



Agenda

Third-Party Payment Processors Association 2018 Spring Conference Minneapolis

Wednesday – June 13th

Pre-Conference Workshop

10:00 AM – 11:30 AM

Pre-Conference Workshop:

Building and Maintaining Program Risk Assessments

Risk Assessments are intended to be an up-to-date analysis of the potential risks and mitigating controls unique to your company and the products you offer and the customers you serve. Frequently risk assessment documents address generic risk, rather than specific risk to the enterprise. They also have a tendency to sit on the shelf only to be dusted off for annual review and don't represent an accurate view of the current risk to your company. In this session we will teach you the types of specific risk you should be assessing, (i.e. strategic, third-party, operational, fraud, credit, compliance, legal, industry and reputation risk), how to keep your risk assessment current, and engage in an interactive exercise to build a risk assessment related to payment processing in a high-risk complex industry. Participants will receive a risk assessment template with the sample risk assessment we build together. (\$150 additional fee)

Speakers: Marsha Jones – TPPPA and Jordan Bennett - NACHA

General Sessions

1:00 PM – 1:15 PM

Welcome – Marsha Jones, TPPPA President

1:15 PM – 2:15 PM

Legal & Regulatory Landscape of Payments

The legal and regulatory landscape for payment processing is a complex web of laws, rules and regulations, and a myriad of law enforcement and regulatory agencies at both a federal and state level. In this session our legal panel will break down the players and the laws, rules and enforcement authorities that apply to banks, payment processors, money transmitters and the merchants for whom they process payments. We will also look at how agency appointments are made. As administrations change at both a federal and a state level, new policies and new appointments occur that can impose new laws and regulations and impact the interpretation and enforcement of existing laws and regulations. These can be subtle shifts if the administration change is within the same political party, but can be dramatic if the administration and its policies shift to the opposing party.

Speakers: Keith Barnett and Tim Butler, Troutman Sanders

2:15 PM – 3:15 PM

Politics & Payments: The Unbreakable Link

The last two changes of the President of the United States had dramatic impacts to our industry. This dynamic plays out at a state level as well and eventually influences rule making for the various payment systems. Polarization between administrative branches and legislatures at a federal and state level will also complicate and/or disrupt policy objectives, all of which have consequences to the payments industry. In this session we will discuss and contrast current policies and proposed laws that aim to reform regulatory requirements on the financial industry, and the potential outcomes and industry impacts of the federal mid-term elections and important state elections. We will also discuss how implementing best practices serve to protect and prepare your organization from the swinging pendulum of public policy at a state and federal level.

Speaker: Greg Porter, Catalyst

3:15 PM – 3:30 PM

Break

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3:30 PM – 4:30 PM

Consumer Protection Dilemma: Fragmented Laws & Inconsistent Enforcement

Consumer Protection laws and regulations are the most complex web of state and federal statutes and enforcement authorities. The Federal Trade Commission (FTC) and the Consumer Financial Protection Bureau (CFPB) have rule making and enforcement authority for Consumer Protection at a federal level and States Attorneys General interpret and enforce their states' laws protecting the consumers that reside in their states. These authorities all have the ability to enforce against unfair, deceptive or abusive acts and practices and frequently work together to investigate and prosecute violators. Banks and payment processors must understand not only their obligations, but also the obligations of their merchants. Failure to do so can lead to enforcement actions against the banks and payment processors for facilitating unlawful activity. This session will discuss the various Consumer Protection laws, rules and regulations and the industries that they apply to.

Speakers: Keith Barnett and Tim Butler, Troutman Sanders

4:30 PM – 5:30 PM

The Inevitable Future of Payments: Marijuana Banking, Crypto Currency & More

It is not a question of IF, but WHEN banking will fully embrace some controversial products like marijuana and Crypto Currency. In some cases the inconsistencies between state and federal laws is the primary barrier, creating state workaround solutions. In others, the ability to manage and mitigate risk is the primary barrier to regulatory acceptance. In all cases consumer demand and acceptance by other countries will ultimately drive the changes that will bring these products into the banking fold. In this session we will discuss the challenges and barriers and the efforts to create a workable solution for banking these industries, products and technologies.

