

Apple shakes up credit card payments

Tap to Pay, included in Apple's iOS 15.4 software update, allows small businesses to turn an iPhone into a payment terminal

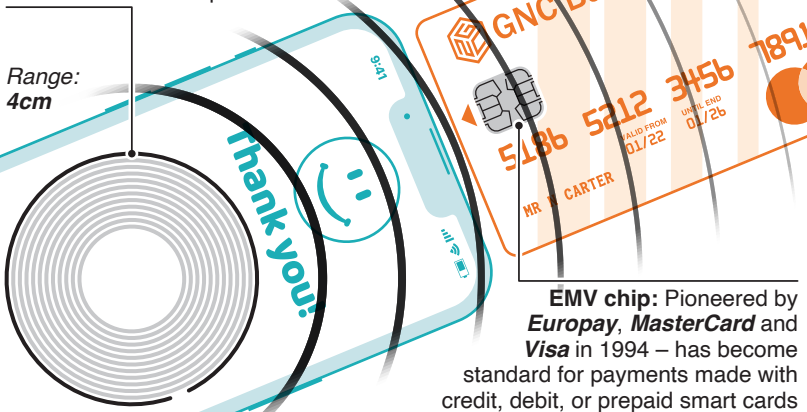
HOW TAP TO PAY WORKS

New update available for **iPhone XS (2018)** model upwards utilising **Near Field Communication (NFC)** chip

NFC antenna: Uses principle of **inductive coupling** to generate magnetic field which induces electric current in nearby **EMV chip** (on credit card). Data stored on EMV can be transmitted to reader (iPhone) and transaction completed

11bn EMV chip credit cards in circulation

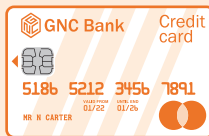
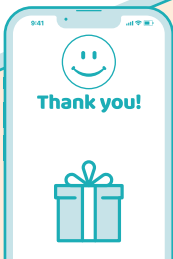
Range: 4cm



EMV chip: Pioneered by **Europay, MasterCard** and **Visa** in 1994 – has become standard for payments made with credit, debit, or prepaid smart cards

CURRENT SYSTEMS (popular with small businesses)

Square Reader (chip and PIN and contactless card reader): Acts as go-between from credit card to iPhone – costs around **\$50**



Other systems more costly:
Square Terminal (\$300); Square Register (\$800)

As well as accepting credit card payments, **Tap to Pay** will accept debit cards, **Apple Pay** and other digital wallets – such as those available on **Android** operating system