

MONTHLY JOURNAL



Payments Journal

July 2020

A summary of key Payments-related news in
Canada and globally.



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EXECUTIVE SUMMARY

This past July our country celebrated its 153rd birthday, although that wasn't the only reason for celebration in Canada as Canadian FinTechs and government actions have made headlines as well. Apple's acquisition of Montreal's startup Mobeewave Inc. will hopefully give other Canadian paytechs inspiration to achieve similar results. Mobeewave's technology will turn iPhones into POS terminals and put Apple into direct competition with Square.

Top Canadian banks are supportive of the FDX's launch in Canada which is a positive step towards the adoption of consumer-directed finance (formerly known as open banking) in Canada. Banks and FinTechs in Canada are joining forces with a mission to develop a secure, common, interoperable, flexible, and royalty-free industry standard for financial data sharing as a prerequisite for the consumer-directed finance mandate.

In Ottawa, the Bank of Canada is aiming to develop a central bank digital currency (CBDC), which is a strategic move for Canada towards digital payments innovation. The month of July was filled with crypto news as Wealthsimple, PayPal, and Revolut have started offering crypto trading, while Visa and Mastercard have announced accepting crypto currencies.

Shopify and the Canadian government have joined forces in helping SMBs with appropriate support programs that will hopefully ease up the economical struggle caused by COVID-19.

Lastly, I'd like to mention Walmart Canada's announcement of a significant investment in eCommerce and distribution which, hopefully, will translate into more jobs for Canadians.

Enjoy the journal!

Marko Pavlovic

Digital Payments Practice Head at Prodigy Labs



COVID-19 IMPACTS

1

SHOPIFY and CANADIAN government join forces in helping small business during COVID-19 crises

“ Go Digital Canada is a new initiative offered by Shopify and the Canadian government to help Canadian small businesses go online while supporting them in their digital transformation. Shopify has labeled the new initiative a “central resource hub” where small business owners can get support via Shopify business tools, and advisory services offered by Shopify’s partners and experts. Go Digital Canada will also offer educational resources and courses offered by Shopify and its partner network. Small business owners that register for Shopify’s platform before October 1 will also receive a 90-day free trial, 24/7 support, a tap and chip reader, live webinars and more.

”
[Click here to read full article: Shopify, Canadian Government launch initiative to help small businesses grow online amid COVID-19](#)



COVID-19 IMPACTS

2

Canadians are further distancing from cash and bank branches amid virus fears

“Based on a new study by McKinsey & Co. Canadians are trying to reduce physical contact with others, thus continuing to use contactless payments (26% increase) and avoiding cash (42% decrease). South of our border only 22% of respondents have indicated they reduced the use of cash based on the June’s survey.”

[Click here to read full article: Consumers in Canada shun cash and bank branches on virus fears](#)



COVID-19 IMPACTS

3

[COVID-19 has given a new purpose for use of QR codes](#)

“ Even though QR codes have been available for many years, the recent COVID-19 crisis has catapulted QR codes as one of the most preferred payment methods. QR codes have been widely adopted in China, even before the COVID-10 crisis by Alipay and WePay. However, recent adoption of QR codes by Walgreens (via Alipay) and Apple (Apple Pay) will further stimulate the adoption. Based on Tencent’s 2020 Pandemic and the QR code Economy Report, the WeChat QR code usage has increased by 25.86% from 2019. ”

[Click here to read full article: QR Codes Enjoy A Renaissance In A Post-COVID World](#)



E-COMMERCE

1

Walmart Canada to significantly invest in eCommerce and distribution

“ According to the Payers’ article Walmart Canada’s strategic focus over the next five years will be bringing physical and online shopping experience closer together while making sure that distribution and fulfilment are top-notch. These strategic goals will be supported with USD 2.6 billion and the funds will go mostly in new construction and upgrades to distribution centres. In addition, eCommerce deliveries will be expedited, and “smarter” stores and omnichannel retail experiences will be improved. ”

