

## Revisions to Appendix D to Operating Circular 7, Fedwire® Securities Service

Effective January 30, 2023, the Federal Reserve Banks are amending Appendix D of Operating Circular 7, *Fedwire® Securities Service*, to reflect new business and operational enhancements to the Automated Claim Adjustment Process (ACAP).<sup>1</sup> All revisions necessary to support each implementation phase of the new ACAP enhancements are included in the new version of the appendix. Book-entry security types and tracking services available at any time during the implementation will be separately announced by the Reserve Banks. (See changes to appendix D preamble.) As reflected in the redlined version, the Federal Reserve Banks are making the following key changes to appendix D, as well as other technical changes:

- Introduction of a new section providing terms governing securities lending tracking, an additional transaction claim type effective in phase 2 of the ACAP enhancements. (See section 1 definitions and new section 4.) New section 4 is substantially similar to the terms governing repo tracking in section 3.
- Described the historical Beneficiary Dates eligible for fail transaction claims for amortizing and non-amortizing book-entry securities. (section 2.2.2)
- Clarified (i) that fail transactions and related claim adjustments cannot be reversed by receivers of the securities transfer (section 2.2.5) and (ii) the process for unwinding the effect of fail tracking, repo tracking and securities lending tracking. (sections 2.2.5, 3.1.4, and 4.1.4)
- Made changes throughout appendix D to reflect the move from aggregate settlement of ACAP claims through the National Settlement Service to gross settlement of claims by new Fedwire Securities Service messages. (See, for example, the definition of “settlement account” in section 1.0, changes in sections 2.2.4, 3.3.3, 4.3.3, and 5.2.4, and new section 6.1, as well as deleted definitions in section 1, and deleted sections 2.2.5, 3.3.4, 4.2.4, and 6.0).
- Added a new section 6.2 detailing circumstances and terms related to delay of claim settlement, and claim adjustments that the Reserve Banks will not settle using ACAP and for which the participants are responsible for making such adjustments. (section 6.2)
- Provided clarity with regards to information included in ACAP notifications (section 7.1.1) and described a new unsettled claims report. (section 7.1.2).
- Clarified designation of a correspondent for ACAP and added a participant warranty to the Reserve Banks regarding the correspondent’s authorization and agreement to settle ACAP claims in its Master Account on behalf of the participant. (section 8.0)
- Revised the indemnification to remove an exclusion. (section 9.2.1)

Your continued use of the Fedwire Securities Service on or after January 30, 2023, constitutes agreement to the new terms of the operating circular.

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