

## IT Examination Handbook Presentation Retail Payment Systems Booklet

### Visual

### Narrative

1.

#### *IT Handbook Presentations*

Open music



2.

#### *Retail Payments*

Retail payment systems facilitate the consumer's ability to:

- Purchase goods and services
- Pay bills
- Obtain cash
- Make P2P payments

- Purchase goods and services,
- Pay bills,
- Obtain cash through withdrawals and advances, and, in rare instances,
- Make person-to-person, or P2P, payments.

3.

#### *Support of Retail Payments*

In support of these activities, financial institutions:

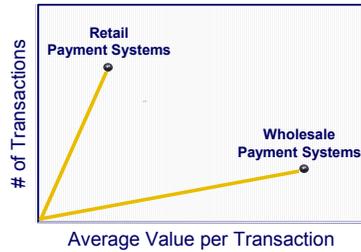
##### *Financial Institutions...*

- Payment instruments
- Payment processing
- Clearing and settlement

- Accept a variety of payment instruments,
- Process payments, and
- Participate in clearing and settlement systems.

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4.

***Payment Types***

Although there's no firm distinction between what the industry calls wholesale payment systems and what it refers to as retail payment systems, the general distinction is in the number of transactions handled and the average dollar amount of those transactions:

- Retail payment systems generally have a higher volume with a lower average value per transaction.
- Wholesale payment systems generally have a lower volume of transactions, but with a higher average value per transaction.

5.

***Independent Third Parties*****Technology Service Provider****TSP**

Independent third parties, referred to as a Technology Service Provider, or TSP, are becoming increasingly important in retail payment services.

6.

***Independent Third Parties***

For example, a TSP will often be contracted to assist bankcard issuing and acquiring financial institutions with the processing of credit card transactions and the administration of their consumer credit card and merchant accounts.

Also, government-affiliated providers, such as the Federal Reserve Banks, compete with financial institutions and other private sector firms in providing various retail payment services.

7.

***Industry Trends***

- **Consolidation**
- **Increased outsourcing**
- **Shift to electronic payment systems**

Over the last decade, a number of important trends have taken place in the area of retail payment services. These include:

- Consolidation of financial institution and third party providers of retail payment services,
- Increased outsourcing of retail-payment-system functions, and
- A shift from paper to electronic payments, such as debit and credit cards and internet-based bill payment systems.

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<p>8. <b><i>Retail Payment Systems Booklet</i></b></p> 	<p>The Retail Payment Systems Booklet is designed to provide guidance to examiners and financial institutions in identifying and controlling IT-related risks associated with retail payment systems and related activities.</p>
<p>9. <b><i>Replacement</i></b></p> <ul style="list-style-type: none"> <li>- Chapter 20: Retail EFT (ATM and POS)</li> <li>- Chapter 21: Automated Clearing House (ACH)</li> </ul>	<p>This booklet replaces Chapters 20: Retail EFT (ATM and POS) and 21: Automated Clearing House (ACH) in the 1996 FFIEC Information Systems Examination Handbook.</p>
<p>10. <b><i>Booklet Organization</i></b></p> <ul style="list-style-type: none"> <li>- Retail Payment Systems Overview</li> <li>- Payment Instruments, Clearing, and Settlement</li> <li>- Retail Payment Systems Risk Management</li> </ul>	<p>The body of the booklet is organized into three sections:</p> <ul style="list-style-type: none"> <li>▪ Retail Payment Systems Overview,</li> <li>▪ Payment Instruments, Clearing, and Settlement, and</li> <li>▪ Retail Payment Systems Risk Management.</li> </ul>
<p>11. <b><i>Booklet Organization</i></b></p> <ul style="list-style-type: none"> <li>- Appendices: <ul style="list-style-type: none"> <li>- Examination Procedures</li> <li>- Glossary</li> <li>- References</li> </ul> </li> </ul>	<p>The body is followed by three appendices:</p> <ul style="list-style-type: none"> <li>▪ APPENDIX A: Examination Procedures</li> <li>▪ APPENDIX B: Glossary</li> <li>▪ APPENDIX C: References</li> </ul> <p>The introduction to this presentation covered much of the content in the overview section of the booklet.</p>

