December 2010

Volume 19 • Number 12

Smart Card & Identity News

Smart Cards, SIM, Payment, Biometrics, NFC and RFID
www.smartcard.co.uk

Android Delivers NFC this Christmas

This month, NXP Semiconductors and Google announced a strategic collaboration to provide a complete open source software stack for Near Field Communications (NFC).

Google's latest Android mobile operating system codenamed Gingerbread will feature the NFC software stack. The search giant will use Gingerbread (Android 2.3) on its latest phone - the Nexus S, which will feature NXP's NFC hardware (PN544 controller). Designed and developed by Samsung, the Nexus S will be the first widely available NFC phone. Mobile phone retailer Car Phone Warehouse will provide the phones on Vodafone, O2 & Orange contracts in the UK from the 20th December.

Our Comments

Patsy Everett

Dear Subscribers

It hardly seems possible but the end of the year
is upon us once again. Those of you in the UK
will know what I mean when I say we are all
looking forward to a White Xmas….

This month NFC is hot on the table again with
the latest news of the Samsung Android phone
with NFC built in. I've looked back through my
notes and discovered we've been saying this for
the last 8 or 9 years, the NFC bit, not the Android which has
appeared very suddenly and is already zooming up the charts in the
smart phone world. Who would want to be in the shoes of Nokia
with both NFC and Android to worry about? If one were to have a
Xmas punt it would probably be the thought of Nokia giving up on
Symbian now exclusively theirs with all the other smart phone
manufacturers (except Apple and Blackberry of course) moving over
to Google's Android smart phone offering.

So has NFC got a little closer, will it go zooming up the charts like
Android? Well there can be no doubt that there has been a lot going
on in the background and all the major players including Apple and
RIM (Blackberry) making sweet noises about their support for NFC.
However I am reminded of those heady days in the late 80's when we
were all convinced that the world was going to be flooded with smart
cards. Our own publication started in 1992 because we knew that
smart cards were going to be the new technology revolution for every
application you could possibly imagine and of course all financial
payment cards were going to have a chip in them.

I would be the first to admit that I didn't see it coming, those early
mobile phones, did somebody say they were portable? How big a
battery pack can you carry on your back? In fact originally they were
promoted for in car use where you have a mighty big battery to call
on. How wrong can you get, who would have imagined in 1990 that
by the end of the decade children would be taking a mobile phone
with them to school.

Suddenly smart cards took off largely in the form of mobile phone
SIM cards and about a decade later the banks followed along with the
now well known chip and PIN, the rest of course is history.

So here's the thing what's going to make NFC take off? For those
enthusiasts who would want to assure me that very soon every phone
will have NFC I would remind them that every phone had Bluetooth
long before anybody really started using it and even now it's very
much a minimal application probably because of the drain on the
battery. Just for the record I actually don't think we are going to see
NFC in every phone for some time to come but let's go the other
way and try to see where the tipping point might be.

For years everybody said it was payments, NFC was going to be the
way to do contactless payments on your mobile phone but if you
think about it in most retail environments it doesn't really make a
difference. If the value of the payment is high enough to need a PIN,
£10 or £20 wherever the risk limits are set then you are most likely to
use the contact interface anyway. For low value payments without a

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PIN such as mass transit well then yes, contactless is the way to go but will you use your phone? We've talked about it before but there is also the issue of user convenience. Is it easier to get out your phone, select the payment application (I need convincing on the viability of defaults) and wave your phone or is it easier to just get the contactless card out of your pocket? Do we really want to have everything on our phone or might we just like a little bit of variety, a sort of back up you might imagine. I admit this quietly but I also have a few problems with the phone being charged, just at the wrong moment the battery seems to go flat. Am I unique in this?

Well for me the case for NFC in unproven, not the technology you understand, I wouldn't dare argue about that but what is the killer application? Many argue that it won't just be one application but instead the richness of a number of applications. You can call me old fashioned if you like although I Twitter with the best of them, but for me there has to be 'The Application' and as of Xmas 2010 I can't see what it is.

Happy Xmas to all our readers and best wishes for a happy and prosperous New Year. - Patsy.

Contents

Events Diary

January 2011

18-20   Omnicard 2011, Grand Hotel Esplanade Berlin,
Germany - http://www.omnicard.de/index.php?m=1&en=1

19-20   Nordic Card Markets Conference 2011, Sheraton Stockholm Hotel and Towers,
Stockholm, Sweden - http://www.smi-online.co.uk/events/overview.asp

25-27   Transport Ticketing 2011, Waldorf Hilton Hotel, London,
UK - http://www.transport-ticketing.com/64/index.php

February 2011

14-16   World Cards and Payments Summit 2011, Dubai,
UAE - http://www.fleminggulf.com/

14-17   Mobile World Congress, Barcelona, Spain - http://www.mobileworldcongress.com/

22-23   NFC Congress 2011, Hagenberg,
Austria - http://www.nfc-research.at/index.php?id=3

22-24   European Card Acquiring Forum 2011, Berlin,
Germany - http://www.europeancardacquiring.com/

Source: www.smartcard.co.uk/calendar/

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To note: NFC (Near Field Communication) is a simple extension of the ISO/IEC 14443 contactless card standard. NFC devices can communication up to a distance of 10 centimetres with other NFC devices, contactless card and passive RFID tags and stickers.

The Cartes & Identification and Mobile World Congress annual events have exhibited NFC technology for quite a few years now and back in 2008 the NFC Forum predicted that 500 million phones will have NFC by 2011. Philippe Tartavull (CEO of Hypercom) blamed the recession for hampering development of contactless technology.

Android Inc. developed "Android" as a mobile operating system or a mobile platform that controls a mobile device just like operating systems such as Windows, Mac OS or Linux controls desktop computer or a laptop.

Google purchased the company Android Inc. in 2005, and along with the "Open Handset Alliance," a group of 78 hardware, software and telecom companies are working towards upgrading open standards for mobile devices, and started further development of Android.

Android OS for smartphones was first released in 2008 by Google. The software suite on the smartphone included the search giant's very own applications such as Maps, Calendar, and Gmail as well as a full HTML web browser.

The Nielsen Company research revealed that new smartphone subscribers choosing Google phones in US accounted for 27% of total U.S.A smartphone sale. Worldwide 2010 third quarter market share of Android OS smartphones was 43.6%.

The article entitled "Mobile Wars - Apple versus the World" in last month's newsletter shows us that Android has already overtaken Apple's iPhone (iOS) as well as RIM's Blackberry in terms of sales and market share.

So what can we do with Google's new NFC phone? Google have stated that "with NXP's contribution, the introduction of NFC in Android provides developers, service providers, and device manufacturers a game-changing opportunity to deliver new services while enabling users to interact with each other and the physical world in ways previously not possible".

NXP Semiconductors announcement contributed: "Today, NFC offers consumers a high level of convenience, interactivity and security with their mobile devices, and further enhances their smartphone experiences by linking the virtual world of applications with the physical environment".

NXP has also explained how the unique "touch" feature of NFC will enable easy exchange of data, and connect to a large installed base of reader and tag infrastructures. NFC technology in Nexus S will enable the smartphone to read NFC tags that are embedded on objects such as t-shirts, posters and other everyday commodities, allowing the device to work both as a reader and a transmitter.

