



**Federal Reserve Banks
Operating Circular No. 6**

FUNDS TRANSFERS THROUGH THE FEDWIRE® FUNDS SERVICE

Effective March 8, 2021

**FEDERAL RESERVE BANKS
OPERATING CIRCULAR NO. 6
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(Click CTRL + section or page number to go directly to the section)

| | | |
|-------------|--|-----------|
| 1.0 | SCOPE | 1 |
| 2.0 | DEFINITIONS | 1 |
| 3.0 | MESSAGE FORMAT; ROUTING NUMBERS; ACCOUNTS | 3 |
| 4.0 | LOCATION OF FUNDS PARTICIPANTS | 3 |
| 5.0 | ROLES OF THE RESERVE BANKS INVOLVED IN A FUNDS TRANSFER THROUGH THE FEDWIRE FUNDS SERVICE | 4 |
| 6.0 | [RESERVED] | 4 |
| 7.0 | SECURITY PROCEDURES | 4 |
| 8.0 | RECEIPT, ACCEPTANCE, AND DELIVERY OF MESSAGES | 5 |
| 9.0 | TERMINATION AND ACCESS RESTRICTIONS | 6 |
| 10.0 | OPERATING HOURS AND EXTENSIONS | 6 |
| 11.0 | MESSAGE TYPES; HANDLING OF MESSAGES; REPORTING OF ERRORS | 7 |
| 12.0 | [RESERVED] | 8 |
| 13.0 | NONVALUE MESSAGES; CANCELLATION AND AMENDMENT OF PAYMENT ORDERS | 8 |
| 14.0 | [RESERVED] | 9 |
| 15.0 | CHARGES | 9 |
| 16.0 | RECOVERY, RESILIENCY, AND TESTING | 9 |
| 17.0 | [RESERVED] | 10 |
| 18.0 | SERVICE PROVIDERS | 10 |
| 19.0 | RIGHT TO AMEND | 12 |
| 20.0 | ELECTRONIC DOCUMENTS | 13 |
| 21.0 | RESERVE BANK LIABILITY | 13 |
| 22.0 | EFFECT OF THIS OPERATING CIRCULAR ON PREVIOUS OPERATING CIRCULAR | 13 |
| | APPENDIX A: FUNDS-TRANSFER SECURITY PROCEDURES | 14 |

| | |
|---|-----------|
| APPENDIX A-1: FEDWIRE® FUNDS SERVICE SECURITY PROCEDURE AGREEMENT | 15 |
| APPENDIX B: [RESERVED] | 17 |
| APPENDIX C: SERVICE PROVIDER AGREEMENT FOR THE FEDWIRE® FUNDS SERVICE AND FEDWIRE SECURITIES SERVICE | 18 |
| APPENDIX D: FEDPAYMENTS® MANAGER FOR THE FEDWIRE® FUNDS SERVICE | 21 |

1.0 SCOPE

- 1.1 Subpart B of Regulation J and this Operating Circular 6, including its appendices, apply to funds transfers through the Fedwire® Funds Service. This operating circular is issued in conformity with section 210.25(c) of Regulation J and is an operating circular as referred to in section 4A-107 of Article 4A of the Uniform Commercial Code as set forth in Appendix B to subpart B of Regulation J. By sending a payment order, receiving a payment order, or receiving a credit with respect to a payment order to an account maintained by or used at a Reserve Bank, the sender, receiving bank, or beneficiary agrees to all the provisions of this operating circular, as amended from time to time. In addition, this operating circular is binding on other parties to a funds transfer any part of which is carried out through the Fedwire Funds Service to the same extent that Regulation J is binding on those parties. Capitalized terms are defined in section 2.
- 1.2 Each Reserve Bank has issued an Operating Circular 6 identical to this one.

2.0 DEFINITIONS

- 2.1 Unless otherwise stated in this operating circular, a term defined in Regulation J, including a term defined in Article 4A to the extent consistent with Regulation J, has the same meaning in this operating circular.
- 2.2 **Acknowledgment** means a Message sent to a Funds Participant that indicates that the Reserve Bank on whose books the Funds Participant's Master Account is maintained has accepted a Message from that Funds Participant.
- 2.3 **Administrative Reserve Bank** with respect to a Funds Participant means the Reserve Bank in whose Federal Reserve district the Funds Participant is located, in accordance with section 4.1.
- 2.4 **Advice of Credit** means a Message sent to a Funds Participant that advises the Funds Participant of a credit to its Master Account. The Message may be either a payment order or a notice of credit, sent in accordance with section 210.31(a) or 210.31(b) of Regulation J, respectively.
- 2.5 **Appropriate Reserve Bank** means the Reserve Bank identified by the Funds Participant's Administrative Reserve Bank as the Reserve Bank with which the Funds Participant should communicate on particular matters.
- 2.6 **Cutoff Time** means:
- (a) for Online Messages, the latest time on the Reserve Banks' funds-transfer business day that a Message must be received by a Reserve Bank for it to be processed on that funds-transfer business day; and
 - (b) for Offline Messages, the latest time on the Reserve Banks' funds-transfer business day that a Reserve Bank will process a Message on that funds-transfer business day.

- 2.7 Electronic Connection** means an “Electronic Connection” as defined in the Reserve Banks’ Operating Circular 5, *Electronic Access*.
- 2.8 Fedwire Participant** means a Funds Participant or a “Receiver” or “Sender” as defined in the Reserve Banks’ Operating Circular 7, *Book-Entry Securities Account Maintenance and Transfer Services*.
- 2.9 Funds Participant** means an “Account Holder” as defined in the Reserve Banks’ Operating Circular 1, *Account Relationships*, that sends or receives Messages using the Fedwire Funds Service.
- 2.10 Funds Schedule** means the schedule published by the Reserve Banks on the FRBservices.org® website stating (i) the Cutoff Times and the opening and closing times for the Reserve Banks’ funds-transfer business day and (ii) each holiday observed by the Reserve Banks that is not a funds-transfer business day for the Reserve Banks. The Reserve Banks may amend the Funds Schedule from time to time.
- 2.11 Master Account** means a “Master Account” as defined in the Reserve Banks’ Operating Circular 1, *Account Relationships*, maintained on the books of a Reserve Bank.
- 2.12 Message** means any message sent or received over the Fedwire Funds Service, including payment orders and Nonvalue Messages.
- 2.13 Nonvalue Message** means any message described in section 13.1.
- 2.14 Offline** refers to the transmission of a Message directly to or from a Reserve Bank using means other than an Electronic Connection, including oral transmission by telephone.
- 2.15 Online** refers to the transmission of a Message directly to or from a Reserve Bank using an Electronic Connection, excluding oral transmission by telephone.
- 2.16 Rejection** means a Message sent to a Funds Participant that indicates that the Reserve Bank on whose books the Funds Participant’s Master Account is maintained has rejected a Message from that Funds Participant.
- 2.17 Reserve Bank** means one of the 12 Federal Reserve Banks.
- 2.18 Regulation J** means Regulation J issued by the Board of Governors of the Federal Reserve System (12 CFR part 210), as amended from time to time.
- 2.19 Securities Transfer** means a “Transfer” as defined in the Reserve Banks’ Operating Circular 7, *Book-Entry Securities Account Maintenance and Transfer Services*.
- 2.20 Securities Account** means a “Securities Account” as defined in the Reserve Banks’ Operating Circular 7, *Book-Entry Securities Account Maintenance and Transfer Services*.

