

# Simplifying Cross-Border POS

by Paolo Martino, International Product Manager at TAS Group

In 2014, it was all about mobile POS. 2015 introduced the world to mobile wallets - with Internet giants, smartphone providers, large merchants and technology suppliers all competing to dominate in the market and consumers minds. Mobile payments opportunities abound, beckoning the big players able to make investments in technology, and even bigger investments promoting their solution and business model.

However, the majority of European consumers and merchants are not aware or remain unaffected by these innovations to date. Most cardholders continue to pay for goods using an EMV card, transacting on standard POS terminals at brick & mortar stores or on ecommerce merchant sites through an internet gateway.

## Effects of fragmentation on market evolution

The European card market is highly fragmented in terms of standards and business models. National schemes in most countries operate as barriers to external operators. European merchants are required to adopt POS solutions that comply with the specific regulations of each country in which they operate. That means, having to certify local acceptance with in-country acquirers for transaction routing. Achieving and maintaining compliance is a complex, time consuming process, implying multiple POS terminal management solutions, different conditions with local acquirers, heavy accounting management and dishomogeneous consumer shopping experience in every country – equating to higher costs.

## Impacts of regulations over 2016

Looking ahead in the months to come, the payments industry will be heavily influenced by a combination of compelling events intended to address current fragmentation, overcome current barriers and harmonise rules of acceptance:

EU payment regulations have imposed an increase in transparency on interchanges, with caps of 0.2% and 0.3% for debit and credit cards

PSD2 is allowing Third Party Providers (TPPs) to play a more important role in the payment ecosystem

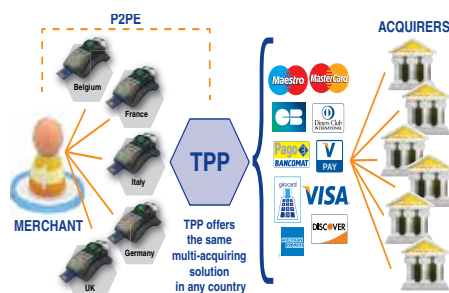
The PCI Council is certifying Point-to-Point Encryption (P2PE) solutions to limit the scope of merchant PCI certifications

Tokenisation provides the additional security necessary to protect cardholder data in relevant end-customer's purchasing scenarios.

Thanks to these new regulations, providers of the merchant community can benefit from easier entry into new markets, enabling aggressive competition for selected targets.

## Breaking barriers: cross border acquiring & P2PE

In a mature EU market domestic standards have been in place for decades. These simple changes of the regulation are causing the barriers to collapse, making growth prospects available for vendors able to grasp the opportunity. But how can vendors accomplish this while maintaining cost efficiency? **By offering a single card-present and card-not-present solution valid throughout Europe.**



Interfacing the main cross border acquirers, a smart payment provider can give merchants the opportunity to negotiate better conditions, leveraging existing international brand presence and integrating local schemes if required. The core aspects of the solution needed by merchants are: only one PED (Pin Entry Device) to EPOS integration for all countries and Point 2 Point Encryption of account data. In fact, simply by deploying a PCI-approved P2PE solution, merchants can effectively remove their stores from the scope of PCI DSS compliance.

Conzorzio Bancomat, the Italian card scheme regulator, instituted CB2 protocol several years ago, compliant with the new European requirements. CB2 is a state of the art POS protocol specification that includes P2PE by default, and is now garnering attention among industry players from several other EU countries.

## Protocols in Practice

One such industry leader is IPS Ltd, a Pan European omni-channel solution provider, specialising in security based payment acceptance and terminal provision for international merchants.

IPS provides payment acceptance services to a number of international merchants, across multiple verticals including retail. This is delivered through a centralised service model underpinned by a customer centric support approach, that has constantly provided noticeable reduction in the overall cost of payment processing for merchants.

Their solution incorporates a PCI Point-to-Point Encryption certified solution at the core, allowing IPS to provide a true end-to-end managed service. This approach enables a simpler path for merchants to achieve PCI DSS compliance while maintaining the level of solution flexibility and payment options consumers expect.

Seeking a POS solution capable of managing multiple PIN entry device (PED) across multiple countries, IPS chose TAS Group.

“When selecting a partner that enabled IPS to offer a secure, scalable and industry leading solution to our customers, TAS Group's capabilities and proven track record made the decision simple.”

Andrew Fletcher  
Customer Solutions Director, IPS

## A Unique cross-border solution for physical & virtual card acceptance

### cashless 3.0™

TAS Group's *cl POS Management* solution allows TPPs to transcend the current fragmentation in the European payment market between terminal to acquirer protocols by leveraging recent regulations and tokenization features. To comply with the highest security standards, it ensures secure key exchange with Point-to-Point Encryption.

*cl POS Management* is ideal since it supports multi-acquirer processing and it has multi bank, multi language and multi currency capabilities.

Discover more: [www.tasgroup.eu](http://www.tasgroup.eu)