

INSTITUTIONS	APY	APY	APY	APY	Mutual Funds	APY	APY
Bank of the World					Mutual Funds	3.945	* \$150 monthly maintenance fee
Commercial Paper	Repo	4.390	\$100K-\$1M	5.790	Govt. Money Market	6.180	* Target balance determined by customer
Net Offered					Cash Reserves	6.270	* Yields are monthly averages for Repo & Cash Reserves
	\$100K-\$1M	5.590	\$1M - \$5M	6.090	Treasury	6.100	* Mutual Funds yields are 7 Day Average
	\$1M	5.750	\$5M+		MM Reserves	6.240	
	\$5M+	5.890					

Quarterly Treasury Management Product Bulletin

October 2011 Issue (Analysis of July through September 2011)

New Products / New Campaigns – Major Financial Institutions

Our research team has scoured many of the nation's leading banks to bring you information on any new and innovative products that have been released throughout the months of July through September 2011. We have also provided information on new campaigns that are currently being promoted throughout the country. At the end of the report, there is a section that touches upon the more important press releases and industry news for the quarter.

<u>Contents:</u>	<u>Page</u>
Trend of the Quarter	1
New Products	4
Advertising	13
Promotions	17
Industry News	18
Banking News	21
Executive Changes	26

Trend of the Quarter

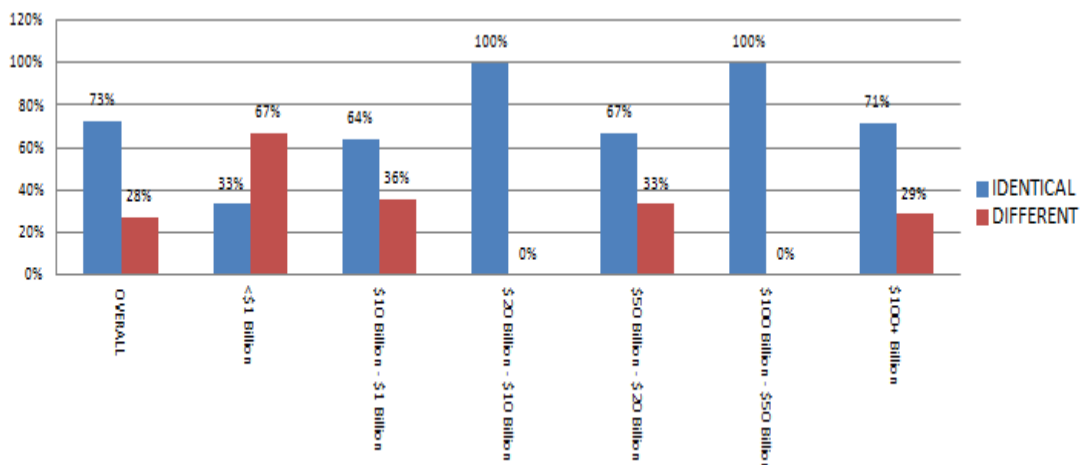
By Zoya Lieberman, CTP and Sarine Topdjian, CTP

Impact of the Repeal of Regulation Q

As of July 21, 2011, with the Repeal of Regulation Q, there have been significant changes that affected checking accounts and services. For the first time since 1933 when the Glass-Steagall Act took effect, financial institutions can pay interest on corporate checking accounts. Many financial institutions have begun offering interest analysis checking accounts for both corporate and small business clients. Financial institutions are not aggressively advertising or promoting these new accounts right now due to multiple factors, including current economic environment and infrastructure costs.

The four main areas that were affected by the Repeal of Regulation Q include:

- Hybrid Commercial Checking Accounts
- Commercial Interest Checking Accounts
- FDIC Assessment Fees
- Treasury Management Services



Source: Informa Research Services 2011 Impact of Regulation Q Study

The chart above reveals data in relation to changes in the Cash Management pricing structure. The question asked was, "If the financial institution anticipated offering an interest-bearing checking product for commercial customers, would the Cash Management fee structure be identical to or different from commercial checking accounts with earnings credit?"

The chart indicates that a majority of respondents would keep their cash management fees the same as their standard analyzed product. As mentioned above, the new hybrid interest account fees will have a similar structure to the existing analyzed account. This same methodology will also carry over to cash management fees. The complexity for financial institutions to create separate pricing for an analyzed account versus an interest bearing account will weigh too heavily and needlessly. Financial institutions are basing service charges on the total client relationship instead of individual accounts.

Due to the current rate environment, the ECR and interest rates being offered by financial institutions are the most competitive area for potential growth. The difference between the ECR and interest rate are set internally by the bank. The investment sweep option still is a valuable service and will continue to be offered. The issue comes down to a matter of how sales representatives introduce the new checking account services to existing and prospective clients to understand the benefit of having an analyzed account with full FDIC coverage or the tax implications of earning interest.

