FEDERAL RESERVE NEXT STEPS IN THE PAYMENTS IMPROVEMENT JOURNEY

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Federal Reserve Next Steps in the Payments Improvement Journey

- Summarizes progress toward desired outcomes
- Outlines the Federal Reserve’s planned next steps
- Serves as a call to action for all stakeholders
DESIRE OUTCOME: SPEED

A ubiquitous, safe, faster electronic solution(s) for making a broad variety of business and personal payments supported by a flexible and cost-effective means for payment clearing and settlement groups to settle their positions rapidly and with finality.
ACHIEVING SPEED: PROGRESS, CHALLENGES, AND OPPORTUNITIES

- Promising market activity
- Task force roadmap for 2020
- Broad stakeholder collaboration
- Achieving interoperability, ubiquity, and accessibility poses challenges
NEXT STEPS FOR THE FEDERAL RESERVE

Support GFFT and other collaborative industry efforts

Pursue settlement services that address future needs

Assess the need for Federal Reserve engagement as a service provider

Support industry efforts to implement a safe, ubiquitous, faster payments capability in the United States.
DESIRED OUTCOME: SECURITY
U.S. payment system security that remains very strong, with public confidence that remains high, and protections and incident response that keeps pace with the rapidly evolving and expanding threat environment.
ACHIEVING SECURITY: PROGRESS, CHALLENGES, AND OPPORTUNITIES

Task force security best practices and resources

Dynamic threat environment

Overwhelming number of opportunities and initiatives

Participant understanding and incentives

Broad stakeholder collaboration
NEXT STEPS FOR THE FEDERAL RESERVE

- Continue Secure Payments Task Force
- Analyze and prioritize payment security vulnerabilities
- Fed - and industry - sponsored collaboration
- Continue enhancing risk management services

Work to reduce fraud risk and advance the safety, security, and resiliency of the payment system.
DESIRED OUTCOME: EFFICIENCY

Greater proportion of payments originated and received electronically to reduce the average end-to-end (societal) costs of payment transactions and enable innovative payment services that deliver improved value to consumers and businesses.
ACHIEVING EFFICIENCY: PROGRESS, CHALLENGES, AND OPPORTUNITIES

Adoption of ISO 20022 for wire and ACH

Stakeholder education

Continued industry collaboration

Potential for new payment systems to address current barriers
FEDERAL RESERVE NEXT STEPS

Support efforts to develop and promote standards for electronic invoicing, payments and remittance information

Achieve greater end-to-end efficiency for domestic payments.

Explore the drivers for continued use of checks for B2B payments
DESIRED OUTCOME: INTERNATIONAL
Better choices for consumers and businesses to send and receive convenient, cost-effective, and timely cross-border payments.
ACHIEVING INTERNATIONAL: PROGRESS, CHALLENGES, AND OPPORTUNITIES

Positive market activity

Ongoing compliance concerns

Standards progress

End-user challenges
FEDERAL RESERVE NEXT STEPS

Engage stakeholders on cross-border payments challenges and opportunities

Participate in collaborative industry efforts on cross-border issues

Collaborate with stakeholders to enhance the timeliness, cost-effectiveness, and convenience of cross-border payments.
DESired outcome: collaboration

Needed payment system improvements are collectively identified and embraced by a broad array of payment participants, with material progress in implementing them.
ACHIEVING COLLABORATION: PROGRESS, CHALLENGES, AND OPPORTUNITIES

Diverse and broad stakeholder participation

Industry-driven solutions

Stakeholder resource challenges

Targeted engagement tactics
Highly interactive and flexible payments improvement community

Expanded outreach and education to drive adoption of improvements

Actively engage with stakeholders on initiatives designed to improve the U.S. payment system.
Engage in these Next Steps to Achieve a Faster, Ubiquitous, Safer, More Efficient Payment System for the United States.

Join the Community!

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