

Collaborative Model for Mobile Payments

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One Slide says it all

- Collaboration of all stakeholders to offer a total, country-wide mobile payment solution



Mobile Payment

- **Mobile phone**

An additional payment channel

- **Mobile Payment**

Transfer of funds in return for a good or service where the mobile phone is involved in the initiation and confirmation of the payment.



Country-wide

National Mobile Payment Switch handling:

- P2P
- P2B
- P2G
- POS (NFC)
- Bill Payments
- Payroll – Direct Credits
- Intl Remittances and Hawala



Country-wide

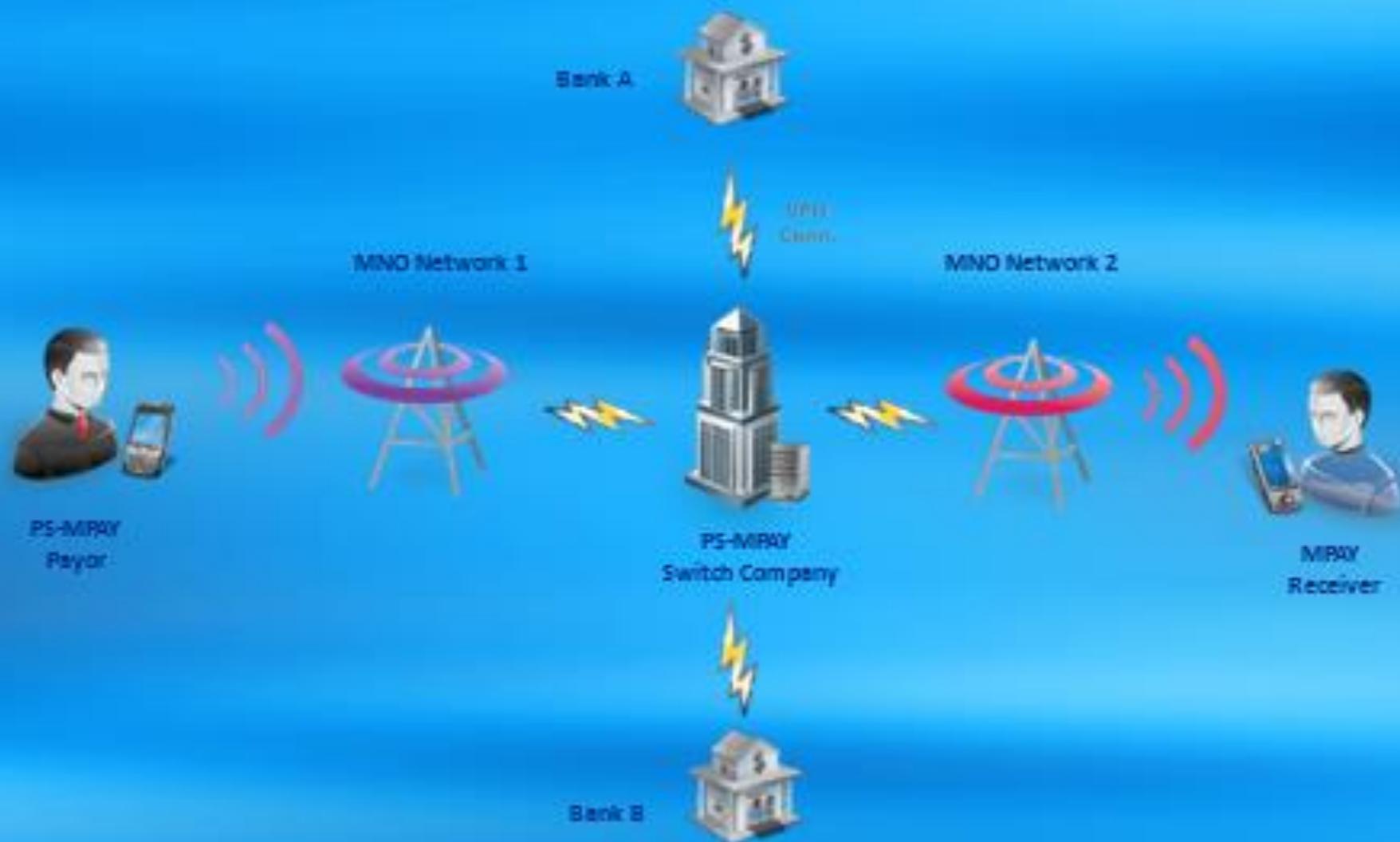
National Mobile Payment Switch delivering:

