



# Why is harmonization key for payment acceptance

June 30, 2020





**FIME**<sup>®</sup>

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One Action. **A billion transactions.**

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# FIME within the nexo organization

## FIME as Principal Member

- participates in the work of the organization with voting rights.
- has access to the organization's deliverables, working documents and reports.

**Arnaud Crouzet, FIME VP Consulting, is member of the Board of Directors of nexo organization**



# FIME is a global leader in payment consulting and secure transaction testing

Big enough to be global  
small enough to be reactive



We speak  
your  
language

450+  
Experts

9  
Labs

18  
Locations

2  
Development  
centers



40+  
Industry  
accreditations

3000+  
Customers

180  
Countries



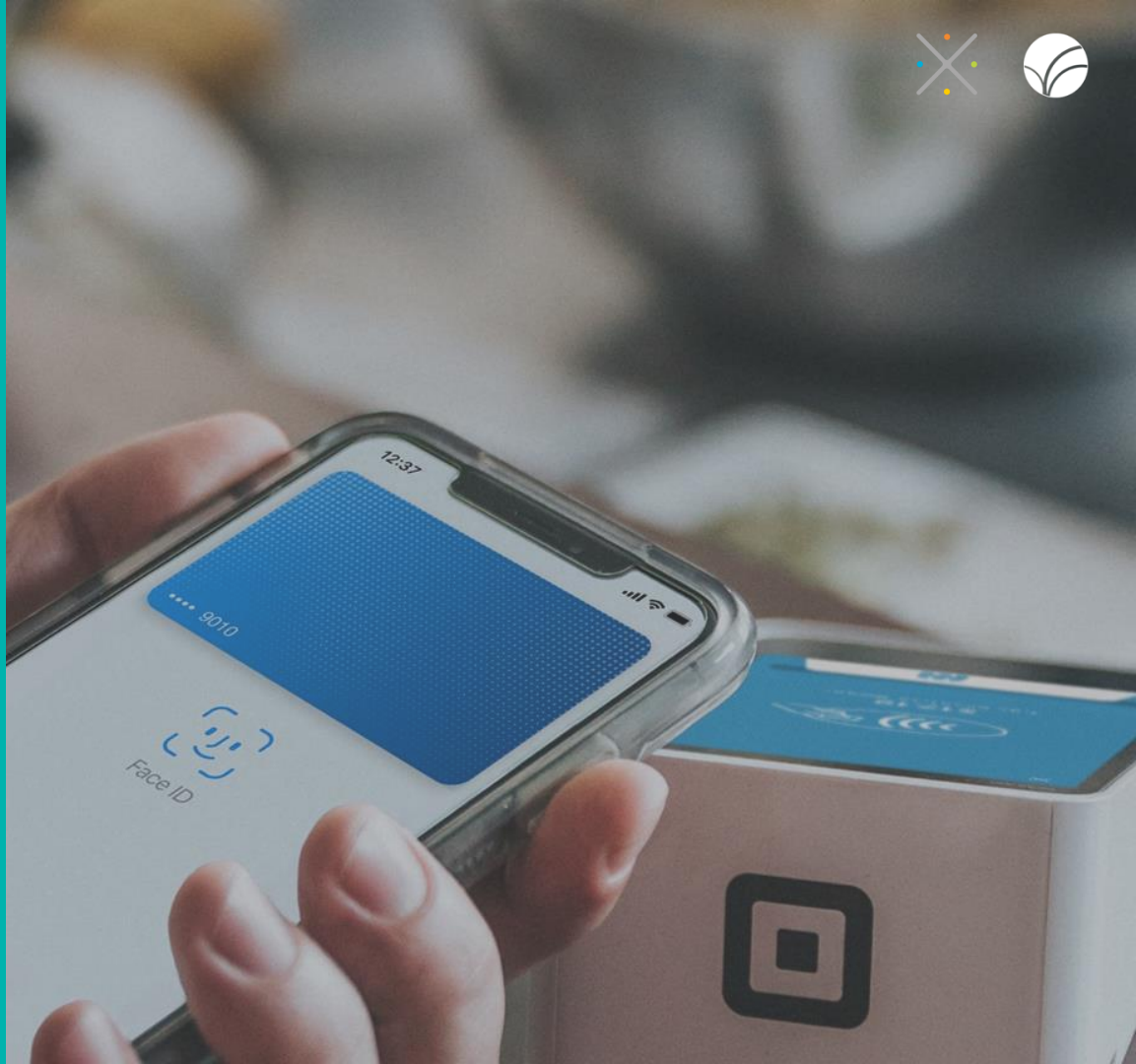
We enable our customers to bring user friendly, reliable and secure solutions to the Payment and Transport markets.

**We are a Trusted Adviser.**



We do that by  
combining our  
global expertise  
with disruptive  
testing.

**We go beyond testing.**

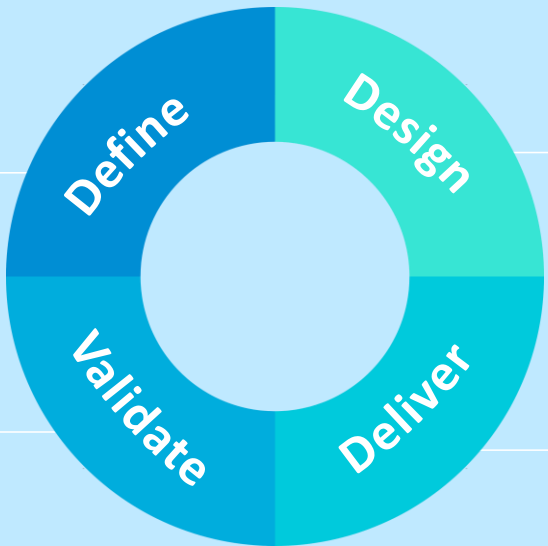




# We define, design, deliver and validate pioneering products across payments, transport, biometrics, authentication and open banking.

