



# Global payment acceptance standards: The key ingredient for a merchant-centric world

by **Patrice Dagenais**

**T**he global infrastructure that enables the acceptance of card payments is made up of a bewildering array of proprietary systems. Millions of merchants, acquirers, issuers, card schemes and payment service providers (PSPs) around the world face the same challenge: how can they make their systems work together to support merchant expansion across borders, foster innovation in new payment types and enable international payment partnerships to be quickly and easily established?

Surprisingly few stakeholders realize, however, that the blueprint for an open and unified global acceptance infrastructure already exists and is already delivering fast, interoperable, and borderless payments acceptance, today. Monetico is one of the few, and its secret weapon is nexo Standards, explains Patrice Dagenais, VP, Payments & Business Partnerships at Canadian cooperative bank, Desjardins.

## Introducing Monetico

Monetico is a jointly owned payment solutions brand, which is registered in over 60 countries. It is the result of a commitment by two major institutions, Desjardins Group in Canada and Crédit Mutuel in France. The two companies have shared cooperative and mutualist values.

Monetico's goal is to become a world class leader in electronic payment services by creating a range of solutions geared to both local entrepreneurs and large-scale, international businesses. Monetico does business differently. It prioritizes the interests of merchants and provides easier access to global payment solutions to stimulate innovation, facilitate global partnerships and enable cross border growth. In many ways, Monetico's goal has already been realized. With a combined network of 400,000 merchants and almost 4 billion transactions already processed, Monetico is a 'top 14' payment solution globally<sup>1</sup>

## France-Canada collaboration, enabled by standards

Key to Monetico's success has been its utilization of the open and international payment acceptance specifications and messaging protocols of nexo Standards. By using nexo to standardize its exchange of payment acceptance data, Monetico has been able to integrate the technical complexity of domestic French and Canadian acceptance systems. Instead, thanks to nexo, it can interoperate on a standardized global level, in adherence to ISO 20022.

Historically, cross-border payment collaborations like Monetico have been hard to establish due to the fragmented and incompatible payment acceptance systems of vendors and payment schemes. Where domestic authorities have mandated that international standards are to be applied to payment acceptance, through ISO 8583 for example, varying interpretations of the standards have still resulted in systems incompatibility.

By utilizing specs and protocols developed by nexo Standards, an open, global association dedicated to removing the barriers present in today's fragmented global card payment acceptance ecosystem, Monetico has been able to establish a common acceptance language that allows it to seamlessly communicate on a global scale. This might suggest that domestic tailoring of its solution isn't possible, but this couldn't be further from the truth. Monetico can be easily parameterized for each individual country, enabling merchants to deliver a consistent and familiar user experience for the cardholder, regardless of location. A Monetico terminal will speak to the cardholder in their native language, for example, regardless of the language used in the country where the terminal operates.

Monetico acceptance solutions are PCI compliant and support the full range of card payment formats, including EMV® chip and PIN, EMV contactless card payments and mobile NFC payments. It is sufficiently flexible to enable back-end integration with the payments infrastructures of a wide variety of stakeholders, including acquirers, PSPs and merchants.

<sup>1</sup>Source: The Nilson Report, October 2015/Issue 1073



**Patrice Dagenais**

**Vice President, Payment & Business Partnership at Desjardins**

Since joining Desjardins in 1991, Mr. Dagenais has developed extensive expertise in the payment industry. He was an international marketing advisor for VISA from 1992 to 2007. He was Chairman of the Board of Interac from 2007 to 2013. Interac is the Canadian PIN debit network. He's also a member of the Payments Canada Advisory Committee.

Mr. Dagenais is a precursor in the adoption of International standards (ISO 20022, Nexo, OSCar, etc) and is a member of the Member Advisory Council of Payments Canada, which aims to define the evolution and the future of the payment system in Canada and TARGET2.

**The Monetico-powered merchant**

What does all this mean for Monetico's merchant customers? Simple: it means they sit at the heart of everything that Monetico does.

Unlike conventional payment solutions, Monetico's global standards-based approach is designed to enable merchant-centricity, delivering greater efficiency, more choice, more flexibility and more opportunities for merchants to expand their business around the globe.

**Monetico-powered merchants can:**

- Grow internationally and set up new operations in new territories, via organic growth or acquisition, uninhibited by payment acceptance complexity.
- Deliver a consistent user experience at the point of interaction between multiple payment types, delivering a fast and familiar payment service to customers.
- Significantly reduce vendor costs by tapping into a potentially global base of vendors and suppliers, enabling greater choice and competition for their business.
- Resist supplier lock-in by opening the doors to alternative global suppliers.
- Redirect resources previously committed to payment acceptance integration to focus on innovation and market differentiation.
- Increase the speed and flexibility when migrating to/integrating new payment technologies, reducing time to

**Innovation**  
 Significant investment in research and development to promote innovation and help transform payments by anticipating future needs

**International**  
 International reach and infrastructure

**ISO 20022**  
 International card payment standards

**Collaboration**  
 Cooperative values and putting merchants first

**MAKING CARD PAYMENTS EASY**

**Business ethics**  
 Work ethically and responsibly

**Cooperation**  
 Prioritizing the needs of merchants

**Transparency and integrity**  
 Our services are simple and easy to understand

**nexo STANDARDS** The missing ingredient in global payments acceptance

The payment acceptance industry is crying out for both modernisation and simplification. An international commitment to open standards from all stakeholders is undoubtedly the answer to these needs. International collaborations, like Monetico, would not be possible without this commitment.

While the market is finally starting to move in this direction, more needs to be done to promote the existence and utilisation of ISO 20022 and, in particular, nexo Standards' specifications and messaging protocols. These enable a truly unified approach to payment acceptance and offer a commercially independent and stakeholder agnostic foundation upon which a global payment acceptance network can be established.

They may not realize it, but merchants play a vital role in driving adoption. Merchant demand creates the impetus that will drive adoption across the whole acceptance ecosystem. Without this demand, migration to global standards will be slow, meaning that it will take longer for innovative new services, like mobile payments, to find their way to market. Associations like nexo give all industry players a seat at the table. Now is the time for the merchants to come to the fore and demand that the market is reshaped to work for them.

nexo membership is open to all players in the payment industry. To find out more about becoming a member, please visit

<http://www.nexo-standards.org/>

**Monetico**

TAKING CARE OF PAYMENTS

To find out more about Monetico, please visit <https://www.monetico.com>

**About Crédit Mutuel-CM11**

A leading banking group in Europe recognized for its financial stability and strong ratios, Credit Mutuel-CM11 is focused on its core business—retail banking—and mutualist values. It has gradually diversified over the years, into bancassurance in the early 1970s and other operations (telephone systems, alarm systems, contactless payments, etc.) more recently. Its technological expertise, always at the heart of its development strategy, has helped Crédit Mutuel become one of the major European actors in the payment solutions field. For more information, visit [www.creditmutuel.fr](http://www.creditmutuel.fr).

**About Desjardins Group**

Desjardins Group is the leading cooperative financial group in Canada and the sixth largest in the world, with assets of more than \$260 billion. It has been rated one of the Best Employers in Canada by Aon Hewitt. To meet the diverse needs of its members and clients, Desjardins offers a full range of products and services to individuals and businesses through its extensive distribution network, online platforms and subsidiaries across Canada. Ranked as one of the world's strongest banks according to The Banker magazine, Desjardins has one of the highest capital ratios and credit ratings in the industry. Visit [www.desjardins.com](http://www.desjardins.com)