continued from page 1...

The fourteen operators, representing more than 900 million mobile users, are Cingular Wireless, now part of the new AT&T; China Mobile; KALL; KTF; MCI; MTN; NTT DoCoMo; Rogers Wireless; Smart Communications; Telenor, TeliaSonera; Telecom Italia; Turkcell and Vimpelcom.

"The mobile phone is now becoming an essential life management tool for mobile users," said Rob Conway, CEO of the GSM Association. "By bringing payment capability into the device, users will benefit from the ability to purchase items in a secure and convenient way from the comfort of their own mobile phones, hailing an end to bulky wallets full of notes and coins."

According to GSMA, whilst various forms of mobile payment trials and services have been announced, this is the first global approach to facilitate payment by mobile. Secure, transparent mobile payments will be made using a SIM/ Universal Integrated Circuit Card (UICC) card in mobile phones plus contactless/NFC technology. The result will be an interoperable and transparent service for mobile customers, financials institutions and the banks.

This approach will further accelerate the efforts of the major credit card companies, which developed the specifications to ensure global interoperability between chip cards and Point of Sales (POS) terminals, regardless of manufacturer, the financial institution and location of transaction. The GSMA says it intends to work closely with leading financial intermediaries to provide the transaction solutions.

The first phase of the GSMA initiative will begin with a business model analysis followed by an end-to-end trial in Korea later this year. The trial will be led by KTF and will include all key participants in the value chain, from banks and credit card providers to retail organizations and handset manufacturers. LG Electronics will provide handsets for this initial trial in Korea. KTF will share the results of its trial with the GSMA's operator community as part of the program. Following this, similar trials will be deployed involving other operators and financial institutions.

Mobile phone based transactions are already becoming commonplace in South Korea, where there are already more than 12 million mobile payment enabled handsets in circulation, with 80,000 terminal payment machines in shops, restaurants and cafes.

ID CARD

Portuguese ID card roll out gets underway

The Portuguese Citizen Card (cartão de cidadão) project has been officially launched on the island of Faial, one of the Azores Islands. The obligatory citizen ID card, which will eventually be distributed to tens of millions of citizens, integrates fingerprint data allowing match-on-card verification.

The ID programme will involve more than two million cards per year after the roll-out, and is the first ID project in Europe based on Identification Authentication Signature (IAS) specifications. For now, however, the roll out of the card is limited – as part of a pilot scheme – although an expansion of the pilot project is expected later this year with full implementation across Portugal and its consulates around the world expected in 2008.

According to sources, the number of e-ID cards to be rolled out by the end of 2007 will be 200,000.

Gemalto has announced that it has been selected by **Imprensa Nacional-Casa da Moeda** (INCM), the Portuguese Mint and National Printing Office, to provide the solution for the national e-ID card including the secure operating system, the personalization system and applications, the middleware and associated helpdesk services.

Zetes, who is a subcontractor to Gemalto on this project, is delivering the multi-platform middleware to interface the citizen cards and card readers with standard software applications.

Zetes Burótica will also provide Portuguese citizens with second level helpdesk services, as an initial set of services for this citizens cards' project. The supplier has also been awarded a contract directly by **DGRN** (General Direction of Register and Notary) to supply card readers for the citizens and pin pad readers for the municipalities (allowing activation of cards for the pilot phase of the Portuguese eID project). The 72KB JavaCard chip is being supplied by NXP.

This new "Citizen Card" includes several id numbers such as civil identification, taxpayer, social security and health. In the future it will also replace the electoral card. A variety of e-government services will be available via the card. The cardholder has a secret pin code to identify and authenticate himself/herself, and the card generates a legally-binding digital signature for secure declarations and administrative procedures. Another application, for which access is restricted to forensic and police authorities, will perform identity verification via a fingerprint check.

Jacques Seneca, president of Europe at Gemalto, comments: "Gemalto is very proud to contribute to the Portuguese ID program, the first European ID project based on IAS specifications. Portuguese citizens will enjoy the IAS benefits and Portugal sets the pace for national ID cards interoperability throughout Europe."

