



Tokenization and Mobile Payments

Technical connection and contract management
with wallet providers



The new generation of debit cards supports various tokenization use cases. Merchant tokenization allows for secure, token-based online payments. Cardholders can store their debit cards with providers such as Apple Pay and Samsung Pay to make fast, secure, and convenient payments.

What Do We Offer?:

Available Wallet Providers

- Samsung Pay
- Apple Pay
- Google Pay (including Fitbit)
- Wearables (including Garmin, Fidesmo & SwatchPAY!)

Provisioning Authentication Methods

- Call center authentication
- SMS OTP (one-time password)
- In-app provisioning

Additional Services

- Contract management by SIX
- Token lifecycle management by SIX
- Transaction processing and reporting via SIX
- Fee management for Apple Pay

Technical Connection

SIX uses its basic tokenization to connect to the token services of Mastercard and Visa. This enables merchant tokenization, whereby debit cards can be stored as tokens with online merchants. Issuer tokenization, on the other hand, forms the basis for mobile payment solutions, such as Apple Pay, Google Pay, and Samsung Pay.

SIX also controls the lifecycle management process through existing channels, reliably fulfilling all technical and procedural requirements.

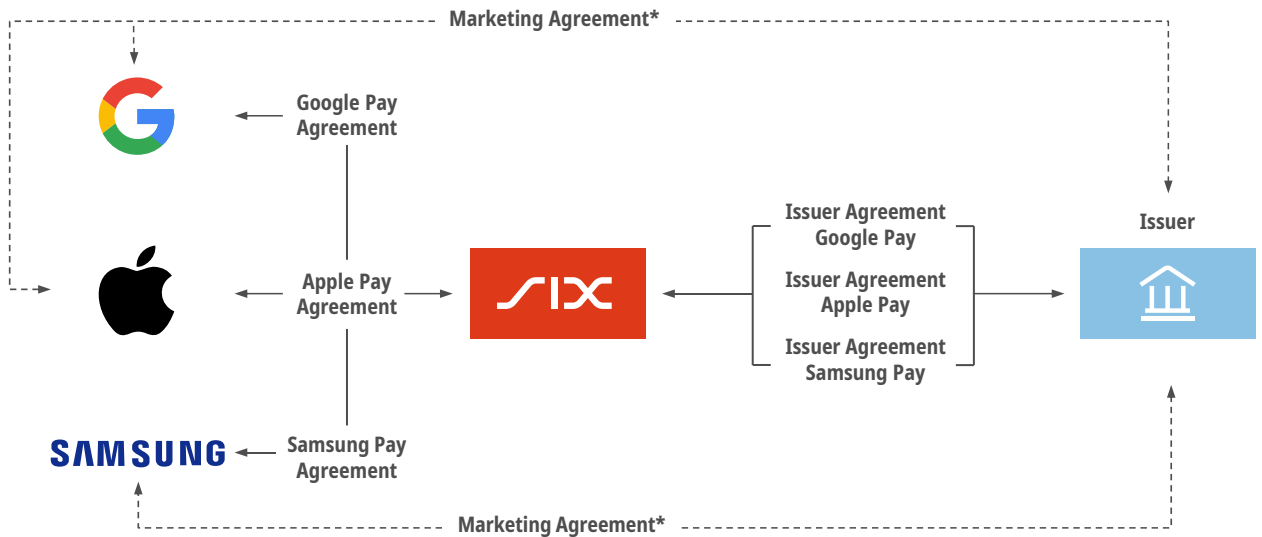


What Is a Token? Simply Put.

A token is a digital sub-card encrypted with a hash value assigned to a specific purpose. When stored in a wallet, it enables secure payments.

Contractual Connection

The establishment of a contractual relationship between the wallet provider, SIX, and the issuer



*A marketing agreement is only necessary for issuers with more than 100,000 cards (direct cooperation). Otherwise, SIX handles coordination.

Contractual Connection to Wallet Providers

SIX concludes individual cooperation agreements with all wallet providers that clearly define the parties' rights and obligations. Separate issuer agreements exist between SIX and banks for Apple Pay, Google Pay, Samsung Pay. Banks with more than 100,000 cards require an additional agreement with the mobile wallet provider because direct marketing support is planned for launch. SIX coordinates marketing activities with banks that have fewer cards. Additional contracts are required with other wallet providers, such as Garmin, Fitbit or Swatch.

These issuer agreements supplement existing contracts, including the issuing processing agreement and scheme license agreements.

Contract annexes, including service descriptions and service level agreements, specifically address topics related to tokenization and mobile payments.

Operational Support

The connection to wallets places specific demands on operational processes:

- 1. Customer service registration support.** When registering end customers or a wallet ("provisioning"), it may be necessary to verify their authorization via customer service. Wallet providers require this channel to be available. SIX ensures the secure identification of end customers via its own call center 24/7.
- 2. Reporting.** SIX handles reporting to the respective wallet providers on behalf of the issuer.
- 3. Fee Arrangement for Apple Pay.** Reporting to Apple triggers the fees payable by the issuer. SIX pays these fees and charges them to the issuer as part of the monthly scheme fees. The of the Apple Pay fees is confidential and will only be disclosed after a corresponding confidentiality agreement is in place.

One of the key advantages of tokenization is improved data protection and significantly reduced vulnerability to cyberattacks

Benefits for You as a Bank

 Contract negotiations by SIX	We handle contract negotiations with the schemes and the wallet providers. All you have to do is sign the respective issuer agreement with SIX.
 Modern use cases	Expand your offerings and provide your customers with new, secure payment methods via their smartphones.
 Cost reduction	Reduce your fraud management expenses thanks to increased security in digital payments.

Benefits for Your Customers

 Security for online payments	Sensitive card data is not stored online or at the merchant. Instead, an, only the encrypted hash value is used, which creates trust and increases security.
 Simplified shopping experience	The debit card can be stored directly with the merchant. There is no need to manually enter card details, which significantly speeds up the checkout process.
 Mobile payments	Enable your customers to conveniently pay via smartphone or wearable device with Apple Pay on iOS and Google Pay or Samsung Pay on Android devices.
 Transparency regarding card storage	Your customers always have control over where their card is stored and can deactivate it themselves if necessary.

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