

## Proposed guidelines: Who can have a Federal Reserve master account?

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The Fed's recent proposal marks the latest development on one of the most important policy questions for the U.S. financial system today: who is entitled to have a master account? A master account at one of the twelve Federal Reserve Banks is necessary for an institution to have direct access to the Federal Reserve's payment systems and to settle transactions with other participants in central bank money. Technology is driving changes in the payments landscape, interest in gaining access to master accounts is growing among fintech companies with novel charters, and the Federal Reserve is seeking to establish a consistent and transparent framework for evaluating account access requests. Our memo summarizes the Federal Reserve's proposed guidelines and evaluation process.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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