

**The Role of Government in Payments Risk and Fraud -  
November 17-18, 2011  
Panel 4: Impacts of Current Regulatory Efforts on  
Fraud and Risk**

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**November 18, 2011  
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CTO BITS**



# Regulations still trickling down – their impact still uncertain

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- **An estimated 214 new or changing regulations will trickle down from Dodd-Frank.**
- **Approximately 194 regulatory updates and 20 “new” rules will directly affect financial institutions**

# Regulations still trickling down – their impact still uncertain

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- **Will likely have negative impact on revenue and overhead**
- **Durbin amendment allows for increase in exchange rate for investing in fraud countermeasures, but is it sufficient to justify investment?**
- **Will alternate payments be treated equally with respect to regulation and reporting?**

## **We support**

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- **Commitment to two-way public/private information sharing is right step but must share actionable and timely information**
- **Increased funding for law enforcement at the international, national, state and local levels and enhanced collaboration with financial institutions, service providers and others that are critical to investigating cyber crimes and creating a better deterrent**

# We support

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- **Increased funding of applied research and collaboration with government research agencies on authentication, access control, identity management, attribution, social engineering, data-centric solutions and other security and fraud prevention issues.**
  - **For example, support for FSSCC/DHS Identity Proofing Pilot**

# Some clear messages that will ultimately impact fraud and risk



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**The aftermath of the financial crisis and reform is leading the need to:**

- **Adjust to an increasingly transparent world**
- **Work to regain trust**
- **Meet the challenge of increased regulatory and compliance requirements without making customer interaction more complex and time-consuming**
- **Re-examine business strategy and making hard decisions regarding how to allocate scarce resources without sacrificing profitability, customer service or innovation**

# Questions?

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