



Digital Payments Intensive 2015

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*Brought to you by E-Finance & Payments Law & Policy and Addleshaw
Goddard*



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Introduction

Digital Payments Intensive 2015, will bring together key figures from business, legal and regulatory backgrounds, to discuss the most pressing issues in the payments sector today.

Attendees will receive invaluable take-away information on development and regulation, giving their organisations a strategic advantage.

Throughout the day, we will examine a wide range of important changes that the UK payments industry is experiencing and take a closer look at the latest legislative developments including the draft Payments Package issued by the European Commission.

Experts will be on hand to share their knowledge gained through their hard-won experience, along with regulators to ensure you are ready to steer your organisation through the myriad of proposed regulatory requirements.

Topics covered:

- The new UK Payment Systems Regulator and its main focus for 2015 and beyond
- Regulatory update on the Payments Package including interchange and PSD2
- Digital Europe and the focus of the European and Domestic Regulators
- Innovation and future of the Payments Council
- US developments in the digital landscape and future trends
- How the payments landscape is shifting and how we keep up

Speakers

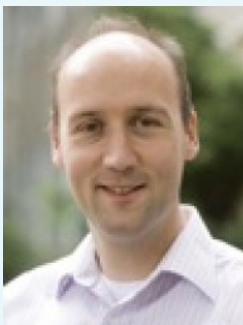


Hannah Nixon - Managing Director, Payments Systems Regulator

Hannah Nixon is the Managing Director of the Payment Systems Regulator. She is responsible for leading the new regulatory body as it takes responsibility for the £75 trillion payment systems industry in the UK.

Hannah joined the PSR from Ofgem, the gas and electricity industry regulator for Great Britain, where she led on the development and implementation of a new regulatory framework. Before that, she was Head of Regulatory Economics at the Office of Rail Regulation, a founding member of Cambridge Economic Policy Associates and Vice President of Deutsche Bank's global markets economics team.

Hannah is a non-executive director of the Channel Islands Competition and Regulatory Authority.

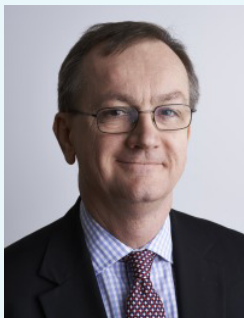


Iddo De Jong - Senior Expert, European Central Bank

Iddo de Jong is Senior Expert in the DG Market Infrastructure & Payments of the European Central Bank. He is responsible for policy development on SEPA for cards and on innovative payment solutions.

Before joining the ECB in 2006, he worked at De Nederlandsche Bank on a broad range of payment system policy issues and on developing the Bank's payment services to banks. He started his professional career at the Ministry of Transport, where he worked on the economic benefits of transport infrastructure, held a management position and was counsellor to one of the top-managers.

Iddo holds a M.Sc. in Economics from the Erasmus University Rotterdam, the Netherlands.



Tim Yudin - Director of Collaboration and Change, Payments Council

Tim Yudin is the Director of Collaboration and Change at the Payments Council. He is responsible for overseeing the Payments Council's industry change portfolio which includes the implementation of major industry programmes. Prior to this Tim was the Programme Director for the largest cross-industry programme in banking in recent years, the Current Account Switch Service, which was successfully launched in September 2013.



Scott McInnes - Senior Regulatory Counsel, MasterCard

Scott McInnes is Senior Regulatory Counsel at MasterCard. Scott joined MasterCard in May 2012, where he handles competition law matters, follow-on private actions for damages, as well as various regulatory matters (draft interchange fee Regulation, draft PSD2, strong authentication requirement, supervision by regulators, etc). Prior to joining MasterCard, Scott was external counsel to the company for six years on a variety of competition law / regulatory issues.



William James - Partner, Addleshaw Goddard

William is a corporate commercial partner and leads the AG Payments Team. He has worked extensively with issuers, acquirers and technology providers in the payments sector and has been involved in many of the key payments transactions in the last four years.

William lead the team advising on Barclays' acquisition of the Logic Group and was involved in the payments approach of the acquisition of RS2 Software.

William also advised HSBC on the disposal and joint venturing of its merchant acquiring business to Global Payments Inc. and continues to advise on various business as usual issues connected with this. He has worked with a number of payment providers in relation to their contractual and commercial relationships and has advised on legal, regulatory and payment scheme (MasterCard and Visa) rules and the mitigation of key risks around payment value chains.

William was seconded to a major UK issuer to assist in the development and implementation of their mobile and digital payment strategy and advised on a UK bank's partnering arrangements with an MNO for the launch and operation of the UK's first NFC mobile payments solution. He has advised across the entire Payments value chain and has experience of advising on a wide variety of issues for clients including retailers, processors and banks.



