



Financial Services Policy Committee

Federal Reserve System

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NEWS RELEASE

Federal Reserve Banks Announce Substantial Advances on Expanded Message Formats for the Fedwire[®] Funds Service

Headway on New Wire Transfer Message Formats to Support Cover Payments and Business Remittance Information.

The Federal Reserve Banks announced today positive strides toward plans to implement enhanced message formats to accommodate both cover payments and payments containing business remittance information on their U.S. dollar wire transfer system, the Fedwire Funds Service.

The detailed specifications for Federal Reserve format changes to support the transparency of cover payments by November 2009 are nearing completion. These changes will ensure that when SWIFT implements its new cover payment message format, transparency of information can be maintained when the cover payment is settled using the Fedwire Funds Service.

“Format changes for cover payments are the initial step toward modernizing message formats on the Fedwire Funds Service,” said Lauren Hargraves, Senior Vice President of the Federal Reserve Banks’ Wholesale Product Office. “Industry participants are working with the Federal Reserve Banks to finalize specifications and to ensure interoperability with the new SWIFT cover payment message.”

The Federal Reserve Banks also report solid progress toward implementing an extended character business remittance information message format by the end of 2010. This next step to increase efficiency in wire transfer payments has been designed to facilitate interoperability with a variety of popular domestic and international formats already used by corporations to communicate with their banks.

Today’s announcement reflects increased support among the Federal Reserve Banks, The Clearing House Payments Company (TCH), and other constituencies in the U.S. dollar wire transfer community, including banks, corporations and software vendors, for enhanced wire transfer message formats. This week while at the SWIFT Sibos conference, the Federal Reserve Banks and TCH are meeting with high-value payment system operators from across the world to discuss plans for the expanded formats.

“This summer, industry participants confirmed their demand for innovative message formats that move us closer to the next generation of messaging and bridge the gaps between domestic and international standards,” stated Ms. Hargraves.

Additional information about this initiative, including a question and answer document, is available from the Federal Reserve Banks at FRBservices.org.



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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-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. On average, the Fedwire Funds Service processed and settled approximately 537,000 transfers worth \$2.7 trillion per day in 2007. For more information regarding the Fedwire Funds Service or other Federal Reserve Bank financial services, please visit FRBservices.org.

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