



JCB, IDEMIA and Soft Space launch “JCBDC” Phase 2 pilot to trial CBDC offline P2P payments

PAYMENT

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Tokyo, Paris, Kuala Lumpur, December 13th 2023: Japan's only international payment brand JCB Co., Ltd. (“JCB”) has launched the “JCBDC” (JCB Digital Currency) Phase 2 pilot project with IDEMIA, a global leader in identity technologies, and the world's leading fintech company Soft Space Sdn Bhd. (“Soft Space”).

In Phase 1 of the JCBDC project, JCB, IDEMIA, and Soft Space developed a **CBDC (Central Bank Digital Currency) payment solution**, enabling merchants to accept CBDC without the need to modify their POS (point of sale) terminals and payment cards. This solution was successfully piloted in Tokyo in 2023, which has enabled **JCB, IDEMIA, and Soft Space to proceed to the next phase of the project.**

In Phase 2 of the JCBDC project, customers will be able to transfer CBDC funds from one person to another person using their cards and mobile phones even without Internet connectivity. These offline P2P (peer-to-peer) fund transfers can either be done from one card to another with a mobile NFC device as an intermediary, or from one mobile NFC device to another mobile NFC device directly. This project is compliant with the open WLA (White Label Alliance at <https://wla-payment.org/>) payment standard and using secure elements to ensure optimal security.

- In one option, consumers can send CBDC funds offline **by tapping one person's card to another person's mobile NFC device**. Then another person can tap their card to their mobile NFC phone to receive CBDC funds. Such a stored-value card (SVC) is used to securely store and transfer offline CBDC funds, thus acting as a digital version of cash in lieu of paper banknotes.
- Another option for consumers is to transfer CBDC funds offline by tapping their mobile NFC device to another person's mobile NFC device. Both payer's and payee's mobile NFC devices operate off the network when CBDC funds are sent and received.

For this project, IDEMIA and Soft Space provided the tokenization back-end server, mobile wallet application, card application and SoftPOS solution, as well as all necessary APIs and SDKs for system and application integration purposes. The project uses IDEMIA's protocol, the industry standard for Offline CBDC Payments, and leverages on Soft Space's expertise in contactless payments.

This JCBDC project is aimed at ensuring that CBDC fund transfers can be done securely and conveniently, **by anyone, at any time**, with or without Internet connectivity, with an immediate guarantee of fund availability. JCB, IDEMIA and Soft Space will implement the second phase of the project and **conduct a pilot in early 2024.**

IDEMIA Quote:

Our teams are proud to be taking part in this project, alongside JCB and Soft Space, which highlights IDEMIA's expertise and capacity for innovation in terms of CBDCs. We are convinced that allowing the public to transfer funds offline either with their contactless card or with their mobile phone will give them a great flexibility of choice. With this new phase,

we continue to build on the expertise gained from previous successes with central banks across the world.

Romain Zanolo, IDEMIA Managing Director APAC Payment Services

Soft Space Quote:

We are delighted that phase one of the project has been successful, leveraging on existing technologies that JCB already utilises, such as its contactless EMV technologies and Tap on Mobile SoftPOS. In phase two, we will also evaluate host card emulation (HCE) and various other offline scenarios we are developing with JCB to further develop more real-life use cases aimed at ensuring that the eventual CBDC solution we implement will be of practical use in society.

Joel Tay, Chief Executive Officer of Soft Space

JCB Quote:

It gives me great honor to announce our collaboration with IDEMIA and Soft Space on this Phase 2 project continuing from Phase1. This project proves that we can use offline P2P funds transfer for new CBDC payment systems, which is a huge benefit for consumers in wide range of generations.

Koremitsu Sannomiya, Board Member, Senior Executive Officer of JCB

About us - As the leader in identity technologies, IDEMIA's mission is to unlock the world, make it safer- backed by cutting-edge R&D and a long-standing expertise in biometrics and cryptography. IDEMIA develops technologies of excellence that are unique in the world, with an impactful, ethical, and socially responsible approach.

IDEMIA unlocks simpler and safer ways to pay, connect, access, identify, travel, and protect public places. Every day IDEMIA secures billions of interactions across the physical and digital worlds.

With nearly 15,000 employees, IDEMIA is trusted by over 600 governmental organizations and more than 2,300 enterprises spread over 180 countries.

For more information, visit www.idemia.com and follow @IDEMIAGroup on X, formerly known as Twitter.

About JCB - JCB is a major global payment brand and a leading credit card issuer and acquirer in Japan.

JCB launched its card business in Japan in 1961 and began expanding worldwide in 1981. Its acceptance network includes about 43 million merchants around the world. JCB Cards are issued mainly in Asian countries and territories, with more than 154 million cardmembers. As part of its international growth strategy, JCB has formed alliances with hundreds of leading banks and financial institutions globally to increase its merchant coverage and cardmember base. As a comprehensive payment solution provider, JCB commits to providing responsive and high-quality service and products to all customers worldwide. For more information, please visit: www.global.jcb/en/

About Soft Space - Founded in 2012, Soft Space is a leading fintech player headquartered in Kuala Lumpur, Malaysia.

Serving over 80 financial institutions and partners across 30 global markets, Soft Space offers both merchants and consumers a range of solutions, such as contactless payment through mobile devices as well as comprehensive white-label e-wallet services. These technologies enable the easy adoption of digital payments while helping financial institutions better understand and address their customers' needs. Soft Space's goal is to leverage its mobile contactless payments expertise and patented technology to reshape finance, domestically and globally. For more information, please visit: <https://www.softspace.com.my>



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