

The Smart Payment Card

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Topics

- Digital money, fraud and its impacts
- How financial market is moving to smart cards and the issues faced
- How to transition to smart card

Digital Money, Fraud and its Impacts

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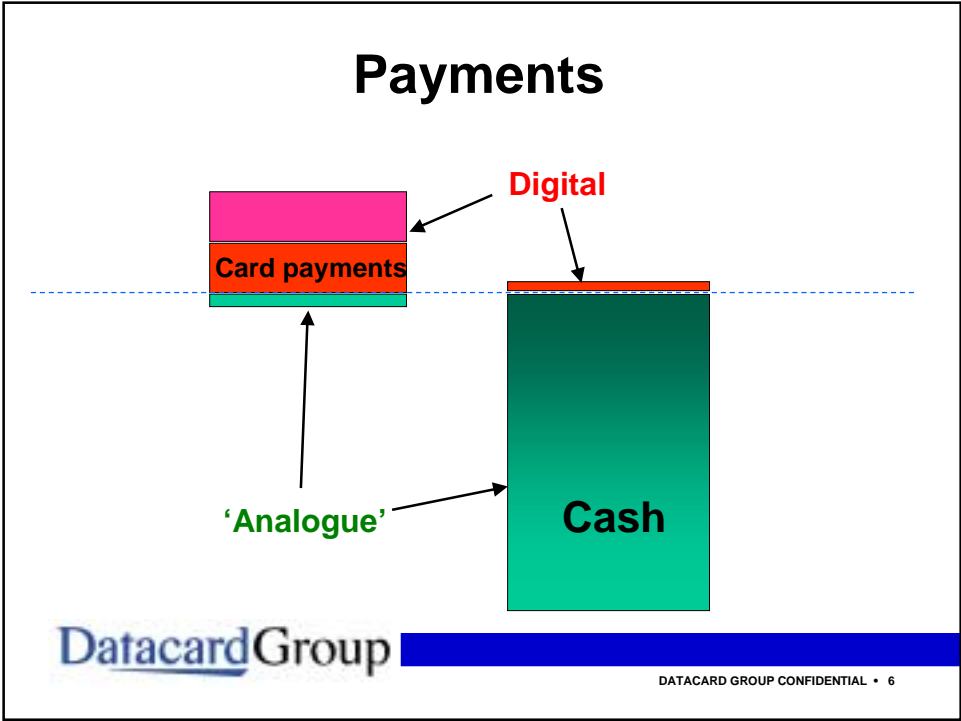
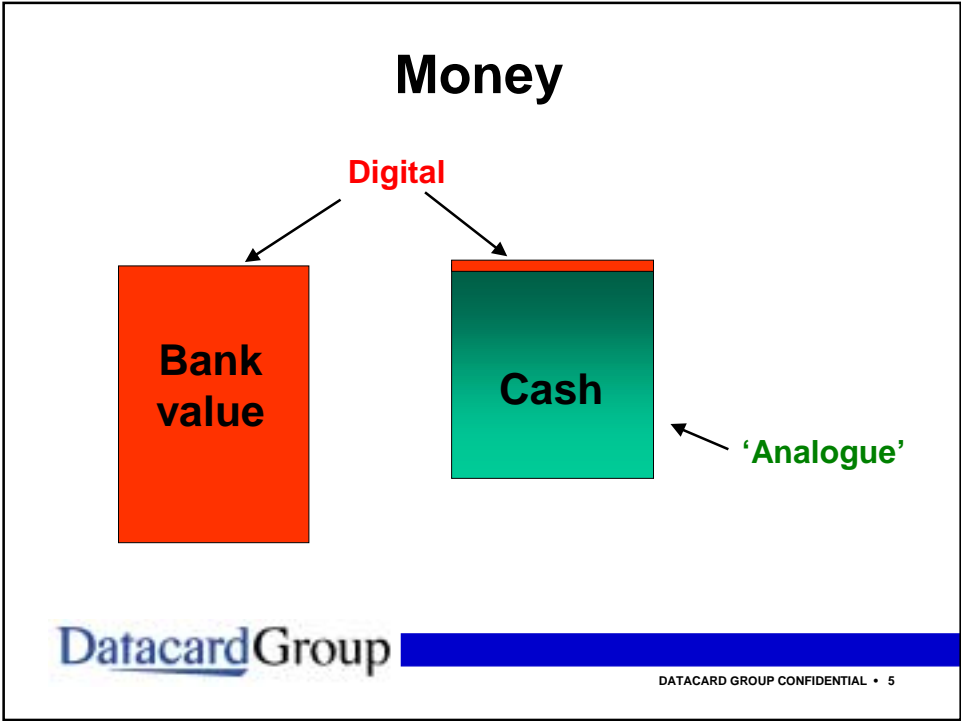
Money

Bank
value

Cash

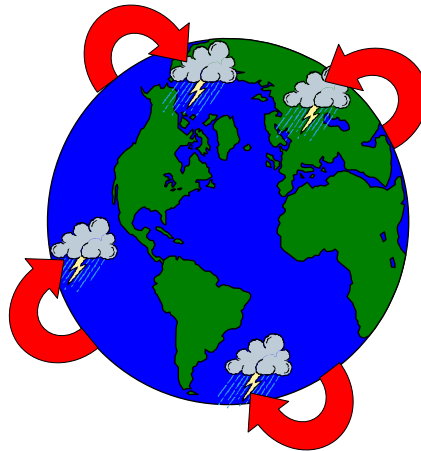
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Market trends, fraud tendencies

Card payments

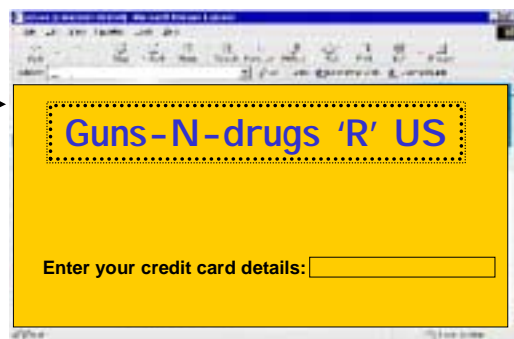


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The effect of magstripe fraud

- Transport
- Debit / credit
- Loyalty
- e-purse
- ...



