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General

1. Are you in general agreement with the payment system gaps and opportunities identified in the "Payment System Improvement Public Consultation Paper"? Please explain, if desired.

Yes.

1i. What other gaps or opportunities not mentioned in the paper could be addressed to make improvements to the U.S. payment system?

2. Are you in general agreement with the desired outcomes for payment system improvements over the next 10 years? Please explain, if desired.

Yes.

2i. What other outcomes should be pursued?

Understand Users: Secured Banks, Secured customers. Periodic Credit check for the customers.

3. In what ways should the Federal Reserve Banks help improve the payment system as an operator, leader, and/or catalyst?

Fast payment process (virtually). Explain later.

Ubiquitous near-real-time payments

4. In discussions with industry participants, some have stated that implementing a system for near-real-time payments with the features described in the second desired outcome (ubiquitous participation; sender doesn't need to know the bank account number of the recipient; confirmation of good funds is made at the initiation of the payment; sender and receiver receive timely notification that the payment has been made; funds debited from the payer and made available in near real time to the payee) will require coordinated action by a public authority or industry group. Others have stated that current payment services are evolving toward this outcome and no special action by a public authority or industry group is required.

4i. Which of these perspectives is more accurate, and why?

Implementing real time payment system. Can be achieved by known banks and known customers.

4ii. What other perspective(s) should be considered?

Combination of Wire Transfer and ACH.

5. The second desired outcome articulates features that are desirable for a near-real time payments system. They include:

a. Ubiquitous participation
b. Sender doesn't need to know the bank account number of the recipient
c. Confirmation of good funds is made at the initiation of the payment
d. Sender and receiver receive timely notification that the payment has been made
e. Funds debited from the payer and made available in near real time to the payee

5i. Do you agree that these are important features of a U.S. near real-time system? Please explain, if desired.

No.

5ii. What other characteristics or features are important for a U.S. near real-time system?

6. Near-real-time payments with the features described in the second desired outcome could be provided several different ways, including but not limited to:
a. Creating a separate wire transfer-like system for near-real-time payments that leverages the relevant processes, features, and infrastructure already established for existing wire transfer systems. This option may require a new front-end mechanism or new rules that would provide near-real-time confirmation of good funds and timely notification of payments to end users and their financial institutions.
b. Linking together existing limited-participation networks so that a sender in one network could make a payment to a receiver in another network seamlessly. This option may require common standards and rules and a centralized directory for routing payments across networks.
c. Modifying the ACH to speed up settlement. This option may require a new front-end mechanism or new network rules that would provide near-real-time confirmation of good funds and timely notification of payments to end users and their financial institutions. Payments would be settled periodically during the day.
d. Enhancing the debit card networks to enable ubiquitous near-real-time payments.
e. Implementing an entirely new payment system with the features described in the second desired outcome above.

6i. What would be the most effective way for the U.S. payment system to deliver ubiquitous near-real-time payments, including options that are not listed above?

Wires + ACH. No need to change current process. Explanation: Each Bank contains money. Bank users credit history should be checked periodically (Means Know your customer). Banks (in each country) should be in network as groups, like Cell phone network. One reputed bank will maintain each group of bank cells. Transaction: If customer approaches bank and made transaction, it should immediately effected to the receiver's account. Note: Behind the screen transaction should obey FED and NACHA rules. The process may take 1 or 2 days time. Conclusion: Both Originating bank and Receiving bank contains money. Since both bank knows their customer, they can issue money. Triggers: 1) User transaction limit should be calculated as per his credit report. Beyond limit, there should be red flag. 2)Red flag for high amount of transactions, with in short period of time. 3)Red flag, closing the account after high amount of transactions.

6ii. What are the likely pros and cons or costs and benefits of each option? What rule or regulation changes are needed to implement faster payments within existing payment processing channels?

Pros: 1)Banks can get high of amount of fees. (Concept is like lending money for 3 days in case of domestic payments. And charges little higher charge to the customer). 2)No Rule changes needed. Cons: 1)Know your customer. -- Periodic Credit check. Imposing triggers. Ultimately improves security. 2) Identify Reputed banks. Maintain Cell type networks, all over world. Coming under one roof.

6iii. Is it sufficient for a solution to be limited to near-real-time authorization and confirmation that good funds are on their way, or must end user funds availability and/or interbank settlement take place in near-real time as well?

Good funds verification should be done at payment initiating stage. Since customer is known, the limit will be decided as per the available funds plus customer rating. Rest is virtual.

6iv. Which payment scenarios are most and least suitable for near real-time payments? (B2B, P2P, P2B, POS, etc.)

Business to Business, person to person and Person to Business are most suitable. Banks can charge good amount of money. Incase of POS, Lot of transactions involves in this process. Banks can not charge like regular customer user. But still there is huge potential to implement.

