Approved minutes 10th meeting ad hoc multi-stakeholder group on Mobile Contactless SEPA Cards Interoperability Implementation Guidelines (MCP IIG)

27 November 2017

Circulation: MSG MCP
Restricted: No

1. Welcome and opening of the meeting

The Co-Chairs, D.-I. Flatraaker and P. Spittler opened the meeting at 10h00 and welcomed the participants to the 10th meeting of the ad hoc multi-stakeholder group. The group was informed that J. Looman as representative of Eurosystem left the group and would be replaced by Annett Pietrowiak, with Marcus Härtel as her alternate.

2. Roll call of delegates

The list of participants and apologies may be found in Annex I.

3. Approval of the agenda

The proposed meeting agenda (MSG MCP 046-17v0.2) was presented and subsequently approved.

4. Approval of the minutes

The draft minutes of the 9th meeting of the group (MSG MCP 045-17v0.1) held on 25 October 2017 were reviewed and approved. They will be distributed as version 1.0.

Next the action points were checked. Their status is reflected in the table below.

Ref. AP	Action	Owner	Due date/ status
1.12	To check who provided the status report on Recommendation ERPB/2015/rec16 and clarify what actions have been taken: The ERPB recommends to provide access the mobile device's contactless interface order to ensure that the consumer can h a choice of payment applications from different mobile payment service provid independently of the mobile device and operating system used.	A. Pietrowiak/M. Härtel	On-going
8.3	To provide an update on the EMVCo CDCVM work at one of the next MSG meetings	C. Delporte / M. Harding	In due time
8.4	To check on agreement between FIDO and the Oversight related to security requirements	M. Hönisch	Before next MSG meeting

8.12	To request K. Wouters for input from Belgium on usage of QR codes for card-based payments	M. De Soete	Before next MSG meeting/ Closed, see agenda item 7
8.16	To check if the ECSG Tokenisation document can be shared with the MSG	P. Spittler	Before next MSG meeting/Obsolete
8.18	To provide a presentation on merchant terminals	M. Haussmann	At next MSG meeting/ Closed, see agenda item 8
9.1	To invite X. Piednoir (ETSI) to provide a presentation on latest developments impacting mobile card payments	M. De Soete	ASAP/ Reply from ETSI pending
9.2	To draft a request on behalf of the Co-Chairs to ECSG for a copy of the document on Tokenisation	M. De Soete	ASAP/In due time
9.4	To distribute the Danish presentation	M. De Soete	ASAP/Closed, see agenda item 6
9.5	To seek more information on the BLE-based mobile card payment solutions from Dankort and BankAxept	R. Koch	By 15 November 2017/Closed
9.6	To distribute the presentation on Twint	M. De Soete	ASAP/Closed
9.7	To seek further detailed information on the Twint mobile card-based solutions	G. Hogen	By 15 November 2017/Obsolete
9.8	To request to SIX further information on the Twint mobile card-based solutions	P.Spittler	By 15 November 2017/Obsolete
9.9	To request a presentation from Tesco on non-NFC based proximity mobile card payment solutions	R. Koch	At next MSG meeting/Pending
9.10	To prepare draft high-level principles for the white paper on non-NFC mobile card-based proximity payments	M. De Soete	Before 20 November 2017/Closed
9.11	To develop draft use cases for non-NFC mobile card-based proximity payments based on the inputs received	M. De Soete	Before 20 November 2017/Closed
9.12	To prepare an overview matrix on card payments vs technologies for review at next MSG meeting	M. De Soete	Before 20 November 2017/Closed
9.13	To seek if their card scheme has undertaken security evaluations on non-NFC mobile card-based proximity payment technologies	M. Kamers/ A. Fulton	By next MSG meeting/Open
9.14	To inform about the publication of a new EMVCo document on Secure remote commerce technical framework and provide a presentation at the next MSG meeting	C. Delporte	In due time/Closed, see agenda item 11
9.15	To provide a link to the new proposed EU Directive on accessibility	J. Allix	ASAP

Regarding AP9.1, M. De Soete reported that she was informed that Xavier Piednoir has left ETSI and she would try to contact the person replacing him.

P. Spittler reported on AP9.2 that a status on the work on tokenisation was on the agenda of the next ECSG Board meeting to receive some guidance on specific issues raised. He hoped to be able to provide a more detailed update at the next MSG meeting. He informed that this ECSG work covers three types of tokenisation : Issuer, Acquirer and Merchant.

M. De Soete informed that regarding AP9.8, there is now a representative from UBS who is responsible for Twint in the mobile payments working group of the EPC, who promised to provide more detailed information on this Swiss solution.

R. Koch informed that the first contacts with Tesco (AP 9.9) were made and that he would approach them, together with P. Spittler, to receive a presentation on their mobile solution at the next MSG meeting.

5. Status on updated MCP IIG

M. De Soete informed that the Mobile SEPA Card Contactless Payments Interoperability Implementation Guidelines (MCP IIGs - EPC 144-17) were published for a 3-month public consultation with a dedicated questionnaire on 26 October 2017 on the EPC website.

