

Revisions to Operating Circular 5

Summary of Key Changes

Effective October 28, 2024, the Federal Reserve Banks are amending Operating Circular 5, Electronic Access. These revisions are intended to (a) update and modernize various provisions, (b) add a new Appendix C entitled “API Service” which sets forth the terms applicable to access and use APIs that are made available by the Reserve Banks, and (c) add a new Appendix D entitled “Exception Resolution Service” which sets forth the terms under which the Reserve Banks provide the Exception Resolution Service.

Updating Various Provisions

Most updates are self-explanatory and can be identified in the comparison document that indicates changes made from the prior version of Operating Circular 5 (dated May 1, 2024).

A provision was added to the end of Section 1.4 to further address circumstances associated with cyber events and security incidents occurring at Institutions, and a Reserve Bank’s right to notify authorities as needed to manage any crises or otherwise protect the industry against contagion among financial institutions. Similarly, Section 1.6 was updated to expressly state that a Reserve Bank may share data and information between and among an Institution and a Service Provider designated by the Institution to act on the Institution’s behalf.

In an effort to reflect modern technology arrangements, Section 4.4 was amended to allow a network communication device (e.g., a VPN or WAN) to be located off-premises provided certain conditions are met. Section 7.1 was updated for clarity, and to add an express provision addressing dormancy and extended inactivity of an Access Control Feature.

Appendix C – API Service

Utilization of an application program interface (API) to obtain information and services from the Reserve Banks is a new feature. The terms to access and use APIs, as and when they become available over time, will be primarily governed by the terms set forth in Appendix C.

Appendix D – Exception Resolution Service

Currently, the Exception Resolution Service (ERS) is offered as an ancillary service to the FedACH® Services, and the terms applicable to ERS are included in Appendix H to Operating Circular 4, *Automated Clearing House Items*. The Reserve Banks may make ERS available as an ancillary service to other Federal Reserve payment services beyond FedACH. As a result, the Reserve Banks removed the existing ERS appendix from Operating Circular 4 and added as a new Appendix D to Operating Circular 5, terms that govern the provision of ERS as an ancillary service for any Federal Reserve payment service

The definitive text of revised Operating Circulars 4 and 5 is posted on the FRBservices.org® website. A comparison document reflecting updates to the prior versions of Operating Circular 4 (effective January 2, 2024) and Operating Circular 5 (effective May 1, 2024) will also be posted on FRBservices.org and remain available during the transition window.

Your continued use of Federal Reserve Bank services on or after October 28, 2024 constitutes agreement to the new terms of the operating circulars.