

Proposal: 1625 Potential FR Actions to Support Interbank Settlement of Faster Payments

Description:

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Comment ID: 132862

From: Andrew Garsten

Proposal: 1625 Potential FR Actions to Support Interbank Settlement of Faster Payments

Subject: OP-1625 -Potential Federal Reserve Actions to Support Interbank Settlement of Faster Payments

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Comments:

NONCONFIDENTIAL // EXTERNAL

Board Members:

Yes, and Yes.

As a small business owner, we have complained about how unfair it is that our credit card merchants hold onto funds for payments made over the weekends even when we know that the monetary transactions were completed, and how the bulk settlement of weekend transactions on a Monday also makes accounting more complicated and time consuming. I am assuming that both the 24x7x365 interbank system and the liquidity management tool would, if not impact this situation immediately, ultimately result in receiving payments in a timely manner though competitive pressure, if nothing else.

The impact of this would be to greatly simplify transaction accounting (and reduce accounting costs) as well as reducing cash-flow risk and increasing business flexibility, by accurately tying transactions and revenue together.

Sincerely:

Andrew Garsten

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Andrew Garsten

/Regional Developer/

Los Angeles West & Northeast Regions

Call: (323) 702-1647 and text friendly