She further informed that she sent a dedicated e-mail on this consultation to GlobalPlatform and that she will also contact GSMA in that respect.

6. Presentation on Dankort

Three representatives from Dankort, Esben Torpe Jørgensen, Lene Ploug and Kjeld Lynge Hansen, joined the meeting via phone to provide a presentation (MSG MCP 50-17) on their mobile solutions, more in particular the mobile proximity card payments based on QR-codes and BLE technology. The presentation was shown on screen at the meeting. They explained that Dankort has been based since the beginning on the EMV standards and that about 40% of the POS terminals support contactless. Moreover, about 80% of the payments done at POS are card-based. Most persons are not familiar with using a mobile phone at POS since the mobile solutions have been focusing mainly on P2P payments. Therefore it was a real challenge to introduce mobile card payments at POS which needed to be at least as good as card payments to convince the consumers to use these solutions. Some insights were provided into the provisioning and processing of mobile Dankort. An SDK has been developed and distributed to third party wallet providers, to cover the interaction with the POS. It is expected that by H1 2018, there will be the same acceptance level as for cards at POS. Although the mobile P2P solutions made the Danish people use their mobiles for payments, the mobile contactless solutions would need to add something more compared to contactless card payments for their market take-up.

Dankort informed that they would have gone for the NFC-based solutions only if the technology would have been available on all mobile handsets, very likely in combination with HCE and tokenisation.

They further informed about one of the main challenges with the BLE technology which is the pairing between the mobile device and the POS, in view of the much larger range that BLE has compared to NFC. By making the SDK available to the wallet providers,

the same party (the terminal vendor) controls both sides of the communication between the mobile handset and the terminal which helps to solve the issues related to pairing.

When they decided to introduce proximity payments, they looked into solutions that have no impact on the merchant's cash registers. They also developed educational material to create awareness to staff on the changes in consumer behaviour. Dankort made agreements with the main vendors Ingenico and Verifone, that cover 90% of the terminals at POS. But they have chosen for a different solution for the implementation of BLE. Verifone integrated the technology in the terminal (hardware update) while Ingenico provided a little black box on the side. For the QR-based solutions only a software update in the POS terminals is needed.

Next, the group was provided an insight into the on-boarding process whereby a virtualised card via a ticket is used in the mobile wallet – this means that no sensitive card data resides on the mobile phone. They explained the 2-leg processing, via the POS and authorisation host on one hand and the wallet with the SDK back-end (a PCI zone that retrieves the physical PAN from the ticket and sends it to the authorisation host) with the matching which finally results into a "normal" local card payment transaction. Afterwards, a confirmation is sent to the POS and to the wallet. For the processing the same implementation is followed for both the BLE and QR-based solutions.

They further explained the usage of the PAR by the merchant for the recognition of the consumer for certain services such as loyalty. In case of the BLE technology, the PAR is provided from the wallet to the terminal with the pairing, in case of QR codes, the PAR is provided to the POS via the back-end.

Finally, they shared that most transactions are BLE-based, only a few QR-based are conducted, mainly as fall-back.

AP10.1	To distribute the Danish presentation	M. De Soete	ASAP

7. Presentation on Bancontact

A presentation (MSG MCP 051-17) was made on the Belgian mobile solution based on QR codes from Bancontact by K. Wouters. He explained that the solution was first introduced as an e-commerce solution, to address customer authentication with mobile payments as an alternative to the usage of a separate authentication device. In the Bancontact concept, everybody (cardholder / merchant) can generate a QR code, which allows for P2P payments. The solution was introduced in 2014 and integrated as a function in the mobile banking apps. It is always considered as a CNP transaction, even at POS 9where the QR code is scanned from the merchant's POI). To date, it has proven to be a success for e-commerce transactions.

AP10.2	To distribute the Bancontact presentation	M. De Soete	ASAP
AP10.3	To provide the link to the Bancontact videos for distribution to the MSG	K. Wouters	ASAP/Closed

A short discussion was held how the solutions could meet the RTS requirements and a statement was made that towards the future, mobile payment solutions should look into decoupling the authentication from the authorisation of the transaction.

8. Presentation on merchant terminals

A presentation (MSG MCP 044-17) on merchant POIs was made by M. Haussmann. He explained that the future POs terminals will need to deal with more processes and services beyond payments. Merchants want more contacts with consumers while offering new omni-channel services. They want these services in-store and "at home", hereby focusing on customised offers, e.g. special advertisements, signing of documents, financing, etc….. Therefore the POI needs to be seen as an access point to multiple services (typically requiring on-line capabilities). Hereby, the terminal vendor provides a piece of hardware at the front-end. A short discussion took place on PIN entry on so-called COTS (Commercial Off-The-Shelf) devices whereby the security would be software based. The group was informed that PCI is currently working on this topic and that a draft document is expected by end 2017.

