

Contactless Solution



Fast, Secure and Convenient Transactions with No Swiping, PIN or Signature

Contactless payments are a fast, secure and convenient way for consumers to pay for small value transactions. It is quick, popular and easy to use. Low value payments do not require a PIN or signature and thereby decrease the time a customer spends completing a transaction.

Contactless payment applications are attractive and convenient in a variety of market segments – from retail establishments, newsstands, tollgates and taxis to mass transit, parking and vending machines – where quick response is essential.

Contactless payments allow everyone to benefit. Financial services organizations can increase transaction volumes by capturing transactions typically made using cash as well as differentiate themselves with innovative new form factors to enhance loyalty and retention. Cardholders will enjoy having a quick, secure and convenient payment option. Retailers will reduce manual interaction and long waiting lines.

Contactless payments are known in the industry by many names including proximity cards, tap-and-go and contactless smartcards. Contactless payments are simply no-signature, no-PIN, low value point-of-sale (POS) transactions that require no physical contact between the consumer and the POS device.

As the consumer taps or waves the contactless card in close proximity of a secure reader, a tiny radio transmitter embedded in the chip on the card transmits the payment information wirelessly to the contactless enabled POS device. Once card data is transmitted to the device, the payment transaction is processed utilizing the same infrastructure as other payment transactions.

Enhancing the service capability, contactless payment technology is a feature that can be added to any payment product (e.g. account-based, credit card, debit card, prepaid card). There is a variety of different types of cards used for contactless payments including gift cards, teen spending cards, mass transit cards, mall cards, travel cards, tollgate cards etc.

Contactless can also be used for transactions greater than the established floor amount but will usually require a signature in order for the merchant to maintain full chargeback rights.

A TYPICAL TRANSACTION USING A CONTACTLESS CARD

1. The cardholder passes the contactless card within 2 to 4 inches (5 to 10 cm) of the contactless enabled POS device, and the required data contained on the card is captured.
2. The merchant passes the transaction to the acquirer. The acquirer identifies the transaction as contactless and treats the transaction as a POS transaction.
3. The acquirer forwards the transaction to a network (Visa, MasterCard, American Express, etc.) which performs any required processing edits and then forwards the transaction to the issuer.
4. The issuer:
 - Validates the dynamic card verification value or cryptogram (depending on the type of card and the type of card device reader)
 - Determines whether to approve or decline the transaction and responds back to the network
5. The network forwards the approval/denial response back to the acquirer.
6. The acquirer forwards the approval/denial response back to the merchant.
7. Once the merchant receives the response, the transaction is complete with no PIN or signature required. (The merchant is required to provide a receipt only if it is requested.)

ENDLESS POSSIBILITIES WITH CONTACTLESS

In the late 1990s, contactless technology was first seen as a security key entrance for office buildings and gate turnstiles and for closed loop proprietary markets, such as gas cards. It has indeed gained popularity and has come a long way with seemingly endless possibilities.

In addition to the many locations in which contactless can be used, there are just as many touch points and

form factors (device shapes and sizes) in which the technology can be provided. While cards are the most common form factor today, issuers and payment brands have introduced a variety of contactless-enabled devices such as fobs, mobile phones, mini cards, wristwatches, wristbands and ATMs.

With so much flexibility, convenience, security, success and value for all stakeholders, there is no doubt that contactless is an important part of the future of payments. As the various functionalities and forms of contactless emerge, it is increasingly significant for financial services organizations to be ready with a solid strategy and the right technology.

Let Euronet help you formulate and implement a contactless solution today. We can help you create a

Online and Offline Transactions with MasterCard and Visa Bank provides convenient, secure and fast way to pay

In 2008, a Euronet client for more than 15 years introduced MasterCard PayPass® contactless debit cards utilizing EMV chip standards for online and offline transactions in Poland. For the bank, this project opened the door to one of the fastest growing markets in the contactless retail payment industry. The bank recently implemented Visa's payWave® making Visa payments faster and more convenient for retailers and consumers alike.

“Euronet was instrumental in our success to become one of the pioneers for the online debit contactless issuer in Poland while providing top quality software supporting contactless technology.” – A Euronet client since 1996

solution that works best for your organization allowing you to take advantage of opportunities that will benefit your customers and put your organization at the forefront of a growing market.

EURONET'S CONTACTLESS SOLUTION – BUILT FOR YOUR SUCCESS

Euronet is a leading global provider of payment solutions for issuers, acquirers and processors with online authorization and clearing support. As a proven leader in payment solutions, Euronet provides the capability to be a differentiator through leveraging contactless technology and product strategy to meet the opportunities of the retail payment market.