	<b>Visual</b>	<b>Narrative</b>
12.	<div style="background-color: #e6f2ff; padding: 5px; border: 1px solid #000; margin-bottom: 5px;"> <p style="text-align: center;"><b><i>Booklet Organization</i></b></p> <hr style="border: 1px solid #000;"/> <ul style="list-style-type: none"> <li>– <b>Retail Payment Systems Overview</b></li> <li>– <b>Payment Instruments, Clearing, and Settlement</b></li> <li>– <b>Retail Payment Systems Risk Management</b></li> <li>– <b>Appendices</b></li> </ul> </div>	<p>So let's start by looking at the second section.</p> <p>This section describes the types of retail payment instruments offered by financial institutions and outlines the various roles that participants, including independent third parties, play in processing, clearing, and settling retail payment transactions.</p>
13.	<div style="background-color: #e6f2ff; padding: 5px; border: 1px solid #000; margin-bottom: 5px;"> <p style="text-align: center;"><b><i>Retail Payment Instruments</i></b></p> <hr style="border: 1px solid #000;"/> <ul style="list-style-type: none"> <li>– <b>Check-based Payments</b></li> <li>– <b>Card-based Electronic Payments</b></li> <li>– <b>Other Electronic Payments</b></li> <li>– <b>The Automated Clearinghouse</b></li> </ul> </div>	<p>The retail payment instruments discussed in the booklet include:</p> <ul style="list-style-type: none"> <li>▪ Check-based Payments,</li> <li>▪ Card-based Electronic Payments,</li> <li>▪ Other Electronic Payments, and</li> <li>▪ The Automated Clearinghouse.</li> </ul>
14.	<div style="background-color: #e6f2ff; padding: 5px; border: 1px solid #000; margin-bottom: 5px;"> <p style="text-align: center;"><b><i>Retail Payment Figures</i></b></p> <hr style="border: 1px solid #000;"/> <ul style="list-style-type: none"> <li>– <b>Typical transaction flow</b></li> <li>– <b>Clearing and settlement arrangement</b></li> </ul> </div>	<p>The booklet also provides a number of figures describing the typical transaction flow and clearing and settlement arrangement for most retail payment instruments.</p>
15.	<div style="background-color: #e6f2ff; padding: 5px; border: 1px solid #000; margin-bottom: 5px;"> <p style="text-align: center;"><b><i>Retail Payment Instruments</i></b></p> <hr style="border: 1px solid #000;"/> <ul style="list-style-type: none"> <li>– <b>Check-based Payments</b></li> <li>– <b>Card-based Electronic Payments</b></li> <li>– <b>Other Electronic Payments</b></li> <li>– <b>The Automated Clearinghouse</b></li> </ul> </div>	<p>Let's begin by talking about check-based payments.</p>

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16.

***Check-based Payments***

Check processing technologies, including magnetic-ink character recognition, or MICR, check item capture using high-speed reader/sorters, and check imaging, have significantly increased the speed of check processing.

17.

***Check-based Payments***

More recent innovations, including electronic check presentment, or ECP, and electronic check conversion, or ECC, have dramatically reduced the amount of time it takes to collect and settle check payments, by converting, or truncating, a check to electronic form during the item capture process or at the point of sale, or POS.

In addition to enhancing the check collection and settlement process, these innovations have also reduced the consumer's float period, or the amount of time between when a check is written and when a deposit account is debited for the amount of the check.

18.

***Check-based Payments***

Recently, the Check 21 Act made a qualifying substitute check the legal equivalent to the original paper check, and will further increase the conversion of checks to electronic form. The implementation of the Act will affect financial institution risks associated with check-based payment systems, and additional examiner guidance will be issued by the regulatory agencies.

19.

***Retail Payment Instruments***

- Check-based Payments
- Card-based Electronic Payments
- Other Electronic Payments
- The Automated Clearinghouse

Although checks are still the most widely used retail payment instrument, they now comprise a decreasing percentage of the total non-cash payment volume in the United States.

Consumer acceptance of electronic payment technologies and the growth in electronic commerce is increasing the use of electronic card-based retail payments and reducing the need for consumers to use checks for routine retail payment transactions.