AP10.4	To distribute the presentation on merchant terminals	M. De Soete	ASAP

9. Overview matrix mobile card payments

M. De Soete presented an overview matrix on mobile payments (MSG MCP 047-17) that was distributed prior to the meeting. The document aims to define what the exact scope would be of the white paper on non-NFC mobile card-based proximity payments (MCPPs) and what is covered by other documents. In view of the presentations made earlier during the meeting and the information received, some changes were agreed to the overview related to the technologies used for P2P payments, dynamic versus static QR code, local versus remote card payments.

It was agreed that the members should further review the matrix and provide additional comments they might have for discussion at the next MSG meeting.

AP10.5	To circulate the updated document mobile payments overview (MSG MCP047-17) for further MSG review	M. De Soete	Before mid-December 2017
AP10.6	To review MSG MCP047-17 and prepare comments for further discussion at next MSG meeting	All MSG members	Before next MSG meeting

10. White paper on non-NFC card-based mobile proximity payments (MCPPs)

Table of content

No further comments were received on the updated proposed table of content for the white paper (MSG MCP41-17v0.3) which was distributed prior to the meeting. Therefore the document was not further discussed.

High level principles

The draft document on MCPP high level principles (MSG MCP 048-17) which was distributed prior to the meeting was reviewed on screen. Changes were made on screen and more in particular the principle 5 on SEPA wide scheme usage of MCPPs triggered some discussions. It was agreed that the white paper should focus on what could hinder a SEPA wide solution. It was decided to review this principle again at the next meeting. The following APs were agreed:

AP10.7	To update the High level principles (MSG MCP 048-17) and distribute for further MSG review	M. De Soete	Before mid-December 2017
AP10.8	To review MSG MCP048-17 and prepare comments for further discussion at next MSG meeting	All MSG members	Before next MSG meeting

MCPP use cases

The draft document on the MCPP use cases (MSG MCP 049-17) which was distributed prior to the meeting was reviewed on screen. Slight updates were suggested to include a footnote on PIN at POI and to possibly include an example whereby a QR code is scanned from a poster to trigger a mobile card payment. The document would be further elaborated as input to and for review at the next MSG MCP meeting.

AP10.9	To update the MCPP use cases (MSG MCP 049-17) and distribute for further MSG review	M. De Soete	By 11 January 2018
AP10.10	To review MSG MCP049-17 and prepare comments for further discussion at next MSG meeting	All MSG members	Before next MSG meeting

11. Liaison and monitoring

EMVCo

C. Delporte provided a short presentation on the new EMVCo "Secure Remote Commerce Technical Framework" document for which the link to download was provided prior to the meeting. He explained that the document aims to offer the same level of interoperability and security as for local card payments. The framework endeavours to define a more standardised interface for cardholders, wallet providers, merchants, acquirers and issuers and allows for dynamic data.

AP10.11	To distribute the EMVCo presentation	M. De Soete	ASAP

ECSG

No further update was made.

12. A.O.B.

The next meeting was re-confirmed to take place on 18 January 2018 from 10hrs till 16hrs at the EPC premises in Brussels.

13. Closure of the meeting

The Co-Chairs closed the meeting and thanked all participants for the valuable contributions and the interactive discussions.

ANNEX I

List of participants – 10th MSG MCP meeting
27 November 2017

Name	Affiliation	Presence
Co-Chairs		
Dag Inge Flatraaker	EPC (DNB Bank)	Yes
Pascal Spittler	EuroCommerce (Ikea)	Yes
EPC		
Michael Hoffman	Finance Denmark	Yes
Matthias Hönisch	BVR	Apologies
Patrice Hertzog	Crédit Mutuel	Yes
Ben Smith _alternate_ Charlie Craven	EPIF (Amex)	Apologies
Karel Wouters	Febelfin (Bancontact)	Yes, partially
Sergio Cano Magdalena Alternate: Alain Gomez	BBVA	Apologies Yes
ECSG		
Martin Haussmann	Verifone	Yes
Guido Hogen	Smart Payment Association	Yes
Cédric Sarazin _alternate_ Emiliano Anzellotti	Cartes Bancaires Bancomat	Apologies
ERPB WG		
Richard Koch _alternate:_ David Stephenson	ECPA	Yes
Jean Allix _alternate_ Farid Aliyev	BEUC	Apologies
Christian Schollmeyer	ESBG	Apologies
Andy Fulton _alternate:_ Agnes Revel	Visa	Yes
Christophe Zehnacker _alternate_ Mark Kamers	MasterCard	Apologies Apologies
Mike Harding _alternate:_ Bastien Latge replaced by Christian Delporte	EMVCo	Apologies Yes
Annett Pietrowiak _alternate:_ Marcus Härtel	Eurosystem	Apologies Yes

Peter van Leeuwen	KPN	Apologies
Secretariat		
Marijke De Soete	EPC	Yes

ANNEX II

Action points

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ANNEX III

MSG MCP 2018
Meeting Calendar

Date	Location
18 January 2018	EPC Secretariat
23 February 2018	EPC Secretariat
27 March 2018	Conference call 10hrs-12hrs
9 May 2018	EPC Secretariat
21 June 2018	EPC Secretariat

All physical meetings will be held from 10h00 till 16h00