Either way, it is about what is best for that particular client and making as many options available as possible. Most financial institutions have prepared to take action regarding change in the industry due to the Repeal of Regulation Q. Other financial institutions are still waiting for their competitors to make the first move and will soon follow suit.

NEW AND INNOVATIVE PRODUCTS

BANK OF AMERICA

Bank of America Expands CashPro Online

September 2011 – Bank of America Merrill Lynch has enhanced their CashPro Online Banking treasury management portal by adding the CashPro Invest module for liquidity management and investment order capability. Corporate and commercial clients can utilize CashPro Invest to enter orders and obtain information and reporting for U.S. dollar denominated money market mutual funds and other short-term investment products. Clients also have access to extensive research available on money market mutual funds.

CashPro Invest replaces two existing online investment products, Connection and MoneyMarkets Express. The new solution which took two and half years to develop is fully integrated within CashPro Online portal providing clients a single sign on for investments and information reporting. With the expansion of CashPro Invest clients can now access certificates of deposits, repurchase agreements, and federal funds among other money market funds.

[Click here for more information about CashPro Invest](#)

CashPro Connect is Bank of America's file-based global solution that facilitates host-to-host exchange of information, and SWIFT Corporate Access capabilities which encompasses payment origination and reporting reconciliation. CashPro Connect recently expanded its electronic bank account management (eBAM) service to corporate and commercial clients in the United States and Europe after a yearlong pilot of the service. eBAM is an integrated global application that helps automate and standardize the opening, closing, and maintenance of bank accounts, treasury services, and bank records of legal entities. It will facilitate e-signature technology with reporting capabilities for an audit trail of account management activities.

In a related announcement, Microsoft Corp. said it had completed a collaborative effort with Bank of America Merrill Lynch and Citibank to become the first corporate treasury to implement ISO 20022 extensible Markup Language (XML) standard, version two, for cash management financial messaging.

[Click here for more information about CashPro Connect](#)

Informa Analyst's Observations: Bank of America's CashPro Online has made three new enhancements this quarter including the addition of CashPro Invest for liquidity management, CashPro Connect with eBAM technology, and CashPro Mobile for treasury management clients.

CashPro Invest now allows users to purchase liquidity options with set controls. Alerts and blocks can be placed to permit users to complete transactions to stay

Bank of America Merrill Lynch has made three new enhancements to CashPro Online.

ETFs					Mutual Funds	3,040	* \$150 n
of the World					Municipal Reserves	6,160	* Target
Commercial Paper	Russ	4,390	1100K-51M	5,780	Government Reserves	6,270	* Yields
	<\$100K						

still the implementation cost of building and installing the contactless chip-payment terminals which does not have a wide-acceptance here in the U.S.

CitiDirect Online Banking Enhancements

September 2011 – Citibank’s Global Transaction Services (GTS) has made three additional enhancements to CitiDirect, their online treasury management portal including eBAM technologies, XML statements, and the launch of CitiConnect,

Citibank announced its Treasury and Trade Solutions group has successfully tested the full set of 15 ISO XML eBAM messages. An industry leader in eBAM, Citibank has an advanced web based application which utilizes Digital Signatures to replace ‘wet’ signatures in the account management process. Citibank’s eBAM solution also allows corporations to introduce controls into the process to further reduce risk and errors in account management.

Citibank has three new enhancements to CitiDirect, their online treasury management service.

Working closely with SWIFT and other leading banks, Citibank was instrumental in driving the creation of ISO XML standard messaging for Bank Account Management. This adoption will provide clients, globally, multiple channels to connect to Citibank for management of their accounts with increased efficiency, control and visibility. Citibank’s eBAM now has a global footprint spanning 22 countries and three continents.

SWIFT and Citibank as well as other industry partners also worked together to complete the eBAM Central Utility (eCU) Proof of Concept, a collaborative effort among banks, corporate, and SWIFT to facilitate the acceleration and adoption of eBAM.

[Click here for more information about Citibank's eBAM](#)

Citibank has gone live with eXtensible Markup Language (XML) standard ISO 20022 camt.052 and camt.053 messages for client statements. Microsoft Corp. has implemented this service in its treasury operations.

Having gone live with client statements, Citibank recently worked with Microsoft to successfully implement the standard moving from their UN/EDIFACT FINSTA end-of-day statements to ISO XML end-of-day statements. In addition, Microsoft was also migrated from MT942 intraday statements to ISO XML intraday statements. In total, nearly 700 Microsoft accounts across 80 branches were successfully migrated to these new statement files. With the tag structure of XML Files, Microsoft will now have the ability to capture more information as the industry and Citibank offer additional optional services (AOS) to corporate customers. The AOS offered will allow for Microsoft to improve their straight-through-processing (STP) rates and improve automated reconciliation of statements.

