

FedNowSM Service Operating Circular 8 Overview

November 7, 2022

Agenda

- Welcome and opening remarks
- Overview of FedNow Service payment flow
- Overview of customer documentation
- Legal framework
- Important definitions
- Scope of service
- Fraud
- Next steps
- Q&A



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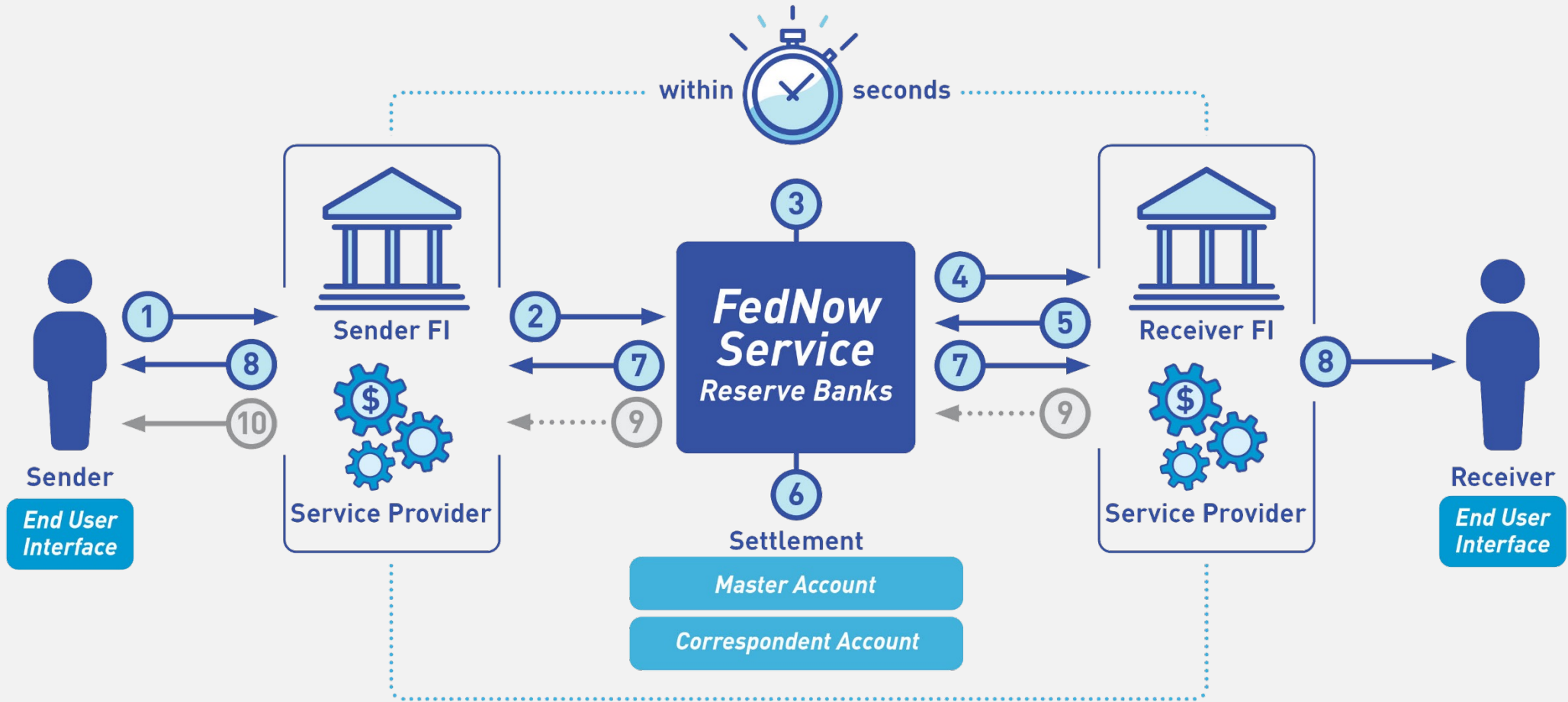


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FedNow Service payment flow



Overview of customer documentation

Operating Circular 8 and other applicable Circulars
Available on [FRBservices.org](https://www.frb.org/services/oc8)

Provide terms and conditions for the FedNow Service and other related services.

FedNow Service Operating Procedures
Available on [FRBservices.org](https://www.frb.org/services/fednow)

Details about the FedNow Service, including expectations, requirements and guidance to be followed by FedNow participants.