[Click here to read full article: Walmart Canada to invest USD 2.6 bln in ecommerce and distribution](#)



E-COMMERCE

2

PSP Checkout.com research shows significant losses due to fraud and inability to understand the key payments data

“ Based on PSP Checkout.com research, UK merchants are losing over USD 2.3 billion a year due to false declines (legitimate transactions deemed as fraud), and the US is even worse with USD 15 billion of the same problematic transactions. Given the COVID-19 crisis and its effects, it is something that businesses cannot afford. The research reveals an even more shocking statistic: around 65% of merchants have no insights into why, when and how customer payments have been declined, which is unbelievable in our current times where we have modernized payments and data solutions. ”

[Click here to read full article: COVID-19 predicted to cause over a 6% global downturn on ecommerce payments - study](#)



E-COMMERCE

3

[Click to Pay standard goes global](#)

“ Global payment scheme leaders Visa, Mastercard, American Express, and Discover have announced a global roll out of ‘Click to Pay’, an online standard which launched in the US in 2019 with more than 10k merchants already onboarded. Technical preparations for Click to Pay are underway by each card brand based on the EMV Secure Remote Commerce standard. After the US, Click to Pay will expand to additional countries such as Australia, Brazil, Canada, Hong Kong, Malaysia, Ireland, Singapore, GCC countries, and the UK. ”

[Click here to read full article: Card schemes to take Click to Pay standard global](#)



E-COMMERCE

4

Partnership between Mastercard and Microsoft to focus on eCommerce innovation

“An announcement between the two industry leaders comes with a vision of joint collaboration that will “shape the future of digital commerce, drive startup innovation, and enable financial inclusion.” Mastercard Labs’ research and development activities will be supported by Microsoft’s Azure and AI, with goals of minimizing risks in eCommerce while commercializing new technologies and platforms. Mastercard’s partners will be able to leverage Microsoft’s technology for building and scaling new solutions.

[Click here to read full article: Mastercard, Microsoft team up to innovate digital commerce](#)

B2B PAYMENTS, REAL-TIME PAYMENTS, AND ISO 2002

1

“American Express One AP” solutions helps businesses with back-office processes

“ American Express has launched an automated accounts payable solution, named American Express One AP, which will help businesses with B2B payments processing. This new solution is built on the technology acquired from Acompay in 2019 making the supplier payments’ processes become more efficient, digital, and seamless. With American Express One AP businesses will be able to accept different payments methods: virtual cards, ACH, and checks. Given the COVID-19 crisis and inability to physically access back-office solutions, many businesses are in trouble, which gives American Express’ solution strategic advantage at the right time.

”

[Click here to read full article: American Express Launches Automated AP Solution To Help Digitize B2B Payments](#)

B2B PAYMENTS, REAL-TIME PAYMENTS, AND ISO 2002

2

FINTAINIUM partners with Bill2Pay

“ Prodigy Labs’ partner Fintainium, a financial automation workflow management platform, has partnered with Bill2Pay in order to advance the automation and integration of reimbursements’ solutions for utilities, insurance firms and government agencies. Bill2Pay is a billing, payments, and customer engagement company processing millions of payments with operations centers and industry-leading technology. Fintainium facilitates quick settlement of AP/AR transactions and it allows payments optimization for billers and payers. ”

[Click here to read full article: FINTAINIUM inks payments partnership with Bill2Pay](#)

OPEN BANKING

1

[Top Canadian banks behind the FDX's launch in Canada!](#)

“ Open Banking is finally gaining some momentum in Canada. Financial Data Exchange, LLC (FDX) has been launched as an industry coalition of 31 organizations with a mission to develop a secure, common, interoperable, flexible, and royalty-free industry standard for financial data sharing as a prerequisite for the Open Banking mandate. The top five Canadian banks are taking part in the coalition along with Equitable Bank, Interac, Flinks, Intuit, Mastercard, KOHO, Visa, Xero and others. FDX already operates in the US where the FDX APIs have already been adopted by over 100 firms and enabled for more than 12 million consumers. Here's to hoping the same success will follow soon in Canada. ”

