

The Electronic Transactions Association's

2022 Federal Legislative and Regulatory Policy Priorities

The digital payments industry is one of the most innovative, dynamic, competitive, 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 – including low-and-moderate income consumers who have historically not had full access to the financial system – to conduct their everyday financial transactions.

ETA and its member companies support policies that foster a competitive business climate, which fuels the ongoing innovation that is making financial inclusion a reality.

ETA's policy priorities for 2022 include:

Cryptoassets — Cryptoassets 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 cryptoassets are being put and tailor regulation to the risk profile presented.

Specifically, ETA supports public policies that advance the following [5 guiding principles](#) which we believe are critical to ensuring the appropriate regulatory balance is struck:

- Properly Defining Cryptoassets
- Tailoring Regulations to the Risk Profile of the Participant/Activity
- Ensuring Consumer Protection
- Harmonizing with Existing Regulatory Frameworks
- Encouraging Responsible Innovation

Central Bank Digital Currency (CBDC) — Central Bank Digital Currencies 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 in order to ensure there are no unintended consequences and that any CBDC would add value to the ecosystem.

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 more robust information and insight into their finances.

ETA supports open banking policies that are:

- Principles-based and utilize private sector innovation and put consumers control in terms of how their data is shared or utilized.

Privacy — The payments industry has long been committed to protecting the privacy of consumers' data. That commitment, along with the industry's commitment to security, is at the core of the public's trust in the industry. ETA supports a strong federal privacy standard that is principles-based to ensure predictability and consistency for consumers. Because privacy and security are intertwined, any privacy regime must also ensure that data can continue to be used to further the industry's robust and effective fraud-protection efforts.

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.

Enhancing Supply of Chips — The payments industry helps power the economy and computer chips in POS terminals and mobile phones help power the payments industry. ETA supports public policy to restore a strong supply chain of computer chips to ensure a strong economy.

Artificial Intelligence/Machine Learning — ETA members have developed advanced tools to combat fraud, improve access to credit, and reduce operational costs, all of which help consumers and small businesses. ETA supports a flexible regulatory approach that accommodates the variety of uses to which AI can be put and encourages the appropriate use of Artificial Intelligence and Machine Learning.

Intellectual Property — New ideas are the lifeblood of innovation. ETA supports policies that promote an efficient IP system that appropriately protects that innovation. In particular, ETA supports the renewal of the Covered Business Method patent provision in the American Invents Act (AIA) to allow for re-examine 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 the 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.



Twenty First Century Workforce — A vibrant workforce benefits the economy, strengthening U.S. businesses by increasing productivity and stimulating innovation. ETA supports policies that allow U.S. companies to access needed talent and remain globally competitive.

- ETA supports an increase in H-1B visas.
- ETA supports 21st Century Workforce issues.