commonwealth Games.

## Yet, Another Case of Breaching the Data Protection Act

According to the Information Commissioner's Office (ICO), Sheffield-based charity Asperger's Children and Carers Together (ACCT) and Nottingham-based charity Wheelbase Motor Project breached the Data Protection Act by failing to encrypt computers that contained personal data of children who attended their sessions.

ACCT reported the breach after an unencrypted laptop was stolen from an employee's home in December last year. The laptop was used to store medication information of 80 children including their names, addresses and dates of birth.

Wheelbase Motor Project also reported the breach after the theft of an unencrypted hard drive from the charity's office. The device contained personal information relating to 50 young people and included some details about past criminal convictions and child protection issues.

Deborah Woodhouse, Director and Co-Founder of ACCT, has signed an undertaking to ensure that all portable and mobile devices used by the charity to store personal data will be encrypted.



## *Isis Drop New NFC Payment Network*

### *By Suparna Sen, Smartcard & Identity News*



*Suparna Sen*

AT&T Mobility, Verizon Wireless and T-Mobile USA will not introduce a nationwide new, separate payments network based on near field communication (NFC) technology in smartphones, as promised last year. Instead, the 3 biggest U.S. wireless carriers (they together account for over 200 million mobile phone subscribers in USA) have decided to go for a simple "mobile wallet," system that will have mobile phones storing and exchanging account information on a users' existing credit card, be it Visa, MasterCard, American Express or Discover Card.

In November 2010, the trio had set up a joint venture named 'Isis' to let users pay for goods and services at retail stores using their NFC-enabled smartphones. The companies even thought of adding coupons and other discounts in stores as well as in public transit and other ticketed sales. Isis revenue would be generated by collecting fees on every transaction made via mobile phones.

Talks were on with Discover Financial Services and Barclaycard U.S. to become partners in Isis. The company would carry on its transactions using Discover Financial Services network and it was said Barclaycard U.S. will manage Isis accounts. To note, Discover's network includes around 7 million merchant partners in the country itself.

The official website (<http://www.paywithisis.com/>) defines the Isis payment network as a substitute for "cash, credit and debit cards, reward cards, coupons, tickets and transit passes, fundamentally changing how you shop, pay and save. All with your phone".

The Isis payment system let users wave their radio microchip-equipped smartphone at the NFC reader to pay for purchased items. Users could also track their recent transactions and balance left on the phone.

In its initial phase, Isis said that "Barclaycard US was expected to be the first issuer on the network, offering multiple mobile payment products". However, later the Isis CEO Michael Abbott added "Moving forward, Isis will be available to all interested merchants, banks and mobile carriers".

Michael Abbott was appointed the CEO of Isis to provide impetus to the would-be launched NFC-enabled smartphone payment network. Mr. Abbott had earlier worked in GE Capital as an executive with merchant card programs unit and was also the Executive Vice President of Marketing for 'Credit Card Services' at FleetBoston.

AT&T Mobility, Verizon Wireless and T-Mobile USA planned to introduce Isis in the US markets during the next 18 months. The trio wanted to challenge the supremacy of credit card giants (Visa, MasterCard) and smartphone companies (Apple, Google, Nokia and RIM) by releasing a new type of revolutionary mobile commerce network based on smartphone and NFC. However, as we have read, Isis failed to implement the contactless payments network.

According to the U.S analysts, Isis creators understood the fact that setting up a mobile payment system is much more challenging than simply inserting NFC chips in smartphones and setting up NFC reader terminals in stores and train stations.

Another reason could be the paying trend in USA. Generally, Americans prefer paying for goods and services using their credit cards. It is, therefore, quite unlikely for the masses to change their age-old payment habit for the sake of adopting "Pay With Isis".

Mark Hung, a Gartner analyst said: "What Isis realized is that carriers aren't the best payment processors ... and Visa and MasterCard are much more recognizable brands than 'Pay With Isis'".

"The wireless phone companies are never going to own the customers, especially when it comes to payments" said another Gartner analyst Avivah Litan in reaction to the Isis news.

For quite sometime, the US analysts were sceptical about the carriers not saying anything about the name of merchants, if any, who have signed up for Isis and what fees the new network will charge, etc.





Digital Transactions News further stated: "venture's merchant-fee structure has so far struck merchants as offering little or no advantage over the rates they pay for Visa and MasterCard transactions".

