

# Mobile Payments Update

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## Feature Articles

### ANZ Royal's Wing mobile banking service takes off in Cambodia

**Financial services provider Australia and New Zealand Banking Group (ANZ), through its affiliate ANZ Royal Cambodia, has launched Wing, a start-up offering mobile payments services in Cambodia in South East Asia. Although the service is similar to Safaricom's highly successful M-Pesa in Kenya, Wing was launched by a bank, not a telco. Will Wing be just as successful as M-Pesa?**

Aimed mainly at the rural unbanked, the service enables users to make various transactions using an ANZ Royal transaction account (electronic wallet). Wing services include cash-in, cash-out, person-to-person (P2P) money transfers to Wing as well as non-Wing customers, payroll disbursements, and mobile top-ups, all in the local currency Cambodian Riel (KHR).

#### Wing and M-Pesa comparable in use

Like M-Pesa, this service is commission based. The system is based on a stored wallet functionality. Users have to install the Wing application on their mobile phone before being able to using the service. Customers can subsequently deposit and withdraw cash from their electronic wallet

through an agent or using ANZ Royal ATMs. Once the Wing wallet has been fed with funds, users can access their wallet account from any mobile phone. The wallet can then be used for purchasing mobile air time, making purchases or paying bills. Wing runs on lower-end phones as well as on more expensive models.

Customer information is not stored on the phone and the service uses the USSD telecommunication channel to conduct transactions. The customer information is protected by a PIN number and customer registration code. M-Pesa and Wing are almost completely comparable in use.

#### Attractive pricing

Wing's starter kit comes with a membership card registration fee of KHR 10,000 (EUR 1.87) and an ATM card registration fee of KHR 20,000 (EUR 3.74). A different merchant fee list is applied for transactions between merchants. As with Safaricom's M-Pesa mobile banking service, cash-in, mobile top-up, balance enquiries and transaction history are free.

Wing has different transactions that attract a fee and there are three different tiers of pricing (see table).

In comparison with money transfer services like MoneyGram and Western Union, the pricing of the new domestic remittance system is quite attractive.

Also, Wing charges slightly smaller fees than M-Pesa. Sending money from one M-Pesa user to another costs EUR 0.30, whereas the fee in the Wing's scheme is EUR 0.08 for medium sized transfers. Also the costs of sending money to non-participants and merchant payment is considerably lower for Wing than for it's successful counterpart in Kenya.

#### Immense potential

The fact that there is no national payments system in Cambodia favours Wing, which starts without competition pressure. Wing can tap from approximately USD 8 billion of payments which lie outside existing formal payment channels.

Prior to the launch, Wing has executed a trial with a group of garment factory workers in Phnom Penh. These workers were selected because they remitted part of their salary to their family in surrounding regions. An average worker transfers between USD 20 and USD 40 to their families every month, accounting for 4 million informal remittances annually.

Another key advantage is that recipients of Wing funds are not required to open a Wing account in order to withdraw their money.

#### Developing economy challenges

The state of Cambodian economy is an opportunity but also has some disadvantages. One of the main challenges in bringing mobile payment services to rural Cambodians is people's reluctance towards banking services in the countryside, where local money lenders usually impose high rates. Another drawback is that Cambodia has no mobile payments regulatory framework. However, ANZ is currently working closely with the National Bank of Cambodia to support the development of a regulatory framework. Also, Cambodia has a very low mobile penetration rate: 17 percent in 2007, but a strong growth per year. Other key challenges to be encountered by Wing are the low SMS usage, the lack of national retailers to act as merchants, low Khmer and English literacy as well as low technology literacy.

Despite the fact that mobile penetration is low

Transaction	Up to KHR 40,000 (EUR 7.50)	Up to KHR 400,000 (EUR 74.60)	Greater than KHR 400,000 (EUR 74.60)
Cash out	EUR 0.15	EUR 0.30	0.40% of trx value
P2P	EUR 0.04	EUR 0.08	0.10% of trx value
Merchant payment	EUR 0.04	EUR 0.08	0.10% of trx value
Send to Non-Wing	EUR 0.75	EUR 0.75	Not available
All ATM transactions	EUR 0.38	EUR 0.38	EUR 0.38



in Cambodia, the Wing mobile banking service has the potential to take off as it had in Kenya, where mobile penetration is also low at 30 percent. Safaricom's money transfer service M-Pesa has already reached 5 million customers since it was first launched in 2007.

Both Wing and M-Pesa are aimed at mobile customers that do not have a bank account and can only be used inside the countries where the products were launched. Also, both operate through merchant networks (agents), and both have a pricing well below traditional money transfer options. This makes these options especially attractive for smaller money transfers.

Taking into consideration the huge domestic remittance streams, Wing has the potential to unlock a massive market in Cambodia. However, the service has to deal with many challenges. This however has been proven not to be a large obstacle for similar initiatives in other developing countries. Since it is backed by the deep pockets of ANZ Group, Wing could become an irresistible service that could attract a large mass of Cambodians.