Both Google and NXP's websites and press material fail to give any specific areas of application for NFC in the Nexus S smartphones. It would appear from Google's and NXP's statements that they are hoping for the innovative software developers to come up with the ideas for NFC to succeed.

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At the Web 2.0 Summit held in San Francisco on November 15-17 this year, RIM CEO, Jim Balsillie said, "We will be fools not to have it in our future products. And we are not fools." ('It' refers to NFC) RIM was said to form a group with AT & T, T-Mobile and Verizon to offer NFC services soon on their latest version of BlackBerrys.

Even in news published last month, Apple was said to apparently add NFC in its iPhone 5. NFC-added iPhone will let users 'swipe' their phones over a payment terminal in order to pay for small purchases. Although NFC in iPhone 5 have been rumoured for quite some time, an unnamed source claimed that Apple is actually looking to "offer those that own both an iPhone 5 and a Mac OS X-equipped laptop or desktop an interesting customisation feature".

Nokia recently confirmed that its already released C7 mobile phone contains an undocumented NFC chip. NFC capability will be 'switched-on' with a firmware upgrade due to be released in 2011. Nokia has also failed to mention what the general public will do with it once they have the upgrade.

Custom Nokia 6131 NFC used on the London Underground

As early as in December 2007, Visa Europe, Transport for London, TranSys, Barclaycard, Nokia and AEG announced the 'O2 Wallet' trial in London. The 'O2 Wallet' was an application to bring together Oyster, Visa Pay-Wave and contactless ticketing on the now defunct Nokia 6131 NFC mobile phone. The first phase of the trial span November to February with 225 participants. However, no successive developments happened thereafter.

Telecom Italia began NFC trails on mobile phones in 2008, only to scrap the idea of payment over NFC in favour of a simple text message. In 2009, GSMA (GSM Association) boldly predicted that by mid-2009 full NFC functionality, including the standardised 'Single Wire Protocol' interface would be built into commercially available handsets. The 'Single Wire Protocol' standard would provide interface (known as the host controller) between the SIM and the NFC chip embedded in the handset.

However, 2010 has nearly gone, and we are only now seeing a widely available NFC handset entering the marketplace.

With Google and NXP Semiconductors joining hands to launch NFC stack in Android smartphones, could this be the trigger to general adoption of NFC technology and a NFC tag infrastructure.

The Nexus S will be available to purchase on the 20th December for £549 from the Carphone Warehouse and Best Buy stores.

By Suparna Sen, Smartcard & Identity News

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Sesames to celebrate the best innovations of 2010
By Tom Tainton, Smartcard & Identity News

Tom Tainton

The Sesames are here again. The curtain-raiser to the Cartes Show will, as always, be recognising the latest and finest innovations in the industry. The 33 finalists have been whittled down from 395 applicants initially selected as some of the best in their respective categories – hardware, software and applications. However, only ten will be crowned with an award.

Selected by an international, star-studded panel of experts, the gala evening at the Automobile Club De France celebrates the global manufacturers, users, integrators and developers who have contributed in 2010.
The finalists were recently selected as some of the best in their respective

categories – hardware, software, and applications. Applications are split into eight sectors: Identification/ID cards, IT security, Transportation, Banking/Retail/Loyalty/, Mobility, Trusted Internet/Authentication, e-Transactions, Manufacturing & Tests. The finalists and their products are:

Hardware: Infineon Technologies with **Infineon SLI 76 "in-car" family**, Morpho e-Documents with **ConnectSIM** and Watchdata Systems with **Contact Smart Card Adaptor**.

The winner in this category was ConnectSIM by Morpho e-Documents. Featuring WLAN 802.11 capability, ConnectSIM card enables integration with any wireless IP network. This product provides TV, laptop and gaming with trusted security services.

Software: Giesecke & Devrient GmbH with **Application Authentication**, Inside Contactless with **Open NFC™**, Kentkart Ege Elektronik Ltd. with **INFINITE KENTKART** and Oberthur Technologies with **Full Secure Services Managemen**t.

The Software category winner was OpenNFC by Inside Contactless. OpenNFC allows handset manufacturers to integrate NFC features in their devices and hardware. The product is set to help accelerate market adoption of NFC solutions.

Identification/ID Card: Applied DNA Sciences with **RapiDNA**, Giesecke & Devrient GmbH with **FEEL-ID®**, **HID-Global with HID-Global veriCLASS embeddable hardware platform**, and IDEX ASA with **SmartFinger® Film**.

The winner in this category was SmartFinger Film by IDEX ASA. This ultra-thin fingerprint sensor is based on polymer technology and allows for complete on-card biometric systems specified by industry standards.

IT Security: Gemalto with **eGo™**, Konica Minolta Business Technologies, Inc. with **Universal Design High-security MFP** and Oberthur Technologies with **ID-One Cosmo microSD**.

The winner of the IT Security category was Gemalto with eGo. The eGo technology facilitates access through a unique user authentication method. For example, simply touching an eGo compliant object will enable use of credentials-based services in every day life.

Transportation: Oberthur Technologies with **Voox**, Veolia Transport with **BPass** and XIRING with **Porteo**.

The winner of this category was Oberthur Technologies with Voox. The product integrates a contactless antenna inside the card's contact module. The innovation reduces environmental impact while enhancing robustness and reliability of dual interface cards.

Banking/Retail/Loyalty: Blackboard Inc. with **Blackboard MF4100 Multifunction Contactless Reader**, **natural security** with natural security and ViVOtech with **ViVOtech end-to-end solution for NFC Mobile Payments**.

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The winner of the Banking/Retail/Loyalty category was Blackboard Inc. with Blackboard MF4100 Multifunction Contactless Reader. The MF4100 is a versatile device which can act as a point-of-sale system, a copy machine reader or a laundry machine reader. It supports contactless smart card technology and communicates via a wireless network.

Trusted Internet/Authentication: Cronto Limited with **Cronto Visual Transaction Signing Client for Mobile**, Gemalto with **Sign-It**, MEDISCS with **IDéPhone** and Pierson Capital Technology LLC with **MIIKOO**.

The winner of this category was IDePhone by MEDISCS. This secure solution eases deployment of PKI certificates for consumers, providing cost-effective PKI framework on smartphones and delivering valued-added services to e-commerce sectors.

Mobility: Giesecke & Devrient GmbH with **Green SIM Paper Pack**, Oberthur Technologies with NFC **Now offer for Nice NFC City**, and Toro Ltd with **akami suite™**.

The winner of the Mobility category was Oberthur Technologies with NFC Now. This complete turnkey solution allows rapid deployment of mobile contactless services such as payment and loyalty programs.

e-Transactions: BPC Banking Technologies with **SmartGuard**, Gematik GmbH with **Practice-fee and receipt service** and PassWindow Pte Ltd with **PassWindow**.

The winner in the e-Transactions category was Gematik GmbH with Practice-free and receipt service. This service aims to reduce the bureaucracy in the German health system. Based upon electronic receipts, the product automatically detects t   he co-payment limits of individual patients.

Manufacturing & Tests: Deutsche Telekom AG with **Flex-P**, IntelCav with **PET Card** and STMicroelectronics with **UTAMCIC**.

