



FEDERAL RESERVE BANK OF DALLAS

2200 N. PEARL ST.
DALLAS, TX 75201-2272

HELEN E. HOLCOMB
FIRST VICE PRESIDENT AND
CHIEF OPERATING OFFICER

April 23, 2004

Notice 04-21

TO: The Chief Operating Officer of each
financial institution and others concerned
in the Eleventh Federal Reserve District

SUBJECT

Amendments to Operating Circulars Nos. 6 & 7

DETAILS

The Federal Reserve System has amended Operating Circular Nos. 6 (*Funds Transfers Through Fedwire*[®]) and 7 (*Book-Entry Securities Account Maintenance and Transfer Services*), effective May 16, 2004. Primarily, these amendments have been made to accommodate the Fedwire Funds Service expanded operating hours. A summary of the amendments follows:

- Section 10.1 of Operating Circular No. 6 and footnote 1 of its Appendix B has been revised to define the Reserve Banks' funds transfer business day in the expanded operating hours environment. Specifically, it provides that the Reserve Banks' funds transfer business day begins at 9:00 p.m. Eastern time on the preceding calendar day and ends at 6:30 p.m. Eastern time regardless of the Reserve Bank's geographic location or time zone. When a funds transfer business day follows a weekend or other standard holiday, the funds transfer business day begins at 9:00 p.m. Eastern time on the holiday.
- The provisions in both operating circulars relating to extension requests are being amended to: (1) designate the Federal Reserve Bank of New York (or its designee) as the Reserve Bank responsible for administering extension requests

and (2) make the criteria for granting an extension for the Fedwire Funds Service and the Fedwire Funds Service identical (other than the time frame within which a request must be received). The Wholesale Product Office will issue additional guidance on the extension policy to all high-volume participants shortly.

- Both operating circulars have been revised to authorize the Reserve Banks to delay opening the Fedwire Services if it is necessary to facilitate special market needs.
- A new section 8.2 has been added to Operating Circular No. 7 that requires a participant to implement its own physical and logical security as well as management controls that appropriately protect any hardware, software, or access tokens, used in connection with a Fedwire security procedure, from unauthorized access and use. In addition, section 8.2 requires a participant to have controls in place to ensure that initiation of a transfer message occurs from locations it has authorized and requires action by more than one of its employees.

Operating Circulars Nos. 6 and 7, as posted on the Financial Services web site at www.frbservices.org, will be revised to reflect these amendments.

MORE INFORMATION

For more information regarding the amendments, please contact the Federal Reserve Bank of Boston at (800) 327-0147. Paper copies of this notice or previous Federal Reserve Bank notices can be printed from our web site at www.dallasfed.org/banking/notices/index.html.

Sincerely,

A handwritten signature in cursive script that reads "Helen E. Holcomb". The signature is written in black ink and is positioned below the word "Sincerely,".