In Pursuit of a Better Payment System

Faster Payments Task Force

Faster Payments Task Force Teleconference

December 16, 2015

1:00 – 2:30 p.m. ET

Anti-Trust Compliance Statement

Task Force Participants are expected to ensure that their participation and communications at Task Force meetings do not violate antitrust laws.

This means that no activity or discussion at our meetings or other related functions may be engaged in for the purpose of bringing about any understanding or agreement among participants to do any of the following: (a) raise, stabilize, or set future prices; (b) regulate future production levels among individual participants; (c) allocate geographic markets or customers; (d) encourage boycotts or seek to exclude specific participants; or (e) aid in creating improper monopolies.

In addition, participants should avoid discussing or revealing any individual participant's competitively sensitive information, including any participant's prices, discounts, costs, capacity, inventory, sales, future business plans, or bids for contracts.

Any questions regarding the meaning or applicability of this statement, as well as any concerns regarding activities or discussions at Task Force meetings, should be promptly brought to the attention of counsel for the Federal Reserve Bank, present at the meeting.

Welcome and Agenda Review

Sean Rodriguez

Agenda

TIME	TOPIC	PRESENTER
5 minutes	Welcome and Agenda Review	Sean Rodriguez
10 minutes	Updates • Participation Agreement • November 19 Follow-Up Questions	Sean Rodriguez
25 minutes	Task Force and Broader Stakeholder Engagement Plan Update	Connie Theien
25 minutes	Capability Showcase Update • High-level Structure for Online Showcase • High-level Plan for “Office Hours”	Dan Gonzalez
10 minutes	Proposal Assessment Architecture (PAA) • Development of Proposal Template	Scott Anchin
10 minutes	Effectiveness Criteria • Voting Participation Rate Update	Ken Isaacson
5 minutes	2016 Meetings and Close	Sean Rodriguez

Updates - Participation Agreement and November 19 Questions

Sean Rodriguez

Update on Qualified Independent Assessment (QIA) from November Teleconference

Hire professional services firm to lead/conduct QIA process

QIA Considerations

- *Engage committed professionals with the required expertise, objectivity and independence*
- *Afford smaller or niche firms the opportunity to be a part of the QIA process*
- *Assess time to establish and implement QIA process and impact on meeting year-end 2016 deadline*
- *Determine compensation and funding*
- *Identify process leadership and management*
- *Determine process to identify and select qualified and independent QIA team members with the required expertise, objectivity and independence*
- *Define appropriate Federal Reserve role(s) throughout QIA process*

During the November 4-5 Steering Committee meeting, members provided input to further define how the QIAT will operate.

- QIA Team Authority / Responsibility
  - Review, validate, comment, and deliver final QIA assessment on submitted proposals
  - Ensure the integrity of the Task Force and QIA process
- Qualified
  - SC clearly defined “qualified” and believes that one firm will have access to the right level of qualified people to be able to assess the proposal at the expert level
- Independent
  - SC clearly defined “independent” and added checks and balances as it relates to independence