[Click here to read full article: Leading Canadian Financial Services Firms Moving to Adopt the FDX Technical Standards for Secure Financial Data Sharing](#)

OPEN BANKING

2

Open Banking is live in Australia

“ After a delayed launch in January the Open Banking rules are now in effect in Australia and citizens of this country can now choose to share their banking information with third party providers. Australians can share credit and debit card data, as well as deposit and transaction accounts data, while mortgage and personal loan data will be available for sharing in November. The Australian Competition and Consumer Commission (ACCC) is expecting more than 40 providers to get accredited for access to customers’ data. ”

[Click here to read full article: Australia takes first steps towards Open Banking](#)

OPEN BANKING

3

[Revolut launches Open Banking in France](#)

“ More than one million Revolut customers in France will be able to connect their bank accounts with Revolut. Some of the participating banks are Banque Populaire, Credit Agricole, Societe General, BNP Paribas amongst other French banks. Revolut customers will be able to view account balances and transactions in the Revolut app through the financial API, developed by TrueLayer. Revolut customers will be also able to top up their accounts directly from one of their linked bank accounts in the near future. ”

[Click here to read full article: Revolut launches Open Banking for its French customers](#)

BLOCKCHAIN AND CRYPTO

1

[VISA will offer Bitcoin, Ethereum and Ripple payments](#)

“ VISA has announced a roadmap that will enable crypto platforms to offer its users conversion between cryptocurrencies into fiat currencies. Leveraging VISA Direct, users will be able to instantly convert any crypto currency they trade. Visa has been working with regulated platforms such as Coinbase and Fold, which will link 25 crypto wallets to VISA’s cards and prepaid cards. ”

[Click here to read full article: VISA reveals plans to offer Bitcoin, Ethereum and Ripple payments](#)

BLOCKCHAIN AND CRYPTO

2

[Revolut has announced cryptocurrency trading in US in partnership with Paxos](#)

“ Revolut users in the US can now trade Bitcoin and Ethereum in the Revolut app. Users will be able to manually exchange USD or other currencies in their account for two crypto currencies and set up alerts if prices change. Revolut users with a free account will be paying 2.5% in conversion fees, while Premium users will pay 1.5% in fees. ”

[Click here to read full article: Revolut launches cryptocurrency trading in US](#)

BLOCKCHAIN AND CRYPTO

3

Mastercard enables crypto firms quicker onboarding onto Mastercard's platform

“ Mastercard has responded to the crypto movement by updating its Accelerate program, which will accelerate partners' card offerings and provide easier access to Mastercard's cryptocurrency programs. Participants will be offered Mastercard's services: insights, cybersecurity services, and assistance in growth and transformation. The Accelerate program will also enable participants to connect with other companies via APIs for payments, security and analytical purposes. Given that Mastercard has just recently granted Wirex a Mastercard principal membership, enabling them to issue payments cards directly, this is another right move for Mastercard to bridge fiat and cryptocurrency exchange closer together. ”

[Click here to read full article: Mastercard Expands Crypto Card Partner Program](#)

BLOCKCHAIN AND CRYPTO

4

Large Chinese companies are helping digital yuan project gain momentum

“ Digital yuan initiative is progressing with more optimism despite the COVID-19 crisis, reports Cointelegraph. The Digital Currency Electronic Payment (DCEP) or commonly known as digital yuan has been supported by a number of large Chinese companies who have joined the project. Meituan Dianping (China’s largest wholesale and delivery platform), DiDi Chuxing (Chinese Uber counterpart), Billbill (streaming platform) have started testing and implementing the technology that the People’s Bank of China is running as part of the DCEP project. ”

[Click here to read full article: Corporate testing of digital yuan gains momentum](#)

BLOCKCHAIN AND CRYPTO

5

[PayPal offers new cryptotrading services in partnership with Paxos](#)

