



Financial Services Policy Committee

Federal Reserve System

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Federal Reserve Banks Facilitate Industry Collaboration on Implementation of Image Exchange Standard

Minneapolis, May 23, 2006—As the Accredited Standards Committee X9 prepares to release a replacement to the current draft standard for electronic data and image exchange, the Federal Reserve Banks are actively collaborating with industry participants to develop a coordinated approach for implementing the final standard. The replacement standard, called X9.100-180-2006, is substantially different from the draft standard, which has been in use for years and is the foundation upon which most Check 21-enabled image exchange is built. The final standard corrects some deficiencies in the draft standard and contains new features and elements that developers believe will usefully expand its functionality as a long-term replacement for the draft.

The draft (DSTU X9.37-2003) standard has achieved substantial industry use in supporting direct exchanges among financial institutions as well as through major aggregators. Many more organizations are in the midst of planning or implementing solutions that use the X9.37 draft standard.

“Adoption of the new standard will be a significant effort that needs to be carefully planned and coordinated,” commented Dexter Holt, vice president of the Federal Reserve’s Retail Payments Office and chair of the X9 subcommittee that developed the final standard. “We believe the final standard serves the industry better long term, but we want to prevent any disruption to the strong growth in image exchange as we transition.”

The Federal Reserve Banks, along with a number of key financial institutions, participated in development of the new exchange standard and voted for its approval. The Reserve Banks will continue their commitment to the new standard by partnering with ECCHO to facilitate an industry dialog to identify issues associated with transition to the final standard and to recommend a preferred way of accomplishing the transition with minimal disruption.

Initial indications from high volume exchange organizations suggest that these banks and exchange facilitators do not plan to adopt the new standard before 2008. While it is premature to predict the outcome of industry discussions, it is expected that organizations will ultimately migrate to the new standard as business needs warrant, following a general framework that will preserve interoperability.

“In the last few years, the industry has built an impressive image clearing infrastructure,” said Holt. “It will take some time and effort to move it to the new standard, but all the key players are committed to a successful transition.”

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