Achieving Ubiquity in Faster Payments in the US Market

Chicago Payments Symposium
October 2-3, 2018
Ubiquity is a Key Criteria

Federal Reserve Task Force

**Ubiquity**
Access and usability

**Efficiency**
Competitive, cost-effective and scalable

**Speed**
Authorization, clearing and settlement

**Secure**
Initiation, authorization, fraud and privacy

**Governance**
Effective, transparent and inclusive

**Legal**
Regulatory

Source: Adapted from FIS
Defining Ubiquity for the US Market

Ubiquity is required to create a network effort

“[T]he ability to initiate and/or receive payments to/from any entity ...

“Making it accessible to all financial institutions, regardless of size or charter type, enabling the solution to reach the vast majority of US account holders.”

“A payment system that can reach all receiving accounts to ensure that a payer has the ability to pay any entity.”
Interoperability: Rails & Rules

- Bank rails
- Wallet rails
- Card rails
- DLT rails

“Rails”

- Scheme interoperability
- Network interoperability
- Parallel system interoperability

”Rules”
# Global Interoperability Perspectives

## Scheme
- SPEI (Mexico)
- Faster Payments (UK)
- SEPA (Europe)
- Southern African Development Community
- UPI (India)
- Bim (Peru)
- Mobile Money (Tanzania)

## Network
- FedGlobal ACH
- Western Union (global)
- PayPal (global and domestic)
- FIS PayNet (global)
- Interoperability between and among payment schemes (Brazil)

## Parallel
- Mobile money aggregators (Africa)
- Bank correspondent agents (Latin America)
- Open banking and payment initiation providers (Europe)
Faster Payments Providers

- **Open Loop**
  - Visa Direct
  - Zelle
  - NACHA
  - SEND

- **Closed Loop**
  - Apple Pay Cash
  - Cash

- **Existing / Repurposed**
  - Facebook Messenger

- **New / Dedicated**
  - Fast
  - Ripple
  - RTP

**“Rules”**

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Tanzania Mobile Money Interoperability

Interoperable transactions now 30% of total volume

Scheme Interoperability
Rules not rails

Source: Bank of Tanzania
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