However, Ryan Hughes, vice president of new business development at Verizon Wireless defended the point saying that "the Isis wallet will offer more than mobile payments, including non-payment media such as coupons, tickets, and digital receipts. The new network's pricing will ultimately reflect the value inherent in this offering. We're not announcing deals or business terms. But looking at the business proposition we're bringing to merchants, the merchant is going to see a new type of shopping experience, and the conversation is very much beyond payment".

Commenting on WSJ news published on May 4th 2011 titled "Pay-by-Phone Dialled Back", Isis head of marketing Jaymee Johnson said that while the company has discarded its original plans to create its own NFC-based contactless payments network, the move does not mean "Isis is dialling back or decelerating--it means we're actually accelerating".

Johnson confirmed Isis has plans to team with Salt Lake City-area merchants and business leaders to roll out a pilot program in early-to-mid-2012 (Isis had earlier selected Salt Lake City as its first launch market). He also said Isis will soon announce its second test market sometime in the next 6 weeks.

However, we didn't have to wait till 6 weeks since the latest NFC Times news published on 19 May revealed Isis's new NFC-based business model, where Isis will play the role of a "delivery engine" for banks and payment networks to provision and manage their applications on NFC mobile phones.

According to Isis chief marketing officer Ryan Hughes, Isis will henceforth act as a distribution channel for merchants and companies for their digital coupons, loyalty programs and such other offers. In return, the company will charge nominal fees from the banks and companies for managing their applications.

The consumer's mobile-commerce experience would centre around the Isis wallet, which the mobile operators would offer to their subscribers on NFC phones they distribute. The wallet would store various bank card accounts supported by different payment brands, along with the loyalty accounts and coupons.

## World News In Brief

### **BCR Zambet Card, World's Second Dual-Purpose Card**

BCR Zambet card is a contactless card introduced in the Bucharest transport system. The card can be used for paying fares in city transport as well as can be used as a contactless debit card in banks. When used in banks, the card does not need to be recharged, as it automatically draws money from the client's account.

Banca Comerciala Romana (BCR Romanian Commercial Bank) and Regia Autonoma de Transport Bucuresti (RATB, Bucharest Autonomous Transportation Administration) have jointly launched the BCR Zambet card.

Oana Petrescu, BCR vice-president confirmed, "After London, Bucharest is the second city in the world to have a card that can be used both as a banking instrument and a means of payment for public transport facilities. It is a payment instrument that makes the life of Bucharesters easier and which puts Bucharest in line with London, Hong Kong and Singapore, among the most modern and

innovative cities of the world".

### **AT&T Removes Android App Restrictions**

After years of restrictions, AT&T has finally called off restrictions on Android Applications. It means all Android smartphone customers are now allowed to install applications downloaded outside the official Android Market.

Samsung Infuse is the first of AT&T's smartphones capable of installing apps from outside sources, including the unofficial app stores or web links called side-loading.

According to AT&T, after some significant software updates, all AT&T Android smartphones will be capable of side-loading.

The HTC Inspire 4G, Samsung Captivate, HTC Aria and LG Thunder will receive the over-the-air upgrade, while the company is said to be working on bringing the app upgrade to the Motorola Atrix mobile phone.





## Smartmatic Gets US\$370 Million Contract from Colombia BRT

Joint-venture partners - Smartmatic and Dataprom, has entered an agreement with the Colombia Bus Rapid Transit (BRT) to implement and operate an automated fare collection and fleet management system for the new Integrated Mass Transportation System. The US \$370 Million contract is targeted for a service life span of the next 18 years.

Smartmatic will supply financial, technology and management services to the transit authority Transcaribe which will include the city of Cartagena and surrounding municipalities. The task includes a fare collection system based on the latest and most secure smart card payment technologies, a real-time fleet management and control system for public transportation buses, a passenger information system, and fare card vending machines, with access locations for the convenience of passengers. The system will start operating in 2012.

Brazil-based Dataprom, a specialist in advanced transportation system is believed to provide a first-class automated transport system in the region.

## Lloyds Banks on 2012 Olympic M-Payments

Lloyds TSB is the latest to join the team comprising Visa and Samsung to offer contactless payment system at next year's Olympic Games. Lloyds' TSB banking unit would soon be issuing a Visa payment application for a promotional "Olympics Phone," which Visa and Olympics sponsor Samsung Electronics plan to hand-over to athletes at the 2012 London Olympic Games.

Using contactless mobile payments handset, even public can make low value payments by selecting a Visa mobile contactless application and then waving their handset against the equipped terminals. The public can buy the handsets from network operators and get a Visa-enabled SIM card.

