

W3C Web Payment IG

—Payment Service Providers

Alibaba
Zephyr Tuan

01

PART

Internet Finance Ecosystem in China



02

PART

Payment Service Provider Requirements

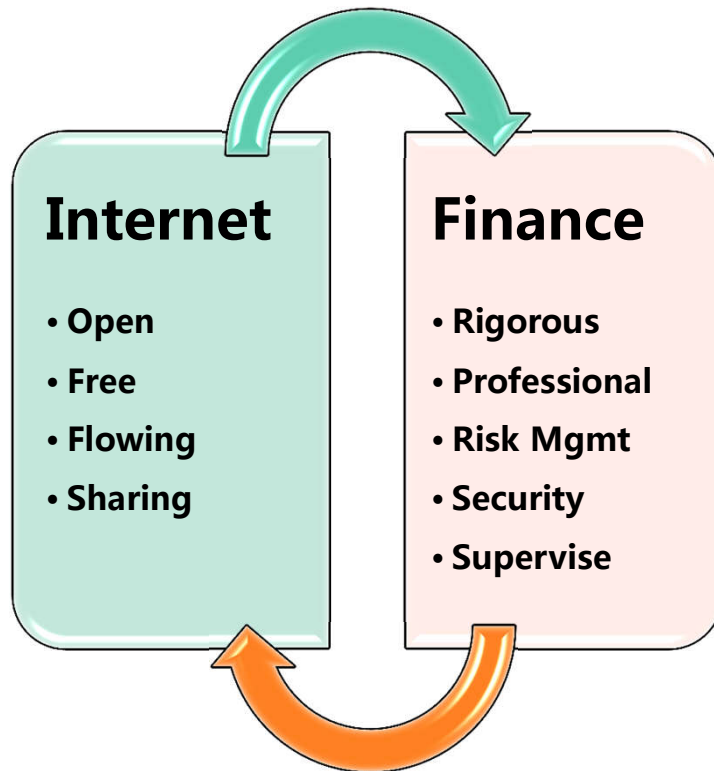


03

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Open Questions





Creative

Platform

(Financing, Trading,
Crowdfunding, etc.)

01 PART

When Finance Meet Internet



Daisy/Husband
Shopping,
I pay

Children Shopping,
I pay



Transfer

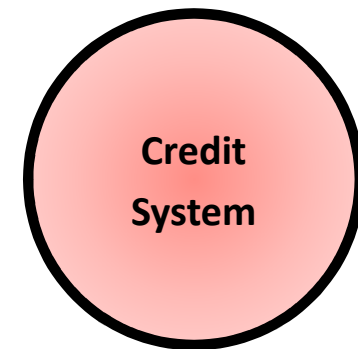
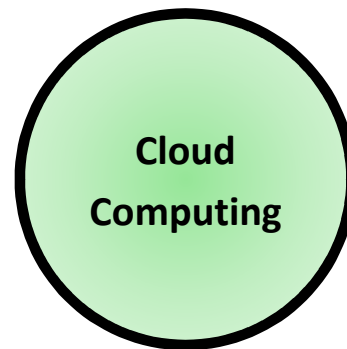
→ **Pay for another**

→ **亲密付**

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What Internet Brings Us ?