We help our clients answer critical business questions formulate their strategy to grasp new business opportunities

We help our clients test their solutions for compliance and quality assurance purposes



We help our customer choose the best technical and cost effective options and design an efficient test strategy (automation & digitalization)

We help our clients roll out the chosen solutions and develop the ad-hoc test plan and testing tools

End-to-end services 3DV



**SDK**

**OPEN LOOP**

**AFC**

**EMV**

**3DS**

**ANDROID**

**NFC**



**PAYMENT SCHEMES**



**FINANCIAL INSTITUTIONS**



**MERCHANTS**



**VENDORS**



**TRANSPORT**

**QR CODE**



**Biometrics**

**SRC**

**SCA**

**HCE**

**API**





# nexo standards webinar



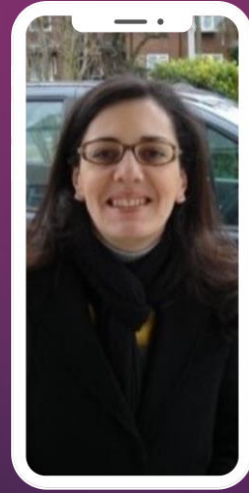
## SPEAKERS PANEL



**Arnaud Crouzet**  
Vice President  
Consulting



**Claude Brun**  
Chairman of  
nexo standards



**Nadine Kanaan**  
Senior Consultant  
& nexo SME



**Sylvain Fromager**  
Project Manager



is an international effort to create a **standardized, harmonized global payments acceptance ecosystem** by embodying the efficiency and interoperability potential of **ISO 20022**.





# The collaborative ecosystem...



...that develops



SPECIFICATIONS  
FOR POI / PAYMENT  
TERMINALS



ACQUIRER, RETAILER,  
ATM, TMS  
SPECIFICATIONS



ISO 2022  
CARD PAYMENT EXCHANGES  
PROTOCOLS



IMPLEMENTATION  
SPECIFICATIONS  
TEST CASES  
TEST TOOLS



# nexo standards Meeting the 4 C's



## Competition

- 'Level the playing field'
- Remove vendor lock-in
- Encourage innovation



## Cost

- Simplify roll-out & maintenance
- Reduce time & cost to market
- Strike more competitive deals



## Convenience

- Transact freely at home & abroad
- Simplify the intro of new form factors
- Market universal solutions



## Confidence

- Guarantee seamless interoperability
- Speak the same language
- Ensure security & quality levels





# Value proposition



## CROSS-BORDER ACCEPTANCE

Allow a multinational infrastructure 'acceptance of cross-border payments fully interoperable.



## EASY EXPANSION

International growth and new operations in new territories without being hampered by the complexity of accepting payments.



## SIMPLE AND FAST INTEGRATION

Facilitate quick, easy and borderless integration with other payments stakeholders, reducing time to market and increasing trust in new partnerships.



## INTEROPERABILITY & HARMONIZATION

Allows a true "plug and play" approach to accepting payments. All systems speak the same interoperability language.



## COHERENT CLIENT EXPERIENCE

Provides a consistent user experience in the interaction between multiple payment types, providing customers with a fast and familiar payment service.



## ACCELERATING THE DEPLOYMENT OF INNOVATION

Enables easy integration of new and innovative products and services, reducing time-to-market, integration and deployment costs.