2.21 Service Provider means an entity that, on behalf of a Fedwire Participant:

- (a) initiates, transmits, or receives Messages or Securities Transfers on behalf of that Fedwire Participant; or
- (b) operates or otherwise manages the Electronic Connection used to send or receive Messages or Securities Transfers on behalf of that Fedwire Participant.

3.0 MESSAGE FORMAT; ROUTING NUMBERS; ACCOUNTS

- 3.1** A Message, including a payment order, must be in the medium and format the Reserve Banks prescribe. A Reserve Bank will not act on information in a Message other than information required by the format specifications and necessary for Reserve Bank processing.
- 3.2** The Reserve Banks are not responsible for the accuracy of a routing number contained in or verbally supplied from a publication, list or automated file issued or maintained by a Reserve Bank if the routing number becomes inaccurate after the effective date of the publication, list, or automated file.
- 3.3** For purposes of subpart B of Regulation J and this operating circular, “sender’s account,” “receiving bank’s account,” and “beneficiary’s account” refer to the Master Account of the sender, receiving bank, and beneficiary identified in a payment order, respectively.
- 3.4** Under certain circumstances a Funds Participant may have multiple Master Accounts at its Administrative Reserve Bank and/or one or more Master Accounts at Reserve Banks other than its Administrative Reserve Bank. Notwithstanding any provision of this operating circular, during any period when a Funds Participant is authorized to maintain multiple Master Accounts, any debit or credit made pursuant to this operating circular will be made to the Master Account associated with the identifying number used in the payment order.

4.0 LOCATION OF FUNDS PARTICIPANTS

- 4.1** For purposes of Regulation J, Article 4A, and this operating circular, a Funds Participant is located in the Federal Reserve district as determined under the procedure described in section 204.3(g) of Regulation D (12 CFR § 204.3(g)), even if the Funds Participant would not otherwise be subject to Regulation D, unless otherwise provided in the next sentence. A Funds Participant that is a foreign central bank, foreign monetary authority, foreign government, or international organization is treated as being located in the second Federal Reserve district.
- 4.2** For purposes of Regulation J, Article 4A, and this operating circular, an identifying number of a branch of a bank that is a Funds Participant shall be

deemed to be the identifying number of the Funds Participant. A Reserve Bank that executes a payment order that contains an identifying number of a branch of a bank that is a Funds Participant complies with the sender's payment order when it sends a conforming payment order identifying the Funds Participant or credits the Master Account of the Funds Participant.

5.0 ROLES OF THE RESERVE BANKS INVOLVED IN A FUNDS TRANSFER THROUGH THE FEDWIRE FUNDS SERVICE

- 5.1** For purposes of Regulation J, Article 4A, and this operating circular, when a Funds Participant sends a payment order over the Fedwire Funds Service, the Funds Participant is deemed to have sent it to the Reserve Bank on whose books the Funds Participant's Master Account is maintained regardless of which Reserve Bank operates the Funds Participant's Electronic Connection or receives the Funds Participant's Offline payment orders.
- 5.2** For purposes of Regulation J, Article 4A, and this operating circular, when a Funds Participant receives an Advice of Credit over the Fedwire Funds Service, the Funds Participant is deemed to have received the Advice of Credit from the Reserve Bank on whose books the Funds Participant's Master Account is maintained regardless of which Reserve Bank operates the Funds Participant's Electronic Connection or sends the Funds Participant an Offline Advice of Credit.
- 5.3** A Reserve Bank that handles a payment order, other than the Reserve Bank or Reserve Banks on whose books the Master Accounts affected by that payment order are maintained as provided under sections 5.1 and 5.2, is not a party to the funds transfer in any way, including as an intermediary bank or as the beneficiary's bank. Notwithstanding the preceding sentence, when handling an Offline payment order, such other Reserve Bank is liable as if it were a receiving bank under this operating circular for losses recoverable under Article 4A and this operating circular that result from its handling of the payment order.
- 5.4** An Administrative Reserve Bank may instruct any other Reserve Bank concerning the other Reserve Bank's handling or settlement of a payment order for purposes of managing the Administrative Reserve Bank's risk.

6.0 [RESERVED]

7.0 SECURITY PROCEDURES

- 7.1** The security procedures offered by the Reserve Banks to verify the authenticity of a Message, including a payment order or Message seeking to cancel or amend a payment order, are described in Appendix A to this operating circular. Before issuing a payment order to or receiving a payment order from a Reserve Bank, a Funds Participant must execute an agreement in the form shown in Appendix A-1 to this operating circular with the Reserve Bank on whose books

the Funds Participant's Master Account is maintained.

- 7.2** By using the Fedwire Funds Service, a Funds Participant agrees to and shall comply with the terms of Appendix A to the Reserve Banks' Operating Circular 5, *Electronic Access*.
- 7.3** The agreement set forth in Appendix A-1 to this operating circular binds each Funds Participant, the Reserve Bank on whose books the Funds Participant's Master Account is maintained, and any Reserve Bank with which a Funds Participant has an Electronic Connection or through which the Funds Participant sends or receives Offline Messages. When sending or receiving a Message to or from a Reserve Bank, a Funds Participant is deemed to agree to the security procedure used in connection with that Message.

8.0 RECEIPT, ACCEPTANCE, AND DELIVERY OF MESSAGES

- 8.1** As permitted in Regulation J, a Reserve Bank may for any reason reject a payment order or impose conditions that must be satisfied before it will accept a payment order.
- 8.2** If a Funds Participant that sends an Online payment order does not receive an Acknowledgment or Rejection, the Funds Participant should notify the Appropriate Reserve Bank promptly.
- 8.3** If a Reserve Bank notifies a Funds Participant that a payment order sent by that Funds Participant has been lost because of computer outage or other reason, the Funds Participant shall be prepared to resend the payment order.
- 8.4** A Funds Participant that receives Online Messages must manage its Electronic Connection so as to permit it to receive on a timely basis a Message, including an Advice of Credit, sent to it during the Reserve Banks' funds-transfer business day. If a Funds Participant fails to manage its Electronic Connection in such a manner, a Reserve Bank may limit any attempts to send a Message to the Funds Participant. In such a case, the Reserve Bank shall be deemed to have delivered the Message, including an Advice of Credit, when the Reserve Bank made the Message available for the Funds Participant to retrieve it. A Funds Participant that loses its Electronic Connection shall reestablish connectivity as soon as possible.
- 8.5** A Funds Participant that receives Offline Messages must be available so as to permit it to receive on a timely basis a Message, including an Advice of Credit, over the telephone during the Reserve Banks' funds-transfer business day. If a Funds Participant fails to be available in such a manner, a Reserve Bank may limit the number of attempts it makes to send a Message to the Funds Participant. In such a case, the Reserve Bank shall be deemed to have delivered the Message, including an Advice of Credit, when the Reserve Bank made the first attempt to contact the Funds Participant over the telephone.
- 8.6** A Funds Participant, whether it sends or receives Offline or Online Messages, shall indemnify a Reserve Bank for any loss incurred by the Reserve Bank as a

result of the Funds Participant's delay in receiving a Message, including an Advice of Credit, if the delay results from the Funds Participant's failure to be able to receive Messages from the Reserve Bank during the Reserve Banks' funds-transfer business day.

- 8.7 The Reserve Banks do not assume any responsibility for completion of a funds transfer on the day requested except as provided in Regulation J.
- 8.8 The Reserve Banks may record any telephone call relating to a Message.

