

23-24 January 2019
Kuala Lumpur

Digital Commerce Asia Pacific

*Expanding e-Payments Adoption,
Acceptance and Usage*

- Expanding e-payments acceptance
- QR code mobile payments
- P2P payments business
- Mobile commerce ecosystems
- New e-Payments frameworks
- Success with contactless cards
- Rescuing mobile NFC payments

- Real-time retail payments
- Integrating legacy and fintech
- Push vs pull payments
- New models for acceptance
- Next-generation cards
- Mobile devices and cards
- Biometrics in payments

On 23-24 January 2019, APSCA will organise Digital Commerce Asia Pacific at the Renaissance Hotel Convention Center in Kuala Lumpur, Malaysia.



The Question Everyone's Asking

The Asian payments industry is expecting that QR codes will redeem mobile payments at the point-of-sale and enable e-payments in new business segments. Financial institutions, fintechs, merchants and even transport operators are aiming to leverage the simplicity and flexibility of QR codes for off-line and online commerce. This excitement is being driven by the adoption and usage of mobile QR code payments in China but can that digital commerce success story be replicated in Asia Pacific?

Payments or Commerce

Contactless payments are faster and more efficient than cash. EMV specifications enable proven security and international interoperability. The payment card market in Asia continues to expand with contactless payment cards offering benefits to both consumers and merchants. But the mobile payments phenomenon in China was driven by digital commerce ecosystems. How can EMV contactless card (or mobile) payments integrate with and leverage digital commerce?

Accelerating e-Payments

Both mobile QR code payments and contactless payments support the objectives of Asian regulators to expand e-payments by displacing cash for low value transactions. But which is likely to have the greater impact on the adoption of e-payments in Asia? From the perspective of customers, merchants and payments product providers, how will contactless payments fit with mobile QR code payments to enable efficient, frictionless and successful commerce?

Mobile Payments (or Commerce) Solved?

For more than 10 years the industry has struggled to achieve success with mobile payments with only lacklustre results. Today over 520 million¹ mobile QR code payments users in China suggest the solution has been found. Consumers want mobile payments services that work seamlessly across online and off-line commerce including in-app, m-commerce, e-commerce, online P2P, face-to-face P2P, and at any merchant of any size whether or not they have a point-of-sale terminal device.

Rewriting the Payments (or Commerce) Business Model

Internet companies in China are rewriting commerce business models. By converging online and off-line commerce into digital ecosystems from which they collect big data on customer preferences, they can avoid the need to charge e-payments acceptance fees and instead sell merchants promotional services to attract customers. Will this be replicated outside of China and is this the future of e-payments and digital commerce? The QR code initiatives in other Asian markets may be the first test.



No Push without Pull?

Asia's mobile QR code payments excitement is focused on push payments where customers scan a merchant-presented QR code. Despite marketing that customers control their own payments, they are not quick or convenient. China's success with QR codes on mobile was driven by consumer-presented QR and pull payments which approach the ease-of-use and speed of mobile NFC payments. Will mobile QR code payments fly in Asia with only half the customer proposition?

Mobile Payments without Mobile Commerce?

Before the China success story mobile payments were labeled as a solution looking for a problem. Industry experts talked about integrating mobile payments with loyalty to incent customers to use their mobile phones at the POS. But most loyalty initiatives are restricted "walled gardens". In China the Internet companies are offering incentives to customers by integrating mobile payments with digital ecosystems that are larger than Amazon. Is this the only solution for success with mobile payments?

Success with Contactless Payments

Adoption and usage of EMV contactless payment cards is creating convenience for consumers and business efficiencies for merchants. They are expanding e-payments by displacing cash for low value transactions. EMV contactless cards are faster and easier to use than QR code mobile payments and their acceptance in public transport ticketing could expand the opportunity still further. But will they only be successful in markets where card payments are mature?

What's Next for Mobile NFC Payments?

Mobile NFC payments look disappointing so far. In markets where customers enthusiastically adopt EMV contactless cards they remain ambivalent about the "Pays" and HCE-based mobile apps are less popular. Mobile NFC is an efficient payment method at the point-of-sale but only QR codes have succeeded in converging P2P, online and off-line commerce for mobile payments. Without P2P and online, is there a long-term future for mobile NFC payments?

