



Efficiency in Payments Systems

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II Seminário Internacional
Arranjos e Instituições de Pagamento

Federal Reserve Payment System Improvement Initiative

The road we have traveled...

Speaking Sessions, Roundtables, Town Halls, Symposium,
Industry Engagement

Consultation Paper

New End-to-End Strategic Focus on
Speed, Security & Efficiency

Retail Payments Study

Research on End-User
Demand for Select
Payment Attributes

ISO 2022 Business
Case Assessment

Payments
Security
Landscape Study

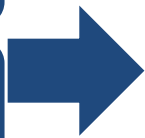
**Strategy
Paper**
Faster Payments
Assessment

The Strategies Paper Focuses on Improving the Speed, Efficiency, and Safety of the U.S. Payment System from End-to-End



Strategies for Improving the U.S. Payment System

1. Actively engage with stakeholders on initiatives designed to improve the U.S. payment system.
2. Identify effective approach(es) for implementing safe, ubiquitous, faster payments.
3. Reduce fraud risk and advance the safety, security and resiliency of the payment system.
4. Achieve greater end-to-end efficiency for domestic and cross-border payments.
5. Enhance Federal Reserve Bank payment, settlement and risk management services to address identified gaps.



Desired Outcomes



SPEED

SECURITY



EFFICIENCY

INTERNATIONAL



COLLABORATION

Strategy 2- Faster Payments

Identify effective approach(es) for implementing safe, ubiquitous, faster payments

Establish...

a faster payments task force to identify and evaluate alternative approaches for meeting end-user needs for faster authorization, clearing, availability of funds and settlement.



Task Force Mission and Objectives

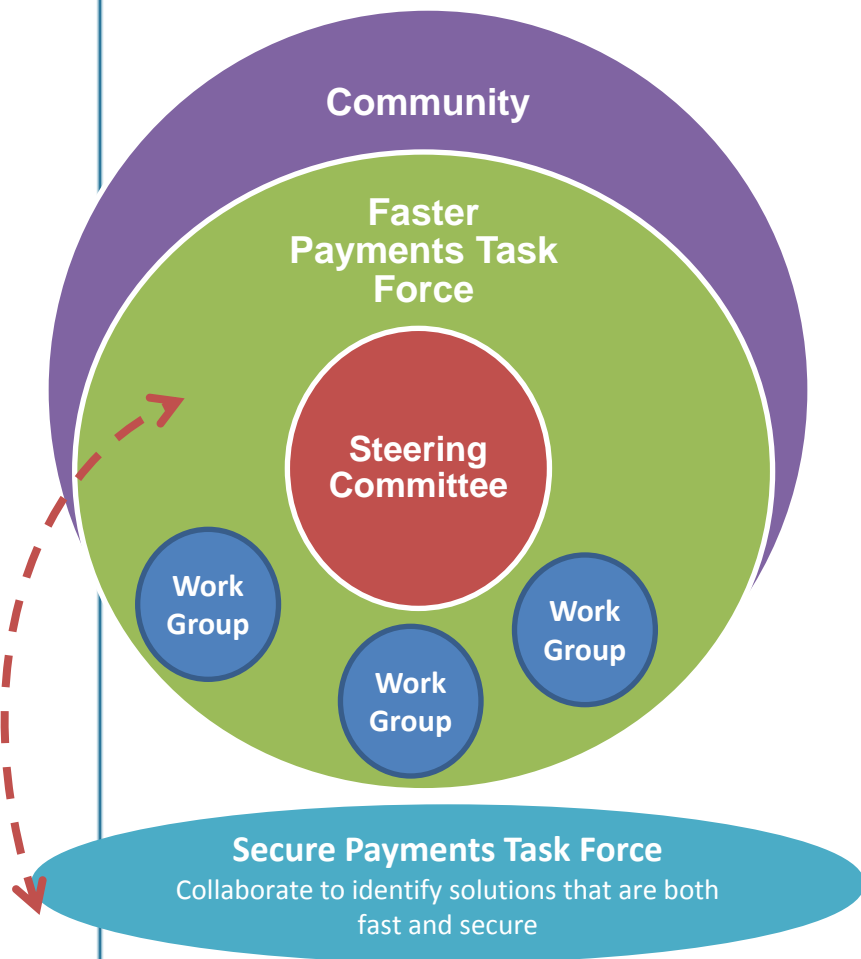
Identify and evaluate approach(es) for implementing a safe, ubiquitous, faster payments capability in the United States