[Click here for more information about Citibank's XML statements](#)

Category	Value	Value	Value	Value	Value
Mutual Funds	3,040	* \$150 n			
Municipal Reserves	6,100	* Target			
Government Reserves	6,273	* Yields			
Commercial Paper	4,300				
Repo	<\$100K				
Euro	\$100K-\$1M				
	5,780				
	5,950				



[Click here for more information](#)

Informa Analyst's Observations: Fifth Third Bank's new Deposit Tracking System (DTS) is now being offered in their national network of more than 100 vaults across 33 states that includes real-time analysis of incoming cash deposits. This new service reduces deposit adjustments, time spent placing currency orders and supplies, ability to research missing deposits, analyze on-time performance, reduce employee theft, and acceptance of counterfeits through end-to-end analysis.

On average the industry standard rate for deposit adjustments is 3.07% and with the DTS System the deposit adjustment average rate decreases to 1.16%. There are over 40 reports that can be produced within the DTS System and easily downloaded to an Excel file. The DTS System can track deposits in five different status categories including: creation, armored carrier received, bank received, bank credited, and bank verified. Email alerts can also be set to track deposit error issues more time-effectively.

Other national financial institutions including Bank of America Merrill Lynch, Wells Fargo Bank, and U.S. Bank also offer the DTS System. Wells Fargo Bank charges \$5.00 per location while U.S. Bank charges \$20.00 a month per location, in addition to the standard cash vault fees. Fifth Third Bank charges their cash vault customers on a range of \$10.00-\$15.00 a month per location for using the DTS System. Union Bank also recently added the DTS System in November 2011 to help their cash vault clients.

Conclusion: The DTS system is an advanced reporting tool for Fifth Third Bank's cash vault customers to track their incoming deposits from multiple retail locations. The service can be added for a minimal cost and can save the business owner additional revenue by preventing deposit adjustments and missing deposits. The online reporting features also provide a greater level of control on stored cash and carrier operations.

ETFs					Mutual Funds	3,040	+ \$150 n
of the World					Municipal Reserves	6,100	+ Target
Commercial Paper	Excess	4,300	1100K-\$1M	5,780	Government Reserves	6,275	+ Yields
	<\$100K			5,910			

U.S BANK

Corporate cards with EMV-chip technology

August 23, 2011 - U.S. Bank, the second-largest corporate travel card issuer in the United States, announced it will begin issuing commercial cards with EMV-chip technology for U.S.-based international corporate travelers. U.S. Bank's international cards will enable users to make card payments via the chip-card readers commonly used overseas or the magnetic stripe readers that still predominate in the United States.

U.S. Bank issues an EMV-chip card for corporate clients.

The new commercial card offering follows on the heels of a June 10 announcement that U.S. Bank had become the first issuer of such "dual interface" chip-technology to the U.S. consumer market with its FlexPerks Travel Rewards Visa card. The addition of commercial cards has been in the planning stages for several months in response to client requests and market research.

U.S. Bank already issues chip-enabled cards to its commercial customers in Canada. In July, the bank began issuing commercial cards with full Chip-and-PIN capability for corporate clients in Europe.

[Click here for more information](#)

Informa Analyst's Observations: U.S. Bank is on the forefront of the technology movement of corporate cards by offering the EMV-chip card. EMV cards use the microchip to authorize the transactions versus a signature. When an EMV card is used the information is encrypted and secured with a specific purchase amount. EMV cards have a "dual interface" with the ability to swipe the card with the magnetic card reader and also with a chip-card reader. These types of cards have been more prevalent in the consumer sector. U.S. Bank was the first financial institution to release an EMV "dual interface" card in the U.S. retail market called the FlexPerks Travel Rewards Visa credit card in June 2011 for international travelers.

EMV cards are slowly moving into the business arena. Both Citibank and U.S. Bank released "smart" cards this quarter for their commercial clients. The difference between the cards is that U.S. Bank uses a signature while Citibank also uses a PIN. U.S. Bank already offers chip-cards to their Canadian clients. Wells Fargo Bank is currently in the testing stages for EMV cards for international consumer travelers. These financial institutions recognize the benefit of for these types of cards for their international clientele.

Conclusion: With the expansion of U.S. Bank's corporate chip-cards and development for contactless card readers in the retail market, more financial institutions will also follow their lead by offering similar solutions to business clients. In addition to the adoption of EMV cards, mobile payments, and Near Field Communications are other new developments in card processing.

