

Payment Technology Committee Meeting  
June 30, 2010  
London, England

Minutes

- I. Introductions – Board liaison Keith Cotton welcomed all those present, and thanked everyone for attending.
- II. Where We Have Been – Chair Patrick Glories reported on the progress to date, and recapped the committee meeting held in Las Vegas noting that the Pre-Payment survey had been completed, and sent to the membership. Mr. Glories indicated that he would share the results next. While the Bill-Back issue remained, he indicated that there seemed to be a growing need for recovering, reconciliation information and invoice information. Mr. Glories reported that the EU had changed VAT information, and potentially corporations may not be able to recover their VAT, although this was still in debate. It was noted that although there were many initiatives underway that unless interested members were able to volunteer their time to follow these initiatives and report back to the committee, the progress was slow, and therefore basically impossible to influence.
- III. Survey Results – Mr. Glories presented results of the Pre-Payment survey conducted by HEDNA members. He noted that the results came from a broad base of hoteliers in terms of budget, midscale, upscale and luxury and split among 1-100, 101-1,000 and >1,000 properties, and with representation from around the globe. Mr. Glories reported that most hotels were moving toward pre-payment, with approximately 80% saying it is important now, and an increase of those who believe it will be critical in 2012. In terms of Card Scheme Rules impacting business, 85.7% of the respondents said yes, it was impacting their business, and the CVV impact was also high, with 40% saying it had a major impact, and 30% saying it had an average impact. Mr. Glories concluded the highlights of the survey by noting that while only 23% are currently accepting pre-pays for hotels, 68% said they support an initiative toward pre-pay. Mr. Glories indicated the link to the whole survey will be on the Members' Only section of the website.
- IV. Card-not-Present update – Co-Chair Mike Carlo of Global Collect reviewed with the attendees that much time and energy had been spent on this topic, with some results which included a VISA contact to help solve issues, as well as a VISA document that could be used with banks. He further noted that the definitive word on CVV is that according to card association rules, with few exceptions, the CVV is NOT required for no-show transactions. The exception being in France, and Mr. Carlo offered this tip as a way to process: Use a non-French EUR acquiring channel to process no-show transactions OR

if a French acquirer is requisite, an option may be to set up the first card authorization with the CVV as a recurring transaction. Patrick Glories indicated that while this is still an issue for some, HEDNA has provided VISA contacts, the VISA paper outlining the solutions, and beyond that, without being able to quantify the problem, HEDNA has done all it can do as an organization to resolve this issue.

- V. Global Airline Acquiring Program – Mike Carlo had indicated that this program would eliminate the problem above if HEDNA were to implement such a program for the hotel industry. He explained that in the airline industry it minimizes entity-related issues for cross-border transactions as well as eliminates foreign transaction fees while processing in local currency. Mr. Carlo reported this would not be a short term goal, but if the industry thought it would be beneficial he would pursue it further. David Cabreza from Hilton Hotels indicated that Hilton would be very supportive of the initiative. Mr. Carlo indicated he would solicit input from others, and report back to the committee.
- VI. Committee structure and next steps – Co-Chair Mike Carlo indicated that Board would like to see some restructuring of the committee with hotel participation and goals and deliverables developed. Mr. Carlo indicated that the new structure would include Co-chairs – one from payments and one from hotels with an advisory group of four hoteliers, and had been asked to take the lead from the payment side. As new Co-Chair he vowed there would be greater and more regular communication throughout the year on this topic. Further he indicated that HEDNA had created an email for payment-specific inquiries (so the issue of CVV doesn't take up so much time) which will also be posted on the website: [paymentsolutions@hedna.org](mailto:paymentsolutions@hedna.org), along with a repository of payment information on HEDNA website.

For the next 12 – 18 months, Mr. Carlo outlined an AFOP project with technical and usability information on methods to be delivered to this group, as well as other items determined in discussions during committee meetings.

- VII. Adjournment – With no further business to discuss, the meeting adjourned.