Avoiding Fragmentation in Mobile Payments

The homogeneity of interoperable EMV mobile NFC payments avoids fragmentation for merchants leaving customers to select products based on service. If all banks and fintech companies in Asia launch mobile QR code payments products the resulting fragmentation could create obstacles for merchants and customers. Interoperable QR code payments are essential, even for companies in China. How do we manage the fragmentation and competition that looks likely to emerge?



BUSINESS & TECHNOLOGY ISSUES

Redefining Digital Commerce

Digital commerce now means more than online shopping. The Asian payments industry is hoping that QR codes will redeem mobile payments at the point-of-sale (PoS) and enable e-payments in new business segments. Can China's success story be replicated in Asia Pacific?

Accelerating e-Payments Acceptance and Usage

Regulators across Asia are focused on accelerating e-payments acceptance and usage. Payments stakeholders from both contactless card-based systems and the fintech new entrants are keen to help. How do these very different organisations plan to expand the e-payments universe?

P2P and e-Payments

Social payments only enable credit transfers between friends. Enabling P2P transactions between strangers is the next evolution in e-payments, allowing anyone to conduct commerce. What will be the impact of allowing everyone to become a merchant and accept online or offline payments?

Developing e-Payment Frameworks

Asian central banks are setting up new regulatory frameworks to support domestic mobile QR code-based payments infrastructures. How do these initiatives differ, do they use open APIs, do they support real-time or card-based transactions, and how will they accelerate e-payments?

IN - Contactless Payment Cards

EMV contactless is the future of cards. The rapid uptake of contactless payment cards has been proven to expand e-payments by displacing cash¹ for low value transactions. Will the impact of contactless payments in Asia be limited to markets that are dominated by card payments at the PoS?

OUT - Mobile Contactless

In contrast to contactless cards, the progress of the "Pays" and HCE-based apps that use mobile NFC payments at the PoS is disappointing. The Asian payments industry appears to be shifting its mobile focus to QR codes. What are the reasons and is there still a future for mobile NFC payments?

Retail Payments in Real-time

Payments that match the speed of instant messaging are a natural fit with digital commerce. Mobile real-time payments at micro-merchants can grow e-payments acceptance but will this expand to larger retailers and transition the point-of-sale from card-based to instant payments?

Commerce Ecosystems vs Payments Solutions

Asia's new fascination with QR code-based mobile payments was sparked by phenomenal adoption in China. But that success was built on Internet commerce ecosystems that facilitated pull and push payments at POS. Will Asian payments stakeholders be able to achieve the same success?

Banks Versus Fintech

The success of QR code mobile payments in China was created by third party Internet commerce companies connecting to customer bank accounts (for real-time and card-based payments). Will that fintech invasion be repeated across Asia? Then what is the role of banks in this new era of digital commerce?

Building a New ePayments Ecosystem

The new digital commerce is being driven by collaborating and competing partners that include banks, fintechs, payment schemes, retailers and more. How should they integrate to work together and what kind of "co-opetition" will drive or hinder e-payments adoption and usage in Asia Pacific?

Securing Digital Commerce

Card payments have a long history of security innovation. With the growing number of mobile e-payments services, how should the industry, including banks and non-banks, ensure that customers (particularly cardholders and micro-merchants) are protected against fraudsters?

The Next Generation of Payment Cards

Despite e-payments excitement, the payment cards market continues to grow and issuers are offering active cardholders a variety of next-generation cards with new capabilities targeting increased security and greater convenience. What is the outlook for card payments?

1 - <https://www.rba.gov.au/publications/bulletin/2017/mar/pdf/bu-0317-7-how-australians-pay-new-survey-evidence.pdf>

PROGRAM OUTLINE



**Jan. 23rd
Wednesday**

INTRO	Objectives
	Collaborating while competing to maximize success
SESSION 1	Roadmap for Digital Commerce
	The transition from payments to commerce
	QR code-based mobile payments at the POS
	Replicating China's mobile payments success
	Card payments, mobile payments, instant payments
	Expo, Refreshments, Networking
SESSION 2	Developing e-Payment Frameworks
	New models for payments networks
	Push/pull transfers vs issuance/acceptance
	For real-time payments and card payments
	Integrating banks, non-banks, merchants
	Lunch
SESSION 3	The New Mobile Commerce
	Anyone can sell, everyone can buy
	P2P credit transfers between strangers
	Transitioning to push & pull payments
	Converging off-line and online commerce
	Expo, Refreshments, Networking
SESSION 4	Building a New Ecosystem
	Creating a new e-payments landscape
	Banks and fintech companies
	Merchants, micro-merchants, customers
	Inter-scheme interoperability
SESSION 5	Roundtable discussions
	Strategies for industry collaboration
	Avoiding market fragmentation
	Thinking ahead - cross-border
CLOSE	End of day 1

