

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