### CrossCountry's mobile phone ticketing service fails to provide convenience

**In the seemingly relentless stream of mobile payments and mobile ticketing initiatives, UK rail network CrossCountry has launched a mobile phone ticketing trial for UK travellers. The trial is aimed at people travelling on the York – Edinburgh line and allows users to purchase travel tickets online, and have the tickets delivered on their mobile phone.**

To access the service, customers need a Wireless Application Protocol (WAP) enabled mobile phone which has to be registered on the CrossCountry website. After registration of the mobile phone, CrossCountry sends a test message to see whether the service actually works on the particular device. One of the conditions is that each passenger must have a mobile phone registered with the CrossCountry m-ticket service in order to be allowed to use the service.

The service seems to address a need for convenience; you don't have to bring a paper

ticket, and people won't have to stand in line at the ticket counter. Also, during the trial, the service is free of charge; the customer only pays for the train ticket.

As convenient and attractive as this may seem, the service imposes some severe restrictions upon its users. The mobile tickets can only be purchased until 6 pm before the day of travel. Last minute purchase of a ticket is therefore impossible. The use case of someone rushing to catch his train, who does not have time to queue at the ticket counter, who orders a train ticket on the go via his mobile phone, is therefore eliminated.

Another restriction is that the ticket can only be bought online and has to be paid for via credit card. On top of that, users always have to bring along the credit card with which they paid for the journey. Failure to bring the payment card on the Journey may result in the ticket being invalid. This excludes people who pay their travel with a company credit card.

It also forces people to take the correct credit card with them when going on a journey. In the UK, the majority of credit card owners have more than one credit card. The consumer thus has to remember which credit card to take with him/her in order to have a valid travel ticket. This issue is amplified by the fact that train tickets in the UK are oftentimes bought well in advance, diminishing the chance that the purchaser actually remembers which card he used to pay with, and hence which card to bring along in order to have a valid ticket. This can be solved by taking all credit cards with you at all time, but wasn't the aim of this project to bring

convenience to travellers by allowing them to bring fewer tickets and cards with them on the train?

In conclusion we can say that the advantage of not having to bring along the paper ticket is evened out by the disadvantage of being forced to take with you the credit card with which you made the payment. In addition to that the most important use case – purchasing a ticket while heading for the train – is not incorporated in the trial. This leaves the consumer with very little incentive to take part in this trial and to use mobile ticketing, especially when the trial period is over, and one is required to pay for the service.



### Inside Contactless sees 2009 as the year of NFC

**Inside Contactless has been around for quite some time. The company was established 14 years ago in 1995 by a group of designers that left Gemplus and ST Microelectronics. Now the company has offices in Europe, Asia, and the US. Last year, the company was recognised by Red Herring as a Top 100 Global Company.**

The company is focussed on contactless technology, such as Near Field Communications (NFC). Investors in the company include big names such as Motorola, Nokia, Samsung, Visa, as well as several venture capital firms. Inside Contactless also works with industry groups such as the NFC Forum and the Smart Card Alliance. The company provides contactless chips for three segments: access control, contactless payments (mainly contactless cards used in North America) and NFC applications.

This year, Inside Contactless will focus on pushing its Microread NFC chip, Jean-Philippe Betoïn, vice-president, NFC strategy & marketing with Inside Contactless, told Telecompaper in an interview.

The third-generation Microread chip complies with the ISO 14443 A/B/B', ISO 15693, and ISO 18092 standards, which enables the chip to support a wide range of applications. The chip also complies with ETSI specifications for NFC (SWP and HCI). Inside Contactless will this year also integrate Wi-Fi with its Microread NFC chip. Launch of the upgraded version is expected in H2 2009.

Asked when consumers can finally start paying with an NFC-enabled mobile phone, Betoïn explained that offering such a feature involves many players. The value chain for mobile payments is complex, even though the technology itself is not. At the end of last year, there was a growing frustration among banks and telecommunications companies. However, Betoïn sees 2009 as the year of NFC. This year he expects to see deployments in Asia and Europe, with the US following at the start of 2010. The applications will probably be quite simple to start with such as transit payments, Bluetooth pairing (with NFC, Bluetooth pairing can be made very easy with only 1 click).

Finally also this year, four of the top five handset designers are coming with NFC-handsets. According to Betoïn, handset makers have had a four to five year learning curve on how to integrate NFC into the

mobile phone and we will see the results of this coming this year.

Furthermore, the company is collaborating with Sagem Wireless on NFC services. This week, Inside Contactless and Sagem Wireless announced they will be partnering to create new handset platforms that will support enhanced NFC services. Expected to be available to major wireless operators and customers from the fourth quarter of 2009, the Sagem Wireless NFC platforms will use Inside's MicroRead chip, and will also incorporate the associated MicroRead Software Foundation NFC protocol stack, which Sagem Wireless has licensed, and which will be integrated and validated with Sagem Wireless' handset platform software.