9.0 TERMINATION AND ACCESS RESTRICTIONS

- 9.1 A Reserve Bank may terminate or restrict Fedwire Funds Service access by a Funds Participant or its Service Provider at any time without notice if the Reserve Bank has reason to believe that the Funds Participant's or Service Provider's use of the Fedwire Funds Service does not comply with any Reserve Bank agreement, including this operating circular, or that such use otherwise poses a risk to a Reserve Bank, any other Funds Participant, or the security or proper functioning of the Fedwire Funds Service or any service the Reserve Banks provide under an appendix to this operating circular.
- 9.2 Actions by a Reserve Bank to restrict access by a Funds Participant or Service Provider to the Fedwire Funds Service may include, among others, restricting the ability to send or receive Messages, restricting access through one or more Electronic Connections, delaying the release to the Fedwire Funds Service application of Messages sent through an Electronic Connection, restricting access by one or more individuals authorized to use the service on a Funds Participant's behalf, and imposing, modifying, or restricting modifications to one or more of the processing options described in Appendix D to this operating circular.
- 9.3 A Reserve Bank may otherwise terminate or restrict a Funds Participant's or Service Provider's access to the Fedwire Funds Service at any time upon notice to a Funds Participant. A Reserve Bank taking an action under this section 9.3 is not obliged to but will endeavor to give notice at least five days in advance of terminating or restricting the Funds Participant's or Service Provider's access to the service.

10.0 OPERATING HOURS AND EXTENSIONS

- 10.1 For purposes of determining a Reserve Bank's rights and obligation under Regulation J, Article 4A, and this operating circular, the Reserve Banks' funds-transfer business day begins and ends at the times stated in the Funds Schedule.
- 10.2 The Reserve Banks may begin a funds-transfer business day on the preceding calendar day. A Reserve Bank satisfies its obligations under Regulation J, Article 4A, and this operating circular if, upon acceptance of a payment order, a Reserve Bank executes the payment order or pays the beneficiary of the payment order on the same funds-transfer business day that it received the

payment order even if it is not the same calendar day.

- 10.3** The Funds Schedule states the Cutoff Times for the Reserve Banks' funds-transfer business day. The Reserve Banks may set Cutoff Times for different categories of Messages, different Funds Participants, or different methods by which Messages are sent to the Reserve Banks. The Reserve Banks also may set times prior to the Cutoff Times by which a Funds Participant should contact the Reserve Banks to send Offline Messages.
- 10.4** The Reserve Banks may extend a Cutoff Time or the Reserve Banks' funds-transfer business day to facilitate special market needs.
- 10.5** The Reserve Banks publish on the FRBservices.org website guidelines that the Reserve Banks use to consider requests from Funds Participants for extensions of a Cutoff Time or the Reserve Banks' funds-transfer business day. These extension guidelines may identify (i) the timing for submission of an extension request; (ii) the information that must be included in an extension request; (iii) directions for how to submit an extension request; (iv) the considerations that the Reserve Banks may take into account when deciding whether to extend a Cutoff Time or the Reserve Banks' funds-transfer business day; and (v) how the Reserve Banks provide notification of an extension of a Cutoff Time or the Reserve Banks' funds-transfer business day. The Reserve Banks may amend the extension guidelines from time to time. The Reserve Banks may decline to grant an extension request for any reason.

11.0 MESSAGE TYPES; HANDLING OF MESSAGES; REPORTING OF ERRORS

- 11.1** Only Messages sent using type code 10 (customer transfer), 15 (special account transfer), or 16 (bank transfer) in combination with subtype code 00 (structured funds transfer), 02 (same-day return of funds transfer), 08 (return of a prior-day funds transfer), or 32 (funds transfer honoring request for funds) are Advices of Credit. If such a Message is sent to a Funds Participant as a receiving bank, the Message is a payment order. If such a Message is sent to a Funds Participant as a beneficiary, the Message is a notice of credit. All other Messages are Nonvalue Messages.
- 11.2** The Reserve Banks deliver Advices of Credit through Electronic Connections to Funds Participants that receive Online Messages. The Reserve Banks deliver by telephone Advices of Credit to Funds Participants that receive Offline Messages. The Reserve Banks do not give telephone Advices of Credit for Messages designated as type code 16 bank transfers to Funds Participants that receive Offline Messages unless the Funds Participant has notified the Appropriate Reserve Bank in writing that the Funds Participant maintains an account for another bank or has otherwise requested telephone Advices of Credit for such Offline Messages. A Reserve Bank also provides, in Master Account statements sent or made available to a Funds Participant, notices of credit to that Funds Participant as a receiving bank and notices of debit to that Funds Participant as a sender.
- 11.3** The Reserve Banks send Advices of Credit to the office of the Funds Participant specified by the Funds Participant. A Reserve Bank has properly executed a

payment order if, at the request of the Funds Participant, the Reserve Bank sends the Advice of Credit representing the payment order to an office of the Funds Participant other than the office of the Funds Participant identified in the payment order by an identifying number.

- 11.4** In addition to the requirement for prompt notice under section 210.28(c) of Regulation J and sections 4A-204 and 4A-304 of Article 4A, a Funds Participant shall immediately notify the Reserve Bank on whose books its Master Account is maintained if the Funds Participant learns of or discovers, from any source other than an Acknowledgment or Rejection from a Reserve Bank, the possibility of error or lack of authority in the transmission or processing of a payment order. A Funds Participant must also immediately notify the Reserve Bank on whose books the Funds Participant's Master Account is maintained of any discrepancy between a payment order or other Advice of Credit sent by a Reserve Bank to the Funds Participant as a receiving bank by telephone or Electronic Connection and an Advice of Credit or notice of the credit subsequently sent by a Reserve Bank to the Funds Participant.

12.0 [RESERVED]

13.0 NONVALUE MESSAGES; CANCELLATION AND AMENDMENT OF PAYMENT ORDERS

- 13.1** The Reserve Banks handle Messages that do not generate an accounting entry by the Fedwire Funds Service on the books of any Reserve Bank. Such Messages are designated as a subtype code 01 (request for reversal), 07 (request for reversal of prior-day transfer), 31 (request for credit transfer), 33 (refusal of request for funds), or 90 (service message).
- 13.2** Nonvalue Messages are not payment orders, but are subject to the Reserve Banks' format and media requirements, security procedures and time and fee schedules. This operating circular does not impose any obligation on Funds Participants to respond to Nonvalue Messages.
- 13.3** Notwithstanding section 4A-211 of Article 4A, a Reserve Bank has no obligation to cancel or amend a payment order, even if it receives from a Funds Participant a request for reversal, request for reversal of prior-day transfer, or other Message seeking to cancel or amend the payment order. If such a Message is accepted by a Reserve Bank, the Reserve Banks' only obligation is to send the Message to the Funds Participant identified by the sender of the Message as the Funds Participant to receive it. Whether such a Message would be effective to cancel or amend a payment order received by that Funds Participant is governed by section 4A-211 of Article 4A.
- 13.4** By requesting cancellation or amendment of a payment order, the Funds Participant may be liable under section 4A-211 of Article 4A unless the request states "NO INDEMNITY."
- 13.5** A Reserve Bank's liability for damage caused by its failure to exercise ordinary

care or act in good faith in processing a Message described in this section is limited to the amount of any fee paid to a Reserve Bank for such Message.

14.0 [RESERVED]

15.0 CHARGES

- 15.1** The fees imposed for funds transfer services are listed in the Reserve Banks' fee schedules as amended from time to time.
- 15.2** The Master Account of the Funds Participant is debited for fees associated with funds transfers over the Fedwire Funds Service.