7. Some industry participants have said that efforts to make check payments easier to use, such as by enabling fully electronic payment orders and/or by speeding up electronic check return information, will incrementally benefit the payment system. Others argue the resources needed to implement these efforts will delay a shift to near-real-time payments, which will ultimately be more beneficial to the payment system. Which of these perspectives do you agree with, and why?

Resources needed to implement these efforts will delay. The same concept of know your customer can improve the process .

8. How will near-real-time payments affect fraud issues that exist with today's payment systems, if at all?
Imposing triggers.

8i. Will near-real-time payments create new fraud risks? If yes, please elaborate on those risks.
No Taking lot of measures will improve safe payment system.

9. To what extent would a ubiquitous near-real-time system bring about pivotal change to mobile payments?
Mobile Payments-- Not secured. Still need some more time for that.

10. What would be the implication if the industry and/or the Federal Reserve Banks do not take any action to implement faster payments?
Loose money. Previously "Float time" for checks, mint money for Banks. Same way concept of FASTER Payments, will do.

10i. What is the cost, including the opportunity cost, of not implementing faster payments in the United States?

Private institutions will take the opportunity, with different name. Eg: Assume Walmart Bank Customer in USA can send money to Walmart customer in China. They can send customer information in couple of minutes. They have money in both locations. So this will be considered as fastest payment process.

11. To what extent will the industry need to modernize core processing and other backend systems to support near-real-time payments?

Instead of modernizing, Improve security.

11i. What is the likely timeframe for any such modernization?

Over the time. Improved security and modernization will leads us better mobile payment system.

12. Some industry participants suggest that a new, centralized directory containing account numbers and routing information for businesses and/or consumers, to which every bank and other service providers are linked, will enable more electronic payments. A sender using this directory would not need to know the account or routing information of the receiver.

12i. What are the merits and drawbacks of this suggestion?

Concept may be good. But Centralized Business/consumer accounts will challenge security.

12ii. What is the feasibility of this suggestion?

Risky.

Electronification

13. Some industry participants say that check use is an enduring part of the U.S. payment system and that moving away from checks more aggressively would be too disruptive for certain end users.

13i. Is accelerated migration from checks to electronic payment methods a high-priority desired outcome for the U.S. payment system? (Accelerated means faster than the current trend of gradual migration.) Please explain, if desired.

No. Check payments doesn't require fast payment process. Other methods requires.

13ii. Should the Federal Reserve Banks establish a target for the percent of noncash payments to be initiated via electronic means, by a specific date? For example: "By the year 2018, 95% of all noncash payments will be made via electronic means." If Yes, what is the appropriate target lever and date?

No

14. Business-to-business payments have remained largely paper-based due to difficulties with handling remittance information. Consumer bill payments also are heavily paper-based due to the lack of comfort some consumers have with electronic alternatives. In addition, many small businesses have not adopted ACH for recurring payments due to technical challenges and/or cost constraints. The payment industry has multiple efforts underway to address these issues.

14i. To what extent are these efforts resulting in migration from checks to other payment types?

Migration from checks to other payment types are not making progressive, because some methods are charging to much to the consumer.

14ii. What other barriers need to be addressed to accelerate migration of these payments?

Remove "Convenience Fees" for ACH

14iii. What other tactics, including incentives, will effectively persuade businesses and consumers to migrate to electronic payments?

Fast Payment WACH (WT+ACH).

14iv. Which industry bodies should be responsible for developing and/or implementing these tactics?

BANKS.

Cross-border Payments

15. To what extent would the broader adoption of the XML-based ISO 20022 payment message standards in the United States facilitate electronification of business payments and/or cross-border payments?

Sufficient.

16. What strategies and tactics do you think will help move the industry toward desired outcome four - consumers and businesses have greater choice in making convenient, cost-effective, and timely cross-border payments?

Establish small banking networks world wide.

Safety

17. Payment security encompasses a broad range of issues including authentication of the parties involved in the transaction, the security of payment databases, the security of software and devices used by end users to access payment systems, and security of the infrastructure carrying payment messages.

17i. Among the issues listed above, or others, what are the key threats to payment system security today and in the future?

Proper implementation of Quality standards in software.Hacking . Malware.

17ii. Which of these threats are not adequately being addressed?

Quality and Ethical Hacking.

17iii. What operational or technology changes could be implemented to further mitigate cyber threats?

18. What type of information on threat awareness and incident response activities would be useful for the industry?

18i. How should this information be made available?

19. What future payment standards would materially improve payment security?

19i. What are the obstacles to the adoption of security-related payment standards?

20. What collaborative actions should the Federal Reserve Banks take with the industry to promote the security of the payment system from end to end?

21. Please share any additional perspectives on U.S. payment system improvements.