Fiona Ghosh - Partner, Addleshaw Goddard

Fiona is a partner in Commercial specialising in complex commercial and IS arrangements particularly in the financial services, IT and retail sectors.

She also specialises in advising in the field of retail payments including payment services regulation and commercial arrangements relating to merchant acquiry, acting for acquirers, payment facilitators and merchants both in the UK, US and internationally.

Fiona is a leader in her field on advice relating to strategic alliances and joint ventures, particularly for those clients in the financial services and retail/FMCG sectors. She has led several international joint venture arrangements for the provision of credit cards, loans, mortgages and related insurance products acting for both retailers and for providers.

Fiona's expertise also includes outsourcing and other complex commercial arrangements, particularly in the financial services and IT sector including insurance, asset management, investment and retail banking. She has longstanding experience in the negotiation, drafting and advising of cross jurisdictional business process outsourcings, including claims management, back office and global administration services for multi national corporation, banks, asset managers and global insurers.

Year qualified: 1999 as a Barrister and 2005 as a Solicitor

Education: Lincoln College Oxford University



Dr Michael G. Salmony - Executive Adviser BoD, Equens SE

Michael is an internationally recognised leader on business innovations especially in the internet and financial services space. He represents national geographies, banking consortia and international industry sectors. For example:

- The EC/European Commission where he was nominated since 2007 into the Steering Committee on eInvoicing to improve European competitiveness/efficiency by 243bn€ p.a. towards the EU's Lisbon Agenda
- The ERPB/Euro Retail Payment Board where he was nominated by BVR (the cooperative banking association in Germany with 30 million customers) as the EACB representative in the mobile peer-to-peer and instant payment workgroup. The EACB/European Association of Cooperative Banks represents 3700 banks and their 215 million customers throughout the European Union
- #1 representative of the entire German national banking community DK ("Die Deutsche Kreditwirtschaft" consisting of all 2277 banks with aggregated assets of 7626 billion Euro) within the EPC/European Payment Council (the decision making body of the 8000 banks in the 31 countries of Europe) as leading member of Internet, Mobile and eCommerce Payments work groups since their inception
- Other international (e.g. EBA/Euro Banking Association Financial Supply Chain Workgroup) and national groups such as the UK e-Invoicing Advocacy Group of the UK Government Department of Business, Innovation and Skills (BIS) - one of the major departments of state, presided over by the secretary of state and member of the cabinet
- The Innovation Board at Equens SE which he instigated and chairs to promote innovation in processes, products, services, technologies and strategies with major international banks



James H. Mann - Partner, Davis Wright Tremaine LLP

James Mann is a leader of the US consumer financial services bar, with a practice that focuses on transactional and regulatory matters involving consumer payment devices and payment schemes. Mr Mann regularly represents parties to agreements for the development or implementation of consumer payment or processing solutions. He also represents financial institutions, merchants and technology companies in agreements with payment schemes and advises them on scheme rules as well as on federal and state regulatory matters including "UDAAP" (unfair, deceptive or abusive acts or practices), truth-in-lending and equal credit opportunity.

Event programme

Time	Agenda
08:30 - 09:00	Registration and breakfast
09:00 - 09:05	Conference welcome
09:05 - 09:35	Payment Services Directive 2 (PSD2) Regulation Dr. Michael G. Salmony - Executive Advisor BoD, Equens SE
09:35 - 10:05	US developments in the digital landscape and future trends James H. Mann - Partner, Davis Wright Tremaine LLP
10:05 - 10:25	New kids on the Block[chain] - Apple, Tokens and the like: How the payments landscape is shifting and how we keep up. Fiona Ghosh - Partner, Addleshaw Goddard LLP William James - Partner, Addleshaw Goddard LLP
10:25 - 11:05	The new UK Payment Systems Regulator: Its main focus for 2015 and beyond Hannah Nixon - Managing Director, Payment Systems Regulator
11.05 - 11.30	Refreshment break
11:30 - 12:10	Digital Europe and the focus of the European and Domestic Regulators Iddo De Jong - Senior Expert, European Central Bank
12:10 - 12:50	EU Interchange Fee Regulation Scott McInnes - Senior Regulatory Counsel, MasterCard
12:50 - 13:30	Innovation and future of the Payments Council: Collaboration across industries Tim Yudin - Director of Collaboration and Change, Payments Council
13:30 - 14:30	Networking lunch
	<i>* Please note this programme is subject to change</i>



Featured article

The FCA Innovation Hub's first quarter in operation

The UK Financial Conduct Authority's Innovation Hub, part of its wider 'Project Innovate' programme, has been up and running now for a full calendar quarter. David Futter and Fiona Ghosh of Addleshaw Goddard's Digital Innovation Team take the opportunity to reflect on the regulator's objectives and progress made so far, and also explain why they expect that the Innovation Hub is here to stay.