- NFC and Remote Mobile Payments
- To banked and unbanked
- With cash-ins and cash outs

... making MPAY a sound alternative to cash and cards existing in your wallet



P2P Payment



Stakeholders

Financial Institution FIs

Reputation

Audit/Risk. KYC/AML

Compliance with Central Banks' regulations

MNOs

Providing the medium

Technology Providers

Solution Provider

Infrastructure

Chip Manufacturer

Secure Element Issuer

Service Provider

Trusted Services Manager

Handset Manufacturer



Stakeholders

- **Merchant**
- **Consumer**

All serving a National Mobile Payment Gateway
Awareness on rules, standards and best practices.

No specific MNO or handset.
Ability to switch between payment service providers.



One Hand Won't Clap

- No single party can do it on its own.
- All shall co-operate to offer a national switch.
- Facilitating payments – debiting, crediting, clearing and settlement.
- Collaborative models succeeded.
- Stakeholders collaborate ...
 - System is optimized ...
 - Stakeholders benefit ...
 - Economy wins ...



Benefits & Opportunities

Economy/Country

- Reduce Cash costs
- Reduce down-the-drain money to Int'l networks
- Audit micro payments.

Financial Institutions

- Reduce cash
- Cost-effectively service under-banked people.
- Grow customer base and increase customers' loyalty



Benefits & Opportunities

Mobile Operators

- Achieve ROI made on infrastructure through:
 - Extra payment related revenues
 - Associated increase in air time and data use.

Merchants

- Provide faster throughput at the checkout.



Customers

- No need to carry cash: Convenience and Hygienic.
- Maximize usability.
- Faster access to funds.
- Send money and pay bills on the go anytime anywhere.



Why co-operation has been difficult

- Each party wants to diversify
- Fight on who owns the customer
- Selfishness on branding
- Selfishness over the placement of the secure element.
- Fight on a workable revenue sharing model

... lead to the lack of success of MPAY



No Standards No Success

- Without standards, collaboration cannot happen and mobile payments cannot succeed.



No Standards No Success

“The EPC, working together with other stakeholders such as GSMA, the organisation representing the interests of the worldwide mobile communications industry, is in the process of establishing the necessary standards and business rules with regard to the initiation and receipt of SEPA payments by mobile. The aim is to develop proposals that support collaboration and standardisation and which form the basis for interoperability.

Our intention is to establish a service framework sufficient to reach potentially all payers and payees in the European Economic Area and to create a trusted and secure environment for the multiple stakeholders active in the field.”

Gerard Hartsink
Chairman of the EPC



Security

Establish secure, homogeneous ecosystem where:

- responsibilities are assigned
- security issues are governed;
- payment transactions are secured, comprehensible and reliable.
- privacy is respected.
- security management systems of the involved parties are consistent.



Security

- Mobile payment service provider has to establish a security architecture that covers all security aspects at the

Process Level:

Application Level

Implementation Level

BPR and develop MPAY
procedures.



Standards

- EPC
- SEPA
- ISO
- GSMA
- Global Platform
- Simpay
- EMVCo
- IETF
- Open Mobile Alliance (OMA)
- European Telecom Standard Institute (ETSI)
- Mobey Forum
- MoSign
- NFC Forum



Success Story

M-PESA – Kenya

- **June 2007:**
111,000 registrations and 450 active agent outlets within the first 3 months.
- 2010^[1]_[SEP] 13.5 million subscribers conducting ^[1]_[SEP] 2 million transactions / day.
- 21,000 Agent outlet
- 11,000 new registrations everyday.

Widely used services G-cash–Philippines,
NTT–Japan & M-Pesa–Kenya.

Kenya

Population: 40M. Area: 580,000 km². GDP (PPP):
\$60.361 billion. \$1,711 per Capita.

Jordan

Population: 6M. Area: 100,000 km². GDP (PPP):
\$32.416 billion. \$5,661 per Capita.