Speakers: Keith Barnett and Tim Butler, Troutman Sanders

5:30 PM - 7:00 PM

Cocktail Reception

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Thursday – June 14h

8:00 AM - 9:00 AM

Breakfast
General Session

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9:00 AM - 10:00 AM

General Session

Funding Human Trafficking: The Payroll & Fintech Connection

Human Trafficking and efforts to combat it have been around for many years. The horrible human consequences of sex and labor trafficking impact countless individuals around the globe. Proceeds from this abhorrent practice supplement funding of criminal organizations like drug traffickers or can be diverted to finance terrorist organizations. The only way these practices work are for the traffickers to get paid. Payment processing applications and Fintech products have become globally available online outside traditional banking, where the tools and expertise to identify BSA/AML risks, (through enhanced due diligence and monitoring) are employed. Banks that fail to adequately assess and manage the third-party risk of payment processing expose themselves and their customers to the consequences of facilitated practices like Human Trafficking. In this session we will explore the weak links in pushing credits, whether through payroll or other Fintech applications and their vulnerability to Human Traffickers.

Speakers: Marsha Jones, TPPPA and CoSpeaker TBA

10:00 AM - 10:15 AM

Break

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Breakout Sessions – 10:15 – 11:15

10:15 AM – 11:15 AM

Exercise Your Voice: RPA Participation and NACHA RFCs: Payment processors and Fintech companies do not have a direct line to the payments networks, often leaving their concerns, needs and contributions unheard. Participation in a regional payments association is your opportunity to exercise your voice and engage more actively in the payments industry. Another public opportunity is to respond to NACHA's Requests for Comment (RFC) on proposed rulemaking. NACHA has recently issued a RFC that is due by June 29th on *Proposals Regarding ACH Quality and Risk Management, and the ACH Rules Compliance Audit*. Join this session as UMACHA and the TPPPA distinguish the proposed changes to enable you to provide your own comments back to NACHA. This RFC deals with several elements that will impact Third-Party Senders and their ODFIs. You will want your voice to be heard!

Speakers: Fred Laing and Angi Farren, UMACHA and Marsha Jones, TPPPA

10:15 AM – 11:15 AM

Busting the Silos: Building Cohesive Bank Teams for TPPP and Fintech Programs

Proper management and oversight of payment processor and Fintech relationships require banks to work cooperatively, across departments and products, to effectively assess and mitigate the complex and unique risks of these relationships to the bank. Banks must engage the applicable departments and assign the appropriate level staff with sufficient expertise to ensure proper oversight of the bank's program. Join this session and learn from a panel of TPPPA bank members about the challenges and successes in their efforts to bust the silos and create a dynamic team to manage the bank's payment processing and Fintech programs.

Panel of Member Banks

Breakout Sessions – 11:15 – 12:15

11:15 AM – 12:15 PM

Cybersecurity and Payments: Risk, Trends and Best Practices

Information security in electronic payments is critical throughout the entire electronic passage and life cycle of the payment from initiation through completion and destruction of data. Payment transactions and associated authorizations and other payment related communications carry sensitive non-public information that can be exploited if it gets into the wrong hands. In this session we will look at the laws and regulations related to information security and the consequences of failure to properly secure this sensitive data.

Speaker: Ron Raether, Troutman Sanders

11:15 AM – 12:15 PM

Effective Monitoring Strategies: Utilizing Tools and Data to Support Best Practices

Electronic payment processing involves thousands of merchants, tens of thousands of consumers (or more) and millions of individual transactions. Banks and payment processors need to be able to conduct adequate due diligence, enforce restricted and prohibited activity and monitor for suspicious activity. This is a monumental task for a bank and/or payment processor exposing both to a variety of risks. Utilizing tools as a part of best practices to manage data, connect different data points and activities to analyze trends or issues, and to detect and alert on activities that expose the parties to risk is not a luxury, but a necessity in electronic payment processing. Join our panel of affiliate partners and experts as they share ways to assess, detect and mitigate risk and properly oversee payment processing programs.

Panelist: G2 Web Services, Laru and Affirmative



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12:30 PM – 2:00 PM

Lunch

G2 Web Services

Luncheon Speaker

Secretary Bryan Schneider

Illinois Department of Financial and Professional Regulation

Join us for lunch as Secretary Schneider shares the perspectives of a state banking regulator and licensing authority in its efforts to ensure that companies operate in a manner that protects the residents of its state. Secretary Schneider will also discuss cooperative efforts across the states to streamline state licensing requirements and to understand emerging payments technologies to foster responsible innovation.

Breakout Sessions - 2:00 – 3:00

The Impact of Fintech on Traditional Antitrust Analysis and Regulation

It is nearly impossible to ignore the impact technology has had on every aspect of life. Some of the most pervasive technological innovations have arisen in the financial services and payments sectors. These innovations, collectively known as Fintech, provide a multitude of possibilities and have generally been advantageous for consumers; however, they have proved challenging for regulators to handle. In the field of antitrust, enforcement bodies have been trying to figure out how exactly to deal with fintech and fit it into already-existing analytical frameworks. However, it is difficult to use traditional tests and hard-line rules to define the market power of these innovative technologies. Join Emma Cronenweth as she discusses her research and findings related to Fintech and the challenges to ensure fair competition in the United States and around the world.

