



# **Deployment of Contactless Point-of-Sale Terminals**

## **Call for Collaboration**

Public Document

April 2009

## TABLE OF CONTENTS

<b>TABLE OF CONTENTS .....</b>	<b>2</b>
<b>1. INTRODUCTION .....</b>	<b>3</b>
<b>2. IMPORTANT NOTICES .....</b>	<b>3</b>
<b>3. BACKGROUND .....</b>	<b>3</b>
<b>4. OBJECTIVES .....</b>	<b>4</b>
<b>5. SCOPE .....</b>	<b>4</b>
<b>6. PROJECT CONSIDERATIONS .....</b>	<b>9</b>
<b>7. PROJECT FUNDING .....</b>	<b>9</b>
<b>8. SCHEDULE .....</b>	<b>10</b>
<b>9. SELECTION PROCESS .....</b>	<b>11</b>
<b>10. SUBMISSIONS.....</b>	<b>12</b>

## ANNEX A: IMPORTANT NOTICES

## 1 INTRODUCTION

- 1.1 The Infocomm Development Authority of Singapore (“IDA”) is issuing this Call for Collaboration (“CFC”) to invite companies to submit proposals (“Proposals”) on the deployment of contactless point-of-sale (“POS”) terminals and conduct of marketing activities in selected merchant segments for the purpose of promoting e-payment adoption.
- 1.2 Companies could be one of the following :
- (i) Acquirers intending to install contactless POS terminals at merchants’ premises; or
  - (ii) Merchants intending to install contactless POS terminals at their premises.

## 2 IMPORTANT NOTICES

- 2.1 For the avoidance of doubt, this Public Document for the Deployment of Contactless POS Terminals CFC shall be read with and shall be subject to the Important Notices as set out in Annex A.

## 3 BACKGROUND

- 3.1 One of the key strategic thrusts in IDA’s 10-year Intelligent Nation Masterplan (“iN2015”) for the financial services landscape is to enable commerce through a next-generation e-payment infrastructure. To realize this, IDA seeks to, amongst others, encourage the development of innovative e-payment solutions and put in place the necessary supporting infrastructure.
- 3.2 As part of this initiative, IDA is collaborating with the industry to enable new and convenient mobile payment solutions, particularly those enabled through the use of Near Field Communication<sup>1</sup> (NFC) technology. Consumers can look forward to a range of innovative services enabled by NFC technology, such as making contactless payments at retail and transit using their mobile phones. To support the provision of these new services, early deployment of the key infrastructural pieces is required.

---

<sup>1</sup> Near Field Communication (NFC) is a wireless technology that provides intuitive simple and two-way secured interactions among electronic devices.

- 3.3 The wide availability of contactless POS terminals, to allow consumers to make contactless payments, is one of the important infrastructural pieces that are required to support new payment solutions enabled by NFC technology. In addition, this can serve as a means to effect a change in consumer habits towards e-payment adoption.
- 3.4 In the light of the above, IDA is issuing this CFC to catalyze a pervasive deployment of contactless POS terminals.

## 4 OBJECTIVES

4.1 This CFC aims to :

- (i) Accelerate e-payment adoption by effecting a change in consumer habits through contactless payments; and
- (ii) Catalyze the deployment of NFC mobile payments in the future by expediting the installation of more acceptance points.

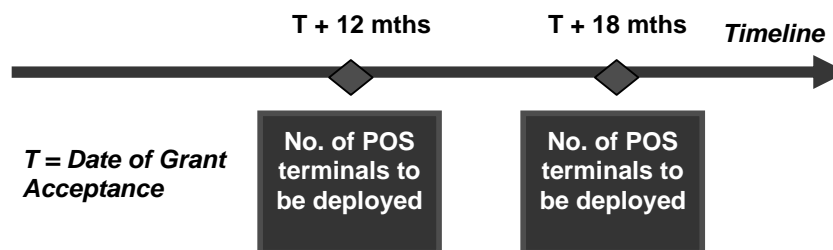
## 5 SCOPE

5.1 Participants shall ensure that their Proposals meet the following requirements:

### 5.1.1 Scale of Deployment

5.1.1.1 Participants are required to complete the deployment of all contactless POS terminals within eighteen (18) months, and such deployment should include more than one hundred (100) contactless POS terminals.

