

EPC Mobile Channel WG Update



MobeyForum Plenary Workshop
February 10th -11th 2010
Dag-Inge Flatraaker, Chairman

EUROPEAN PAYMENTS COUNCIL (EPC)

REPRESENTS THE EUROPEAN BANKING INDUSTRY IN PAYMENTS

- 74 members from 32 countries represent all credit sectors on payments (approximately 8000 banks)
- see www.europeanpaymentscouncil.eu

IS THE DECISION-MAKING AND COORDINATION BODY OF THE EUROPEAN BANKING INDUSTRY IN RELATION TO PAYMENTS

- The EPC develops the payment schemes and frameworks necessary to realize the Single Euro Payments Area (SEPA)
- Specifying business and security requirements and standards to facilitate the initiation of SEPA payments via e- & mobile channels



- SEPA is the area where customers of payment services will be able to make and receive payments in Euro ***domestically and cross-border under the same basic conditions, rights and obligations***, regardless of their location. The SEPA area comprises the EU, Iceland, Liechtenstein, Monaco, Norway and Switzerland.

- SEPA payment instruments are:
 - SEPA Credit Transfer
 - SEPA Direct Debit
 - SEPA Cards.

- The mobile handset is expected to become an ***important enabler*** for SEPA payments in the future.

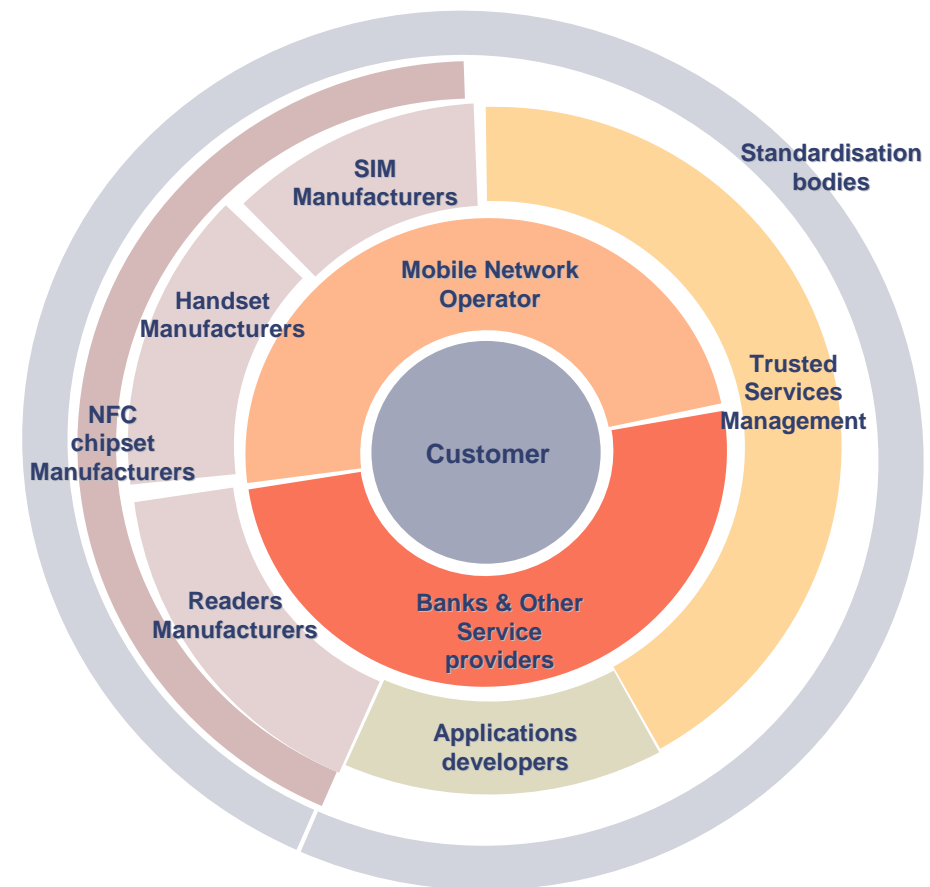
The European banking industry (EPC) has created a Strategy and Roadmap on Mobile-Payments that in 1-2 years will

- **Enable more efficient and faster adoption of payments via the Mobile Channel while leveraging existing SEPA instruments**
- Using a mobile phone (“handset”) as **a payment initiation device**
- Will entail both **Proximity and Remote Payments**
 - **Mobile Proximity Payment (SEPA card-based):** handset interacts (contactless) with Point Of Sale (POS) terminal to perform payment transaction (“Tap-and-Go”)
 - **Mobile Remote Payment (SEPA card or SEPA Credit Transfer-based):** handset can be used to purchase goods and services via internet/web browser, telephone voice/data call or to perform account to account payments

in different market segments: P2B, B2B,...