Olympic handsets given to Visa-sponsored athletes will be linked to Lloyds TSB's accounts. There is also news of Lloyds TSB working towards a roll out of a pilot contactless mobile payments programme from this month using pre-paid accounts ahead of a commercial launch by the end of the year.

## Gemalto Gets Double Treat at LTE World Summit 2011

Gemalto, the world leader in digital security, has

won two Informa LTE Awards in the "Best contribution to LTE standards" and "Best enabling technology" categories at the LTE World Summit 2011. The awards recognise Gemalto's innovation capacity in a range of complete LTE solutions.

Gemalto's solutions include the LTE Full-IP Over-the-Air platform for instant subscription activation and the LTE Universal Integrated Circuit Cards (UICC) for secure user authentication to 4G networks and access to IP-based multimedia services.

Gemalto has done a number of high-profile commercial LTE deployments, notably with NTT Docomo in Japan, Metro PCS and Verizon Wireless U.S.

## 140 Million Credit Card Customers at Risk over Electronic Pick-pocketing

Using the RFID (Radio Frequency Identification) technology, criminals can at any time clear your pocket before you realise of being robbed. According to California law enforcement officials, about 140 million credit card customers are at risk of electronic pick-pocketing in USA.

Placer County Sheriff's Department Detective Jim Hudson said: "I don't have to touch this card to get the information. I don't have to do anything other than walk by you".

The RFID chip-embedded card needs to be just waved near a reader instead of handing the card to a waitress or clerk to swipe. The RFID reader picks up the information from the chip in the credit card and payment is done. RFID is meant to make things efficient and is becoming more and more popular.

## London Taxis Now Equipped With Mobile Phone Chargers

Vodafone users in London can now charge their mobile phones within a taxi and can also pay fares using their mobile phones. For paying fares, Vodafone account holders just need to text the taxi's licence number to a central code with the fare that is charged from them to their mobile phone account. Vodafone has introduced this innovative service, as part of its £10 million advertising campaign.

Vodafone's CEO Mr. Guy Laurence said "more than 500 branded taxis are to be equipped with mobile phone chargers". The campaign from Vodafone will also sponsor a fleet of Heathrow Express trains starting from next week.





## *Cartes Asia 2011: Driving growth in the ID market*

*By Tom Tainton, Smartcard & Identity News*



*Tom Tainton*

The second edition of Cartes Asia took place in Hong Kong this month. Attracting over 3,000 visitors from 61 countries – an 8% increase on last year's attendance. Over 120 companies, including the likes of Gemalto, Giesecke & Devrient, Verifone and Watchdata joined the two-day conference at the AsiaWorld-Expo.

The global identification industry has experienced huge acceleration in the Asia Pacific region, where government, transport and healthcare providers are tasked with the verification of millions of people. With the value of the personal ID market forecast to reach \$10 billion in three years, Asia is playing a major role in driving this growth. Established markets such as China, Hong Kong, Japan, Korea, Singapore and Taiwan have mimicked successful initiatives from the West, as well as developing their own systems to cater for different requirements.

Citizens across Taiwan already carry biometric ID cards while residents in Hong Kong and Japan regularly use smartcards to pay for public transport. In Singapore, smart assets are utilized to manage traffic congestion. In Malaysia, smart cards are used to pay for road tolls and to access ATM machines. In 2010 the Philippines launched their maiden e-passport and have a credit-card sized ID card for registered immigrants. India continues to forge ahead in the emerging markets and Vietnam, with its year-on-year economic growth, could be next.

It's clear that the Asia Pacific is the world's most dynamic region. No surprise then those professionals from the government, security, retail and banking industries flocked to discuss opportunities and discover new trends. With payment solutions and mobile security on the agenda, the main issues focused upon during the Cartes Asia conference were mobile payments and services, e-transactions and e-banking, payment card readers and terminals, M2M applications, and, of course, NFC and contactless applications.

Michael Weatherseed, the director of the event, was pleased with the success of the conference: "We were delighted with this year's exhibition," he said. "To see world leaders Amex, Gemalto and Giesecke & Devrient present is a reflection of the growing strength of CARTES in Asia and the importance of the smart technologies market in Asia Pacific. We also saw a significant growth in visitors from Korea, Taiwan, Singapore, Thailand and the Philippines at the exhibition and conference with 343 delegates, who were particularly interested in e-banking, and convergence and mobility. We also had great success with the Asian Card Summit, with 221 participants attending the round table gathering of the industry's top leaders."

The organizers of Cartes in Asia also revealed the winner of the Asian Sesames Awards. Gemalto were the proud victors with their Smart Badge Holder, an application which enables workforces to use their corporate badges to access personal encrypted emails and to electronically sign documents from devices such as their smartphones.

