



The Electronic Transactions Association's

2023 Federal Legislative and Regulatory Policy Priorities

The digital payments industry is one of the most innovative, dynamic, competitive, and highly regulated industries that exists today, leveraging a sophisticated, interconnected infrastructure to deliver financial products and services that benefit consumers, businesses, and the American economy. These products and services are safe, highly secure, and promote financial inclusion by allowing consumers and small businesses – including low-and-moderate income consumers who have historically not had full access to the financial system — to conduct their everyday financial transactions.

ETA supports a policy environment that protects consumers while allowing competition and innovation to thrive, providing increased choice and making financial inclusion a reality. ETA's policy priorities for 2023 include:

Digital Assets - Digital assets have the potential to change how commerce happens. An appropriate regulatory framework is essential if that potential is to be realized in a manner that protects consumers and fosters continuing innovation. That framework should not be prescriptive but should instead carefully consider the use to which the digital assets are being put and tailor regulation to the risk profile presented.

Specifically, ETA supports public policies that advance the following 5 guiding principles:

- Properly Define Digital Assets
- Tailor Regulations to the Risk Profile of the Participant/Activity
- Ensure Consumer Protection
- Harmonize With Existing Regulatory Frameworks
- Encourage Responsible Innovation

Central Bank Digital Currency (CBDC) - CBDCs are being studied by governments around the world; in the U.S., policymakers and the Federal Reserve are actively considering the possibility of implementing a CBDC. Given that the existing payments system in the U.S. is safe, effective, dynamic, and efficient, ETA urges policymakers to move thoughtfully and deliberately, and implement a CBDC only if it adds value to the ecosystem and appropriately guards against negative consequences.

Specifically, ETA supports public policies related to a CBDC that advance these 7 guiding principles:

- Foster Innovation
- Provide The Right Tool for the Job
- Ensure Private Sector Participation
- Interoperability
- Open Acceptance
- Consumer Protection
- Regulation Tailored to the Risk Profile of the Participant



Open Banking – Open banking has transformative potential and, if regulations are implemented appropriately, could facilitate payments and benefit consumers by providing them with more robust information and insight into their finances.

ETA supports open banking policies that are:

- Comprehensive
- Principles–Based
- Utilizes Private Sector Innovation
- Puts Consumers in Control of How Their Data is Shared or Utilized

Privacy - Protecting consumer privacy is a crucial element of maintaining trust in the payments industry. The payments industry has a long history of protecting consumer privacy. The industry also is laser-focused on fighting fraud and is constantly developing and deploying new technologies to detect and deter fraud.

ETA supports privacy laws that are principles–based and harmonized to ensure predictability and consistency for consumers. Critically, privacy laws must also ensure that the industry can continue to use data in order to fight fraud and protect consumers.

Any privacy or data protection standard should include:

- Provisions for permissible uses of data to prevent fraud and protect consumers
- Reasonable rights to access and request correction or deletion of personally identifiable information
- Consistent and coordinated government enforcement

Buy Now Pay Later (BNPL) - BNPL has seen quick uptake among consumers interested in the option of spreading a purchase over several installments. BNPL is one example of innovation in payments that, when adopted carefully and thoughtfully, provides additional payments choice.

- ETA supports a regulatory approach that fosters innovations and encourages the development and deployment of new products and services that benefit consumers

Intellectual Property – New ideas are the lifeblood of innovation. ETA supports policies that promote an efficient IP system that appropriately protects that innovation.

- ETA supports the renewal of the Covered Business Method patent provision in the American Invents Act to allow for re-examination of business method patents issued to the financial services industry

Smart Security – Protecting the payments industry, and the businesses and individuals who rely on it, from fraud is paramount. ETA supports policies that encourage the private sector to continue to develop robust security measures that are critical to the security of the payments ecosystem.

- ETA opposes efforts to codify a specific technology as a payment’s security measures



- ETA encourages innovation for new technologies to be used in reducing fraud
- ETA supports the usage of individual digital identities

Helping the Underserved - For ETA members, helping the underserved is a long-standing priority. We constantly develop and deploy products and solutions designed to make it easy for low- and moderate-income Americans to conduct their daily financial transactions. As such we support policies to create a positive policy environment that supports helping the underserved. ETA [produces](#) an annual report on the industry's efforts to help the underserved. ETA supports policies to encourage the private sector to continue to address this goal.

Regulation E - Peer-to-peer (P2P) payments are generally provided as a free, largely instant, and irreversibility service to consumers that provides them greater access to, and utility for, their money through an innovative digital means of sending and receiving money, as an alternative to checks and cash.

- ETA opposes expanding Regulation E to include the subset of authorized transactions
- ETA supports addressing the underlying issue and reducing fraud