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Opening Remarks

by

Jerome H. Powell

Chair

Board of Governors of the Federal Reserve System

at the

Introducing the New York Innovation Center Event

Washington, D.C.  
(via webcast)

Good afternoon. It is a pleasure to welcome everyone, including colleagues from the Bank for International Settlements (BIS) and in particular from the BIS Innovation Hub, to the opening of the New York Innovation Center.

The pace of technological change and innovation over the last decade has led some to argue that we are on the brink of a fourth industrial revolution—a digital revolution. Certainly, rapid innovation, including through the application of advanced digital technologies, machine learning, artificial intelligence, and big data, is revolutionizing the financial sector. The Federal Reserve has a mandate to understand and, in some cases, manage these changes, but it also has a responsibility to be at the forefront of change to deliver to the American people—and the international community—a reliable, efficient, and inclusive monetary and financial system.

Furthering the efforts around the Federal Reserve System to harness the power of innovation, I am delighted to welcome the opening of the New York Innovation Center. Located at the Federal Reserve Bank of New York, in the heart of the most important financial center in the world, this Innovation Center will draw on the expertise at the bank, in the Federal Reserve System, and from the broader financial community, as well as experts around the world to analyze and bring technology to bear on improving the global financial system.

Increasing the synergies of the New York Innovation Center will be its strategic partnership with the BIS Innovation Hub, recently established to foster dialogue, collaboration and knowledge-sharing among central banks and other authorities and institutions. In particular, the partnership will support our analysis of digital currencies—including central bank digital currencies; help to improve our current payment system—with a particular focus on making cross-border payments faster and less expensive; and it will provide new tools to aid our supervision of the financial system.

Linking up with the BIS in this way will enhance our ability to collaborate with central banks around the world and will ensure that the best and most up-to-date information, research, and practices are flowing freely. Since its inception in January 2020, I have served as head of the BIS Innovation Hub Advisory Committee and am very pleased that the Federal Reserve will be able to partner with the Hub in this important way.

So I want to extend my thanks to President Williams, Agustin Carstens, and all those that worked on the establishment of this center. And I look forward to the advances of both these institutions in supporting innovation in service to the safety and soundness of the financial system.

Thank you.