



Nonbanks in the Payments System: Innovation, Competition, and Risk

February 08, 2021

The conference was held at the La Fonda Hotel, May 2-4, 2007, in Santa Fe, New Mexico. Papers, remarks, handouts, and a listing of conference attendees are available below for viewing.

Nonbanks are becoming increasingly prominent in payments systems around the world. What are the implications of this heightened presence for innovation, competition, and risk? This international conference brought together three principal audiences - industry participants, academics, and public authorities - for an exchange of views and thoughts. The following issues were addressed:

- What activities do banks and nonbanks perform in payments?
- How has rising nonbank participation affected product innovation and market competition in the payments industry?
- Do banks and nonbanks compete on a level playing field?
- Is the current supervisory framework over bank and nonbank payment service providers adequate to control risk?
- What role should public authorities play in overseeing retail payments in light of changing technologies and changing industrial structures?

Conference Summary

Richard J. Sullivan

Senior Economist, Federal Reserve Bank of Kansas City

Zhu Wang

Senior Economist

Federal Reserve Bank of Kansas City

Welcome and Opening Remarks

Richard K. Rasdall, Jr.

First Vice President

Federal Reserve Bank of Kansas City

Session 1: Nonbank Payment Activities: An Overview

Paper

Handout

General Discussion

Authors

Simonetta Rosati

Senior Market Infrastructure Expert

European Central Bank

Stuart E. Weiner

Vice President and Director of Payments System Research

Federal Reserve Bank of Kansas City

Session 2: Innovation

Paper

Handout

General Discussion

Author

Bronwyn Hall

Professor

University of California, Berkley

Moderator

Lee Manfred

Partner

First Annapolis

Remarks

Handout

Panelists

Benjamin Ling | **Remarks** | **Handout**

Head of Google Checkout

Google

[Rene Pelegero](#) | [Remarks](#) | [Handout](#)

Senior Director of Industry Relations, Strategy and Compliance

Paypal, Inc.

[Margaret Weichert](#) | [Remarks](#) | [Handout](#)

Senior Vice President, Strategy, Innovation and Payments Executive

Bank of America

Luncheon Address: Modernizing Payments: No Pain, No Gain

[Paper](#) | [General Discussion](#) |

[Gertrude Tumpel-Gugerell](#)

Member of the Executive Board

European Central Bank

Session 3: Competition: Vertical Integration

[Paper](#) | [General Discussion](#) |

Author

[Nicholas Economides](#)

Professor

New York University

Moderator

[Kenneth Posner](#) | [Remarks](#) | [Handout](#)

Managing Director

Morgan Stanley

Panelists

[Michael A. Cook](#) | [Remarks](#) | [Handout](#)

Vice President and Assistant Treasurer

Wal-Mart Stores, Inc.

[Trey Jinks](#) | [Remarks](#) | [Handout](#)

Senior Director, Corporate Strategy and Planning

TSYS

[Pamela A. Joseph](#) | [Remarks](#) | [Handout](#)

Vice Chair

U.S. Bancorp

Session 4: Competition: Horizontal Integration

[Paper](#) | [General Discussion](#)

Author

[Jean-Charles Rochet](#)

Professor

University of Toulouse

Moderator

[Ken Howes](#) | [Remarks](#) | [Handout](#)

Director

Edgar, Dunn & Company

Panelists

[B.J. Haasdijk](#) | [Remarks](#) | [Handout](#)

Chairman

Equens

[Gerard Hartsink](#) | [Remarks](#) | [Handout](#)

Chairman

European Payments Council

[David Yates](#) | [Remarks](#)

President, Europe, Middle East, and Africa

First Data International

Session 5: Risk

[Paper](#) | [Handout](#) | [General Discussion](#) |

Author

[Ross Anderson](#)

Professor

Cambridge University

Moderator

[Avivah Litan](#) | [Remarks](#)

Vice President and Distinguished Analyst

Garnter, Inc.

Panelists

[Jean Bruesewitz](#) | [Remarks](#)

Senior Vice President

Visa U.S.A.

[Roy C. DeCicco](#) | [Remarks](#) | [Handout](#)

Senior Vice President

JPMorgan Chase

[Richard Oliver](#) | [Remarks](#) | [Handout](#)

Executive Vice President

Federal Reserve Bank of Atlanta

[James Van Dyke](#) | [Remarks](#) | [Handout](#)

President

Javelin Strategy and Research

Session 6: Central Bank Perspectives

General Discussion

Speakers

[Philip Klopper](#) | [Remarks](#) | [Handout](#)

Executive Director

De Nederlandsche Bank

Philip Lowe | Remarks

Assistant Governor

Reserve Bank of Australia

Thomas M. Hoenig | Remarks

President and Chief Executive Officer

Federal Reserve Bank of Kansas City

Conference Attendees
