

# FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 83-70  
May 26, 1983

## BULLETIN 6

### WIRE TRANSFERS OF FUNDS

(Revised Appendix A)

TO ALL DEPOSITORY INSTITUTIONS IN THE  
ELEVENTH FEDERAL RESERVE DISTRICT:

The "Notes" section of Federal Reserve Bank of Dallas Bulletin 6, Wire Transfers of Funds, has been partially revised effective April 1, 1983. Changes have also been made to Appendix A, Schedule of Time Limits, reflecting the time schedule applicable to requests for payment (subtype code 31) messages sent by on-line financial institutions. Revisions to this Bulletin reflect the following changes:

1. Note 2 reflects a change in the telephone numbers to be used by depository institutions in making telephone requests for transfers of funds in the territory served by the San Antonio Branch. There has also been a consolidation of intrastate WATS lines dedicated to transfers of funds operations at the Head Office.
2. Note 4 reflects a change in the persons to be contacted when making inquiries concerning telephonic notification for depository institutions in the San Antonio office territory.
3. Appendix A reflects a change stating that request for payment (subtype code 31) messages from on-line financial institutions will be accepted until the respective closing hours for interdistrict, intra-district and net settlement transfer items. It will be the responsibility of the originator to allow sufficient time for receivers to respond within the timeframes specified.

Enclosed is a revised Appendix A, Schedule of Time Limits, dated May 1983, which should be filed in Volume 1 of your Regulations Binder to replace the old Bulletin 6A.

Questions regarding these changes should be directed to Robert L. Whitman, (214) 698-4357 at the Head Office; William L. Wilson, (915) 544-4730 at the El Paso Branch; Sammie C. Clay, (713) 659-4433 at the Houston Branch; or Thomas C. Cole, (512) 224-2141 at the San Antonio Branch.

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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.

Additional copies of this circular will be furnished upon request to the Public Affairs Department, Extension 6289.

Sincerely yours,

A handwritten signature in cursive script that reads "William H. Wallace". The signature is written in black ink and is positioned above the printed name and title.

William H. Wallace  
First Vice President

Enclosure

right to withdraw or use funds that have been credited to its account, subject to the right of a Reserve Bank to apply the funds to an obligation owed to it by the transferee.

20. As provided by Section 210.30 of Regulation J, a transferee that receives from us a transfer item, or advice of credit of a transfer item, designating a beneficiary, agrees:

- (a) to credit promptly the beneficiary's account or otherwise make the amount of the item available to the beneficiary; or
- (b) to notify promptly the office of this Bank with which it maintains or uses an account if it is unable to do so because of circumstances beyond its control. We will then notify our transferor.

#### REVOCAION OF TRANSFER ITEMS

21. A transferor may ask the office of this Bank to which it has sent a transfer item or request to revoke a transfer item or request. The transferor must authenticate the request for revocation by codes or procedures we prescribe. We may cease acting on the item or request if we receive the request for revocation in time as to give us a reasonable opportunity to comply. If the request is received too late, we may, on request from the transferor:

- (a) ask the transferee to return the transferred funds; or
- (b) in an interoffice transaction, ask the transferee's Reserve Bank to ask the transferee to return the funds.

22. To correct an erroneous or irregular

transfer of funds, we may, on our own initiative or at the request of another Reserve Bank, ask the transferee to return funds previously transferred.

22A. By requesting a revocation, unless the request states "NO INDEMNITY," the transferor agrees that the transferor will indemnify the transferee for any loss or expense sustained (including attorneys' fees and expenses of litigation) resulting from the return of the funds by the transferee, except any loss or expense resulting from the transferee's lack of good faith or failure to exercise ordinary care.

#### SERVICE MESSAGES

22B. We handle for a transferor or transferee a service message in a prescribed format concerning a previously sent or received transfer of funds.

#### GENERAL

23. A transferor sending a transfer item by electronic means should determine that the transfer item has been accepted by our telecommunications and processing equipment.

24. A transferor or transferee must prevent the disclosure outside of it, or within it except on a "need to know" basis, of any of the codes or other security procedures relating to transfers of funds. The transferor or transferee should notify us immediately if the confidentiality of these procedures is compromised, and act to prevent any further disclosure.

#### RIGHT TO AMEND

25. We reserve the right to amend this bulletin at any time.

**NOTES:**

1. (Refer to item 8)

The rental price for dial-up communications terminal equipment is \$97.84 per month, excluding transportation, rigging, drayage, local telephone business line equipment, and taxes. Contact the Head Office or appropriate Branch for further details.

2. (Refer to item 9)

(a) We will accept telephone requests for transfers of funds in accordance with the Code Word Authentication Procedure outlined in note 3. Telephone requests may be communicated by depository institutions as follows:

Office	Area Code	Telephone Number	Extension Number
Dallas	800	442-7276* (intrastate)	6110
	800	527-9200* (interstate)	6110
El Paso	800	442-7276* (intrastate)	6110
	800	527-9200* (interstate)	6110
Houston	800	442-7276* (intrastate)	6110
San Antonio	800	442-7276* (intrastate)	6110

\*Toll-free incoming WATS number.

3. (Refer to item 9)

(a) A Code Word Authentication Procedure is utilized between depository institutions and our office. It is designed to detect and prevent the processing of unauthorized telephone transfers of funds requests.

