



Fedwire[®] Funds Service & CHIPS[®] Extended Remittance Information Remittance Coalition Vendor Forum August 13, 2013

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Background for Wire Transfer Format Changes



- In November 2011, message format changes were implemented to the Fedwire[®] Funds Service and CHIPS[®] to support Extended Remittance Information (ERI).

- These changes were made at the urging of the corporate community.
 - Collaborative effort between Federal Reserve Banks (Fed), The Clearing House (TCH) and Association for Financial Professionals (AFP)
 - To improve straight through processing of wire transfers to accounts receivable
 - To enhance the clarity of human readable wire transfer details

ERI Options

1. Unstructured

- Block of data in free text or formatted according to another standard (e.g., EDI, ISO 20022), but not edited by Fedwire or CHIPS.
- **This is the only option currently being used.**

2. Related

- Used to identify a reference number and the location of remittance information if exchanged outside of the wire payment.

3. Structured

- Specific "tags" edited by Fedwire and CHIPS to carry invoice details.

ERI Options

(Can only use one option per wire)



Remittance Option	Fedwire	CHIPS
<p>Unstructured 8,994 char block to carry free text or other formats; not edited by Fedwire or CHIPS</p>	<p>{8200} Unstructured Addenda Information Codes: ANSI, GXML, IXML, NARR, S820, SWIF, UEDI</p>	<p>[820] Additional Payment Data Codes: 02, 05, 04, 99, 06, 03, 01 Note: Code 09 is for up to 35 char for a proprietary code. Fedwire supports this in element 02 of tag {3610}.</p>
<p>Related To indicate a reference to ERI when sent to beneficiary outside of wire payment</p>	<p>{8250} Related Remittance Information Code: RRMT</p>	<p>[825] Code: 07</p>
<p>Structured 9,000 char for ERI in pre-defined fields edited by Fedwire and CHIPS</p>	<p>Code: RMTS {8300} Remittance Originator {8350} Remittance Beneficiary {8400} Primary Remittance Document Info {8450} Actual Amount Paid {8500} Gross Amt of Remittance Document {8550} Amount of Negotiated Discount {8600} Adjustment Information {8650} Date of Remittance Document {8700} Secondary Remittance Document Info {8750} Remittance Free Text</p>	<p>Code: 08 [830] [835] [840] [845] [850] [855] [860] [865] [870] [875]</p>



ERI Adoption Statistics

Average Daily Volume	Fedwire	CHIPS
# of Banks Sending ERI	15	5
# of ERI Messages	70	70
Type of ERI	All contain free text (NARR option)	Majority use Proprietary Code (09 option) Use of free text has diminished...currently only a few per day (99 option)

- No use to date of the “Related” or “Structured” options for either Fedwire or CHIPS.
- Anecdotal evidence suggests that receiving banks are not delivering ERI to downstream intermediary banks and the beneficiary.

ERI Survey

- August 2012 survey administered to 1,754 Fedwire & all 50 CHIPS participants to assess awareness of and adoption plans for ERI & to identify perceived benefits and barriers to adoption.
 - Key Themes
 - Much opportunity remains to grow the state of bank readiness to support ERI.
 - Banks *perceive* insufficient customer demand (even among the few banks that have asked their customers), **BUT most banks have not even asked.**
- June 2012 Remittance Coalition survey of over 600 corporates found that more than half of all corporations remain unaware of ERI.
 - Suggests there remains significant opportunity for education.

ERI Adoption Efforts



- ERI Pilots
 - Fed working with banks that have made changes to support ERI to broker a pilot between two large banks and their corporate clients.

- 2013 AFP Electronic Payments Survey
 - Survey will include questions to assess corporate demand for ERI, especially given that corporates may have to make changes/upgrade systems to support ERI and/or pay additional fees.
 - Survey to be distributed in September with results published in November (after AFP conference).

ERI Adoption Efforts

- ERI Educational Information for Corporates
 - Fed and TCH worked with Remittance Coalition to create document to:
 - Describe three ERI options available in Fedwire & CHIPS
 - Define benefits of ERI
 - Suggest steps for how corporates should work with their banks, vendors and trading partners if they are interested in ERI
 - Suggest additional internal steps corporates should consider if interested in ERI
 - Document will be posted on Remittance Coalition website.
 - <http://www.minneapolisfed.org/about/whatwedo/remittancecoalition.cfm?>
 - Fed, TCH and AFP websites will link to this website.