

The Electronic Transactions Association's

2025 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 2025 include:

Artificial Intelligence - The payments industry is at the forefront of deploying new technologies – including artificial intelligence (AI) and machine learning – in a safe manner to improve consumers' experience by making payments more secure and frictionless. Over the past decade, the payments industry has developed and deployed AI tools that have made payments faster, more secure, and has unlocked numerous benefits for the payment industry and consumers alike. ETA supports a uniform policy framework for AI that appropriately preserves the innovation and security AI brings, while ensuring appropriate consumer protection.

Modernize the CFPB – The payments industry is committed to delivering innovative products and services in a transparent and secure manner. The CFPB plays an important role in the regulatory framework governing this critical industry. A modernized and appropriately structured CFPB could be a critical partner in ensuring that appropriate protection is in place, while also ensuring that consumers and small businesses continue to have access to the payments products and services that power the economy.

Modernized Policy Framework for Fintechs – The payments industry is complex and interconnected and involves multiple players partnering to provide consumers with diverse and secure payments options. These partnerships drive innovation, efficiencies and customer-centric solutions. Given the rapid change in the payments landscape, it is imperative that the US regulatory framework is structured in a way that encourages these innovative partnership so long as they are structured in a way that promotes safety and soundness and are consistent with the concept of same risk-same regulation.

Privacy and Identity - Trust and confidence in the payments industry is necessary for it to thrive. Privacy and security are key components, and the payments industry has a long history of protecting consumer privacy and fighting fraud and identity crime. This is a constant focus of the industry, as it consistently deploys new technologies to detect and deter fraud and to ensure the security of consumers' private information. To be most effective, privacy laws should be principles-based and harmonized to ensure

predictability and consistency. Critically, privacy laws must also ensure that the industry can continue to use data in order to fight fraud and protect consumers.

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. A comprehensive regime that addresses all critical aspects of open banking is needed to ensure the true potential is realized. d or Utilized

Regulation E - Peer-to-peer (P2P) payments are generally provided as a free, largely instant, and irreversible service to consumers that provides them with an option to send and receive money. Given their benefits and limitations, P2P services are better tailored for certain uses. In order to preserve the benefits of these services, ETA supports maintaining the existing legal and regulatory framework, which allows for reimbursement for unauthorized use of a service.

Digital Assets - Digital assets, including payment stablecoins, 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.

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

Cannabis Banking – ETA supports the passage of legislation that would resolve the conflict between state and federal laws to allow payment companies to serve cannabis businesses and the ancillary businesses that are relied upon to operate in states where those businesses are legal under state law.

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