



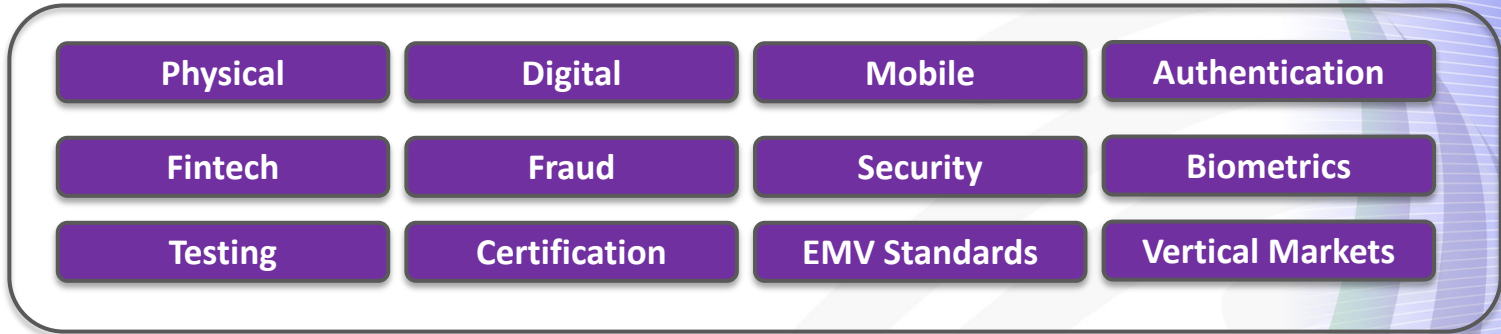
EMV[®] Secure Remote Commerce

May 16, 2023



U.S. Payments Forum Vision

The U.S. Payments Forum enables cross-industry stakeholders to openly exchange expertise and information to solve problems and help realize innovations that make payments more efficient, simple, and secure.



Working Committees





Today's Speakers



Ashish Bhatia
DISCOVER GLOBAL NETWORK



Clinton Allen
EMVCo



David True
PAYGILITY ADVISORS



Jason Bohrer
SECURE TECHNOLOGY ALLIANCE



Michael Sulla
MASTERCARD

Today's Discussion

- Evolution of Payments & Market Overview
- Product Basics: Secure Remote Commerce (SRC)
- Future SRC Enhancements
- Success Story & Integration Models
- EMVCo: Standards, Current Activities
- How to Support SRC & Available Resources

The Evolution of Payments

The consumer has had it easy through the evolution of in person payments. They show a payment method — it's simple and trusted.

CA-CHING
SWIPE
DIP
TAP







eCommerce & Consumer Experience

When payments moved online, trust was eroded and managing payment information was offloaded to the consumer

**LONG FORMS
KEY ENTRY
PASSWORDS = FRICTION**

An error occurred while trying to process your credit card. Please double check your card number, expiration date and address information and try again or try another card.

-  Your password needs to:
-  include both lower and upper case characters.
-  include at least one number or symbol.
-  include at least one number or symbol.

The specified zip is invalid

 There are items that require your attention

SUBMIT

eCommerce Today: Growing but not Optimized *

- **Growth:** Global eCommerce is soaring: \$5T in 2022, projected \$7 trillion by 2025¹
- **Abandonment:** But challenges remain: 91% of Consumers report that a good checkout experience is decisive, but complexity leads to abandonment²
- **Fraud:** Complexity and unfamiliarity led to exploitable vulnerabilities for fraudsters. In the U.S., card-not-present (CNP) payments fraud losses will reach \$8.75 billion in 2022 – up over 11% year-on-year.³

NOTE: Content from this slide was sourced from EMV® on 01/16/23: <https://www.emvco.com/knowledge-hub-category/emv-insights/>

1. Insider Intelligence, [Worldwide ecommerce sales set to top \\$5 trillion for first time in 2022](#), April 2022

2. PYMNTS.com, [The Three Tiny Details That Get Consumers to Click Buy at Checkout](#), October 2022

3. Insider Intelligence, [Total Card Fraud Losses to Surpass \\$12 Billion in 2022 as Fraud Continues to Shift Online](#), September 2022

How SRC Addresses Market Needs

SRC Provides:

- **Growth:** Requires scalability →
 - **Abandonment:** Requires reducing friction →
 - **Fraud:** requires enhanced security →
- Interoperability of major credit card networks at global scale
 - Reduce payment card key entry
 - User ID based on email or phone number
 - Simplified user authentication
 - Merchants can control experience
 - Increased security through smart authentication

What is EMV SRC?

