

Faster Payments Task Force Issues Part Two of Final Faster Payments Report

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The Faster Payments Task Force (the Task Force) has issued part two of its Final Report that sets forth a blueprint for achieving faster and more secure payments in the U.S. by 2020.

Convened by the Federal Reserve Board (FRB) and comprised of a broad cross-section of over 300 industry, government and consumer group stakeholders, the Task Force released part one of its Final Report in January 2017 which outlined the Task Force's goals and the many advantages of faster payments. Instead of championing a single method to achieving "ubiquitous faster payments," the Task Force states in part two that it favors competition among a wide array of potential ways to achieve this goal and supports collaboration with industry stakeholders to ensure "broad adoption; safety, integrity and trust; and interoperability."

In addition, the Task Force makes ten recommendations:

- Create an industry-led faster payments governance framework;
- Put in place requirements that are designed to foster broad adoption; safety, integrity, and trust; and interoperability;
- Evaluate and propose changes to the existing payments regulatory regime;
- Develop a design for directory services that facilitates interoperability;
- Improve FRB settlement mechanisms to support faster payments;
- Assess the need for a FRB operational role in the faster payments system;
- Develop and incorporate ways by which to timely detect and report fraud;
- Create programs for end-users and service providers to enhance awareness and adoption of faster payments;
- Engage in research and analysis to promote greater understanding of cross-border interoperability; and
- Conduct continued research about emerging technologies.

To accomplish the ambitious goal of faster payments by 2020, efforts to implement the Final Report's recommendations must begin this year. Notably, the FRB has announced that Dave Sapenaro – First Vice President and COO of the St. Louis Fed – will be the payments strategy director in charge of implementing the initiatives detailed in the FRB's 2015 paper "Strategies for Improving the U.S. Payment System." This paper called for the creation of the Task Force, and the Final Report can be expected to inform the FRB's thinking. We will monitor and report on new developments as they occur.

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