01 PART

Data Operation Example: 10 years' Bill of Alipay



Diary of 10 years' bill

Today is my 3316th day using Alipay



My bill

By Alipay, I have:
Spend: 966,462.38 RMB
Earn: 4,527.33 RMB

My 5 aspects

Payment: 10 scores

Credit: great potential

Financing: 9 scores

Account Management:
9 scores

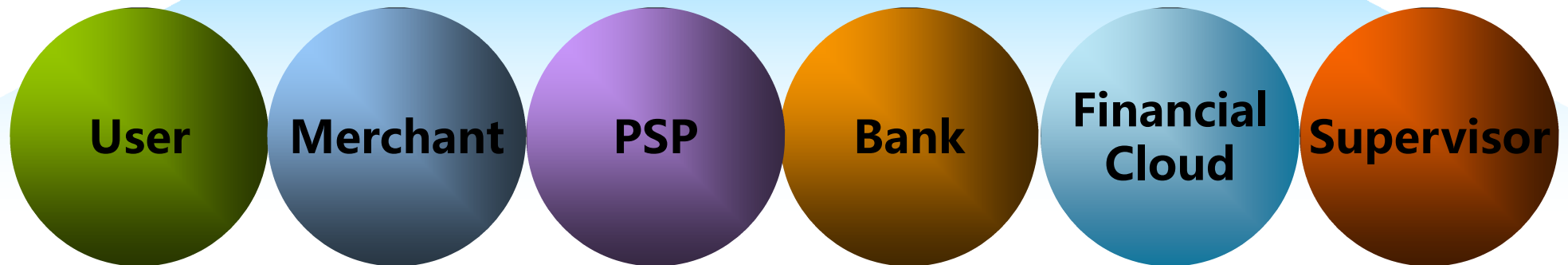
Contacts: 10 scores

01
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Internet Finance Ecosystem in China



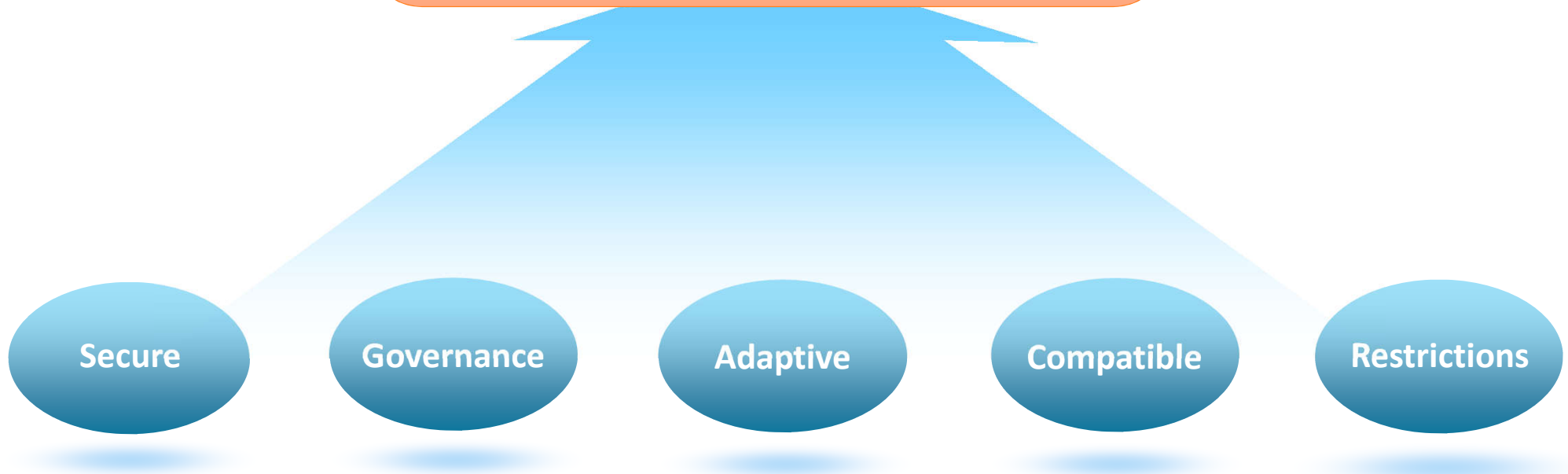
Ecosystem



What we can do with internet finance standard



Standardization



Requirement Aspects from Payment Service Provider



- ◆ Purchase Information
- ◆ Payment Security
- ◆ Mobile Payments



QR Code



What we can do with QR code:

- ◆ Contain purchase information in the QR code, including: payee, product info, how much, time, etc.

02 PART

Payment Security



Traditional authentication approaches

Password matrix card

	C	D	G	K	M	P	R	S	U	V
1	651	790	918	373	774	757	042	497	608	782
2	658	096	772	521	288	928	822	267	631	488
3	435	070	888	273	445	309	005	250	130	513
4	176	398	511	147	755	740	548	039	019	816
5	000	896	453	661	069	017	253	287	585	871
6	723	915	529	615	886	609	943	639	439	482
7	197	984	335	205	346	357	479	158	400	859
8	151	841	803	786	222	309	620	700	432	078