- **Specifications** to simplify integration and user experience:
 - The EMV® SRC specs provide a common baseline for the development of Click to Pay e-commerce payment solutions.
- SRC is one of many solutions for solving market needs
- **Click to Pay** is the consumer facing checkout experience of SRC
 - » An **icon** to build trust
- It has evolved over many years from many solutions, into a global standard.
- SRC will continue to evolve the new 1.3 Specifications and SRC Use Cases 1.1 describes how merchants may control the UX



Click to Pay

Enhancing the eCommerce Checkout Experience



Simple

Easy click functionality for reduced cart abandonment



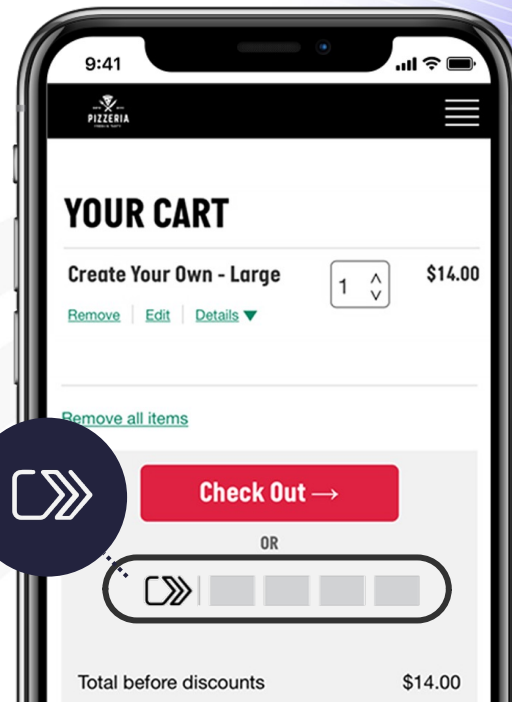
Streamlined

Standardized access to all major network.



Secure

Increased security through smart authentication



Value for PSPs/Enablers

SRC Offers a Convenient & Secure eCommerce Checkout

Security



- Password-less checkout more secure
- Dynamic and encrypted data helps reduce the risk of fraud

Convenience



- Simplified integration for merchants
- Provides consumers with multiple payment options to checkout
- Faster checkout reduces cart abandonment

Control



- Uniform checkout across merchant websites, mobile apps, and other digital platforms
- Design UI/UX controlled by PSP/payment enabler
- Foundation for future commerce use cases via SRC Framework