### Rollpay: an alternative to NFC

**Sometimes it seems that point-of-sale mobile payments are synonymous with NFC. However, not everybody agrees. Budapest-based company Rollcomm Worldwide is pushing a Bluetooth-based mobile payments service called Rollpay, one of the founders, Robert Szabo, told Telecompaper in an interview.**

The company was established in October 2006 by Robert Szabo and Joseph Vajda. Rollcomm is completely financed by the two founders, but they are now actively seeking investor partners. The company has built a mobile payments platform that can connect with the back-end software of any bank and Rollcomm manages the transaction centre themselves. The company offers exclusive five-year licences for the Rollpay service for countries or even regions. During the five years the company will support a sub-licensing process for any additional parties that want to connect with the system.

Rollcomm does not yet have any customers for the service, or even a live pilot. Szabo indicated that the company would very much like to set-up a pilot system. The company is currently working with a 'hypermarket' chain to test Rollpay but has not yet scheduled an actual pilot with this party. Rollcomm may begin a live demo independently in September this year at the latest, Szabo said.

Rollcomm's Rollpay system provides users with an application after they've set-up an agreement with their bank for payments. Users then receive the application via Bluetooth which will then auto-install on their mobile phone. To start a transaction, users open the application on their phone which will ask for a PIN code and find available Rollpay

terminals to connect to. The application is clever enough not to try to connect to other Bluetooth devices, Szabo explains. After the user has selected their payment method, they will receive a customer code they can show to the cashier. The application will then ask for confirmation to finalise the transaction and provide a virtual receipt of the purchase on the phone. Transactions generally take 28 to 35 seconds to complete. The application is secured through a PIN code to open the application, in addition to a hardware and software ID which is created when the user registers for the service with their bank.



A major advantage of the Rollpay system is that it makes use of Bluetooth which is a feature in a large number of handsets, as opposed to Near Field Communications (NFC) which is installed in only a few models. It is a system that can work right now with most Bluetooth-enabled phones. And the system would work anywhere where the option is offered as Bluetooth is a firmly entrenched standard, as opposed to NFC, Szabo claims. In Szabo's view NFC is suitable for ticketing and micro-payments, not for larger purchases, while Rollpay would be suitable for a large number of purchases.

As many users prefer turn Bluetooth off to save power or for security reasons, the Rollpay application turns Bluetooth on before the transaction and, on most handsets, turns it off afterwards. Unfortunately, this functionality does not yet work on all devices; some devices do not turn Bluetooth off after the transaction is completed. Rollcomm is still working on this problem. Szabo claims that the transaction will not be more complicated or take longer than using plastic cards. "Rollpay is seeking to link up with hardware manufacturers in order to turn the payment similar to NFC's easy solution," Szabo adds.

Szabo is optimistic about Rollpay's future. The company is ready to pilot the system and plans to set-up a live pilot this year. Rollcomm is further seeking partners to tackle the European market and worldwide.

## News In Brief

### Europe

#### Carrefour to launch NFC m-payments trials by end 2009

**France** - Global retailer Carrefour has teamed up with French mobile operators to set up a series of NFC mobile payments trials by December 2009. Consumers will be able to make mobile payments via the contactless MasterCard version of its own-brand credit/loyalty card, known as Pass, which incorporates MasterCard PayPass contactless technology. For this purpose, Carrefour will install between 1,000 and 1,500 self-checkout machines which also accept mobile payments made via NFC technology. The group says Orange, SFR and Bouygues Telecom users will be able to make mobile payments in Carrefour locations, to store and redeem mobile coupons and to replace their existing store cards with virtual loyalty cards held and updated on their phone. France's largest retail chains, retailers' financial arms and mobile operators Orange, SFR and Bouygues formed a NFC working group in December 2008 called Ergosum. The organisation has the purpose of defining the operation of contactless mobile payment systems at the POS. In related news, MasterCard and Carrefour will also launch the Pass MasterCard card from 11 February, which is aimed at Carrefour consumers across France. Pass MasterCard enables consumers to tap or wave their payment card on contactless terminals. Pass MasterCard combines credit card and debit card features, allowing cardholders to make payments either from their bank or by credit.

#### Civil liberties groups to fight Paris metro panels project

**France** - A number of French consumer associations are preparing legal action against Paris public transit authority RATP's plans to deploy 400 LCD panels by June, writes 01net. The 70-inch displays will be used to show advertisements and use sensors to count how many people are watching them and at what times. Although associations such as "Resistance a l'Agression Publicitaire", "Souriez Vous Etes Filmes", and "Robin des Toits" admit that the data would be anonymous, they said they are acting to curtail any future violations of civil liberties. The associations also denounce the use of Bluetooth technology, which has not been activated, but could be used for push marketing. They are also concerned that

RFID communications between the advertising panels and commuters' Navigo wireless passes would reveal personal information without the users' knowledge.