Represent...
views on future needs for a safe, ubiquitous faster payments solution

Address...
other issues deemed important to the successful development of effective approaches

Assess...
alternative approach(es) for faster payment capabilities

Task Force Design and Structure



Payments Community

- Stays current by reviewing Task Force materials online
- Provides input on Task Force questions and work products online

Task Force

- Elects Steering Committee to help guide work effort
- Provides input and/or develops Task Force work products
- Endorses recommendations and conclusions from work efforts

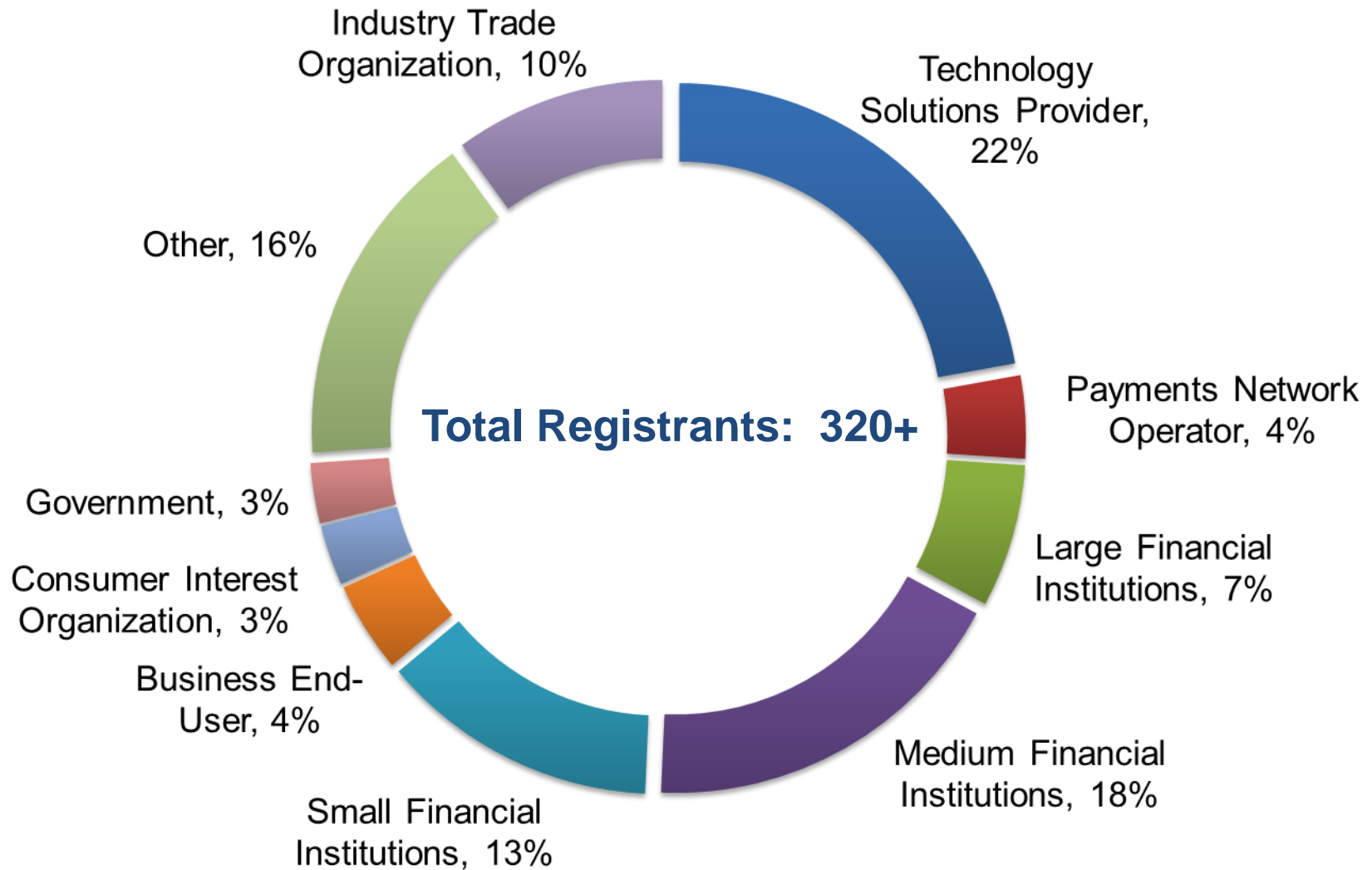
Steering Committee

- Advises the Federal Reserve chair on meeting agendas and assists in prioritizing work
- Recommends scope of Task Force work groups and provides input on when full Task Force deliberation is needed

Work Group(s)

- Formed as needed to complete research and analysis, develop proposals or recommendations for Task Force to review and endorse

Task Force Composition



High-Level Work Plan and Timeline

PHASE 1

- **Began June 2015**
- Development of process and criteria for identifying and evaluating approaches

Plan the work...