Speaker: Emma Cronenweth

NACHA Update: The Important Role of Third-Party Senders in the ACH Network

NACHA has been placing a great deal of emphasis on Third-Party Senders over the past several years in an effort to understand the extent to which third-party ACH processing is occurring in the ACH Network and to be able to manage the unique risks associated with these important participants in the ACH Network. Join Jordan Bennett of NACHA as he discusses the importance of Third-Party Senders to the ACH Network and NACHA's efforts to be able to identify and distinguish between responsible Third-Party Senders and those that expose risk to the ACH Network.

Speaker: Jordan Bennett, NACHA

Breakout Sessions - 3:00 – 4:00

Is This A Third-Party Sender?

In this fun, interactive session our panel of ACH experts will share examples of what is and what is not a Third-Party Sender and methods of distinguishing third-party senders and nested third-party senders in your ACH portfolio. Then you can put us to the test and pose your scenarios and we'll discover together: Is This a Third-Party Sender?

Panel: UMACHA, NACHA and TPPPA

Implementing the Beneficial Ownership Rule

FinCEN's final rule on Customer Due Diligence, otherwise known as the Beneficial Ownership Rule, became effective last month. Join our panel of members as they discuss their challenges and successes in implementing the Beneficial Ownership Rule. Our Panel will be led by Jay Postma, President of MSB Compliance. Jay will outline the requirements of the Rule and why it is so important and lead the discussion related to efforts to implement the rule into members' existing due diligence practices.

Panel: TPPPA Bank and Processor members

Moderator: Jay Postma, MSB Compliance Inc.

4:00 PM – 4:15 PM

Break

General Session

4:15 PM – 5:15 PM

Privacy Matters: Evolving State and Federal Expectations in Our Digital Age

Privacy has been the hot topic of general media over the past few months, particularly as high profile companies like Facebook and Google are challenged to explain how they safeguard the personal data they collect and hold belonging to their customers, and how they use it, and who has access to that data. Many people were alarmed that their data they assumed was private and safe was accessible to strangers. These high profile cases expedited the creation and of more stringent privacy laws on a global basis, and how individual states are creating new laws to protect the privacy of the residents of their state. The implementation of regional laws in the States and around the world, creates complex legal and compliance challenges for global electronic commerce and payment processing. Learn about the rapidly changing Privacy legal framework and best practices for proactively addressing Privacy policies at your company that will meet standards and be able to adapt as standards change.

Speaker: Ron Raether, Troutman Sanders

5:30 PM - 7:00 PM

Cocktail Reception

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General Sessions

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9:00 AM - 10:00 AM

Distinction and Differentiation: TPPPs, MSB, State Money Transmitters (Legal Panel)

Companies that process payments can have many labels or distinctions assigned to them. Each of these labels relates to distinct risks related to activities of payment processing. A company may have one label or multiple labels all dependent upon their unique business model, *WHO* are their customers, who are their customers' customers, *WHAT* are their products, *WHERE* do their customers and customers' customers reside and *WHY* are the payments being initiated or the purpose of the payments.

Understanding the answers to these questions will help to distinguish the proper labels and associated risks and requirements, as well as to differentiate what laws and regulations are applicable to these relationships. Sometimes banks will "err on the side of caution" and assign labels and applicable requirements, inadvertently increasing their own compliance risk and obligations unnecessarily. Proper distinction and designation is key to properly assessing and managing the risk of these relationships. Join us as we discuss the distinctions and differentiations of TPPPs/TPSs, MSBs and State Money Transmitters.

Speaker: Keith Barnett, Troutman Sanders

10:00 AM – 11:00 AM

Talking Points: An Interactive Session to distinguish effective messaging for interacting with state regulators, law makers and law enforcement agencies. This session will be an open TPPPA Governments Relations Committee meeting as we work together with conference participants to distinguish the challenges the payments industry faces related to the multitude of laws across the 50 states and US territories that payment processors and their merchants are required to understand and to follow, and how the current environment stifles innovation, creates unfair competition and adds risk due to the unknown and unmanageable risk factors. These talking points will serve to engage in constructive dialog with the states in efforts to create best practices and support and educate states in their efforts to understand and effectively manage the risks of emerging technologies in payments.

GR Committee Co-Chairs: Ryan McCurry, ACH Works and Joyce Gaines, UMS Banking

11:00 AM - ADJOURN