#### Telefonica, Banco Popular launch banking service for iPhone

**Spain** - Financial institution Banco Popular has selected Telefonica to launch mobile banking services for 3G iPhone and iPod Touch users. Grupo Banco Popular customers can now use their Wi-Fi enabled 3G iPhone and iPod Touch devices to consult and make money transfers, acquire products, as well as block or activate cards. Telefonica has developed a mobile banking application to support these devices, adapting the bank's access systems, information and operations to the iPhone technology. In addition, Telefonica has analysed the ease of use and navigation, to revamp the bank's portal and adjust the navigation system to meet the needs of iPhone users. Banco Popular currently has over 80,000 mobile banking customers and manages around 500,000 mobile transactions per month.

#### Avea expands mobile signature service for tax payments

**Turkey** - Turkish mobile network Avea has signed a partnership agreement with the country's Revenue Administration to expand its mobile signature service to cover tax transactions. Avea subscribers can now make online perform tax transactions, including tax accrual, collection via internet by using their Avea mobile signatures. Service users will be able to make transfers to E-declaration and Electronic Information Transfer via the 'Access to Internet Tax Office Applications from a Single Point' option, available at the Internet Tax Office.

Taxpayers can find out whether a departure ban was issued for them, find information about their customs declarations and search for payments that were not registered in their accounts due to missing information and errors in tax payments. Car owners can find information about their vehicles by accessing the 'Motor Vehicle Inquiry' option and pay their traffic fines using the 'Payment by Credit Card' service. Avea customers can use their mobile signatures at Turkey Is Bank, Garanti Bank, Bank Asya, Turkiye Finans Katilim Bank, Tekstilbank, E-Government Portal, Fatih Municipality, Eminonu Municipality, Central Registration Institution and Turkish Patent Institute.

#### Barclays offers free mobile anti-virus software for customers

**United Kingdom** - UK banking group Barclays is offering its mobile banking customers security software to download free of charge, covering anti-virus, anti spam and anti theft protection. The free security software offer is available to all Barclays online banking customers and is provided by internet security applications provider Kaspersky. In addition, the bank has redesigned Barclays.mobi, the website through which clients manage their online banking accounts using their mobile phones. Barclays also started offering free Kaspersky Internet Security software to all its two million online banking customers last year. Barclays highlighted the importance of protecting mobile phones in the same way as computers.

#### UK Department for Transport completes mobile ticketing trial

**United Kingdom** - The UK Department for Transport (DfT) has completed the first mobile phone ticketing trial using the government-mandated ITSO interoperable smartcard standard, reports Computing.co.uk. The trial was held in the north-west of England during a six-month period with two bus operators and 36 passengers using NFC-enabled mobile phones to pay for bus tickets. The pilot aimed to demonstrate the viability of using an NFC phone as an ITSO ticket carrier and to prove that ITSO-compliant products can be remotely loaded to, and validated on, NFC-enabled customer devices. The ITSO standard makes it possible for transport authorities to introduce electronic purses, loyalty and reward schemes, and much more.

#### Mobile banking service MoBank to launch in February

**United Kingdom** - Former First Direct and Egg bankers Steve Townend and Dominic Keen will in February launch MoBank, a financial services provider for the smartphone market, the MobileNews website reported. The founders have raised GBP 750,000 from private investment companies and individuals in the second stage of funding. The service will provide a proprietary transactions service allowing consumers to buy and pay for products from retailers via a mobile phone. This will quickly be followed by mobile banking and money manager services.

## Asia

### Sino Fibre partners with P2P Cash on mobile commerce

**China** - Chinese internet services provider Sino Fibre Communications has signed a memorandum of understanding with US mobile payments provider P2P Cash. The companies have agreed to jointly explore the business opportunity for the integration of the P2P Cash mobile commerce features into an international barter trading platform. This platform will be used by the China Business Online company, a joint venture created by Sino Fibre with the China Association of Medium and Small Enterprises (CAMSE). Sino Fibre and CAMSE have created this joint venture to provide barter trade services for Chinese small and medium sized enterprises. The joint venture will be wholly funded by Sino Fibre, while CAMSE will provide the CAMSE brand, government and member resources to develop the business of the joint venture. P2P Cash is the developer and service supplier of the P2P Cash Mobile Payment Gateway (MPG). The MPG is a services-oriented architecture application enabling direct money transfers between disparate financial systems with integrated support for multi-tiered security, compliance requirements and mobile device convenience.

### Turbolinux, China Telecom contractor to develop pay systems

**China** - Linux operating system developer Turbolinux and Chinese systems builder Beijing B&T Technology will together develop computer systems for payment settlement services in China, the Nikkei reported. As part of the agreement, Turbolinux will receive part of the profit for its mobile settlement technology and know-how in this business area, which is set to grow rapidly. Beijing B&T Technology is the settlement systems contractor for China Telecom's telephone network. China Telecom customers are currently able to pay for such items as air and movie tickets using their fixed-line or mobile phones. The new systems will allow them to pay utility bills, and purchase prepaid wireless phone services.

