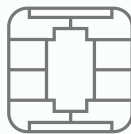# Proxama®

CLOUD-BASED PAYMENTS

At last, mobile payments are here to stay; the launch of Apple Pay and other upcoming 'x-Pay' models (such as Android Pay and Samsung Pay) has shown that the market is ready, the time is right and that the conditions, including growing point-of-sale acceptance, are favourable. But these x-Pay models are not always the answer, and in many territories their launch may be some way off. There are other downsides too – issuers who bite the x-Pay bullet are constraining themselves to a one-size-fits-all customer experience and could be exposed to open-ended costs from network and 'on-behalf-of' processing fees.

Proxama cloud-based payments puts issuers, not networks, in control

There is another way – one that puts issuers in control of their customers' payment experience, that can drive usage of your own banking or other mobile app, and avoids the risk of on-going and increasing costs. Cloud-based payments, also known as HCE, or Host Card Emulation, enable issuers and processors to deliver a tailored, branded payment experience to customers that will increase brand loyalty and mobile app utility, and thereby ensure that the issuer's card – its digital counterpart – remains top-of-wallet, or in this case, front-of-phone.

An out-of-the box cloud-based solution

Proxama provides the end-to-end mobile payment solution that delivers cloud-based payments for issuers and processors. Proxama's Digital Enablement Platform™ comprises all the components needed to implement cloud-based payments, and integrates with an existing card issuing and processing system through lightweight, optimised touch-points. Proxama's heritage in EMV card issuing and processing has allowed us to re-use our renowned app provisioning and transaction processing expertise in combination with newly-developed components to deliver a complete cloud-based payments solution.

- A mobile payment SDK that enables an existing mobile app with network-certified NFC payment capability

- Credential management to maintain the lifecycles and replenishment of crypto keys in payment apps, and to control secure communications with mobiles

- On-demand app provisioning and lifecycle management

- Tokenisation compliant with EMVCo standards

- EMV transaction authentication

- De-tokenisation for authorisation processing.

You can add Proxama's full cloud-based payments capability into your existing card issuing and processing platform with minimal impact – the interfaces are light-touch and use optimised APIs for ease of integration. Integrating the payment SDK with an existing mobile app is also straightforward and the additional features needed to trigger card digitisation and app provisioning can be easily added and use standard APIs provided in the SDK.

To initiate provisioning, the customer uses mobile banking to select an existing card and requests its download to the app. The payment SDK takes over and communicates with Proxama's Digital Enablement Platform TM (DEP) to download the digitised, tokenised card, complete with its initial set of transaction keys. Within minutes the customer is ready to make a purchase.

When the mobile is used at a point-of-sale, the payment SDK acts like a contactless EMV card to protect the authenticity and integrity of the transaction data sent in an authorisation request over the regular card network. On receipt at the issuer the transaction is routed to DEP for authentication and de-tokenisation, and then to the existing authorisation system for card status and available funds checking.

With Proxama's cloud-based payments solution there are clear advantages over the x-Pay models and the restricted way in which they've been implemented. These include:

■ Tokenisation within Proxama's DEP means transactions can flow over any network, unlike the x-Pays; when tokenisation takes place in one of the major card networks, de-tokenisation and authentication must also take place there, removing any routing options and exposing issuers to network fees and processing charges

■ The x-Pay wallet apps offer only a cookie-cutter user experience that does not allow issuers to differentiate their customers' payment experience from competitors; with Proxama's cloud-based solution issuers can customise their payment app to provide customers with a richer, branded experience that will engender both loyalty and further use of the mobile app for other banking interactions

■ Using Proxama's DEP brings further opportunities for driving incremental mobile payment usage through Value Added Services – integration with Proxama's award-winning proximity engagement and marketing platform, TapPoint®; in conjunction with merchants and location owners, relevant, location-based card-linked offers can be pushed to customers' mobiles through BLE beacon interactions, resulting in increased revenue and offsetting cannibalisation of existing card transactions.

For more information about cloud-based payments, visit us at Proxama.com

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