16.0 RECOVERY, RESILIENCY, AND TESTING

- 16.1** Funds Participants shall develop, implement, and maintain their own contingency and recovery plans, such as back-up computer and operations facilities, to ensure their ability to continue their Fedwire Funds Service operations in the event of equipment failure or other operational interruption. The Reserve Banks assume no responsibility for providing any back-up access facilities.
- 16.2** In the event of an emergency or failure of a Reserve Bank's computer or operations facilities, Messages may be delayed until the emergency or failure is resolved. During extended disruptions, the Reserve Bank's Fedwire Funds Service operations may be relocated to an alternate production site. Senders, receiving banks, and beneficiaries should refer to the Reserve Bank's contingency guidelines regarding their requirements and responsibilities during contingency operations.
- 16.3** Funds Participants shall be prepared to reconcile their positions up to the point of the failure under the Reserve Bank's instructions.
- 16.4** The Reserve Bank will notify Funds Participants of an operating problem at a Reserve Bank and, should the problem be deemed critical, will give instructions.
- 16.5** In each case at the Funds Participant's expense, the Reserve Banks may require a Funds Participant (i) to test its ability to continue to use and access the Fedwire Funds Service following Reserve Bank prescribed contingency scenarios and (ii) to establish and periodically test an additional Electronic Connection through which the Funds Participant may send or receive Messages. In determining whether a Funds Participant is subject to these requirements, the Reserve Banks may consider the aggregate value, the aggregate volume, or the purpose of payment orders sent and received by that Funds Participant.
- 16.6** Each Funds Participant shall test its ability to continue to use and access the Fedwire Funds Service before it or its Service Provider make changes to their operations, hardware, or software that might affect the Funds Participant's ability to continue to use and access the service. Each Funds Participant also shall, as

directed by the Reserve Banks, test its ability to continue to use the Fedwire Funds Service in advance of changes to operations, hardware, or software the Reserve Banks make that may affect the Fedwire Funds Service.

- 16.7** A Funds Participant that sends messages to the Fedwire Funds Service in connection with testing its ability to use the Fedwire Funds Service shall identify those messages as test messages by including the test indicator on such messages in accordance with Reserve Bank format specifications. A Funds Participant that receives messages that include the test indicator shall handle these messages as test messages, not as production Messages; for example, a Funds Participant that receives a message that is designated as a type code 31 request for credit transfer and that includes the test indicator shall not send a payment order in response to that message.
- 16.8** The Reserve Banks are not liable for any loss or damage that might arise because a Funds Participant or its Service Provider fails to perform its obligations under this section 16. Each Funds Participant and the Service Provider shall indemnify and hold the Reserve Banks harmless against any claim, loss, cost or expense, including, but not limited to, attorneys' fees and expenses of litigation, that may arise because the Funds Participant or the Service Provider fails to perform its obligations under this section 16.

17.0 [RESERVED]

18.0 SERVICE PROVIDERS

- 18.1** A Fedwire Participant may authorize another entity to act as its Service Provider by executing the agreement in Appendix C to this operating circular. A Fedwire Participant must use the agreement in Appendix C to this operating circular even if it is establishing the Service Provider relationship for contingency purposes only, and even if the Service Provider is affiliated with the Fedwire Participant. Until the agreement in Appendix C to this operating circular is received by the Appropriate Reserve Bank, a Fedwire Participant may not use a Service Provider. A Fedwire Participant's authorization is effective no earlier than the business day following the business day that the Appropriate Reserve Bank receives the fully executed agreement in the form shown in Appendix C to this operating circular.
- 18.2** By executing the agreement in Appendix C to this operating circular, a Fedwire Participant (i) authorizes a Service Provider to act on its behalf under this operating circular (including its appendices), (ii) designates the Service Provider as its agent for accessing Reserve Bank systems for sending or receiving Messages or Securities Transfers, (iii) authorizes the Service Provider to select which security procedures (described in section 2 of Appendix A to the Reserve Banks' Operating Circular 5, *Electronic Access*) to use to access Reserve Bank systems, and (iv) authorizes the Reserve Banks to act upon information and instructions of the Service Provider with respect to that Fedwire Participant.

- 18.3** Any Message or Securities Transfer initiated by, transmitted by or through, or received by or through a Service Provider is as fully authorized and effective a Message or Securities Transfer as if it were initiated, transmitted, or received by the Fedwire Participant.
- 18.4** A Message or Securities Transfer is sent to a Reserve Bank when it is transmitted to the Fedwire Funds Service or the Fedwire Securities Service by the Service Provider. It is the responsibility of the Fedwire Participant and its Service Provider to implement appropriate security controls to protect any information that flows between the Fedwire Participant and the Service Provider. By authorizing a Service Provider to act on its behalf, a Fedwire Participant agrees that (i) its Service Provider may be granted credentials identifying the Service Provider as authorized to access the Fedwire Funds Service and/or Fedwire Securities Service; (ii) its Service Provider may use those credentials to act on behalf of the Fedwire Participant; and (iii) at the option of its Service Provider, the Service Provider may use the same credentials to access the Fedwire Funds Service and/or Fedwire Securities Service on behalf of other Fedwire Participants that have designated the Service Provider to act on their behalf.
- 18.5** By authorizing a Service Provider to act on its behalf, a Fedwire Participant agrees that (i) the Reserve Banks may establish an Electronic Connection with the Service Provider for its use in sending and receiving Messages and/or Securities Transfers on the Fedwire Participant's behalf, and (ii) the Service Provider may use the same Electronic Connection to send and receive Messages and/or Securities Transfers on behalf of other Fedwire Participants that have designated the Service Provider to act on their behalf.
- 18.6** It is the responsibility of the Fedwire Participant and its Service Provider to establish controls sufficient to ensure that the Service Provider properly segregates the Messages and/or Securities Transfers of the Fedwire Participant from the Messages and/or Securities Transfers of other Fedwire Participants. The Reserve Banks are not required to take, and will not take, any measures to ensure that the Fedwire Participant's Messages and/or Securities Transfers are properly identified or segregated by the Service Provider.
- 18.7** By authorizing a Service Provider to act on its behalf, a Fedwire Participant designates the Service Provider as the proper place for sending Messages and/or Securities Transfers and other advices and notices. Unless the Fedwire Participant intends to use the Service Provider for contingency purposes only, a Reserve Bank properly executes a payment order as stated in section 11.3 of this operating circular if it sends an Advice of Credit representing the payment order to the Service Provider. If a Fedwire Participant has informed the Appropriate Reserve Bank that it intends to use its Service Provider for contingency purposes only, the Reserve Bank may send Messages and/or Securities Transfers, and other advices and notices to the Fedwire Participant or the Service Provider.
- 18.8** A Message or Securities Transfer initiated, transmitted, or received by a Service Provider or sent over an Electronic Connection managed by a Service Provider is subject to this operating circular or the Reserve Banks' Operating Circular 7,

Book-Entry Securities Account Maintenance and Transfer Services, as appropriate, and any other relevant Reserve Bank operating circulars, as well as any policy or regulation of the Board of Governors of the Federal Reserve System with respect to the wire transfer of funds, book-entry securities, electronic access, and payments system risk.