Digital advancements and new business-driven technologies are having a major impact on the way that consumers engage and transact with businesses; they are reshaping e-commerce, retail investment and financial services alike. You don't have to look far to see the effects: in the last few years the industry has witnessed a marked rise in both mobile banking functionality and use; a proliferation of new digital payment platforms (Paym, Zapp, Apple Pay) and payment aggregators (Hailo, Just Eat); as well as a number of online crowdfunding and peer to peer lenders achieving mainstream critical mass.

Even so, the not insignificant cost and complexity of navigating through the UK's often labyrinthine financial regulation has (paradoxically) benefited the banks and other major regulated financial service firms by keeping manifold other potential new market entrants at bay.

This is because many within the recent wave of innovator businesses are regulation neophytes and, as such, it can be difficult for them to obtain regulatory input for their more anomalous products and services before market launch. Their lack of regulatory experience often encourages them to take a more risk adverse approach. It also, quite understandably,

results in some prospective customers - particularly regulated firms - being reluctant to deal with those innovators whose nascent products or services lack robust compliance scrutiny. All of this in turn, so the theory goes, suppresses financial services innovation.

Standing on the right side of progress

One of the big differences between the Financial Services Authority and the Financial Conduct Authority ('FCA') is that the FCA is expected to promote competition, as well as to protect consumer interests across the financial markets. Since innovation can be a powerful tool for stimulating increased competition, as well as serving as an effective driver for improving consumer experience, the FCA has set its sights on ensuring that its regulation does not inadvertently stifle innovation. Project Innovate - the recent initiative by the FCA - is the vehicle by which the regulator aims to move onto the right side of progress, from being an unintentional obstacle to an innovation facilitator.

A central part of Project Innovate is the Innovation Hub, which was launched in October last year. The Hub's objective is to foster competition and spur growth in financial services by supporting both regulated and non-regulated businesses that are developing innovative products and ideas. Its remit is pretty wide: it's not limited to technological innovation.

The FCA has stated that product, process, marketing and organisational innovations are all equally relevant. Likewise, the FCA is not focused solely on brand new concepts; those ideas that represent significant improvements to existing concepts are of keen interest to the regulator too.

Levelling the field

The purpose of the Innovation Hub is to 'level the playing field' by providing a range of support to those innovator businesses that qualify for access to the Hub. Primary support is available via direct and dedicated access to the FCA's advisors, who will be on hand to advise on compliance issues as and when innovative ideas are being formed and new business models are being proposed. Help will also be available for qualifying businesses to understand the regulatory framework and how it applies to them.

In addition, those businesses supported by the Hub who become FCA authorised will benefit from continued support for up to a year after authorisation.

The Innovation Hub is available to qualifying business only. The FCA has given itself relatively broad discretion to determine whether a business will qualify for the Innovation Hub. While a main consideration is whether the relevant innovation is likely to result in a consumer benefit, the FCA has not tied itself down to any specific types of consumer benefit. Instead it says that it will assess each applicant on its individual merits. Other relevant factors include whether the innovation is genuinely novel, the degree of effort taken by the applicant to understand for itself its regulatory position and whether the applicant has a legitimate need for the support.

An easier regulatory ride

The FCA's rather subjective eligibility criteria has led to criticism from certain quarters of the market. In particular, some existing regulated firms are concerned that it shows the FCA's working assumption is that much of the innovation within financial services will come from small start-ups and non-regulated tech companies. After all, that is largely whom the eligibility criteria seems most geared towards.

Other authorised firms note that they already have some access to the regulator through their existing FCA supervisors. This has led to them becoming worried that they may be denied access to the Hub because they will not be able to show a legitimate need for support.

Taken altogether, the detractors say this indicates that Project Innovate - which is paid for by all regulated firms - will effectively focus its support and resources on small innovators and non-regulated firms. Essentially, they feel their FCA funding is being used merely to give some of their most nimble commercial rivals a new competitive advantage: that is, an easier regulatory ride.

Proving popular

Target demographics aside, it is clear that the Innovation Hub is already proving popular. In the first two months of becoming operational, the Hub received more than 80 requests for support. It accepted almost 60% of these applications and has now provided individual support to over 45 businesses, mostly in the nature of informal steers on compliance issues so as to facilitate the applicant's regulatory strategy.