The winner of this category was STMicroelectronics with UTAMCIC. The antenna is physically isolated from a flexible antenna on plastic; the result being improved reliability and yield.

World News In Brief

World's Smallest Fingerprint Sensor for Mobile Phones Launched

Fingerprint Cards have released the world's smallest and most power-efficient fingerprint sensor optimised for mobile phones. The line sensor, designated the FPC1080A, is extremely small, has uniquely low power consumption and offers world-leading image quality with a resolution of 508 dpi. The FPC1080A combines FPC's well-known quality with ease of integration, making it the ideal sensor for high-volume devices such as mobile phones, laptops, smart cards and USB keys.

The FPC1080A has integrated hardware support for finger navigation, which enables the sensor to be used as a navigation unit, thus replacing joysticks or other similar navigation systems. Volume deliveries of the FPC1080A are expected to begin in the third quarter of 2011.

Deutsche Bank to Use TCS Platform

Deutsche Bank will replace a range of systems with TCS BaNCS Core+ Banking as part of an overhaul of its transaction banking platform in more than 30 countries. GTB's (Global Transaction Banking) branch in Abu Dhabi has already migrated to the new system.

The platform's functionality covers account services, interest and charges, limits and facilities, liquidity management, funds transfer and payments, statements and risk management and reporting.

SCL Successfully Delivers Its 30 Millionth Prepaid Card

Independent software vendor SCL has activated its 30 millionth prepaid card, and is also celebrating 2010 as a year of outstanding growth with announcements of new contracts in Latin America and Australia as well as an office expansion in the New Year.

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Specialising in the provision of prepaid and travel money automation systems, SCL already supports more than 600 shopping malls' gift card programmes internationally, and thousands of foreign exchange branches.

SCL's UltraPoS solution manages the sale and distribution of travel money and open or closed loop prepaid cards, streamlining every aspect of process and procedure to maximise efficiency and profitability.

With the likes of American Express, Westfield, General Growth Properties, TUI Travel, PerfectCard, HSBC and Wyndham Hotel Group as clients, SCL is one of the UK's growing numbers of small entrepreneurial companies whose importance is increasing its global presence.

New "Smart" Payment Stickers with Two Way Communication

Blaze Mobile, a leader in mobile payment solutions, has invented a new patent pending "smart" sticker that enables information to be transferred in real-time between the sticker and a mobile device without the use of a carrier network. Set for release in the first quarter of 2011, Blaze's new sticker lets consumers make contactless purchases, with the data been sent directly from the sticker to the mobile device, eliminating the need for a carrier network or Wi-Fi.

The sticker, which can be used on any mobile device, offers Blaze users real-time account information whether in a store, subway, transit station, airplane, or anyplace without cell phone reception. Consumers can use the Blaze sticker to store and select from multiple payment options, like credit, gift and debit cards. The sticker offers a myriad of business options beyond mobile payments, including remote access to buildings, cars or health care data, and increased data security because of the ability to remotely deactivate lost or stolen stickers.

SAP to Pay $211Million More to Oracle

Oracle Corp is seeking another $211 million from SAP AG on top of the $1.3 billion jury verdict it won last month after a copyright infringement trial. Oracle wants an additional $211,662,935 in "prejudgment interest" due to the company, according to a court document it filed. Both parties have already agreed that SAP will pay Oracle $120 million in attorney's fees, the filing added. But the 2 sides could not agree on whether the final judgment in the case should provide for

prejudgment interest, and if so, in what amount, according to the filing. "We don't believe that Oracle is entitled to any additional compensation beyond the final judgment in this case", SAP said in a statement.

Prejudgment interest is intended to compensate for the loss of the use of funds and account for the effects of inflation after a party suffers economic damages.

Now ATM and Fare Collection System with Integrated Contactless Smart Card Reader

HID Global and Wincor Nixdorf announced they have developed an ATM solution with an integrated contactless smart card reader. The jointly developed solution enables a single piece of equipment to process ATM and automatic fare collection transactions, enhancing customer convenience and efficiency.

HID Global and Wincor Nixdorf have worked with a leading international bank to design and develop the new, converged solution, which adds HID's widely interoperable cashless payment reader technology to Wincor Nixdorf's proven ProCash ATM platform. HID's readers enable the Wincor Nixdorf ATM system to support the Calypso transit card protocol and DESFire contactless smart card technology, plus MIFARE contactless smart cards to meet future banking requirements. The system is designed to improve efficiency and cut costs for transit authorities and banks while offering greater convenience for consumers, increasing customer loyalty.

G&D and Secusmart Provide Secure Mobile Communication Solution to Germany

Giesecke & Devrient (G&D) and Secusmart have released a new generation of 'SecuVOICE' solution for wiretap-proof cell phone calls. The new Secusmart Security Card in this solution encrypts phone calls and SMS messages end-to-end and provides secure authentication to the German federal authorities, without any risk of interception.

The card features a counterfeit-proof crypto module which ensures maximum security and reliable identification. The crypto card's hardware offers the highest level of security for voice, SMS and data (Common Criteria EAL5+) and has a 4GB flash memory. It also allows users to store their data in an encrypted format, so that items such as SMS messages, contacts and calendar entries cannot be accessed by third parties.

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Canadians Pay in a Flash!
By Suparna Sen, Smartcard & Identity News

Suparna Sen

"Canadians have always shown an interest in adopting new payment solutions" - Doug Collins, Head of Payments and Bank Services of RBC Royal Bank. This line goes at par with the country's latest move towards adopting the first ever EMV chip-embedded contactless debit card named "Interac Flash".

"Interac Flash" is set to be introduced in the summer (June-August) of 2011. Interac Association, one of Canada's leading debit card services provider, has made these "Interac Flash" cards. Interac Association is responsible for the development and operations of the Inter-Member Network (IMN), which is a national payment network that allows Canadians to access their money through Automated Banking Machines and Point-of-Sale terminals across the country.

In terms of using Interac Flash, customers of Scotiabank and RBC Royal Bank will be the first ones to use Interac Flash for paying against smaller value items at various convenience stores, fast-food restaurants and transit that support Interac Flash cards. One of the primary advantages of the card is that it only needs to be 'flashed' at a reader or POS terminal rather than inserting the card and entering a PIN. However, the merchant needs to upgrade his POS (Point of Sale) terminal to be able to read the contactless cards.

For installing Interac Flash readers, merchants need to either lease or purchase equipment for successful card processing, and will pay a processing fee for each transaction.

Doug Collins believes the new contactless debit cards will be "Simplifying day-to-day banking through introducing innovative products and services is a key priority for us and we are pleased to be bringing this new option to our clients".

Unlike a magnetic stripe that can be skimmed and copied by hackers (data in a magstripe card can be modified or rewritten) the chip-embedded Interac Flash cards cannot be copied and reused by another person, thereby ensuring enhanced security to the cardholders. The chip is processed and protected using cryptographic, mathematical algorithms to carry out financial transactions safely. Chip technology is based on the global EMV standard, which authenticates credit and debit card transactions.