5.1.1.2 Participants are required to state the number of contactless POS terminals that they are committed to deploy for the first twelve (12) months and for the next six (6) months :



5.1.1.3 IDA recognized that a large number of acceptance points would be needed to be able to effect a change in consumer habits towards e-payments. In addition, economies of scale could be realised with a larger scale deployment, thus allowing Participants to be able to offer a more compelling value proposition to their merchants.

5.1.1.4 Therefore, preference shall be given to Participants who are able to deploy a significantly large number of contactless POS terminals, especially if majority of the POS terminals can be deployed earlier, in particular within the first twelve (12) months.

## **5.1.2 Merchant Segment Coverage**

5.1.2.1 Based on overseas NFC trials, consumers aged between 18 and 35 years old are likely to be target users of NFC mobile payments and the average transaction value is S\$100 or less.

5.1.2.2 Therefore, Proposals should include those merchants who will appeal to consumers with profile as described in Paragraph 5.1.2.1.

5.1.2.3 Such merchants should come from at least one of the following segments ("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

5.1.2.4 Proposals may include merchants in other segments ("Secondary Segments"), but must be able to demonstrate that these segments will appeal to consumers with profile as described in Paragraph 5.1.2.1.

5.1.2.5 Preference shall be given to Proposals that target merchants across many different segments and geographical locations.

5.1.2.6 Priority will be given to Proposals that target merchants who do not have any installed POS terminals for e-payments.

### **5.1.3 POS Terminal Specifications**

- 5.1.3.1 In view that the transit segment will be one of the beachheads for deployment of NFC mobile payments, the CEPAS<sup>2</sup>-compliant Multi-Purpose Stored Value Cards (“MPSVC”) accepted for transit payments will be one of the earlier payment applications to be loaded onto NFC-enabled mobile phones.
- 5.1.3.2 Moreover, with the large number of cards that are already in circulation, the CEPAS-compliant MPSVC is one of the more suitable contactless payment instruments that can be leveraged on to effect a change in consumer habits towards making contactless payments beyond the transit segment.
- 5.1.3.3 Therefore, besides ensuring that the deployed contactless POS terminals will be CEPAS-compliant, Participants are also required to have established a business agreement to allow their deployed POS terminals to accept at least one (1) type of CEPAS-compliant MPSVC which can be used for transit payments.
- 5.1.3.4 Preference shall be given to Participants who are able to establish a business agreement to allow their deployed POS terminals to accept all types of CEPAS-compliant MPSVC which can be used for transit payments.
- 5.1.3.5 In addition to CEPAS-compliant MPSVC, Participants could also enable their deployed contactless POS terminals to accept other contactless payment cards such as credit or debit cards, where appropriate. However, acceptance of such other contactless payment cards is deemed to be of lower priority in this CFC.
- 5.1.3.6 To ensure that the POS terminals can support NFC mobile payments, Participants are also required to :
- (i) Ensure the deployed contactless POS terminals are compliant with ISO/IEC 14443 Type A and B contactless standards; and
  - (ii) Commit to upgrade the deployed contactless POS terminals to accept NFC mobile payments subsequently, if such upgrade is shown to be necessary. Participants

---

<sup>2</sup> Singapore Standard SS 518 - Contactless e-Purse Application, or in short, SS 518 CEPAS, gazetted and published by SPRING Singapore. CEPAS was a result of a collaboration spearheaded by IDA, together with the Land Transport Authority (“LTA”), Cards & Personal Identification Technical Committee (“CPITC”) under the Singapore IT Standards Committee (“ITSC”) and industry players such as the Network for Electronic Transfers Singapore Pte Ltd (“NETS”) and EZ-Link Pte Ltd.

should include a cost estimate for such upgrade and provide justifications for the cost estimate.

