

How to Send an International Wire via the Fedwire® Funds Service

This document is intended to serve as a quick reference guide for steps senders and receivers may take to route international wire transfers through the Fedwire Funds Service.

The Federal Reserve Banks frequently receive requests from Fedwire participants for the Fedwire Funds Service to offer international funds transfers. These requests appear to arise, in part, from the misperception that the Fedwire Funds Service cannot be used to send/receive wire transfer messages to/from parties located outside of the U.S. While it is true that funds transfers denominated in foreign currencies must be processed through an international correspondent bank, a sender can route the U.S. leg of an international transfer denominated in U.S. dollars through the Fedwire Funds Service.

For instance, if a Fedwire Funds Service participant knows the proper routing information for all the banking parties in a wire transfer payment chain, then it can route a transfer through the Fedwire Funds Service to **send** a U.S. dollar Fedwire funds transfer message to a party outside of the U.S. Likewise, if a foreign sender knows the proper routing information for a Fedwire Funds Service participant (i.e., routing number or SWIFT Bank Identifier Code (BIC), if applicable), then the Fedwire Funds Service participant can **receive** U.S. dollar wire transfer payments originated outside the U.S. over Fedwire.¹

Routing Information Needed for an International Payment

Comprehensive routing information includes the following information for each party in the funds transfer message.

- **ID Code & Identifier of the Financial Institution** – The identifier can be up to 34 characters for one of the following ID codes:
 - ❖ B – SWIFT Bank Identifier Code (BIC)
 - ❖ C – CHIPS Participant Number
 - ❖ D – DDA Account Number
 - ❖ F – Fed Routing Number
 - ❖ U – CHIPS Identifier
- **Name of the Financial Institution** (up to 35 characters)
- **Address of the Financial Institution** (up to 3 lines of 35 characters each)

Ways to Obtain Routing Information

1. From a customer (Originator)

Fedwire participants often obtain the routing path and routing information for all the banking parties in the wire transfer payment chain from their customers (originators). Customers of a Fedwire participant will likely have some information on hand, and can ask their foreign trading partners (beneficiaries) to provide:

- The Demand Deposit Account (DDA) number, name and address of the beneficiary (this should be easy for an originator to obtain from a beneficiary);
- The identifier (i.e., SWIFT BIC, non-SWIFT BIC or DDA number), name and address of the beneficiary's bank (an originator should also be able to obtain this information from a beneficiary); and,
- The identifier (i.e., the routing transit number) of the beneficiary bank's U.S. correspondent bank (this is sometimes a challenge for the originator, but there are other resources available to help locate this information).

2. Other Resources

If a customer (originator) is unable to obtain proper routing information for all the parties in the wire transfer from their trading partner (beneficiary), a Fedwire participant may be able to:

- Identify a beneficiary bank's U.S. dollar correspondent(s) by going to the beneficiary bank's website and looking up their routing instructions for U.S. dollar payments. Over time, Fedwire participants can build internal directories of the routing paths for the trading partners with whom customers routinely do business.

Note: Typically, a beneficiary's bank will use a U.S. dollar correspondent bank to receive U.S. dollar payments and that bank would be the Fedwire receiver (i.e., the party entered in the Fedwire Receiver field of the Fedwire funds transfer message). However, if the beneficiary's bank has a U.S. office that acts as a U.S. dollar correspondent bank, the Fedwire receiver would be the the beneficiary's bank U.S. office.

¹In a SWIFT message, foreign senders can identify institutions that do not have a SWIFT BIC by including the institution's routing number in **SWIFT field 57a Account with Institution** using the option "D" format as follows – :57D://FWnnnnnnnn (where "FW" represents the Fedwire Funds Service and "n" represents the Fedwire participant's nine-digit routing number). As an alternative to providing a routing number, institution's can apply for a "non-SWIFT" BIC and instruct senders to use that number in the SWIFT message.

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- Although there is nothing in the Fedwire Funds Service message format that clearly specifies that a transaction is an international transaction, Fedwire participants can use the FedTransaction Analyzer® tool to locate Fedwire Funds messages sent over the past 18 months that contain beneficiaries located outside the U.S. To determine if a beneficiary is located outside of the U.S. you would need to review the address fields in Fedwire tag {4200} Beneficiary. You could then determine the routing path to the beneficiary by looking at the parties located in Fedwire tags {4100} Beneficiary's Bank and {4000} Intermediary Institution, if applicable.