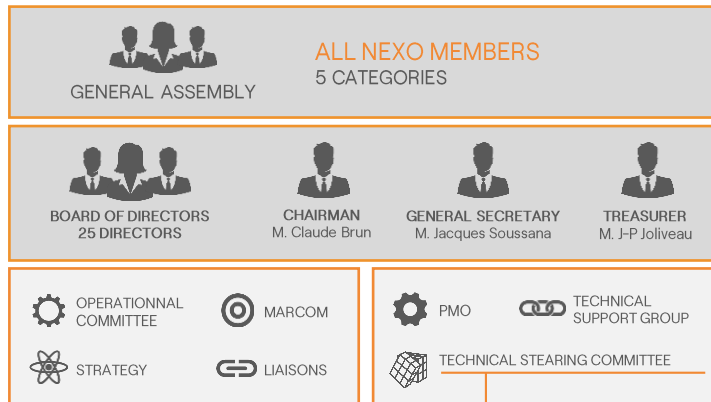
## TASK FORCES

Harmonizing omnichannel & mobile payments

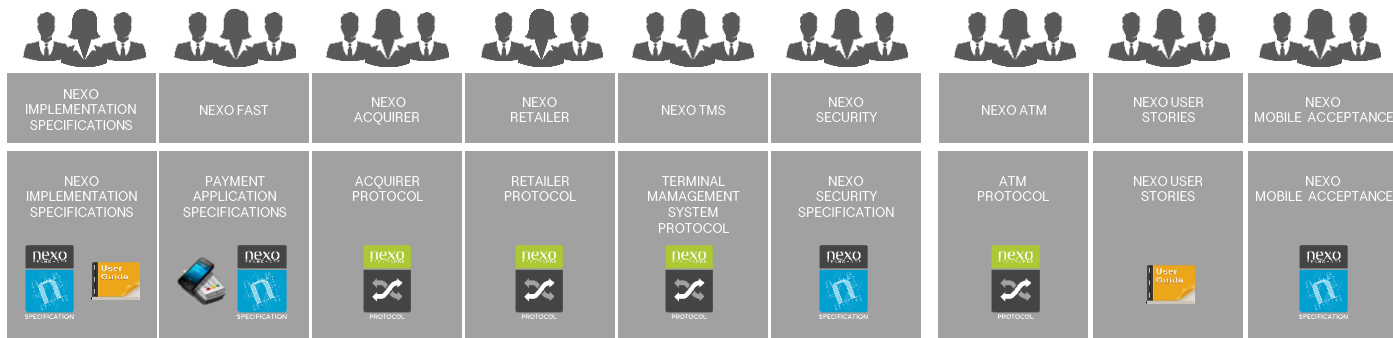
e/m Commerce

Transit OPEN Payment

## MEMBERS



## TECHNICAL WORKING GROUPS

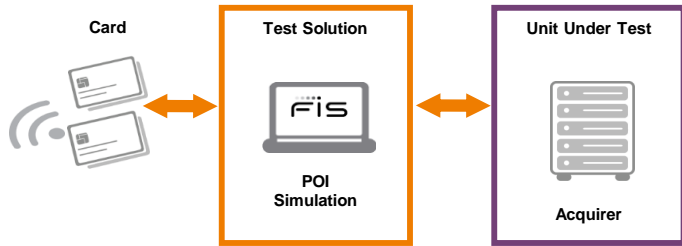




# Tools & testing solution based on NIS v4.0 specifications

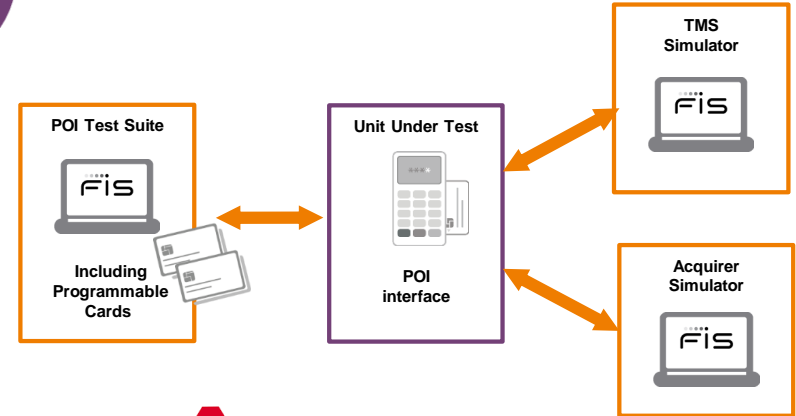
Acquirer testing

They use the latest nexo Acquirer V6



POI testing

They use the latest nexo FAST v3.1 specification



# Certification nexo IS 4.0

**LATEST NEWS**



The test tools for nexo IS 4.0 have been fully qualified by CFCF



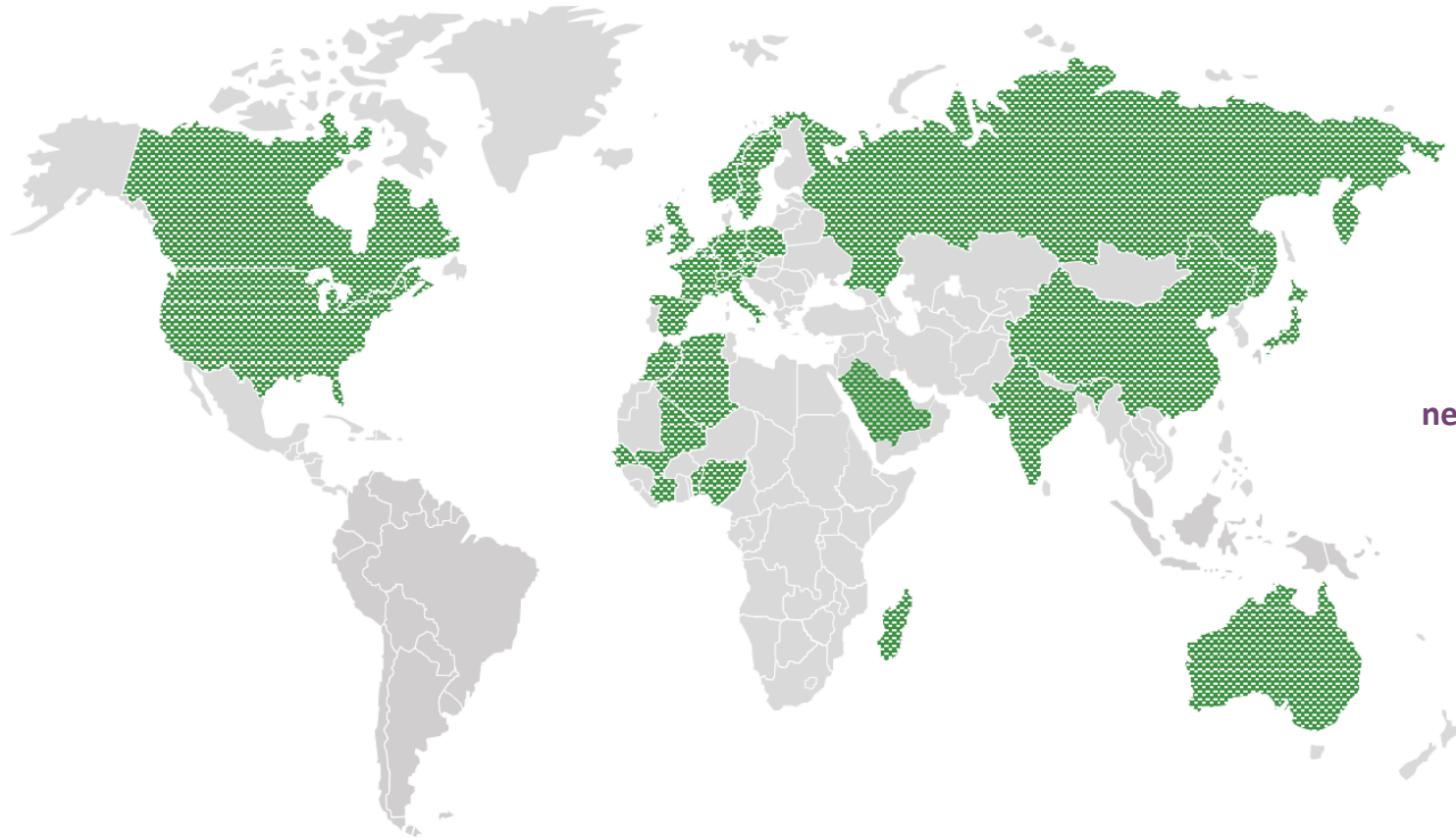
*“The CFCF Consortium decided to rely completely on the new version 4.0 of nexo IS and the new test tools validated under CFCF rules in May 2020 from now on.*”

