

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 9368]
September 30, 1982]

New Format for FEDWIRE Third Party Funds Transfer Messages

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

The Federal Reserve has adopted the American Bankers Association's new format standards for use in FEDWIRE third party funds transfers. The formats are included in the ABA's publication, *Developing A More Efficient Funds Transfer Service, Phase II*.

The format standards will enhance the FEDWIRE Funds Transfer Service by supporting automated processing of third party transfers by receiving institutions. In addition to reducing manual handling significantly, the use of these standards will aid non-automated institutions in interpreting third party information, improve investigation procedures, and speed delivery to the beneficiary.

The ABA standards do not change formats for messages currently in use but will provide a structure for any machine-readable third party beneficiary data contained in type code 10, 12, 15, and 16 funds transfer messages.

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

The enclosed brochure contains the ABA's definitions of product codes and alphabetic field tags to be used in structuring third party transfers, together with an example of a FEDWIRE third party message formatted in accordance with the standards. Only a small percentage of transfers will use all of the alpha field tags. Only those fields tags applicable to a transfer of funds should be used when structuring a third party message.

The adoption of these format standards will not immediately affect depository institutions that use our funds transfer services in an off-line mode. However, off-line institutions should be aware that beginning December 1, 1982, some of their incoming transfers could contain third party information in the new format. Also on a date to be announced later, this Bank will begin to prepare funds transfer requests received from off-line institutions in the new format.

In requesting that the Federal Reserve adopt the new standards, the ABA has asked that we encourage depository institutions to obtain a copy of the new publication from the ABA. Requests for copies, and inquiries regarding the ABA publication can be addressed to the American Bankers Association, Operations Group, 1120 Connecticut Avenue NW, Washington, D.C., 20036.

Any questions regarding the use of these format standards for FEDWIRE transfers of funds should be referred to Henry F. Wiener, Assistant Vice President (Tel. No. 212-791-5079) or Robert W. Dabbs, Manager, Funds Transfer Department (Tel. No. 212-791-5073) at the Head Office; or Robert J. McDonnell, Operations Officer (Tel. No. 716-849-5022) at the Buffalo Branch.

ANTHONY M. SOLOMON,
President.

**A GUIDE TO ABA THIRD PARTY FORMAT
STANDARDS**

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A GUIDE TO ABA THIRD PARTY FORMAT STANDARDS

Introduction

Establishing a standard for structuring third party data is intended to reduce depository institution time and expense in the processing of third party transfers. Providing customer information in a standardized format in each message will permit the receiving institution to automate the processing of funds transfers and speed delivery to the beneficiary. Structuring information in the message and the use of standardized abbreviations for common formatting should simplify message preparation, reduce error rates, aid in interpretation of third party data, and improve financial institutions' investigation procedures.

This guide was adapted from the American Bankers Association publication entitled *Developing A More Efficient Funds Transfer Service, Phase II* (September 1982).

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:

<i>Product Code</i>	<i>Definition of Product Code</i>
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, to Sender's account.</u>
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

Alpha 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:

<i>Alpha Field Tag</i> ¹	<i>Definition of Alpha Field Tag</i>
ORG=	<u>Originator</u> , the initiator of the transfer instructions.
RFB=	<u>Reference for the Beneficiary</u> , the reference which enables the beneficiary to identify the transfer.
OGB=	<u>Originator's Bank</u> , identifies the bank acting for the originator of the transfer.
INS=	<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.
BBK=	<u>Beneficiary's Bank</u> , the bank that acts as the financial agent for the beneficiary of the transfer.
BNF=	<u>Beneficiary</u> , ² 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.

¹Sender 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.

²This field should include name and address/identifier/advice method/advice information.

Proper Use

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

EXAMPLE

FEDWIRE THIRD PARTY MESSAGE USING ABA FORMAT STANDARDS

02				
TO		TYPE		
121000358	1040.			
FROM	REF	AMOUNT		
021000089	4092	\$1,000,000.00		

ORDERING BANK AND RELATED DATA

CITIBANK NYC/ORG=J.COOMBS,LONDON RFB=INV 8123

BK AMER SF/CTR/IBK=B OF A LOS ANGELES BBK=BK OF SAN PEDRO, SAN PEDRO

CA. BNF=H.L.INDUSTRIES/D-12-34567/PHN/(415)555-2099 OBI=EQUIP PURCH

BBI=NOTIFY TREASURER OGB=BANK OF THE NORTH, LONDON INS=CITIBANK LONDON

MESSAGE ACKNOWLEDGEMENT

Further Information

The following officers of the Federal Reserve Bank of New York would be pleased to answer any questions you may have regarding the use of these format standards:

Head Office

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Robert W. Dabbs, Manager, Funds Transfer
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