Service Readiness Guide
Available on [FedNowExplorer.org](https://www.fednowexplorer.org)

A self-directed, online guide that supports participants on their journeys to implement the FedNow Service, initially, and in the future.

FedNow Service ISO[®] 2022 Implementation Guide
Available on [MyStandards[®]](https://www.iso.org)

ISO 2022 message implementation guidelines for the FedNow Service, including the FedNow Service ISO 2022 Implementation Guide and ISO 2022 Message Flows.

What is an Operating Circular?

The screenshot shows the top navigation bar of the Federal Reserve website. The logo "THE FEDERAL RESERVE" and "FRBservices.org" are on the left. A search bar with the text "Begin your search..." and a magnifying glass icon is on the right. Below the search bar are buttons for "APPLICATION SIGN IN", "SERVICE STATUS", and "CONTACT". The main navigation menu includes "FINANCIAL SERVICES", "CENTRAL BANK", "TREASURY SERVICES", "FEDLINE SOLUTIONS", "FORMS", "RESOURCES", "EDUCATION", "NEWS", and "ABOUT". The "RESOURCES" menu is expanded, showing a list of items: "CENTRAL BANK", "COVID-19", "E-PAYMENTS ROUTING DIRECTORY", "FEDLINE SOLUTIONS", "FEES", "FINANCIAL SERVICES", "INDUSTRY LINKS", "RESOURCE CENTERS", "RULES & REGULATIONS", "SERVICE & ACCESS SETUP", and "TREASURY SERVICES". The "RULES & REGULATIONS" item is highlighted, and a sub-menu is shown with "RULES AND REGULATIONS RESOURCES HOME" and "OPERATING CIRCULARS REGULATIONS". The "OPERATING CIRCULARS REGULATIONS" item is also highlighted. A banner on the left side of the page reads "Visualize FedACH® payment trends with the new FedPayments® Insights Service" and includes a "LEARN MORE" button.

Visit our [Rules & Regulations](#) page to learn more!

Legal framework



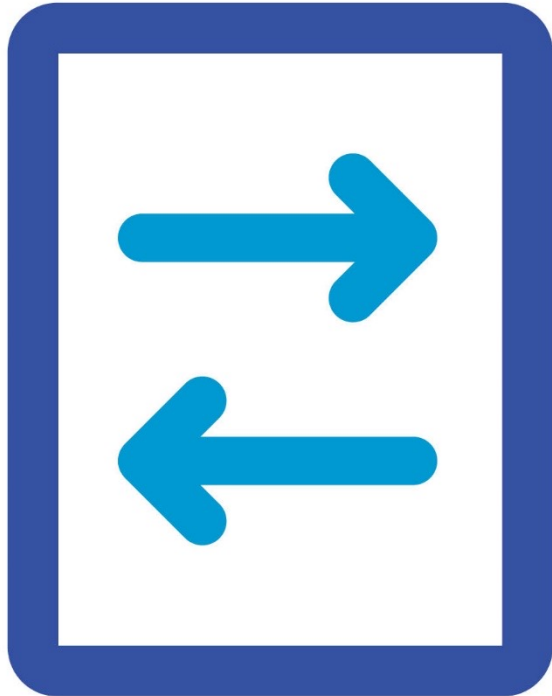
- Regulation J and funds availability
- Operating Circular 8
- Other Operating Circulars

Important definitions



- FedNow Participant (2.16)
- Correspondent (2.11)
- Service Provider (2.38; Appendix B)
- Instant Payment Message (2.23)
- Liquidity Management Transfer (LMT) and LMT Payment Message (2.25, 2.26)
- Nonvalue Message (2.29)
- FedNow Service Funds Transfer Business Day (2.19) and Standard Business Day (2.40)

Scope of service



- Eligibility (5.1)
- Domestic Transfers (9.1)

Fraud



- Appendix C, D
- Fraud reporting
- Negative list

What's next?



1. Work with your Account Executive
2. Onboarding
3. Operating Circular 8 – Appendix A & B



Questions?



Thank you!

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This presentation contains certain legal topics relevant to Operating Circular 8 entitled Funds Transfers through the FedNow Service (OC 8). None of the content may be construed as legal advice. Participants should consult their legal counsel about matters covered during the presentation.