In line with its scope and roadmap the MCWG has focused over the past year on the Mobile Proximity and Remote Payments and specified the following documents:

- The EPC-GSMA TSM requirements and specifications for TSMs
- The EPC White paper for M-payments



TSM specifications (1)

- A **set of requirements and specifications** for Trusted Services Management Roles (SMRs) and related processes covering functional, technical, security and legal aspects while ensuring that TSMs are **interoperable** jointly developed by EPC and GSMA
- These SMRs cover the **loading, personalisation, activation, maintenance and deletion of the Mobile Contactless Payment** (MCP) Application issued by the banks on the UICC into the mobile phone
- The work aims **to facilitate** the development of commercial relationships between the MNOs, Issuing banks and TSMs which are the key stakeholders in the MCP ecosystem.





TSM specifications (2)

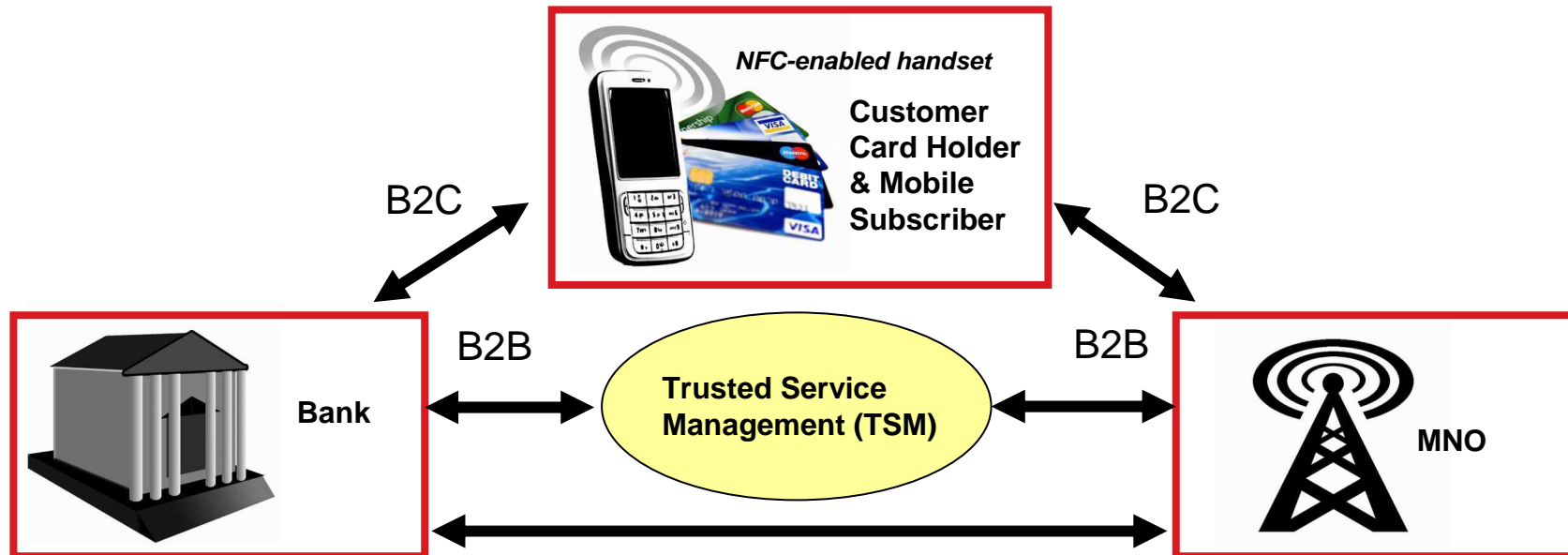
- The EPC-GSMA joint specifications for TSMs have been published for EPC, GSMA and external stakeholder consultation
- Comments are due *by April 1st 2010*
- A joint EPC-GSMA press release has been published late January 2010 with very good press coverage
- Final publication is planned in Q2 2010



