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September 4, 2018

Submitted via <http://www.regulations.gov>

Ms. Ann E. Misback
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

Re: Docket Number: OP-1613
New Message Format for the Fedwire® Funds Service

Dear Ms. Misback:

The Independent Community Bankers of America (“ICBA”)¹ is pleased to submit comments regarding the Federal Reserve Board’s (“Board”) request for comment on a proposal to adopt the Independent Standards Organization (“ISO”) 20022 message format for the Fedwire® Funds Service (“Fedwire”). ISO 20022 is an internationally recognized and utilized standard that would replace Fedwire’s current, proprietary message format.

ICBA agrees with the Board’s proposal to move from a proprietary standard to ISO 20022, which is consistent with the Federal Reserve System’s goal, articulated through its Payments System Improvement Project, to create efficiencies in payments, both domestically and globally, by migrating to a common standard. Migrating to a common global standard will eliminate translation to proprietary standards, which is currently performed by banks, and their third-party service providers.

Additionally, migrating to ISO 20022 will provide payment information in a more structured format to be included in payment messages than current proprietary formats. This will allow

¹ The Independent Community Bankers of America®, the nation’s voice for nearly 5,700 community banks of all sizes and charter types, is dedicated exclusively to representing the interests of the community banking industry and its membership through effective advocacy, best-in-class education, and high-quality products and services. With nearly 52,000 locations nationwide, community banks employ 760,000 Americans and hold \$4.9 trillion in assets, \$3.9 trillion in deposits, and \$3.3 trillion in loans to consumers, small businesses, and the agricultural community. For more information, visit ICBA’s website at www.icba.org.

identification of an initiating party and more intermediary banks, contact information for various persons identified in the payment, more structured address information and more remittance information. Such additional information and structure will be useful for both business and compliance purposes.

ICBA generally supports the Board's proposal to adopt ISO 20022 in three phases.

- Phase 1, a preparation stage, targeted for November 2020, in which certain updates would be made to the Fedwire proprietary format to support an easier transition to ISO 20022.
- Phase 2, targeted for August 2023, would be a "like-for-like" implementation of ISO 20022 in which messages have elements and character lengths that are comparable to the current Fedwire proprietary messages (as updated in Phase 1).
- The Board currently plans to move to Phase 3 in November 2023 at which time Fedwire participants would be able, but not required, to send fully-enhanced ISO 20022 messages.

ICBA urges the Board to strongly consider the readiness of core processors, intermediary banks and other service providers that community banks rely on for payments processing when finalizing the timing and procedures related to these three phases.

ICBA appreciates the opportunity to comment on this proposal. Please do not hesitate to contact me at cary.whaley@icba.org or 202.659.8111 with any questions regarding our comments.

Sincerely,

/s/

Cary Whaley
First Vice President, Payments and Technology Policy