- 18.9** A Service Provider is not a sender or receiving bank as defined in Article 4A with respect to payment orders it sends or receives as Service Provider for a Fedwire Participant.
- 18.10** The designation of a Service Provider by a Fedwire Participant shall in no way affect or diminish any obligation or duty of the Fedwire Participant under this operating circular (including its appendices) or the terms of any separate operating circular or agreement governing a particular Reserve Bank service. It is the responsibility of the Fedwire Participant to ensure that its Service Provider complies with the Fedwire Participant's obligations under this operating circular (including its appendices) and the terms of any separate operating circular or agreement governing a particular Reserve Bank service. Notwithstanding the use of a Service Provider, the Fedwire Participant retains full responsibility for management of its Master Account with respect to both its intraday and overnight positions. Any overdraft incurred in that Master Account is a binding obligation of the Fedwire Participant to the Reserve Bank on whose books the Master Account is maintained.
- 18.11** A Message or Securities Transfer initiated by, transmitted by or through or received by or through a Service Provider constitutes the initiation or receipt of the Message or Securities Transfer by the Fedwire Participant for purposes of authorizing the Reserve Bank to debit or credit the Master Account or Securities Account, as the case may be.
- 18.12** The Fedwire Participant and the Service Provider shall each indemnify and hold the Reserve Banks harmless against any claim, loss, cost, or expense, including, but not limited to, attorneys' fees and expenses of litigation, resulting from (i) the designation or use of that Service Provider by the Fedwire Participant or (ii) the acts or omissions of the Fedwire Participant or the Service Provider (or any of their agents) other than for any claim, loss, cost, or expense arising solely out of a Reserve Bank's failure to exercise ordinary care or to act in good faith.
- 18.13** A Fedwire Participant or Service Provider may terminate the Fedwire Participant's designation of that Service Provider by providing prior written notice to the Appropriate Reserve Bank. Such notice shall be effective on the date stated in the notice, but no earlier than the close of the Reserve Banks' funds-transfer business day of the day written notice is received by the Appropriate Reserve Bank.

19.0 RIGHT TO AMEND

- 19.1** The Reserve Banks reserve the right to amend this operating circular at any time without prior notice.

20.0 ELECTRONIC DOCUMENTS

- 20.1** To the extent any provision in Article 4A requires agreements or other documents to be in writing, a Reserve Bank may accept such documents in electronic form.

21.0 RESERVE BANK LIABILITY

- 21.1** The Reserve Banks are not liable for any loss or damage arising from a Funds Participant's or Service Provider's use of any product or service not supplied, owned, or operated by a Reserve Bank that interacts or interfaces with, or otherwise facilitates a Funds Participant's or Service Provider's use of or access to, the Fedwire Funds Service. The Reserve Banks provide no warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability, fitness for a particular purpose, title, quality, or noninfringement with respect to any such product or service. This provision applies to, but is not limited to, any product or service not supplied, owned, or operated by a Reserve Bank through which the Reserve Banks make available information about the Fedwire Funds Service, such as format-related information.

22.0 EFFECT OF THIS OPERATING CIRCULAR ON PREVIOUS OPERATING CIRCULAR

- 22.1** This operating circular supersedes the Reserve Banks' Operating Circular 6, *Funds Transfers Through the Fedwire Funds Service*, with an effective date of December 20, 2019 (including any appendices and supplements thereto), and is effective on March 8, 2021.

"Fedwire" and "FRBservices.org" are registered service marks of the Federal Reserve Banks. A list of marks related to financial services products that are offered to financial institutions by the Federal Reserve Banks is available at FRBservices.org.

APPENDIX A: FUNDS-TRANSFER SECURITY PROCEDURES

1.0 GENERAL

This appendix incorporates by reference section 2 of Appendix A to the Reserve Banks' Operating Circular 5, *Electronic Access*, including its description of the security procedures offered by the Reserve Bank on whose books the Master Account of each Funds Participant is maintained.

APPENDIX A-1: FEDWIRE® FUNDS SERVICE SECURITY PROCEDURE AGREEMENT

***Required Fields**

Section 1: Service Description and Agreement Instructions

The Fedwire Funds Service Security Procedure Agreement is Appendix A-1 to the Reserve Banks’ Operating Circular 6, *Funds Transfers through the Fedwire Funds Service*. The agreement must be completed by all Funds Participants. Unless otherwise stated, terms defined in Operating Circular 6 have the same meaning in this security procedure agreement.

The agreement must be ink signed by an individual listed on your financial institution’s Official Authorization List (OAL), unless the Appropriate Reserve Bank agrees to accept an electronic signature. Please send the completed agreement to the Reserve Banks’ Customer Contact Center by e-mail to [ccc.coordinators@kc.frb.org](mailto:ccc coordinators@kc.frb.org) or by mail to the following address:

Customer Contact Center
 Federal Reserve Bank of Kansas City
 P.O. Box 219416
 Kansas City, MO 64121-9416

Please retain a copy of the completed agreement for your records. Any agreement that is incomplete will be returned to the sender.

For assistance completing this security procedure agreement, please contact the Wholesale Operations Site at (800) 333-2448, option 2 or (800) 327-0147, option 2.

Section 2: Financial Institution Information

| | | | |
|-------------------------------------|---------------------|--------------|------------------|
| Financial Institution Name* | | | |
| Identification Number (RTN)* | | | |
| Street Address* | | | |
| City* | | | |
| State* | | | |
| Zip Code* | | | |
| Main Phone Number | <i>Country Code</i> | <i>Phone</i> | <i>Extension</i> |

Section 3: Service Specific Information

We, the institution identified in section 2, agree to the provisions of the Reserve Banks' Operating Circular 6, including Appendix A and other applicable appendices, as amended from time to time.

If we (or a Service Provider that we have designated under Appendix C to Operating Circular 6) use an encrypted communications line with access controls for the transmission or receipt of a Message, including a payment order or Message seeking to cancel or amend a payment order, to or from a Reserve Bank, we choose the On-Line Security Procedure offered as generally described in Appendix A to Operating Circular 6. This security procedure will be used for the purpose of verifying that the Message was sent or received by us.

If we (or a Service Provider that we have designated under Appendix C to Operating Circular 6) use the telephone to orally transmit or receive a Message, including a payment order or Message seeking to cancel or amend a payment order, to or from a Reserve Bank, we reject the On-Line Security Procedures offered by the Reserve Banks and choose the Off-Line Security Procedures generally described in Appendix A to Operating Circular 6. This security procedure will be used for the purpose of verifying that the Message was sent or received by us.

Whenever we (or a Service Provider that we have designated under Appendix C to Operating Circular 6) choose to use one of the Reserve Banks' security procedures, we reject the other security procedures, and if any one of the rejected security procedures is commercially reasonable for us, we agree to be bound by any Message, including a payment order, whether or not authorized, if it was sent in our name and accepted by a Reserve Bank in compliance with the security procedure we selected, subject to section 4A-203 of Article 4A of the Uniform Commercial Code (as set forth in Appendix B to subpart B of Regulation J).

We understand that neither the On-Line Security Procedure nor the Off-Line Security Procedure will be used to detect an error in the transmission or content of a Message, including a payment order or Message seeking to cancel or amend a payment order.

We also understand and agree that the security procedures established by this security procedure agreement may be changed only by an amendment to Appendix A to Operating Circular 6, which may be published by the Reserve Banks on the FRBservices.org® website, or other written agreement. This security procedure agreement may not be changed by an oral agreement or by a course of dealing or custom.

Section 4: Authorization

The undersigned is signing this security procedure agreement on behalf of the institution identified in section 2.

