

Agenda of the workshop on payment system developments and financial stability

Friday 7 February 2025, 9:00 – 17:10 JST
Bank of Japan, Tokyo, Japan

This workshop will focus on recent advances in payment systems, paying particular attention to both benefits and challenges that they have brought or may bring about as regards financial stability. Discussions will cover both retail fast payment systems (FPS) and wholesale real-time gross settlement (RTGS) systems. The participants will be experts from central banks, academia and the industry. The Chatham House Rule will apply.

1. Welcome remarks (9:00 – 9:15)

Speakers:

- Chang Yong Rhee (Governor, Bank of Korea / CGFS Chair)
- Shinichi Uchida (Deputy Governor, Bank of Japan)

2. Session 1: Evolving payments landscape (9:15 – 10:45)

This session will take stock of key enhancements and innovations in payment systems over the past two decades. It will review: 1) expanded access; 2) increased speed; and 3) greater interoperability. More specifically, discussions may cover:

- Introduction of FPS; greater use of delivery versus payment (DvP) and payment versus payment (PvP); expanded operating hours; increased harmonisation of communication standards; broadening payment services access; increased concentration of payment services and activities.
- Underlying drivers: central banks' drive to improve payments resilience, technology upgrades, customer demand, industry competition (eg non-bank entrants); and evolving business models (eg large vs small banks, banks vs non-banks).
- Chair: Andréa M Maechler (Deputy General Manager, Bank for International Settlements)
- Speakers:
 - Jennifer Lucier (Senior Associate Director, Reserve Bank Operations and Payment Systems Division, Board of Governors of the Federal Reserve System)
 - Carlos Conesa (Associate Director General, Payment and Market Infrastructures, Bank of Spain)
 - Akiko Kobayashi (Director, Payment and Settlement Systems, Bank of Japan)
 - Jo Yeo (Director & Head, Payments Development & Data Connectivity Office, Monetary Authority of Singapore)

3. Session 2: Advances in domestic payment systems and financial stability (11:15 – 12:45)

This session will discuss financial stability implications of expanded access and increased speed in domestic payment systems; and related policy measures. Potential themes include:

- Benefits of increasing the speed and availability of payments processing and settlement that affect banks, non-banks and end users
 - The ability of central banks to use payments services to support banks or the broad financial market
 - Supporting payment resilience through the use of central bank money.
- Financial stability implications of expanded access and increased speed (eg 24/7 real-time models):
 - Potential to amplify credit or operational events and spread them across the payment system
 - Liquidity management challenges for banks and, where relevant, non-banks (eg with maintaining large balances for settlement, or obtaining intraday/overnight credit)
- Market resilience implications of growing interdependences and concentration within the domestic payment ecosystem.
- Policy tools and practices - existing or emerging – to address the above challenges.
- Chair: Chiara Scotti (Deputy Governor, Bank of Italy)
- Speakers:
 - Antoine Martin (Vice-Chairman of the Governing Board, Swiss National Bank)
 - Daranee Saeju (Assistant Governor, Payment Systems Policy and Financial Consumer Protection Group, Bank of Thailand)
 - Ulrich Bindseil (Director General, Directorate General Market Infrastructure and Payments, European Central Bank)
 - James Chapman (Deputy Managing Director, Banking and Payments Department, Bank of

4. Session 3: Cross-border implications of payment modernisation (14:30 – 17:00)

This session will discuss implications of the modernisation of payment systems for global financial markets, taking a forward-looking policy perspective. Possible themes include:

- Potential benefits and challenges for supporting market liquidity and price discovery, stemming from the evolving speed, efficiency and structure of cross-border capital flows. The role of concentration in cross-border payments and FX services in this context.

- Potential issues due to uneven adoption of innovation and limited interoperability across payment service providers (banks and non-banks) and payment systems.
- Implications of increased cross-border activity of third-party payment service providers for innovation, resilience and risk management.
- Ways in which further modernization of both payments systems and financial markets (eg tokenisation) may reshape the structure of global financial markets.
- Policy considerations for central banks as regards the financial stability implications of more interdependent national payment systems and faster cross-border payments.

Part I (14:30 – 15:30)

- Chair: Seiichi Shimizu (Assistant Governor, Bank of Japan)
- Speakers:
 - Olaf Sleijpen (Executive Board Member, De Nederlandsche Bank)
 - Masayuki (Mike) Tagai (Managing Director, JPMorgan Chase Bank, N.A., Tokyo Branch)
 - Fabiola Ravazzolo (Policy Advisor, Federal Reserve Bank of New York)

Part II (16:00 – 17:00)

- Chair: Morten Bech (Centre Head - Switzerland, BIS Innovation Hub)
- Speakers:
 - Alain Chaboud (Senior Economic Project Manager, Division of International Finance, Board of Governors of the Federal Reserve System)
 - Marc Bayle de Jessé (Chief Executive Officer, CLS Bank International)
 - Rod Garratt (Professor of Economics, University of California, Santa Barbara)

5. Closing remarks (17:00 – 17:10)

Speaker: Linda Goldberg (Senior Vice President, Federal Reserve Bank of New York / CGFS member)