	Visual	Narrative
20.	<p><b>Card-based Electronic Payments</b></p> <ul style="list-style-type: none"> <li>- Credit Cards</li> <li>- Debit Cards</li> <li>- Stored-value Cards</li> </ul>	<p>Many consumers now use credit cards, debit cards, and stored value cards to initiate retail payments in both face-to-face store purchases and remote transactions, such as those used in electronic bill payment and on line shopping.</p>
21.	<p><b>Card-based Electronic Payments</b></p>  <ul style="list-style-type: none"> <li>- Credit Cards</li> <li>- Debit Cards</li> <li>- Stored-value Cards</li> </ul>	<p>For credit and signature-based debit card transactions, the cardholder, actually pays for the purchase after the transaction has taken place, since there is a credit relationship between the cardholder and the card-issuing financial institution.</p>
22.	<p><b>Card-based Electronic Payments</b></p>  <ul style="list-style-type: none"> <li>- Credit Cards</li> <li>- Debit Cards</li> <li>- Stored-value Cards</li> </ul>	<p>The card-issuing financial institution will send a statement to the cardholder at the end of the billing cycle indicating the charges made to that account. The consumer is expected to pay the balance in full without an interest charge, or pay in installments with an interest charge.</p>
23.	<p><b>Card-based Electronic Payments</b></p>  <ul style="list-style-type: none"> <li>- Credit Cards</li> <li>- Debit Cards</li> <li>- Stored-value Cards</li> </ul>	<p>From the merchant's perspective, the transactions are settled in batch mode at the end of the business day, with the merchant receiving credit for the transactions he has posted. Final settlement between the issuing and acquiring financial institutions is done at the end of the business day.</p>

**Visual****Narrative**

24.

***Card-based Electronic Payments***

- Credit Cards
- Debit Cards
- Stored-value Cards

For PIN-based debit and ATM transactions, the cardholder's account is debited in real time or the funds placed on hold via a memo posting to the cardholder's demand deposit account.

For the merchant, the settlement process is similar to that used for credit and signature-based debit card transactions, and issuing and acquiring financial institution settlement is performed at the end of the business day.

25.

***Card-based Electronic Payments***

- Credit Cards
- Debit Cards
- Stored-value Cards

For a stored-value card transaction, the cardholder's prepaid card value is reduced by the value of the purchase. The cardholder typically prepays the amount stored on the card using a traditional method of payment, including cash, credit, or debit card. The stored-value cardholder can either replenish the amount stored on the card, or receive a new stored-value card.

26.

***Card-based Electronic Payments***

- Credit Cards
- Debit Cards
- Stored-value Cards

For the merchant, stored-value transactions are settled in batch mode at the end of the business day, with the merchant receiving credit for the transactions he has posted. Net settlement between the issuing and acquiring financial institutions is done at the end of the business day.

27.

***Other Electronic Payments***

- P2P payments
- Electronic cash
- EBT

Other electronic payments include:

- Person-to-person, or P2P, payments,
- Electronic cash, and
- Electronic benefits transfer, or EBT.

These payment instruments are typically associated with consumer deposit accounts and can facilitate access to recurring and one-time transactions as well as to a variety of government benefit programs.

	<b>Visual</b>	<b>Narrative</b>
28.	<div style="border: 1px solid blue; padding: 5px;"> <p style="text-align: center; color: blue; font-weight: bold;"><i>Retail Payment Instruments</i></p> <hr style="border: 1px solid yellow;"/> <ul style="list-style-type: none"> <li>– <b>Check-Based Payments</b></li> <li>– <b>Card-based Electronic Payments</b></li> <li>– <b>Other Electronic Payments</b></li> <li>– <b>The Automated Clearinghouse</b></li> </ul> </div>	<p>The Automated Clearinghouse, or ACH, transactions are batch-processed, value-dated electronic funds transfers between an originating depository financial institution, or ODFI, and a receiving depository financial institution, or RDFI on behalf of originators and receivers. ACH transactions are governed by rules established by the National Automated Clearinghouse Association, or NACHA.</p>
29.	<div style="border: 1px solid blue; padding: 5px;"> <p style="text-align: center; color: blue; font-weight: bold;"><i>ACH Transactions</i></p> <hr style="border: 1px solid yellow;"/>  </div>	<p>Financial institutions may outsource their ACH activities, and independent third parties now generate a significant number of ACH debit and credit transactions.</p>
30.	<div style="border: 1px solid blue; padding: 5px;"> <p style="text-align: center; color: blue; font-weight: bold;"><i>ACH Transactions</i></p> <hr style="border: 1px solid yellow;"/>  <p style="color: blue; font-weight: bold;">Direct deposit of paychecks</p> <p style="color: blue; font-weight: bold;">Direct bill payments</p> <p style="color: blue; font-weight: bold;">Business to business payments</p> <p style="color: blue; font-weight: bold;">Government payments</p> </div>	<p>Originally, ACH was primarily used for the direct deposit of paychecks, but is increasingly used for direct bill payments, business-to-business payments, and government payments, such as tax refunds.</p>
31.	<div style="border: 1px solid blue; padding: 5px;"> <p style="text-align: center; color: blue; font-weight: bold;"><i>ACH Transactions</i></p> <hr style="border: 1px solid yellow;"/> <ul style="list-style-type: none"> <li>– <b>Electronic check conversion</b></li> <li>– <b>Internet- and telephone-initiated payments</b></li> </ul> </div>	<p>In addition, retailers and other third parties may use ACH for other types of transactions such as:</p> <ul style="list-style-type: none"> <li>▪ Electronic check conversion, which is most common with checks drawn on consumer accounts, and</li> <li>▪ Internet- and telephone-initiated payments.</li> </ul>

