

MasterCard Mobile POS  
January, 2014



# Mobile POS Certification

A Introductory Guide



# Purpose

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This slide deck is intended as a high level overview of the certifications required to launch a mobile pos (MPOS) solution.

For more detail and if in any doubt please do not hesitate to contact your MasterCard representative or email

[mobilepos@mastercard.com](mailto:mobilepos@mastercard.com)

NOTE: for details on the types of solutions that can be deployed in various regions/markets please refer to MasterCard Rules and our website

<http://www.mastercard.com/corporate/mpos.html>

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- What is an MPOS?
- Certification bodies, an overview
  - EMV
  - PCI
  - MasterCard
- Applicable certifications

# Definition of the MPOS Landscape





## What is MPOS and what value does it deliver?



### What is MPOS

<b>Definition</b>	<ul style="list-style-type: none"> <li>Mobile Point of Sale (MPOS) is a merchant payment acceptance solution that uses a consumer oriented, multi-purpose smart device (mobile phone or tablet)</li> </ul>
<b>Features</b>	<b>Card Reader</b> <ul style="list-style-type: none"> <li>Mag stripe readers most common</li> <li>Several low cost EMV chip solutions are available</li> <li>Low cost PIN solutions are being introduced</li> </ul>
	<b>Onboarding</b> <ul style="list-style-type: none"> <li>Streamlined registration and boarding process</li> <li>New, less intrusive approach to risk management</li> </ul>
	<b>Pricing</b> <ul style="list-style-type: none"> <li>Simplified package of fixed pricing and no commitments</li> </ul>
	<b>Distribution</b> <ul style="list-style-type: none"> <li>App store and retail distribution in addition to traditional acquiring and ISO distribution</li> </ul>

### Value Delivered

▶	 <p><b>New Merchants</b></p>	<ul style="list-style-type: none"> <li>Businesses previously unable to accept card payments now can use their own mobile phone to become a new MasterCard merchant</li> </ul>
▶	 <p><b>Existing Merchants</b></p>	<ul style="list-style-type: none"> <li>Attracted to ease of use, and simplified cost model vs. traditional acquiring offerings</li> </ul>
▶	 <p><b>Leading Retailers</b></p>	<ul style="list-style-type: none"> <li>Transforming in-store retail experience by replacing traditional fixed POS and integrating value added applications</li> </ul>
▶		<ul style="list-style-type: none"> <li>Address 85% cash by extending acceptance to new merchants</li> </ul>

# Certifications Bodies, An Overview



Interoperability of chip cards and chip terminals

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Security of card and transaction data

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Compliance with MasterCard Franchise rules

# EMV Certification

- **EMV Compliance** testing has two levels:
  - EMV Level 1, which covers physical, electrical and transport level interfaces, (i.e. the hardware) and
  - EMV Level 2, which covers payment application selection and credit financial transaction processing (i.e. the payment software)



If the MPOS features a Chip Reader then both EMV Level 1 and Level 2 certifications must be in place

# PCI Certification

- **PCI Data Security Standard (PCI DSS)**

- the standard was created to increase controls around cardholder data to reduce card fraud via its exposure



If card data is being handled, stored, routed then PCI DSS certifications must be in place

- **PCI PIN Transaction Security Standard (PCI PTS)**

- was specifically designed to protect consumer PIN data from theft. It is also intended to enforce hardware security of devices that accept consumer PINs and house secret encryption keys of the acquirer



If the MPOS solution can accept consumer PINs, then PCI PTS certifications must be in place

# PCI Certification continued

- **PCI Point to Point Encryption Standard (P2PE)**
  - Secure encryption of payment card data at the point-of-interaction (POI)
- **BP** Not currently a requirement of MasterCard Rules, however it is an MPOS Best Practice
- **PCI Payment Application Security Standard (PA-DSS)**
  - Secure payment applications, when implemented into a PCI DSS-compliant environment, will help to minimize the potential for security breaches leading to compromises
- **NA** Payment Apps on the mobile device itself can not be adequately secured and therefore cannot be approved. However, Payment Apps on secure MPOS card reader accessories can be approved.



# MasterCard Certification

- **MasterCard Terminal Integration Process (M-TIP)**

- Check that a Chip terminal meets MasterCard requirements



If the MPOS features Chip then M-TIP must happen before a terminal can be deployed

- **MasterCard Terminal Quality Management (TQM)**

- while EMV L1 tests one or two readers this checks that the 200<sup>th</sup>, 200K<sup>th</sup> and 2 million<sup>th</sup> devices that are produced are the same as the first!



If the MPOS features Chip then it must have a TQM certificate

# MasterCard Contactless Certification

- **There are two ways to implement contactless;**
  1. In the MPOS card reader accessory (solutions in development)
  2. Utilizing the NFC capabilities within the Merchant mobile device (lots of complexities & challenges)
- **PayPass Vendor Product Approval**
  - Check that a contactless terminal meets MasterCard brand requirements



If the MPOS features contactless acceptance then it must have a *PayPass Vendor Product Approval*.