ETFs					Mutual Funds	3,040	+ \$150 n
of the World					Municipal Reserves	6,100	* Target
Commercial Paper	Rate	4,300	1100K-\$1M	5,780	Government Reserves	6,275	* Yields
	+ \$100K			5,950			

U.S. Bank Launches SinglePoint Mobile

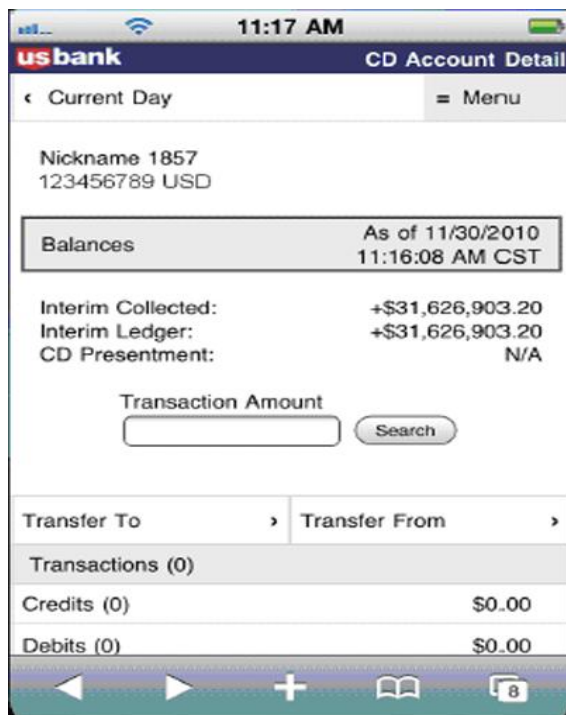
September 12, 2011 - U.S. Bank is offering a new tool for commercial customers that provide secure banking services via their mobile device. U.S. Bank Mobile SinglePoint connects them to their account information wherever they are located. It is an extension of U.S. Bank SinglePoint, the web portal to U.S. Bank's suite of treasury management services, and SinglePoint Essentials, a basic suite of services for small businesses.

U.S. Bank now offers mobile treasury management services.

Corporate clients can view account balances, transfer funds, approve time-sensitive payments, reset a user's password, make positive pay decisions and view check images through their mobile device.

Mobile SinglePoint uses the same security standards and policies as SinglePoint and SinglePoint Essentials. Communications are securely encrypted and banking data and credentials are never stored on business customers' mobile devices. This summer, U.S. Bank piloted Mobile SinglePoint to a select group of customers.

[Click here for more information](#)



Informa Analyst's Observations: Another top five national financial institution has begun offering a mobile treasury management solution. U.S. Bank's Mobile SinglePoint solution provides mobile access to both of their cash management

Millions	Rate	Yield	Millions	Rate	Yield
Commercial Paper	<\$100K	4.300	\$100K-\$1M	5.780	4.950
Mutual Funds			Municipal Reserves		3.040
			Government Reserves		6.100
					6.270
					* \$150 n
					* Target
					* Yields

online portals for commercial and small business clients using SinglePoint and SinglePoint Essentials. The mobile web browser does not require the download of an application. It is compatible with BlackBerry, iPhones, and Android smartphones. U.S. Bank has made the mobile service free until the end of 2011, but they plan on charging a fee beginning 2012 for \$5.00 a month. This is a rare approach, because the same online user entitlements the corporate client pays for on the standard online portal carry over to the mobile application. Most financial institutions do not currently charge for mobile services.

Currently, the mobile browser provides access to view account balances, move money between accounts and loans, approve wire transfers and ACHs, view check images, decision on Positive Pay exceptions with check images, reset passwords, and reactivate/inactivate users. There are additional functionalities that U.S. Bank is in the progress of releasing to their mobile application including: ACH Positive Pay, ACH Origination with the ability to initiate payments, view payment activity, view reports and lockbox totals, and replace token with one-time passwords.

Other financial institutions have also recently released mobile treasury management solutions including Bank of America, Citibank, and most recently J.P. Morgan Chase. Each financial institution has an array of services that benefit the client from providing approval on wire and payment transactions, to viewing suspect fraudulent items and account activity and balances. U.S. Bank's initiative to include ACH payment origination is a unique feature to mobile banking. Other recent developments in mobile banking include Wells Fargo's release of mobile remote deposit capture for commercial clients on CEO Mobile.

Conclusion: U.S. Bank recognizes the importance of allowing corporate clients the access to mobile banking and has plans to initiate ACH transactions in 2012. Security is an important factor with mobile banking and U.S. Bank's Mobile SinglePoint will use one-time passwords to access the service. Financial institutions must take a multi-layer approach to avoid the possibility of mobile fraud by monitoring customer's transaction behavior.

