



WAY Systems

Mobile Transaction Terminal

Fact Sheet

The rapid growth of wireless technologies is creating new options to bring electronic transaction authorisation to non-traditional locations worldwide—from taxis and delivery drivers to open-air markets. However, finding the right balance of security and cost has been difficult. WAY Systems is one company that is meeting Visa's rigorous standards with its Mobile Transaction Terminal.



What is a Mobile Transaction Terminal?

WAY Systems' Mobile Transaction Terminal (MTT) is a mobile phone designed for merchants with a secure integrated adaptor that accepts both magnetic stripe and smart cards. The MTT merges low-cost and widespread GSM/GPRS mobile phone technology with the capabilities of a point-of-sale (POS) terminal.

WAY Systems has developed a secure, encrypted, end-to-end mobile platform that consists of three main components:

- MTT hardware—A mobile phone, a secure access module (SAM), embedded mobile merchant payment application and a battery-powered printer
- SecureNet server—A wireless gateway server that authenticates connections, establishes an encrypted wireless communication channel and provides a remote terminal management application
- Mobile Merchant Server—A payment processing gateway server that integrates with existing payment processing systems

Growth Opportunities for the MTT

WAY Systems initially plans to deploy the MTT, along with its end-to-end payment transaction platform, both in the United States and China. In the US, significant opportunities exist for mobile payments, with strong consumer preference for card payment and demand at myriad mobile locations.

In China, where 97% of consumer spending is still in cash yet GSM/GPRS service is proliferating, WAY Systems has a substantial opportunity to overcome traditional challenges of landline telecommunications to provide cost-effective wireless card acceptance solutions for merchants. In a move to modernise consumer purchases in China, the government and banks are planning to increase merchant terminalisation from 3% to 30% in the next four years, in time for the 2008 Beijing Olympics. The MTT device is designed to meet the country's growing base of small and medium merchants.

Three types of merchants will benefit from the WAY Systems MTT:

- Merchants that do not accept card payments (only cash or checks)
- Merchants that accept card payment without a POS terminal and now need a fast, wireless mobile terminal
- Merchants that will switch from wired to wireless POS

These merchants span five top-prospect sectors:

- Basic food service retailers—Basic food and beverages, small restaurants, open-air farmers markets, and small convenience stores
- Small retailers—Tobacco and news-stands, confectioners, mall kiosks, auto services, hardware stores, pharmacies, apparel, crafts and souvenirs
- Mobile sales—Food delivery, door-to-door sales, cash on delivery (popular in developing countries), home repairs
- Transportation—Taxis, limos, shuttle services, delivery trucks
- Vendor services—Sports stadiums, concerts, exhibitions, fairs

Visa and WAY Systems are solving the challenge of mobile payment: balancing security and cost requirements.

About WAY Systems

Founded in early 2002, WAY Systems (www.waysystems.com) is headquartered in Boston, Massachusetts, USA, and has offices in Hong Kong, and Shanghai, China. The company's mission is to deliver secure, low-cost, convenient real-time mobile payments and transactions for merchants to process card payments anytime, anywhere.



WAY Systems & Visa International

When Visa International noticed the trend in mobile phone technology adapted for merchant use, it began working with WAY Systems to help the company meet Visa's stringent acceptance requirements, including EMV Level 1, EMV Level 2, and PIN Entry Device (PED). In March 2004, Visa International formalised the relationship by creating a strategic alliance with WAY Systems to focus on key business opportunities. Roger Swales, Visa's SVP for global acceptance and operations, is on WAY Systems' Board of Advisors.



MTT Features

- Wireless mobile phone with a secure integrated adaptor
- Designed to accept both magnetic stripe and smart cards targeted for merchant use
- Leverages the low-cost and widespread mobile phone technology (GSM/GPRS) with the capabilities of a point-of-sale terminal
- Secure, encrypted, end-to-end mobile platform that consists of MTT hardware, SecureNet server and a Mobile Merchant Server
- Rapid transaction times of less than 4 seconds

For more information on the value of Visa for modernising economies, please go to www.visa.com/modernisation