### Indra wins mobile ticketing system deal in India

**India** - Spanish IT services provider Indra has won its first contract in India, to implement a validation and access management system for the first line of Bombay's metro. The line is scheduled for launch in 2011. Estimated to be

worth around USD 4.2 million, the contract was awarded by the Special Purpose Vehicle Mumbai Metro One Private. Under the terms of the contract, Indra will deploy the contactless service at twelve stations of the line that cover the Versova-Andher-Ghatkopar corridor, running mostly on the surface. To access the metro, travellers should approach the ticket – which integrates a radio frequency chip – to the validation machine. Indra plans to customise the system according to the habitual payment method in Asia, namely a combination of contactless card with tokens or single use radio frequency chips. Indra has already completed mobile ticketing projects in the US, Colombia, Venezuela, Argentina, Chile, Belgium, Portugal, Greece, China and Spain.

### Gemalto to offer SIM cards with mCheck apps in South Asia

**World** - Smartcard and digital security company Gemalto has awarded a contract to Indian mobile payments company mChek to integrate the latter's mobile payments services into Gemalto SIM cards available in South Asian markets. Gemalto and mChek have already successfully deployed a broad range of mobile banking services with telecommunication operators in India and Sri Lanka on millions of SIM cards. A mobile top-up service which allows clients to top up for themselves or others is included in the offer of mobile payments and mobile banking applications available through Gemalto's SIM cards. mChek offers mobile banking, two-factor authentication, message delivery, cross-border and domestic money transfer and mobile payments using SVA wallets, direct debit and credit/debit card support. In most countries, banking regulations do not allow non-banks to accept deposits or limit the scope and value of operator managed SVA wallets.

### Visa, Thai bank Kasikornbank launch NFC m-payments trial

**Thailand** - Visa and Thai Bank Kasikornbank have launched a trial to test mobile payments using Nokia's 6212 NFC-enabled device in Thailand. The service enables bank users to upload their Visa accounts onto the Nokia 6212 handset which contains Visa's payWave contactless application. This will allow Kasikornbank customers participating in the trial to make purchases at more than 1,000 payWave merchant locations in Thailand. Clients will be able to make mobile payments by waving their mobile phone over the Visa payWave contactless readers at the point-of-sale (POS). Purchases will be charged directly to the customer's Kasikornbank Visa

credit card account. The Visa payWave-enabled transactions are protected with the same security layers used for all Visa transactions. So far, Visa has launched mobile payment trials based on payWave-enabled Nokia 6212 handsets with Wells Fargo Bank in the US, with Maybank and Maxis in Malaysia, with Barclays in the UK and with Chunghwa Telecom and China Trust Commercial Bank in China.

## North America

### Telus launches mobile banking at ATB Financial

**Canada** - Canadian telecommunication services provider Telus has launched its Telus Mobile Banking service at Canadian financial institution ATB Financial. With Telus Mobile Banking, bank clients will gain access to information and account management via SMS or mobile web. Customers will be able to view account balances, check recent transactions and transfer funds using virtually any mobile phone's existing messaging software and mobile web capabilities. Telus Mobile Banking system is integrated with the financial institution's current system, enabling it to process millions of requests per day. The service will be available for all ATB customers after a 90-day pilot.

### ClairMail appoints Daffern as CEO

**United States** - US provider of mobile phone customer interaction services ClairMail has appointed Pete Daffern as CEO. ClairMail founder and former CEO Joe Salesky will continue with the company as chairman and chief strategy officer. Most recently, Daffern was CEO of data management platforms provider Purisma. Previously, he was vice president of Alliances and Corporate Development (Worldwide Business Development) for Vitria Technology. He also spent 10 years at Seagate Software where he held numerous management and sales positions. Daffern brings more than 20 years of operational and business leadership experience in the technology sector to ClairMail.

## Africa

### Orange plans m-payments service as subs near half million

**Kenya** - Orange Kenya said plans are underway to launch a money transfer service in the country. Telkom Kenya's Head of Marketing and Strategy Jean-Michel Chanut

told a media briefing that the service, which will be offered on the Orange mobile network, is in response to subscriber needs. Chanut, who declined to divulge further details regarding the plans, said the current challenges facing rivals such as Zain would not stop Orange from venturing into the market. Zain Kenya has been having a war of words with the Central Bank of Kenya over a delay in approving a similar service that they intend to launch, not only in Kenya, but in the East Africa region as well. "We will certainly comply with the market trends of providing money transfer services, but currently that direction is confusing," said Chanut. Zain together with Standard Chartered Bank was supposed to meet the CBK on 28 January hoping to reach a deal on its licence. Safaricom's M-Pesa money transfer service, which was launched in March 2007 and has dominated the market, caused an uproar from players in the banking sector, as it specifically targeted people who had no access to formal financial services. The bankers and even some government officials have called for the regulation of M-Pesa and other subsequent services. Chanut also revealed that the company is nearing 500,000 active subscribers on the Orange mobile network. The company's GSM network is already in 21 major towns across the country, barely four months after the launch, and plans are underway to expand into more areas using the Orange Fixed Plus and Telkom Fixed services.