On receiving the accolade, Tan Teck-Lee, Gemalto's Chief Innovation and Technology Officer, commented: "Gemalto is delighted to be this year's Asia SESAMES Awards winner. This recognizes our leadership in digital security innovation and ability to bring cutting-edge concepts to fruition. We will continue to invest in researching and developing ideas to benefit everyone as our world becomes more and more connected."

The Cartes exhibition takes place three times a year – the next event is in Paris in November before Cartes heads across the Atlantic to Las Vegas in March 2012.





## World News In Brief

### **Novacroft MD is Finalist in Business Awards**

Debra Charles, Founder and Managing Director of Novacroft, has been named one of the finalists in the national First Women Awards. The awards recognise women who have changed the way their industry works and who actively create opportunities for other women to follow in their footsteps. The Business Awards are held annually in association with Lloyds Bank Corporate Markets and Charles is one of five finalists in the science and technology category.

Charles established Novacroft in 1998 and has developed it into a multi-million pound business. Novacroft is the world's only company within the smartcard marketplace to offer an end-to-end solution for various smart card schemes. In 2006, Novacroft became the first organisation to introduce same day card production from applications processed online.

Clients of Novacroft include Transport for London for whom Novacroft manages the concessionary Oyster photo-cards and ATOC (Association of Train Operating Companies) - Novacroft handles application and delivery of Family & Friends, 16-25 and Senior Railcards.

In 2008, the company became the first organisation outside the rail industry to achieve Rail Settlement Plan (RSP) accreditation, enabling the company to offer an approved web Ticket Issuing System to sell Railcards online.

### **Google Fixing Android Security Flaws after Shocking Revelation**

World's biggest search giant Google has started fixing all kinds of security flaws in its Android smartphones after a shocking finding by the University of Ulm (in Germany) scientists that revealed nearly every smartphone (about 99.7 percent) running the Google Android platform today is readily vulnerable to data snoops and cyber thieves.

Simply using ordinary unencrypted Wi-Fi networks, anyone can pick up sensitive information from Android phones. By eavesdropping on data sent to the Google Calendar, Contacts and Picasa apps, hackers can easily steal login credentials and gain full access to user accounts.

Further, the German researchers found that Android-based handsets up to version 2.3.3 receive Authentication Tokens in its unencrypted form (except token for Gmail which is encrypted), making the tokens just plain text files for anyone to read at any time.

Security flaws have been fixed in all Gingerbread Android 2.3.4 phones, as Google reports. The search giant has also started rolling out a server-side patch for all versions of the Android OS. The update is global and automatic, requiring no software update on the user end. Google expects the rollout to be completed and affecting all devices worldwide within the week.

### **Contactless Cards & Payments: 20-21 June 2011, London**

Don't miss Contactless Cards and Payments 2011 - an event not to be missed by any company involved in the contactless & mobile payments market!

Now in its 9th year, following on from the sell-out success of last year's event, Contactless Cards and Payments 2011 deliver industry-leading presentations from expert speakers discussing the key issues, future developments and industry trends within the contactless cards and mobile payments market.

This is an event that cannot be missed by any company currently involved in contactless & mobile payments and any organisation looking to gain a share of this rapidly expanding market.

To register or for more information, please visit the Contactless Cards and Payments website (<http://www.smi-online.co.uk/2011contactless-cards5.asp>)

### **Heartland Payment Systems' CIO Elected to PCI SSC Board of Advisors**

Steve Elefant, the Chief Information Officer (CIO) at Heartland Payment Systems, has been elected to the 2011-2013 Payment Card Industry Security Standards Council (PCI SSC) Board of Advisors. Comprised of 21 members representing a range of organisations, the Board will provide strategic and technical guidance as the Council continually develops security standards and seeks to raise awareness and compliance with its guidance.



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- Claire Maslen, Head of Near Field Communications, O2
- Matthew Murphy, General Manager, Bling Nation
- Karen Walsh, Business Development Manager, Payments & Contactless, Everything Everywhere
- Malcolm Vernon, Director Market Development EMEA, Nokia
- Pekka Markkula, Head of Service Enablers, TeliaSonera
- Andrea Battisti, Senior Project Manager, Telecom Italia
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- John Burns, Technical Specialist & Alison Donnelly, Technical Specialist, Financial Services Authority

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- ✓ **UPDATE** your knowledge on the contactless cards and mobile payments market and all the key developments over the last 12 months
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