



ASSOCIATION FOR
FINANCIAL
PROFESSIONALS

July 11, 2019

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

Re: Docket No. OP-1664, Potential Modifications to the Federal Reserve Banks' National Settlement Service and Fedwire Funds Service to Support Enhancements to the Same-Day ACH Service

Dear Secretary Ann E. Misback:

The Association for Financial Professionals (AFP) appreciates the opportunity to respond to the request for comment issued by the Board of Governors of the Federal Reserve System regarding the potential modifications to the Federal Reserve Banks' National Settlement Service and Fedwire Funds Service to support enhancements to the Same-Day ACH Service (the "Request").

AFP is a professional society with 16,000 members and is committed to advancing the success of treasury and finance professionals and their organizations. AFP established and administers the Certified Treasury Professional (CTP) and Certified Corporate FP&A Professional credentials, which set standards of excellence in treasury and finance. Each year, AFP hosts the largest networking conference worldwide for over 7,000 financial professionals.

AFP actively supports the on-going enhancements of the U.S. payments systems by advocating for increased security and efficiency of payments transactions, as well as lower cost to the corporate end-user. In particular, AFP has been an active member of the Faster Payments Task Force (FPTF) and is a Founding Member of the Faster Payments Council (FPC), where our CEO Jim Kaitz is also a board member.

AFP strongly supports this Request, as it represents a critical step in advancing faster payments in the U.S. by being a prerequisite of facilitating a third window for Same-Day ACH transactions. Corporate end-users need to have access to a variety of efficient payment options available to them to address payment needs in varying circumstances. A third Same-Day ACH window represents such an option, as it increases the flexibility for corporate end-users to utilize Same-Day ACH payments, particularly in the Pacific and Mountain time zones where the current windows are of limited use due to the time difference. There are a number of use cases for which a later settlement window for Same-Day ACH transactions and Fedwire can be a valuable option for corporate end-users, including:

- Last minute bill payments
- Emergency payments such as emergency payroll
- Making AP payments on the last day of discount availability
- Paying temporary consultants and gig workers
- Fostering same day settlement of merchant acquiring proceeds
- Enabling the West Coast to conduct business in a longer window (AFP has nearly 1,700 members in these states)
- Longer settlement hours in terms of Delivery vs. Payment for securities, Share Buy Backs, 401k trade settlement, foreign exchange Wire Settlement, cash management and working capital efficiencies.

In addition, the proposed extension of the Fedwire Funds Service operating hours provides additional flexibility to corporate end-users' ability to reposition balances and manage liquidity.

Optimizing the applicability of Same-Day ACH for corporate end-users by extending settlement hours is a simple yet highly beneficial means to improve corporate treasury and payment operations.

AFP Members hope for a quick resolution of this matter by the Federal Reserve so that business end-users can begin to realize the benefits noted above.

Thank you for the opportunity to comment on this Request.

Sincerely,



Magnus Carlsson
Manager, Treasury & Payments
Association for Financial Professionals