#### **5.1.4 Schedule of Fees and Settlement Process**

##### **5.1.4.1 Consumer Fee**

5.1.4.1.1 Participants shall ensure that no fee will be imposed on consumers for the use of contactless e-payments at the deployed POS terminals. This is consistent with current market practice where consumers are not charged any fees for e-payments.

##### **5.1.4.2 Merchant Fee**

This section on Merchant Fee is applicable to Participants who are responding to this CFC as acquirers intending to install contactless POS terminals at merchants' premises.

5.1.4.2.1 Any fees charged by the Participants to their merchants shall be reasonably justified by the benefits derived by the merchants, such as added convenience and shorter service time.

5.1.4.2.2 To entice merchant adoption, Participants are required to :

- (i) Waive all terminal set-up and rental charges for at least the first year of deployment of the POS terminals, irrespective of transaction volume; and
- (ii) Set a transaction fee of not more than 0.85% without any minimum charge, for at least the first and second year of deployment of the POS terminals (applicable to MPSVC payments only)

5.1.4.2.3 IDA recognizes the importance of total cost to merchants in adopting e-payments. In evaluating the Proposals, besides the proposed transaction fee, IDA will also take into consideration any other fees charged to the merchants.

5.1.4.2.4 Priority will be given to Participants who can provide an overall fee schedule that is most competitive to the merchants.

##### **5.1.4.3 Settlement Process**

This section on Settlement Process is applicable to Participants who are responding to this CFC as acquirers

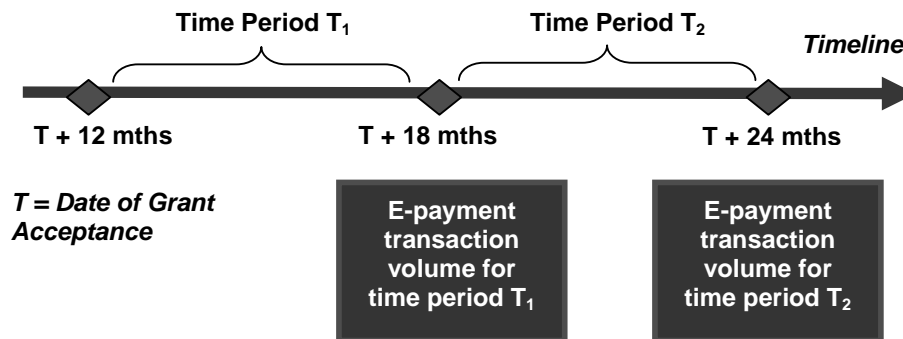
intending to install contactless POS terminals at merchants' premises.

5.1.4.3.1 Merchants desire a quick and easy settlement process for their transactions, including a short settlement cycle where the transaction amounts are credited into their bank accounts shortly after the transactions, as well as flexibility of allowing merchants to designate any bank accounts for settlement.

5.1.4.3.2 Therefore, Participants are required to credit the settlement monies to their merchants' bank accounts within two (2) business days from upload of payment transactions (applicable to MPSVC payments only).

### 5.1.5 Projected Transaction Volumes

5.1.5.1 Participants are required to state in their Proposals the projected e-payment transaction volumes from the deployed contactless POS terminals over these two consecutive time periods of  $T_1$  and  $T_2$  :



5.1.5.2 Preference shall be given to Participants who are able to achieve higher transaction volume.

### 5.1.6 Plans to Promote Adoption

5.1.6.1 Participants are required to state their plans to promote merchant and consumer adoption. Such plans should include marketing programs ("Programs") that can drive sustained usage, rather than marketing activities like conduct of lucky draws that result only in a temporal increase in usage.

5.1.6.2 Preference shall be given to Participants who commit to undertake such Programs as part of their plans to promote adoption and are able to demonstrate clearly that the Programs can achieve sustained usage.

5.1.6.3 IDA recognizes the importance of having such Programs in achieving the purpose of increasing e-payment adoption and thus is prepared to consider co-funding the costs to undertake such Programs.