Contact: Emmanuelle Saby at Gemalto,
Tel: +33 1 55 01 57 27, Fax: +33 6 09 10 76 10,
Email: emmanuelle.saby@gemalto.com

IN BRIEF

• **LaserCard Corporation** has won an order for the start-up phase of a new optical/smart card vehicle registration program in the Indian State of Maharashtra. The purchase order is valued at approximately US$180,000 and is scheduled for delivery during the current quarter. The card will store a wide array of data beyond basic vehicle registration information including permits and renewals, taxes, ownership, vehicle owner biometrics, facial image and other data. Maharashtra is the third state in India to implement the optical/smart card as a secure vehicle registration document. LaserCard has delivered more than US$2.3 million in cards to the other two states, Gujarat and Delhi, for their vehicle registrations programs. These programs are designed to combat serious document fraud and tax evasion problems. The project was awarded to LaserCard's Value-Added Reseller in India on a "build-operate-own and transfer" basis.

• **EMVCo**, the EMV chip card standards body jointly owned by **JCB**, **MasterCard Worldwide** and **Visa International**, has launched a Card Type Approval process for Common Core Definitions (CCD) and Common Payment Application (CPA) compliant cards. This process is a common initiative which will offer providers of CCD and CPA compliant cards a 'one stop' Card Type Approval which is recognised by the three payment system members. Card Type Approval is verification by EMVCo that a specific card product has demonstrated conformance to the EMV Specifications. The EMVCo Card Type Approval process includes the Card Type Approval Process for CCD and CPA card providers, the EMVCo Auditor Qualification Requirements (CCD and CPA Functional Evaluation) and the EMVCo Laboratory Accreditation Requirements (CCD and CPA Functional Evaluation). It outlines the processes to be followed by chip providers, card product providers, EMVCo qualified auditors and EMVCo accredited laboratories.

• **Gemalto** is to provide **Mobinil** with a high-capacity platform hosting a bundle of premium value added services. Mobinil, an affiliate of the **Orange-Orascom Telecom Holdings** joint venture, is the leading mobile operator in Egypt with more than nine million subscribers. The new services include an extended 1,000-entry phonebook, the Gemalto contact list backup solution, as well as group SMS, to cater to the fast-growing Egyptian mobile communications market. According to **Informa Telecoms & Media**, the number of subscribers in the Egyptian mobile communications market is forecast to grow 35% in 2007.

IN BRIEF

• **Infineon Technologies** says it has been providing contactless chips for one of the world's largest contactless payment programs initiated by MasterCard Worldwide. Infineon supplies its highly-secure contactless smartcard microcontrollers to most of MasterCard's PayPass deployments in 13 countries worldwide, including Taiwan, Malaysia, Australia and the US. Currently, there are more than two billion debit, credit and other payment cards in circulation worldwide. In 2006, at least 400 million chip-based payment cards were expected to be issued on a worldwide basis with MasterCard and Visa programs alone accounting for about 17 million contactless chip cards. According to market research company Frost & Sullivan, the conventional contactless payment smart card market is expected to see a compound annual growth rate of 63% over the next five years.

• One of the Netherlands' largest banks plans to launch a trial allowing 100 supermarket shoppers to use contactless mobile phones to pay for purchases and store cash discounts electronically. **Rabobank** and its mobile phone network unit, **Rabo Mobiel**, along with the Netherlands largest mobile network operator KPN, plans to launch the trial in the third quarter with other partners, including the C1000 supermarket chain. The phones will have a contactless chip that supports Near Field Communication technology. Rabo Mobiel is a mobile virtual network operator the bank launched recently to promote mobile-banking services. The trial will uniquely allow users to store their savings from merchant discounts on the phones themselves. These savings can be deposited into the customers' Rabobank accounts or used for paying for groceries or buying ring-tones, wallpapers or other mobile-phone media, according to RFID Platform Nederland.

• **HID Global** has announced the launch of its Crescendo series smart cards designed to provide out-of-the box, standards-compliant support for logical and physical access control applications. Crescendo supports Microsoft Identity Lifecycle Manager 2007 (ILM 2007) and the Windows Smart Card Framework, enabling organizations to deploy, configure, manage, maintain, and audit smart card-based infrastructures. Designed to meet the growing demand for a single card for logical and physical access control, Crescendo smart cards incorporate HID's industry standard proximity technology (HID or Indala), iCLASS, and other 13.56 MHz contactless smart card technologies. The cards can be personalized with employee name, photo, and other identification information. When using Crescendo smart cards there is no additional per-seat middleware license and the cards are supplied pre-initialized with the required on-card software, including all required drivers and middleware.

