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Hon CHAN Kam-lam
Chairman of the Subcommittee on Road Traffic
Legislative Council
HKSAR

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Dear Chairman Chan,

Thank you for inviting us to submit our views on the Road Traffic (Parking) (Approved Cards) (Amendment) Notice 2016.

MasterCard in principle supports and welcomes the extension of card acceptance at parking facilities to other major payment facilities. We believe that this will provide world class convenience and efficiency to parking experiences in Hong Kong, and enhance Hong Kong's competitiveness as an international cosmopolitan city.

However, we do identify a technical issue that could potentially compromise the efficiency and ease of such a plan. The proposed technical requirement that all contactless cards should only support offline transactions as payment could potentially cause inconvenience to cardholders when using card-operated parking meters.

First, contactless payment cards and terminals, for risk management purposes, may require payment transaction to go online or offline for authorization. Therefore, mainstream payment cards are capable of operating online and offline. Cardholders are used to cards that support both online and offline transactions and they typically do not know or care whether a transaction is processed online or offline. A card that enables both online and offline functions gives the cardholder maximum convenience. Second, contactless payment cards operating offline have a limitation in terms of number of offline transactions when they exceed the limit, which could result in cardholders being unable to make payments. Thirdly, there is a global digital trend where more and more third-party mobile wallet payment solutions are enabled with MasterCard contactless. All these third-party mobile wallet payment solutions require online transaction support. Ideally, we recommend the parking meters in Hong Kong should consider supporting these mobile wallet payment solutions as well.

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In a nutshell, we recommend that the acceptance system of parking meters should support all contactless payment cards/ devices without the need for cardholders to identify individual types of card products or accounts. Ideally, parking meters should support both offline and online transactions according to the EMV standard. EMV is an international open-standard set of specifications for smart card payments and acceptance devices and the EMV specifications were developed to ensure interoperability between chip-based payment cards and terminals globally.

Again, we appreciate the opportunity to comment. We hope to continue to work with your committee to achieve our shared objectives of making available efficient, safe and secure payments services in Hong Kong.

Yours faithfully,

MasterCard Asia/Pacific (Hong Kong) Ltd.