ADVERTISING

ASSOCIATED BANK

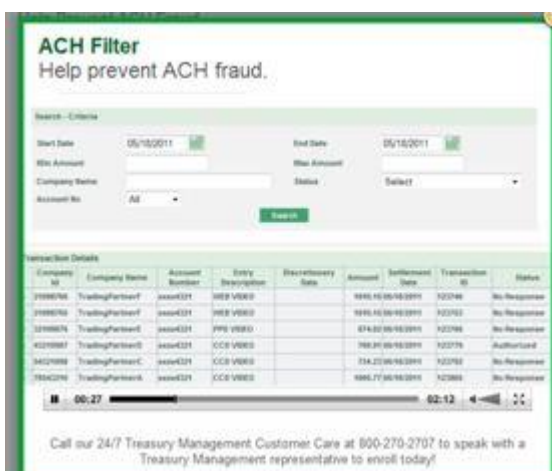
ACH Fraud Filter

Electronic fraud prevention is essential in an era that sees more than 70 billion Automated Clearing House (ACH) transactions initiated each year. ACH fraud has mushroomed—and under National Automated Clearing House Association rules, your business has only 24 hours to return fraudulent business-to-business ACH transactions.

ACH Filter through eManager+ Business Online Banking helps protect funds, allowing only ACH transactions from authorized parties within the dollar limits designated to post to the account.

Here Is How ACH Filter Helps Keep Accounts Safe:

- Lets the client choose to allow or return ACH debits based on defined criteria. The account can also be set up to automatically allow or automatically return all debits.
- Allows easily setting up an approved company list – identifying trading partners authorized to originate ACH transactions within the specified dollar limits. Only transactions that match the criteria post to the account.
- Sends email or text alerts when ACH debits arrive.



[Click here for more information](#)

Informa Analyst's Observations: ACH Filter, ACH Block, and ACH Positive Pay are electronic payment authorization (EPA) services that have been around for a long time to remedy the situation of electronic debit risk. According to the Association of Financial Professionals (AFP), electronic debit risk refers to the risk that unauthorized or fraudulent ACH debits may be posted to an organization's account. In most cases, organizations will place debit blocks or filters on their bank accounts to prevent this from happening. A debit block will stop any ACH debits to the blocked account while a filter will only allow debits from specific bank accounts. Debit filters are often used for tax disbursement accounts, as many tax authorities require that taxpayers allow for direct debits to their accounts.

These services are similar to other fraud prevention tools like account reconciliation and positive pay. Financial institutions have the option of providing ACH debit Block and Filter services through different channels. They can provide

Millions	Rate	Rate	Rate	Mutual Funds	Rate	Rate
of the World					3,040	* \$150 n
Commercial Paper	<\$100K	4.300	\$100K-\$1M	5,780	Municipal Reserves	6,100
				5,950	Government Reserves	6,275
						* Target
						* Yields

it through direct transmission and/or an online business banking web portal. Associated Bank chose to provide theirs through the e-Manager+ Business Online Banking service. Larger financial institutions tend to provide both channel options for ACH Block and Filter services based on the corporate bank customer's preference.

There tends to be no difference in pricing for ACH Block and Filter services regardless of the channel the bank uses to offer them. Associated Bank charges \$10.00 for ACH Block Debit Authorization and \$20.00 for ACH Filter Debit Authorization for monthly maintenance. Bank of America is the most expensive of the "Top 5" competitor financial institutions charging \$30.00 each for monthly maintenance of ACH Block and ACH Filter services. U.S. Bank's monthly fees are \$12.00 for ACH Block and \$17.00 for ACH Filter. Wells Fargo charges monthly \$20.00 each for ACH Filter and ACH Block. Citibank charges monthly \$20.00 for ACH Block and \$5.00 monthly for ACH Filter which makes them the least expensive monthly fee for ACH Filter services.

Conclusion: The increase in volume of ACH transactions for corporate payments naturally increases the potential for ACH fraud. This requires that both financial institutions and corporate customers act more strenuously in watching ACH activity. ACH Debit Block where the service automatically returns all ACH debits and/or credits directed to a particular bank account. ACH Filter services automatically returns ACH transactions that are not on the authorized payment list set by corporate customer's preferences. By offering ACH Fraud Filter, Associated Bank is helping protect businesses from increasing ACH fraud. Overall, the number of checks written in the U.S. has begun to decrease. ACH Filters and ACH Blocks may have more users in the future as electronic payments become more widely used and the frequency of ACH fraud increases. Perhaps we'll see a trend of more ACH Filter and ACH Block being channeled by financial institutions through online web banking portals and less with direct transmission also.

COMERICA BANK

Comerica ACH Positive Pay

Comerica Bank helps protect businesses from unauthorized ACH transactions with ACH Positive Pay. This secure and powerful online tool gives the fraud protection and information management capabilities of a positive pay system to help monitor and control ACH activity.