Interac along with both the banks have already conducted a successful trial/testing of the contactless cards this summer among small-ticket merchants in downtown Toronto, Canada's largest city. Scotiabank and RBC are now looking forward to the announcements of national merchants towards accepting "Interac Flash".

To prevent fraudsters from misusing a customer's contactless debit cards, Interac has included dollar maximums measure, which means that after a number of frequent transactions from $25 to $100, users will need to enter his or her PIN in order to prove he is the valid card owner. Each issuer can add its own limits on transaction and dollar volumes and other fraud-control measures to the card.

Interac is pricing Flash transactions in accordance with its existing wholesale price schedule that charges acquirers 0.729 cents per transaction. Typical acquirer pricing to merchants ranges from 6 to 8 cents per transaction.

Note: Cardholders are not expected to get hold of these cards until next summer. Financial institutions will start issuing Interac Flash cards only in the summer of 2011.

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G&D Received World's First MasterCard M/Chip Advance Certification

Giesecke & Devrient (G&D) is the world's first company to receive MasterCard approval for an 'M/Chip' Advance compliant card product. M/Chip Advance is MasterCard's latest generation payment application specification, which combines dual-interface payment functionality with state-of-the-art 'on-card' data storage functionality. M/Chip Advance provides card issuers with a platform to introduce new cardholder services for transit, loyalty and other innovative entitlement applications. It also offers a number of advantages in terms of core payment functionality. G&D's M/Chip Advance card product is a dual-interface card belonging to the Convego Join product line. The card product runs on a highly flexible Java-based operating system that allows a range of different applications to be implemented on one single card.

SOLID FLASH Technology to Replace ROM in New Generation of Security ICs

Infineon Technologies AG announced the introduction of 90nm SOLID FLASH technology for its new generation of security ICs. With SOLID FLASH, Infineon is the worldwide first supplier of security products combining the advantages of highly flexible and reliable Flash with outstanding and secure contactless performance, targeting applications like payment, government ID, high-end mobile communications and transport. SOLID FLASH products have already been officially acknowledged by EMVCo and Common Criteria EAL 5+ (high) certifications.

Infineon's SOLID FLASH technology allows customers a fast and easy prototyping, sampling and code change through the immediate availability of hardware samples with SOLID FLASH-based security controllers.

Released Open Security Standard to Foster Next-Generation Transit Fare Collection

Founded by 4 leading technology companies, the Open Standard for Public Transport (OSPT) Alliance introduced an open security standard to foster the next generation of more secure, cost-effective, scalable and extensible transit fare collection systems.

Now open to new members, the alliance will work to establish an ecosystem of transit operators, technology suppliers, consultants and integrators, government agencies and mobile ecosystem product and service providers, as well as other industry associations, to develop new, interoperable transit fare collection solutions based on open-standard security both for current and future fare collection systems.

The OSPT Alliance also announced the addition of 2 new members - Beijing-based Watchdata Technologies Ltd. and the Open Ticketing Institute of the Netherlands in the organisation.

World's First Integrated NFC Mobile Payments Now in Turkey

MasterCard, Gemalto, Garanti Bank and Turkish mobile phone operator Avea has unveiled the official roll-out of Turkey's first NFC initiative involving antenna equipped SIM card mobile phone payment functionality. The solution is supported by MasterCard PayPass technology.

Turkish consumers will be the first in the world to make their mobile phones compatible with NFC (Near Field Communication) technology via an N-flex SIM card which carries a flexible NFC antenna.

World's First Low Cost Card Reader for BlackBerrys

ROAM Data launched the world's first encrypted audio coupled card reader for BlackBerry smartphones, which comprises approximately 30% of the smart phone market in the US. The card reader will enable BlackBerry users to securely swipe customers' payment cards with reduced transaction fees by conveniently plugging-in ROAM's low cost reader into the audio jack. This unique swiper solution called ROAMpay Swipe is the latest in a series of mCommerce innovations brought to market by ROAM Data.

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Telegraph to Erect Pay-Wall in New Year

The Telegraph is planning to follow the Times in the growing trend to charge for its online news. The newspaper's parent company, Telegraph Media Group (TMG), has been working on a plan to boost profits by putting some of its online content behind a paywall in 2011.

However, a spokeswoman for TMG said "Absolutely no decisions have been made on the introduction of a paid-content model. Like all publishers, TMG continually evaluates the developments in the digital sector".

Samsung First to Adopt Flash Memory Embedded NFC Chip

Samsung Electronics Co., Ltd., a world leader in advanced semiconductor solutions, announced a new near field communications (NFC) chip with embedded flash memory. With a low power design and advanced RF sensitivity, Samsung's latest chip offers designers a competitive choice for next-generation smart phones with NFC capabilities. NFC enabled devices can instantly establish a wireless peer-to-peer connection and directly handover to Bluetooth and/or Wi-Fi connection for fast, convenient data transmission.

NFC chip can be used as a contactless smartcard for public transportation payments for bus and subway fares and mobile banking payments. It can also read RFID tags in retail stores or on outdoor billboards for convenient on-the-spot data access.

Successful Bikini Protest at the Airport

Officials at Los Angeles airport were taken back by a bikini-clad woman. The woman named Corinne Theile decided to dress unconventionally to protest against full-body scans as part of National Opt-Out Day, celebrated on 24 November 2010. The stunt has brought global attention to the cause.

US airport officials have installed invasive, naked body scanners at the US airports, as part of their highest security measures. However, Americans have strongly protested against such full body scanners, as they state "We have a right to privacy and buying a plane ticket should not mean that we're guilty until proven innocent".

'What You See Is What You Sign' with VASCO

VASCO Data Security International, Inc. launched DIGIPASS 920, a USB connected card reader with What You See Is What You Sign (WYSIWYS) and reader signature capability and smart card PIN protection.

With its enhanced security features, DIGIPASS 920 is ideally suited for environments which require high security such as corporate banking. Thanks to its extreme user-friendliness, DIGIPASS 920 is also suited for deployments in retail banking where end-users require highly intuitive solutions. It's PKI based digital signature capability also makes it ideal for corporate environments and e-government applications. The product will be available in Q1 2011.

DIGIPASS 920 has a 4-line full dot matrix display allowing extended data field validation on the screen of the reader. The cardholder can verify them on the reader screen before confirming the transaction, thus adding an additional verification step before signing.

Now E-Passports in China

China has launched its first ever electronic passports that would contain information in microchips. According to Huang Ping, director-general of the department of consular affairs of China's foreign ministry, "the adoption of electronic passports complies with international trends and plays an important role in international travel for officials".

The e-passport features an electronic data storage chip that will contain personal data including name, family name, personal numeric code, the document's term of validity and the issuing agency and citizenship.

Net1 Gets 1.1 Million New Smart Card Order from Uzbekistan

Net1, a leading electronic payment system provider, has received a new order from the leading Uzbekistan banks for the delivery of 1.1 million smart cards and 2,500 EFTPOS terminals in 2011.

The National Bank of Uzbekistan started a small pilot project in 1995 with 5,000 smart cards. This project has evolved into a fully-fledged National Interbank Payment System under the brand name UZKART and currently comprises 6.6 million UEPS smart cards and 45,000 POS terminals.