PHASE 2

- Iterative development and evaluation of solution proposals

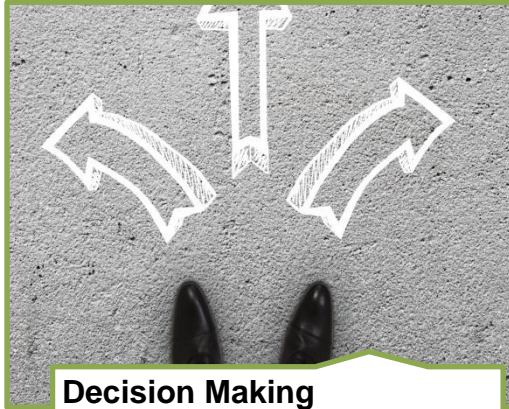
Do the work...

PHASE 3

- **End Dec 2016**
- Review and publication of assessment results and recommendations

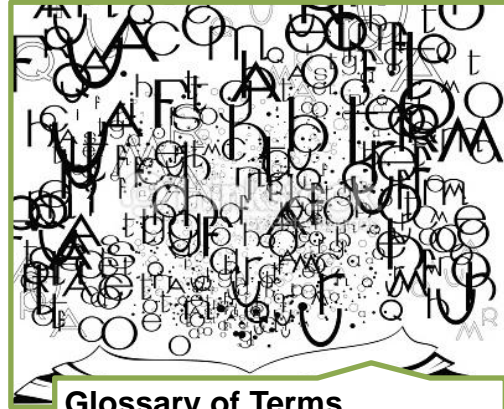
Document the work...

Key Deliverables



Decision Making Framework

•Phase 1 – Completed in August



Glossary of Terms

•Phase 1 – Completed in September



Effectiveness Criteria

•Phase 1 – In-Progress



Proposal Assessment Process

•Phase 2 – In-Progress



Final Work Product Deliverables

•Phase 3 – In-Progress

Effectiveness Criteria

Ubiquity

- U.1 Accessibility
- U.2 Usability
- U.3 Predictability
- U.4 Contextual Data
- U.5 Cross-Border
- U.6 Multiple Use Cases

Speed (Fast)

- F.1 Fast approval
- F.2 Fast clearing
- F.3 Fast availability of funds to payee
- F.4 Fast settlement among depository institutions and non-bank account providers
- F.5 Prompt visibility of payment status

Efficiency

- E.1 Enables Competition
- E.2 Capacity to enable value added services
- E.3 Implementation Timeline
- E.4 Payment Format Standards
- E.5 Comprehensiveness
- E.6 Scalability and Adaptability
- E.7 Exceptions and Investigations Process

