

September 6, 2018

PRC Releases Consultative Chapter on Best Practices for Payment Lifecycle

The Payments Risk Committee (PRC) today released a chapter on Payment Lifecycle from its Report on Best Practices for Payments, Clearing and Settlement Activities. These best practices seek to affirm sound existing practices and suggest enhancements to generally practiced behavior. The best practices are not intended as binding rules or regulatory guidance. As each bank considers these best practices, it should take into account its own unique characteristics, such as asset size, transaction volume, and the level of the bank's integration within the financial market infrastructure. The best practices effort will be a living document structured so that new practices can be added or existing practices can be modified to address changes and challenges over time.

The Payment Lifecycle chapter focuses on reducing systemic risk by promoting practices related to operations, risk management and liquidity management that enhance the payment lifecycle. The PRC seeks public feedback on the following aspects of the payment lifecycle:

- promoting timely payment lifecycle,
- optimizing payments processing operations,
- identifying and prioritizing time sensitive payments, and
- any other feedback and suggestions.

Members of the public may submit comments by November 5, 2018 to PaymentsRisk.Committee@ny.frb.org. The PRC may consider developing related best practice recommendations and expects to publish a final version of the document following the conclusion of this comment period.

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About the Payments Risk Committee (PRC):

The Payments Risk Committee (PRC) is a group of market professionals committed to fostering enhancements to the safety and efficiency of financial market infrastructure, particularly the clearing and settlement of financial transactions. The PRC is primarily composed of senior business managers at large financial institutions and is sponsored by the Federal Reserve Bank of New York.

More information is available at: www.newyorkfed.org/prc

Contact for the Payments Risk Committee:
PaymentsRisk.Committee@ny.frb.org