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Hacktivism 101
By Noa Bar Yosef, Senior Security Strategist, Imperva

Noa Bar Yosef

Hacktivism is the use of cyber attacks and sabotage to communicate politically motivated causes; it is as old as the internet. Sole hacktivists have always acted in an individual manner to demonstrate their protest using various attack methods. One popular attack has been, and continues to be, the defacement of websites- Microsoft's website, for example, was displaced with a Saudi Arabian flag.

Something else happens when hacktivists group together; they commonly perform what's called a Distributed Denial of Service (DDoS) attack. With the increased number of participants they are able to flood the targeted website with traffic so that the server becomes overloaded. As the site attempts to process the large volume of malicious traffic it denies access from legitimate users and often crashes altogether.

The attacks have become automated, thus making them more powerful and harder to track, and have advanced in their techniques, however, the effect remains the same. Let us take a look at the recent Operation Payback which gained notoriety in the past few months.

Operation Payback is a series of DoS attacks carried out by hacktivists. Their initial goal was to bring down anti-piracy sites, such as the recording and media companies who attempted to act against illegal file sharers. They even attacked law firms who threatened to bring the illegal downloaders to court. In the latest chain of activities they have also started targeting organizations that have spoken against Wikileak's activities or any other form of "Internet censorship". MasterCard, for example, was attacked by the hacktivist group 'Anonymous' when they refused to process donations to the whistle-blowing site.

How does this group of hacktivists operate?

Hackers, in short order, build attack software designed to take down websites and services. This software is then made easily available for download by other hactivists. Once installed on a user's machine it sits idly waiting for the attack command, and when the time is ripe for the attack a "wake up" call is issued to the malware on the hacktivist's machine. At that stage the machine will start spurting out the malicious traffic to the specific site. Using the power of the community, i.e. all involved hacktivists, the target is inundated with voluminous traffic which causes the servers to crash.

When looking at this specific group, we can see that social factors have a part to play. As the activities of Operation Payback received more media attention, the number of hacktivists joining the specific hacktivist network increased.

Modern hacking, in general, is motivated by data theft. Stolen credentials, credit card numbers and so forth are highly valued on the black market. Data is the currency of cyber crime so staying invisible is essential.

In contrast to other forms of cyber-crime hacktivism is not motivated by money and actively seeks to gain as much attention as possible; high visibility is the key. Hacktivists are motivated by revenge, politics, ideology, protest and a desire to humiliate their victims- what would be the point of embarrassing someone if they didn't know who performed the attack?

Another attention-grabbing DDoS attack was executed in June 2009 by hacktivists protesting against the Iranian elections. In this attack hacktivists operated from outside of Iran and targeted government and other state-sponsored websites. As a result, the Iranian government blocked access to different social network sites to prevent netizens from providing coverage regarding the current state of affairs on the street.

The current chain of events show that the industrialization of hacking (i.e. hacking-for-profit), as witnessed in the past couple of years, will continue to increase. Although there are threats originating from state-sponsored attacks, for example, North Korea DDoSing South Korea and US sites, there still remains another group of attackers. These individuals remain in the background of the threat landscape as the aforementioned threats take the front seat. But every, once in a while, they raise their heads to protest in unison, carrying out their acts through the internet channels. With the right power and means they may create much havoc and attention.

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World News In Brief

Open Payments Platforms: Risks and Opportunities

A new report from Aite Group examines the current state of the open payments platform (OPP) segment as well as its growth opportunity and risk potential.

Today's open payments platforms are a collection of payments-enabling technologies that allow the software-developer community to freely incorporate payments capabilities into their applications and provide increased flexibility in terms of payment type and channels supported. Current platforms are more robust than earlier platforms, and this evolution represents a substantial opportunity for the OPP provider; rather than being limited to its own resources to devise and implement new use cases and applications, the platforms are essentially deputizing an army of software developers and entrepreneurs to develop innovative uses for the payments system.

By 2015, Aite Group anticipates that more than US$35 billion in gross dollar volume (GDV) will flow through open payments platforms globally-up from US$3 billion in 2010. With large opportunities come proportionate risks. While there is nothing inherently risky in an open payments platform, the extent to which the open model accelerates the inclusion of new types of payments originators, channels, and applications can significantly affect a payment provider's exposure.

Payment Council's Report on Growing Demand for Debit Cards in UK

Debit cards passed the historic milestone over the August Bank Holiday, when the running total of debit card spending (GBP 272 billion) finally overtook the cumulative amount of cash spent (GBP 269 billion) in the economy for the first time ever.

According to the Payment Council's December report, the annual rate of growth in plastic card spending in UK remained strong in 2010 Q3 at just under 8%. Debit card spending growth was over 10%, while spending on credit cards grew at 2.9%, lower than CPI annual inflation. Debit cards were used 3 times more frequently than credit cards in 2010 Q3, accounting for 77% of all plastic cards payments.

The average daily number of plastic card purchases was 23.5 million, with 18 million payments made per day on debit cards. In spite of CPI (Consumer Price Index - measures time-wise changes in price level of consumer goods and services) inflation growing at over 3%, the average value of each plastic card transaction fell by more than GBP 1 during 2010 Q3, from GBP 49.73 in 2010 Q2 to GBP 48.72. With total spending on plastic cards growing at 8%, this indicates a continued and increasing preference among shoppers and customers of services to use plastic cards. The reduction in average transaction values also points to a greater use of plastic cards for lower value transactions.

Plastic card purchases accounted for 67.5% of all purchases in the retail sectors during 2010 Q3 compared with 65.3% in third quarter of 2009.

As a further indication of the move away from cash, withdrawals from cash machines fell 1.5% in the third quarter, compared with the same period in 2009, a decline in real terms of almost 5%.

Sandra Quinn, Director of Communications, Payments Council stated, "Cash is too cumbersome for many consumers these days - they prefer a card for anything more than the smallest transactions. We now expect our debit cards to be accepted everywhere we go - in pubs and clubs, at the corner shop, online and on the high street. Having quickly supplanted cheques, then claimed the scalp of credit cards, they have now usurped cash's throne too".

Defying Sandra's statement, Ron Delnevo, European Chairman of the ATMIA and MD of leading independent ATM operator, Bank Machine believes, Payment Council has understated UK's cash usage. Mostly, financial transactions done by mini cab drivers to market traders, babysitters to bar tips, happen in cash. Even industry experts stated, Payment Council has understated cash figures by up to 20 or 30%.

ICO Issued UK's First Data Protection Act Fines

Information Commissioner's Office (ICO) has fined 2 UK-based organisations for breaching the Data Protection Act. Hertfordshire County Council has been fined GBP 100, 000 for illegally faxing details of a child sex abuse case to a member of the public.

Sheffield-based A4e was fined GBP 60,000 for losing an unencrypted laptop with the details of thousands of people. The commissioner, Christopher Graham, said the fines, the first in the UK, would "send a strong message" to serve financial penalties to those handling illegal data

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Interview with René Stoerk, Director of International Sales at Atlantic Zeiser
By Tom Tainton, Smartcard & Identity News

What is CARDLINE VERSA?

CARDLINE VERSA and PERSOLINE are card manufacturing systems that are already being used in a range of emerging applications. We've developed these systems over the last five years, and will continue to create innovations with advanced production capabilities that ensure our customers stay ahead of the competition.

