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Japan Payment Card Consortium secretariat

SBI Ripple Asia Co., Ltd.

Japan Payment Card Consortium Launches PoC on Sharing Fraud Information using Blockchain

SBI Ripple Asia Co., Ltd. (Head office: Minato-ku, Tokyo; Representative Director: Takashi Okita; “SBI Ripple Asia”), serving as the secretariat of the “Consortium of Payment Card Industry Utilizing Block Chain Technology” (hereafter “Japan Payment Card Consortium”) hereby announces the beginning of a proof of concept (PoC) on sharing fraud information using blockchain technology together with nine major credit card issuers of the consortium (American Express International, Inc., AEON CREDIT SERVICE CO., LTD., EPOS Card Co.,Ltd., Orient Corporation., CREDIT SAISON CO., LTD., JCB Co.,Ltd. TOYOTA FINANCE CORPORATION., Sumitomo Mitsui Card Co., Ltd., SUMITOMO MITSUI TRUST CLUB CO., LTD.) and two payment-card technology providers (TIS Inc., Hewlett-Packard Japan, Ltd.).

The companies participating in the consortium endeavor to prevent the spread of damages caused by fraudulent transactions by sharing information on a real-time basis among related parties using blockchain. The PoC will be conducted on R3's blockchain platform, Corda.

Corda takes a unique approach to data privacy and security, ensuring that data is shared only with those that have a “need to know”. Each company will own a Corda node, and while each company implements its own security policy, the data sharing among the nodes is secured by Corda. TIS, a member of R3's partner ecosystem, will develop a highly secure, convenient and scalable information sharing system on Corda.

For the purposes of the PoC, information will only be shared among the participating card companies. However, in the future, the consortium will also consider sharing information with a wide range of parties, including merchants and payment service providers (PSPs). By sharing information within the appropriate scope and content of each business entity, the goal of the PoC is to prevent the spread of fraud.

The consortium will utilize the HPE Mission Critical Distributed Ledger Technology (DLT) Lab as the test environment. The HPE Lab enables firms to try out their applications in a secure hosted environment to see how they may work. This test environment is provided by a Corda-optimized HPE Integrity NonStop server. By enhancing availability and scalability with the capabilities of NonStop OS, clients can experiment in the same environment as the core systems of the card industry that require high quality online transaction processing.

Although blockchain was borne out of cryptocurrencies, it is by no means dependent on them. Blockchain has the potential to enhance the stability, flexibility and efficiency of financial institution systems in a wide range of

applications. The payment card industry is also expected to use the technology not only for sharing information and preventing fraud, but also for identifying customers, issuing local currencies, and point management etc.

While the payment card industry has been implementing various initiatives related to fintech, the Japan Payment Card Consortium endeavors to build a common platform for cross-industry basic technology research. By studying a new financial infrastructure that utilizes advanced technologies such as blockchain and artificial intelligence (AI), the goal is to improve the operational efficiency of participating companies. In addition, the consortium endeavors to establish an effective settlement environment by improving the user experience, thereby reducing social costs and improving productivity in a cashless society.

For further information, please contact:

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