	<b>Visual</b>	<b>Narrative</b>
32.	<div style="background-color: #4a86e8; color: white; padding: 5px; text-align: center;"><b><i>Risk Exposure</i></b></div> <hr style="border: 1px solid yellow;"/> 	<p>Since the Federal Reserve Banks guarantee payments for ACH credit originations, they face certain credit and liquidity risks that are described in the Payments System Risk, or PSR, policy.</p>
33.	<div style="background-color: #4a86e8; color: white; padding: 5px; text-align: center;"><b><i>Risk Exposure</i></b></div> <hr style="border: 1px solid yellow;"/>  <p style="text-align: center;"><b>Payments System Risk PSR</b></p>	<p>An integral part of the PSR policy is controlling the use of "daylight overdrafts"—overdrafts that can occur when there are insufficient funds in an institution's account to cover outgoing payments for activities processed by a Federal Reserve Bank.</p>
34.	<div style="background-color: #4a86e8; color: white; padding: 5px; text-align: center;"><b><i>PSR Policy</i></b></div> <hr style="border: 1px solid yellow;"/> <ul style="list-style-type: none"> <li>– <b>Limits the amount of "daylight overdrafts"</b></li> <li>– <b>Overdraft fees</b></li> <li>– <b>Real-time <u>A</u>ccount <u>B</u>alance <u>M</u>onitoring <u>S</u>ystem</b></li> </ul>	<p>To control daylight overdrafts, the PSR policy:</p> <ul style="list-style-type: none"> <li>▪ Establishes limits on the amount of daylight credit that a depository institution may use during a single day and over a two-week period,</li> <li>▪ Implements daylight overdraft fees to provide incentive for institutions to control their use of intra day credit, and in a limited number of cases,</li> <li>▪ Includes the use of the real time Account Balance Monitoring System, or ABMS, to prevent institutions from incurring daylight overdrafts beyond a certain threshold.</li> </ul>
35.	<div style="background-color: #4a86e8; color: white; padding: 5px; text-align: center;"><b><i>Booklet Organization</i></b></div> <hr style="border: 1px solid yellow;"/> <ul style="list-style-type: none"> <li>– <b>Retail Payment Systems Overview</b></li> <li>– <b>Payment Instruments, Clearing, and Settlement</b></li> <li>– <b>Retail Payment Systems Risk Management</b></li> </ul>	<p>The third section of the booklet describes risks associated with various retail payment systems and instruments. These include the areas of:</p>