“ Paxos has been selected by another payments provider, this time PayPal, as their crypto trading partner. Paxos will be responsible for the supply of digital assets as part of their Crypto Brokerage platform. PayPal is becoming the most recognized, mainstream platform that will offer cryptocurrency purchases. However it is still unclear which ones. ”

[Click here to read full article: PayPal selects Paxos to supply cryptocurrency for new service](#)

BLOCKCHAIN AND CRYPTO

6

Singapore's National Payments System project Ubin is ready for mainstream commercial deployment

“ Singapore has been one of the leading countries when it comes to financial innovation and their latest project, Ubin, is just another proof for that. Project Ubin is the blockchain payments project that will lay the foundation for countries looking to regulate crypto. Singapore's National Payments System is running the project with the purpose of making cross-border payments more interoperable and hassle free. Given that Singapore is often on the leading edge, it will be no surprise if Project Ubin serves as the blueprint for other jurisdictions looking to adopt the same regulation. ”

[Click here to read full article: Singapore's National Payments System Can Guide Global Crypto Adoption](#)

BLOCKCHAIN AND CRYPTO

7

Wealthsimple is the newest FinTech to offer crypto trading service

“Wealthsimple will be offering its users commission-free trading of Bitcoin and Ethereum but only as a private beta through invitations. Wealthsimple’s crypto will be part of Wealthsimple Digital Assets Inc., a new subsidiary of Wealthsimple Financial Corp. which was registered for a multitude of new financial services. The new service has been registered with FINTRAC and Wealthsimple is currently working with the Ontario Securities Commission (OSC) on getting the regulatory sandbox framework offered to its clients.”

[Click here to read full article: WealthSimple to expand into crypto trading](#)

BLOCKCHAIN AND CRYPTO

8

[Bank of Canada is aiming to develop a central bank digital currency \(CBDC\)](#)

“ Coingeek reports that the country’s central bank is planning to develop a digital dollar available to all Canadians with a focus on accessibility and inclusion. CBDC should mimic bank notes on the blockchain with the same availability and accessibility as fiat currencies. ”

[Click here to read full article: Bank of Canada: Digital dollar to focus on accessibility and inclusion](#)

DIGITAL PAYMENTS

1

[Google launches Shoploop, an innovative e-commerce platform](#)

“ Given that more online shoppers are relying on user reviews before making a purchase, Google has responded to customer feedback and demands by launching Shoploop. This new platform will offer expert reviews from real people on various cosmetic products (skincare, hair care) with a mix of social media and e-commerce. User testimonials will be offered via video comments with the goal of closing the gap between customer testimonials and e-commerce. ”

[Click here to read full article: Google Launches Video-Shopping Platform Shoploop](#)

DIGITAL PAYMENTS

2

[Brazil is finally getting WhatsApp payments](#)

“ After initially approving and then suspending the newly launched WhatsApp payments service, Brazil’s Central Bank has announced that it will authorize Facebook’s messaging service to send money and offer payments. There are still some conditions for the go-live project but most importantly all the major risks identified by Brazil’s Central Bank around competition, data privacy, and efficiency were mitigated by Facebook. ”

[Click here to read full article: Brazil Central Bank to authorize payments system involving WhatsApp](#)

DIGITAL PAYMENTS

3

[Instagram now offers shopping page, the Shop, with brands and collections for purchases](#)

“ Facebook is further monetizing its subsidiaries. After WhatsApp Pay launched in Brazil and India, Instagram users will be offered purchasing options within Instagram without the need to leave the app or re-enter the payment information. The Verge reports that the Shop page will have personalized recommendations for shopping and Facebook Pay will be a method of payment. Instagram will charge a selling fee for purchases made within the app and this service will be offered in the US first. ”

[Click here to read full article: Instagram launches a dedicated shopping page to highlight brands and collections](#)

DIGITAL PAYMENTS

4

[Apple acquires Canadian startup Mobeewave Inc. to turn iPhones into POS terminals](#)

