The Federal Financial Institutions Examination Council (FFIEC) has issued the "Retail Payment Systems (RPS) Booklet" to provide updated guidance on the risks and risk management practices applicable to financial institutions’ retail payment activities, including checks, card-based electronic payments, and other electronic payment media. The booklet is the seventh in a series that will completely update and replace the 1996 FFIEC Information Systems (IS) Examination Handbook. The RPS booklet presents retail payment systems guidance in three parts, followed by examination procedures, a glossary, and references.

- **Retail Payment Systems Overview**—This section describes the three major categories of retail payment instruments: checks, card-based electronic payments, and other electronic payments (e.g., person-to-person, electronic benefits transfer, and the automated clearinghouse payments).
- **Payment Instruments, Clearing, and Settlement**—The second section describes the retail payment system instruments typically offered by banks and the roles of various payment system participants, including third parties. Generic diagrams showing the typical payment flows and clearing and settlement arrangements for each of the retail payment instruments described are also included.
- **Retail Payment Systems Risk Management**—The third section describes the risks associated with various retail payment systems and instruments and presents the risk management practices that banks should have in place to mitigate those risks. The section concludes with specific controls appropriate to a number of retail payment instruments. Management action summaries are included throughout this section to provide a snapshot of the risks and risk management practices described in the text.

The RPS booklet emphasizes that banks engaged in retail payment systems should establish an appropriate risk management process that identifies, measures, and limits risks. Bank management and its board should manage and mitigate the identified risks through effective internal and external audit, physical and logical information security, business continuity planning, vendor management, operational controls, and legal measures. Banks should tailor their risk management strategies to the nature and complexity of their participation in retail payment systems, including any support they offer to clearance and settlement systems. Institutions must comply with federal and state laws as well as with clearinghouse, bankcard association, and regulatory requirements associated with retail payment transactions.


Electronic versions of the RPS and other updated FFIEC booklets are available at www.ffiec.gov/guides.htm [http://www.ffiec.gov/guides.htm]. To accommodate banks with limited access to the Internet, the OCC will also include this booklet in the next release of e-files, the CD-based library of OCC publications provided to all national banks. Any
bank that is not able to download the booklets may order printed copies. Please send your request to the Office of the
Comptroller of the Currency, 250 E Street, SW, Mail Stop 4-8, Washington, DC 20219. If you need assistance
obtaining a copy, please contact the OCC's Communications Division at (202) 874-4700.

Other questions regarding this booklet should be directed to your OCC supervisory office or the Bank Information
Technology Division at (202) 874-4740.

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