

Industry News

PARTNERSHIPS

Visa, ADP to Expand Adoption of Visa Payroll Cards

Visa USA announced a five-year agreement with ADP Employer Services to offer Visa-branded payroll cards to its clients.

The Visa-branded ADP TotalPay card offers employers a paperless payroll solution and allows them to offer the option of electronic payroll to employees who may not have a traditional banking relationship. Visa estimates that approximately 80 million people in the United States lack a bank account or access to a payment card.

The agreement extends an existing relationship between Visa and ADP. Under the agreement, ADP will continue to market Visa-branded payroll card to its clients. ADP Employer Services pays one in six U.S. workers and serves more than 550,000 clients worldwide.

INTERNATIONAL

EU Approves Cheaper Cross-border Payments

European Union lawmakers passed regulations to simplify cross-border credit and debit payments, as well as electronic bank transfers, according to a report in *New Europe*.

Europe's payments industry plans to implement the new rules by the end of 2009.

Under the legislation, credit and debit cards issued in one EU country will be accepted by banks in other EU nations with no additional charges.

The new regulations will cover most cash payments, cash withdrawals and credit and debit card use, but will not cover check payments.

The new rules are expected to result in a reduction in transaction costs of USD \$65 billion to \$130 billion annually.

TRENDS

Gap Widens Between Electronic Payments and Checks

According to a Federal Reserve study conducted in 2004, the number of checks written dropped 5.2 billion from 2000 to 2003, while electronic transactions increased more than 13 percent.

One factor driving that change is Check 21, which requires banks to convert paper checks to electronic images to be cleared through the Federal Reserve Bank's automated check clearinghouse.

Nearly 16 billion ACH payments were made in 2006, 2 billion more than in 2005, according to NACHA-The Electronic Payments Association. In addition, the federal government exceeded 1 billion ACH payments in a year for the first time.

Electronic payments outnumbered check payments in the United States for the first time in 2003, according to the Federal Reserve. That year, electronic payment transactions totaled 44.5 billion, while the number of checks paid totaled 36.7 billion.

FINANCIAL

MasterCard Releases First-quarter Results

MasterCard Inc. reported net income of \$215 million, or \$1.57 per share, for the first quarter of 2007, the highest quarterly net income the company has ever recorded. Net revenues for the quarter were \$915 million, a nearly 24 percent jump over the same period last year. The company also reported that it processed 4.2 billion transactions, an increase of more than 19 percent.

"We are very pleased with our first-quarter financial results, which reflect the highest quarterly net income in MasterCard's history," said Robert W. Selander, MasterCard president and chief executive officer. "These results continue to demonstrate the strength of our business model and growth in electronic forms of payment."

PRODUCTS

Vivonet Introduces Halo Retail

Vivonet Inc. unveiled Halo Retail, its Web-based POS and payment-processing solution for small and medium-size retailers, at the Electronic Transactions Association's Annual Meeting and Expo in Las Vegas.

Halo offers retailers protection from security breaches, fulfills their payment-processing needs and gives them easy access to critical business information from anywhere they have access to the Web.

All department, category and product sales performance information is stored in a secure data center and accessible from a Web browser anywhere, anytime.

Halo Retail is set for general availability throughout North America this summer. Vivonet signed an agreement with CentralBANCARD to launch its Halo Restaurant POS solution to the CentralBANCARD's North American network of ISOs and payment processing agents.