### Kenya approves Safaricom's money transfer service

**Kenya** - The Kenyan government has given Safaricom's M-Pesa money transfer service a clean bill of health putting to rest the controversy that has surrounded the service over its reliability. M-Pesa, which in December hit 5 million subscribers, has become so popular that in August it had a turnover of KES 17 billion, according to a statement from the ministry of finance permanent secretary Joseph Kinyua. It said that an audit by the Central Bank of Kenya (CBK) found the service safe and reliable. Former finance minister, John Michuki, last year ordered an audit of M-Pesa operations citing money laundering concerns. The issues and risks that had been raised over M-Pesa, Kinyua said, have been mitigated through a number of measures which CBK and the Communication Commission of Kenya (CCK) monitor regularly. Kinyua said there was no evidence to support the allegation that the service was competing with commercial banks. On credit risk, the Treasury said that since M-Pesa agents pay before offering

services to customers, the risk cannot arise. CBK has placed the maximum limit of KES 50,000 per M-Pesa account per day and a transaction limit of KES 35,000 per day in order to mitigate against settlement risk. The bank has proposed and formulated the enactment of the National Payment System Bill that will strengthen its mandate as an oversight body over all payment systems including money transfer. The development is expected to raise reactions from the industry as Safaricom's competitor, Zain Kenya last week accused the CBK of taking too long to license its money transfer service Zap despite having applied for approval in October last year.

### Orange Mali set to introduce money transfer service

**Mali** - Orange has finalised plans to introduce its mobile money transfer service in Mali. Orange has signed a partnership agreement with the International Bank for Trade and Industry in Mali (BICIM), a subsidiary of BNP Paribas, to introduce the Orange Money service, reports the Pan African news agency. Orange Money, first launched in Cote d'Ivoire in December, allows Orange subscribers to pay for consumer goods and transfer money via their mobile phones.

### InterSwitch, MTN implement ATM top-up system

**Nigeria** - MTN Nigeria has teamed up with electronic payments specialist InterSwitch to introduce a virtual airtime top-up service. The service enables cardholders to top up their mobile phones on any InterSwitch-enabled ATMs and Point of Sale terminals in the country. This service is currently available only to MTN prepaid subscribers. The service has been activated on the ATMs of financial institutions such as Access Bank, Fidelity Bank, First Bank, GT Bank, Intercontinental Bank, Skye Bank, Spring Bank, UBA, Union Bank and Unity Bank. Cardholders' mobile phones are instantly credited and need not depend on the availability of the ATM printed receipt for a PIN code. There are no charges, and cardholders can buy any amount from NGN 50 to NGN 6,000. The cardholder can also top up phones for other users, such as friends or family members.

### Pocit launches mobile system for political donations

**South Africa** - South African payment services provider Pocit has launched a system that allows mobile users to donate money to political parties. The payment service uses mobile internet rather than premium SMS to keep the cost low. Donors

have to SMS the name of their party and the amount they want to donate to 39621. Pocit then sends them a confirmation SMS with a link to a small program they can download. Once it's installed, they register, add their bank details and Pocit transfers the money to their party. The fee is 5 percent of the donation. Donors are rewarded with a link to a Wap site, developed by technology partner Strike Media, offering downloads of party logos, ringtones and other media. So far nine parties are listed on the service, with one collecting over ZAR 80,000 in the first week the service was launched.

### Regulatory flexibility key in Africa's mobile payment sector

**World** - Regulatory flexibility is a key factor of success for the African mobile payments sector due to the fact that service providers need active central-bank support and flexibility, according to a new report from Pyramid Research. The report includes analysis and forecasts for the three primary segments within mobile finance -- namely, payments, transfers, and banking services. Historically, mobile financial services in Africa have been driven by banks providing additional services and convenience to their client base, which tend to be urban and with a certain income level. This leaves a significant opportunity to provide financial services to the "unbanked" across the continent, which typically make up between 75 percent and 95 percent of the population, and mobile operators have the infrastructure and distribution networks to reach such segments efficiently. The report determined that regulatory frameworks are still in flux. With regulators themselves still coming to grips with the inner workings and overall implications of mobile financial services, the researchers found the legalization process is bureaucratic and cumbersome. Laws are typically built for pure financial institutions, making them difficult for non-banks to implement without becoming full-fledged banks themselves. The report discovered other practical challenges that complicate the implementation of mobile financial services in the African context, including fulfillment, security challenges, and distribution. An important conclusion of the report is that, although there is a revenue upside for offering such services, it is primarily other benefits for network operators that make such services attractive, particularly churn reduction and subscriber acquisition.

