



Way4 Social Cards

Hygienic digital payments solution
for building social benefits programs



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Social Cards

Now, more than ever, digital social cards are poised to become the delivery vehicle for sustenance during turbulent times. The welfare of many depends on how efficiently and securely governments, financial institutions, social program partners, and beneficiaries are able to work together. Digital social card programs allow governments and financial institutions to realize multiple closely related goals:

Social policy goals

- **Deliver targeted financial support** to certain categories of people and businesses.
- **Encourage changes in consumption behavior** of subsidized buyers (decrease purchases of addiction-related products and services).
- **Enable financial inclusion** of subsidized individuals and businesses.
- **Prevent social benefits fraud**
- **Ensure that goods** allocated for subsidized buyers are affordably priced.

- **Provide economical, hygienic and widely available contactless payment methods** via cards and smartphones, leveraging existing payment infrastructure.

Technological goals

- **Deliver targeted subsidies** to a large number of beneficiaries at the same time through registration, direct transfers and user-friendly access to benefits.
- **Ensure that subsidies are used by eligible users** and only for designated products and services.
- **Control spending** through restrictions imposed on purchases of categories of products and services, also restrictions of funds transfers, monthly spending, points of purchase.
- **Achieve multiple social policy goals** with the same technological solution.

How Way4 Social Cards works

What the card looks like

Way4 Social Cards can take the form of a **virtual** card, a **plastic** prepaid card, or both. The card can be **tokenized** and stored in a mobile application which supports retail operations. To make in-store payments, subsidized buyers scan **QR codes** or make instant funds transfers to the merchant. Their **e-commerce** payments rely either on the virtual card number or the token. Cardholders can also pay by phone on **NFC** terminals.

Card acceptance can be set to domestic-only or international.

What services are available

- **P2P transfers** (can be blocked or limited, e.g. to transfers between family members)
- **Interest accrual** on the remaining card balance
- **Restricted cash withdrawal**, either blocked or limited per day/month
- **Payments in designated stores**, for example, only in selected grocery chains and pharmacies
- **Purchase of designated goods**, typically food, essential commodities and child care products are allowed, while premium-priced items, alcohol and cigarettes are forbidden

How merchants benefit

- **Complete or partial tax return** to merchants, on goods sold to owners of social cards
- **Preferential interest rates** for turnover-based loans to merchants
- **Increased traffic of subsidized buyers**, attracted by product and

service discounts. The difference between discounted price and regular price can be reimbursed to the merchant either by government, or by the bank who issues and acquires social cards

How government authorities benefit

Way4 Social Cards creates regular reports on benefits accrual and spending and provides access to this data directly to government authorities via web-based workbenches. The workbench is a user-friendly and secure online interface adapted to each officer's responsibilities and access level. We offer APIs that can feed data securely to various government systems.

Examples of digital social cards

First Aid card for refugees (France).

A prepaid card, pre-loaded with funds for refugees' first weeks in the host country. The project is piloted by French social enterprise Welcome Place and Enfuce, European CaaS leader. They rely on the Way4 platform to remotely and instantly set full spending controls on each card, with full monitoring of how and where money is spent. In addition, the cards can be instantly blocked from usage in certain merchant category codes (e.g. gaming) and spending limits can be adjusted in real-time to enable purchases at approved locations.

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Social aid card (the Dominican Republic).

In 2020 over a million of low-income Dominican families received a Christmas bonus from the government, in the form of a prepaid card. The issuer behind this project was Banesco Panama, using its Way4 payment processing platform.

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Farmer card (Thailand). A credit card allowing farmers to purchase agricultural necessities and essential commodities, and to repay the card debt in instalments after the harvest. Can be bundled with crop-failure insurance.

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Card for subsidized purchases and correction of consumption behavior (Australia).

A prepaid card that stores subsidies related to child care needs, unemployment, retirement, and more. It supports purchases of essential commodities and forbids purchases of alcohol, tobacco and gambling services. Cash withdrawals are not allowed. According to the Australian government, this card program has reduced the consumption of unhealthy goods by 30 percent.

