

AMERICAN EXPRESS® TOKEN SERVICE



WHAT IS THE AMERICAN EXPRESS TOKEN SERVICE?

The American Express Token Service offers a suite of solutions that creates a secure payment method for online, digital and mobile commerce. The American Express Token Service is available for card issuers, acquirers and merchants on the American Express Network.

WHAT DOES THE TOKEN SERVICE INCLUDE?

The American Express Token Service includes a token vault, token issuing and provisioning, token lifecycle management and risk services to help prevent fraud.

WHAT ARE THE BENEFITS OF TOKENIZATION?



DIGITAL GROWTH

Provide your customers with the confidence to conduct transactions online and on mobile payment channels.



REDUCE FRAUD

Through American Express Token Service, real card account numbers are replaced with tokens that are more secure and may help lower the risk of fraud.



INTEROPERABILITY

Provide a consistent, interoperable method for third party payment enablement.



FRICITIONLESS

The American Express Token Service is transparent to your customers. It eliminates the need for merchants to store real card account numbers without interrupting the Card Member experience.

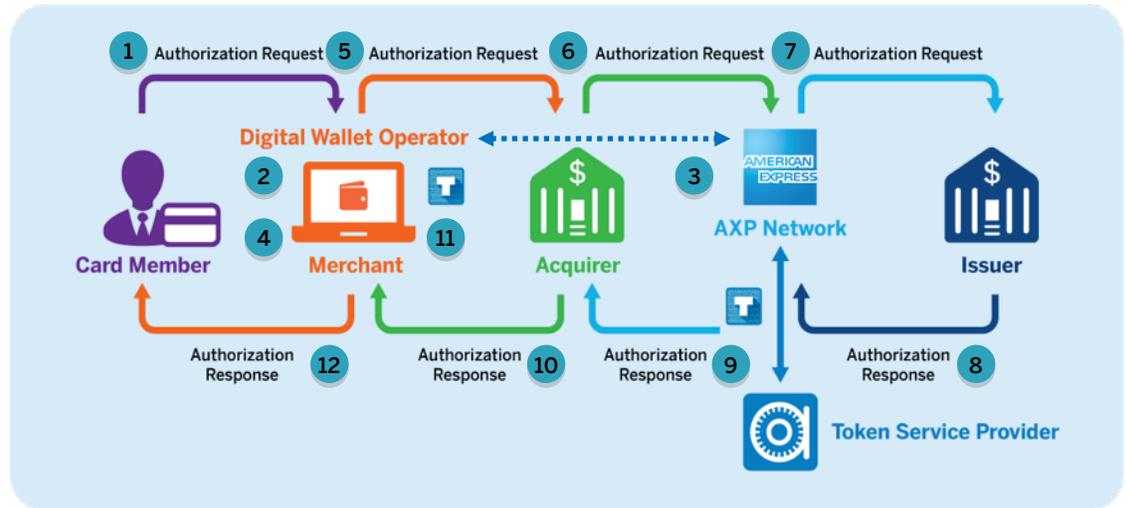
WHY TOKENIZATION?

Tokenization may increase security and reduce risk of fraud for card issuers and Card Members. Acquirers and merchants may also experience a reduced threat of fraudster attacks and subsequent fraud from data breaches. They may also benefit from the high assurance levels that tokens offer payment innovators in online, digital and mobile.

WHY NOW?

Existing token solutions alone may not adequately provide an interoperable, secure and consistent model across payment participants.

**Example:
E-commerce Digital Wallet
with Tokenization enabled.
(other use cases are available)**



- | | |
|---|--|
| 1. CARD MEMBER | The Card Member experience is seamless. The Card Member takes his card and types in the card account number into the merchant's digital wallet to store the payment details and initiate a transaction. |
| 2. DIGITAL WALLET OPERATOR | The digital wallet operator requests a token from the appropriate token service provider authorized to act on the card account number. If an American Express card was entered, the token request would be sent to the American Express Token Service built on the American Express Network, acting as a token service provider to "tokenize" the card account number. |
| 3. AMERICAN EXPRESS NETWORK | The American Express Network maps the card account number to a token and assigns it adequate usage restrictions to prevent fraud and then sends this token to the digital wallet operator. |
| 4. DIGITAL WALLET OPERATOR | The digital wallet operator takes the assigned token and stores it, instead of the card account number, for the Card Member's future use. If the Card Member has initiated a payment transaction there is no action required by the Card Member, the token data is immediately passed to the merchant to process the authorization request. |
| 5. MERCHANT | The merchant takes token data and passes it to their acquirer to make a payment authorization request. |
| 6. ACQUIRER | The acquirer would facilitate the transaction for authorization purposes and carries the token data back to the American Express Network including dollar amount and expiry date. |
| 7. AMERICAN EXPRESS NETWORK | The American Express Network sends the token, card account number and additional card details to the card issuer. |
| 8. ISSUER | The card issuer authorizes the transaction against the card account number or token. The issuer would authorize the transaction and upon approval, the issuer sends back an authorization response to the American Express Network. |
| 9. AMERICAN EXPRESS NETWORK | The American Express Network takes the card account number from the issuer and maps the card number within the America Express Token Service vault to the correct token value. The authorization approval with the token (instead of the card account number) is sent to the acquirer. |
| 10. ACQUIRER | The acquirer sends an approval response message to the merchant with the token (instead of the card account number). |
| 11. MERCHANT & DIGITAL WALLET OPERATOR | The merchant and digital wallet operator has been notified the transaction was approved. |
| 12. CARD MEMBER | The Card Member is advised within the digital wallet that the payment transaction just initiated a few seconds before has been successfully completed. Throughout this process, the Card Member did not have to take any additional steps and may not have been aware that tokenization played a critical role in protecting him from fraudsters. |



**For more information on American Express Token Service please visit our website
www.amexglobalnetwork.com/tokenization
or if you have questions please contact American Express at amextokens@aexp.com**