The signer of this security procedure agreement must appear as an authorized individual on your financial institution's OAL currently on file with the Federal Reserve Banks.

| | | | |
|--|---------------------|--------------|--------------------|
| Authorized Signer Name* | <i>First</i> | <i>MI</i> | <i>Last</i> |
| Authorized Signer Title* | | | |
| Authorized Signer E-mail Address* | | | |
| Authorized Signer Phone Number* | <i>Country Code</i> | <i>Phone</i> | <i>Extension</i> |
| Authorized Signature* | | | <i>Date Signed</i> |

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Last updated: March 8, 2021

APPENDIX B: [RESERVED]

APPENDIX C: SERVICE PROVIDER AGREEMENT FOR THE FEDWIRE® FUNDS SERVICE AND FEDWIRE SECURITIES SERVICE

***Required Fields**

Section 1: Service Description and Agreement Instructions

The Service Provider Agreement for the Fedwire Funds Service and Fedwire Securities Service is Appendix C to the Reserve Banks’ Operating Circular 6, *Funds Transfers through the Fedwire Funds Service*. The agreement is used by a financial institution that is a Fedwire Participant to authorize another entity to act as its Service Provider with respect to the Fedwire Funds Service and/or the Fedwire Securities Service. Unless otherwise stated, terms defined in Operating Circular 6 have the same meaning in this service provider agreement.

Section 3A of the agreement must be ink signed by an individual listed on your financial institution’s Official Authorization List (OAL) and section 3B of the agreement must be ink signed by an individual listed on your Service Provider’s OAL, unless the Appropriate Reserve Bank agrees to accept electronic signatures. Please send the completed agreement to the Federal Reserve Banks’ Customer Contact Center by e-mail to [ccc.coordinators@kc.frb.org](mailto:ccc coordinators@kc.frb.org) or by mail to the following address:

Customer Contact Center
 Federal Reserve Bank of Kansas City
 P.O. Box 219416
 Kansas City, MO 64121-9416

Please retain a copy of the completed agreement for your records. Any agreement that is incomplete will be returned to the sender.

For assistance completing this service provider agreement, please contact the Wholesale Operations Site at (800) 327- 0147, option 2 or (800) 333-2448, option 2.

Section 2: Financial Institution & Service Provider Information

| | | | |
|-------------------------------------|---------------------|--------------|------------------|
| Financial Institution Name* | | | |
| Identification Number (RTN)* | | | |
| Street Address* | | | |
| City* | | | |
| State* | | | |
| Zip Code* | | | |
| Main Phone Number* | <i>Country Code</i> | <i>Phone</i> | <i>Extension</i> |

| | | | |
|--|---------------------|--------------|------------------|
| Service Provider Name* | | | |
| Identification Number (RTN/ETI)* <i>Required only if Service Provider has an Identification Number</i> | | | |
| Street Address* | | | |
| City* | | | |
| State* | | | |
| Zip Code* | | | |
| Main Phone Number* | <i>Country Code</i> | <i>Phone</i> | <i>Extension</i> |

Section 3: Service Specific Information

A. Financial Institution

In accordance with section 18 of Operating Circular 6, we designate the Service Provider named in section 2 as our Service Provider for the following service(s):

Production & Contingency

Fedwire Funds Service Fedwire Securities Service Both

Contingency Only¹

Fedwire Funds Service Fedwire Securities Service Both

We authorize the above designated Service Provider to act on our behalf as specified in Operating Circular 6, including the selection of a security procedure. If our Service Provider will be operating at a location outside the United States, we represent and warrant that this service provider agreement will not result in our noncompliance with any U.S. State and Federal laws and regulations, including but not limited to privacy laws and retaining and making accessible records in accordance with the Bank Secrecy Act and regulations promulgated thereunder.

The undersigned is signing this service provider agreement on behalf of the financial institution identified in section 2.

The signer of this service provider agreement must appear as an authorized individual on your financial institution's OAL currently on file with the Federal Reserve Banks.

| | | | |
|--|---------------------|--------------|--------------------|
| Authorized Signer Name* | <i>First</i> | <i>MI</i> | <i>Last</i> |
| Authorized Signer Title* | | | |
| Authorized Signer E-mail Address* | | | |
| Authorized Signer Phone Number* | <i>Country Code</i> | <i>Phone</i> | <i>Extension</i> |
| Authorized Signature* | | | <i>Date Signed</i> |

¹ If a Fedwire Participant intends to use its Service Provider for contingency purposes only, the Reserve Bank may send Messages and/or Securities Transfers and other advices and notices to the Fedwire Participant or the Service Provider.

B. Service Provider

We agree to the terms of the Reserve Banks' Operating Circular 5, and Operating Circulars 6 and 7 as appropriate, and agree to act as a Service Provider for the financial institution identified in section 2. We plan to provide these services from our offices located at:

_____.
 Address City State Zip

If this location is outside the United States, we agree that Operating Circular 5, Operating Circular 6 (including this appendix), and Operating Circular 7 are governed by the federal law of the United States of America and, to the extent not inconsistent therewith, the law of the state in which the Reserve Bank's head office is located (excluding that state's law regarding conflicts of law) and hereby:

- irrevocably submit to the exclusive jurisdiction of the U.S. district court and division where the head office of the Reserve Bank is located with respect to any suit, action or proceeding arising out of or relating to this service provider agreement, and hereby irrevocably agree that all such matters may be heard and determined in such court;
- expressly submit to the jurisdiction in personam of such court and waive any objection to venue in such court with respect to any suit, action or proceeding arising out of or relating to this service provider agreement; and
- irrevocably appoint _____, with an office at _____ (address), as our agent to receive on our behalf service of copies of the summons, complaint and any other process which may be served in any suit, action or proceeding referred to above.

The undersigned is signing this service provider agreement on behalf of the Service Provider identified in section 2.

The signer of this service provider agreement must appear as an authorized individual on the Service Provider's OAL currently on file with the Federal Reserve Banks.

| | | | |
|--|---------------------|--------------|--------------------|
| Authorized Signer Name* | <i>First</i> | <i>MI</i> | <i>Last</i> |
| Authorized Signer Title* | | | |
| Authorized Signer E-mail Address* | | | |
| Authorized Signer Phone Number* | <i>Country Code</i> | <i>Phone</i> | <i>Extension</i> |
| Authorized Signature* | | | <i>Date Signed</i> |

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Last updated: March 8, 2021

APPENDIX D: FEDPAYMENTS® MANAGER FOR THE FEDWIRE® FUNDS SERVICE

This appendix sets forth the terms under which a Reserve Bank provides the FedPayments® Manager service. A Funds Participant that uses FedPayments Manager is bound by this appendix.

1.0 GENERAL

- 1.1** FedPayments Manager is an application owned and operated by the Reserve Banks and running on Reserve Bank servers that a Funds Participant may use as described in this appendix. An FPM Customer has only those rights to use FedPayments Manager expressly provided in this appendix.
- 1.2** An FPM Customer that accesses the Fedwire Funds Service through the FedLine Advantage® access solution may use FedPayments Manager to create, send, or receive Messages and to enable certain processing and e-mail notification options. An FPM Customer that sends Messages to the Fedwire Funds Service Offline or through the FedLine Direct® access solution may use FedPayments Manager to extend certain processing and e-mail notification options enabled in FedPayments Manager to Messages sent using those channels.
- 1.3** A sender may use FedPayments Manager to format Messages, including payment orders, to be submitted to the Fedwire Funds Service, to receive Messages, and to enable certain processing and e-mail notification options. A sender that uses FedPayments Manager for any of these purposes is bound by this appendix.
- 1.4** A receiving bank or beneficiary may use FedPayments Manager to receive Messages, including payment orders, sent to it over the Fedwire Funds Service. A receiving bank or beneficiary that uses FedPayments Manager to receive Messages is bound by this appendix.
- 1.5** Each FPM Customer shall assign a sufficient number of staff with the appropriate access roles to perform FedPayments Manager's various functions. Each FPM Customer shall have such staff available during FedPayments Manager's operating hours. The Reserve Banks are not liable if an FPM Customer cannot release a Message to the Fedwire Funds Service because it does not have such staff available.
- 1.6** In no event shall an FPM Customer or its officers, employees, agents, or contractors:
 - 1.6.1** modify, add to, translate, reverse assemble, reverse compile, decompile, or otherwise attempt to derive the source code for FedPayments Manager;
 - 1.6.2** introduce malicious code or other information (e.g., virus, Trojan horse, worm) that could adversely impact the performance of FedPayments Manager; or
 - 1.6.3** attempt to interfere with the normal operation of a Reserve Bank server or of the network over which FedPayments Manager is provided.