Governance

- G.1 Effective governance
- G.2 Inclusive governance

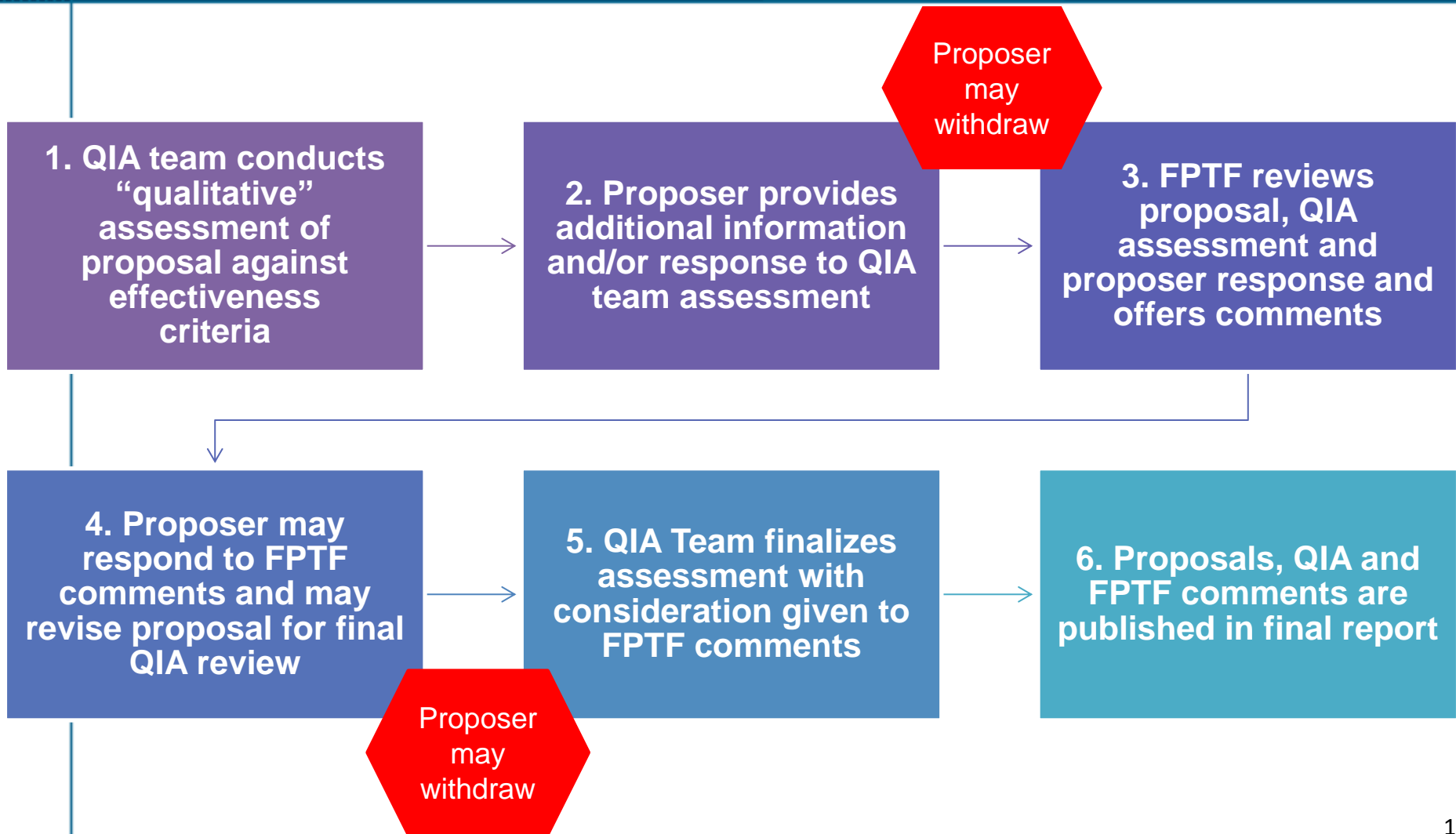
Safety and Security

- S.1 Risk management
- S.2 Payer authorization
- S.3 Payment finality
- S.4 Settlement approach
- S.5 Handling disputed payments
- S.6 Fraud information sharing
- S.7 Security controls
- S.8 Resiliency
- S.9 End-user data protection
- S.10 End-user/provider authentication
- S.11 Participation requirements

Legal

- L.1 Legal framework
- L.2 Payment system rules
- L.3 Consumer Protections
- L.4 Data privacy
- L.5 Intellectual privacy
- L.6 International legal framework

Proposed Qualified Independent Assessment





Join the Community at [FedPaymentsImprovement.org!](https://www.fedpaymentsimprovement.org)

Receive information on task forces and work groups, invitations to live/virtual events, surveys and other online feedback opportunities.



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