

Deployment of Contactless Point-of-Sale (POS) Terminals

Call For Collaboration

Public Briefing

**21 April 2009, 2 pm
Suntec Tower 3, 14th Floor, MPH 1 & 2**

Programme

TIME	DESCRIPTION
2:00 pm	Registration
2:30 pm	Welcome Address – <i>Mr Tan Eng Pheng</i> <i>Group Cluster Director, Industry Cluster Group, IDA</i>
2:35 pm	CFC Briefing – <i>Ms Low Siew Wai</i> <i>Snr Manager, Finance, Tourism, Trade & Manufacturing, IDA</i>
2:55 pm	Q & A Session
3:15 pm	Networking cum Tea Break Session
3:45 pm	End of Public Briefing

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Welcome Address

Welcome Address by

**Mr Tan Eng Pheng
Group Cluster Director,
Industry Cluster Group, IDA**

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Call-For-Collaboration : Deployment of Contactless POS Terminals

IDA's Next Generation E-Payment Programme under iN2015

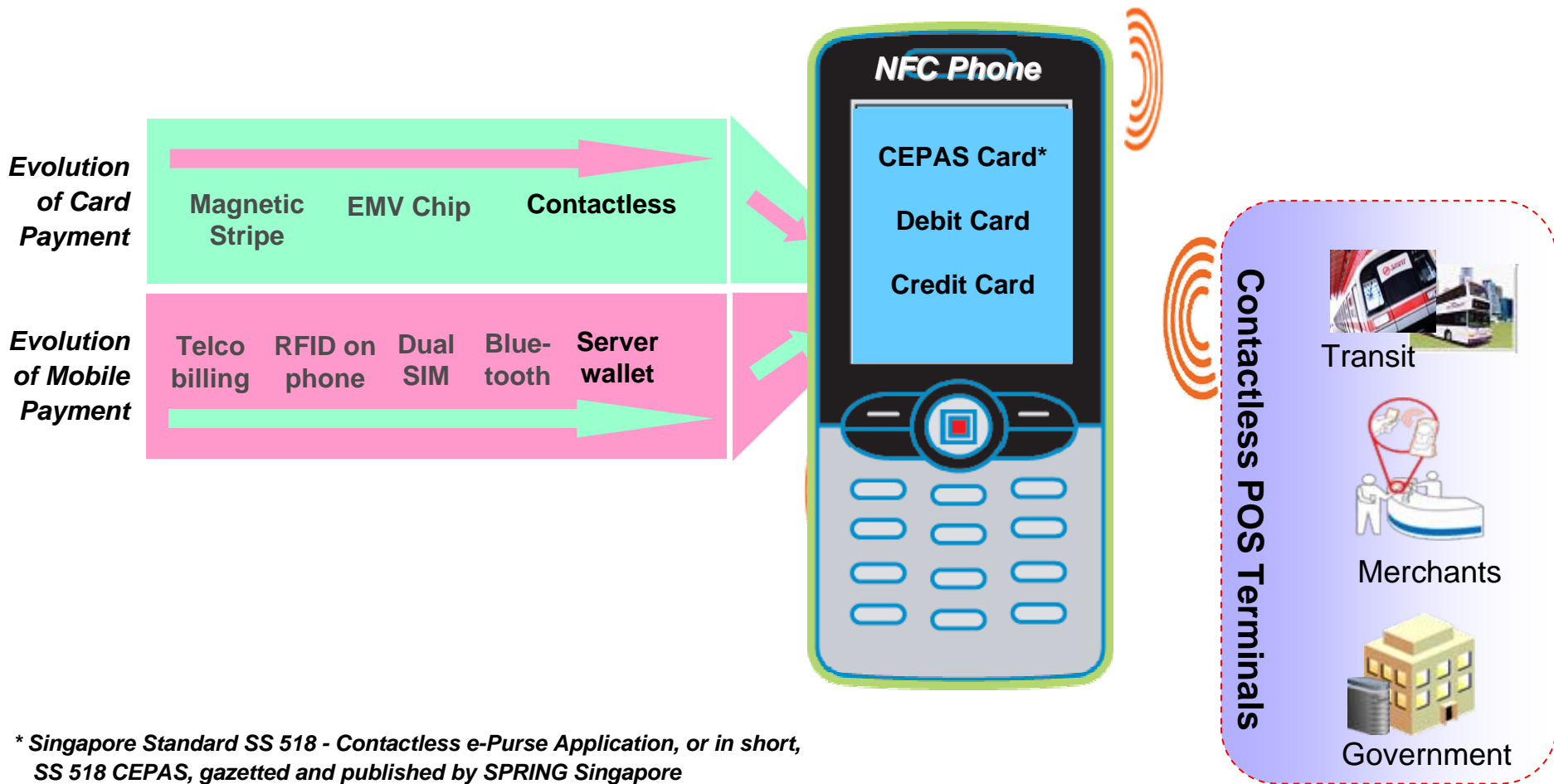
- > **Objective is to promote e-payment adoption, with aim to provide convenience and enable commerce for all**