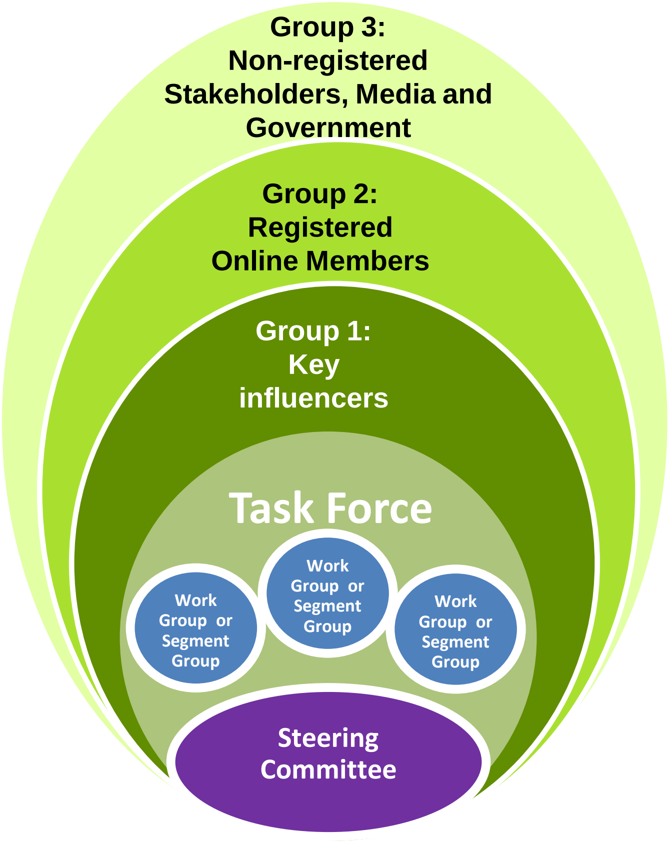
Task Force and Stakeholder Engagement

Connie Theien

Engagement Plan Overview

A plan for facilitating interaction with task force members and broader stakeholder communities to ensure desired levels of awareness, support and engagement, contributing to successful task force outcomes

Engagement Audiences



Plan Deliverables

- ✓ Engagement Framework
- ✓ Content Management
- ✓ Analytics
- ✓ Tools and Technology

Task Force Feedback on Engagement

Common Themes Identified in Task Force Recommendations for Engagement

1. Improve timing and logistics
2. Roll out enhanced technology/collaboration tools
3. Support richer interaction and networking among task force members and with steering committee
4. Develop messages and tools to enable task force members to engage their networks
5. Proactively pursue outreach opportunities including traditional media and social media

Stakeholder Engagement: Enhancing Existing Activities

	Task Force	Payment Stakeholders
Tactics and Tools	**Enhanced process, tactics and tools for information dissemination and collaboration**	
	✓ Knowledge Central platform ✓ More accessible archiving of decisions, content, and timelines for Task Force ✓ Toolkits for communicating outward ✓ Guidelines and standard operating procedures to assist Task Force members with what information can be shared and when ✓ Polls and surveys to gather input ✓ Full 2016 schedule aligned with work efforts ✓ Streamlined email communications: ▪ consolidated communications ▪ advance notices ▪ links to documents for ease of use	✓ Webinars ✓ Email campaigns ✓ Social / media campaigns ✓ Reports and white papers ✓ 1:1 meetings ✓ Speaking engagements ✓ Industry associations/events ✓ In-person events ✓ Website (FedPaymentsImprovement.org) ✓ Polls and surveys
Measurement	**Continuous measurement of engagement**	
	✓ Process and tools to track task force satisfaction ✓ Usability statistics from Knowledge Central ✓ Poll/survey response rates, data analysis and reporting by segment and aggregated ✓ Voting results ✓ Feedback disposition reporting	✓ Traditional and social media monitoring, with quantitative and qualitative reporting ✓ Webinar and event attendance ✓ Poll/survey response rates, data analysis and reporting ✓ FedPayments Improvement Community registrations (website)

Toolkits: Enable and Encourage Task Force Members to Communicate with Stakeholders

Content Type	Stakeholder Engagement Toolkit	Media Engagement Toolkit
Key messages and target audiences	✓	✓
FAQs	✓	✓
MS PowerPoint slides with talking points	✓	
Distribution guidelines	✓	✓
FedPaymentsImprovement.org content	✓	
Email templates	✓	
Press release template		✓
Fed media contacts		✓
Fed leadership quotes, bios, and photos		✓
Social media messages	✓	✓
Fed contacts/subject matter experts	✓	

Engagement Guidelines and Standard Operating Procedures

Attribution Guidelines

Task Force

1. Task Force survey, poll, comments, and non-Decision Making Framework decisions:
   - Attribution shared at the individual level with the Steering Committee
   - Attribution shared at the segment and aggregate level with the full Task Force
   - Attribution shared at the aggregate, potentially at the segment level, with the public as published in meeting materials / supporting documentation
2. Attribution within the task force when member uses a channel that identifies commenter, such as Knowledge Central discussion board
3. Decision Making Framework – voting record made public with individual attribution

Payment Stakeholders

1. No individual attribution for private channels (i.e., surveys, poll, etc.)
2. Individual attribution when the payment stakeholder chooses to use a channel that reveals their identity, such as a blog post

Engagement Guidelines and Standard Operating Procedures

Task Force Member Information Sharing Guidelines

Outside Your Organization

Task Force members can externally share any content that is published on FedPaymentsImprovement.org and in Fed provided toolkits

- Task Force members are allowed to share and speak about their own personal views, but not other Task Force members' views besides any information that is on public record
- Content designated as Task Force confidential may not be shared

Within Your Organizational

If a Task Force member signs an organizational participation agreement, that member can share information to authorized individuals within their organization as noted below, including content designated as task force confidential.