*Therefore certifications of products using older nexo versions or delta certifications for products having implemented older nexo versions will not be allowed anymore.”*





# nexo world map



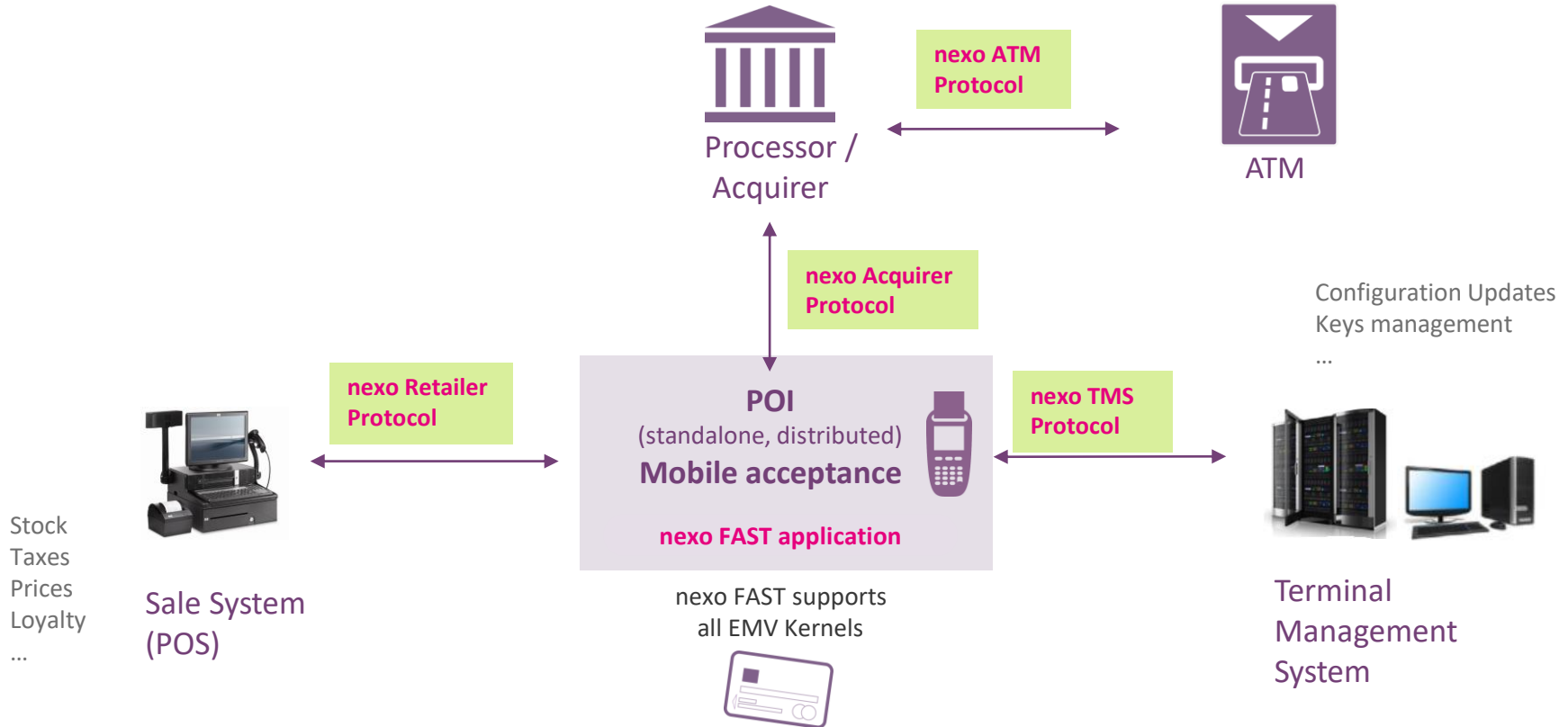
Where we see  
nexo standards activities



# **nexo specifications overview**



# nexo integration within the payment ecosystem





# nexo services & features

## Card services & features

- Payment
- Cancellation (Attended POI)
- Refund (Attended POI)
- Pre-Authorization
- Payment with Increased Amount
- Payment with Cashback
- Voice Authorization
- Deferred Payment (e.g. Petrol Pumps)
- ...

## Technologies

- Contact
- Contactless
- MagStripe
- e/m-commerce ; QRCode
- MOTO (Mail Order/tel order)



## Cardholder verification

All EMV defined methods: online PIN, offline PIN, signature, mobile code / CDCVM...