Next-generation e-Payments



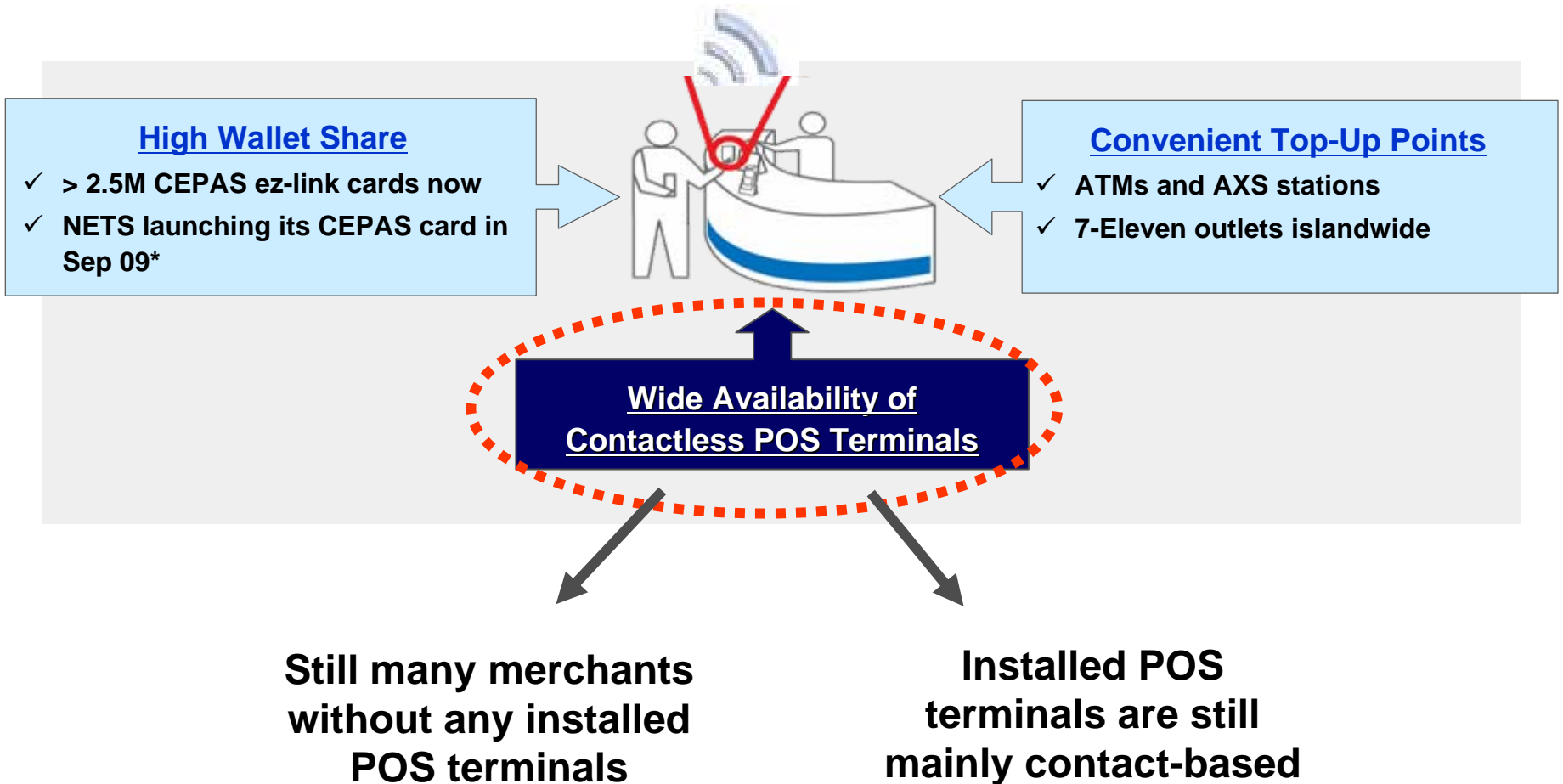
- > **One key thrust is to put in place the infrastructural components to enable convenient and interoperable e-payment solutions, in particular new mobile payments enabled by NFC**

