

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 8986]
[December 30, 1980]

NEW WIRE TRANSFER SCHEDULE
Effective May 1, 1981

To All Banking Institutions, and Others Concerned,
in the Second Federal Reserve District:

The Board of Governors of the Federal Reserve System has adopted, effective May 1, 1981, a revised schedule of operating hours for the transfer and settlement of funds dispatched over the System's wire network.

The following is quoted from the Board's announcement:

This change is being made to accommodate increasing wire transfer traffic and to establish uniform deadlines, so as to ensure that all financial institutions have equal access to the System's wire network.

Following consideration of comment received on an earlier proposal, the System has adopted the following schedule, to be implemented May 1, 1981:

1. *Uniform 4:30 p.m. Eastern Time Interdistrict Deadline*

The extension of the interdistrict window is needed to support future wire transfer growth and to provide banks with a time schedule that better accommodates their business day. The proposed interdistrict deadline has been shortened from the original proposal by 30 minutes to accommodate the concerns of Eastern time zone banks that the new longer operating day will increase their operating expenses.

2. *Optional 4:30 p.m. to 6:00 p.m. Eastern Time Intradistrict Transfer Period*

This provides Districts the option of using up to 90 minutes for intradistrict third party transfers to alleviate the potential problems of having the same deadline for inter- and intradistrict transfers. It also minimizes (30 minutes) the amount of intradistrict time West Coast banks will lose under the new uniform operating hour.

3. *Uniform 4:30 p.m. to 6:30 p.m. Eastern Time Settlement Period*

A settlement period that extends to at least 6:30 p.m. is needed to provide a minimum (30 minutes) settlement period after third party activity closes off.

4. *5:00 p.m. Eastern Time for Net Settlement Arrangements*

Organizations will begin their settlement transactions with a Reserve Bank by 5 p.m. Eastern time. This deadline accommodates banks that participate in a net settlement arrangement but do not want to participate in the full settlement period. It also provides banks another 90 minutes to adjust their reserve position.

Questions on this matter may be directed to Henry F. Wiener, Manager, Funds Transfer Department (Tel. No. 212-791-5079).

ANTHONY M. SOLOMON,
President.