## Transaction acquisition

- Multi-acquiring feature
- Single message (data capture & authorization performed within the same message)
- Dual message (Data capture through completion message or through batch)

## POI configuration

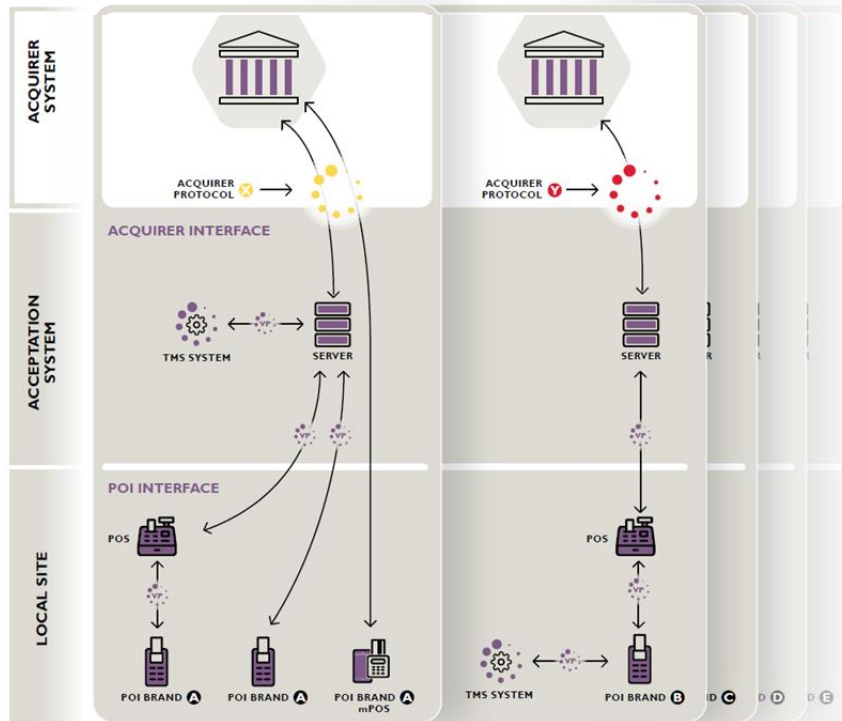
- POI application parameters
- Protocol parameters  
(eg. choice of data capture mode: single, dual...)
- Keys download
- ...



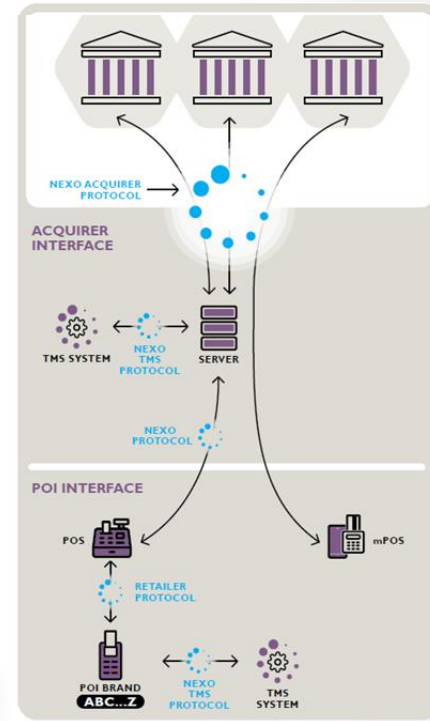


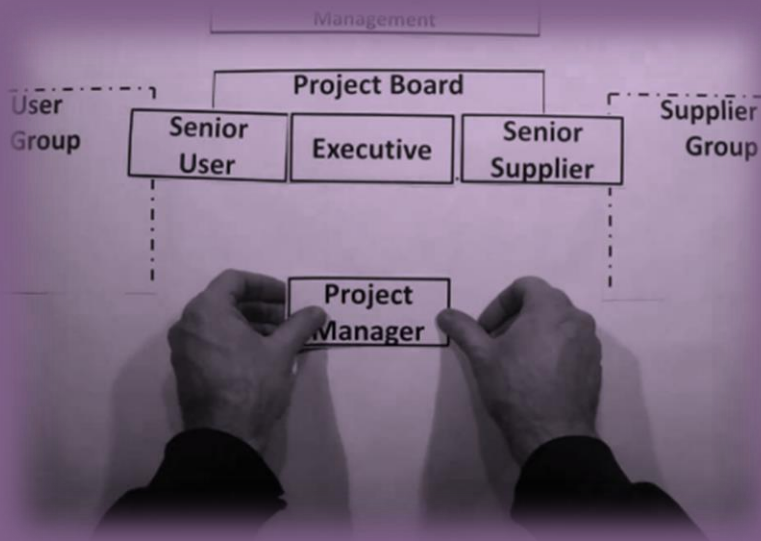
# What does a nexo-compliant infrastructure look like?