- 1.7 FedPayments Manager is not a funds-transfer system, and this appendix is not a funds-transfer system rule.

2.0 DEFINITIONS

- 2.1 Unless otherwise stated in this appendix, a term defined in Regulation J, including a term defined in Article 4A of the Uniform Commercial Code to the extent consistent with Regulation J, or in the body of this Operating Circular 6 has the same meaning in this appendix.

- 2.2 For purposes of this appendix:

- 2.2.1 “FPM Customer” means a Funds Participant that uses FedPayments Manager, regardless of whether it uses FedPayments Manager to create, send, or receive Messages or to enable certain processing or e-mail notification options, or both.
- 2.2.2 “FedLine Direct Customer” means an FPM Customer that has established an Electronic Connection with a Reserve Bank using the FedLine Direct access solution.
- 2.2.3 “Service Unit” means a feature in FedPayments Manager that an FPM Customer may use to segregate Messages and to segregate subscribers that can perform certain functions in FedPayments Manager.

3.0 MESSAGE STATUS

- 3.1 A Message entered into FedPayments Manager may be canceled by the FPM Customer at any time prior to the release of the Message to the Fedwire Funds Service.
- 3.2 Messages entered into FedPayments Manager before the opening of the Fedwire Funds Service are released by FedPayments Manager to the Fedwire Funds Service for processing beginning at the times shown in the Funds Schedule. Notwithstanding the times shown in the Funds Schedule, an extension of the Fedwire Funds Service operating hours may affect the times that Messages are released by FedPayments Manager to the Fedwire Funds Service.
- 3.3 A Message entered into FedPayments Manager does not give rise to any obligation on the part of a Reserve Bank to act with respect to the Message unless and until the Message is received by the Fedwire Funds Service.
- 3.4 A Message is received by the Fedwire Funds Service when the Fedwire Funds Service time-stamps the Message. Once received by the Fedwire Funds Service, Regulation J and this Operating Circular 6 govern the processing of the Message by the Reserve Banks. The Fedwire Funds Service time-stamp determines whether a particular Cutoff Time for the Fedwire Funds Service has been met.
- 3.5 A Message that has been released by FedPayments Manager to the Fedwire Funds Service will not necessarily be accepted by the Fedwire Funds Service.

4.0 DELIVERY OF MESSAGES

- 4.1** By using FedPayments Manager an FPM Customer that is not a FedLine Direct Customer designates FedPayments Manager as the proper place for the Fedwire Funds Service to deliver Messages and notices. An FPM Customer that is a FedLine Direct Customer may designate FedPayments Manager as the proper place for the Fedwire Funds Service to deliver Messages and notices by instructing the FedLine Direct Customer's Appropriate Reserve Bank in writing. Any such designation by a FedLine Direct Customer is effective only after the Appropriate Reserve Bank has processed the request.
- 4.2** If an FPM Customer designates FedPayments Manager as the proper place for the Fedwire Funds Service to deliver Messages and notices, the FPM Customer receives a Message or notice sent by a Reserve Bank as follows: (i) if FedPayments Manager is available, at the time that the Message or notice is made available to the FPM Customer in FedPayments Manager; or (ii) if FedPayments Manager is not available, at the time that FedPayments Manager reopens with the posted Message or notice. In each case, under Regulation J, a Reserve Bank accepts a Message that is a payment order no later than the time at which it delivers a related Advice of Credit to FedPayments Manager.
- 4.3** An FPM Customer shall monitor FedPayments Manager for incoming Messages and notices and shall manage its communications connection (including its browser) to permit it to access FedPayments Manager throughout the Reserve Banks' funds-transfer business day.

5.0 SERVICE UNITS

- 5.1** An FPM Customer may establish one or more Service Units in FedPayments Manager to accommodate the FPM Customer's specific informational needs. The use of multiple Service Units is for the convenience of the FPM Customer only. Except as described in sections 6.0 and 7.0 with respect to the available processing and e-mail notification options, use of multiple Service Units does not create any special obligations on the part of a Reserve Bank with respect to Messages released by the FPM Customer using the various Service Units.
- 5.2** An FPM Customer may assign one or more subscribers to a Service Unit to perform the functions permissible within the Service Unit.
- 5.3** Any name used by an FPM Customer or a Reserve Bank to identify a Service Unit is for convenience only and does not in any way alter or affect the Reserve Bank's right to treat the FPM Customer as exclusively entitled to instruct the Reserve Banks, and identify agents that may instruct the Reserve Banks, on the FPM Customer's behalf, with respect to the FPM Customer's Master Account.

6.0 PROCESSING OPTIONS

- 6.1** FedPayments Manager offers each FPM Customer a variety of processing options to help it manage how it creates, updates, and verifies Messages in FedPayments Manager. An FPM Customer may enable and modify these processing options within one or more Service Units, and if enabled, each will apply to Messages created, modified, or verified through the Service Unit within which the processing option is enabled.

- 6.2** FedPayments Manager also offers each FPM Customer the capability to enable certain processing options for Messages the FPM Customer sends Offline or through the FedLine Direct access solution by extending the processing options enabled within a Service Unit by the FPM Customer as described in section 6.1. An FPM Customer may only extend those processing options through a single Service Unit; if it does so, those processing options will apply to all Messages sent to the Fedwire Funds Service by the FPM Customer Offline or through the FedLine Direct access solution.
- 6.2.1** If FedPayments Manager is unavailable, processing options enabled by an FPM Customer in accordance with section 6.2 will continue to apply to Messages the FPM Customer sends Offline or through the FedLine Direct access solution. The Reserve Banks may reject Messages that violate a processing option enabled by an FPM Customer even if the FPM Customer desires but is unable to modify its processing options because FedPayments Manager is unavailable.
- 6.3** Each FPM Customer is solely responsible for choosing the options that are best suited, in its judgment, to its funds-transfer business and risk tolerance. For certain processing options, the Reserve Banks may establish default settings. Each FPM Customer shall review and determine whether the default settings are appropriate and shall modify them if they are not. The Reserve Banks may require an FPM Customer to perform testing before making certain options available.
- 6.4** Use of certain processing options may preclude an FPM Customer's ability to release Messages from FedPayments Manager to the Fedwire Funds Service. The Reserve Banks have no liability if an FPM Customer is unable to release a Message to the Fedwire Funds Service for processing because of the processing option settings in FedPayments Manager, whether selected by the FPM Customer or left unchanged from the default settings established by the Reserve Banks.
- 6.5** Subject to certain restrictions (such as when the Reserve Banks impose testing requirements before certain options become available or such as the restrictions described in section 10.0), FPM Customers may change their processing options at any time when FedPayments Manager is available. Changes to processing options will take effect immediately.
- 6.6** Consistent with section 1.5, each FPM Customer must have staff with the appropriate access roles available to enable or modify the FPM Customer's processing options. The Reserve Banks are not liable if an FPM Customer cannot enable or modify its processing options because the FPM Customer does not have such staff available.
- 6.7** The Reserve Banks anticipate that each FPM Customer will need to change its processing options from time to time based on its funds-transfer business and risk tolerance. The Reserve Banks assume no responsibility for monitoring how an FPM Customer uses (or fails to use) the processing options that are available to it in FedPayments Manager or for monitoring how an FPM Customer modifies its processing options.