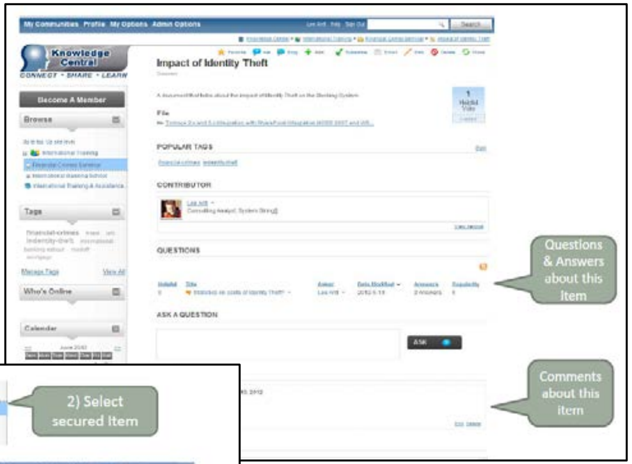
- An organization will be defined as an entity and its employees and contractors that have signed confidentiality agreements with that organization

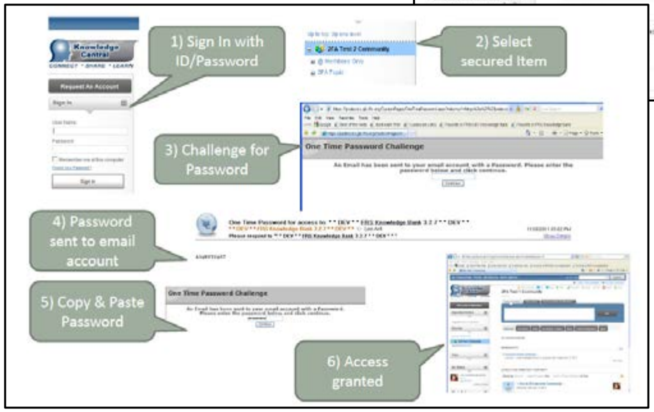
Task Force members with an individual participation agreement may not share Task Force confidential content within their organization or otherwise.

Knowledge Central: Logistics, Content Access and Collaboration

Repository Capabilities

Collaboration and Contribution:
Task Force members can contribute, comment, and ask questions about approaches, proposals, and process





One Stop Shop:
Provides easy access to announcements, logistics, documentation and calendar

Two Factor Authentication:
Strong technical controls allow users to collaborate in secure space consistent with guidelines and participation agreements

Example of Types of Content

- Meeting logistics
  - ✓ Event Details
  - ✓ RSVP
  - ✓ Hotel Information
  - ✓ Meeting Materials
  - ✓ Agenda
- Collaboration and contribution among members for key activity areas working up to the meeting
- Summarized meeting notes
- Tool kits for external content dissemination
- Surveys/polls on process
- Standard operating procedures around attribution and confidentiality of meeting content

Task Force Engagement Next Steps

	Task Force	Payment Stakeholders
	Work Underway	
Status Update	▪ Working on communication toolkit for the release of effectiveness criteria and work group announcements ▪ Building the Knowledge Central platform to support task force collaboration ✓ Construct site infrastructure and content – by December 31 ✓ Review user requirements with Steering Committee (SC) volunteer group – December 9 – 18 ✓ Pilot site with SC volunteer group – January 4 – 8 ✓ Launch site – Mid-January ▪ Finalizing 2016 task force calendar	▪ Working on broad communications to announce faster payments effectiveness criteria and secure payments work groups ▪ Cataloging feedback from task force on industry associations/events for engagement ▪ Updating FedPaymentsImprovement.org navigation to support task force content

*Faster SC volunteer group members include Bradley Wilkes, Wanda Chambers and Mark Keeling

Capability Showcase Update

Dan Gonzalez

Capability Showcase Structure

- Components of online provider profile
  - Company and contact details
  - Up to 7 minute video describing faster payments supporting capability
  - Private, credentialed tool – with a public option (details on next slide)
- Abilities within the online Showcase
  - Searchable key words/categories based on Effectiveness Criteria
  - Ability to save favorites
  - Link to external websites for supplemental information on capability
- All submitters adhere to terms of use and user guidelines
  - Use of showcase tools does not constitute FRB endorsement of any service or provider
- Target availability – mid-January 2016
  - No targeted closing date – to remain open as work continues
- In-person option open to all Showcase submitters to allow for face to face interaction