**LEGACY RETAIL**  
A FRAGMENTED ECOSYSTEM



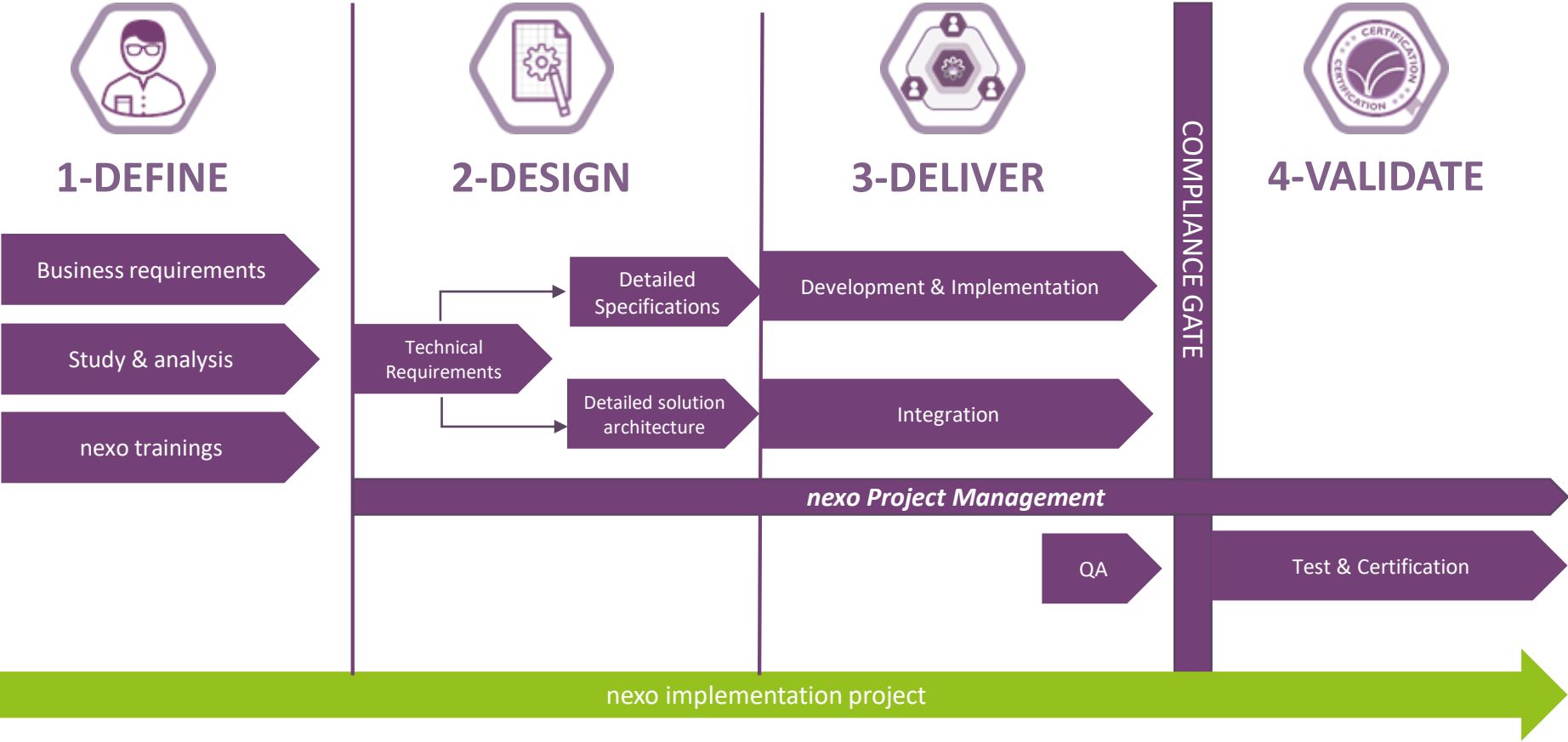
**NEXO RETAIL**  
A CENTRALIZED ECOSYSTEM





# Typical nexo project organization

# A typical nexo project implementation flow





# Strategic consulting & Technical advice

## Strategic consulting

- Define your opportunity & understand the potential business benefits
- Understand regulatory requirements & identify and manage business risks
- Define your requirements and identify the best way to deliver them

## Technical advice

- Design the targeted solution and specifications
- Design the test strategy, test plan & process digitization
- Benchmark and assistance to suppliers / partners selection
- Project organization and management

## Trainings

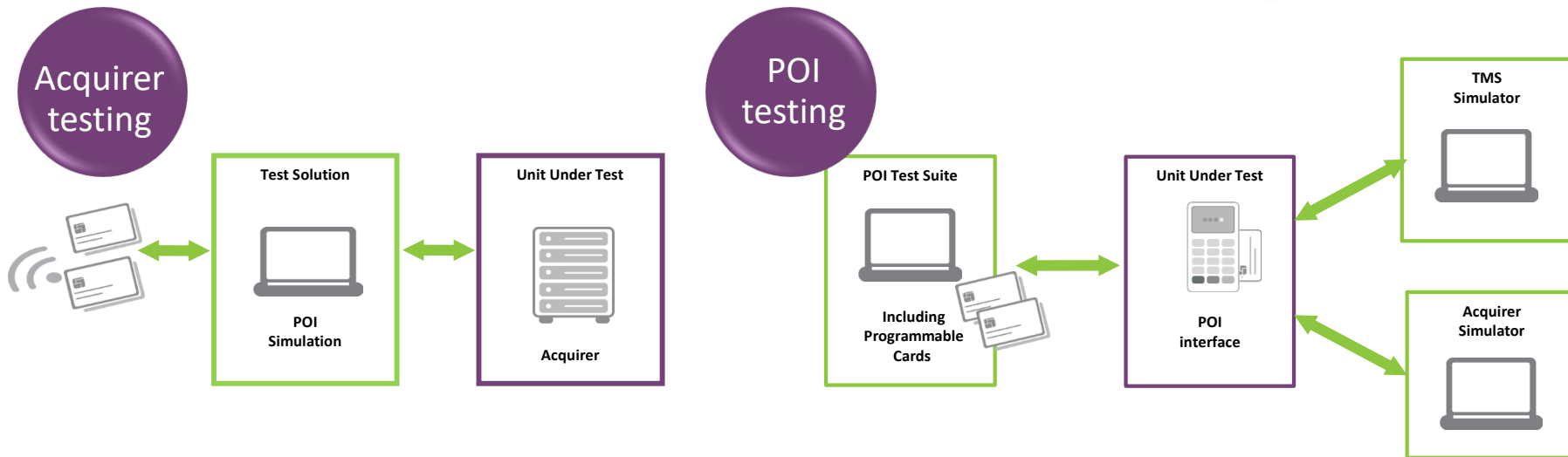
- Improve the knowledge of your team with accurate trainings

