

**FEDERAL RESERVE BANK
OF NEW YORK**

[Circular No. **10607**]
December 29, 1992]

**PROPOSAL TO EXPAND CERTAIN FEDWIRE OPERATING HOURS
Extension of Comment Period to February 8, 1993**

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

Following is the text of a statement issued by the Board of Governors of the Federal Reserve System:

The Federal Reserve Board has announced that it has extended the period to receive public comments on a proposal that would change the opening time for the Fedwire funds transfer service.

Comment must now be received by February 8, 1993, instead of January 8, 1993.

The Board has taken this action because discussions with several depository institution representatives suggest that a clarification of the Board's interest in receiving comments on the broader context of the proposal is needed.

Printed on the following pages is the text of the Board's Order. Comments thereon must be submitted by February 8, 1993, and may be sent to the Board, as specified in the notice, or at this Bank, to Carol W. Barrett, Vice President, Funds and Securities Group.

E. GERALD CORRIGAN,
President.

FEDERAL RESERVE SYSTEM

[Docket No. R-0778]

Federal Reserve Bank Services

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Notice; Extension of comment.

SUMMARY: On October 14, 1992, the Board requested comment on a proposal to change the opening time for the Fedwire funds transfer service from 8:30 am Eastern Time (ET) to 6:30 am ET, effective October 4, 1993. The Board also requested comment on whether the operating hours for the book-entry securities transfer service should be changed from 8:30 am ET to 6:30 am ET, should the earlier funds transfer opening time be implemented. The Secretary of the Board, acting pursuant to delegated authority, has extended the comment period for 30 days.

DATES: Comments must be received by February 8, 1993.

ADDRESSES: Comments, which should refer to Docket No. R-0778, may be mailed to Mr. William Wiles, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, NW., Washington, DC 20551; or may be delivered to the Board's mail room between 8:45 am and 5:15 pm. All comments received at the above address will be included in the public file and may be inspected at Room B-1122 between 9 am and 5 pm.

FOR FURTHER INFORMATION CONTACT: For information regarding Fedwire funds and securities transfer operating hours, contact Gayle Brett, Manager (202/452-2394), or Lisa Hoskins, Senior Financial Services Analyst (202/452-3474), Division of Reserve Bank Operations and Payment Systems, Board of Governors of the Federal Reserve System. For information regarding the market needs for extended Fedwire operating hours, contact Patrick M. Parkinson, Assistant Director (202/452-3526) or Patricia White, Senior Economist (202/452-2912), Division of Research and Statistics, Board of Governors of the Federal Reserve System. For the hearing impaired *only*, Telecommunications Device for the Deaf, Dorothea Thompson (202/452-3544), Board of Governors of the Federal Reserve System, 20th & C Streets, NW., Washington, DC 20551.

SUPPLEMENTARY INFORMATION: The Board is extending the comment period for the proposed expansion of Fedwire funds transfer operating hours because discussions with several depository institution representatives suggest that a clarification of the Board's interest in receiving comments on the broader context of the proposal is needed. (57 FR 47080, October 14, 1992). The Board encourages comment on the proposed two hour extension in light of the possibility of the need for significantly longer operating hours (*i.e.*, the potential for 24 hour per business day operations) in the future to facilitate risk reduction associated with certain international financial transactions. A longer comment

period is provided to allow commenters additional time to respond based on this clarification.

The Board requests comment on the proposed extension of the Fedwire service both for the specified two hour period and within the context of a longer-term strategic objective of significantly expanded processing hours. Comments on longer hours for both the Fedwire funds and securities transfer services are sought. With regard to the longer-term, the Board seeks public comment on the potential implications of longer processing hours for reducing payment system risk in the settlement of foreign currency and other types of international transactions. In particular, how would Fedwire operating hours of 16, 18, or even 24 hours help to reduce settlement or other risks? What current or future business opportunities could be facilitated in Asia and in Europe, in the longer-term, if Fedwire payment processing capabilities were expanded? What potential impact could expanded hours have on operational needs and risks associated with international transactions? In the longer-term, could expanded processing hours facilitate the development of private-sector delivery-versus-payment mechanisms for settling foreign exchange transactions?

By order of the Board of Governors of the Federal Reserve System, December 21, 1992.

(signed) William W. Wiles

William W. Wiles,
Secretary of the Board.

[FR Doc. 92-00000 Filed 00-00-92; 8:45 am]

BILLING CODE 6210-01-F