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Driver card (Thailand). Also known as “energy cards”, driver cards ensure that cardholders get discounts on fuel that they are entitled to. The government introduced this program to support taxi drivers.

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What Way4 Social Cards offers to governments

Instant delivery of subsidies via social cards to a large number of people according to different beneficiary categories.

Program budget optimization thanks to many cost-saving options: using an existing bank infrastructure, delivering funds through virtual accounts and mobile apps instead of plastic, paperless PIN delivery, and more.

Targeted and secure delivery of funds

Control of beneficiaries' consumption by restricting purchases in real-time for particular products and services, retail locations and spending amounts.

One beneficiary group might receive subsidies only for groceries, another only for healthcare, a third for a child's education purposes, or combinations of these categories.

Detailed reports on usage of subsidies featuring data for an individual card or group of cards/beneficiaries, particular time period, geographic region, and other criteria.

Automated return of unspent subsidies from user accounts back to the national treasury.

What Way4 Social Cards offers to banks

What is a social card from a bank's perspective? This product is similar to payroll and purchasing cards, but with additional configuration and parameters specific to social programs. The Way4 platform provides the functionality listed below.

On the issuing side

Mass issuance of cards, with bulk import of cardholder data from external files. Way4 supports any form factor for social cards. A recommended base product is a domestic virtual card, with optional plastic version and tokenization via mobile app.

Multi-level hierarchies of card products

Unlimited groups of subsidized cardholders

Limits on cash withdrawal

Transaction limit based on Merchant Category Code (MCC), allowing purchases only in retail locations of certain types.

Limits on P2P transfers within hierarchy, for example, funds transfers may be restricted to family members.

Reports on card accruals and spending

Card payments via POS terminals, e-commerce checkouts and mobile applications.

Possible accrual of interest on the remaining card balance.

Optional "consumer wallet", a mobile app where subsidized cardholders can tokenize the social card for contactless payments; pay by scanning QR codes; transfer payments directly to merchant accounts; initiate and accept P2P transfers between family members; check card balance and transaction history; create additional virtual cards for secure e-commerce purchases (with the same limits as for the main card).

On the acquiring side

Restricting acceptance of social cards to selected merchants, such as stores of one particular grocery chain.

Selective authorization for social card transactions, since Level 3 data analysis can identify subsidized products and services in a purchase in real-time.

Automated calculation of taxes and discounts.

Partial or complete tax return to merchants for the subsidized goods they sold.

Reimbursing the difference between subsidized price and regular price to merchants, in part or in full.

Collection and export of detailed information about purchase and tax amounts (Level 2 data) **and purchased products and services** (Level 3 data).

Online workbenches for the acquirer's staff and for government officers.

Optional merchant wallet app to accept QR code payments with a smartphone; a dedicated online workbench where merchants can track payments and reimbursements on social cards; turnover-based loans.

How to speed up launch

If you are using Way4:

The speediest launch option for Way4 Social Cards is available to banks and processors who are already using Way4, since most of the required processing infrastructure is already in place. Both issuing and acquiring rules for social cards can be configured in the shortest time frame.

For an even faster project launch, OpenWay can help your team to complete the basic configuration and launch additional options of your choice.

If you are new to Way4:

For those not running the Way4 platform but who still want to launch Way4 Social Cards quickly, OpenWay recommends two quick-launch solutions: Way4 Issuing Start and Way4 Acquiring Start, which can be run in-house or in the cloud. Way4 Social Cards can be quickly implemented on top of these solutions. All of these solutions can be installed and configured remotely in any region of the world, which allows for an accelerated project launch without risk of physical contact.

Learn more

Thank you for your interest in our solutions. To learn more about the Way4 payment software platform or to contact an OpenWay office near you, please visit our website www.openwaygroup.com, and other resources:





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