“ Mobeewave will enable small-medium sized businesses (SMB) to accept credit card payments via iPhone (tap-to-pay) without requiring any other hardware except NFC chips. Samsung has previously partnered with the Montreal startup but Apple was more decisive in getting the technology and team under their umbrella for a reported \$100 million. With the acquisition of Mobeewave, Apple became Square’s major competitor for SMB payments. ”

[Click here to read full article: Apple Buys Startup to Turn iPhones Into Payment Terminals](#)

INTERNATIONAL REMITTANCE

1

[B2B cross-border payments to grow by 30 percent by 2022](#)

“ As per recent Juniper Research, studies show B2B cross-border payments will reach USD 35 trillion or 30% increase from 2020 (USD 27 trillion). Given the COVID-19 crises this means that 2019 numbers will only recover in 2022. Instant payments will account for 9.3% of B2B transactions while the blockchain networks e.g. Ripple will disrupt the existing cross-border payment market. ”

[Click here to read full article: B2B cross-border payments to grow by 30 percent to USD 35 tln by 2022, study](#)

INTERNATIONAL REMITTANCE

2

[Currencycloud has partnered with Ripple](#)

“ Currencycloud which is one of the global leaders in B2B cross-border payments has partnered with Ripple, an enterprise blockchain payments solution provider. Currencycloud will be processing cross-border payments on RippleNet thus diversifying their network with low-cost payments around the world. ”

[Click here to read full article: Currencycloud to process cross-border payments on RippleNet](#)

FINTECH, PAYMENTS AND MORE

1

Prepaid industry in Canada is becoming a backbone for FinTech's digital banking and payments products

“Based on the study by the Canadian Prepaid Providers Organization (CPPO), new FinTechs and incumbents are increasingly utilizing prepaid technology. According to CPPO, Canada's prepaid industry has also generated USD 5 billion in 2019, which is a 12% increase from 2018. Solutions like Stack, Koho, Revolut are leveraging prepaid card technology for their service offerings.”

[Click here to read full article: Canada's prepaid industry reaches USD 5 bln in loads in 2019; drives fintech sector](#)

FINTECH, PAYMENTS AND MORE

2

[The UK Government kicks off FinTech industry review](#)

“ While we are still waiting for a national FinTech strategy, the UK Government has initiated a review of their FinTech industry, which has been identified as one of the key sectors for economic recovery caused by COVID-19. Former CEO of Worldpay, Ron Kalifa, is leading the independent FinTech Strategic Review, with focus on establishing priorities for the UK FinTech industry, and bringing not only FinTechs together but also policy makers, and regulators. It is estimated that the UK’s FinTech industry is employing around 60k people with a value of £7 billion. The Governance board has identified at their inaugural meeting the following five workstreams as priority: skills and talent, investment, national connectivity, policy, and international attractiveness. ”

[Click here to read full article: UK Government kicks off fintech review](#)



FINTECH, PAYMENTS AND MORE

3

More than 500 global cities are accepting Visa's contactless payments

“ As per Business Insider, Visa has introduced their contactless payments for public transportation in over 500 cities, thus supporting the rising need for modern and safer payment options. Visa-branded cards will be available at Cubic Transportation Systems in London, Miami, New York, Sydney, and Vancouver. Visa's project (tap-to-pay) is already live in Europe (Brussels, Bratislava, Bucharest, and Turin), Asia (Hong Kong), and Caribbean (Santo Domingo). ”

[Click here to read full article: Visa launches contactless payments on public transport in 500 cities](#)

FINTECH, PAYMENTS AND MORE

4

Despite the COVID-19 crises global FinTechs are closing good number of investments deals

GoMedici research reports that in June global FinTechs have closed 212 deals, which is a 7% increase MoM than the 198 deals made in May this year. However, the value of June's investments (\$3.3 USD billion) is less than the investments made in May (\$3.46 USD billion). The America's led the VC funding with 74.4% in contribution funding value (\$2.46 USD billion).