Global Availability

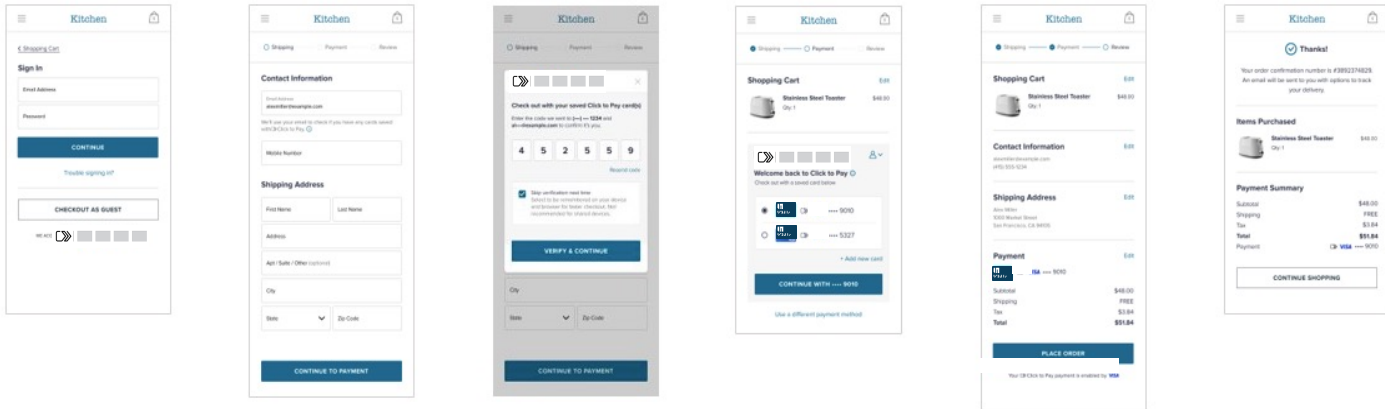
30+ markets and growing



MOC- Merchant Orchestrated Checkout

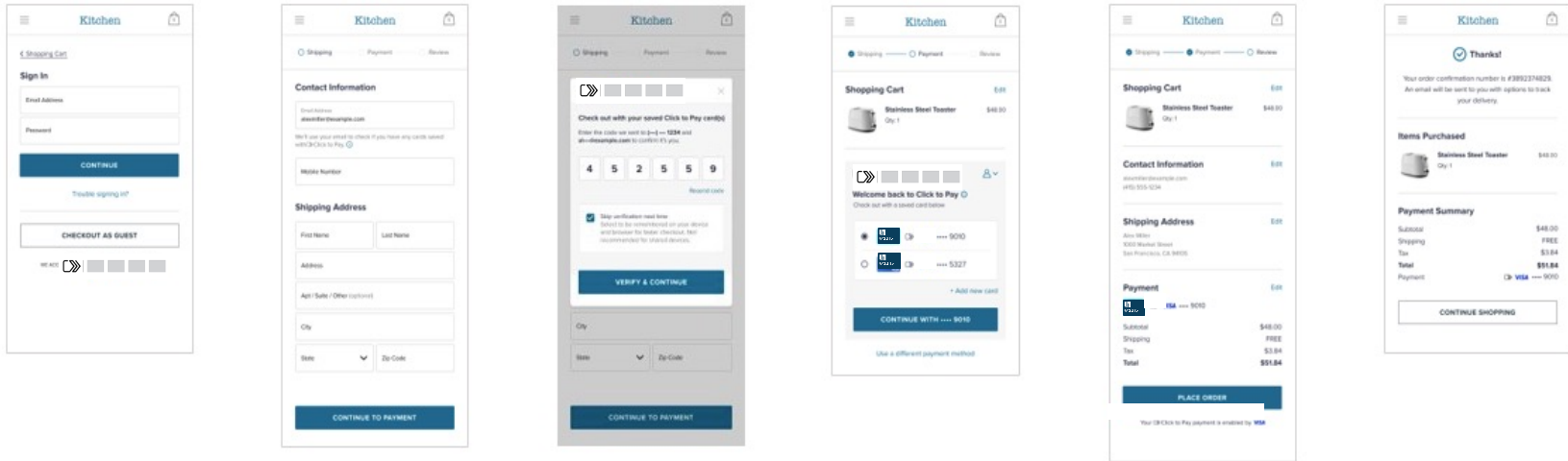
Merchant Orchestrated Checkout (MOC) – Enhancement coming in 2023 which allows an embedded checkout experience

- Enhances checkout and reduces friction for consumer
- Merchants have more control over look and feel



MOC- Merchant Orchestrated Checkout

Returning Unrecognized User (Conceptual)



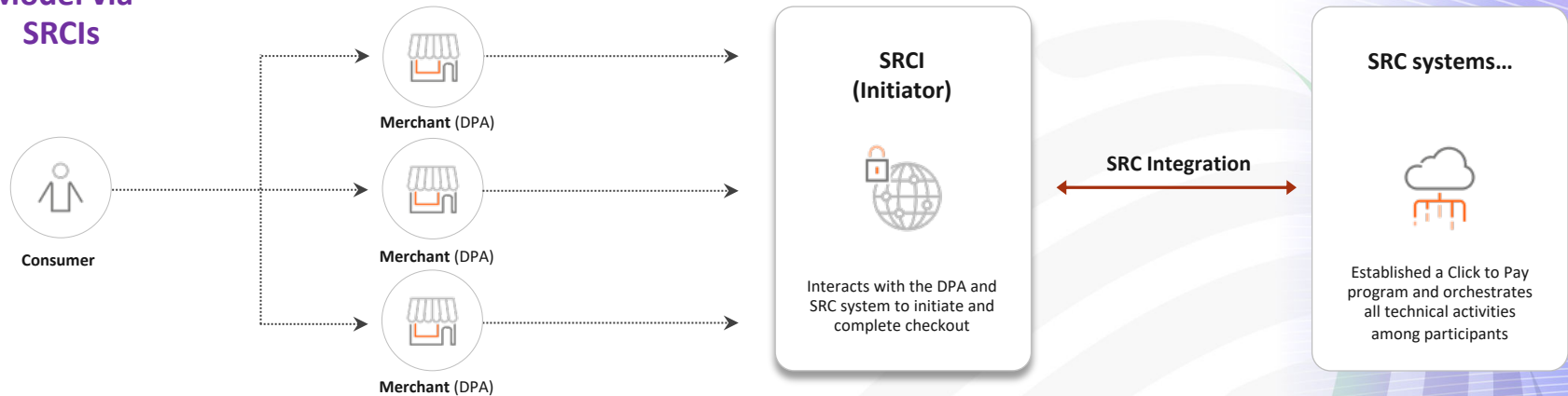
MOC- Merchant Orchestrated Checkout

The image displays a sequence of six mobile app screens for a merchant named 'Kitchen', illustrating the Merchant Orchestrated Checkout (MOC) process. The items being purchased are an Espresso Coffee Machine (Qty: 1, Color: Silver, \$600.00) and Shipping (FREE).