## World

### GMPC launches m-payment, m-banking platform in Brazil

**Brazil** - Brasil-based Global M-Payment Consortium (GMPC) has launched CodeOne Mobile Payment Platform, a global m-payment and m-banking platform aimed at both consumers and merchants in Brazil. The platform is capable of capturing, formatting, and interfacing GSM phone payment transactions with acquirers' credit card companies and banks. With CodeOne, acquirers (acquiring banks) and issuers can provide new services using Samba38 Code server's APIs detailed programming interfaces and gateways to voice mail systems, SMS and GPRS networks, and the Internet. Code One is designed for multiple transactions, namely credit, debit and paycheck (benefit) cards, so acquirers and issuers do not need to ask customers to download and install multiple applications on their mobile phones. However, a small J2ME-based client application has to be downloaded and installed on the user's phone. Users can make payments or transfer money between accounts of the same bank (Banco do Brasil, Banco Real, Santander, Bradesco, Unibanco and Itau), between accounts of different banks and between mobile networks (Claro, CTBC, Oi, Sercomtel, Telemig, TIM and Vivo). CodeOne Mobile Payment Platform can be configured to allow total compatibility with the acquirer's current Point-of-Sale (POS) network. The platform is compatible with all GSM mobile phones and all mobile operators, allowing high connectivity (web, POS, mobile phone) and low dependence on SMS, GPRS, or USSD.

### Kabira to expand operations in Latin America

**Latin America** - Transaction processing services provider Kabira plans to expand its partnering and sales representation throughout the Americas. The company will leverage both existing and new partner relationships to target opportunities in Brazil, Argentina, Chile, and Mexico. Kabira intends to increase the use of its in-memory, network-connected transaction platform technology and applications, as well as continue developing in other emerging markets in Africa and Eastern Europe. Kabira provisioning and charging installations are currently present in eleven African countries. The company provides its Transaction Platform, Provisioning and Service Activation, Kabira Charging and the Kabira Mobile

Transaction Hub. Called 'Partnering with Purpose', Kabira's global partner program is focused on a variety of strategic partner relationships ranging from system integrators, to software OEM agreements, and outsourced delivery partnerships, as well as alliances with complementary technologies producers.

### Qatari bank Al Khaliji launches SMS alerts with Dardack

**Qatar** - Dardack, provider of mobile messaging platforms and notification workflow software, has won a contract from Qatar bank Al Khaliji to support the bank's SMS communications. Under the deal, Dardack's mobile messaging platform message master xsp integrates with Al Khaliji's core banking and call centre systems to enable Khaliji to provide 'push' and 'pull' SMS communications to its clients. The bank is set to send SMS confirmations and advice to its customers whenever a banking transaction occurs. Critical information such as activation codes for ATM cards can also be sent via the platform. SMS communication can be set up in English, Arabic, Farsi, Urdu and French. Message master xsp will be launched out to other countries as the bank expands. The bank can also use multi-media messages (MMS) within marketing campaigns to provide rich content such as pictures, video and audio files.

### Mobile remittances 2011 forecast down 50% to USD 73 bn

**World** - The rapidly changing economic downturn is expected to have an immediate impact on the gross value of mobile money transfers, with the market reaching at least USD 73 billion by 2011, down 50 percent from a previous forecast, according to a report by Juniper Research. The global mobile money transfer market will be primarily affected by the contraction of jobs for the migrant worker population. The markets most fuelled by migrant works sending remittances home to families will be the most affected. However, while mobile commerce market segments will be affected by the recession, these are still set to grow significantly over the next five years driven by a range of factors including user demand.

### Moversa launches chip for contactless applications

**World** - Moversa, a joint venture between NXP and Sony, will unveil its latest security chip for NFC mobile phones at this year's Mobile World Congress (16-19 February in Barcelona, Spain). The Universal Secure Access Module (U-SAM) manages

contactless smart card applications, regardless of protocols and operating systems, in NFC-enabled mobile devices. Moversa's U-SAM supports NXP's Mifare and Sony's Felica contactless smart card technologies, as well as a number of other contactless operating systems and applications. The chip will enable mobile device manufacturers to design products which are interoperable with existing contactless infrastructures. The U-SAM will be available in both embedded and SIM form factors and built-in software enables switching amongst the different contactless technologies. It also supports standardised communication interfaces such as SPI, ISO7816, UART and SWP (ETSI compliant). The Moversa's U-SAM will begin sampling to selected customers during the middle of 2009. Volume ramp-up is expected during the first half of 2010.

### Sony develops finger vein authentication technology Mofiria

**World** - Sony has developed a finger vein authentication technology called 'mofiria'. The technology comes in a compact size for mounting on mobile devices such as personal computers or mobile phones. The product is an interface for personal authentication and higher security of personal information. Vein authentication technology achieves higher accuracy on personal identification and forgery resistance because it uses the veins inside the human body. Finger vein patterns differ from person to person, each finger to finger, and it is said that they do not change over the years. Mofiria uses a unique method where a CMOS sensor diagonally captures scattered light inside the finger veins, making a plane layout possible. As a result, a small and more flexible design can be realised in building this technology into mobile devices. The vein pattern is extracted from the captured finger vein image and data from the pattern is compressed into the size of one-tenth to store in memory, which makes it possible for the data to be stored on a mobile device. The vein pattern is extracted from the captured finger vein image without a fixed finger position, as the position of a placed finger is automatically and simultaneously corrected. Sony plans to promote the mofiria technology for use in mobile devices, gateway security systems and solution services. Sony will aim for commercialising this technology within the 2009 fiscal year.

