

## Press Releases

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March 31, 2004

### OTS 04-07 - Retail Payment Systems Guidance Released by Federal Financial Institution Regulators

#### Office of Thrift Supervision

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For further information

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OTS 04-07

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### Retail Payment Systems Guidance Released by Federal Financial Institution Regulators

The Federal Financial Institutions Examination Council (FFIEC) today issued revised guidance for examiners, financial institutions and technology service providers on the risks associated with retail payment systems.

The *Retail Payment Systems Booklet* provides guidance on the risks and risk-management practices applicable to financial institutions' retail payment system activities, including checks, card-based electronic payments, and other electronic payment media such as person-to-person, Electronic Benefits Transfer, and the Automated Clearinghouse.

Financial institutions play an important role in retail payments, and institutions will face many challenges as they continue to foster innovation. These challenges are a source of increased risk to institutions and require greater diligence to ensure the confidentiality of information, system and data integrity, system availability, and regulatory compliance. Retail payment system activities require careful planning for coordinated strategies between IT and business units, strong internal controls, and ongoing monitoring. The *Retail Payment Systems Booklet* includes guidance and examination procedures to evaluate the quality of risk management related to these risks and activities in financial institutions and technology service providers.

This booklet represents the latest in a series of updates to the 1996 FFIEC *Information Systems Examination Handbook* (Handbook). The FFIEC is updating the Handbook to address significant changes in technology since 1996 and to incorporate a risk-based examination approach. The updates are being issued in separate booklets that will ultimately replace all chapters of the Handbook and comprise the new FFIEC *Information Technology Examination Handbook*. Future booklets will address wholesale payment systems, outsourcing technology services, management, computer operations, and systems development and acquisition.

The booklets are being distributed electronically and are available at <http://www.ffiiec.gov/guides.htm>

The FFIEC was established in March 1979 to prescribe uniform principles, standards, and report forms and to promote uniformity in the supervision of financial institutions. The Council has five member agencies: the Board Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Office of the Comptroller of the Currency, and the Office of Thrift Supervision. The Council's activities are supported by interagency task forces and by an advisory State Liaison Committee, comprised of five representatives of state agencies that supervise financial institutions.

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The Office of Thrift Supervision (OTS), a bureau of the U.S. Treasury, regulates and supervises the nation's thrift industry. OTS's mission is to ensure the safety and soundness of thrift institutions and to support their role as home mortgage lenders and providers of other community credit and financial services. For copies of news releases or other documents visit the OTS web page at [www.ots.treas.gov](http://www.ots.treas.gov).