## **6 PROJECT CONSIDERATIONS**

### **6.1 Formation and Identification of Consortium Leader**

6.1.1 Individual companies that meet the scope and requirements of this CFC may submit Proposals individually.

6.1.2 In the event of a multi-company collaboration, Participants are required to find their own business partners with the necessary expertise, experience, and domain knowledge.

6.1.3 Such consortium shall clearly identify a consortium leader for the purpose of managing and coordinating the activities of the consortium. The consortium leader shall be responsible for submitting a Proposal on behalf of all its partners.

6.1.4 IDA reserves the right to disqualify or reject any Proposal in the event of a withdrawal of any consortium member, or where any material representation within the Proposal is discovered to be inaccurate, misleading or false.

### **6.2 Pre-requisites for Participant(s)**

6.2.1 The minimum pre-requisites for Participants in this CFC are as follows:

- (i) For individual company, the company shall be registered in Singapore with the Accounting & Corporate Regulatory Authority (ACRA);
- (ii) For the consortium, at least the Consortium Leader shall be registered in Singapore with the Accounting & Corporate Regulatory Authority (ACRA);
- (iii) The Proposal must be implemented in Singapore wholly.

## **7 PROJECT FUNDING**

7.1 The funding for selected Proposal(s) will be determined upon assessment of the impact and scope of the project. All terms and conditions of any such approved funding shall be agreed between selected Participants and IDA.

- 7.2 Any funding support will be performance based to encourage the completion of the deployment of the POS terminals and as well as the achievement of committed e-payment transaction volumes.

## 8 SCHEDULE

### 8.1 Timeline of Events

<u>Scheduled Timeline</u>	<u>Event</u>
15 Apr 09	Official Launch and Release of CFC Documents
21 Apr 09	Public Briefing
01 Jun 09	Proposal Submission Deadline
Mid Jun 09*	Presentation by Short-Listed Participants
Late Jul 09*	Award of Grants

*\*Exact date to be confirmed*

### 8.2 Public Briefing

- 8.2.1 All interested companies are invited to attend the CFC Public Briefing. This briefing will be conducted by IDA and will cover the details of the CFC, including the events leading to the final award of the grants, and expectations of the Proposals.
- 8.2.2 All parties interested to attend the public briefing are to register by email to [huang\\_liang@ida.gov.sg](mailto:huang_liang@ida.gov.sg) no later than 17 Apr 09 at 12 noon. Each company is limited to 2 representatives to attend the briefing. For registration by email, please include the following information:

<u>Email Subject Title</u>
“Deployment of Contactless POS Terminals CFC Public Briefing”
<u>Email Body</u>
Attendee’s
1. Name
2. Designation
3. Department
4. Organisation
5. Telephone Number
6. Email address

- 8.2.3 Details of the CFC Public Briefing will be made known to registered parties via email.

## 9 SELECTION PROCESS

### 9.1 Selection of Proposal(s) for Consideration for Award of Grant

- 9.1.1 Only complete Proposals that comply with the specifications, requirements and conditions as set out in this Public Document for the Deployment of Contactless POS Terminals CFC will be evaluated by IDA for consideration for the award of a grant.
- 9.1.2 Short-listed Participants may be required to make a presentation of their Proposal(s) (at their own cost and expense) and answer questions on the project in response to IDA.
- 9.1.3 In assessing the short-listed Proposals, the following criteria will be used :
- i) Speed and reach in deploying the contactless POS terminals, including the projected number of POS terminals to be deployed within the first twelve (12) months and the next six (6) months, and the Primary Segment(s) and geographical locations of the merchants considered in the deployment plans;
  - ii) Consumer reach, including the number of consumers holding the contactless payment products that can be accepted by the deployed contactless POS terminals;
  - iii) Cost effectiveness in deployment, including the total cost to deploy the contactless POS terminals
  - iv) Sustainability of the proposed business model, including the overall fee schedule to merchants and projected e-payment transaction volumes to be achieved upon full deployment and 6 months after full deployment;
  - v) Effectiveness of the proposed plans to promote adoption, including the ability of the plans to ensure sustained usage; and
  - vi) Strength of Participant/Consortium, including the ability to deliver, strong domain knowledge and technical expertise and financial strength to complete the project.

