

In Pursuit of a Better Payment System



Update on *Strategies for Improving the U.S. Payment System*

Chicago Payments Symposium
Thursday, September 24, 4:45 – 5:30 p.m. CT



Today's Panelists

Christina Tetreault

Consumers Union

Reed Luhtanen

Wal-Mart Stores, Inc.

Roy DeCicco

*JP Morgan Chase &
Accredited Standards
Committee (ASCX9)*



Faster Payments Task Force Update

Christina Tetreault

Consumers Union

Faster Payments Task Force Steering Committee Member



Faster Payments Task Force Update

Establish a Faster Payments Task Force to:

Identify and evaluate approach(es) for implementing a safe, ubiquitous, faster payments capability in the United States

Represent...
views on future needs for a safe, ubiquitous faster payments solution

Address...
other issues deemed important to the successful development of effective approaches

Assess...
alternative approach(es) for faster payment capabilities



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High-Level Work Plan and Timeline

PHASE 1

Development of process and criteria for identifying and assessing approaches
June—Sept 2015*

Plan the work...

PHASE 2

Iterative development and evaluation of approach proposals
Sept 2015 – June 2016*

Do the work...

PHASE 3

Review and publish assessment results and recommendations
June—Dec 2016*

Document the work...

**Original Work Plan Timeline Dates*



Secure Payments Task Force Update

Reed Luhtanen

Wal-Mart Stores, Inc.

Secure Payments Task Force Steering Committee Member



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High-Level Work Plan

PHASE 1

Identify areas of focus

PHASE 2

Define priorities for action and plan for execution

PHASE 3

Pursue Improvements



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Objective One – Coordinate with Faster Payments Task Force

Safety and Security

- S.1 Payment initiation
- S.2 Authorization
- S.3 Finality and irrevocability
- S.4 Settlement
- S.5 Fraudulent or erroneous payments
- S.6 Fraud information sharing
- S.7 Robust compliance with law
- S.8 Strong security
- S.9 Strong resiliency
- S.10 End user privacy
- S.11 End user authentication
- S.12 Risk-based participation requirements

**On target to
complete the
Effectiveness
Criteria
by Fall 2015**



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Objective 2 -Potential Areas of Focus

Payment Identity Management and Authentication

- Framework, technologies, standards, and implementation strategies to strengthen identity management, enrollment and authentication and authorization across payment channels and methods

Fraud/Risk Technologies, Solutions and Best Practices

- Encryption and tokenization; analytics to detect and mitigate fraudulent activity; approaches to prevent account takeover; solutions to addressing vulnerabilities of endpoints

Fraud/Cyber Information Sharing and Privacy Protections

- Sharing of threat information and fraud data across the payments eco-system; sharing data to support research

Payment Network Rules and Regulations

- Examine possible adjustments to payment network rules and regulations that have the potential to improve security



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Objective 3 – Advise the Federal Reserve

Standards and Protocols

- Ideas for specific activities or actions the Fed might take to:
 - Identify gaps where security standards are needed and accelerate standards/protocol development.
 - Foster industry-wide adoption of payment security standards and protocols.

Education, Outreach, and Research

- Topics or problems that would benefit most from Fed involvement in education and outreach, or academic/policy research.



Standards Perspective on Strategies

Roy DeCicco

JP Morgan Chase

Accredited Standards Committee (ASCX9)

Faster Payments Task Force Steering Committee Member



Questions?