- Protection over ACH transaction activity before posting to the account
- Monitor debit, credit, or both types of transactions
- Dual control functionality
- System default can be set to accept or reject transactions
- Multiple cut-off times available
- User-assigned access and functionality levels
- Accessed online through Comerica Business Connect portal

- Provides multi-user access from multiple locations
- Offers dual levels of authorization

[Click here for more information](#)

Informa Analyst's Observations: Comerica Bank has a secure online tool to protect unauthorized ACH transactions called ACH Positive Pay. It is a service that helps monitor and control debit, credit, or both types of ACH transactions. It offers dual control functionality, dual levels of authorization, multi-user access from multiple locations, and protection over ACH transactions activity before posting to the account. The ACH Positive Pay service can be accessed through online Comerica Business Connect portal.

The ACH Positive Pay service for Comerica Bank is offered at \$52.00 per month, and \$0.10 per item. Other financial institutions such as Huntington National Bank, US Bank and Wells Fargo Bank also offer the service. Huntington National Bank offers ACH Positive Pay at \$45.00 per month and no additional cost per item. US Bank offers the service at \$15.00 per month per account, and \$0.08 per item. Wells Fargo Bank offers the same service at \$35.00 per month and \$0.07 per item.

Conclusion: The increase in volume of ACH transactions for corporate payments naturally increases the potential for ACH fraud. This reality requires that both financial institutions and corporate customers act more strenuously in monitoring ACH activity. With ACH Positive Pay, every ACH transaction posted to the account is scrutinized to determine whether a transaction warrants further review. By offering ACH Positive Pay, Comerica Bank is helping protect businesses from increasing ACH fraud. Overall, the number of checks written in the U.S. has begun to decrease. ACH Positive Pay will have more users in the future as electronic payments become more widely used and the frequency of ACH fraud increases as well.

MUTUAL FUNDS			MUTUAL FUNDS		
of the World	4.380	5.780	Mutual Funds	3.040	* \$150 n
Commercial Paper	<\$100K	5.950	Municipal Reserves	6.100	* Target
			Government Reserves	6.270	* Yields

PROMOTIONS

J.P. MORGAN CHASE

ADP Payroll Promotion



J.P. Morgan Chase and ADP are offering a \$200 credit for signing up for a new payroll service with ADP, the world's largest provider of payroll solutions. This offer is valid for new clients that sign up for payroll service by December 31, 2011. ADP can help manage payroll and deposit taxes electronically.

- Expert set up from professional payroll specialists
- Prepared employee W2s, delivered ready for distribution and filed on the business's behalf
- Electronic payroll tax filing
- Automatic updates to ever-changing payroll regulations
- Managing payroll remotely anytime using an iPhone, iPad, iPod touch, or Android with RUN Powered by ADP mobile payroll app
- Free Labor Law Poster that helps keep the business compliant – just for meeting with an ADP representative and being a Chase customer

ADP helps reduce risk and costly fines and even pays the resulting penalties if it makes a tax filing error.

[Click here for more information](#)

Category	Value	Value	Value	Value	Value
Mutual Funds	3,040	* \$150 n			
Municipal Reserves	6,100	* Target			
Government Reserves	6,275	* Yields			
Commercial Paper	4,300				
Repo <\$100K	4,300				
Repo \$100K-\$1M	5,780				
Repo >\$1M	3,910				

PNC BANK


PNC's DepositNow

With PNC's DepositNow®¹, deposit checks without making a trip to the bank.

- Enjoy greater convenience²
- Streamline your deposit process
- Save time and energy
- Accelerate your cash flow²

Contact Us ▶

Sign up before December 31, 2011, and get a FREE check scanner!³



PNC is offering a free check scanner until December 31, 2011 for new business customers that sign up for DepositNow, their small business remote deposit solution.

Seamlessly update accounts receivables with DepositNow's popular accounting software packages such as QuickBooks or Peachtree or, run DepositNow without any accounting software and make deposits in up to four different PNC Bank Business Checking accounts.

Account data is encrypted for secure transmission. It helps minimize multiple transmission of a check and safeguard against unbalanced file transmissions. It also provides the user with two levels of security.

PNC also offers a more robust remote deposit solution -- DepositNow Express -- designed for the growing business or larger company. DepositNow Express runs automated-feed scanner technology to effectively process large numbers of check deposits and allows the business to deposit checks into any number of PNC business checking accounts.

