Oversight of Payment Systems: Organizational Considerations

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Structural Considerations

• Dedicated Unit?
  – With self-contained functional expertise, or
  – With oversight specialists drawing on specialist expertise as needed? If latter,
    • Relationship to Supervision function
    • Relationship to Payment Policy functions
    • Relationship to Payment Operations
    • Relationship to Legal functions
    • Relationship to Market/Economic functions

• Virtual Unit?
Organizational Location

- Bank supervision function
- Financial stability function
- Payments System Policy function
- Payments System Operations function
- Payments System Oversight function

Internal Policy Considerations

- Protocols for Confidentiality/Protection of Oversight Information
- Protocols for Sharing/Use of Information
- Avoidance of Conflicts of Interest with payment operators (central bank or private sector)
Resource Considerations

• Skills
  – Legal, operational, technical, supervisory, market/economics, financial stability, etc.

• Technology/Information Resources

• Financial Resources

Task Considerations

• Policy and Regulatory Development & Communication
• Application of policy/regulatory conditions
  – Information collection
  – Analysis
  – Dialogue with system operators and participants
  – Compliance/enforcement/sanctions
• Monitoring developments and changes
• Analyzing implications of changes
• Coordination with other experts and authorities
  – Legal, operations, technical, economic, policy experts
  – supervisors, competition authorities, consumer protection
• Crisis Response
“Soft” Considerations

• Credibility of program and staff

• Cooperation with system operators, other in-house experts, other authorities

• Objective in assessments and conclusions

• Sound and Reasonable Judgments