	<b>Visual</b>	<b>Narrative</b>
36.	<div style="background-color: #4F81BD; color: white; padding: 5px; text-align: center; font-weight: bold;">Risk Areas</div> <hr style="border: 1px solid yellow;"/> <ul style="list-style-type: none"> <li>– Strategic</li> <li>– Reputation</li> <li>– Credit</li> <li>– Liquidity</li> <li>– Legal</li> <li>– Operational</li> <li>– Instrument-specific</li> </ul>	<ul style="list-style-type: none"> <li>▪ Strategic risk,</li> <li>▪ Reputation risk,</li> <li>▪ Credit risk,</li> <li>▪ Liquidity risk,</li> <li>▪ Legal, or compliance risk,</li> <li>▪ Operational, or transaction risk, and</li> <li>▪ Instrument-specific risk</li> </ul> <p>Let's take a brief look at each of these risks.</p>
37.	<div style="background-color: #4F81BD; color: white; padding: 5px; text-align: center; font-weight: bold;">Strategic Risk</div> <hr style="border: 1px solid yellow;"/> <ul style="list-style-type: none"> <li>– Entering new business lines</li> <li>– Expanding existing services</li> <li>– Enhancing infrastructures</li> </ul>	<p>Strategic risks involve long-range business planning, such as plans for:</p> <ul style="list-style-type: none"> <li>▪ Entering new business lines,</li> <li>▪ Expanding existing services through mergers and acquisitions, or</li> <li>▪ Enhancing infrastructures such as facilities or equipment.</li> </ul>
38.	<div style="background-color: #4F81BD; color: white; padding: 5px; text-align: center; font-weight: bold;">Market Expansion</div> <hr style="border: 1px solid yellow;"/> 	<p>Strategic plans that include significant market expansion or the addition of new products can increase strategic risk. For example, expanding bankcard-issuing programs significantly increases the potential risk to an institution's safety and soundness.</p>
39.	<div style="background-color: #4F81BD; color: white; padding: 5px; text-align: center; font-weight: bold;">Market Expansion</div> <hr style="border: 1px solid yellow;"/> 	<p>During examinations, examiners should keep in mind that strategic plans must demonstrate management's understanding of the increased risks associated with market expansion and document the institution's processes to mitigate them. The institution's plans must also address its ability to provide the expanded service.</p>

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<p>40. <b>Risk Areas</b></p> <ul style="list-style-type: none"> <li>- Strategic</li> <li>- <b>Reputation</b></li> <li>- Credit</li> <li>- Liquidity</li> <li>- Legal</li> <li>- Operational</li> <li>- Instrument-specific</li> </ul> 	<p>An institution's reputation, particularly the trust afforded it by customers and counter parties, can be seriously tarnished by the real, or perceived, failure to conduct business securely and responsibly. Consequently, negative publicity can lead to a loss of revenue or to expensive litigation. Such potential problems are called reputation risks.</p>
<p>41. <b>Risk Areas</b></p> <ul style="list-style-type: none"> <li>- Strategic</li> <li>- Reputation</li> <li>- <b>Credit</b></li> <li>- Liquidity</li> <li>- Legal</li> <li>- Operational</li> <li>- Instrument-specific</li> </ul>	<p>Credit risk is the potential that a party will not settle an obligation for full value.</p>
<p>42. <b>Credit Risk</b></p> 	<p>Credit risks in retail payment systems are inherently high because the settlement process can involve so many different entities.</p>
<p>43. <b>Credit Risk</b></p> <ul style="list-style-type: none"> <li>- Multiple financial institutions</li> <li>- Third parties</li> <li>- The payer</li> <li>- The payee</li> </ul> 	<p>Multiple financial institutions, third parties, the payer, and payee are all involved with creating, processing, and settling a transaction. Thus, it's imperative for financial institutions to have procedures in place to manage the specific types of credit risks associated with the retail payment process.</p>

	Visual	Narrative
44.	<p><b>Risk Areas</b></p> <ul style="list-style-type: none"> <li>- Strategic</li> <li>- Reputation</li> <li>- Credit</li> <li>- <b>Liquidity</b></li> <li>- Legal</li> <li>- Operational</li> <li>- Instrument-specific</li> </ul>	Liquidity risk is related to a financial institution's inability to meet its obligations when they come due.
45.	<p><b>Risk Areas</b></p> <ul style="list-style-type: none"> <li>- Strategic</li> <li>- Reputation</li> <li>- Credit</li> <li>- Liquidity</li> <li>- <b>Legal</b></li> <li>- Operational</li> <li>- Instrument-specific</li> </ul>	Legal risk is the potential failure of an institution to comply with legal and regulatory obligations.
46.	<p><b>Legal Risk</b></p> 	Legal risk can arise from any of the parties involved in a payment. For example, consumer retail transactions that are not in compliance with consumer regulatory requirements expose the financial institutions involved in those transactions to significant legal and regulatory penalties.
47.	<p><b>Legal Risk</b></p> <ul style="list-style-type: none"> <li>- <b>Bylaws and contractual agreements</b></li> <li>- <b>Consumer protection regulations and case law</b></li> </ul>	<p>Legal risk can also result from a financial institution's failure to comply with:</p> <ul style="list-style-type: none"> <li>▪ Bylaws and contractual agreements established with the bankcard associations, clearinghouses, and other counter parties, and</li> <li>▪ Consumer protection regulations and case law relating to retail payment transactions, such as the Gramm-Leach-Bliley Act, the Truth in Lending Act, and the USA Patriot Act.</li> </ul>