The focus of CARDLINE VERSA is gift cards, multi-voucher cards, prepaid debit cards, loyalty cards and similar applications, while PERSOLINE is ideal for higher-value card applications such as banking, ID, SIM and contactless cards used for public transport and PaytoGo systems.

How does it work?

CARDLINE VERSA is a complete solution that can produce different cards in various shapes, from the moveable magnetic encoding of magstripes on the card, to personalisation and printing codes and information, as well as customised decor on the card with a high-resolution DOD inkjet print engine.

The system offers a broad range of stable and exact transport and feeding, camera-based verification, and attaching options. The controller software controls the whole production process from a single point. And because CARDLINE VERSA is a modular system, it allows users to create their own integrated solution. All modules are perfectly formulated to ensure a fast, accurate and reliable card production process.

What unique benefits does CARDLINE VERSA hold over its competitors?

Its unique benefit is that it's a complete card personalisation solution that offers maximum versatility for highly variable card applications, delivering a throughput of up to 40,000 cards per hour.

You won't find another solution on the market like the CARDLINE VERSA that has such comprehensive production possibilities and adjustable integration modules. The solution's versatility means minimal set-up times for fast job changeovers, which ensures a very low cost per piece. For card manufacturers, innovative new capabilities drive revenue and productivity benefits. Its modular architecture means users only need to invest in the options they really need, and then simply add new capabilities as the market evolves.

What are the challenges associated with CARDLINE VERSA?

The challenges are really around higher speed, higher quality and more flexibility in the card personalisation process. One of the key challenges is printing at a higher resolution and contrast, as the quality requirements in the market grew.

Because of the increase in the number of card formats, card manufacturers needed to be able to quickly and flexibly change over from one application to another – from gift cards to hangtag cards, for example. This required the development of a flexible transport system that could handle a wide range of card formats.

How and why is card manufacturing changing?

There have been lots of changes over the last five years. The use of new surfaces and materials is one of the most significant changes. For example, many ticket applications have recently moved from PVC to paper substrates to keep costs down. We've also seen new formats, such as prepaid telephone cards moving from single cards to multi-voucher cards. Another trend is the partial substitution of scratch tickets by e-tickets that can be redeemed at ATMs or online.

What are CARDLINE VERSA's and PERSOLINE's key markets?

Today, we have a global presence in numerous markets, as Atlantic Zeiser CARDLINE systems are popular among all kinds of card manufacturers rené perso bureaus. This is mainly due to excellent reliability and productivity. We're the market leader in the prepaid telephone card sector. And we're enjoying considerable success in the SIM and contactless card and gift card markets. Now we're moving into the financial card sector, with successful installations for banking and flat financial cards.

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Can you tell us more about VERSAMAIL?

VERSAMAIL is a modular card finishing and mailing solution, and the perfect extension to the card personalisation environment. The system is used in a wide variety of applications, from simple attaching to more complex 'attach & match' and 'attach & personalise' jobs required for financial prepaid card packaging and envelope-less loyalty card mailings.

There are other card mailing and packaging solutions for tackling complex jobs, but their running speed is very limited, which leads to a high cost per product. In contrast, VERSAMAIL offers a running speed of up to 28,000 products per hour, and still gives users the high degree of flexibility they need.

We based the flexible VERSAMAIL platform on the world's best selling personalisation solution – CARDLINE VERSA – which means the solution can be easily configured with different system modules and handle a wide range of applications.

World News In Brief

Finally Rollout of NFC Mobile Payment Solutions in Europe

Three payment technology providers, Bell ID, PPC Card Systems and ViVOtech, will provide European banks, mobile network operators and service providers Turnkey TSM Services with unique NFC mobile payments, loyalty, ticketing and marketing applications to strengthen their client base. The trio payment providers will enable hosted and certified provisioning and management services for EMV credit and debit cards, merchant prepaid, gift and loyalty cards, tickets and transit cards applications to NFC mobile handsets.

Suprema Offers Palm-Print Live Scanners to Poland, Lithuania

Suprema, Inc., a global leader in biometrics and ID solutions, announced that the company's RealScan-F palm-print live scanner has been selected for the AFIS systems of the Polish National Police and Lithuania's Citizenship & Migration Affairs.

Until the end of 2010, the Polish National Police (Komenda Glowna Policji) will be provided with Suprema RealScan-F palm-print live scanners for its nationwide criminal AFIS operation. This criminal AFIS for forensic investigation requires live scanners with stringent selection criteria on the image quality and recognition performance, and the RealScan-F was selected through 12-month field testing with a number of other vendor's devices.

Suprema has also won Lithuanian Government's Citizenship and Migration Affairs project. Funded by the European Union, the project replaces legacy AFIS equipment with RealScan-F live scanners in the nation's criminal AFIS. The Lithuanian Government has a plan to develop and integrate its newly implemented AFIS with the European Union's Schengen Visa Information System (VIS) project.

Imprivata Wins Security Innovation of the Year Award

Imprivata Inc. has been awarded the 2010 UK IT Industry Award for OneSign Secure Walk-Away in the category of 'Security Innovation of the Year'. Released in March 2010, the solution protects unattended desktops from unauthorised access, streamlines employee workflow and takes the burden of desktop security out of the hands of employees with automated protection. OneSign Secure Walk-Away has been implemented by a number of hospitals within UK's National Health Service (NHS).

VeriFone to Pay $485Million for Hypercom

VeriFone has signed a $485 million deal to purchase rival card terminal outfit Hypercom just weeks after Hypercom aggressively rejected a GBP 337 million, all-cash, hostile bid from VeriFone in September, accusing its rival of significantly undervaluing the company. Under the terms of the deal, which was unanimously approved by both boards, Hypercom shareholders will receive a fixed ratio of 0.23 shares of VeriFone common stock for each Hypercom one, valued at around $7.32 based on the closing price yesterday. VeriFone will also assume outstanding warrants and stock options in the transaction.

Direct Debit Fraud at an All-Time High in UK

Over 97,000 Britons have fallen victim to criminals setting up fraudulent direct debits from their accounts. The number is set to escalate over the next 3 years, according to research from insurance outfit LV=.

The study, conducted by the Centre for Economics and Business Research (CEBR), show that so far this year 26,000 Brits found fraudsters taking out regular direct debit payments in their name, with an average of GBP 540 going missing before they noticed and stopped it. Common examples of direct debit fraud include regularly recurring payments for gym memberships and mobile charges or TV subscriptions. In other cases, the fraudsters set up the payment to their own accounts but label it with the name of a commonly used service provider, leading the victim to think it is a legitimate payment.

Over the last 4 years, the number of criminals gaining access to victims' bank accounts directly in order to set up regular payments has risen by 288% from just 6200 reported cases in 2006. Direct debit payment fraud now accounts for around 10.6% of all identity fraud cases, rising from 0.01% of all cases in 2001. And the LV= report reveals the problem is set to grow to 41,000 cases a year by 2013, equating to a 57% rise in the coming 3 years.

Tesco to Sell UK's First Facebook Credits

Facebook has struck deals with UK high street retailers Tesco and Game to start selling its virtual currency gift cards in their shops. Facebook users can use the Credits to purchase digital goods and services. Currently, the Credits can be used with around 200 games and apps within Facebook.