9.1.4 Without prejudice to paragraph 9.2, IDA reserves the right to reject any or all Proposals submitted pursuant to this Public Document for the Deployment of Contactless POS Terminals CFC. Where a Proposal is selected by IDA for consideration for the award of a grant, the relevant Participant will be notified by IDA. The terms of the project, project milestones, and co-funding terms will be separately negotiated and agreed to between the parties.

9.1.5 For the avoidance of doubt, the selection of any Proposal by IDA may not necessarily lead to the award of a grant.

## 9.2 **Disclaimer**

9.2.1 IDA shall have the absolute discretion to accept or reject any Proposal submitted to IDA without being liable to give any reason thereof. IDA reserves the right to retain the Proposals submitted by all parties without liability for the costs of such documents.

## 10 **SUBMISSIONS**

### 10.1 **Format of Submissions**

10.1.1 Submissions should be made using the Proposal template that can be downloaded from IDA's website [www.ida.gov.sg](http://www.ida.gov.sg)

10.1.2 All submissions should include the following information :

- (i) Business Plan for the next three (3) years, covering the business model, deployment and pricing strategy, marketing plans to promote adoption, projected transaction volumes and estimated transaction values; and
- (ii) Project Implementation Plan, covering the number of contactless POS terminals expected to be deployed in each of the selected Primary and Secondary Segment(s) within the first twelve (12) and the next six (6) months; and
- (iii) Project Cost and Justifications, including the cost to deploy the expected number of contactless POS terminals and to upgrade the deployed contactless POS terminals to subsequently accept NFC mobile payments, justifications and expected funding if any.

10.1.3 All assumptions used shall be stated clearly in the Proposal.

## 10.2 **Place and Time of Submission**

10.2.1 One (1) hardcopy and one (1) softcopy (in a CD-ROM) of the Proposal should reach IDA no later than 1 June 2009 at 12 noon. All Proposals must be clearly marked as "Deployment of Contactless POS Terminals CFC", and addressed to :

Infocomm Development Authority of Singapore  
8 Temasek Boulevard #14-00  
Suntec Tower Three  
Singapore 038988

10.2.2 Proposals may also be submitted in person at the IDA reception desk on the 14<sup>th</sup> floor of Suntec Tower 3.

## 10.3 **IDA reserves the right not to accept late submissions.**

## 10.4 **Contact Details**

10.4.1 Enquiries regarding this CFC should be addressed to:

Low Siew Wai (Ms)  
IDA  
DID : (65) 6211-0128  
Fax : (65) 6211-2205  
Email : low\_siew\_wai@ida.gov.sg

## ANNEX A – IMPORTANT NOTICES

Companies or consortia submitting proposals in response to the Deployment of Contactless POS Terminals Call for Collaboration (“**Participants**”) are deemed to have read and understood the following provisions:

### 1. Interpretation

- 1.1 The following words and expressions shall have the meanings hereby assigned to them except where the context otherwise requires:

“**Call for Collaboration**” or “**CFC**” shall mean the invitation issued by IDA on 15 April 2009 to companies to collaborate with IDA and other partners to deploy contactless POS terminals in selected merchant segments in connection with the Deployment of Contactless POS Terminals Call for Collaboration programme.

“**IP**” shall mean intellectual property, including but not limited to patents, copyright, industrial design and integrated circuit topography.

“**IDA**” shall mean the Info-communications Development Authority of Singapore, a statutory board created pursuant to the Info-communications Development Authority of Singapore Act (Chapter 137A) of the laws of the Republic of Singapore with its principal office at 8 Temasek Boulevard, #14-00 Suntec Tower 3, Singapore 038988.

“**Proposal**” shall mean any and all documents and information submitted by the Participant in response to the Call for Collaboration.