NFC paving the way for proximity payments



* Singapore Standard SS 518 - Contactless e-Purse Application, or in short, SS 518 CEPAS, gazetted and published by SPRING Singapore

Getting Ready for the Future Payment Landscape



* Source : Strait Times, 10 April 2009

CFC Objective

- > **Aims to catalyze a pervasive deployment of contactless POS terminals, particularly in the new, un-penetrated merchant segments**
- > **The wide availability of contactless POS terminals will serve as a means to :**
 - **Effect a change in consumer habits towards e-payment adoption; and**
 - **Catalyze the deployment of NFC mobile payments in the near future**

CFC Participants

> **Participants can be either :**

1. Acquirers interested to deploy contactless POS terminals at merchants' premises; or

2. Merchants interested to install contactless POS terminals at their own premises

> **Pre-requisites :**

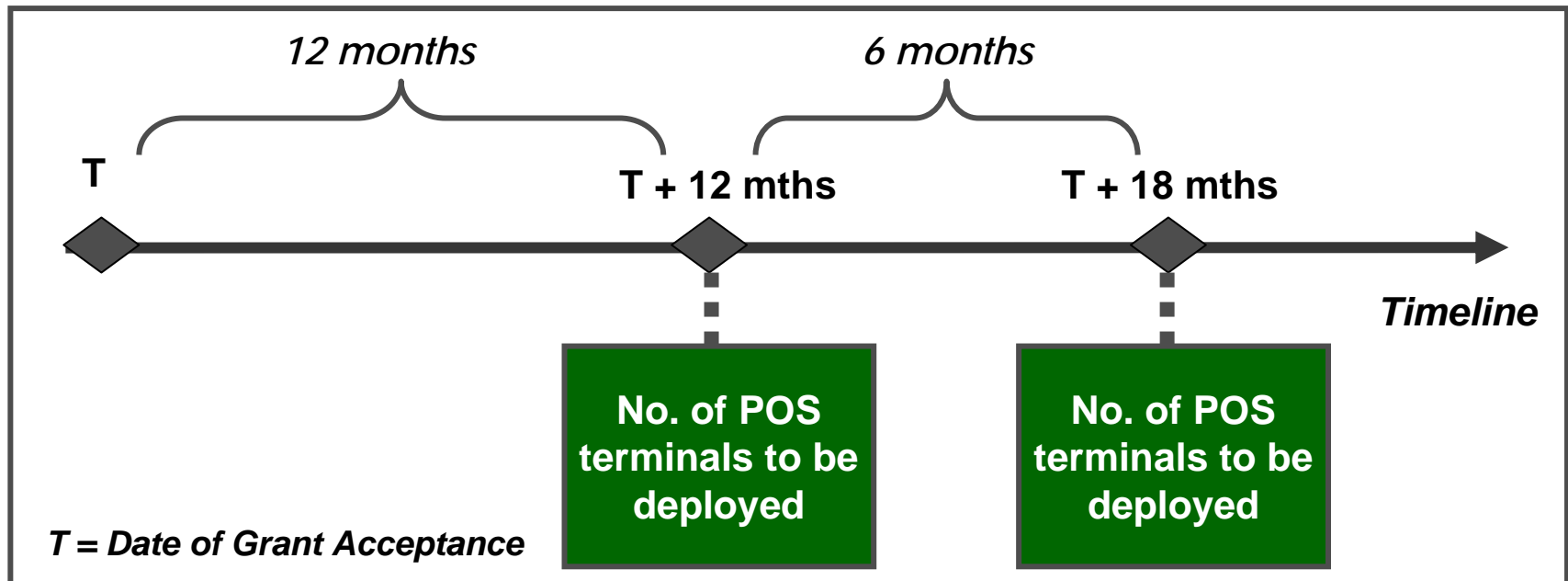
- **Individual company/Consortium lead must be registered in Singapore with ACRA**

- **Deployment of POS terminals must be in Singapore**

CFC Requirements

> Scale and Speed of Deployment

- Each proposal should cover at least 100 POS terminals.
- Preference for those who can deploy a significantly large number of POS terminals, especially if majority can be deployed earlier within the first 12 months.