ID CARD

Conservatives pledge to scrap ID card

The UK's Conservative party has said it will immediately scrap the proposed national ID card scheme if it wins at the next general election. The party said that the current Labour government could create financial dangers if it signs contracts to set up the ID card scheme when it faces cancellation if the Conservatives are returned to power.

In a formal letter to cabinet secretary Gus O'Donnell, the Conservatives asked what provision, if any, has been made in the relevant contractual arrangements to protect the Government – and public funds – against the costs that would be incurred as a result of early cancellation of the scheme.

Additionally the Conservatives said they have fired off a similar letter to likely major contractors, warning them of the Party's intentions.

Defending the ID cards scheme Home Office minister Liam Byrne said that cancelling plans for ID cards would render Britain "defenceless in the war against illegal immigrants".

Byrne told MPs that 70% of the cost of introducing the ID card system would have to be spent on new biometric passports. He said: "If we were to cancel the system that underpins ID cards we would be cancelling the system that underpins biometric visas, ID cards for foreign nationals and biometric passports too."

Byrne added that the ID scheme would disrupt terrorism activities, saying al Qaeda training manuals instructed terrorist to adopt multiple identities.

Foreign nationals to need biometric ID in UK

A new bill has been published in the UK aimed at helping Immigration Officers deter, detect and deport those breaking the rules and ensure that foreign nationals in the UK play their part in upholding the rules by holding biometric-based smart ID cards.

The bill is part of an ongoing reform of the Immigration and Nationality Directorate that will ultimately see the directorate spin off from the Home Office as a more independent agency, called the Border and Immigration Agency (BIA).

Among numerous additional powers, the bill places more obligations on foreign nationals who are benefiting from the right to live in the UK by requiring them to apply for and carry a biometric immigration ID. This, it is hoped, would help the government prevent fraud and illegal employment, and make it harder for immigrants to adopt multiple identities. Immigrants who fail to acquire a biometric ID and keep it up to date could lose their right to live in the country, and face fines of up to £1000.

Immigration Minister Liam Byrne said: "In the last six months I have met hundreds of front line staff and these are the measures they say they need. They don't stand alone. They are part of a radical shake-up of immigration, which includes £100 million extra for enforcement, new technology to count people in and out of Britain and new biometric ID cards for foreign nationals."

EPASSPORTS

UK ePassport project under scrutiny

The UK's National Audit Office (NAO) has issued a report on the introduction of ePassports by the country's Identity and Passport Service (IPS). Parts of it make uncomfortable reading for the government, but on the positive side it does highlight that the project was delivered on time and on budget.

According to the report, the IPS managed the implementation project successfully, delivering it within budget and to a timescale that ensured the UK's continued participation in the US Visa Waiver Program. The report also acknowledges that UK ePassports meet international standards for ePassport design and have demonstrated their interoperability in international tests.

On the negative side the report expressed concerns about the robustness of the chip unit. According to the report: "Although it has been tested in laboratory conditions, the ability of the chip unit to withstand real-life passport usage is unknown. The chip units have a two-year warranty but British ePassports are intended to last 10 years."

CTT has learned that a new chip contract with a second chip supplier is much tighter in terms of guarantees, although the exact terms of the new contract were not revealed.

WORKER ID

Lockheed Martin wins US$70m TWIC contract

The Department of Homeland Security (DHS) has awarded Lockheed Martin a US$70 million contract for the initial deployment of the Transportation Worker Identification Credential (TWIC) card. The smart card is designed to enhance port security by requiring all workers (estimated to be in the region of 750,000) to complete a security threat assessment and carry a biometric (fingerprint) credential before they are allowed unescorted access to secure areas of vessels and maritime facilities.

Under the terms of the contract, Lockheed Martin will establish enrolment centres within close proximity of port facilities, where applicants will provide certain biographic information and fingerprints to conduct a