First End-to-End EMV Issuance Platform for Top 10 Saudi Arabian Banks

Bell ID has announced the realisation of a fully integrated end-to-end EMV issuance solution for one of Saudi Arabia's leadings banks. It is going to be the first in-Kingdom operational end-to-end platform for both central and instant issuance.

In 2009, the Bank already deployed Bell ID's software for its central issuance operations at its headquarters. Now, Bell ID's instant issuance solution will be deployed at the Bank's Riyadh branch and will be rolled out to over 100 branches throughout Saudi Arabia. The new features will enable the Bank to directly issue EMV debit cards to customers while at the branch. Both the instant and central issuing solutions are certified by MasterCard and the Saudi domestic debit card scheme.

Orange to Put NFC Phones on Sale in France

French Telecommunication Company Orange, who has more than 26 million subscribers, has decided to put its NFC phones on sale in its shops throughout France starting in January, next year. Orange had earlier made known its target of selling 500,000 NFC phones by the end of 2011. No other mobile operator has publicly stated a goal for NFC phone sales and disclosed plans to put phones generally on sale in its shops, noted Vincent Barnaud, director of contactless solutions at Orange.

Orange will start with the NFC version of the Samsung S5230, Player One, which the Company and other mobile operators in France have been selling in the Mediterranean city of Nice since May for their "Cityzi" pre-commercial NFC trial. But the planned phone rollout will include other NFC handsets, Barnaud said, though declined to reveal the names or types of models.

Consult Hyperion, Visa Europe Win Competition for Secure Authentication of Online Government Services

Consult Hyperion, the IT consultancy and specialist in secure electronic transactions, announced that it has won a competition run by the government-backed Technology Strategy Board to hold a pilot programme that will investigate the benefits of using the newly launched Visa CodeSure debit cards to securely access online government services.

The Technology Strategy Board is a UK innovation agency that invests in projects involving business and researchers working together to deliver successful new technology-based products and services.

2FA Sue Passlogix for Misappropriation and Breach of Contract
By Tom Tainton, Smartcard & Identity News

When Oracle agreed to acquire Passlogix, a provider of enterprise single sign-on (ESSO) solutions, in October, Passlogix president and CEO Marc Boroditsky said proudly: "[we] have a shared vision on providing customers with an integrated solution that helps advance and improve security for the entire identity lifecycle."

Tom Tainton

It's unlikely that he could have envisaged that little more than a month later, his company would be facing a lawsuit from 2FA Technology for 'misappropriation and breach of contract.' 2FA allege that Passlogix's senior executives, Chief Technology Officer Marc Manza and the aforementioned Boroditsky, joined forces in an attempt to snaffle 2FA's software, deprive the company of earned royalties and force them into bankruptcy. And the speculated reason behind such a devilish scheme? Money, of course. 2FA claim that Passlogix engineers accessed 2FA's source codes with the primary intent of incorporating their trade secrets into Passlogix's own product range.

In internal emails that are now accessible in the pubic domain, Marc Manza says: "We don't need anything from 2FA but the mapping data… rewrite this code in C++ for our purposes." It may sound darkly reminiscent of a comic-book villain, but Passlogix didn't want to seize control of the world – they just craved market domination. In the wake of the emails, Passlogix released an enhancement to its v-GO AM product containing 2FA's stolen trade secrets. This year they gave away the v-GO AM product to more than 10 million Passlogix licensees. The company reaped the financial rewards. 2FA didn't see a penny.

The dastardly email conversations continued, and additional evidence was brought before the courts. Not content with making one life-affirming vision, Marc Boroditsky looked teary-eyed to the future again, this time stating in an internal message: "I would like to end up in a position where we have all the 2FA ip rights, no continuing payments or royalties." Or, to translate, 'wouldn't it be brilliant if we took all their research but didn't have to pay them anything?".

Another member of Passlogix's senior management team echoed Boroditsky's sentiments, saying: "We should take the v-GO CM source as we have it, once we accept it as GA, cut 2FA loose and move it [company name removed] for all future development work." When the occasion did arise for Passlogix to pay royalties due to 2FA, Boroditsky was, well, slightly reluctant to say the least. "The deal [involving 2FA] is not closed yet so it does not need to be on the royalty report. That said, to avoid the 91k additional payment we will need to terminate 2FA before [mystery account] closes."

The conspiracy is clouded further by revelations that Passlogix executives, not content with stealing, withholding money and hatching termination plans, had schemed to force 2FA into bankruptcy. Choice quotes from the damning internal email conversations include: "However, these guys are dead in the water without us," and "Worst case, they [2FA] go bankrupt, and who cares." Who said morality was dead in business?

So what of Oracle? Is CEO Larry Ellison left red-faced by the whole debacle? Greg Salyards, 2FA's (presumably beleaguered) President and CEO, suggests that Mr. Ellison is 'completely unaware' of his company's acquisition of Passlogix, despite Oracle's market value increasing by more than $1 billion on the day of the announcement. Tongue in cheek perhaps? Salyards added: "We have utmost respect for Mr. Ellison and Oracle. Once aware of this oversight, we are confident that Oracle will do what they know is right."
But will Oracle cut loose a profitable arm of their business? How much of a payout can 2FA expect? Will anymore revelations regarding underhand tactics from Passlogix come to light? Keep an eye on this one; it's going to be interesting.

Cartes celebrates innovation as industry looks to a contactless future
By Tom Tainton, Smartcard & Identity News

It's been a quarter of a century since the Cartes & IDentification trades show first launched in Paris. The inaugural event attracted a mere handful of exhibitors. But progress has been momentous since that gathering in 1986. Today the industry has undergone remarkable evolution. This year alone, more than 5.1 billion smart cards were shipped worldwide. Cartes organizers claim that demand continues to rise as new technologies and applications drive growth across sectors such as banking, transportation, security and healthcare. And, if trends continue, by 2020 the industry will ship nearly 20 billion smart card devices.

To mark the 25th year, Cartes & Identification celebrated 'innovation' as the primary theme. As they evolve to meet dynamic market requirements, smart cards are becoming increasingly sophisticated. With new products emerging, originality and innovation is evident and helping to shake-up markets, applying pressure to the big, familiar industry players. And so, despite being stalled by the lingering reins of recession, contactless, interoperability and mobile payments appeared the key talking points among industry leaders to the bitterly cold French capital.

While many countries are now seeing a migration from magnetic stripes to chips, mobile phones are also beginning to boost the chips' potential. A growing number of mobile payment applications in development across the globe incorporate Near Field Communication technology (NFC) to enable contactless transactions. The interest in mobile payments is rising, particularly in the USA, where a number of players are competing to provide consumers with payment applications on their phones. To have several parties contending with one another is generally considered a positive thing from an innovation perspective. But industry executives at the Cartes & Identification conference warned of the risk of 'creating too much fragmentation, leading to a tangled web of hardware and software certification standards.' This could make it difficult for any individual system to attract the volume of consumer adoption numbers that experts say is necessary is mobile payments are to survive.