CFC Requirements

> Coverage of Deployment

- Merchants that appeal to potential adopters of NFC mobile payments
- Priority on merchants who do not have any installed POS terminals for e-payments
- Minimally to cover at least one Primary Segment
 - Preference for those who can cover multiple segments across different geographical locations

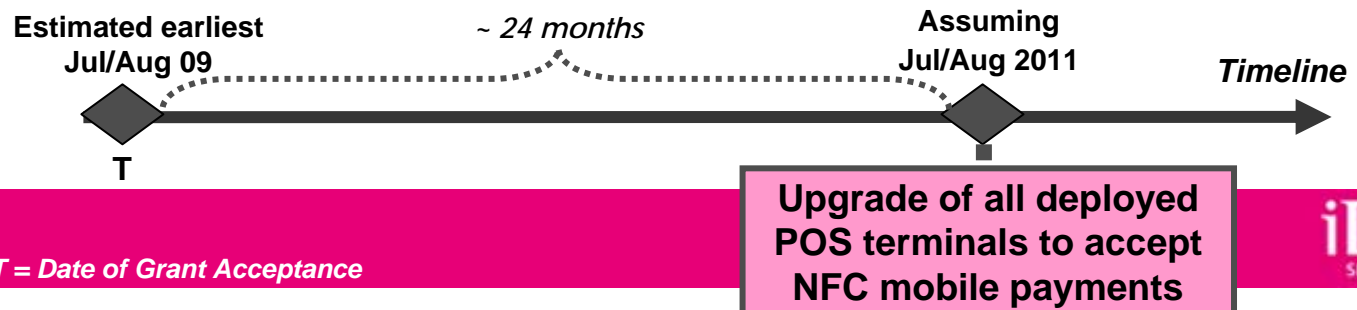
Table of Primary Segments

A1 :	Food courts, Coffee shops
A2 :	Fast food outlets, Cafes, Snack bars, Food shops
A3 :	Retail shops
A4 :	Convenience stores, Supermarkets, Provision & sundry shops
A5 :	Unattended/Self-service retail environments, e.g. vending machines

CFC Requirements

> POS Terminal Specifications

- Deployed POS terminal minimally to accept one type of CEPAS cards used for transit payments
 - Preference for those who can accept all types of CEPAS cards used for transit payments
- Deployed POS terminal to be compliant with ISO/IEC 14443 Type A and B contactless standards for NFC future-proofing
 - Commitment from awarded Participants to upgrade all deployed POS terminals to accept NFC mobile payments subsequently, if such upgrade is shown to be necessary
 - Participants to include cost estimate and justification for such upgrade.
 - While the pace of NFC deployment depends largely on industry, IDA hopes to see early adopters coming on board within 2010/11.



CFC Requirements

> Schedule of Fees and Settlement Process

(Applicable to Participants who are responding as acquirers)

- Terminal set-up and rental charges to be waived for at least one year after deployment
- Transaction fee of not more than 0.85% without any minimum charge for at least two years after deployment (applicable to CEPAS payments)
- Settlement monies to be credited to merchants' bank accounts within 2 business days from upload of payment transactions (applicable to CEPAS payments)
- Priority to proposals with an overall fee schedule that is most competitive to merchants

