

iATM and Stably partner to create a game changing solution for tokenized card payment's processing

Underwriting risk is an area of merchant card acceptance that is often misunderstood, even by professional underwriters. Bank card acceptance underwriting is built on a complex set of rules that are based partly on card fraud and chargeback risks, and a myriad of card association rules that lead to high interchange rates for certain transaction types such as card-not-present eCommerce. Branded Card Association Merchant Category Codes (MCC's) exacerbate the problem by creating groups of business types that are considered "high risk" or are outright banned due to perceived liability and reputational risks. Merchants want to deploy a frictionless checkout system for their online sales, but approximately 27% of the sales ending up as fraudulent transactions. High chargeback back rates in certain industries worsens the problem due to so called "friendly fraud" perpetrated by unscrupulous consumers. The resulting dilemma for many merchants, particularly eCommerce businesses, is having to pay very high interchange rates, and in some case not being able to obtain card processing services at all.

Stably specializes in the issuing of securitized tokens, also known in cryptocurrency jargon as Stablecoins. iATM has developed a merchant "Rapid Advance" payment processing solution which successfully bifurcates the transaction and give merchants much needed liquidity while virtually eliminates chargeback risk. The solution works because the consumer purchases a token which is backed by a securitized asset or currency, effectively purchasing a cash token and in turn the merchant accepts the coupon in lieu of settlement. iATM provides the ability for participating merchants to borrow against their own receivables thus improving their cash flow utilization.

As Securitized Tokens gain wide acceptance in the marketplace, the real power of blockchain technology will be increasingly understood. By securitizing various asset classes through tokens that utilize trustless distributed computing systems, complex and often lengthy transactions, which require trusted third-party intermediaries for verification and validation, can be streamlined. There can be additional information embedded within the encrypted tokens, such as personal and compliance data. In a payment's ecosystems with immutable audit trails, one can envision a world without card fraud and where the inefficiencies of large cash floats will be a thing of the past.

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