

Secure Payments Steering Committee Meeting Federal Reserve Bank of Dallas, San Antonio Branch December 6-7, 2017 Meeting Summary

Welcome and Opening Remarks¹

Todd Aadland, Payments Security Strategy Leader, welcomed participants to the Secure Payments Steering Committee (SPSC) meeting and thanked them for their continued engagement in the Secure Payments Task Force (SPTF). Mr. Aadland informed the SPSC that he will be assuming a new position and thus stepping down from his role as Payments Security Strategy Leader in early 2018, and introduced his successor, Kenneth Montgomery, Federal Reserve Bank of Boston, First Vice President. Mr. Montgomery thanked Mr. Aadland for all of his support with SPTF endeavors and expressed his enthusiasm to be working with the SPSC. Finally, Mr. Aadland reviewed the meeting's objectives and agenda.

Payment Lifecycles and Security Profiles

Mr. Aadland noted that this meeting would largely focus on the progression of the Payment Lifecycles and Security Profiles, formerly referred to as the Payment Use Cases. After recently receiving additional industry feedback, Tammy Hornsby-Fink, Federal Reserve Bank of Richmond, and Ed O'Neill, Federal Reserve Bank of Chicago, moderated discussions regarding potential profile modifications. As a result of the industry feedback, the SPSC reviewed the overall structure of the Payment Lifecycles and Security Profiles and decided to request additional Federal Reserve System subject matter experts to confirm accuracy for specific cases. Upon review, the SPSC decided not to recommend any changes to the structure, as it was noted that the work groups, Payment Identity Management (PIM) and Data Protection, carefully constructed it. There was also agreement to use additional resources when necessary and to review three of the profiles – check, ACH, and wire – at this meeting. As a result of the review, the SPSC recommended changes be incorporated specific to terminology modifications, general clarifications, and necessary factual corrections. It was noted that after this meeting, the recommended revisions will be shared with both the subject matter experts and the work groups. Once the revisions are finalized, the work groups will vote to determine whether the Payment Lifecycles and Security Profiles are ready to be sent to the SPSC and SPTF Chair for final review before proceeding to a SPTF Decision-Making Framework (DMF) vote.

SPSC Perspectives

Dave Sapenaro, Federal Reserve Payments Strategy Director, opened a general discussion to obtain SPSC member's perspectives regarding SPTF's work, such as current successes and views for future work. The SPSC generally agreed that increased SPTF participation would be beneficial and discussed various ways to accomplish this going forward. In addition, the SPSC believed that the current work group deliverables, both complete and underway, are effectively advancing the SPTF's goal of promoting security within the payments industry. SPSC members mentioned that all of the SPTF's work since the beginning of the SPTF (June 2015) will help them going forward.

2018 Engagement Strategies

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.

Connie Theien, Federal Reserve Bank of Chicago, continued the SPSC's ongoing discussions regarding the 2018 engagement plan. In particular, the SPSC focused on evaluating the current compositions of all aspects of the SPTF – the SPTF as a whole, the SPSC, and the work groups. For instance, there was much dialogue pertaining to the size and diversity of the SPTF's "Other" segment. The SPSC discussed how to obtain the most accurate representation out of this segment on the SPSC and generally supported the idea of adding seats for this segment. To encourage active participation in the SPTF, the SPSC discussed ways to address membership inactivity and better onboard new members. Additionally, they reviewed each Work Group's planned work for 2018.

Payment Security Framework

Ms. Hornsby-Fink noted that the feedback received at the November SPTF meeting was shared with the work groups, PIM and Data Protection. The SPTF agreed with the work groups' decision to leverage the National Institute of Standards and Technology (NIST) Cybersecurity Framework (CSF), as it provides organizational and industry value. For instance, it creates a common lexicon for the industry, can be used as a baseline to be built upon, and can be implemented across all stakeholders. The SPTF did note the importance of communicating that NIST CSF is not the only framework in the industry and that the work groups supplement this framework to make it specific to the payments industry. Upon review, Ms. Hornsby-Fink noted that the work groups agreed with much of the SPTF's feedback and reviewed the proposed next steps, which includes a new, more focused Work Group Charter and considerations for ways to collaborate with NIST.

Standard Fraud Reporting

Mr. O'Neill shared insights from the November SPTF meeting regarding Standard Fraud Reporting. The SPTF generally thought that the industry would benefit from standard fraud definitions. To ensure informational consistency across all of the payment types within the Standard Fraud Reporting, the SPTF reviewed each payment type description and proposed necessary modifications. Mr. O'Neill noted that there were some concerns pertaining to how the Standard Fraud Reporting work could operationally effect industry participants and whether the industry would find enough value in centralized fraud reporting to participate. Based on this feedback, the Information Sharing Work Group decided to separate this effort into two parts – standardizing the types, categories, and definitions of fraud by payment type and analyzing the possibility of centralizing fraud reporting. Mr. O'Neill explained that a new Work Group Charter, which will focus directly on Standard Fraud Reporting, will be drafted by the Work Group and sent to the SPTF for a DMF vote for approval.

Declaration Proposal Request

Ms. Hornsby-Fink provided an overview of a Declaration Proposal Request, which aims to better protect Personal Identifiable Information (PII). Prior to the meeting, the proposal was reviewed by the three work group chairs, who agreed that the proposal was outside the scope of the work groups. As a result, if the proposal is supported, the work would lay with the SPTF as a whole. Upon SPSC review and discussion of the proposal, the SPSC sponsor and the SPTF participants that drafted the request were asked to revise the proposal to address feedback from the SPSC.

Closing Remarks and Next Steps

Mr. Aadland noted that the SPSC will need to complete a final review of the Payment Lifecycles and Security Profiles and the timing of the DMF process before the end of 2018. Mr. Montgomery then reviewed relevant Faster Payments Next Steps work, which could potentially be leveraged by the SPTF. Finally, Mr. Montgomery thanked the SPSC for attending.