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**Fedwire<sup>®</sup> Funds Service and CHIPS<sup>®</sup> Announce Revised November 2011 Implementation Date for New Business Remittance Information Message Format**

Cleveland, OH, April 26, 2010 – The Federal Reserve Banks and The Clearing House Payments Company L.L.C. today announced a revised timeline for the planned implementation of an enhanced message format to support extended character business remittance information on their respective U.S. dollar wire transfer systems, the Fedwire<sup>®</sup> Funds Service and CHIPS<sup>®</sup>. Message format changes to accommodate payments containing business remittance information are now scheduled for implementation on November 19, 2011. Original plans were to implement this message format during the fourth quarter of 2010. Despite the announced postponement, the Federal Reserve Banks and The Clearing House remain firmly committed to ensuring that this important initiative is implemented next year.

Since the announcement in 2008 of plans to implement enhanced message formats, the Federal Reserve Banks and The Clearing House have actively sought feedback from financial institutions, corporations and other industry stakeholders on the impact of the changes. As part of those discussions, industry participants recently made a request to delay the implementation date of the new message format to November 2011 to allow more time to ensure industry preparedness and to refine market practices related to handling the new message format for cross-border payments. In addition, the schedule change will allow the Federal Reserve Banks to accommodate the financial institutions' request for a minor change to the Fedwire message format validation rules to increase compatibility with corporate accounting systems.



“Meeting the needs of financial institutions and the industry is our top priority,” said Lauren Hargraves, Senior Vice President of the Federal Reserve Banks’ Wholesale Product Office. “After allowing our customers time to thoroughly evaluate the changes, the issue of widespread compatibility with business systems, along with the need for a single solution for cross-border payments, became clear areas for additional focus.”

“Given our long-term adoption goals for these enhancements, we are committed to working with the industry to meet their needs,” said Rossana Salaris, Senior Vice President, Payments Products, The Clearing House. “CHIPS has already begun testing the message formats with our customers and will continue testing throughout the year to ensure that our customers have taken all the necessary steps in preparation to onboard in 2011.”

The modification to U.S. dollar wire transfer message formats to permit extended character business remittance information is part of a broader effort by the Federal Reserve Banks and The Clearing House to modernize and enhance the funds transfer system to meet evolving industry needs. The message format changes for business remittance information are being implemented in response to research findings indicating that this additional information will improve straight-through processing of business-to-business payments and increase efficiency related to the processing of wire transfer messages.

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### **The Financial Services Policy Committee**

The Financial Services Policy Committee (FSPC) is responsible for the overall direction of financial services and related support functions for the Federal Reserve Banks, as well as for providing Federal Reserve leadership in dealing with the evolving U.S. payments system. The FSPC is composed of three Reserve Bank presidents and two Reserve Bank first vice presidents.



### **Fedwire Funds Service**

The Federal Reserve Banks are the owners and operators of payments infrastructure, including the Fedwire Funds Service. The Fedwire Funds Service is the Federal Reserve Banks' high value, high-speed wire transfer system. Each funds transfer made via the Fedwire Funds Service is separately initiated, processed and settled in real time upon receipt via a highly secure electronic network. More than 6,500 financial institutions have access to the Fedwire Funds Service. In 2009, the number of Fedwire funds transfers totaled just over 124.7 million with an average daily value of over \$2.5 trillion. For more information regarding the Fedwire Funds Service or other Federal Reserve Financial Services, please visit [www.frbservices.org](http://www.frbservices.org).

### **The Clearing House**

Established in 1853 and owned by 20 of the largest banks in the United States, The Clearing House is a leading private sector provider of payments settlement and clearing services to financial institutions worldwide. The Clearing House processes nearly 66 million ACH, wire transfer, and image exchange transactions daily with an average U.S. dollar value of nearly two trillion. Its wire system, CHIPS, ([www.chips.org](http://www.chips.org)) provides real-time, final payments to financial institutions in the U.S. and around the world. It features multilateral netting with payments finality — a patented process that maximizes the use of liquidity — and supports the inclusion of large amounts of invoice information with payments in universally accepted standards.

The Clearing House Association, an industry forum and advocacy group for large banks has a long, distinguished history providing an environment for the collaborative development of legal, regulatory and industry solutions. For more information, please visit [www.theclearinghouse.org](http://www.theclearinghouse.org).

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