[Click here to read full article: June 2020 FinTech VC Funding Stats – RegTech, InsurTech & Digital/Neobanks Top the Charts](#)

FINTECH, PAYMENTS AND MORE

5

[Visa launched POS installment payments solution pilot \(Visa Installments\) in the US](#)

“ Given the increased demand for installment payments Visa has launched Visa Installments, leveraging Visa’s APIs and network of various enablers. Visa will use the existing parts of the credit system in order to scale up installment payments. Visa’s enablers will streamline issuer and seller integration at the seller’s digital POS. TSYS is the first technology partner that will offer Visa Installments. Commerce Bank is the first US issuer to launch an installment plan pilot. ChargeAfter has launched Visa Installments in cooperation with 42nd Street Photo and Tire Agent, and the Room Place. The Kibo Commerce marketplace will be allowing its sellers to offer Visa Installments in the near future. ”

[Click here to read full article: Visa Launches Visa Installments Pilots in the US](#)



LIST OF ARTICLES

- [B2B PAYMENTS American Express Launches Automated AP Solution To Help Digitize B2B Payments - Pymnts.com - July 14, 2020](#)
- [FINTAINIUM inks payments partnership with Bill2Pay - The Paypers - July 20, 2020](#)
- [Shopify, Canadian Government launch initiative to help small businesses grow online amid COVID-19 - Betakit - July 15, 2020](#)
- [Consumers in Canada shun cash and bank branches on virus fears - BNN Bloomberg - July 13, 2020](#)
- [QR Codes Enjoy A Renaissance In A Post-COVID World - Pymnts.com - July 8, 2020](#)
- [Canada's prepaid industry reaches USD 5 bln in loads in 2019; drives fintech sector - The Paypers - July 14, 2020](#)
- [UK Government kicks off fintech review - Finextra - July 20, 2020](#)
- [Visa launches contactless payments on public transport in 500 cities - The Paypers - July 20, 2020](#)
- [June 2020 FinTech VC Funding Stats – RegTech, InsurTech & Digital/Neobanks Top the Charts - Medici - July 13, 2020](#)
- [Visa Launches Visa Installments Pilots in the US - Pymnts.com - July 14, 2020](#)
- [VISA reveals plans to offer Bitcoin, Ethereum and Ripple payments - Crypto News Flash - July, 2020](#)
- [Revolut launches cryptocurrency trading in US - The Paypers - July 16, 2020](#)
- [Mastercard Expands Crypto Card Partner Program - Pymnts.com - July 20, 2020](#)
- [Corporate testing of digital yuan gains momentum - Asia Times - July 20, 2020](#)
- [PayPal selects Paxos to supply cryptocurrency for new service - The Paypers - July 20, 2020](#)
- [Singapore's National Payments System Can Guide Global Crypto Adoption - Cointelegraph - July 16, 2020](#)
- [Wealthsimple to expand into crypto trading - Betakit - July 14, 2020](#)
- [Bank of Canada: Digital dollar to focus on accessibility and inclusion - Coingeek - July 2, 2020](#)
- [B2B cross-border payments to grow by 30 percent to USD 35 tln by 2022, study - The Paypers - July 20, 2020](#)
- [Currencycloud to process cross-border payments on RippleNet - Finextra - July 2, 2020](#)
- [Google Launches Video-Shopping Platform Shoploop - Born Digital - July 17, 2020](#)
- [Brazil Central Bank to authorize payments system involving WhatsApp - The Paypers - July 21, 2020](#)



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- [Apple Buys Startup to Turn iPhones Into Payment Terminals - Bloomberg - July 31, 2020](#)
- [Leading Canadian Financial Services Firms Moving to Adopt the FDX Technical Standards for Secure Financial Data Sharing - Financial Data Exchange - July 29, 2020](#)
- [Australia takes first steps towards Open Banking - Finextra - July 1, 2020](#)
- [Revolut launches Open Banking for its French customers - The Paypers - July 16, 2020](#)
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Delivering Fintech Innovation

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