

program, as well as a certificate of indebtedness in an investor's TreasuryDirect account.

Settlement means final and complete payment for securities awarded in an auction and delivery of those securities.

Settlement amount means the total of the par amount of securities awarded, less any discount amount or plus any premium amount, and plus any accrued interest. For inflation-protected securities, the settlement amount also includes any inflation adjustment when such securities are reopened or when the dated date is different from the issue date.

Single-price auction means an auction in which all successful bidders pay the same price regardless of the yields or rates they each bid.

STRIPS (Separate Trading of Registered Interest and Principal of Securities) means our program under which eligible securities are authorized to be separated into principal and interest components, and transferred separately. These components are maintained and transferred in the commercial book-entry system.

Submitter means a person or entity submitting bids directly to us for its own account, for customer accounts, or both. Only depository institutions and dealers are permitted to submit bids for customer accounts. We permit investment advisers to submit bids on behalf of controlled accounts.

TINT means an interest component from a stripped security.

TreasuryDirect means the book-entry, online system maintained by Treasury for purchasing and holding marketable Treasury securities, nonmarketable savings bonds, and certificates of indebtedness directly with Treasury. (See 31 CFR part 363.)

We (or "us") means the Secretary of the Treasury and his or her delegates, including the Department of the Treasury, Bureau of the Public Debt, and their representatives. The term also includes Federal Reserve Banks acting as fiscal agents of the United States.

Weighted-average means the average of the yields or discount rates at which we award securities to competitive bidders weighted by the par amount of se-

curities allotted at each yield or discount rate.

Yield means the annualized rate of return to maturity on a fixed-principal security. Yield is expressed as a percentage. For an inflation-protected security, yield means the real yield. Yield is also referred to as "yield to maturity." (See appendix B.)

You means a prospective bidder in an auction.

[69 FR 45202, July 28, 2004, as amended at 70 FR 57439, Sept. 30, 2005; 73 FR 14938, Mar. 20, 2008]

§ 356.3 What is the role of the Federal Reserve Banks in this process?

The Treasury Department authorizes Federal Reserve Banks, as fiscal agents of the United States, to perform all activities necessary to carry out the provisions of this part, any auction announcements, and applicable regulations.

§ 356.4 What are the book-entry systems in which auctioned Treasury securities may be issued?

There are three book-entry securities systems—the commercial book-entry system, TreasuryDirect®, and legacy Treasury Direct®—into which we issue marketable Treasury securities. We maintain and transfer securities in these three book-entry systems at their par amount. Par amounts of Treasury inflation-protected securities do not include adjustments for inflation. Securities may be transferred from one system to the other, unless the securities are not eligible to be held in the receiving system. See Department of the Treasury Circular, Public Debt Series No. 2-86, as amended (part 357 of this chapter) and part 363 of this chapter.

(a) *The commercial book-entry system.* When depository institutions or dealers submit bids for Treasury securities in an auction, securities awarded as a result of those bids are generally held in the commercial book-entry system. Specifically, we maintain book-entry accounts in the National Book-Entry System® ("NBES") for Federal Reserve Banks, depository institutions, and other authorized entities, such as government and international agencies