### Gartner names 8 mobile technologies to watch

**World** - Research firm Gartner has identified eight mobile technologies that will evolve significantly through 2010, impacting short-term mobile strategies and policies. These technologies include Bluetooth 3.0, Mobile User Interfaces (UIs), Location Sensing, the 802.11n wireless networking standard, display technologies, mobile web and widgets, mobile broadband and Near Field Communication (NFC). The new Bluetooth specification will be released in 2009 and devices will likely start reaching the market around 2010. Bluetooth 3.0 will likely include features such as ultra-low-power mode that will enable new devices, such as peripherals and sensors, and new applications, such as health monitoring. Mobile User Interfaces (UIs) will also be an area of intense competition in 2009 and 2010, with manufacturers using UIs to differentiate their handsets and platforms. New and more diverse UIs will complicate the development and support of business-to-employee (B2E) and business-to-customer (B2C) applications. In the future, Location Sensing will be a key component of contextual applications, enhancing systems such as mobile presence and mobile social networking. Gartner also believes 802.11n is likely to be a long-lived standard that will define Wi-Fi performance for several years. The new Wi-Fi standard should be considered by companies equipping new offices or replacing older 802.11a/b/g systems in 2009 and 2010. During 2009 and 2010, several new display technologies will impact the marketplace, including active pixel displays, passive displays and pico projectors. The mobile web has some limitations that will not be addressed by 2010. There will be no universal standards for browser access to handset services, such as the camera or GPS. Nonetheless, mobile web offers a compelling total cost of ownership (TCO) advantage over thick-client applications. As for mobile web applications, Gartner say they will be a part of mostly B2C mobile strategies. Gartner closes the list with NFC technology which is seen as emerging as a leading standard for applications such as mobile payment. However, NFC it is not expected to become common by 2010 in mature markets such as Western Europe and the US. NFC is likely to become important sooner in emerging markets, with some deployments starting by 2010.

### Gemalto reports EUR 471 million Q4 revenues

**World** - Gemalto reported EUR 471 million in revenues in the fourth quarter, matching its best quarterly revenues ever, achieved in the fourth quarter of 2007. Growth continued across segments and geographies, offsetting shortfalls in specific accounts related to customers' cash and inventory optimisation efforts. For the full year, group revenues were up 6 percent to EUR 1.68 billion. CEO Olivier Piou said Gemalto has experienced only a relatively small impact from the current global economic environment, and see limited changes in overall market demand. In the fourth quarter, the group's mobile communications revenues was down five percent to EUR 270 million, at constant exchange rates, due to shortfalls in specific accounts in the Americas and Asia. Mobile software and services revenues rose by 41 percent. Over the quarter the average SIM card selling price fell by 8 percent sequentially and by 15 percent year-on-year. This reflects a higher share of shipments for entry-level handsets. For the full year, mobile communications sales rose by 6 percent to EUR 948 million. The public telephony segment saw its sales fall by 10 percent to EUR 10 million in the fourth quarter and by 17 percent to EUR 35 million in the full year. The market for public phone memory card is continuing to fall with the growth in mobile telephony worldwide. Gemalto confirmed its around EUR 160 million adjusted operating profit outlook for 2008 and maintained its 2009 objective of achieving an over 10 percent adjusted operating margin.

### Mobile banking adoption to be driven by smartphones - study

**World** - Mobile banking will grow as online experience makes its way to smartphones, according to report produced by research firm WorkLight. The online banking experience will quickly migrate to web-enabled smartphones such as the iPhone, Google G1 Phone and the BlackBerry Storm and to attractive mobile banking applications that will drive the adoption, researchers believe. According to researchers, banks, credit card companies and other financial institutions need to respond to these trends. Analysts see smartphone-based mobile banking as an extension of the online banking offering, helping banks to maintain a uniform customer experience to maintain high brand value and a meaningful anytime/anywhere interaction with the customer. The report shows that consumer adoption of mobile banking has been very low due to the poor user

experience and lack of security inherent in basic mobile phones and current service offerings. Nonetheless, analysts predict a significant increase in the number of mobile financial customers as smartphones become more popular. Juniper Research forecasts in a report that 150 million people will conduct banking activities using their mobile phones in 2011, while, separately, ABI Research predicts an even stronger adoption, placing the figure at 500 million financial services mobile users by 2013. Gartner Research has indicated that sales of smartphone devices will reach 1 billion units by 2010.

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March 5, 2009 - Utrecht - Netherlands,  
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### Mobile Payments and Commerce

March 17, 2009 - Brussels - Belgium,  
Informa Telecoms & Media

### Mobile Payments & NFC World Summit 2009

April 1, 2009 - Kuala Lumpur - Malaysia,  
NeoEdge

### Near Field Communications World Europe 2009

May 12, 2009 - London - United Kingdom,  
Terrapinn

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