**FIME<sup>®</sup>**  
**Consulting**

WE ENABLE  
YOUR NEEDS



# nexo testing solutions (NISv4)



FIME received latest nexo standards lab accreditation by PayCert

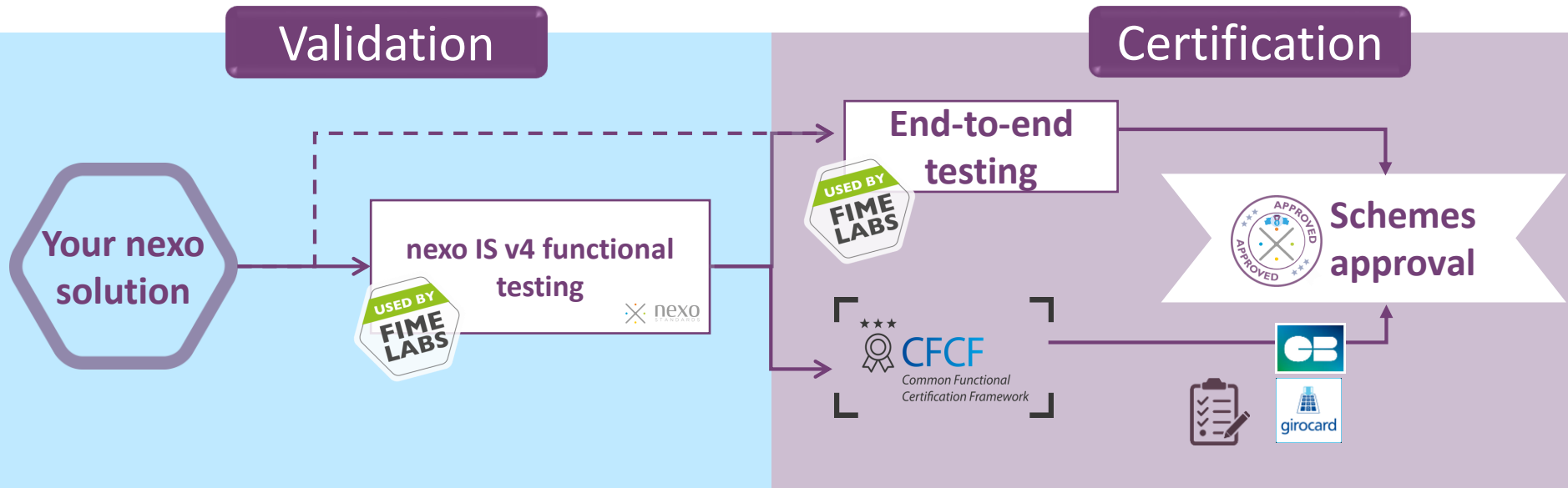


# nexo certification (NISv4)



## nexo IS v4.0 specification is the only one supported by CFCF

In addition of the schemes approval, the nexo IS v4.0 functional testing provides interoperability and quality insurance for all implementations



FIME performs level 3 test sessions for 13 domestic and international payment schemes





# Cases studies





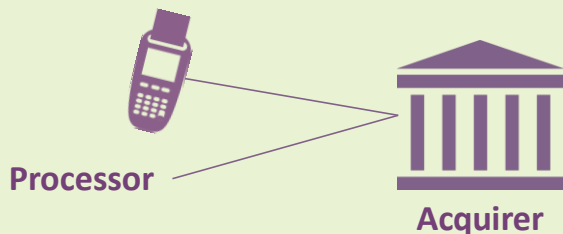
# nexo case studies



# CASE STUDY **deploying nexo**



## Banking acquiring services in multi countries



### Acquiring bank with two main activities:

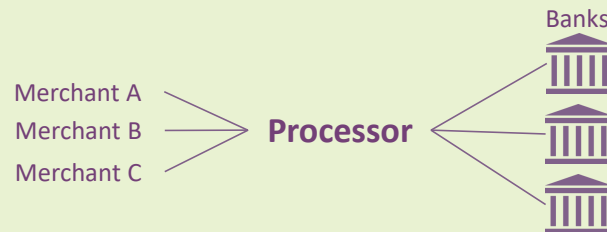
- Direct POS terminal management
- Acquiring services through processor

### Looking to expand their services in multi countries

The training allowed managers to understand nexo, in a concrete and updated way, with key business objectives.

Experts support the bank's technical team, and write adapted specifications to their own needs.

## Use of nexo for both merchant and bank sides



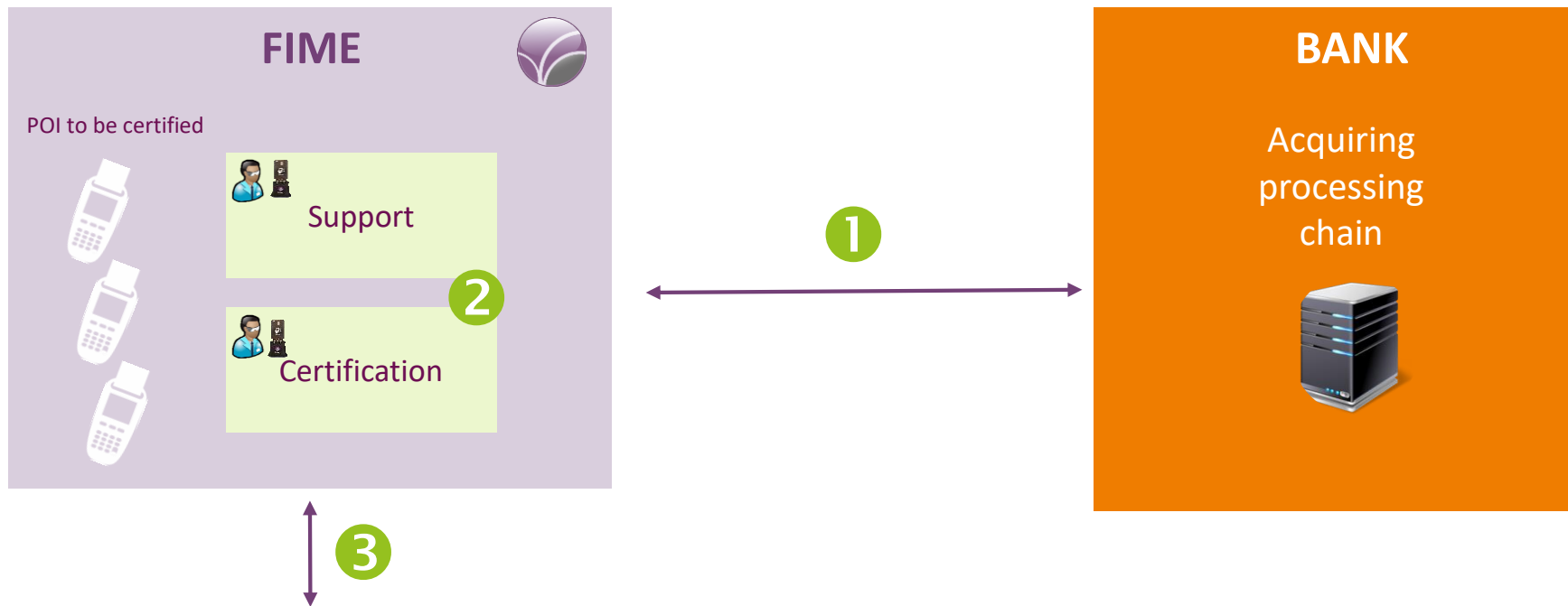
### Processor connecting merchants' acceptance payment systems with several banks.