[Click here for more information](#)

INDUSTRY NEWS

Treasury Mandates Electronic Invoicing

July 13, 2011 – In support of President Obama's "Campaign to Cut Waste" across the federal government, the U.S. Department of the Treasury announced that it is mandating that all Treasury Bureaus implement the Internet Payment Platform (IPP), an electronic invoice processing solution, by the end of fiscal year 2012. Additionally, in fiscal year 2013, Treasury will require that its commercial vendors submit their invoices using IPP. This initiative will both improve government efficiency and cut costs for taxpayers. Moreover, vendors who use

Assets	Liabilities	Equity	Mutual Funds	Government Reserves	Municipal Reserves
Corporate Bonds	Equity	1,000,000	5,780	3,040	* \$150 n
Government Bonds	Government Reserves	4,380	5,910	6,100	* Target
Municipal Bonds	Municipal Reserves	4,380	5,910	6,270	* Yields

IPP will collect quicker payments for their services, receive greater assurances that their invoices are received and processed accurately, and have immediate online access to their invoice status for all agencies using IPP. Treasury estimates that adopting IPP across the federal government would reduce the cost of entering invoices and responding to invoice inquiries by as much as 50 percent or \$450 million annually. These government-wide savings equal roughly one quarter of the \$2.1 billion of the efficiency savings that the President's 2012 Budget called upon agencies to identify.

IPP is a web-based capability supported by the Treasury Financial Management Service, a Treasury bureau. The solution is available to all agencies and their vendors. In addition to the Treasury Department, current IPP customers include the Department of the Interior, several Treasury Bureaus, the Social Security Administration, and the Forest Service. The Department of Justice, the Executive Office of the President, and the Department of Commerce are currently evaluating the IPP program.

IPP adoption supports one of the Treasury Department's High Priority Performance Goals to promote paperless transactions wherever possible. This goal is supported by a number of initiatives, including the conversion of check payments for Federal benefits to electronic payments, electronic tax forms, and automating the process to purchase securities. These efforts combined with a government-wide IPP implementation, could save almost \$800 million over five years.

[Click here for more information](#)

The Repeal of Regulation Q

July 14, 2011 - The Federal Reserve Board announced the approval of a final rule to repeal its Regulation Q, which prohibits the payment of interest on demand deposits by institutions that are member banks of the Federal Reserve System.

The final rule implements Section 627 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which repeals Section 19(i) of the Federal Reserve Act in its entirety effective July 21, 2011. The repeal of that section of the Federal Reserve Act on that date eliminates the statutory authority under which the Board established Regulation Q.

The rule also repeals the Board's published interpretation of Regulation Q and removes references to Regulation Q found in the Board's other regulations, interpretations, and commentary.

[Click here for more information](#)

ETFs					Mutual Funds	3,940	+ \$150 n
of the World					Municipal Reserves	6,100	+ Target
Commercial Paper	Excess	4,300	1100K-\$1M	5,780	Government Reserves	6,270	+ Yields
	<\$100K			5,910			

FinCEN Issues Prepaid Access Final Rule

July 26, 2011 - The Financial Crimes Enforcement Network (FinCEN) issued its final rule that amends Bank Secrecy Act Regulations – Definitions and Other Regulations Relating to Prepaid Access, amending the money service business (MSB) rules and establishing a more comprehensive regulatory approach for prepaid access. The rule puts in place suspicious activity reporting, and customer and transactional information collection requirements on providers and sellers of certain types of prepaid access similar to other categories of MSBs.

- Renames “stored value” as “prepaid access,” without narrowing or broadening the meaning of the term, but to more aptly describe the underlying activity.
- Adopts a targeted approach to regulating sellers of prepaid access products focusing on the sale of prepaid access products whose inherent features or high dollar amounts pose heightened money laundering risks.
- Exempts from the rule prepaid access products of \$1,000 or less and payroll products if they cannot be used internationally, do not permit transfers among users, and cannot be reloaded from a non-depository source.
- Exempts closed loop prepaid access products sold in amounts of \$2,000 or less.
- Excludes government funded and pre-tax flexible spending for health and dependent care funded prepaid access programs.

A “Provider” of “Prepaid Access” for a prepaid access program can be designated by agreement among the participants in the program or will be determined by their degree of its oversight and control over the program – including organizing, offering, and administering the program. Providers are required to register with FinCEN.

Sellers are retailers of prepaid access devices. While sellers are not required to register with FinCEN (just as no MSB that operates solely as an agent for another MSB is required to register), they must maintain an anti-money laundering program if the prepaid access product offered is covered by the rule and can be used without a later activation process that includes customer identification, or if a retailer sells prepaid access products (regardless of whether offered under a prepaid program) providing a portal to funds that exceed \$10,000 to any person during any one day.

The prepaid access final rule is mandated under the Credit Card Accountability, Responsibility and Disclosure Act of 2009. “Prepaid Access”, under the final rule, covers prepaid devices such as plastic cards, mobile phones, electronic serial numbers, key fobs and/or other mechanisms that provide a portal to funds that have been paid for in advance and are retrievable and transferable.

