



September 6, 2024

Dr. John Schindler
Secretary General
Financial Stability Board
Centralbahnplatz 2
CH-4002 Basel, Switzerland
fsb@fsb.org

Re: Visa submission is in response to the Financial Stability Board’s (“FSB”) Recommendations for Regulating and Supervising Bank and Non-bank Payment Service Providers Offering Cross-border Payment Services

Dear Dr. Schindler,

On behalf of Visa Inc.¹ (“Visa”), this submission is in response to the Financial Stability Board’s (“FSB”) Recommendations for Regulating and Supervising Bank and Non-bank Payment Service Providers Offering Cross-border Payment Services, dated July 16, 2024.

Visa commends the FSB for its focus on this important topic and broadly agrees with many of the FSB’s proposed recommendations in the consultation report to promote consistency in the regulation and supervision of bank and non-bank payment service providers (“PSP”).

As a member of the Legal, Regulatory, and Supervisory (LRS) Task Force (TF) we were previously afforded the opportunity to provide direct feedback to the preliminary recommendations during in-person meetings in Basel, Switzerland on 22 April 2024. As such, we have included general comments in response to the questions for consultation and proposed recommendations as set forth in the July FSB report.

Visa generally supports the recommendations that are directed at competent authorities to not only to identify, understand, and assess risks across the PSP sector supporting cross-border payments, but also understand the impacts of supervisory gaps and/or inconsistencies across jurisdictions with the overall intent to facilitate cooperation, coordination and information sharing to align supervisory regimes to the extent feasible. We also believe that any recommendations should provide flexibility in the regulatory framework with sustainable goals. This flexibility can help ensure that the regulatory framework for participants and technologies that exist today will keep pace with innovation. This approach can help promote cost-efficiency and adaptability to changing market conditions.

¹ Visa (NYSE: V) is a world leader in digital payments, facilitating transactions between consumers, merchants, financial institutions and government entities. Our mission is to connect the world through the most innovative, convenient, reliable and secure payments network, enabling individuals, businesses and economies to thrive. Visa’s network spans more than 200 countries and territories, approximately 14,500 financial institutions, more than 130 million merchant locations and 4.3 billion payment credentials. All told, during FY23, the Visa network enabled \$15 trillion in total volume and 276 billion transactions.



Additionally, Visa broadly agrees with recommendations that cover the role of licensing or registration requirements in ensuring a risk-based, level-playing field. Like the FSB, Visa believes that non-bank PSPs can play a valuable role in the digital payment ecosystem including increasing acceptance of digital payments across merchant types; however, there is an opportunity for public-private partnerships to further develop a balanced approach in enhancing risk management in the evolving cross-border payments landscape. For example, regardless of whether an entity providing payment services is a bank or non-bank PSP, such entity may require more oversight or supervision due to deficiencies in operational resources and/or the maturity of their risk management and compliance processes. In that regard, the approach of “same activity, same risk, same rules” would ensure that any level of regulation and oversight would be appropriate and proportionate to the risks presented by the particular entity.

Furthermore, Visa would like the FSB to consider recommendations that FMIs, payments system operators, and scheme owners that provide access to payment services should not be expected to act as a proxy for a regulator or supervisor; regulatory and oversight responsibilities remain best placed with prudential regulators. Nonetheless, privately owned and operated payments systems and schemes should be able to impose their own level of access requirements to manage risks appropriately.

Visa appreciates the opportunity to share our perspective with the FSB as it drafts recommendations to promote consistency in the regulation and supervision of bank and non-bank PSP’s. We are hopeful Visa’s views are helpful in advancing this effort. Your collective expertise has been invaluable in developing these questions and recommendations, and we look forward to continuing the dialogue with you and other members of the LRS TF about these critically important issues for cross-border payments. If you have any further questions or comments, please do not hesitate to contact me at tfox@visa.com.

Sincerely,

A handwritten signature in black ink, appearing to be "T. Fox", is positioned below the word "Sincerely,".

Todd Fox
Head of Global Policy
Government Engagement
Visa Inc.