



Visa Contactless

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What is Contactless?



Contactless is a new payment feature for Visa cards that makes purchases quicker and more convenient.

Customer holds a contactless card up to a secure reader, instead of swiping it.

The contactless reader sends the transaction through the payment system for authorization and the transaction is completed normally.

Signatures are not required for purchases less than \$25 which speeds the customer through checkout.

Advantages are speed and convenience for both merchant and customer.



New Card Technologies

Alignment of value-proposition drives adoption

Increased Demand

- **Merchants/Issuers seeking opportunities for differentiation**
 - Range of national merchants have participated in contactless pilots
- **Consumers demonstrating interest**
 - 3rd Party and Visa research indicates consumers perceive contactless as convenient and fast

Lower Barriers to Adoption

- **Standards convergence**
- **Technology costs declining**
 - Contactless chips and cards
 - Peripherals and integrated POS readers
- **Technology providers are engaged and developing products**
 - Terminal providers
 - POS system integrators
 - Chip & card manufacturers



Contactless Indicator

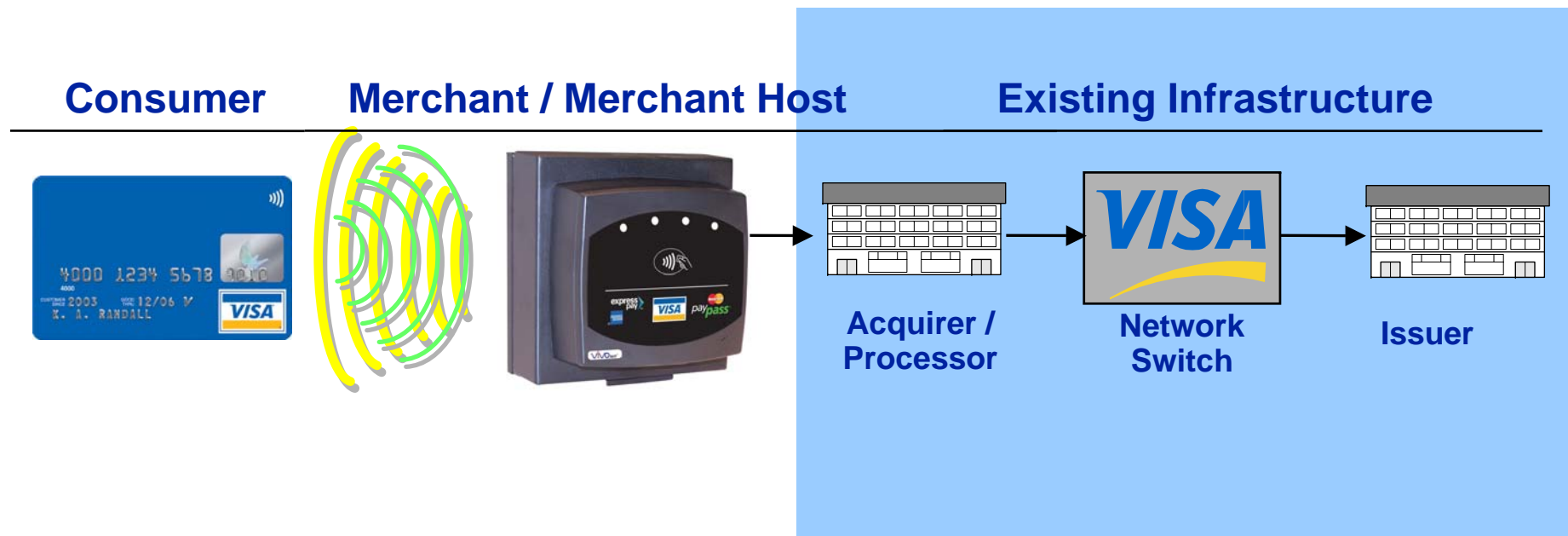
A brand-neutral contactless indicator and point of sale symbol is the most elegant for all stakeholders





Visa Contactless

Visa Contactless transactions transmit data to the POS wirelessly and use existing infrastructure



Right Solution, Right Time



- Issuers and Merchants value proposition are aligning, and fueling demand
- Technology is maturing to the point of supporting large scale deployments
- Visa's target: high-volume, low ticket transactions
- With brand-neutral POS indicator Visa enables Issuers and Merchants differentiation
- Visa is minimizing stakeholder impacts by maximizing use of existing infrastructure



Visa Contactless Implementations

- **Malaysia**
 - 500,000 cardholders
 - 4,000 merchant locations
- **Taiwan pilot (September)**
 - 25,000 cardholders
 - 150 merchants
- **USA**
 - 1.5m cardholders
 - Denver, Atlanta

Contactless Privacy



- The Visa contactless payment platform cannot be used to track or trace people or things
- Contactless cards do not have an on-board power source and do not actively transmit data
- Another way to deliver cardholder information to the point of sale terminal
- Same consumer protections as all Visa transactions, like zero liability

Security Measures

Data on the card is encrypted

- 128 Bit Triple DES

Cannot be read by EPC readers

New input data for each transaction

- Even if transmitted data is intercepted, it cannot be reused for a new transaction or to make a counterfeit card

Layers of security

- Zero liability
- Fraud detection systems