Likewise, you can review your incoming wire transfers to determine if any were sent to your customers from originators outside the U.S. To determine if an originator is located outside the U.S., you would need to review the address fields in Fedwire tag {5000} Originator. You could then determine the routing path to the originator by looking at the parties located in Fedwire tags {5100} Originator's Bank and {5200} Instructing FI, if applicable.

- Finally, you may choose to purchase commercial directories/lists from vendors who maintain financial institution and routing information.

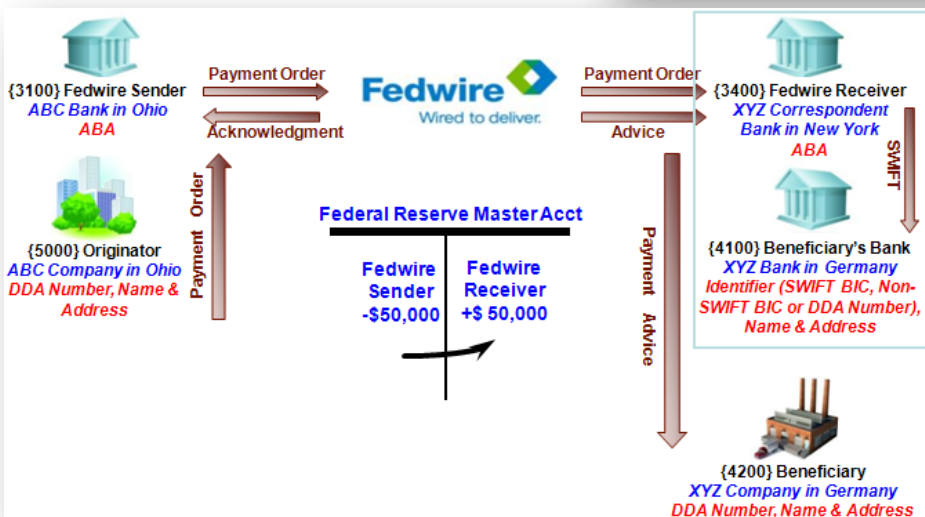
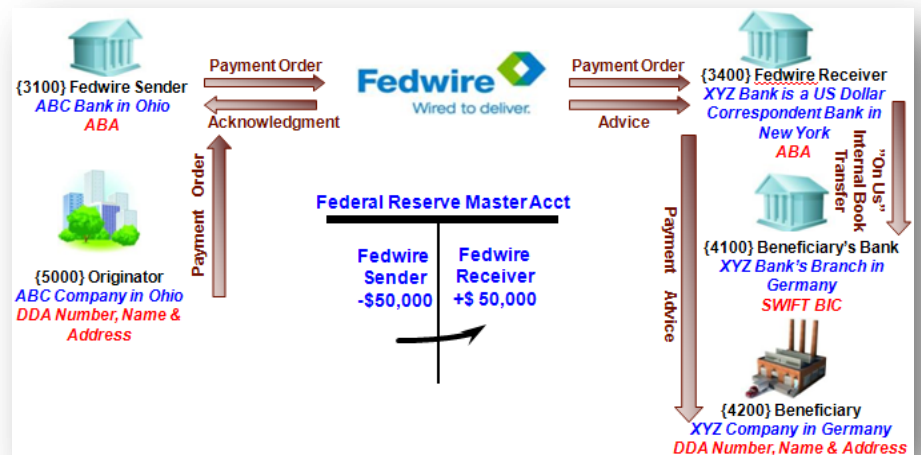
Examples

Originator: ABC Co (auto dealership in Ohio) **Beneficiary's Bank:** XYZ Bank in Germany
Originator's Bank: ABC Bank (in U.S.) **Beneficiary:** XYZ Co (auto parts supplier in Germany)

ABC Bank's customer, ABC Co, needs to send \$50,000 to XYZ Co. At a minimum, ABC Bank should be able to obtain the routing information for XYZ Co. The scenarios below provide examples of how ABC Bank could route a transfer through the Fedwire Funds Service to a beneficiary located outside the U.S. In each scenario, the diagram details the specific field tags and data elements (in red) in the Fedwire message where ABC Bank would include the routing information for each party in the wire transfer.

