

## Revisions to Operating Circular 5

### Summary of Key Changes

Effective February 1, 2023, the Federal Reserve Banks are amending Operating Circular 5, Electronic Access, specifically Appendix A entitled “Information Security Program.” These revisions are intended to reflect the inclusion of the FedNow<sup>SM</sup> Service as a funds transfer service that requires the execution of a security procedure agreement.

The following excerpt from Appendix A contains all of the substantive amendments occurring with this updated version of Operating Circular 5 (underlined text is an insertion, stricken text is a deletion):

#### 2.3 Security Procedures for Credit Transfers

- (a) In addition to the provisions set forth in section 2.1 above, with respect to funds transfers governed by Regulation J of the Board of Governors of the Federal Reserve System or Article 4A of the Uniform Commercial Code:

Before issuing a payment order to or receiving a payment order from a Reserve Bank, a sender or receiving bank, or its Service Provider, must execute a security procedure agreement with the Reserve Bank holding its Master Account in the form ~~attached as~~ prescribed by the Reserve Bank. See, for example, Appendix A-1 to Operating Circular 6 if the payment order is a Fedwire<sup>®</sup> funds transfer; Appendix A-1 to Operating Circular 4 if the payment order is an ACH credit item; and Appendix A to Operating Circular 8 if the payment order is a FedNow<sup>SM</sup> Service transfer.

In addition, before sending a National Settlement Service settlement file to a Reserve Bank, a Settlement Agent must execute a security procedure agreement with...

A comparison document reflecting the updated version to the prior version of Operating Circular 5 (dated June 30, 2021) will remain available on FRBservices.org<sup>®</sup> during the transition window. The definitive text of revised Operating Circular 5 is also posted on FRBservices.org.

Your continued use of Federal Reserve Bank services on or after February 1, 2023 constitutes agreement to the new terms of the operating circular.