And it seems that those businesses that have so far used the Innovation Hub welcome the support it has to offer. The FCA's Data Bulletin for January 2015 reports that to date feedback from those having used the Hub has been largely positive, citing that over 85% of respondents rated their overall experience as either good or excellent.

Creating room for innovation

But Project Innovate is not just about establishing a platform for offering informal support and ongoing guidance to innovators. Importantly, the Innovation Hub was also designed to help the FCA deal with one of its biggest prevailing challenges: ensuring that UK financial regulation remains relevant and effective for the post-millennial generation.

It was evident from our latest discussions with the FCA that this is now a top priority; the FCA recognises there is a real need for it to understand better those current and future technologies, models and processes that are likely to change the face of finance.

This will inevitably take time. Indeed, the FCA is still working through how certain established innovations, particularly those that represent a potential future paradigm shift or major step change - such as virtual currencies, social media and blockchain technologies - might fit within the existing, pre-digital regulatory framework. Or, if they simply don't fit, how that framework might need to adapt to accommodate them.

Something else is very apparent from the FCA's stance on Project Innovate. What we see is a real sense at all levels from within the FCA that it is fully committed to supporting the UK's ambition to remain a global leader of financial innovation. Whether or not it is ultimately successful in this will, in no small part, turn on the FCA continuing to build upon its constructive engagement with the FinTech industry. In our view, it naturally follows that the Innovation Hub is destined to become the essential channel through which the FCA seeks to maintain that crucial dialogue. The momentum of the Innovation Hub shown over the last three months is doubtless just the start of more to come.

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Organised by

Digital Payments Intensive 2015 is organised by:

E-Finance & Payments Law & Policy

E-Finance & Payments Law & Policy is essential reading for busy professionals in the cards and payments, consumer finance, online financial services and e-money sectors. Written by experts, for experts, this monthly journal delivers razor-sharp analysis and insight on the legal and regulatory topics that matter to those involved with electronic finance and payments across the world.

Launched in 2006, E-Finance & Payments Law & Policy has not only witnessed the rise of mobile payments, online banking and electronic money - it has been on the cutting-edge of reporting throughout, providing news and commentary on key developments over the last seven years. Subscribers to the journal not only receive print copies each month but also gain full online access, including to the fully searchable archives, which feature every article ever published.

What do we cover?

- Mobile payments
- Online and mobile banking
- Technological developments - from NFC to EMV
- Fraud and cyber security
- Virtual currencies
- Prepaid cards
- Data breach
- Micropayments
- Payment processing
- Consumer rights
- And much more...

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Partners

Digital Payments Intensive 2015 is partnered with and hosted by:

Addleshaw Goddard LLP

At Addleshaw Goddard, our business is about strong client relationships built on successful delivery across national and international markets. A real meeting of minds.

We are a premium business law firm offering an exceptional breadth of services. Our approach combines a deep understanding of our clients' businesses, markets and sectors with high calibre expertise, straight talking advice and a collaborative team culture. By delivering what clients want wherever they need it, from high value strategic advice, to the everyday, we pride ourselves on a service which is high quality, focused, relevant and consistently excellent.

We have one of the strongest and most compelling payments offerings in the UK and Europe. We are uniquely positioned to support your business in all aspects of the payments industry as we have a thorough understanding of the legal commercial and regulatory framework sitting behind it as well as the interests of the various participants. Our dedicated team regularly advise banks, payment processors, card issuers, retailers, technology companies and many others on structuring and implementing various elements of their payments strategy.

In particular we have:

- a unique combination of knowledge, experience and credentials within one integrated team leading to a full understanding of risks and mechanics underlying the payments process - we have acted for all of the major UK banks in relation to a broad range of transactions in the UK, US and Canada, covering their merchant acquiring and card issuing businesses
- particular expertise in advising on large scale affinity programmes, including in particular those concerning financial institutions, retailers, sporting bodies and charities
- expertise gained by advising on a large number of card portfolio disposals and acquisitions, including a detailed understanding of the operational and regulatory requirements for the successful transition of a portfolio
- broad experience advising on a range of card related third party servicing arrangements, from the outsourcing of specific services to full portfolio management and operation
- proven experience in the financial services, telecommunications, retail, and media industries - providing valuable commercial insight into the issues facing the diverse range of players in the mobile and digital payments value chain experience advising a major international technology company on its EU payments strategy and associated commercial arrangements
- a strong team of subject matter experts (regulatory, technology and commercial, data, intellectual property and competition) who support the end to end transaction process
- an integrated team who have worked together on some of the most significant card, payments and loyalty transactions in the last 10 years.



Registration and booking

Book your place at Digital Payments Intensive 2015 before 20 March 2014 to benefit from the discounted early bird rate.

Your registration provides you with:

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