On Tuesday, members of a payments-industry panel predicted mobile payments to expand dramatically within the next two years. Despite obstacles to widespread deployment remaining, the panellists shared the view that the industry had made significant in-roads within the last year. The recession hampered development, but experts insisted that sales of contactless technology and terminals were improving again. "The economic crisis is mostly over," said Philippe Tartavull, chief executive officer of United States-based terminal maker Hypercom Corp. "We are now back to pre-crisis levels of 2008," he added, noting that Hypercom is registering sales growth in regions around the world. Experts at the World Card Summit also suggested that new security concerns could create opportunities for payments-industry players to join forces and battle security threats.

Tartavull also forecast that manufacturers of smart phones should be prepared for major industry changes saying, "Google and Apple will change the game". He warned that new innovations from smartphone manufacturers was likely to accelerate overall mobile payment growth and competition. Edward McLaughlin, chief emerging payment officer for MasterCard Worldwide, argued that in addition to creating mobile payment applications, players had to work to promote the technologies and its relationship with everyday activities. "The key is not to focus just on how you enable payments, but in how you create an environment so that people know they can use it in a taxi or in a local store. It's taking that payment functionality and combining it with other intelligence so that it ties back to the intelligence of the network."

Visa Inc announced that it would make mobile payments a standard feature for its partner banks by commercializing a system it had been testing with four of the largest US issuers. "In addition to issuing plastic magnetic stripe or chip-enabled payment cards, financial institutions can now consider offering their account holders a new technology that enables them to transform their existing phones into fully functional mobile payment devices," Bill Gajda, the head of mobile for Visa, said during the Cartes & IDentification conference. The question as to whether mobile phones will eventually replace plastic cards was certainly on everybody's lips.

As for the UK, contactless payment penetration is the densest in Europe, with 12 million contactless cards in circulation that amount to around 80% of all contactless transactions in Europe. And, as a result of publicity from contactless-enabled merchants, transaction volumes have doubled in the last four months alone. With that

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in mind, it's no surprise that MBNA Europe Bank announced at the conference that they'll be issuing 5 million contactless cards to UK customers and 'support the evolution of contactless technology in the UK.'

According to research presented by Visa, supermarkets remain the most-desired location for contactless payment while consumers, when given the opportunity, prefer to use contactless technology over other electronic methods. Mark Austin, Head of Contactless at Visa Europe stressed that although the signs were positive, usage was dictated by the merchant footprint. "Merchants need to make full use of decals and other signage indicating a terminal is contactless enabled. There must be further education on the universal symbol of contactless at the point of sale. Many people surveyed didn't know what the symbol meant; they thought it indicated wi-fi or some other brand." Austin stressed that the adoption of contactless by large merchants was crucial to expand usage, saying, "We need to help bridge the IT challenges large merchants face in adding contactless acceptance." He denied that the testing and accreditation process for contactless payment was 'complex and unclear' and stated that concerns regarding payment security could be combated through education.

Other new smart card products unveiled during the event included devices with built-in dynamic displays whose PIN-access codes change every few seconds to prevent fraud, and computer smart-card peripheral devices that enable secure online payments. As well as the ability to adapt to new technologies, another key to the industry's growth this year has been the success in supporting global bankcard interoperability through shared technical standards.

Amid a global economy recovering at an uneven pace, major players have set their sights on targeting audiences in developing economies around the globe in an effort to drive growth. Ajay Banga, MasterCard's president and CEO, told the media in Paris that, "card spending in Asian and Latin American economies showed solid growth during the quarter ended Sept. 30, while spending in the U.S. and Europe continued to lag."

Cartes & Identification continues to grow in stature, bringing together the entire digital security, contactless and payment community. From Paris, for now: Au Revoir.

World News In Brief

Google Acquires Zetawire for NFC

Internet giant Google has acquired Zetawire, a small stealth startup focusing on mobile payments. Canada based Zetawire owns the patents which will enable Google to implement NFC-based technology for mobile banking, advertising and such other uses.

Google has made this move to ensure their seat in the field of an era of technology that has yet to be experienced by the American people. People around Asia, particularly those in Korea and Japan, have been enjoying the advantage of using their phones as forms of payment and identification.

Google has added native NFC support in their latest version of Android OS, Android 2.3 Gingerbread. They have embedded an NFC chip inside their new model device.

De La Rue Gets New CEO

UK banknote printer De La Rue, in the process of fighting off takeover interest from Oberthur Technologies, has appointed Tim Cobbold as the company's new chief executive officer or CEO. Cobbold will join De La Rue on 1 January, 2011. Company's former CEO James Hussey quitted in August over paper quality problems at one of its UK plants.

Cobbold joins De La Rue from Chloride Group, a power supplier, which has recently been taken over by Emerson Electric. He joined the company in 2007 as chief operating officer before taking over as CEO the following year.

Non-executive chairman Nicholas Brookes, who has been acting as executive chairman since Hussey's resignation, returns to his old role as does group finance director Colin Child who has held the position of COO.

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NFC Congress 2011

February 22nd - 23rd, 2011 • Hagenberg, Austria

After a short break in 2010 the 4th **NFC Congress 2011** takes place on **February 22nd** and **23rd** in Hagenberg, Austria. The Congress is hosted by the NFC Research Lab Hagenberg of the Upper Austria University of Applied Sciences.

2011 will be an extensive year for the NFC community around the world, thus the NFC Congress is the right place to exchange views, experiences and information about the newest mobile phones, rollouts, services and technologies. In addition to the Business and Applications Conference, a Developer and Scientific Workshop provides a forum for researchers from academia and industry.

Conference fees:

	until Jan. 14th	after Jan. 14th
>> Day 1 (22nd)	200 EUR	240 EUR
>> Day 2 (23rd)	200 EUR	240 EUR
>> Both days (22nd + 23rd)	350 EUR	400 EUR
>> Students (per day)	70 EUR	80 EUR

NFC Forum Members: 10% Discount   All fees excl. VAT

Register now:
http://congress.nfc-research.at/

Sponsorship:
Sponsorship presents an opportunity for innovative companies in the industry to get in contact with international experts and to present innovations to representatives of industry, research centers and universities, offering long lasting benefits. See **http://congress.nfc-research.at/** for a list of available sponsorship packages.

2-Day Event, comprising
>>   Developer and Scientific Workshop
>>   NFC Business and Applications Conference

Don't miss the chance to meet industrial partners, business experts, technologists and developers dealing with NFC in their daily life and business.

Further details:
http://congress.nfc-research.at/

Speakers in 2009:
Peter Preuss (Nokia) • Steffen Steinmeier (NXP) • Holger Kunkat (SCM) • Reinhard Zuba (A1) • Stephan Karpischek (ETH) • Susanne Molkentin-Lacuve (Bouygues Telecom) ...

3rd International Workshop on NFC:
The NFC Congress will host the 3rd International Workshop on Near Field Communication (NFC 2011). The research workshop provides a forum for a full and detailed discussion of the research issues of Near Field Communication as an integrative concept that covers hardware, software, security, usability and different fields of applications. NFC 2011 is organized by the NFC Research Lab Hagenberg (Upper Austria University of Applied Sciences), VTT Technical Research Centre of Finland, ETH Zurich and University of Nice Sophia Antipolis and is technically co-sponsored by the IEEE Austria Section.