

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 82-124
September 29, 1982

NEW FORMAT FOR FEDWIRE
THIRD-PARTY TRANSFERS OF FUNDS MESSAGES

TO ALL ON-LINE DEPOSITORY INSTITUTIONS
IN THE ELEVENTH FEDERAL RESERVE DISTRICT:

The Federal Reserve System has adopted a new format for third-party transfers of funds structured by the American Bankers Association. This structured format should significantly reduce manual handling of and improve investigative procedures concerning these types of transfers for financial institutions.

Structured formats for certain types of messages currently in use will not be changed. However, machine readable information regarding third-party beneficiaries will be provided in type code 10, 12, 15, and 16 transfers.

To expedite the processing of third-party transfers, a new subtype code (40) has been established to designate messages which have third-party data structured according to the standards. For service and other messages (subtype 01, 02, 07, 08, and 90) referencing previously sent subtype 40 messages, the current subtype codes will continue to be used. All financial institutions with computer-to-computer links should be prepared to accept subtype code 40 messages effective December 1, 1982.

The ABA's definitions of product codes and alphabetic field tags to be used in structuring third-party transfers is attached, as is an example of a Fedwire third-party message formatted in accordance with the standards. On December 1, 1982, on-line depository institutions in this District will be able to receive subtype code 40 messages. The ability to send this subtype code will be offered at a future date.

Further information concerning subtype 40 formats is available in the ABA publication Developing A More Efficient Funds Transfer Service, Phase II. Inquiries regarding this publication can be addressed to the American Bankers Association, Operations Group, 1120 Connecticut Avenue, NW, Washington, D.C., 20036. Questions regarding the use of these standards and formats should be referred to Ms. Jonnie K. Miller, Transfers of Funds Division, (214) 651-6290 at the Dallas Office.

Additional copies of this circular will be furnished upon request to the Department of Communications, Financial and Community Affairs, Extension 6289.

Sincerely yours,



William H. Wallace
First Vice President

Banks and others are encouraged to use the following incoming WATS numbers in contacting this Bank: 1-800-442-7140 (intrastate) and 1-800-527-9200 (interstate). For calls placed locally, please use 651 plus the extension referred to above.

THIRD PARTY FORMATTING

WIRE TRANSFER OF FUNDS

Establishing a standard for structuring third party data is intended to reduce both time and expense in automating the processing of third party transfers over the Federal Reserve Communications System. Providing customer information in a standardized format in the message will permit the receiving institution to automate the processing of funds transfers and speed delivery to the beneficiary. Structuring information in the message along with standardized abbreviations for common formatting, in addition to supporting automation, will simplify message preparation, reduce error rates, aid in interpretation of third party data and improve financial institution investigative procedures.

Wire Transfer of Funds - Product Codes

Product codes are used to indicate to a receiver the type of business the message pertains to and are authorized for use in further classifying wire transfer of funds messages sent over Fedwire. A product code will be used to distinguish third party and bank to bank transfer messages.

Location

The product code is located on line five in the field following the Receiver Bank's abbreviated name and consists of three alphabetic characters.

Description

The product codes authorized for use with wire transfer of funds messages sent over the Federal Reserve Communications System are defined below:

<u>Product Code</u>	<u>Definition of Product Code</u>
BTR	<u>Bank Transfer</u> , indicating the beneficiary is a bank.
CTR	<u>Third Party Customer Transfer</u> , indicating the beneficiary is a nonbank. This indicates third party data in the message is structured according to the authorized standards to support automated processing.
DEP	<u>Deposit</u> , to Sender's account.
DRW	<u>Drawdown</u>
FFR	<u>Fed Funds Returned</u>
FFS	<u>Fed Funds Sold</u>
LPT	<u>Loan Payment</u>

Wire Transfer of Funds - Alpha Field Tags

These field tags are used to identify the third party data elements inserted by the originator of funds transfer messages.

Location

The alpha field tags are inserted in the free form text following both sender and receiver bank names within the funds transfer messages. These alpha field tags consist of three alphabetic characters followed by an equal (=) sign. The proper order of placement in the message is the order listed below. The maximum number of alpha field tags will probably be used in only a small percentage of transfers. Only those field tags applicable to the particular message should be used.

Description

The following alpha field tags are authorized for use with wire transfer of funds messages sent over the Federal Reserve Communications System.

Alpha Field Tag

ORG= 1/

Description of Alpha Field Tag

Originator, the initiator of the transfer instructions.

1/ Sender field tags (ORG=, RFB=, OGB= and INS=) should be placed on line four following the Sender Bank's abbreviated name. However, when there is data for more than two of these alpha field tags, the other tags should be placed at the end of the message.

<u>Alpha Field Tag</u>	<u>Description of Alpha Field Tag</u>
RFB= <u>1/</u>	<u>Reference for the Beneficiary</u> , the reference which enables the beneficiary to identify the transfer.
OGB= <u>1/</u>	<u>Originator's Bank</u> , identifies the bank acting for the originator of the transfer.
INS= <u>1/</u>	<u>Instructing Bank</u> , the bank that instructs the sender to execute the transaction.
IBK=	<u>Intermediary Bank(s)</u> , the bank(s) between the receiving bank and the beneficiary's bank through which the transfer must pass, if specified by the sending bank. In such cases, this is the receiving bank's credit party.

1/ Sender field tags (ORG=, RFB=, OGB= and INS=) should be placed on line four following the Sender Bank's abbreviated name. However, when there is data for more than two of these alpha field tags, the other tags should be placed at the end of the message.

<u>Alpha Field Tag</u>	<u>Description of Alpha Field Tag</u>
BBK=	<u>Beneficiary's Bank</u> , the bank that acts as the financial agent for the beneficiary of the transfer.
BNF=	<u>Beneficiary</u> ^{1/} , the ultimate party to be credited or paid as a result of a transfer.
OBI=	<u>Originator to Beneficiary Information</u> , information to be conveyed from the originator to the beneficiary.
BBI=	<u>Bank to Bank Information</u> , miscellaneous information pertaining to the transfer which may include information specifying for which bank(s) the information is intended.

Proper Use

The proper use of product codes and alpha field tags is the responsibility of the financial institution

1/ This field should include name and address/identifier/
advice method/advice information.

originating the transaction. At the present time, the Federal Reserve will not edit funds transfers initiated by on-line financial institutions for compliance with these standards.

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E X A M P L E

FORMATTED THIRD PARTY MESSAGES

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021000089 4092 \$1,000,000.00
CITIBANK NYC/ORG=J.COOMBS,LONDON RFB=INV 8123
BK AMER SF/CTP/IBK=B OF A LOS ANGELES BEK=BK OF SAN PEDRO, SAN PEDRO
CA. BNF=H.L.INDUSTRIES/D-12-34567/PHN/(415)555-2099 CBI=EQUIP PURCH
EBI=NOTIFY TREASURER OGB=BANK OF THE NORTH, LONDON INS=CITIBANK LONDON