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The effect of magstripe fraud



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How the financial markets are transitioning to smart cards, and the issues they face

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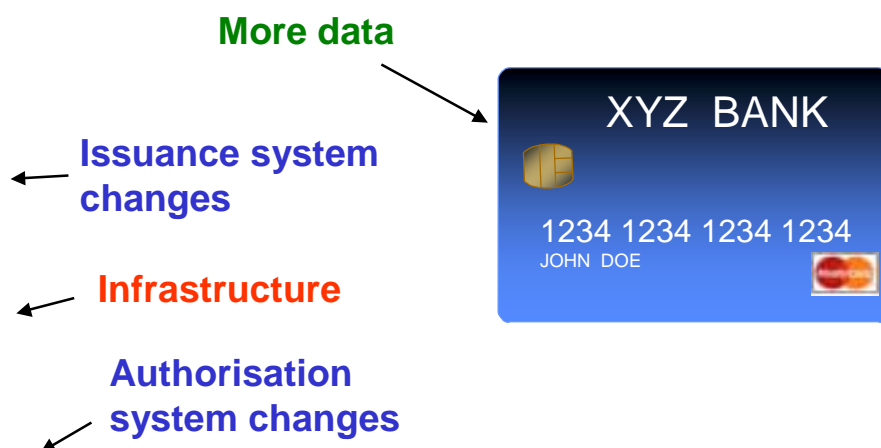
Transition to chip for debit/credit

- Issuers
- Card schemes
 - 2005
- National schemes
 - UK: chip and PIN

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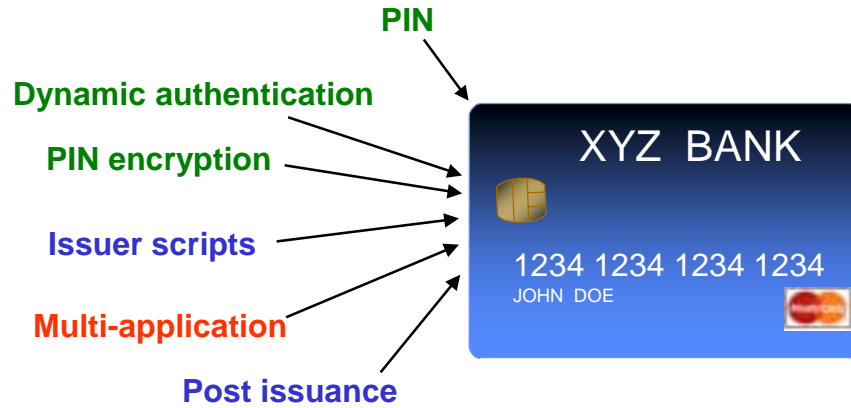
Impacts on Issuers



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Considerations for some Issuers



Managing complexity – Smart Card Management System

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How the proceed with the transition

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Considerations on moving to chip

- (1) Look at the customer impact
- (2) Relax, now that chip has overcome fraud
- (3) Reconsider (2)

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The risks

Q. Where will the fraud go?

A. The weakest point

- human frailty
- issuance
- magstripe (fallback)
- ...

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Countermeasures

Security

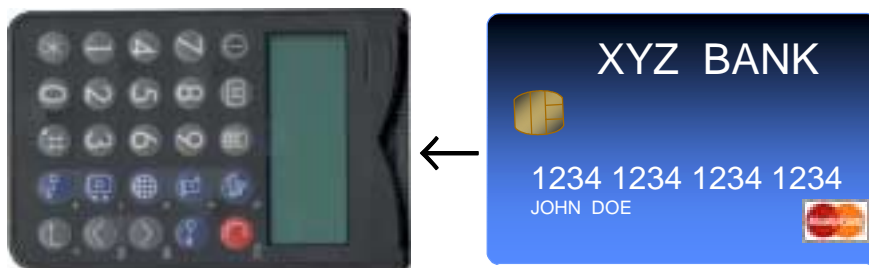
- Chips - hardware, software
- Chip and card management
 - Cradle to grave
 - Key management
- Systems

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Secure Devices

Look at the customer impact



Transport, e-Purse, ...

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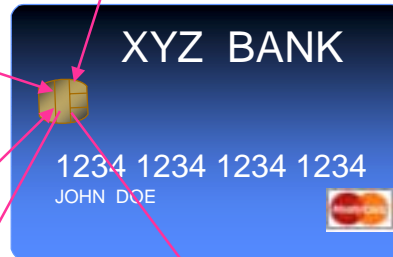
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Moving to Multi-Application

Markets and customer offerings

- e-purse
- retail – loyalty
- e/m-commerce
- transport
- government

Differentiation



Customer devices

Technology issues

Smart Card Management System

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Using an SCMS

Managing complexity

- Customer data
- Products
- Applications
- Card management systems
(MULTOS, GlobalPlatform, Prisma, ...)
- Versions
- Multi-issuer / provider

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Questions?

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