

PART 357—REGULATIONS GOVERNING BOOK-ENTRY TREASURY BONDS, NOTES AND BILLS HELD IN TREASURY/RESERVE AUTOMATED DEBT ENTRY SYSTEM (TRADES) AND LEGACY TREASURY DIRECT

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APPENDIX A TO PART 357—DISCUSSION OF FINAL RULE

APPENDIX B TO PART 357—TRADES COMMENTARY

AUTHORITY: 31 U.S.C. chapter 31; 5 U.S.C. 301; 12 U.S.C. 391.

SOURCE: 51 FR 18265, May 16, 1986, unless otherwise noted.

EDITORIAL NOTE: Nomenclature changes to part 357 appear at 70 FR 57431, Sept. 30, 2005.

Subpart A—General Information

§ 357.0 Book-entry systems.

(a) *Treasury securities.* Treasury securities are maintained in one of the following book-entry systems:

(1) *Commercial book-entry system.* The commercial book-entry system is the book-entry system in which Treasury securities are held in a tiered system through securities intermediaries such as financial institutions or brokerage firms. A Treasury security is maintained in the commercial book-entry system if it is credited by a Federal Reserve Bank to a Participant's Securities Account. The regulations governing the commercial book-entry system are found at subpart B of this part, and are referred to as Treasury/Reserve Automated Debt Entry System (TRADES).

(2) *Legacy Treasury Direct®.* The Legacy Treasury Direct system is a non-Internet-based book-entry system maintained by Treasury for purchasing and holding marketable Treasury securities as book-entry products. A Treasury security is maintained in Legacy Treasury Direct if it is credited to a Legacy Treasury Direct account as described in § 357.20 of this part. Treasury securities are held directly by the Department of the Treasury in accounts maintained in the investor's name. A Legacy Treasury Direct account may be accessed through a designated Federal Reserve Bank or the Bureau of the Public Debt. See subpart C of this part for rules pertaining to Legacy Treasury Direct.

(3) *TreasuryDirect*®. TreasuryDirect is a book-entry, online system maintained by the Department of the Treasury for purchasing and holding eligible marketable Treasury securities, United States Savings Bonds, and certificates of indebtedness in electronic form as a computer record on the books of Treasury. The regulations governing TreasuryDirect are found at 31 CFR part 363.

(b) *Transferability between Legacy Treasury Direct and other systems*. A Treasury security maintained in Legacy Treasury Direct may be transferred to an account in TRADES or to an account in TreasuryDirect in accordance with §357.22(a). Securities may not be transferred to Legacy Treasury Direct from other systems.

[67 FR 64278, Oct. 17, 2002, as amended at 70 FR 57431, Sept. 30, 2005; 70 FR 57441, Sept. 30, 2005; 76 FR 18063, Apr. 1, 2011]

§ 357.1 Effective date.

Subpart B of this part, the definitions of *Adverse Claim*, *Book-entry Security*, *Entitlement Holder*, *Federal Reserve Bank Operating Circular*, *Funds Account*, *Issue*, *Participant*, *Participant's Securities Account*, *Person*, *Revised Article 8*, *Securities Intermediary*, *Security Entitlement*, *State*, and *Transfer Message* and revisions to the definitions of *Security* and *TRADES*, and §§357.42 and 357.44 and the revisions to §357.41 are effective January 1, 1997. All other provisions in effect prior to January 1, 1997, remain in effect.

[61 FR 43628, Aug. 23, 1996]

§ 357.2 Definitions.

In this part, unless the context indicates otherwise:

Adverse claim means a claim that a claimant has a property interest in a Security and that it is a violation of the rights of the claimant for another Person to hold, transfer, or deal with the Security.

Bill means an obligation of the United States, with a term of not more than one year, issued at a discount, under chapter 31 of title 31 of the United States Code, in book-entry form.

Bond means an obligation of the United States, with a term of more

than ten years, issued under chapter 31 of title 31 of the United States Code, in book-entry form.

Book-entry security means a Treasury security maintained as a computer record in the commercial book-entry system, Legacy Treasury Direct®, or TreasuryDirect®.

Business day means any day other than a Saturday, Sunday, or other day on which the Federal Reserve Banks are not open for business.

Department means the United States Department of the Treasury, and, where appropriate, the Federal Reserve Banks acting as fiscal agents of the United States.

Depository institution means an entity described in section 19(b)(1)(A)(i)–(vi) of the Federal Reserve Act (12 U.S.C. 461(b)(1)(A)(i)–(vi)). Under section 19(b) of the Federal Reserve Act, the term *depository institution* includes:

(1) Any insured bank as defined in 12 U.S.C. 1813 or any bank which is eligible to make application to become an insured bank under 12 U.S.C. 1815;

(2) Any mutual savings bank as defined in 12 U.S.C. 1813 or any bank which is eligible to make application to become an insured bank under 12 U.S.C. 1815;

(3) Any savings bank as defined in 12 U.S.C. 1813 or any bank which is eligible to make application to become an insured bank under 12 U.S.C. 1815;

(4) Any insured credit union as defined in 12 U.S.C. 1752 or any credit union which is eligible to make application to become an insured credit union under 12 U.S.C. 1781;

(5) Any member as defined in 12 U.S.C. 1422; and

(6) Any savings association (as defined in 12 U.S.C. 1813) which is an insured depository institution, as defined in the Federal Deposit Insurance Act, 12 U.S.C. 1811, et seq., or is eligible to apply to become an insured depository institution under such Act.

Entitlement holder means a Person to whose account an interest in a Book-entry Security is credited on the records of a Securities Intermediary.

Federal Reserve Bank or *Reserve Bank* means a Federal Reserve Bank or Branch.

Federal Reserve Bank Operating Circular means the publication issued by