

April 23, 2004

**CHANGES TO THE FEDWIRE® FUNDS AND SECURITIES SERVICE  
TO ACCOMMODATE EXPANDED HOURS**

**Amendments to Operating Circular No. 6 & No. 7**

To All Depository Institutions in the Eighth Federal Reserve District:

The Federal Reserve Bank of New York is amending Operating Circular No. 6 (Funds Transfers Through Fedwire) and No. 7 (Book-Entry Securities Account Maintenance and Transfer Services), effective May 16, 2004. These amendments are primarily being 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 is being 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 Securities Service identical (other than the timeframe 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 are being 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 is being 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.

The current Operating Circulars No. 6 and No. 7 posted on the Financial Services Web site, [www.frbervices.org](http://www.frbervices.org), will be revised to reflect these amendments. Questions on this matter may be directed to your Account Executive.

Sincerely,



Ron Byrne  
Vice President