

# Wave of the Future: MTS Turning Phones Into Credit Card

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Mobile TeleSystems is rolling out a payment service Wednesday that will let its cell-phone customers make purchases and check bank balances with a wave of their phones, the company told The Moscow Times.

A joint program with MasterCard that uses the global credit-card company's PayPass technology, the new feature is expected to be announced at Svyaz ExpoKomm, the annual telecommunications convention taking place this week at Moscow's ExpoTsentr exhibition complex.

MTS employees demonstrated the new offering to curious onlookers at the exposition on Tuesday. Standing in front of a vending machine set up on the MTS stand, a marketing staffer in business attire waved the back of a cell phone — where the technology enabling

the PayPass system is embedded in the SIM card — at a special sensor and successfully purchased a snack. The PayPass-enabled SIM card can also be used at credit-card terminals, ATMs and other devices equipped with the readers.

Beginning Wednesday, MTS customers can trade in their current SIM card for free for a PayPass-enabled SIM card at a handful of MTS stores, company spokeswoman Valeria Kuzmenko said in a telephone interview. Customers will be able to keep their cell-phone numbers and rate plans during the switch, she added. Using the PayPass service with an ATM will require an account with MTS Bank, however.

Of the Big Three mobile operators, MTS is the first Russian operator to offer the PayPass feature, Kuzmenko said. The MTS program is launching in Moscow and other major cities in Russia. Consumers can already use PayPass with some MasterCard credit cards here, Kuzmenko said.

On the heels of its recent forays into 4G wireless, fixed-line broadband Internet and paid television, Rostelecom has announced that it wants to become the largest information-technology company in Russia. Speaking at the Svyaz ExpoKomm, Rostelecom president Alexander Provotorov said the state-owned telecom provider expects to grow its revenue from next-generation IT, multimedia content and cloud services to 50 billion rubles (\$1.6 billion) by 2015, Interfax reported.

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