Scenario A: Beneficiary's Bank has a U.S. office with access to Fedwire

If ABC Bank knows that the beneficiary's bank (XYZ Bank in Germany) has a U.S. office with access to Fedwire (i.e., XYZ Bank has a U.S. branch or agency that is a Fedwire participant), ABC Bank can send the Fedwire funds transfer message to XYZ Bank's U.S. branch or agency, which will credit XYZ Bank in Germany (e.g., by book transfer) for further credit to the beneficiary, XYZ Company.



Scenario B: Beneficiary's Bank has a U.S. correspondent who is a Fedwire participant

A beneficiary's bank abroad will often use a U.S. correspondent bank to receive U.S. dollar payments. There are several ways ABC Bank can find the identity of the beneficiary bank's U.S. dollar correspondent (see above Ways to Obtain Routing Information).

Typically, banks outside of the U.S. communicate with their correspondent banks via the Society for Worldwide Interbank Financial Telecommunication



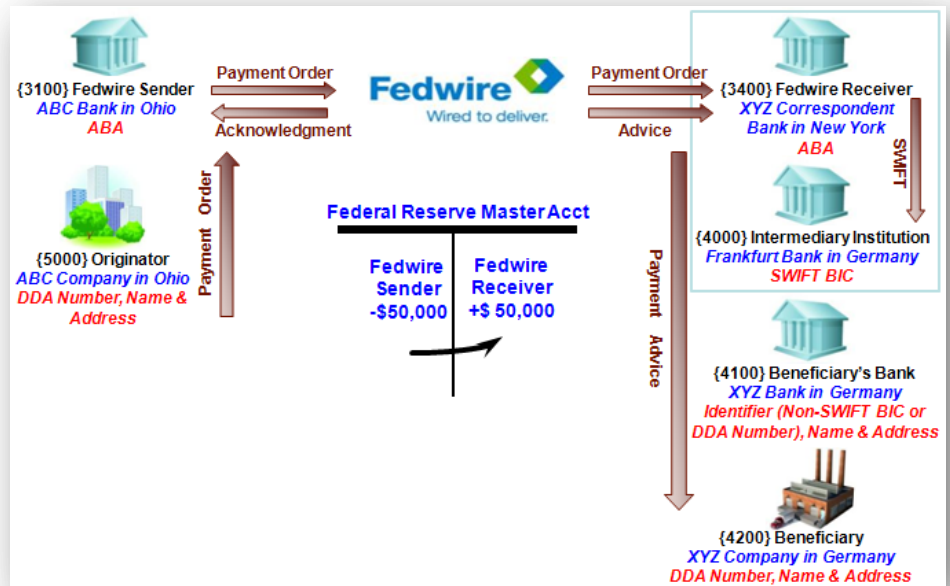
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(SWIFT) network. The BIC is a unique identifier for each bank on SWIFT's network, and therefore, the BIC alone is sufficient to identify the financial institution. The Fedwire Funds Service does not validate the accuracy of the SWIFT BIC, but will validate it for proper structure.

Banks that are not members of the SWIFT network can apply for a [non-SWIFT BIC](#) and instruct senders to use the non-SWIFT BIC number as a way to identify the institution. If a bank does not have a SWIFT BIC or a non-SWIFT BIC, it could be identified by the bank's DDA number at its U.S. dollar correspondent bank.

Scenario C: Beneficiary's Bank does not have a U.S. correspondent who is a Fedwire participant, and therefore, an Intermediary Bank is required

XYZ Co's bank is a small community bank in Germany and does not have a U.S. correspondent who is a Fedwire participant. Instead, they use Frankfurt Bank in Germany for all of their wire transfers. Frankfurt Bank in Germany is not a Fedwire participant, but uses XYZ Correspondent Bank in New York, a Fedwire participant, as its correspondent bank to receive U.S. dollar payments.



For More Information

If international payments are a growing component of doing business for your customer base, visit the new [International Payments Resource Center](#) where you will find processing basics, tools, resources, industry rules, articles and information about international payments subject to section 1073 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. For more information, contact your [account executive](#) or the [Wholesale Operations Site](#).

Fedwire participants should discuss with legal counsel the implications of routing funds transfers through specific intermediaries or funds-transfer systems. Under Article 4A of the Uniform Commercial Code, the rights and obligations of the parties to a funds transfer are affected if a sender instructs a receiving bank to use a particular intermediary bank or funds-transfer system.

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