

Secure Payments Task Force Steering Committee

December 6, 2016 Call Summary

Welcome and Opening Remarks¹

Todd Aadland, Payments Security Strategy Leader, welcomed the Secure Payments Steering Committee (SPSC) to the teleconference and introduced the newest SPSC member, Christopher Danvers, American Airlines Federal Credit Union. Mr. Aadland thanked the SPSC for their participation at the November Secure Payments Task Force (SPTF) and joint (with the Faster Payments Task Force) meetings. He then reviewed the call's objectives and agenda.

November SPTF Meeting

Gloria Dugan, Federal Reserve Bank of Chicago, reviewed the results of the November SPTF meeting survey, which was sent to all attendees. The raw data shows that SPTF members generally strongly agreed or agreed with the discussion and topics covered, SPTF structure and effectiveness, and agenda topics. Ms. Dugan noted that there was feedback to include Intellectual Property with the Law and Regulation Coordination Work Group, as many stakeholders have an interest in both, and that the joint meeting and panel discussions were all beneficial. Mr. Aadland mentioned that the survey had a relatively limited response rate and encouraged SPSC members to share insight they may have from the SPTF. The SPSC commented on the depth of discussions, the high level of engagement, and the additional work group members that signed up following the November SPTF meeting. Ms. Dugan also explained that the Work Groups received much feedback on their deliverables, which each work group processed in their respective November Work Group meetings.

Industry Feedback on Work Group Efforts

Connie Theien, Federal Reserve Bank of Chicago, noted that at the October Money20/20 conference, the Federal Reserve issued a press release, which announced the release of a survey seeking public comment on the work being done by the SPTF. The main objectives of the release was to increase awareness of the SPTF's work in the payments industry and to solicit feedback for the SPTF. She noted that this generated interest, new members, and press attention. Ms. Theien then explained the quantitative results of the industry survey, which was open from October 25 to November 30. There were 206 respondents, although not all responded to each segment's questions. Each desired outcome from the three work groups – Payment Identity Management (PIM), Data Protection, and Information Sharing for the Mitigation of Payment Risk/Fraud – received strongly agree or agree from 76% or more of the respondents. Though this is a strong basis, some desired outcomes had rather large portions of neither agree/disagree on the desired outcome's value to the industry. Ms. Theien noted that they are currently processing the qualitative responses to see if there are any insights to be had there. The qualitative results should be processed by mid-December, and the final results will be shared with the SPSC, the Work Group chairs, and the Work Group members.

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.

Work Group Next Steps

Work group chairs shared some of the feedback that they received from the November SPTF meeting and how it is shaping their deliverables. The chairs also reviewed the work being completed by the end of 2016 and key milestones for 2017.

Payment Identity Management

Nancy O'Malley, MasterCard, noted the constructive feedback and additional members PIM received during the November SPTF meeting. Ms. O'Malley then provided an overview of the planned efforts for the end of 2016 and 2017. The Work Group is aiming to complete a preliminary draft of its Work Group Report, pertaining to its Use Cases, by December 30.² During 2017, the PIM Work Group will seek SPSC and SPTF feedback, commentary from the industry, and complete a second draft before the SPTF votes on the Work Group Report using the Decision-Making Framework (DMF) process in mid-2017.

Information Sharing for the Mitigation of Payments Risk/Fraud

Glenn Ulrich, U.S. Bank, explained that the Information Sharing Work Group is continuing to identify data sources and incorporating comments from the November SPTF meeting into its list of data sources. He noted that the SPTF seemed to be in consensus that a web-based query would be the most appropriate way to publish the directory. Though, there are still on-going conversations on accessibility and ownership. He noted that at the beginning of 2017, the Work Group plans to create a Data Sources and Standard Fraud Reporting proposal, and feedback will be solicited from both the SPSC and SPTF. In mid-2017, the Work Group intends on drafting a proposal for an ombudsman and identifying international contacts to expand information sharing. Finally, in June or July the Information Sharing Work Group plans to produce a preliminary draft of its Work Group Report, which will be voted on by the SPTF using the DMF process in late 2017.

Data Protection

Ed O'Neill, Federal Reserve Bank of Chicago, explained that the Data Protection Work Group used the feedback from the SPTF November meeting and incorporated comments into the draft of its Data Protection Principles.³ In the beginning of 2017, the Work Group intends on drafting an inventory of sensitive payment data and a list of payment data security standards by payment type, for feedback from both the SPSC and SPTF. Finally, in mid-2017 the preliminary draft of the Data Protection Work Group Report is targeted for completion.

Standards Assessment Team

Steve Mott, BetterBuyDesign, noted the work accomplished by the Standards Assessments Team (SAT) and their intent to deliver upon all Work Group requests. For instance, SAT's work for PIM and Information Sharing for the Mitigation of Payments Risk/Fraud Work Groups is

² Each work group will produce its own Work Group Report, which includes narratives on its background, deliverables, recommendations, and continued work.

³ Mr. O'Neill reported on the Data Protection Work Group in the absence of Reed Luhtanen, Work Group Chair.

nearly complete, and it will be working on the Data Protection Work Group's request in January 2017. Additionally, a preliminary draft of the SAT Analysis Report is slated for the end of 2016.

Law and Regulation Coordination

Matt Davies, Federal Reserve Bank of Dallas, thanked Suzanne Martindale, Consumers Union, for becoming the Law and Regulation Coordination Work Group's chair. Mr. Davies noted that since the SPTF November meeting, the Work Group gained four core and nine ad-hoc members. The Work Group will be finalizing its charter, the request form, and the triage criteria in the coming months.

Task Force Declaration

Mr. O'Neill reviewed the revisions made to the Task Force Declaration, which included feedback from the November SPTF meeting. He explained that if the SPSC endorses the Task Force declaration, it will be shared with the SPTF and a discussion on it will be included in the agenda for the next SPTF meeting. The Task Force declaration received feedback on all three sections: introduction and scope, requirements, and submission and review process. The majority of revisions were made to the submission and review process section. Here, timeframes for the first two steps – submission and review – of the process were included to help keep the request moving through the process. Additionally, the review process now allows for the SPTF Chair and Steering Committee to meet with the proposer for additional detail on their submission, SPTF Chair to update periodically the SPTF on the status of the Task Force declaration submissions, and additional clarity on the approval process. The Task Force Declaration proposal was unanimously endorsed by all SPSC members who attended the teleconference.

Closing Comments

Mr. Aadland reviewed the progress made by the SPTF in 2016 – including the formation of Work Groups, the completed DMF structure, and the support provided to the Faster Payments Task Force (FPTF). Gordon Werkema, Federal Reserve Payments Strategy Director, and Mr. Aadland then thanked the SPSC and supporting Federal Reserve staff for their contributions this year. Mr. Werkema noted two SPSC members will be representing the SPTF on the recently established Editorial Board for the FPTF Final Report. Finally, Mr. Aadland thanked the group for their participation and closed the call.