Minutes of the regular meeting of the  
Innovation Advisory Council  
10:30am – 12:30pm ET, Wednesday, April 6, 2022  
Federal Reserve Bank of New York  
33 Liberty Street, New York, NY  
and via Teams

Present:  
Michael Bodson, President and CEO, DTCC  
Matt Harris, Partner, Bain Capital Ventures  
Alex Holmes, President and CEO, MoneyGram  
Cathie Mahon, President and CEO, Inclusiv  
Neha Narula, Director, MIT Digital Currency Initiative  
Bradley Peterson, Chief Information/Technology Officer, Nasdaq  
Steve Streit, Founder, SWS Venture Capital  
Michael Tae, President, Mutual Funds and Retirement Solutions, Broadridge

Federal Reserve attendees:  
John C. Williams, President & CEO  
Naureen Hassan, Chief Operating Officer  
Robert Bench, Boston Fed  
Elizabeth Caviness, Markets  
Sonja Danburg, Federal Reserve Board  
Pamela Dyson, Technology  
Mark Fischer, Supervision  
Justine Hansen, Legal  
Beverly Hirtle, Research and Statistics  
Lorie Logan, Markets  
Antoine Martin, Research and Statistics  
Heidy Medina, Supervision  
Sishush Maru, Supervision  
David Mills, Federal Reserve Board  
Michelle Neal, Markets  
Allison Riley, Executive Office  
John Rutigliano, Supervision  
Morgan White, New York Innovation Center  
Per von Zelowitz, New York Innovation Center

Guests:  
Ian De Bode, Partner, McKinsey & Company  
Robert Byrne, Senior Partner, McKinsey & Company  
Robert Palatnick, Managing Director/Global Head of Technology, Research & Innovation, DTCC  
Byron Vielehhr, Chief Strategy & Business Development Officer, Fiserv  
Michael Yu, Data & Services, Global Practice Lead, Cryptocurrencies & Innovative Payments, Mastercard

Heidy Medina, Supervision, called the videoconference to order at 10:30am ET.

1. Introductory remarks

Per von Zelowitz, Director of the New York Innovation Center, welcomed members and Federal Reserve attendees to the first Innovation Advisory Council (IAC) meeting of the year. Naureen Hassan, Chief Operating Officer and chair of the IAC, delivered welcome remarks. Heidy Medina introduced the agenda; the direction and implications of digital assets and liabilities, including digital currencies.

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1 A review of the charter and anti-trust guidelines was conducted during an introductory call with members on March 29, 2022.
2. The first topic for discussion was “Digital currency innovation and intersections between the private and official sectors” led by a presentation from IAC member Michael Bodson (DTCC) and guest speaker Robert Palatnick (DTCC).2

Speakers shared views around the complex landscape of digital assets and expectations for how the appetite for digital forms of money may evolve. Given how many different players are involved, the need for clarity around regulation, risks, governance, and need to define the role of central market utilities, the transition to digital assets is expected to be long and complex. The presentation focused on DTCC initiatives around digital assets and distributed ledger technology (DLT), including specific programs in development like ION (equities clearing and settlement on DLT) and DSM (digital platform for private market securities). Some members discussed digital identity technology to protect consumer information, the importance of KYC/fraud controls around digital assets, and how the industry should consider more coordination as technologies are developed to ensure interoperability and continuity as more innovations come to market. Interoperability was emphasized given the potential costs of limited industry coordination. The discussion concluded with thoughts around the value-add of DLT, which some members characterized as a work-in-progress as cost efficiency, security, and use cases continue to be defined.

3. The second topic was on “CDBCs vs. stablecoin vs. crypto” led by a presentation from guest speakers from McKinsey & Company.3

The presentation focused on the different applications of digital assets, including banking, and the business models that can be enabled by blockchain technology. Some members discussed the importance of tokenized assets addressing KYC/AML concerns, and how decentralized banking models differ from traditional capital markets, including the need to consider financial stability implications. A few members also raised the need to consider oversight and regulatory requirements as well as different cost models around KYC/AML controls.

4. Closing

President Williams delivered closing remarks, thanking members for their participation in the IAC.

The meeting adjourned at approximately 12:25pm ET.

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2 Refer to presentation material titled “DTCC directions on Digital Assets and DLT”.
3 Refer to presentation material titled “Digital Assets”.