

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 78-183

December 29, 1978

**REVISION OF BULLETIN 6
(WIRE TRANSFERS OF FUNDS)**

**TO ALL MEMBER BANKS IN THE
ELEVENTH FEDERAL RESERVE DISTRICT:**

There is enclosed a copy of revised page 3 of Bulletin 6 effective January 1, 1979. The page has been revised to update a portion of paragraph 19, Advices of Credit and Debit, in regard to confirmation by the member bank of telephone advices of third party transfers. In essence, this revision establishes transferee liability in the event there is no call-back on telephone advices.

The revised page should be substituted immediately for the corresponding page in your current issue of Bulletin 6 dated September 1, 1977. Questions regarding this revision should be directed to Allan Y. Neale of the Head Office, Ext. 6334, or the Manager of the Accounting Department at our El Paso, Houston, or San Antonio Branches.

Additional copies of Bulletin 6 or revised page 3 will be furnished upon request to the Secretary's Office of this Bank, Ext. 6267.

Sincerely yours,

Robert H. Boykin

First Vice President

Enclosure

Banks and others are encouraged to use the following incoming WATS numbers in contacting this Bank: 1-800-492-4403 (intrastate) and 1-800-527-4970 (interstate). For calls placed locally, please use 651 plus the extension referred to above.

this Bank deems such action appropriate, or when in the judgment of this Bank, the nature of the transaction or the amount involved justifies such action, advice of credit will be given to such transferee by telephone, telegraph, or other form of electronic telecommunications. Authentication of an advice of credit should be made by the transferee at the time of receipt of the advice in accordance with arrangements made with this Bank. (See Note 3) The transferee is urged to confirm, by return telephone call or by other means in accordance with such arrangements, a telephonic advice of credit that contains third party information, or other special instructions, prior to making the proceeds of the transfer available for withdrawal or other use. If such a confirmation is not made, the transferee shall assume all risk of loss resulting from failure to make such confirmation. In addition, in all cases where there is a discrepancy between an advice given by telephone, telegraph, or other form of electronic telecommunications and one given in an advice of credit accompanying or contained in a statement mailed or delivered by this Bank, a member bank shall be deemed to have approved the credit reflected in the mailed or delivered advice unless written objection is sent to the office of this Bank with which it maintains or uses an account within 10 calendar days following receipt by the transferee of such mailed or delivered advice.

20. The office of this Bank with which the transferor maintains or uses an account will send to the transferor an advice of debit. Such advice should be carefully examined by the transferor upon receipt, and any exceptions noted should be reported immediately to this Bank. If within 10 calendar days after the transferor receives an advice of debit, it fails to send to the office of this Bank with which it maintains or uses an account written objection to such debit, the transferor shall be deemed to have approved such debit.

FINAL PAYMENT; TRANSFEREE'S RIGHT TO WITHDRAW OR USE FUNDS; TRANSFEREE'S AGREEMENT; NOTICE REQUIREMENT

21. A transfer item is finally paid when the transfer item is sent or delivered to the transferee, or when advice of credit is given to the

transferee by a Federal Reserve Bank, whichever event occurs first.

22. Upon such final payment, the transferee shall have the right to withdraw or use funds which have been credited to its account in connection with a transfer of funds: *Provided*, That this right is subject to the right of a Federal Reserve Bank to apply transferred funds to an obligation owed to it by the transferee.

23. As provided by Section 210.56 of Subpart B, a transferee, receiving from this Bank the amount of a transfer item which designates a beneficiary, shall be deemed to agree:

- (a) That it will promptly credit said beneficiary's account or otherwise make the amount of the transfer item available to the beneficiary for withdrawal or other use; and
- (b) That, if the transferee is unable to do so, it will give prompt notice of the facts to the office of this Bank with which it maintains or uses an account and that office in turn will give such notice to its transferor.

REQUESTS FOR REVOCATION OF TRANSFER ITEMS AND REQUESTS FOR RETURN OF FUNDS

24. A transferor that has issued a transfer item or request for a transfer item to the office of this Bank with which it maintains or uses an account may subsequently issue to such office a request for revocation of such item or request. Such request for revocation must be authenticated by the use of such codes or procedures as may be prescribed by this Bank. Such office, upon receipt of such a request for revocation, may cancel such item if the request is received at such time and in such manner as to afford such office a reasonable opportunity to act. If the item is not so cancelled:

- (a) Where the transferor and transferee maintain or use accounts at the same office of this Bank, such office may, in its discretion, upon request from the transferor, send a request to the transferee to return the funds previously transferred, or

(b) In the case of an interoffice transaction, such office may, in its discretion, upon request from the transferor, send a request to the Federal Reserve office at which the transferee maintains or uses an account to request the transferee to return funds previously transferred.

25. To correct an erroneous or otherwise irregular transfer of funds, this Bank, upon its own initiative or at the request of another Federal Reserve Bank, may send a request to the transferee to return funds previously transferred to it.

GENERAL

26. Transferors issuing transfer items by electronic telecommunications arrangement made with this Bank are advised to audit control procedures to ascertain that their transfer items have been accepted by this Bank's telecommunications and processing equipment.

27. Transferors and transferees should prevent the disclosure outside of such institution, or within it except on a "need to know" basis, of any of the codes or other security procedures relating to transfers of funds. If the confidentiality of such procedures is compromised, the transferor or transferee should notify this Bank immediately.

Liability of the Federal Reserve Bank

28. The attention of transferors and transferees is directed to Section 210.64 of Subpart B which sets forth the limitations on the responsibilities and the liability of a Federal Reserve Bank with respect to transfers of funds.

Revision of this bulletin

29. The right is reserved to withdraw, to add to, or to amend, at any time, as to any or all transferors and transferees, any of the provisions of this bulletin and of this Bank's Schedule of Time Limits.