Announcement

May 28, 2009

**TMPG and SIFMA Finalize Closing Time Practice Recommendations for Delivering Fedwire-Eligible Securities**

The Treasury Market Practices Group (TMPG) and the Securities Industry and Financial Markets Association (SIFMA) today finalized their closing time practice recommendation for delivering Fedwire-eligible securities. The TMPG and SIFMA recommend that market participants adopt these updated closing time practices, effective July 1, 2009.¹

The TMPG and SIFMA recommend that, in general, market participants observe 3:00 p.m. EST ² as the deadline for origination of deliveries of Fedwire-eligible securities. At the same time, the TMPG and SIFMA recognize that some market participants may find it beneficial to negotiate, bilaterally with some of their counterparties, alternative closing time arrangements as to settlements between themselves and those counterparties.³ Use of alternate closing time arrangements by those with sophisticated inventory control systems are expected to benefit the market as a whole by reducing aggregate settlement fails.

The TMPG and SIFMA will hold a Lunch and Learn event on Tuesday, June 9, 2009, from 11:30 a.m. to 1:30 p.m., at SIFMA's downtown New York City offices located at 120 Broadway, 2nd Floor. The purpose of this event is to describe the closing time practice recommendations and to illustrate the application of these recommendations with hypothetical examples developed by industry practitioners. Speakers will include TMPG representatives, and professionals affiliated with dealers, asset managers, hedge funds and custodians. More details concerning the agenda for this event will be available shortly. In the meantime, interested persons may arrange to attend this event by contacting Laura Crispo of the SIFMA staff at 212-313-1167 or lcrispo@sifma.org. The registration fee for this event, which includes a box lunch and hand-out materials, is $90 per attendee. Those outside of NYC, please ask about conference call participation.

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¹ Readers are reminded that the proposed recommendation published on April 28, 2009 had an effective date of June 1, 2009, while the final recommendation has an effective date of July 1, 2009. The one-month postponement is intended to give custodians time to effect necessary system modifications.

² All times referred to in this recommendation are premised on a 3:30 p.m. Fedwire Securities Service close. In the event of an extension, all referenced times within this recommendation would adjust accordingly, relative to the actual Fedwire Securities Service close on a given day.

³ Any alternative closing time arrangement would remain subject to prevailing Fedwire closing times.
Please refer to the document titled “Recommended Closing Time Practices for Delivering Fedwire-Eligible Securities” for additional details on the closing time practice recommendation. Market participants are invited to submit any feedback or questions related to this practice guidance via e-mail to: tmpg@ny.frb.org.

4 The updated closing time practice recommendations can be found at www.newyorkfed.org/tmpg