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## Latest news from Card Academy

### Card Academy was officially launched in Denmark this week

It is with great pleasure that we this week announce the official launch of Card Academy in Denmark, our educational platform on issues related to domestic and international payment cards.

The ambition is to “bridge the gap” between International Card Schemes and the needs of employees in local branch offices. Through Card Academy we aim to bring a number of key partners together. This in order to bring a more cost-effective educational offer to employees within this sector, and to extend the reach and effectiveness of resources spent on education in general.

Please feel free to contact us on [globalinfo@card-academy.com](mailto:globalinfo@card-academy.com) for further information on our Academy Modules.

### The Card Academy Bulletin

This is a confidential, high-level industry news and business intelligence update bulletin. For further information on any of the items contained within the bulletin or to discuss the potential impact of these items on your business, please contact Card Academy on our dedicated support centre e-mail address [globalinfo@card-academy.com](mailto:globalinfo@card-academy.com) .

To unsubscribe from this Card Academy Bulletin please send an e-mail to [globalinfo@card-academy.com](mailto:globalinfo@card-academy.com) .

## The Nordic and Baltic States news

### Consumer Protection: the European Dimension

Uniform rules and more comprehensive harmonisation on a high level form part of the future consumer policy framework in the EU. In a recently published article, Danish Consumer Ombudsman Henrik Øe offers his views on the workings of the current system along with a suggestion for a way to approach future regulation of the internal market.

The European consumer policy framework is currently undergoing examination with a view to find future solutions to the problem of different national approaches and harmonisation practices.

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**Card Academy**

Horsevænget 28  
DK-2610 Rødovre, Denmark  
Phone: +45 21296840  
email: [globalinfo@card-academy.com](mailto:globalinfo@card-academy.com)  
[www.card-academy.com](http://www.card-academy.com)

A Common Frame of Reference (CFR) complete with common terminology and principles has been suggested as a way to address the problem of different national bodies of legislation. Henrik Øe's proposal to introduce a dynamic clause on the principle of fair commercial practices fits into this general idea.

By equipping public authorities with more efficient means of enforcement, this rule will contribute to improve conditions for consumers in the Internal Market. (Source: *Consumers Ombudsman, February 2008*)

### ***Riskline Global 24/7 – a travel advice database***

Riskline Global 24/7 is the first travel advice database that caters for corporate clients as well as private individuals. Riskline Global 24/7 aims to provide an unbiased and affordable service with extensive and timely global coverage.

In today's rapidly changing security environment companies and individuals face ever-increasing challenges to their safety, assets and reputations. Riskline Global 24/7 is designed to help corporate and private clients to anticipate and mitigate the risks that they face. Information is locally-sourced and carefully analysed by a team of experienced professionals with backgrounds in the security, business-continuity and media industries.

Riskline Global 24/7 offers a range of products that cater for the clients' individual needs, enabling them to pick and choose an affordable service tailored to them. In addition, Riskline Global 24/7's strategic partnerships with other security and emergency response providers, ensure that all eventualities are covered.

Please visit [www.riskline.dk](http://www.riskline.dk) or contact Card Academy on [globalinfo@card-academy.com](mailto:globalinfo@card-academy.com) for further information. (Source: *Riskline, March 2008*)

### ***Remarkable comfort and security – using World Medical Card®***

World Medical Card® is a new safety concept, with personal and medical information available in three ways – on a personal secure website, on your mobile phone and as a sealed card in the size of a credit-card. The concept allows you to register your health status; E. g. allergies, medications, previous illnesses and blood type. You can also register contact data to family members or other emergency contacts, insurance information, and much more.

All medical information is coded according to an International standard set by WHO and can therefore be understood by medical personnel around the world. The card contains the essential information in English and in medical codes, the website and the mobile service has a multi language "read-only" function.

The World Medical Card® concept was launched by Arne Weidung following his father's almost fatal episode caused by wrong medical treatment due to lack of information. Today the concept is represented by World Medical Center in 18 countries around the world with Dr Michael Nobel as Chairman of the Board.

For further information please [www.wmc-card.com](http://www.wmc-card.com) . (Source: *WMC Denmark, March 10, 2008*)



## Europe & World Wide news

### **Manchester City football fans trial contact-less Paypass technology**

Manchester City football supporters are taking part in a contact-less payments pilot that will see their standard season tickets replaced with MasterCard's re-loadable pre-paid PayPass cards.

MasterCard is teaming with card issuer MBNA and Manchester City Football Club to conduct the trial, which will see around 3500 season ticket holders issued with PayPass contact-less cards.

