

# FEDERAL RESERVE SYSTEM

**Docket No. OP-1257**

## **Consultation Paper on Intraday Liquidity Management and Payment System Risk Policy**

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Notice; extension of comment period.

**SUMMARY:** On June 21, 2006, the Board of Governors of the Federal Reserve System (“Board”) published for public comment the *Consultation paper on intraday liquidity management and payment system risk policy*. The Board is extending the comment period for the consultation paper by 90 days.

**DATES:** Comments must be received on or before March 15, 2007.

**ADDRESSES:** You may submit comments, identified by Docket No. OP-1257, by any of the following methods:

- Agency Web Site: <http://www.federalreserve.gov>. Follow the instructions for submitting comments at <http://www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm>.
- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- E-mail: [regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov). Include the docket number in the subject line of the message.
- FAX: 202/452-3819 or 202/452-3102.
- Mail: Jennifer J. Johnson, Secretary, Board of Governors of the Federal Reserve System, 20<sup>th</sup> Street and Constitution Avenue, N.W., Washington, DC 20551.

All public comments are available from the Board’s web site at [www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm](http://www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm) as submitted, unless modified for technical reasons. Accordingly, your comments will not be edited to remove any identifying or contact information. Public comments may also be viewed electronically or in paper in Room MP-500 of the Board’s Martin Building (20th and C Streets, N.W.) between 9:00 a.m. and 5:00 p.m. on weekdays.

**FOR FURTHER INFORMATION CONTACT:** Jeffrey Marquardt, Deputy Director (202-452-2360), Lisa Hoskins, Assistant Director (202-452-3437), or Susan Foley, Manager (202-452-3596), Division of Reserve Bank Operations and Payment Systems, Board of Governors of the Federal Reserve System; for users of Telecommunications Device for the Deaf (“TDD”) only, contact (202) 263-4869.

### **SUPPLEMENTARY INFORMATION:**

On June 21, 2006, the Board published for public comment the *Consultation paper on intraday liquidity management and payment system risk policy* (71 FR 35679). The consultation paper sought information from financial institutions and other interested parties on their experience in

managing intraday liquidity, credit, and operational risks related to Fedwire funds transfers, especially late-day transfers. The paper also requested views on potential changes in market practices, operations, and the Board's Payments System Risk policy that could reduce one or more of these risks. The consultation paper stated that comments must be submitted on or before December 15, 2006.

The Board received a letter from an industry group, whose members include a number of large U.S. depository institutions and foreign banking organizations, requesting, on behalf of that group and its members, an extension of the comment period. Based on interactions the Board has had with this group, its members, and other interested parties, the Board believes that an extension would enable these organizations to investigate further the drivers of their liquidity management practices and late-day Fedwire funds transfers. The extension will also allow a range of organizations more time to provide a thorough response to the consultation paper. Consequently, the Board has decided to extend the comment period on the consultation paper by 90 days. The comment period will now end March 15, 2007.

By order of the Board of Governors of the Federal Reserve System, acting through the Secretary of the Board under delegated authority, November 21, 2006.

Jennifer J. Johnson (signed)

Jennifer J. Johnson,  
Secretary of the Board.