To ensure that your organization is ready and at the forefront of the cashless revolution, Euronet can help you tailor a strategic solution with the right technology. For an acquirer, our POS Management software and our Merchant Settlement System are available separately or together for an end-to-end solution. For an issuing organization, our Card Management Solution and authorization interface can create the perfect solution for your environment.

Euronet's Contactless Solution delivers choice, convenience and control to consumers. We support both contactless magnetic stripe dynamic card verification and contactless EMV chip technology. In addition, our software can be used with contactless payments at either a contact reader or a contactless reader. Euronet's reloadable prepaid solution supports contactless smartcard functionality and can be implemented to top-up contactless cards at the ATM for a variety of cards, including transport card, gift card, mall card and travel card.

Our contactless/proximity solution provides integration of MasterCard PayPass and Visa payWave processing standards with our Integrated Transaction Management® (ITM) product suite at the core of our payments hub architecture, allowing you to reduce costs and better manage your infrastructure.

A NEW SOURCE OF REVENUE FOR ISSUERS AND ACQUIRERS

Euronet's contactless payment solutions can be used to stimulate additional card-based transactions which will quickly generate a return on investment for issuers and acquirers. As an alternative to cash payments, this new technology attracts cardholders to the places where they are offered. The benefits of contactless payments include:

Issuer Benefits:

- Provides new potential revenue streams
- Increases revenue from retail interchange
- Improves active card usage
- Establishes competitive edge in a new growing market
- Optimizes strategy to penetrate the cash payment market
- Low risk factor with small purchases
- Offers card issuance for customers
- Increased consumer spend and more use of the card due to ease of process

Acquirer Benefits:

- Increases revenue by driving card usage
- Improves profitability with accelerated transaction

ATM Contactless for Public Transportation Services

Bank key player in innovative contactless solutions

In 2009, a Euronet client in Europe implemented ATM contactless top-up for public transportation services providing a convenient, secure and simple solution for cardholders to recharge their bankcards with electronic cash value for easier and quicker use on the public transportation system. The organization was awarded Bank of the Year 2009 by a renowned global banking and finance magazine for its active customer support, efficient operations, quality service and for its leading role in driving the region's shift from cash to non-cash transactions. More solutions utilizing contactless are underway from this organization as it continues to lead the market in innovation.

"The new facilities for cardholders show that [the bank] focuses on quality and speed of service; therefore, aiming to constantly broadening the range of benefits offered to customers. By these benefits, we want to ease the lives of our customers, in order to fulfill the customers' needs for more comfortable usage of their cards." – A Euronet client for more than 15 years

time

- Increases revenue from ATM fees and interchange
- Improves operating costs by fewer requirements to handle cash
- Increases upsales
- Provides competitive differentiation
- Optimizes strategy to penetrate the cash payment market
- Increases transaction throughput and reduces wait time
- Low risk factor/expanded chargeback protection
- Offers card acceptance for a new growing market
- Eliminates non-audited cash trail
- Improves customer experience

CONTACTLESS PAYMENTS IMPROVE CONSUMER EXPERIENCE AND MORE

Supporting contactless technology helps your organization meet customer expectations today and in the future. Surveys report that improving the consumer experience is the key factor for success in contactless. The greatest reported benefits of contactless are speed and convenience. Clearly, payment cards are more

BENEFITS AT-A-GLANCE

- Lower cost for merchants
- Increase loyalty and revenue at enabled merchants
- Low risk factor
- Enhance customer experience
- Expanded chargeback protection
- Low value payments
- Convenient 24x7 access
- Reduce manual interaction
- Fast throughput control and security



convenient and flexible than cash or checks. They are also more secure. With contactless, cardholders enjoy an array of benefits that greatly improve their experience at checkout.

Cardholder Benefits

- Contactless makes checkout faster and easier
- Contactless eliminates the need to carry cash on-hand for small pocket change items
- Cardholder controls both the transaction and the card throughout the process reducing the risk of fraud
- Contactless payments allow cardholders to track spending on low-value transactions
- Transactions are processed through the same, reliable payment network as magnetic stripe transactions

GET STARTED TODAY WITH EURONET'S CONTACTLESS SOLUTION

To formulate a contactless strategy and implement a solution that works best for your organization, contact Euronet today.

We are here to help you work toward making the future a reality by providing quality products and services that will position your business as a leader in the market and to address your customers' expectations now.



For more information write to us at: pakistan-info@eef.com

Euronet Pakistan (Private) Limited
7th Floor, Bahria Complex-III
M.T. Khan Road, Karachi-74000, Pakistan
Tel: +92 21 111-SECURE, URL: www.euronetpakistan.com