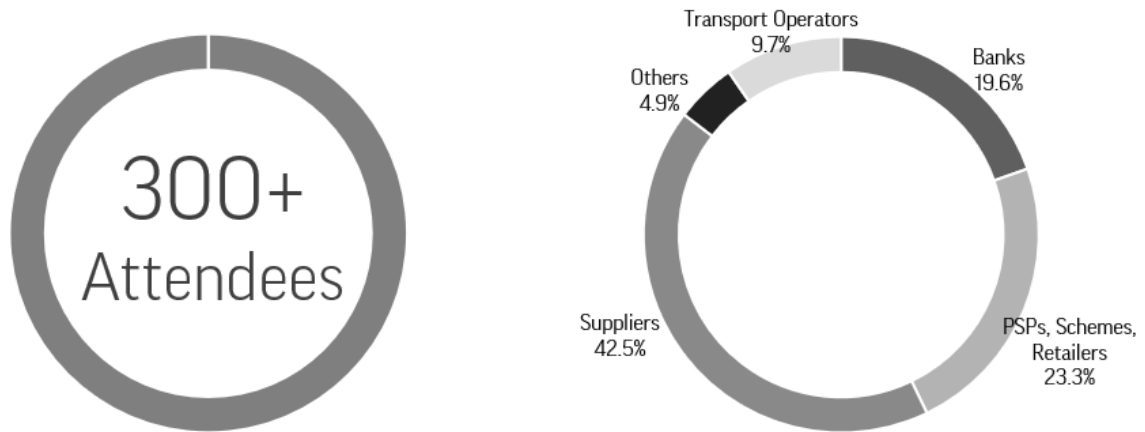


**Jan. 24th
Thursday**

INTRO	Review
	Integrating fintech and card-based payments
SESSION 6	Contactless Payments
	The first global success in displacing cash
	EMV proximity payments roadmap in Asia
	Open payments in transport systems
	Facilitating contactless acceptance
	Expo, Refreshments, Networking
SESSION 7	Next Generation Payment Cards
	Why payment cards are still growing
	How payment cards fit with mobile
	Fintechs issuing payment cards
	Replacing PINs with biometrics
	Lunch
SESSION 8	Mobile NFC Payments
	Analysing reasons for results so far
	NFC versus QR code-based payments
	Adoption in transport vs retail
	Integrating NFC with mobile commerce
	Expo, Refreshments, Networking
SESSION 9	Go-to-Market Issues
	Educating merchants and consumers
	Customer education and protection
	Making e-payments easy for all merchants
	Industry co-opetition to drive new e-payments
CLOSE	End of conference

Track Record

Over the last 20 years APSCA has organised more retail payments events than any other organisation in Asia. From 2001 to 2005 we organised the first national EMV migration forums educating issuers and acquirers on how to migrate to chip in markets across Asia-Pacific, hosted by regulators and supported by the members of EMVCo. From 2006, APSCA organised the first conferences exploring the emerging technologies of EMV contactless payment cards and mobile NFC payments in markets across Greater China and Asia-Pacific. In 2010 APSCA began organising a series of payments forums exploring what comes after EMV, informing the payments industry about successful case studies for EMV migration, EMV contactless payments, and the latest innovations such as EMV contactless payments in transit, instant payments and mobile QR code payments.



Attendance at APSCA's 2017 payments conference

What people said about previous APSCA payments events :



This was one of the best events I have seen in last few years which covered a wide spectrum of digital and physical payments. It was great to hear from various stakeholders including banks, solution providers, regulators and influencers together at the same place. I look forward to similar engagement with industry leaders in the future.

Ajay Kumar, Entrust Datacard



The forum was very informative in terms of content about card payments and related digital finance matters. At the same time, as an attendee I found it to be a great opportunity for networking and cooperating.

Chau Pham, TPBank



The Asian Payment Card Forum puts together a comprehensive program covering the latest payment industry movement along with regional focus and perspectives that are relevant to the Asian audience. I look to APSCA to continue providing a forum for the Asian payment community to help push things forward.

Jack Pan, EMVCo