- Payment systems with different protocols and message handling
- Banks under proprietary ISO 8583 protocol
- Certifications with schemes

The use of nexo standards is helping to save time and cost on the project integration.

This is now part of their by-default standard.

# CASE STUDY Full support to the POI certification



- ① FIME is the sole point of contact for certification projects
- ② FIME manages the functional testing and certifications needs
- ③ FIME coordinates exchanges between schemes, partners, certification authorities on behalf of the bank.





# Return on experience

**nexo standards implementations are successful and are more and more requested in various parts of the world**

Europe, India, Asia, Africa, USA, Canada, Russia



**nexo is not just a technical approach,  
it's mostly a business one.**

As nexo specifications are very technical, it is important to understand the business requirements of the customer to define the adapted strategic plan for the nexo deployment.



# Value proposition

- **Easier deployment and faster time-to-market**
- **Centralize card payment acceptance and acquisition**
- **Reduce costs, economies of scale**
- **Simplification of terminal management**
- **Foster the quality of service, competition and innovation**
- **Flexibility, security**
- **Vendors** champion innovation on a level playing field
- **Acquirers** strike bigger, volume based deals with retailers
- **Merchants** deliver a consistent POI UX & deliver more value-added services
- **Payment schemes** free capacity to support more innovative services & increase acceptance abroad

BENEFITS





**Q&A**





# Q&A (1/4)

## ◆ **Q1: Is nexo supporting biometry authentication?**

**A1:** There is not only one biometry authentication method.

nexo is not yet working on all biometry authentication methods. nexo protocols are open and under ISO20022 standard, thus any specific field required for biometry could be added easily.

Some biometrics are covered by nexo FAST specifications (e.g. contactless biometric card).

## ◆ **Q2: What are the average cost savings after having implemented nexo standards between the POS and POI?**

**A2:** It depends on the implementation scope and on the market. nexo implementation should be considered as an investment for the future.

For example: Subway disclosed officially last year its cost savings using nexo in its 44000 restaurants in 110 countries, around 7.6 M a year.





## Q&A (2/4)

- **Q3: I can't find any documents from the 'nexo user stories' or the 'nexo mobile acceptance' technical working groups on the nexo-standards.org website?**  
**A3:** Currently, the draft documents produced by nexo US (user stories) and nexo MA (mobile acceptance) are only available to nexo members.
- **Q4: How many POI's currently operate with nexo Acquirer protocol ? Which are the most advanced countries ?**  
**A:** nexo Annual Survey is on-going and figures will be communicated shortly.
- **Q5: It seems like there is a chicken-and-egg issue with implementing nexo standards. How has this been solved so far ? Can you share the best practices ?**  
**A:** Some nexo members have implemented and deployed nexo in several countries since 2013 nexo use cases are available on nexo website, [www.nexo-standards.org](http://www.nexo-standards.org).



## Q&A (3/4)

- **Q6: Syed Maroof: if the app is one-size-fits-all, how can custom flows like Loyalty management be incorporated?**

**A6:** nexo FAST application covers most of the payment brands Kernels, loyalty can be managed by a subsequent application and its specific Data Elements can be managed by nexo protocols. Some vendors are using nexo fast as the core system and adding requested applications according to the markets.

- **Q7: Based on your experience, how long will it take to migrate to nexo standards?**

**A7:** It depends on the project scope. nexo standards cover all the acceptance – acquiring scope. Implementing a nexo Acquirer Host will need 6-8 months. Implementing a nexo POI with nexo FAST, nexo Acquirer and nexo TMS will need 14-18 months.

Validation tools for POI and nexo acquirer are available easing the implementation.



# Q&A (4/4)

- **Q8: Is regulator adoption of nexo required ? Which key stakeholder needs to drive nexo in a given market?**

**A8:** nexo standards enable fast, borderless and global payments acceptance by standardizing the exchange of data between all payment acceptance stakeholders. The nexo specifications and messaging protocols adhere to ISO 20022 standards, are universally applicable and fully open.

It is more the Merchants members of nexo which mandate the usage of some nexo protocols (Subway). The vendors and the integrators play an important role in the market.

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# Thank you



# Contact FIME

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One Action. **A billion transactions.**

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