Conclusion

- Banks, MNOs and Technology Providers to work hand-in-hand with regulators to provide a country-wide MPAY which will serve the economy, CB, FI, MNO, Tech Providers, merchants and customers.

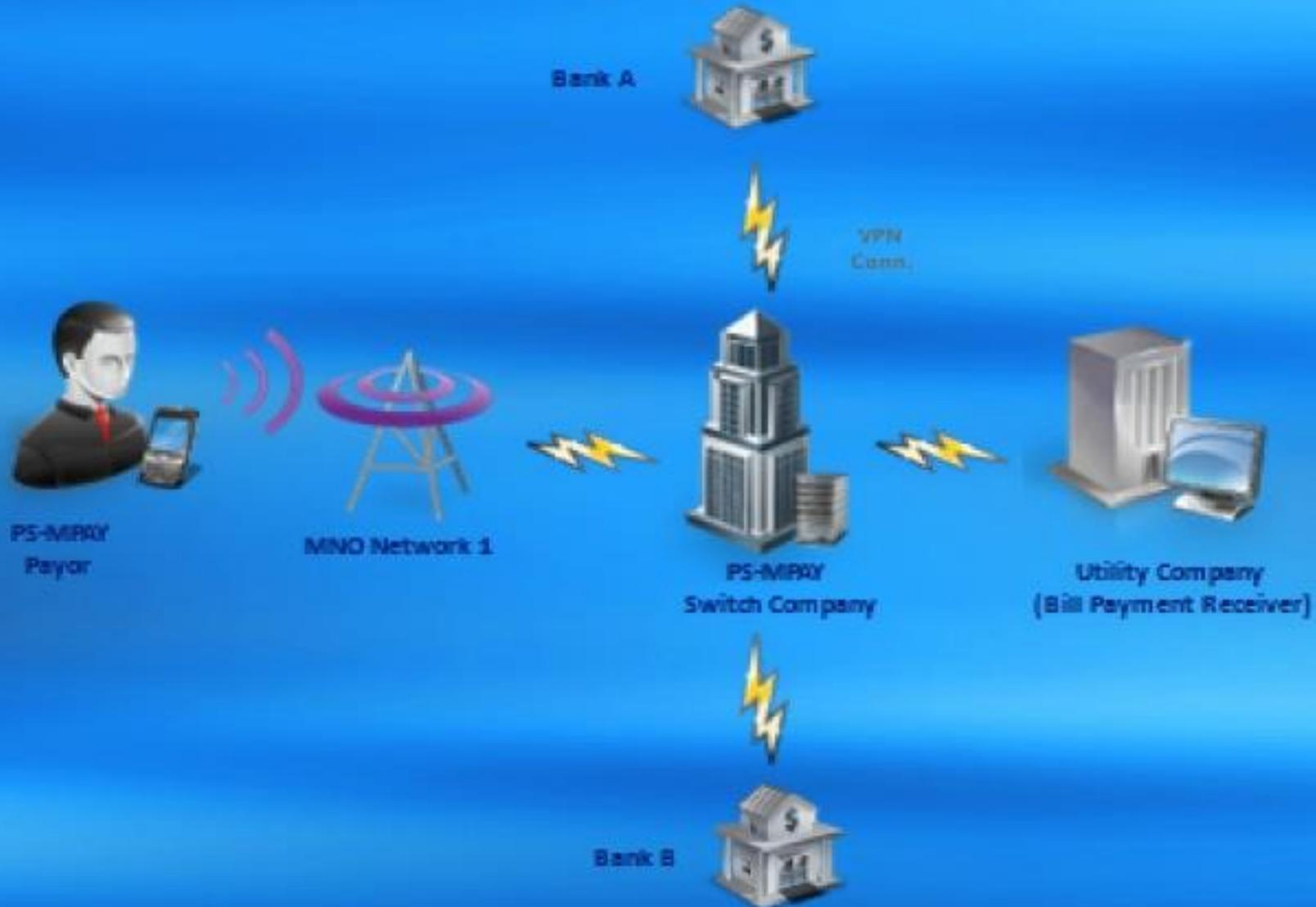


Thank you

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Bill Payment



NFC POS Payment



B2P Mobile Payment