Public vs. Private Availability of Showcase

- Strong desire by task force members for a public capability
  - Where submitters and viewers can be **non-task** force members,
  - While still offering submitters a separate portal that is still semi private, and
  - All submitters would have a choice on where videos/profiles are displayed (either publicly or privately)
- Public capability offers additional transparency and societal benefit
  - Creating a forum where capabilities can be showcased to the general public
  - Can be as valuable as the publication of the criteria
- Based on desire for both a public and private capability – two delivery channels are being worked on:
  - **Knowledge Central – Private**
    - Credentials required for all submitters, even those just wanting to view content
    - Accessible by all task force (SP and FP) members and non-task force submitters
  - **YouTube – Public** (linked off of FedPaymentsImprovement.org)
    - Public access – no credentials required

Capability Showcase Promotion

Three Phases of Promotion

- Phase One – October 2015 through January 2016
  - Kicked-off with promotion at Money 20/20
  - More promotions in December are "pre-Showcase," intent to submit:
    - Blog post on FedPaymentsImprovement.org
    - Twitter campaign
    - Email to TFs and broader community

Most Frequent Channels of Promotion:
- ✓ Email
- ✓ Social Media
- ✓ FedPaymentsImprovement.org

- Phase Two – January 2016
  - Promote opening of the Showcase
  - Communicate user terms and guidelines, process, and benefits of the Showcase
- Phase Three – January 2016
  - Target communications to Showcase submitters, identifying next steps
  - Promote "Office Hours," including registration

Showcase “Office Hours” Update

- Timing
  - Align with FPTF meeting in February (25-26)
  - Opportunities for “Office Hours” throughout the day (i.e. lunch, reception, etc.) and a few hours after the end of the meeting
- Format/Logistics
  - Provide space in the meal room for submitters to set up information tables
  - Provide separate spaces for submitters to meet
    - The Fed will only provide the space. <u>Agenda, scheduling, timing, etc. is the sole responsibility of submitters/providers.</u>
    - Sign-up to secure space; first come, first serve basis
- Promotion/Communication
  - Highlight the “Office Hours” in all Showcase communications/campaign so that non-TF members are well informed and can make necessary participation arrangements
  - Develop a registration form

**The hosting of ‘office hours’ IS NOT INTENDED TO facilitate matchmaking between solution providers*

Proposal Assessment Architecture

Scott Anchin

Proposal Template

Update

- Discussed at September Steering Committee and Task Force meetings
- Acceptance of broad template structure:
  - **“What”** the solution does from an end-to-end payments flow perspective
  - **“How”** the solution meets the effectiveness criteria – self-assessment and justification by the proposer
- Feedback on Effectiveness Criteria: suggestions for detail to be included in the proposal template (e.g., payment initiation process)

Proposal Template

Overview of Draft Template

- Proposal Summary
  - Baseline features
  - Payment initiation process
  - Use cases
  - Cross-border functionality

- Part A: Detailed End-to-end Payments Flow Description
  - Initiation
  - Authentication
  - Payer authorization
  - Approval by the payer's provider
  - Clearing
  - Receipt
  - Settlement
  - Reconciliation

Proposal Template

Overview of Draft Template

- Part B: Business Considerations
  - Implementation timeline
  - Pricing model and competition (information for QIA team only)
  - Payment volume assumptions, and estimated development, implementation and running costs

- Part C: Self Assessment Against Effectiveness Criteria
  - Ubiquity
  - Efficiency
  - Safety and security
  - Speed (Fast)
  - Legal framework
  - Governance