1st generation USB key

OTP token



2nd generation USB key

New authentication approaches

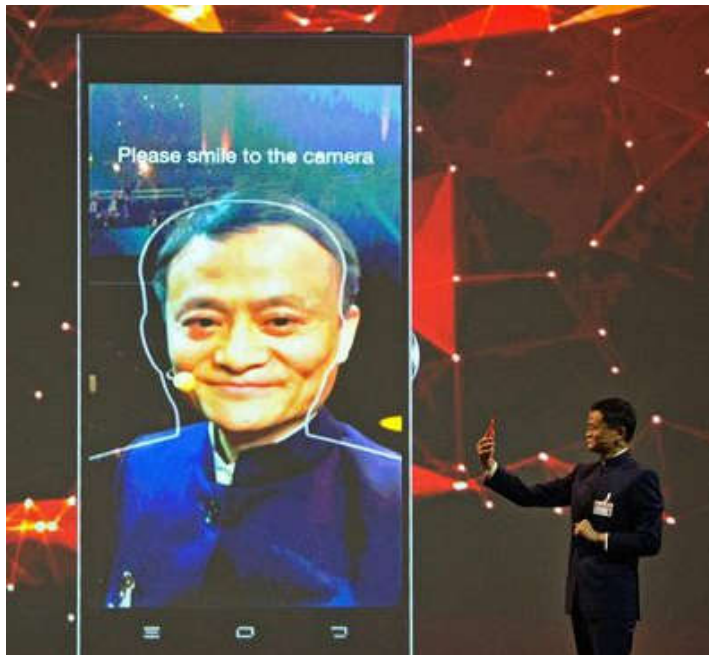


02 PART

Payment Security



Biometrics



Face recognition



Fingerprint recognition



Iris recognition

02 PART

Mobile Payment

— Different modes need different standards



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Topics for discussion



- Purchase information
 - Barcode
- Security
 - Biometrics and other authentication approaches
 - Tokenization
 - PCI compliance
 - Interaction with other protocols, e.g. 3D 2.0 Secure;
- Mobile
- User experience
 - Automated payments
- Regulation
 - Taxes and tax reporting
- Network issues
- International payments
- Risk management

Summary of questions discussed before (1)



- ◆ (1) If there were a standard way to communicate payment information between web applications and browsers, what opportunities would this create for your business?
 - Overall, it would be positive due to ease of deployment for all parties including web developers, merchants, PSPs and processors. Security standards are required to be followed in the coding process under the PCI SSC for applications called PA DSS, and the deployment of applications and hardware under PCI DSS. Secure standards that can be audited in a PCI audit would significantly improve the overall reliability of web based payments.

Summary of questions discussed before (2)



- ◆ (2) What is the most important service you would like to provide your retail customers but cannot yet do so because of a technology obstacle? What are the reasons?
 - Disintermediation due to ease of changing acquiring service providers.
 - Market manipulation by browser providers to dis-intermediate other players.....much the same way it is described in 2 above yet an opposite result.
- ◆ (3) What are the most important value added services (e.g., loyalty) that you would like to build on top of future payment systems?
 - Security with user authentication.

Summary of questions discussed before (3)



- ◆ (4) What other mobile payments use cases are you working on and when do you plan to deploy solutions?
 - Tokenization.
 - Direct payments
- ◆ (5) What non-mobile Web payments use cases are you working on and when do you plan to deploy solutions?
 - Credit transfers
- ◆ (6) What Web technologies do you support in your payment applications?
(e.g., OAUTH2).

Summary of questions discussed before (4)



- ◆ (7) What are the primary obstacles today that prevent you from deploying “credit transfer” (push) payment schemes?
 - Lack of standards.
 - Europe has defined standards under SEPA and the PSD. It will happen in Europe.
 - US is approaching the issue from a market driven solution perspective. Banks are not motivate to turn loose of this revenue stream. Explains all the disintermediation attempts by PE and VC funds supporting new payment apps.
- ◆ (8) If you are involved in faster payment initiatives, are there new Web technologies that you believe are important to success?
 - Security
 - Implementation/interface standards.

Summary of questions discussed before (5)



- ◆ (9) In your region, if there are open API regulatory requirements, are there new Web technologies that you believe are important to success?
 - Europe has open requirements for web payments. It strongly supports and encourages account to account transfers as opposed to cards. New security standards for EU service providers are underdevelopment.
- ◆ (10) What issues (technical, legal, developer, etc.) lead you to choose native mobile platforms over Web applications? Are there specific Web capabilities whose absence is limiting delivery of services?

Thank you!