

Minutes of the regular meeting of the
Innovation Advisory Council
10:45am – 12:45pm ET, Wednesday, October 5, 2022
Federal Reserve Bank of New York
33 Liberty Street, New York, NY
and via Teams

Present:

Lynn Bishop, *CIO, DTCC*
Umar Farooq, *CEO, Onyx by J.P. Morgan*
Matt Harris, *Partner, Bain Capital Ventures*
Cathie Mahon, *President and CEO, Inclusiv*
Neha Narula, *Director, MIT Digital Currency Initiative*
Brad Peterson, *CIO/CTO, Nasdaq*
Steve Streit, *Founder, SWS Venture Capital*

Federal Reserve attendees:

John C. Williams, <i>President and CEO, FRBNY</i>	Alison Liu, <i>Supervision</i>
Ken Armstrong, <i>Markets</i>	Jenny McMahan, <i>Supervision</i>
Brett Berger, <i>Federal Reserve Board</i>	Heidy Medina, <i>Supervision</i>
Clive Blackwood, <i>Audit</i>	Sishush Maru, <i>Supervision</i>
Elizabeth Caviness, <i>Markets</i>	David Mills, <i>Federal Reserve Board</i>
Jim Cunha, <i>Federal Reserve Board</i>	Michelle Neal, <i>Markets</i>
Chris Desch, <i>New York Innovation Center</i>	Allison Riley, <i>New York Innovation Center</i>
Dianne Dobbeck, <i>Supervision</i>	Joshua Rosenberg, <i>Risk</i>
Jon Durfee, <i>New York Innovation Center</i>	John Rutigliano, <i>Supervision</i>
Pamela Dyson, <i>Technology</i>	Sunayna Tuteja, <i>System Technology/Innovation</i>
Cassidy Gerber, <i>Supervision</i>	Leslie Conner Warren, <i>Markets</i>
Mark Gould, <i>Financial Services</i>	Emilie Walgenbach, <i>Supervision</i>
Justine Hansen, <i>Legal</i>	Morgan White, <i>New York Innovation Center</i>
Beverly Hirtle, <i>Research and Statistics</i>	Per von Zelowitz, <i>New York Innovation Center</i>
Adam Kirk, <i>Supervision</i>	

Guests:

Larry Angelilli, *Executive Vice Chairman, MoneyGram*
Sir Jon Cunliffe, *Deputy Governor of Financial Stability, Bank of England*
Jose Fernandez da Ponte, *SVP of Blockchain, Crypto, and Digital Currencies, PayPal*
Michael Yu, *Data & Services, Global Practice Lead, Cryptocurrencies & Innovative Payments, Mastercard*
Cormac Sullivan, *Bank of England*

The videoconference was called to order at 10:45am ET.

1. Introductory remarks

Alison Liu, Payments Policy, Strategy, and Analytics Specialist with the Federal Reserve Bank of New York, welcomed members and Federal Reserve attendees to the third Innovation Advisory Council (IAC) meeting of the year.

Michelle Neal, Head of Markets at the Federal Reserve Bank of New York, delivered welcome remarks.

Per von Zelowitz, Director of the New York Innovation Center, introduced the agenda: “Open Finance and Policy Implications”.

2. Two IAC members and a guest speaker outlined their views on key topics in open finance.

Cathie Mahon, President and CEO of Inclusiv, discussed financial inclusion in the context of open finance. Some points included how “financial inclusion” has evolved as a concept, examples of how financial inclusion has a fragile connection to fintech opportunities, as well as examples of how increased choice with proper information and understanding improves adoption.

Neha Narula, Director of the MIT Digital Currency Initiative, discussed data aggregators and data management. Some points included who can view different types of data, consumers and control of data, how data is used, and risks related to open finance.

Jose Fernandez da Ponte, guest speaker and SVP of Blockchain, Crypto, and Digital Currencies at PayPal, discussed the relationship between competition and cooperation within open finance. Some points included key areas where competitors are motivated to cooperate.

3. Elizabeth Caviness, Associate Director, Markets Group at the Federal Reserve Bank of New York led the first facilitated discussion, “Market Dynamics and Value Propositions”. The discussion was a continuation of questions asked during the presentations. Discussion centered around the opportunities and risks related to open finance. Some risks that were mentioned included bad actors, low/inaccurate consumer education, low market adoption in fragmented markets, and low quality collaborations. Some examples from the firms represented in the room were shared.
4. Hampton Finer, Senior Vice President, Supervision, Federal Reserve Bank of New York, introduced the next speaker, Sir Jon Cunliffe, Deputy Governor of the Bank of England for Financial Stability. Sir Cunliffe spoke about the regulation and supervision of open finance in the UK. The UK’s work in this space has been influenced by the government’s and regulators’ initiative and policy to continue to create competition and innovation in banking. The focus of their regulatory work has been on resilience and ensuring risks are appropriately managed. Adoption of open finance in the UK is a relatively recent development but growing.

The meeting adjourned at approximately 12:45pm ET