Proposal Template

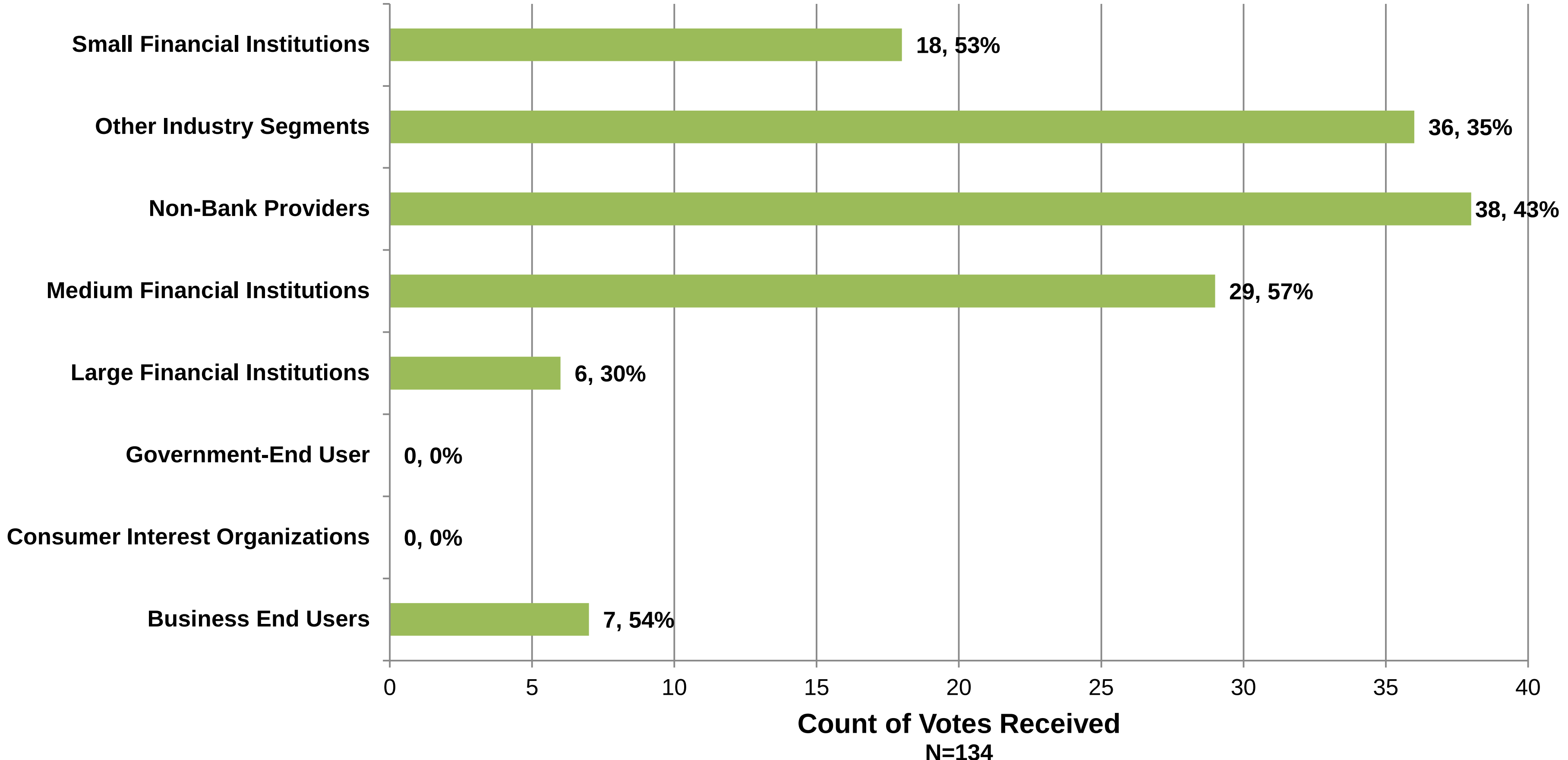
Next Steps

- Set up a small Proposal Template Work Group
  - Provide feedback to Fed proposal drafting team by January 8, 2016
- Fed proposal drafting team incorporates feedback
- Mid-Late January: Circulate proposal template to full TF with feedback survey
- February: Circulate final draft of proposal template for approval
- March: Finalize proposal template

Effectiveness Criteria

Ken Isaacson

41.74% of All Faster Payments Task Force Members have Cast a Vote on Draft 5 of the Effectiveness Criteria



*As of 4:30PM ET, Tuesday, December 15

2016 Meetings and Close

Sean Rodriguez

2016 In-Person Meetings

Task Force (TF) **Steering Committee (SC)**	**<u>Dates</u>**
Faster SC	Jan 27-28
Faster TF	Feb 25-26 (Inclusive of "Office Hours"*)
Faster SC	Apr 27-28
Faster TF	May 18-19
Faster SC	July 27-28
Faster TF	Aug 24-25
Faster SC	Oct 13-14
Faster TF	Nov 16-17

***"Office Hours" is open to any FPTF or SPTF potential FP solution proposer**

Thank you and happy holidays!