

**FEDERAL RESERVE BANK  
OF NEW YORK**

[ Circular No. 10824  
January 3, 1996 ]

**CHANGES IN FEDWIRE CLOSING TIME  
FOR BOOK-ENTRY SECURITIES TRANSFER SYSTEM  
AND THIRD-PARTY ACCESS ARRANGEMENTS**

**First Supplement to Operating Circular No. 21**

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

Effective January 2, 1996, the Board of Governors of the Federal Reserve System (the "Board") has approved a firm closing time for the Fedwire book-entry securities transfer system of 3:15 p.m. Eastern Time ("ET") for transfer originations and 3:30 p.m. ET for reversals. The Board has also authorized the early close of the Fedwire securities transfer system on certain days when the United States government securities market observes partial- or full-day holidays.

Effective August 10, 1995, the Board revised its third-party access policy. The policy has been implemented in Appendix C to Operating Circular No. 8, "Funds Transfers Through Fedwire" ("Appendix C"). A sender or receiver of securities interested in entering into a third-party access arrangement should consult Appendix C.

Enclosed is a copy of the First Supplement to our Operating Circular No. 21, reflecting the above changes. Additional, single copies of the First Supplement can be obtained at this Bank from the Issues Division on the first floor, or by calling our Circulars Division (Tel. No. 212-720-5215 or 5216).

Questions on this matter should be directed to Gerald V. Lombardo, Manager, Securities Transfer Department (Tel. No. 212-720-5380).

**WILLIAM J. McDONOUGH,**  
*President.*

**FEDERAL RESERVE BANK  
OF NEW YORK**

**First Supplement to  
Operating Circular No. 21**  
Effective January 2, 1996

**FEDWIRE CLOSING TIME  
FOR BOOK-ENTRY SECURITIES TRANSFER SYSTEM  
AND THIRD-PARTY ACCESS ARRANGEMENTS**

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

Effective January 2, 1996, the Board of Governors of the Federal Reserve System (the "Board") has approved a firm closing time for the Fedwire book-entry securities transfer system of 3:15 p.m. Eastern Time ("ET") for transfer originations and 3:30 p.m. ET for reversals (together, "firm closing time"). With the adoption of this firm closing time, the reference to the separate closing time for dealer-to-customer deliveries has been eliminated from the Fedwire Operating Hours. An extension of the firm closing time may be granted at the discretion of the Reserve Banks when extraordinary circumstances exist.

The Board has also authorized the early close of the Fedwire securities transfer system on certain days when the United States government securities market observes partial- or full-day holidays. The Reserve Bank will issue an annual notice identifying the days on which the Fedwire book-entry securities transfer system will close early. A notice reminding Participants of the scheduled earlier closing time will also be issued approximately two (2) weeks in advance of each early closing date.

Finally, effective August 10, 1995, the Board revised its third-party access policy. The policy has been implemented in Appendix C to Operating Circular No. 8 on Funds Transfers Through Fedwire ("Appendix C"). A sender or receiver of securities interested in entering into a third-party access arrangement should consult Appendix C.

Accordingly, Paragraphs 7(a), 15, and 16(a) and Appendix B of Operating Circular No. 21 are amended, effective January 2, 1996, as follows:

1. The second sentence of Paragraph 7(a) is amended as follows:  
A Participant may use the services of a third party service provider, as described in and subject to Appendix C to this Bank's Operating

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Circular No. 8 and the Board's payment system risk reduction policies.\*

2. Paragraph 15 is amended to read as follows:

15. This Bank will effect Transfers in accordance with the schedule of operating hours in Appendix B. However, the Reserve Banks may decide in their sole discretion to open or close Fedwire at an earlier time, or extend Fedwire, to facilitate special market needs. The Reserve Banks may also close Fedwire early on certain days when the United States government securities market observes partial- or full-day holidays. Annually, this Bank will issue a notice identifying these early close days, and, in addition, will issue a reminder to all Participants approximately two (2) weeks in advance of each early close day.

3. Paragraph 16(a) is amended to read as follows:

16. (a) A Participant requiring an extension of Fedwire operating hours should contact this Bank as soon as possible. A request for an extension received less than five minutes before the scheduled Fedwire closing time will not be granted. An extension will be granted only if:

- (1) there is a failure of Reserve Bank and/or Fedwire network equipment;
- (2) there is a significant operating problem at a bank or major dealer; or
- (3) the extension is deemed necessary, in the Bank's view, to prevent market disruption.

4. The portion of Appendix B concerning "On-line Transfers" is amended to read as follows:

**On-line Transfers**

Opening of Fedwire <sup>2</sup> .....	8:30 a.m. (ET)
Closing Time for Transfer Originations <sup>2</sup> .....	3:15 p.m. (ET)
Closing Time for Transfer Reversals <sup>2</sup> .....	3:30 p.m. (ET)

WILLIAM J. McDONOUGH,  
*President.*

\* This amendment applies to Federal Reserve Banks that have not previously incorporated this reference to Appendix C.

2. Reserve Banks may decide, in their sole discretion, to open or close Fedwire at an earlier time, or extend Fedwire, to facilitate special market needs. Reserve Banks may also close Fedwire early on certain days when the United States government securities market observes partial- or full-day holidays. Annually, this Bank will issue a notice identifying these early close days and, in addition, will notify all Participants of each scheduled early closing approximately two (2) weeks in advance of the closing.