

# EMURGO Advisory Spotlight: ARA Pay

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## Background

EMURGO - the official commercial arm of Cardano - announces their next advisory client, ARA Pay - a leading Korea-based blockchain & fintech company bridging traditional fiat payments and digital assets.

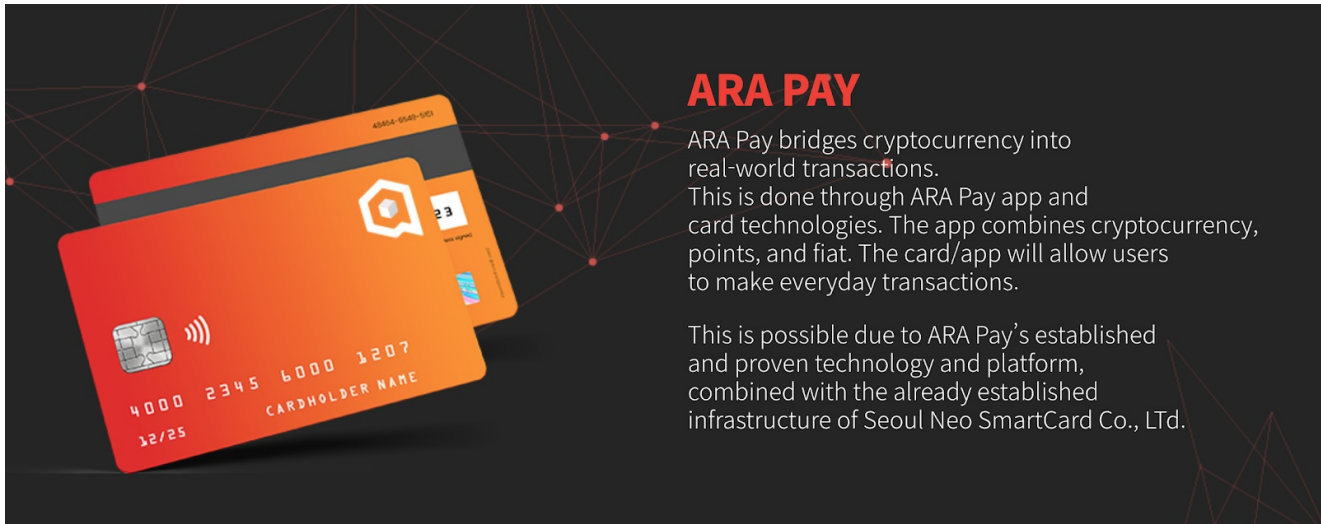
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ARA Pay will leverage its already well-established & proven fintech platform with micro & macro fiat transactions to make payments even more transparent & secure using blockchain-based solutions.

The latest statistics point out that the global digital payments market was valued at \$3.4 trillion in 2018, with forecasts upwards of \$7.6 trillion by 2024. [1] [2] With blockchain-based solutions and digital assets seeking an efficient utility gateway, the payment industry can logically be seen as the most feasible entry point for the adoption of digital assets into the real-world economy.

In the South Korean market alone, fiat-based digital payments are already commonplace with a rising year-on-year percentage and an average daily transaction volume of \$400 million USD in Q2 2018 according to South Korean Central Bank data. [3]

As most markets are still overwhelmingly centered around traditional & digital fiat-based payments, a bridge is required to merge these payments with digital asset payments utilizing blockchain-based solutions.

The graphic features two overlapping orange and red ARA Pay cards on the left. The top card is orange with a white hexagonal logo and the number '23'. The bottom card is red with a white chip icon, the number '4000 2345 6000 1207', and the text 'CARDHOLDER NAME' and '12/25'. To the right of the cards, the text 'ARA PAY' is written in bold red letters. Below this, two paragraphs of text describe the service: 'ARA Pay bridges cryptocurrency into real-world transactions. This is done through ARA Pay app and card technologies. The app combines cryptocurrency, points, and fiat. The card/app will allow users to make everyday transactions.' and 'This is possible due to ARA Pay's established and proven technology and platform, combined with the already established infrastructure of Seoul Neo SmartCard Co., Ltd.' The background is dark with a network of red lines and dots.

## ARA Pay At A Glance

ARA Pay is the mobile payments business division under ARA Corporation - a major technology company that has successfully provided technological solutions for some of South Korea's largest regional and local governments such as database and systems integrations, and various IT infrastructure projects.

Via ARA Pay, ARA Corporation is intending to enter the mobile digital payments industry utilizing blockchain-based solutions.

Leveraging its technological solutions and the infrastructure built by its previous business partners and local Korean governments, ARA Pay is already accepted at point-of-sale (POS) devices at major merchants in South Korea including most public transportation lines (bus, subway, high-speed rail, taxi), highways, and convenience/retail stores.

Currently, ARA Pay is working towards obtaining EMV (Europay, Mastercard, Visa) authentication which will enable ARA Pay to expand its user & merchant base to anywhere accepting credit cards.