- 1.2 Words importing the singular shall also include the plural and vice versa where the context requires.

### 2. Disclaimers

- 2.1 This Call for Collaboration (CFC) is merely an invitation to treat and is not intended to create or impose any binding legal obligations whatsoever on IDA, whether express or implied and whether contractual or otherwise. Without prejudice to the generality of the foregoing, each Participant acknowledges and agrees that IDA shall be under no duty or obligation to act fairly or equally towards the Participant in relation to IDA’s evaluation of its Proposal or with regard to any process adopted by IDA under this CFC.

- 2.2 Nothing in this CFC shall constitute a contract between IDA and any Participant. Any Participant selected pursuant to this CFC for participation in the project shall be required to enter into a legally binding agreement

- with IDA, the terms and conditions of which shall be agreed between the parties at a later date.
- 2.3 All submissions of Proposals, clarifications, discussions and presentations relating to this CFC are made entirely at the risk of the Participant.
  - 2.4 IDA does not make any representation or warranty, whether express or implied, or accept any liability for the completeness, relevancy, accuracy and/or adequacy of the information provided by IDA in relation to this CFC.
  - 2.5 IDA does not make any representation of fact or promise to the future in respect of any project contemplated by IDA relating to this CFC.
  - 2.6 IDA accepts no liability or obligation in relation to any Proposal submitted pursuant to this CFC and/or any subsequent clarifications, discussions or presentations thereon, whether requested by IDA or otherwise. The Participant shall bear all costs and expenses associated with the preparation and submission of its Proposal, and any subsequent clarifications, discussions or presentations thereon. IDA will, under no circumstances, be responsible for reimbursing any costs incurred by the Participant during the process, regardless of the conduct or outcome of the evaluation and selection process.
  - 2.7 IDA shall have the absolute discretion to accept or reject any Proposal, whether in whole or in part, without giving any reason whatsoever. The receipt by IDA of any Proposal pursuant to this CFC shall under no circumstances impose any form of obligation or amount to an acceptance of or an agreement to abide by any terms or conditions stated therein or elsewhere on the part of IDA.
  - 2.8 IDA shall have the absolute discretion, at any time, to terminate this CFC or to change the nature, scope, procedures or timelines for the CFC, including the proposal selection process and criteria. Under no circumstance shall IDA incur any liability in respect of such termination or changes.
  - 2.9 IDA shall not owe any liability to any party for any loss or damage whatsoever (including loss of profit, savings, business contracts, or revenues, and all other forms of actual, direct, special, incidental, or consequential loss or damage) arising from or related to any response to this CFC, including but not limited to the submission of Proposals.

### **3. Ownership of Documents and Intellectual Property**

- 3.1 All proposals and other documents or materials submitted to IDA pursuant to this CFC shall become the property of IDA. Notwithstanding the foregoing and without prejudice to any subsequent agreement with IDA to the contrary, any IP contained in any Proposal and/or such other document submitted to IDA shall not be transferred to IDA.
- 3.2 For the avoidance of doubt, all IP in any documents issued by IDA pursuant to this CFC shall remain vested in IDA.

### **4. Confidentiality of Information**

- 4.1 IDA may require any party receiving confidential information from IDA in relation to or arising from this CFC to sign a written non-disclosure agreement setting out such party's confidentiality obligations in relation to such confidential information.
- 4.2 IDA accepts no liability or obligation in relation to any confidential information disclosed to IDA by a Participant pursuant to this CFC unless otherwise agreed by IDA in a written non-disclosure agreement setting out IDA's confidentiality obligations in relation to such confidential information.

### **5. IDA's Right to Seek Recovery**

Nothing herein shall prejudice or limit IDA's right to seek recovery from the Participant for any loss, damage, costs, expenses, or liability incurred by IDA and/or its officers, directors and employees, directly or indirectly arising out of or relating to the submission of the Proposal by the Participant and IDA's retention and use thereof, including but not limited to any claim that the Proposal infringes any third party's IP rights.