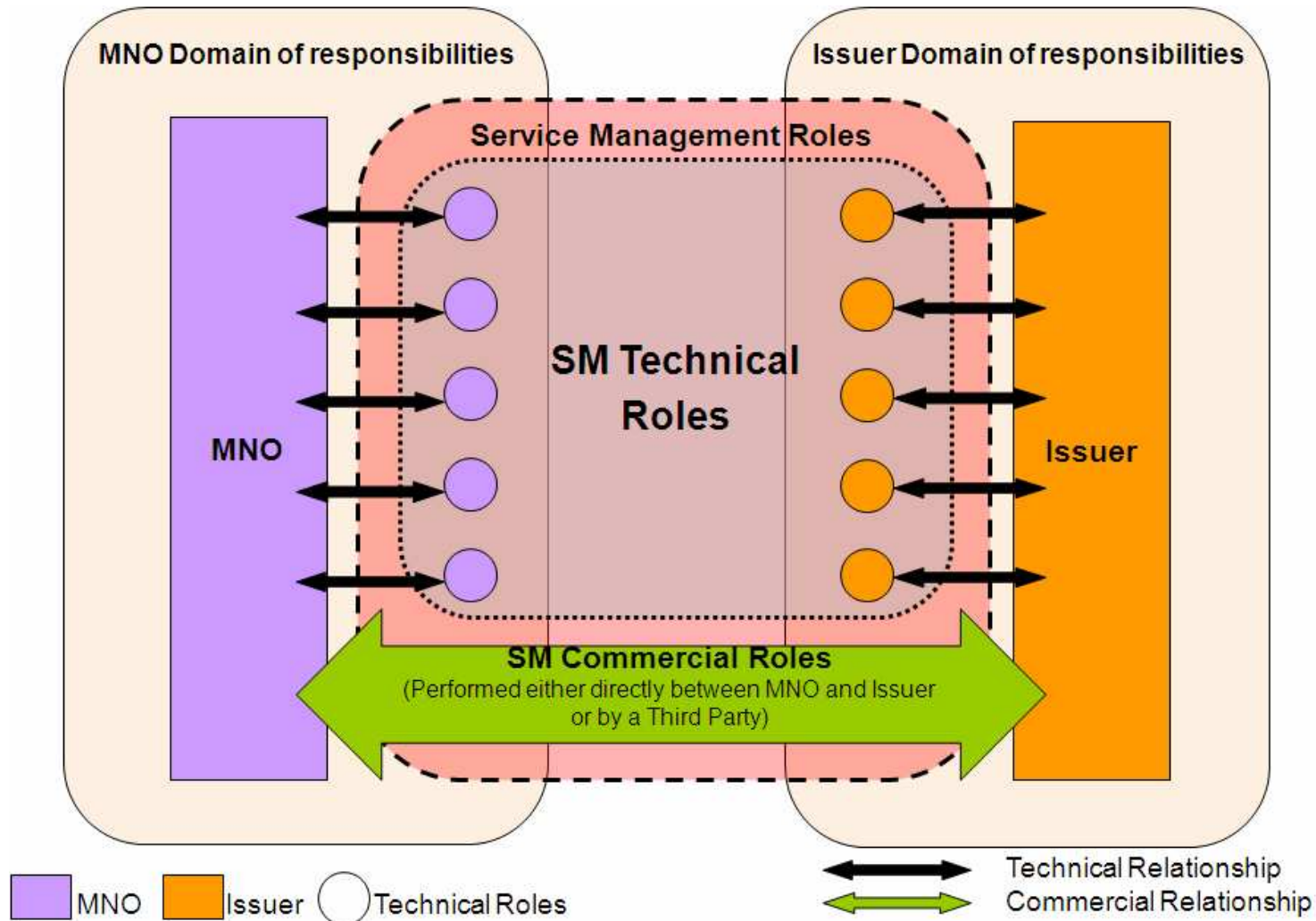
The TSM Roles are to:

- Manage the secure download and life-cycle management of the mobile NFC application on behalf of the Banks
- Provide a framework for banks to access *their* customer base through the MNOs infrastructure

These roles can be performed by independent third parties, Banks, MNOs or a combination



TSM roles General & Logical architecture



White paper on M-payments (1)

- EPC has elaborated a white paper on M-Payments aimed to create awareness on the subject in the banking community and beyond.
- The first release includes a high level overview on M-payments as new channel to existing SEPA payment instruments.
 - Through the description of use cases in a daily life of a customer with a mobile phone it is shown how m-payments can provide efficiency, convenience and cost-effectiveness.
 - Also introduced are the main characteristics of the M-Payments categories (proximity and remote payments) as prioritised by EPC as well as the payment service provisioning
 - A further section provides more details on mobile proximity payments including some business, technical infrastructure, user experience and standardisation aspects.

White paper on M-payments (2)

- The white paper is under internal EPC consultation and was also provided to MobeyForum for review
- Comments are due **by February 15th 2010**
- EPC plans to have a final 1st release of the document available for March/April 2010.

White paper on M-payments (2)

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- Pre- study and prioritisation on different types of Secure Elements by Q2 2010.
- A 2nd release of the EPC White Paper on M-Payments addressing all 3 categories in detail by December 2010.
- EPC Implementation Guidelines for Mobile Card Proximity Payments by December 2010.

- Appropriate ***co-operation agreements with external stakeholders and standardisation bodies*** are developed as needed
- As of today:
 - GSMA: MoU signed in June 2008
 - AEPM (“Payez Mobile”): NDA signed in April 2009, under renewal
 - GlobalPlatform (GP): MoU signed in April 2009
 - ISO: Participation to TC68 Study Group on Mobile Payments
 - MobeyForum: co-operation agreement signed in October 2009
 - Coordination with EMVCo started
- Under analysis:
 - NFC Forum
 - Financial Services Technology Consortium

- MobeyForum's white papers have already been taken into consideration for EPC's work on mobile proximity payments
- MobeyForum has been invited to review the EPC/GSMA TSM document and the EPC White paper on M-Payments
- Currently co-operation has been established on
 - Remote Payments
 - SE alternatives.