ARA Pay offers a physical prepaid card that can be easily recharged using the ARA Pay app. It has no limit, can be used immediately at physical outlets and leverages NFC & QR technology to make the user experience more convenient.

## What Solutions Will ARA Pay Offer?

While technology has been making rapid progress on many fronts, digital payment solutions still face interoperability problems. Each service provider has its own payment system and protocol which makes it very difficult for new payment solutions to enter the market.

The advent of blockchain technology and digital asset-based payments poses an interesting solution with a variety of potential benefits but has the following problems to solve:

- Slow transaction times, especially for micropayments - confirmation of transactions still take a long time depending on blockchain network activity and other factors
- Unclear regulations in differing jurisdictions - regulations are still vague
- POS device limitations - many POS devices are not compatible with cryptocurrencies/digital asset payments
- Merchant limitations - merchants are unwilling or slow to adopt and learn about accepting cryptocurrencies/digital asset payments
- End user inconvenience - mainstream users are still unaware and do not know how to obtain, send, receive, and spend cryptocurrencies/digital assets

ARA Pay will make it simple and convenient for end users by providing a familiar & easy user experience while utilizing blockchain-based solutions on the back end via ARA Points.



ARA Points acts as an intermediary bridge between digital assets and the current fintech infrastructure as merchants can directly accept ARA Points; ARA card can be directly charged using ARA Points; and most POS devices can accept ARA Points through the ARA Pay app.

Each ARA Point will be worth 1 South Korean Won (1,185 South Korean Won = \$1 USD) and is backed by an agreement with Standard Chartered that has been authorized by the Korean Financial Services Commission.

ARA Pay will have its own ARA token which can be exchanged for ARA Points, and ARA token holders will also receive ARA Points as rewards as an incentive mechanism to sustain and drive token utility.

End users with their digital asset of choice including ARA token can transfer them into their mobile ARA Pay app wallet and exchange a given amount into ARA Points, which can then be used in merchant stores to pay for goods and services.

As smart contracts will provide overall security, transparency, and reduced transaction fees to the stakeholders involved, the end users will receive these benefits of blockchain-based solutions. ARA Pay will enable end users to derive utility from cryptocurrencies and digital assets in the real world for commonplace activities.

With most early adopter cryptocurrency users in the millennial age range, digital payments are gaining more usage in worldwide markets and blockchain-based solutions are offering a more equitable and transparent solution with increasing awareness. There is a sizeable market that can be addressed using digital assets + digital payments which ARA Pay intends to address.

### **How is EMURGO advising ARA Pay?**

EMURGO, with its expertise in blockchain R&D and strong network of business partners, will advise ARA Pay in their integration of blockchain-based solutions into their business verticals and token economics mission with an eye towards driving the adoption of Cardano as the protocol of choice. Cardano as the first third-generation blockchain to evolve out of a research-first driven approach is specifically tailored to meet the high demands of transaction-intensive applications and financial data storage. EMURGO has the technical expertise and experience of leading the integration of ADA with existing payment infrastructures such as our popular [ADA Crypto Card](#) and the acceptance of ADA at a famous Japanese Yakiniku (BBQ) restaurant franchise in Japan.

EMURGO has amassed a world class in-house blockchain R&D team well-versed about building on Cardano that has already developed [Yoroi Wallet](#) and [Cardano Blockchain Explorer Seiza](#); an educational unit in India [offering blockchain education courses](#) to developers, career professionals, & enterprises; [dLab/EMURGO blockchain accelerator](#) in NYC with a batch of high potential startups; and [advising established institutions & enterprises](#) on blockchain-based solutions for business efficiency.

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## **Feel Free to Contact Us**

At EMURGO, we are always looking to provide advisory services to quality projects looking to integrate blockchain solutions into their business verticals. Should you be interested, feel free to reach out to our team at <https://emurgo.io>. Don't forget to follow our [social media accounts](#) and sign up to the EMURGO Newsletter on our site to always receive the latest news from EMURGO!

*Sources:*

[1]<https://www.researchandmarkets.com/reports/4534418/digital-payments-market-growth-trends-and>

[2]<https://www.mordorintelligence.com/industry-reports/digital-payments-market>

[3]<https://en.yna.co.kr/view/AEN20180920005800320>

## **About EMURGO**

EMURGO drives the adoption of Cardano and adds value to ADA holders by building, investing in, and advising projects or organizations that adopt Cardano's decentralized blockchain ecosystem. EMURGO leverages its expertise in blockchain R&D as well as its global network of related blockchain and industry partners to support ventures globally.

EMURGO is the official commercial and venture arm of the Cardano project, registered in Tokyo, Japan since June 2017 and in Singapore since May 2018. EMURGO is uniquely affiliated and works closely with IOHK to grow Cardano's ecosystem globally and promote the adoption of the Cardano blockchain. To learn more about the project, visit the [EMURGO website](#).

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