CFC Requirements

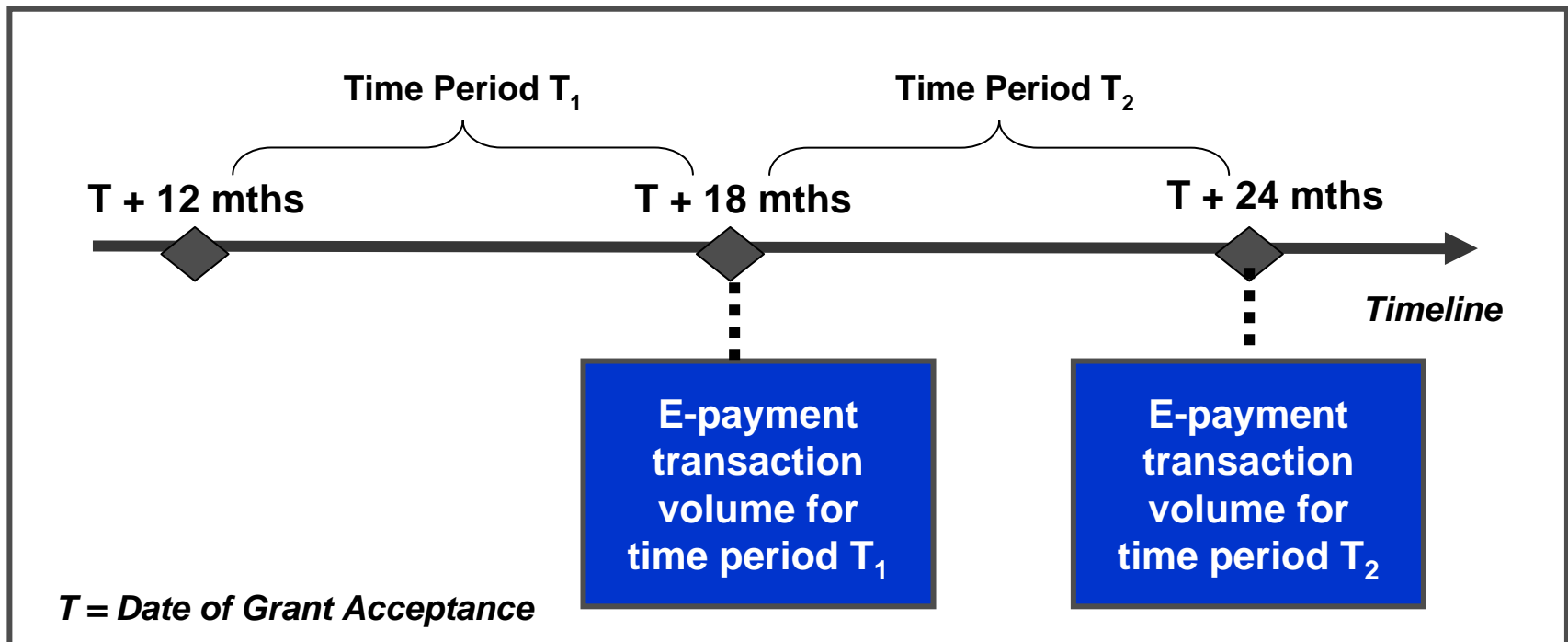
> Plans to Promote Adoption

- Plans to include marketing programs, such as loyalty or reward schemes, rather than activities like lucky draws that result in temporal increase in usage
 - Participants must demonstrate clearly how such programs can drive sustained usage
- Preference for those who can commit to undertake such loyalty or reward schemes

CFC Requirements

> Projected Transaction Volumes

- Participants required to project the transaction volumes for these 2 consecutive time periods :



CFC Selection Criteria

- > **Scale, Speed, Coverage and Cost** in deploying the contactless POS terminals
- > **Consumer reach**, such as number of consumers who have the contactless payment products accepted at the deployed POS terminals
- > **Sustainability of business model**, including the overall fee schedule and projected transaction volumes
- > **Effectiveness of proposed marketing plans**, including the ability of the plans to drive sustained usage
- > **Strength of Participant/Consortium**, including the domain knowledge, technical expertise and financial strength required to complete the project

Funding Support

- > **IDA will co-fund relevant aspects of the initial cost to deploy the contactless POS terminals.**

- > **The supportable components are**
 - **Manpower,**
 - **Hardware,**
 - **Software,**
 - **Professional Services, and**
 - **Others, including marketing.**

- > **IDA will evaluate each proposal based on their merits and aim to award to multiple companies for this CFC.**

CFC Schedule

- > **Closing date for submissions : 1 June 2009, 12 noon**
 - Copy of Proposal Form can be downloaded from IDA website www.ida.gov.sg

Timeline	Activities
15 Apr 09	CFC Announcement
1 Jun 09	Proposal Submission Closing Date
Mid Jun 09*	Presentation by Short-listed Participants
Late Jul 09*	Award of Grants

** Tentative. Exact dates to be confirmed*

Deployment of Contactless POS Terminals CFC

> Contact Person for Enquiries

- Ms Low Siew Wai, DID : 6211-0128
Email : low_siew_wai@ida.gov.sg

> Networking

- Please complete feedback form.
- Indicate interest in participating in post-briefing networking
 - IDA will compile list of today's attendees.
 - Interested companies will receive this list via email.

> Briefing Slides

- Copy will be available from IDA website www.ida.gov.sg from 22 Apr 2009.



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Q & A Session

Q & A Panelists

1. **Mr Tan Eng Pheng, Group Cluster Director, IDA**
2. **Mr Chua Jek Heng, Deputy Director, IDA**
3. **Ms Koh Suat Hong, Snr Manager, IDA**
4. **Ms Low Siew Wai, Snr Manager, IDA**

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