(b) (1) We will furnish code word authentication lists to each depository institution as the need arises. A replacement will be supplied by us as needed based upon usage. To insure that code word lists do not become outdated through disuse or fluctuation in activity, all code word authentication lists, if not earlier exhausted, will become null and void at the end of exactly six calendar months from the initiation date shown on the lists.

(2) The use by any person of a code word which passes our code word authentication check shall be deemed to be a person authorized by the depository institution to request transfers of funds on its behalf.

(3) Depository institutions should promptly acknowledge receipt of the code word authentication lists. A list will not be activated by us until we have received a signed acknowledgement by an officer of a depository institution whose signature is on file with us.

(c) Each transfers of funds request will require a separate sequence number and code word and these must be the next sequential, unused sequence number and code word shown on the code word authentication list. Otherwise, it will not pass our code word authentication check.

(d) At the bottom of each listing, it is noted that the list is for authorized use only. Since the sequence number and code word will be the **only** method of verifying the authenticity of a transfer request, it is strongly suggested that only those individuals authorized to transfer funds at each depository institution have access to the code words. This will help insure the confidentiality of the depository institution's list and integrity of the authentication procedure.

(e) All telephone requests for transfers of funds will be automatically recorded on recording devices and any depository institution utilizing this method to transfer funds hereby consents to the recording of such conversations. A written letter confirming a transfer of funds will not be required unless specifically requested by this Bank.

(f) Requests for transfers of funds utilizing the mails, Western Union wires, TWX messages, and TELEX messages normally will not be honored. Requests utilizing these means of transmission should not be made and will be accepted only where prior arrangements have been made or in emergency situations.

(g) We intend to verify by call-back selected transfers of funds involving third-party information. Your cooperation in expediting this verification will facilitate timely processing of such transfers.

(h) Telephone transfer requests not utilizing the Code Word Authentication Procedure may be handled on an exception basis at our discretion. Such transfer requests will be authenticated on a call-back basis.

4. (Refer to item 14)

A depository institution receiving and acting on any telephone notification runs the risk that it is invalid or unauthorized. At any time during normal business hours, the manager or supervisor of the Transfers of Funds Division at the Head Office is prepared to corroborate any transfer of funds for which telephone notification has been given by us and received by a depository institution. **Receiving depository institutions are encouraged to utilize this service**, especially for third-party advices received by telephone.

**Appendix A**  
**SCHEDULE OF TIME LIMITS**  
**(Closing Hours for Telegraphic Transfers of Funds**  
**for Consummation on Day of Receipt)**

**I. Closing Hours**

**A. Interdistrict Transfers**

We accept interdistrict transfer items (on-line instructions) until 3:30 p.m., and interdistrict transfer requests (telephonic instructions) until 3:00 p.m., Central Time each business day. (For the El Paso Territory of the Eleventh Federal Reserve District, the times are 2:30 p.m. and 2:00 p.m., respectively, Mountain Time). At our discretion, we may accept interdistrict transfer items and requests after these times, but the completion of such transfers is also at the discretion of the transferee's Reserve Bank.

**B. Intradistrict Transfers**

We accept intradistrict transfer items (on-line instructions) until 3:30 p.m., and intradistrict transfer requests (telephonic instructions) until 3:00 p.m., Central Time each business day. (For the El Paso Territory of the Eleventh Federal Reserve District, the times are 2:30 p.m. and 2:00 p.m., respectively, Mountain Time). At our discretion, we may accept intradistrict transfer items and requests after these times.

**C. Requests for Payment**

We accept requests for payment (subtype code 31) from on-line financial depository institutions until the respective closing hours for interdistrict, intradistrict and net settlement transfer items. Originators of such requests are responsible for allowing sufficient time for receivers to respond within the closing hours specified.

**II. Settlement Period**

We accept settlement transfer items (on-line instructions) until 5:30 p.m., and settlement transfer requests (telephonic instructions) until 5:00 p.m., Central Time each business day. (For the El Paso Territory of the Eleventh Federal Reserve District, times are 4:30 p.m. and 4:00 p.m., respectively, Mountain Time). A settlement transfer is a transfer between a transferor and transferee for their own accounts, or for the account of another financial depository institution on the books of the transferor or transferee. A settlement transfer must be identified with type code 16, and may contain third-party information relating only to financial depository institutions. Settlement transfers may be used to adjust for net settlement transactions. Immediate telephone advice is not provided for settlement transfers.

**Appendix B**  
**FEE SCHEDULE FOR**  
**TRANSFERS OF FUNDS SERVICES**  
(Effective April 29, 1982)

**WIRE TRANSFER**

**Originators Charge**

	Telephone Advice	
	No	Yes
Originator On-Line	\$ .65	\$2.90
Originator Off-Line	4.15	6.40

**Receivers Charge**

All receivers will be charged 65¢ per transfer. Receivers may elect a "standing order for notification" at an additional charge of \$2.25 per advice.

NOTE: Requests for payment (Subtype Code 31) referred to under paragraph 10A of Bulletin 6 will incur a charge of 65¢ for on-line institutions since they are currently limited to on-line institutions. A transfer of funds in response to a transfer request (Subtype Code 32) will likewise incur a charge of 65¢. A negative response to a Subtype Code 31 message (Subtype Code 33) will incur no charge.