

In Pursuit of a Better Payment System

Faster Payments Task Force



Faster Payments Task Force Decision-Making Framework May 17, 2016

Introduction

This document describes the decision-making framework for the Faster Payments Task Force (“TF”) that will be applied to TF work products requiring a super majority TF consensus. TF work products that do not require a super majority consensus will be subject to alternate decision rules to be developed separately from this framework. This framework will guide how the TF generates support for and approval of key TF processes, initiatives and work products (collectively referred to as “decision proposals”).

Decision proposals subject to this framework include the decision-making framework, the faster payment evaluation criteria, and the final TF report. This framework may also be applied to any other decision proposal that the Faster Payments TF Chair (the “Chair”) or Steering Committee believes would benefit from a super majority TF consensus. There will be separate decision processes established for certain tasks where it would not be appropriate, as determined by the Chair in consultation with the Steering Committee, to require a super majority consensus. For example, it would be burdensome to require such a high level of consensus to sanction the creation of a solution work group; therefore, the related decision rule will be defined separately from this framework. Likewise, the framework does not apply to any administrative, routine or other minor issues as decided by the Chair.

Decision-Making Framework Process

1. The TF will review decision proposals.
 - 1.1. Decision proposals may originate from the TF, Steering Committee or Chair; decision proposals may also originate from a member of the broader Fed Payments Improvement Community (the “Community”) if sponsored by a TF member.
 - 1.2. The Chair will consult with the Steering Committee to determine whether a proposal should be subject to super majority consensus.
 - 1.3. For decision proposals determined to be in scope for this framework, the Chair may form a sub-group, which could include both TF members and Federal Reserve staff, to draft a decision proposal as a starting point for discussion.
 - 1.4. Draft decision proposals will be shared with the Steering Committee for review, feedback and possible revision.
 - 1.5. Following the Steering Committee review and upon the Chair’s satisfaction, the updated decision proposal will be shared with the full TF and the Community (when appropriate) for feedback and to identify concerns.
 - 1.5.1. The Federal Reserve will provide forums and/or mechanisms (meetings, calls, surveys, etc.) for TF members and the Community to provide feedback.
 - 1.5.2. TF members will be encouraged to express areas of dissent and suggest possible alternatives early in the process to increase the likelihood that minority views can be addressed in future revisions.
 - 1.6. The Chair may request revisions to the decision proposal to incorporate feedback and/or address concerns.
 - 1.7. The Chair will exercise discretion on whether a second (or third, fourth, etc.) round of Steering Committee, TF and Community feedback (and revision, if appropriate) is necessary.

- 1.8. The Chair, in consultation with the Steering Committee, will determine whether or not the decision proposal is sufficiently developed and should be put forward for TF endorsement.
2. The TF Chair will issue a call for consent.
 - 2.1. Each TF member will be asked if they consent to the decision proposal.¹
 - 2.1.1. Consent does not mean that a decision proposal is the TF member’s preferred option – rather, it means that the TF member is willing to accept the decision proposal.
 - 2.1.2. TF members who consent to the proposal will have the option to submit comments regarding their consent.
 - 2.2. TF members who do not consent to the decision proposal will be given the option to either “stand aside” or “object” to the decision proposal.
 - 2.2.1. A "stand aside" may be registered by a TF member who prefers not to consent or object to the decision proposal.
 - 2.2.1.1. Stand asides may choose to declare their concerns.
 - 2.2.2. To be counted as a valid vote, a TF member who “objects” to a decision proposal will be required to –
 - 2.2.2.1. Declare their concerns, and
 - 2.2.2.2. Suggest an alternative approach.²
 - 2.2.2.3. Objections are generally considered an extreme measure—only used when a member feels a decision proposal violates the mission of the TF (i.e., a principled objection).
 - 2.3. If 2/3 or more of the voting TF members in plenary and a majority of TF members in each of at least six of the eight segments achieve majority consent for the decision proposal (not counting “stand asides”), and no more than one segment objects, the Chair, based on the nature and extent of declared concerns and any other feedback received through the Community, will decide to either -
 - 2.3.1. Record the decision proposal as approved and final³; or
 - 2.3.2. Based on the nature and number of objections raised by TF members, or concerns expressed through the Community (and the rate of participation in the vote), assign TF members or Federal Reserve staff to revise the decision proposal to address concerns and, when deemed ready by the Chair, subject the decision proposal to a new call for consent, thus repeating the process from that point forward (refer to point 1).
 - 2.3.3. Stakeholder segments, for purposes of this decision-making framework, align with segments allocated one or more discrete Steering Committee seats as follows:

¹ Votes of each TF member, as well as accompanying comments, counts by segment and summary results, will be published on FedPaymentsImprovement.org. The voting tool will remain open for at least eight days to accommodate vacation schedules.

² Declared concerns and proposed alternatives of each TF member, if any, will be published on FedPaymentsImprovement.org. Objections without declared concerns or proposed alternatives will not count in the vote tally.

³ Subsequent decision proposals can be made to replace or modify any previously approved decision proposal.

- 2.3.3.1. Large Financial Institutions (> \$89 billion assets)
 - 2.3.3.2. Medium Financial Institutions (\$1 billion to \$89 billion assets)
 - 2.3.3.3. Small Financial Institutions (< \$1 billion assets)
 - 2.3.3.4. Government (operations not regulator)
 - 2.3.3.5. Business End-Users
 - 2.3.3.6. Consumer Interest Organizations
 - 2.3.3.7. Non-Bank Providers (including non-bank service providers, technology solution providers / processors and network operators)
 - 2.3.3.8. Other Industry Segments (including industry trade organizations, regulators, payment rules and standards organization/group, consultants, academics and any other segments not previously mentioned)
3. After TF approval, the Chair will have discretion to make non-substantive changes to the decision proposal before finalizing. Examples of non-substantive changes include formatting changes, grammar/punctuation changes, clarifications or examples that do not change meaning, or removing extraneous or redundant phrases.

Decision-Making Framework Diagram