- Screen 1: MY CART** - Shows the item details and a 'CHECKOUT' button.
- Screen 2: CHECKOUT** - Prompts the user to sign in to their online account. Options include 'SIGN IN', 'CHECKOUT AS GUEST', and 'PAYMENT OPTION'.
- Screen 3: CHECKOUT** - Displays the 'Order Summary' with an 'Estimated Total' of \$600.00. It offers a 'Click to Pay' option for faster checkout.
- Screen 4: PAYMENT** - Shows card selection options (9010 and 5327) and a biometric authentication prompt: 'We just need to make sure it's you' with an 'AUTHENTICATE' button.
- Screen 5: REVIEW** - Shows a 'Review Items' section with a 'PLACE ORDER' button.
- Screen 6: CHECKOUT COMPLETE** - Displays a 'THANKS!' message, order confirmation number, and a 'CONTINUE SHOPPING' button.

Typical Integration Model

Model via SRCIs



PSP Success Story



Overview: Spredly allows merchants to securely tokenize payment methods and provides the flexibility to transact with virtually any payment service.

Implementation Summary

Spredly and Mastercard partnered to implement Click to Pay within Spredly's iFrame for use on merchant websites.

Benefit to the Cardholder and Merchant

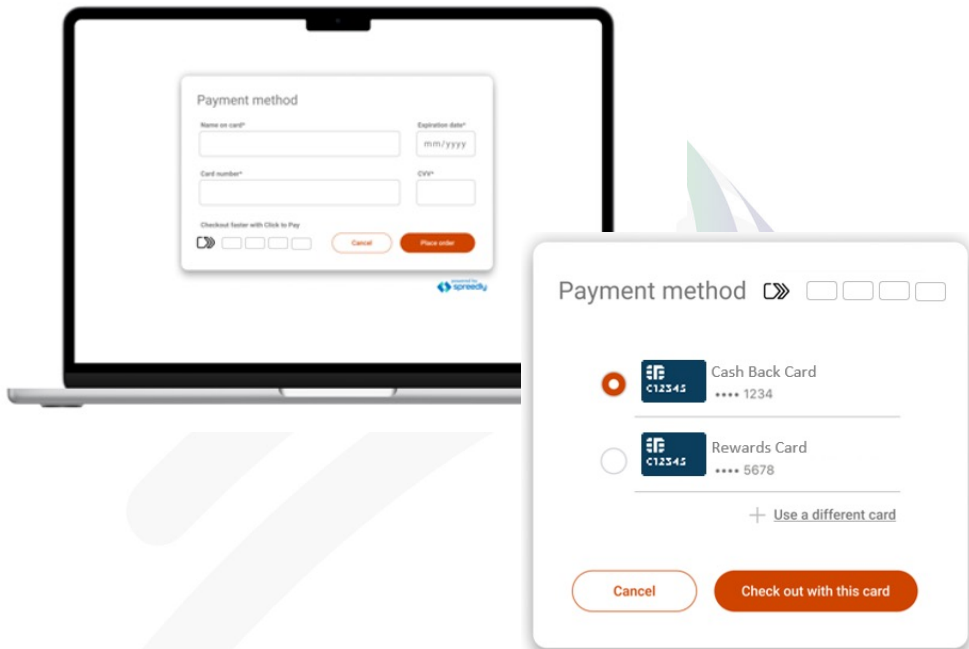
Cardholders receive an easier to use and more secure alternative to checkout. Merchants can implement the solution quickly and drive better conversion.



Results Driven:

<2 weeks for a merchant to launch

Transaction success rates increased by ~6%



Complementary EMVCo Solutions

Enables implementors to combine other fraud-fighting technologies, such as EMV® Payment Tokenization and EMV® 3-D Secure

Tokenization

Links cardholders to their accounts using a payment token in place of cardholder PANs. This helps to keep cardholders' payment information secure during authorization

3DS

Facilitates seamless data exchange between the merchant and the issuer to confirm cardholder's identity in near-real time through a fast, secure connection.

Specification Publication

Focus

- UI/UX Industry Needs

UI/UX Updates

Merchant Orchestrated Checkout, Educational Material
Any subsequent impacts to API/SDK/Core Specifications

Use Case

Document Additional Use Cases for Secure Remote Commerce

Analysis

Focus

- Authentication
- Recognition

Authentication

Evaluate opportunities to provide details on biometric technologies
(FIDO, WebAuthn, etc.)

Recognition

Evaluate consumer recognition options (W3C FedCM, etc...)

Additional Resources

- **Specifications & Associated Bulletins**

EMV Secure Remote Commerce (SRC) simplifies the online checkout process to make it consistent, convenient and secure.

- **Use Case**

Common use case examples to provide guidance for using SRC within existing payment ecosystems.

- **EMVCo Events**

- **EMV® User Meeting June 2023** - This is the meeting notice for the 2023 EMV® User Meeting. It will be held in San Diego, United States.

Thank You!



www.uspaymentsforum.org