- 6.8** The Reserve Banks may provide warnings in FedPayments Manager if an FPM Customer has not enabled certain processing options. These warnings are provided solely as a convenience for FPM Customers. The Reserve Banks are not liable for the absence of warnings for other processing options.

7.0 E-MAIL NOTIFICATION OPTIONS

- 7.1** FedPayments Manager offers each FPM Customer e-mail notification options designed to generate e-mail notices about certain Messages released to the Fedwire Funds Service using FedPayments Manager and about changes to certain processing and e-mail notification options. An FPM Customer may enable and modify these e-mail notification options within one or more Service Units, and if enabled, each e-mail notification will apply to (i) Messages released through the Service Unit in which the e-mail notification option is enabled and (ii) the options enabled or modified in the Service Unit in which the e-mail notification option is enabled.
- 7.2** FedPayments Manager also offers each FPM Customer the capability to enable certain e-mail notification options Messages sent by the FPM Customer Offline or through the FedLine Direct access solution by extending certain e-mail notification options enabled within a Service Unit by the FPM Customer as described in section 7.1. An FPM Customer may only extend those e-mail notification options through a single Service Unit; if it does so, those e-mail notification options will apply to all Messages sent to the Fedwire Funds Service by the FPM Customer Offline or through the FedLine Direct access solution.
- 7.3** The e-mail notices described in this section 7.0 may relate to Messages successfully processed by the Fedwire Funds Service or those rejected by the Fedwire Funds Service because the Messages violated a processing option enabled by the FPM Customer. Such e-mail notices are not Messages, and an FPM Customer may not rely on e-mail notices generated by FedPayments Manager to determine whether a Reserve Bank accepted a Message released to the Fedwire Funds Service.
- 7.4** FedPayments Manager allows FPM Customers to provide up to five e-mail addresses for each e-mail notification option. If an FPM Customer enables an e-mail notification option, the Reserve Banks will make best efforts, but are under no obligation, to send to those addresses an e-mail notification.

8.0 TREATMENT OF INFORMATION

- 8.1** Information created or received in FedPayments Manager is treated as confidential information of the FPM Customer and will be used by the Reserve Banks only as provided in section 8.2 of this appendix.
- 8.2** The Reserve Banks may access and use information in FedPayments Manager:
- 8.2.1** To respond to a request of the FPM Customer that entered the information into FedPayments Manager;
 - 8.2.2** To perform routine backup and maintenance of FedPayments Manager;

- 8.2.3** For reconciliation purposes during a Fedwire Funds Service or FedPayments Manager contingency;
 - 8.2.4** To resolve the status of a Message that has been released to the Fedwire Funds Service but, after a reasonable period, has not been accepted or rejected by the Fedwire Funds Service;
 - 8.2.5** To analyze how FPM Customers are using various features of FedPayments Manager (such information not including the content of Messages in FedPayments Manager);
 - 8.2.6** As required by law; or
 - 8.2.7** As permitted by law if such use is also consistent with the Reserve Banks' information access policy.
- 8.3** An FPM Customer may view in FedPayments Manager and print a Message or notice created or received by the FPM Customer in FedPayments Manager only during the current cycle date and the preceding 15 months. Certain audit trail information is also available for viewing and printing in FedPayments Manager for this period. Except as provided in section 8.6, all information in FedPayments Manager is deleted if it is more than 15 months old.
- 8.4** FedPayments Manager offers FPM Customers the ability to export certain Messages. Not all Messages can be exported.
- 8.5** Any information in FedPayments Manager that is backed up by the Reserve Banks is also subject to the limitations in section 8.2 of this appendix.
- 8.6** Messages that have been created in FedPayments Manager but have not yet been released to the Fedwire Funds Service are stored indefinitely in FedPayments Manager. The Reserve Banks reserve the right to delete such Messages from time to time. In general, they will exercise that right when they are implementing changes to the FedPayments Manager application.

9.0 HOURS OF OPERATION

- 9.1** The Reserve Banks publish on the FRBservices.org® website the hours during which FedPayments Manager is available. The Reserve Banks may make FedPayments Manager available outside the hours of the Reserve Banks' funds-transfer business day, during which time FedPayments Manager may have limited functionality. The Reserve Banks may amend the hours of availability for FedPayments Manager from time to time.
- 9.2** The Reserve Banks may open or close FedPayments Manager earlier or later than the times stated in the hours of availability for FedPayments Manager published on the FRBservices.org website to facilitate special market needs.
- 9.3** If there is an extension of the Fedwire Funds Service operating hours, the hours of availability for FedPayments Manager may also be extended. The reopening of FedPayments Manager may also be affected if there is an extension of the Fedwire Funds Service's operating hours.

10.0 TERMINATION AND ACCESS RESTRICTIONS

- 10.1** A Reserve Bank may terminate or restrict access to FedPayments Manager by an FPM Customer or its Service Provider at any time without notice if the Reserve Bank has reason to believe that such access does not comply with any agreement with a Reserve Bank, including this appendix, or that such access otherwise poses a risk to a Reserve Bank, any other FPM Customer, or the security or proper functioning of FedPayments Manager or the Fedwire Funds Service.
- 10.2** Actions by a Reserve Bank to restrict access to FedPayments Manager may include, among others, restricting access to send or receive Messages using the service, restricting access by one or more individuals authorized to use the service on a FPM Customer's behalf, and imposing, modifying, or restricting modifications to one or more of the processing options described in this appendix.
- 10.3** A Reserve Bank may otherwise terminate or restrict access to FedPayments Manager at any time upon notice to an FPM Customer or its Service Provider. A Reserve Bank taking an action under this section 10.3 is not obliged to but will endeavor to give such a notice five days in advance of terminating or restricting the FPM Customer's or a Service Provider's access to the service.

11.0 LIABILITY

- 11.1** The Reserve Banks are not liable for loss or damage resulting from a problem beyond their reasonable control. This includes, but is not limited to, loss or damage resulting from any delay, error, or omission in the transmission of any information between the FPM Customer and FedPayments Manager and loss or damage resulting from the acts or omissions of internet service providers. The Reserve Banks are also not liable for loss or damage resulting from acts of war, riots, civil unrest, strikes, labor disputes, acts of terrorism, acts of God, or acts of nature.
- 11.2** In addition to the exclusions of their liability elsewhere in this appendix, the Reserve Banks are not liable for any loss or damage resulting from FedPayments Manager being unavailable.
- 11.3** Nothing in this appendix relieves a Reserve Bank from responsibility for its own failure to exercise ordinary care or to act in good faith in operating FedPayments Manager. A Reserve Bank's liability under this appendix is strictly limited to damages proximately suffered by an FPM Customer and does not extend to lost profits, claims by third parties, or consequential or incidental damages even if the Reserve Bank had been informed of the possibility of such damages.

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