[Click here for more information](#)

ETFs					Mutual Funds	3,040	+ \$150 m
of the World					Municipal Reserves	6,100	+ Target
Commercial Paper	Excess	4,300	1100K-\$1M	5,780	Government Reserves	6,270	+ Yields
	<\$100K			5,910			

BANKING NEWS

BNY MELLON

August 5, 2011 – According to the Wall Street Journal, BNY Mellon announced that customers that have deposited more than \$50 million into their accounts since the end of July will face an annual fee of at least 0.13% of the excess deposits. The fee would rise if the one-month Treasury yield dips below zero.

[Click here for more information](#)

August 8, 2011 - BNY Mellon has expanded its Treasury Services group's extensive electronic billing and payment processing capabilities to include notifications via SMS text messaging. BNY Mellon Treasury Services is providing SMS text messaging as part of its ClearTran Electronic Payment Acceptance solution. The bill presentment and payment processing solution now provides the ability to send notifications on mobile devices and eventually SMS approvals.

[Click here for more information](#)

CITIZENS BANK

August 4, 2011 - Citizens Financial Group announced the launch of accessCARD Command, a groundbreaking expense-management solution now available for no extra charge to all Citizens Bank and Charter One commercial card customers with annual revenues of less than \$25 million. Leveraging the MasterCard inControl platform, accessCARD Command allows business owners to easily set spending controls on the cards issued to their employees and to receive real-time account information, including purchases made or attempted by their employees.

Citizens Financial Group is the first financial institution in the United States to provide access to this technology to its small business cardholders. It is now available to the bank's Business Banking and Commercial Enterprise Banking customers. Citizen's accessCARD Command business cardholders are able to:

- Set up and manage exactly where, when, how, and for what types of purchases their employees' cards may be used.
- Set up spend limits and budgets for particular types of spending.
- Establish how and when they receive alerts, via text and/or e-mail, to safeguard against overspending and keep them informed in real time about attempted card activity.
- Create limited use, virtual card numbers so that spending controls can be set for individual transactions or recurring use, providing enhanced levels of security and convenience as the business owners real account number is never revealed to the employee or merchant.

[Click here for more information](#)

Assets	Liabilities	Equity	Mutual Funds	3,040	+ \$150 n
Commercial Paper	4,380	1,000,000	Municipal Reserves	6,100	+ Target
Excess			Government Reserves	6,275	+ Yields
+ \$100K					

COMMERCE BANK

September 21, 2011 - First Data Corporation announced that Commerce Bank began offering the First Data TransArmor solution to its business customers. The data security service is the latest innovation added to the bank's enhanced suite of payment products and services available to U.S. merchants.

The cost to attain, maintain and verify Payment Card Industry Data Security Standard (PCI DSS) compliance is skyrocketing. According to the National Retail Federation, its members have collectively spent more than \$1 billion so far on PCI DSS compliance as part of their business operations.

The TransArmor solution fundamentally changes the way merchants protect and manage cardholder data. Leveraging RSA SafeProxy architecture, the TransArmor service safeguards consumer payment card data from the moment it enters the merchant environment and replaces card data with a token number that preserves the value of card data for merchant business operations but removes all value for fraudsters.

[Click here for more information](#)

HSBC

September 21, 2011 - HSBC has launched BUSINESS without BORDERS, a first-of-its-kind knowledge exchange for U.S.-based companies doing business internationally or aspiring to grow internationally. In the weeks and months ahead, *BUSINESS without BORDERS* will tap technology, world-class business content, shared first-hand experiences and face-to-face gatherings to connect, educate and inspire businesses of all sizes to take the necessary steps to expand and prosper in the global marketplace.

With a dedicated editorial staff, *BUSINESS without BORDERS* will offer incisive Web-accessible content, plus exclusive, premium content for those who register as members. To provide a wide range of timely and credible views, the portal will include specialized content from The Economist Intelligence Unit, The Wall Street Journal and Bloomberg Master Class. The portal will also include resources such as video testimonials from businesses that have successfully expanded internationally and access to corporate governance best practices, internationally recognized business customs, and exchange rates.

To learn more about how global trade flows may impact a business or industry, members may use the portal to access a graphical global Trade Connections Tool developed by HSBC to view import and export flows between nearly 50 countries during the past decade. There is even a Global Opportunity Tool accessible through the portal to assist business leaders in identifying the best prospects for international expansion. The Global Opportunity Tool developed exclusively for *BUSINESS without BORDERS* by The Economist Intelligence

RETURN				Mutual Funds			
of the World						3,040	* \$150 n
Commercial Paper	Repo	4,300	Euro	5,780	Municipal Reserves	6,100	* Target
	<\$100K		\$100K-\$1M	5,950	Government Reserves	6,270	* Yields

For any additional information on this report or any banking research needs, please contact Zoya Lieberman at 800-848-0218 ext. 48627

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