	Visual	Narrative
48.	<p><b>Risk Areas</b></p> <ul style="list-style-type: none"> <li>- Strategic</li> <li>- Reputation</li> <li>- Credit</li> <li>- Liquidity</li> <li>- Legal</li> <li>- <b>Operational</b></li> <li>- Instrument-specific</li> </ul>	Operational risks stem from the potential of human or technical errors and from fraud within the retail payment system.
49.	<p><b>Operational Risks</b></p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>Procedural Problems</p> </div> <div style="text-align: center;">  <p>Communication Failures</p> </div> </div>	Potential operational risks arise from many situations—from an individual's failure to follow a prescribed authorization process to the technical failure of a communications system.
50.	<p><b>Operational Risk Management</b></p> <ul style="list-style-type: none"> <li>- IT audit</li> <li>- Information security</li> <li>- Business continuity planning</li> <li>- Vendor and third-party management</li> <li>- Operations</li> </ul>	<p>Because the sources of operational risks are so diverse, an institution's operational risk management processes should be comprehensive and be reflected in the organization's overall management plans. The risks should be addressed in various programs, including:</p> <ul style="list-style-type: none"> <li>▪ IT Audit,</li> <li>▪ Information Security,</li> <li>▪ Business Continuity Planning,</li> <li>▪ Vendor and Third-Party Management, and</li> <li>▪ Operations.</li> </ul>
51.	<p><b>Risk Areas</b></p> <ul style="list-style-type: none"> <li>- Strategic</li> <li>- Reputation</li> <li>- Credit</li> <li>- Liquidity</li> <li>- Legal</li> <li>- Operational</li> <li>- <b>Instrument-specific</b></li> </ul>	Finally, the risk management section of the booklet looks at risks associated with specific retail payment instruments, including:

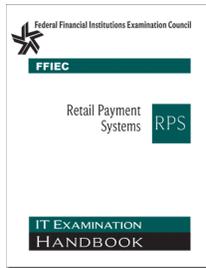
Visual	Narrative
<p>52. <b><i>Instrument-specific Risk</i></b></p> <ul style="list-style-type: none"> <li>- Checks</li> <li>- Credit cards</li> <li>- Debit/ATM cards</li> <li>- Card/PIN issuance</li> <li>- Merchant acquiring</li> <li>- EFT/POS and credit card networks</li> <li>- ACH</li> <li>- Internet and telephone ACH</li> </ul>	<ul style="list-style-type: none"> <li>▪ Checks,</li> <li>▪ Credit cards,</li> <li>▪ Debit/ATM cards,</li> <li>▪ Card/PIN issuance,</li> <li>▪ Merchant acquiring,</li> <li>▪ Electronic funds transfer, point-of-sale credit-card networks,</li> <li>▪ ACH, and</li> <li>▪ Internet-originated and telephone-initiated ACH.</li> </ul> <p>Each of these retail payment instruments and processing arrangements, introduce risks requiring the implementation of effective internal controls and strict adherence to clearinghouse, bankcard association, interchange, and regulatory requirement.</p>
<p>53. <b><i>Booklet Appendices</i></b></p> <ul style="list-style-type: none"> <li>- Appendix A: Examination Procedures</li> <li>- Appendix B: Glossary</li> <li>- Appendix C: References</li> </ul>	<p>As with the other booklets, the Retail Payment Systems Booklet includes the standard appendices, Examination Procedures, Glossary, and References.</p>
<p>54. <b><i>Examination Procedures</i></b></p> <ul style="list-style-type: none"> <li>- Tier I objectives and procedures</li> <li>- Tier II objectives and procedures</li> </ul>	<p>The examination procedures consist of two tiers:</p> <ul style="list-style-type: none"> <li>▪ Tier I procedures, which assist examiners in evaluating the effectiveness of internal controls and risk management processes for retail payment systems, and</li> <li>▪ Tier II procedures which provide additional validation, as warranted, to verify the effectiveness of an institution's retail payment system functions.</li> </ul>

**Visual**

**Narrative**

55.

*Retail Payment Systems*



Readers will find the Retail Payment Systems Booklet to provide a comprehensive overview of the retail-payment-system process.

These systems are often complex, and typically involve multiple entities, including financial institutions and independent third parties.

Accordingly, retail payment systems will require comprehensive attention in most IT examinations.