

Secure Payments Task Force Steering Committee July 21, 2016 Call Summary

Welcome and Membership Update¹

Todd Aadland, Payments Security Strategy Leader, opened the Secure Payments Task Force (SPTF) Steering Committee call and reviewed the meeting objectives and agenda. Mr. Aadland also summarized changes to the SPTF's membership following the adoption of the revised participation agreement, noting that although the number of members dropped slightly, membership composition by segment remained largely unchanged. In addition, Mr. Aadland stated that Trent Addington, a former Steering Committee member representing the business end-user segment, recently resigned from the Committee due to a job change and discussed the need to fill the open position.

Reflections from June 21-22 SPTF meeting

Tammy Hornsby-Fink, Federal Reserve Bank of Richmond, reviewed the results of a survey emailed to SPTF members regarding the June 21-22 SPTF meeting, noting that more than one-third of meeting attendees responded. Ms. Hornsby-Fink highlighted that more than 90 percent of respondents to the survey rated the location and hotel facilities positively. In addition, she stated that all respondents felt the topics covered were relevant to advancing the SPTF's objectives. Ms. Hornsby-Fink noted that while the vast majority of respondents agreed that the SPTF is effectively collaborating within the work groups, some respondents commented that work groups could do a better job maintaining focus on agreed-upon objectives. Ms. Hornsby-Fink also noted that respondents generally liked the sessions with outside speakers, but wanted additional time to ask questions and provide comments during these sessions. With respect to the work group sessions, Ms. Hornsby-Fink highlighted that work groups that have been underway for a long period of time tended to have lower ratings than those that launched recently. Steering Committee members discussed the possibility that this may reflect fatigue among more mature work efforts. One Steering Committee member suggested adding a feature to future polls requiring respondents that do not rate a given topic positively to provide additional written feedback.

Ms. Hornsby-Fink also provided an update on the feedback collected from SPTF members during the June 21-22 meeting. She stated that the Federal Reserve is considering the feedback received on the Federal Reserve Payment Study for potential enhancements to the 2017 and 2018 interim studies, as well as the 2019 triennial study. With respect to feedback received on commentary period for faster payment proposals, Ms. Hornsby-Fink stated that approximately two-thirds of respondents indicated they would review a handful of proposals (e.g. only those proposals that interest them most) and that SPTF members were split on whether they would partner with others or work individually to review proposals. Ms. Hornsby-Fink stated that the Federal Reserve continues to process feedback received on the session regarding adoption of best practices (to support industry adoption of SPTF work group final deliverables) and that the Steering Committee would have the opportunity to review and provide input on this feedback during the August 17-18 meeting. In addition, Ms. Hornsby-Fink reviewed feedback received from SPTF members regarding work group activities, noting that the Federal Reserve plans to provide additional support to subgroups to help foster engagement and

¹ John Yanish, Federal Reserve Bank of Minneapolis, reminded those in attendance to participate in a manner consistent with Anti-Trust and other applicable laws.

productivity. One Steering Committee member suggested that the Federal Reserve consider employing virtual collaboration tools for remote work group meetings (e.g. tools that would allow members to see edits to documents in real-time during a call).

Work Group Activities

Mr. Aadland stated that a major objective of the August 16-17 Steering Committee meeting is to focus on deliverables and desired outcomes for SPTF work groups. To help prepare for that future discussion, Mr. Aadland asked work group chairs and liaisons present on the call to provide a brief update on the four active work groups.

- Ms. Hornsby-Fink provided an update on the Payment Identity Management (PIM) Work Group and highlighted a few key forthcoming deliverables.² She noted that Subgroup 1 plans to complete the PIM process mappings for the ACH, signature credit, and PIN debit use cases at the end of July and the remaining use cases (including PIN credit, wire, and check) in September. In addition, she noted that Subgroup 2 plans to finalize its process to evaluate PIM processes by September. Ms. Hornsby-Fink stated that the Steering Committee will discuss the Work Group's deliverables and their potential impact to the industry during the August meeting.
- Ed O'Neill, Federal Reserve Bank of Chicago, provided an update on the Information Sharing for the Mitigation of Payment Risk / Fraud Work Group.³ Mr. O'Neill stated that Subgroup 2 is meeting weekly to iterate on the list of information sources currently shared within the industry, highlighting the group's intention to socialize the list with key government agencies in August and to finalize it in November. Mr. O'Neill also noted that Subgroup 3 held its inaugural in-person meeting during the June 21-22 SPTF meeting and reached consensus on proposed deliverables and associated time frames. In addition, Mr. O'Neill stated that Subgroup 1 work efforts have not yet started and that the Work Group is currently determining whether to launch Subgroup 1 work efforts after Subgroup 2 finalizes its deliverables or whether to consolidate those work efforts into the other subgroups. Mr. O'Neill stated that the structure and timing of the Work Group's final deliverables still need to be defined.
- Mr. O'Neill also provided an update on the Data Protection Work Group, which officially launched during the June 21-22 SPTF meeting.⁴ He noted that during the June meeting, the Work Group iterated on its charter, divided its work effort into three subgroups, and identified leads for each subgroup. He stated that the Work Group Chair intends to provide an overview of the planned work efforts, milestones, and deliverables during the August Steering Committee meeting.

² The PIM Work Group has divided its work efforts into three subgroups. Subgroup 1 plans to inventory and understand the relative adoption rates of the existing processes by which identity is established, verified, and subsequently authenticated. Subgroup 2 plans to develop and complete a risk-based process to assess the strengths and weaknesses of those existing processes. Subgroup 3 plans to explore possibilities to bridge gaps in PIM practices and to develop a framework to establish, create and propose PIM policies, practices, and protocols to guide the industry.

³ The Information Sharing Work Group has divided its work efforts into three subgroups. Subgroup 1 plans to identify key information sharing terms and document applicable reporting standards and metrics. Subgroup 2 plans to identify and inventory the types of information currently shared within the payments industry. Subgroup 3 plans to develop information sharing best practices.

⁴ The Data Protection Work Group has divided its work efforts into three subgroups. Subgroup 1 plans to define key terms applicable to data protection and help define the scope of the work group's efforts. Subgroup 2 plans to research principles and payment frameworks applicable to data protection and identify gaps between available resources and the desired end state. Subgroup 3 plans to develop and publish a scalable data protection framework that includes a security baseline that can be universally applied to payment system data.

- Steve Mott, BetterBuyDesign, provided an update on the Standards Assessment Team (SAT). Mr. Mott noted that the SAT plans to provide easy-to-digest summary assessments of relevant standards to the work groups in August and ongoing support as needed for the remainder of the year.

Closing Remarks

Mr. Aadland reminded Steering Committee members to RSVP to the August 17-18 meeting in San Francisco. He stated that the meeting would focus heavily on work group deliverables and touch on the interaction plan for the Faster Payments Task Force (FPTF) proposal commentary period and final paper. He also noted a possible opportunity for Steering Committee members to engage with Federal Reserve senior leaders who will be in San Francisco during the meeting. Mr. Aadland thanked participants for their contributions.