The contact-less cards will be used to gain access to the City of Manchester Stadium on match days and to purchase items inside and outside the ground.

During the pilot, which will last until the end of the UK football season, participating supporters will be able to use the contact-less card to pay for purchases under £10 at bars and stands in the North Stand Level 2 area of the stadium.

Supporters can also choose to top up the cards either online via the Manchester City Web site, over the phone or at PayZone points at retailers. The cards can also be used anywhere in the UK for contact-less and Chip and PIN payments where MasterCard payments are accepted.

MasterCard has already teamed with a number of American football teams to trial its contact-less technology at sports stadiums across the US, including the New York Giants, Seattle Seahawks, Baltimore Ravens and Philadelphia Eagles

Commenting on the Manchester City FC initiative, John Bushby, general manager, MasterCard Northern Europe, says: "In a European first, a single piece of plastic will enable football fans to gain access to and make payments at their home ground.

"Our extensive experience in US stadiums has already shown the time and cost efficiencies this technology can bring to both fans and on-site retailers, in terms of the speed, convenience and safety of contact-less payments, compared to cash."

Duncan Martin, head of retail at Manchester City Football Club, says the technology "will help reduce queuing time and allow supporters to get into their seats for the game". (Source: *Finextra*, March 10, 2008)

### **TheTrainline selects First Ondemand technology to secure m-payments**

UK ticket retailer TheTrainline has recruited First Ondemand to supply a security system for a new e-ticketing service which will allow travellers to purchase tickets by mobile phone and download them to a smart card.

The new Trainline Smart system, to be piloted later this year - will let customers buy train tickets by mobile phone or via the Internet before downloading them onto a smartcard either at home with a plug-in reader, or at stations. Users then validate tickets by tapping them against a reader at railway stations fitted with gates, or with a handheld version onboard the train.

The system is based on the government-defined ITSO smartcard standard. All new rail franchises are now required by government to adopt the smart card technology. The new standard will also eventually be used as an upgrade to the London Underground Oyster smart ticketing system.

TheTrainline says its system will start to be rolled out next year and it expects the service to account for up to 50% of rail ticket sales by 2012.

In line with this the ticketing firm has selected technology from First Ondemand to secure its mobile phone-based payments system.

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ISSUE # 03, March 2008

### Card Academy

Horsevænget 28  
DK-2610 Rødovre, Denmark  
Phone: +45 21296840  
email: [globalinfo@card-academy.com](mailto:globalinfo@card-academy.com)  
[www.card-academy.com](http://www.card-academy.com)

The vendor says its Authentisic Mobile technology will enable Trainline Smart customers to log on to their online account securely using most mobile phone handsets to see what tickets are stored on their smartcard. Customers can also manage their account, buy and pay for tickets and renew season tickets using mobile handsets.

Says Stephen Moore, CEO, First Ondemand: "Smart technology is changing the way the world does business and how companies and people communicate. The popularity of the London Oyster smartcard shows this innovative method of rail ticketing is clearly becoming the delivery channel of choice for many customers. The ability to incorporate an identity and authentication layer brings a greater level of client and customer assurance for transactions through the mobile phone."

Transport for London (TfL) launched its Oyster e-ticketing system in the city in 2003. TfL said last year that it has issued more than 10 million Oyster smart cards since the launch. The London transport authority is also working with handset manufacturer Nokia and phone network O2 to develop a scheme that will enable customers to pay for tube journeys using mobile handsets.

Meanwhile last month the Greater Manchester Passenger Transport Executive (GMPT) announced plans to trial a pre-paid contact-less transit card in Bolton that will use technology developed by e-money start-up sQuidcard. (Source: *Finextra*, March 10, 2008)

### **Nonprofit Distribution of Prepaid Cards**

The Center for Financial Services Innovation has published a new report titled "Non-profit Distribution of Prepaid Cards". "This paper explores how three organizations—the Center for Community Change, the Consumer Credit Counselling Service of Delaware Valley, and the Service Employees International Union—are combining a new product, prepaid debit cards, with new marketing and distribution methods to provide economical and convenient financial services to their communities." (Source: *Payment News*, March 05, 2008)

### **New legislation to allow US merchants to negotiate interchange fees**

New legislation that would enable merchants to negotiate the interchange fees charged on card transactions by Visa and MasterCard is being introduced by the US House Judiciary Committee.

The Credit Card Fair Fee Act, which has been introduced by John Conyers, chairman of the committee, is the first attempt by US Congress to address credit card interchange fees and is the outcome of a hearing held last year by the House's anti-trust workforce.

