



## Federal Reserve Banks

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Boston	Richmond	Minneapolis
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September 14, 2016

Clearing Memo #265

TO: All Fedwire<sup>®</sup> Securities Service Participants

SUBJECT: Securities Strip and Reconstitution Requests Using the Securities Transfer Reversal Type Code 2002 will be rejected

Effective at the opening of business for Monday, October 31, 2016, securities transfer requests to strip or reconstitute Fedwire securities that use the Securities Transfer Reversal Type Code 2002 will no longer be accepted by the Fedwire Securities Service.<sup>1</sup> On or after that date, all Type Code 2002 messages that are directed to the FRB NYC/STRIP or FRB NYC/PEND RECON securities accounts will be rejected immediately back to the Fedwire sender with the following new error code and error message: "E731 – INVLD CONV SUBTYPE". Only strip or reconstitution requests sent using the Securities Transfer Type Code 2000 will be accepted for further processing.

The service change will be enabled in the Depository Institution Testing (DIT) environment on Tuesday, October 4, 2016. Fedwire Securities Service participants that use strip or reconstitution services are encouraged to sign up for testing to ensure that this change does not affect your operations. To sign up for testing, please follow the instructions available at [FRBservices.org](https://www.frbfinancialservices.org/operations/fedwiretesting/fedwire_testing.html) under *Fedwire Services Testing Opportunities, Schedule a Test* ([https://www.frbfinancialservices.org/operations/fedwiretesting/fedwire\\_testing.html](https://www.frbfinancialservices.org/operations/fedwiretesting/fedwire_testing.html)).

Questions regarding this clearing memo should be directed to the Federal Reserve Bank of New York at 800-390-2788.

This clearing memo, like all clearing memos, is an announcement of enhancements or other changes to the Fedwire Securities Service and is intended to convey technical or operational information only. The legal terms governing the maintenance and transfer of Fedwire securities are set forth in the Federal Reserve Banks' Operating Circular 7, *Book-Entry Securities Account Maintenance and Transfer Services*, available at [FRBservices.org](https://www.frbfinancialservices.org).

All Fedwire Securities Service clearing memos can be found at the following address: [www.frbfinancialservices.org/operations/fedwire/clearing\\_memos.html](https://www.frbfinancialservices.org/operations/fedwire/clearing_memos.html).

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<sup>1</sup> As a technical matter, the Fedwire Securities Service currently accepts securities strip and reconstitution requests that use either Type Code 2000 or 2002.