
Abstract:
Smart cards offer a wide variety of applications that could revolutionise payment transactions, reduce costs, and spur online purchasing. Despite the benefits these electronic purses offer, a number of issues inhibit their widespread use, especially in open systems. A tested technology, smart cards can store various types of encrypted information as well as cash balances and digital signatures. A secret key can be used to secure e-commerce transactions as well as protect the card contents. These keys are vulnerable to attack, however, and the stored-value feature is attractive to international money launderers. How real is the case against smart cards? When compared to the benefits that facilitate adoption, the negative aspects appear to reflect unfounded fears. This paper presents a case for global acceptance of stored-value smart cards and explains how this affects the competitive positioning of diverse stakeholders.

Keywords: Smart cards, E-commerce, Security, Money laundering