Interchange fees currently comprise 90% of transaction fees charged to merchants. The percentage is set by the credit card companies - generally Visa or MasterCard - and averages 1.75% of the total purchase price. In 2006 Visa and MasterCard banks collected more than \$36 billion in interchange fees last year, up 17% from 2005 and 117% since 2001. In 2007, the fees amounted to \$42 billion.

"Merchants are forced to deal within this system because it is simply not an option to refuse to accept Visa or MasterCard from their customers," he adds. "They are presented with take-it-or-leave-it options and are not part of the process by which the fees are set. Moreover, the card systems operate pursuant to comprehensive operating rules approved by the associations' member-controlled boards, but these operating rules are not accessible by the merchants."

Conyers argues that the legislation would "help level the playing field for merchants and retailers negotiating with banks for the cost of certain fees, and ultimately reduce the costs of everyday goods for consumers".

The rates and terms will be determined by Electronic Payment System Judges, who will be appointed by the Department of Justice's anti-trust division and the Federal Trade Commission (FTC).

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The US move follows recent action by the European Commission against MasterCard over interchange fees charged on cross-border card. The EC said in December that an investigation had found that the multilateral interchange fees (MIF) charged for cross-border transactions made with MasterCard and Maestro debit and credit cards violated EC Treaty regulations. (Source: *Finextra*, March 7, 2008)

## Scheme news

### *MasterCard International*

MasterCard Europe has applied to the European Court of First Instance to annul the European Commission's decision on MasterCard Europe's cross-border interchange fees, and said it believes it has strong grounds for its request. The December 19, 2007 decision requires the company, among other things, to repeal its intra-EEA fallback interchange fees by June 21. The company reaffirmed its intention to comply with the Commission's Order while the appeal proceeds, as well as its commitment to ensuring that its payments services remain competitive and continue to benefit its customers as well as the millions of European cardholders and merchants who rely on MasterCard and Maestro cards.

MasterCard said its concerns with the decision focus on:

- the Commission's failure to recognize that four-party payment systems cannot operate without default settlement terms between banks that issue cards to consumers and those that acquire transactions for merchants, which requires the setting of an interchange fee;
- the Commission's refusal to recognize the efficiencies that four-party payment systems create and the fairness of MasterCard's interchange fees; and
- the Commission's inaccurate conclusion that, despite MasterCard's May 2006 IPO, MasterCard and its customers continue to be "an association of undertakings", and its mischaracterization of MasterCard's interchange fees as decisions of an association that restrict competition under EC Treaty rules.

"MasterCard firmly believes that market forces, not regulation, should drive key decisions such as the setting of interchange fees and retailers' choices over which forms of payment to accept. If left unchallenged, and especially if followed by national regulators, the Commission's decision would not only be bad news for consumers but a blow to the European payments industry," commented Javier Perez, President of MasterCard Europe.

Perez continued: "From a business point of view, a payment system that does not allow for efficient recovery of costs is not sustainable in the long term, nor is it desirable because it limits the scope for innovation in payment services offered to consumers.

"The Single Euro(pean) Payments Area (SEPA) for payment cards, launched at the beginning of the year, will continue to require enormous investment and commitment by market players. It's difficult to expect them to expand into new markets when regulation lowers the incentive to take those risks. In our view, the best way to proceed for the payments industry and SEPA is to follow the established European public policy principle of relying on competition to deliver what consumers want." (Source: *MasterCard*, March 03, 2008)

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DK-2610 Rødovre, Denmark  
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[www.card-academy.com](http://www.card-academy.com)

### **American Express**

American Express and Oberthur Technologies have entered into an agreement to give Oberthur Technologies a license to produce clear payment cards for other card issuers.

American Express is the owner of numerous patents covering clear and translucent payment cards and the processes and procedures necessary for producing them. Under the patents, Oberthur Technologies is now licensed to produce payment cards that are truly clear and transparent, using the same patented technology incorporated in American Express' own card products, including Blue and Blue Cash™. The payment market is showing an increasing interest for innovative plastic features that bring new opportunities for banks to both retain existing customers and attract new ones. In this scope, the licensing agreement with American Express is a major step for Oberthur Technologies to strengthen its value-added offer to banks.

"For Oberthur Technologies, personalization of a card's material, design and form factor is becoming a key way of differentiation. This licensing agreement with American Express for such state-of-the-art card technology is an important step forward in our ability to provide innovative products to banks," said Frédéric Chevreton, Corporate Vice President, Payment Product Line at Oberthur Technologies.  
(source: *American Express, February 2008*)