

Summary of Changes to the CHIPS Rules and Administrative Procedures

Effective March 21, 2022 the CHIPS Rules and Administrative Procedures are revised to support use of the National Settlement Service (NSS) for CHIPS funding and payout under certain contingency circumstances in which the Fedwire Funds Service is unavailable.

Rule 12(a)(2)(D)

This new subsection provides that in the event the contingency NSS arrangement is invoked, a Funding Participant that provides funding for a Non-funding Participant will also serve as Settler for the Non-funding Participant under Operating Circular 12 with respect to the NSS files that TCH submits to carry out CHIPS funding and payout. Alternatively, a Non-funding Participant may choose to fund for itself in the event the contingency NSS arrangement is invoked by becoming a party to the CHIPS Prefunded Balance Account Agreement.

Rule 17

The rule is revised to clarify certain actions TCH's CEO may take pursuant to his or her emergency authority. New subsection (d) specifies that the CEO's emergency authority includes the ability to direct that funding and payout (as applicable to the circumstances of the Fedwire disruption) will be carried out through the contingency NSS arrangement.

New Administrative Procedure 6

This new administrative procedure describes how the contingency NSS arrangement will work.