

## Fiscal Service, Treasury

## § 358.1

that such choice of law supersedes any other choice of law agreement previously entered into by Dealer A and Bank A. If Dealer A's jurisdiction has not adopted Revised Article 8, the applicable law would be the law of Dealer A's jurisdiction as it would be amended by Revised Article 8.

[61 FR 43631, Aug. 23, 1996, as amended at 62 FR 43284, Aug. 13, 1997; 63 FR 69191, Dec. 16, 1998]

### PART 358—REGULATIONS GOVERNING BOOK-ENTRY CONVERSION OF BEARER CORPORA AND DETACHED BEARER COUPONS

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AUTHORITY: 12 U.S.C. 391, 31 U.S.C. Ch. 31.

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#### § 358.0 What does this part cover?

(a) This part applies to the conversion to book-entry of United States Treasury bearer corpora and detached bearer coupons.

(b) These instruments are accepted from depository institutions for conversion under the Bearer Corpora Conversion System (BECCS) and Coupons Under Book Entry Safekeeping (CUBES) programs.

(1) For coupons converted after November 1, 2000, these regulations supersede the terms and conditions governing CUBES set forth in the written "Agreements to the Terms and Conditions Governing CUBES" signed by depository institutions that previously participated in the CUBES program.

(2) Depository institutions that submit bearer corpora and detached bearer coupons are deemed to agree to the terms and conditions in this part and any other requirements we may prescribe.

#### § 358.1 What special terms apply to this part?

*Bearer security* means a definitive security payable to the bearer on its face at maturity or when called for redemption before maturity in accordance with its terms. Ownership of a bearer security is not recorded. Title to the security may pass by delivery without endorsement or notice. The only remaining unmatured bearer securities are bearer bonds.

*BECCS* means the Treasury's Bearer Corpora Conversion System.

*BECCS security* means a United States Treasury bearer security converted to book-entry form and held in BECCS.

*Callable* means a United States Treasury security subject to call before maturity.

*Callable Coupons* means the coupons associated with a callable security that

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are due after the date the security is subject to call.

*Conversion*, as used in this part, means a change in the form of a security from definitive form to book-entry form.

*Corpus* (plural corpora) means the principal portion of a United States Treasury bearer security.

*Coupon* means a definitive bearer interest instrument associated with a United States Treasury bearer security.

*CUBES* means the Treasury's Coupon Under Book-Entry Safekeeping program.

*CUBES security* means a definitive coupon detached from a United States Treasury security and held in CUBES.

*Definitive security* means a security held in paper form.

*Depository institution* means:

(1) Any insured bank, mutual savings bank, or savings bank as defined in 12 U.S.C. 1813, or any institution eligible to become an insured bank under 12 U.S.C. 1815;

(2) Any insured credit union as defined in 12 U.S.C. 1752, or any credit union eligible to become an insured credit union under 12 U.S.C. 1781;

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

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

*Non-callable* means a United States Treasury bearer security not subject to call before maturity.

*Non-callable coupons* means coupons associated with a non-callable bearer security or coupons associated with a callable bearer security that are due on or before the date on which the callable bearer security is subject to call.

*Non-transferable* means the ownership of a security held in BECCS or CUBES may not be transferred. See § 358.5.

*Transferable* means the ownership of a security held in BECCS or CUBES may be transferred. See § 358.4 of this part.

*We* (or "us") refers to the Secretary of the Treasury and the Secretary's delegates at the Treasury Department and the Bureau of the Public Debt. The

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term also extends to any fiscal or financial agent we designate to act on behalf of the United States.

### § 358.2 What regulations cover these securities?

BECCS and CUBES securities are deemed to be securities for the purposes of 31 CFR part 357, subparts A, B, and D, and are governed by that part. Notwithstanding the provisions of 31 CFR part 357, certain BECCS and CUBES securities are non-transferable. See § 358.5.

### § 358.3 Are there any bearer corpora or detached bearer coupons that are not eligible for conversion?

Bearer corpora and detached bearer coupons will not be accepted if they are submitted:

(a) Within 30 days of their maturity date; or

(b) If the call provision has been invoked, within 30 days of their call date.

### § 358.4 Which bearer corpora or detached bearer coupons are eligible for conversion to transferable BECCS or CUBES securities?

(a) For a callable corpus to be eligible for conversion to a transferable BECCS security, all associated callable coupons must be submitted with the corpus. These callable coupons will be linked with the corpus within BECCS when converted. Once the coupons are linked to the corpus, they may not be transferred separately.

(b) A corpus that is not subject to call will be converted to a transferable BECCS security.

(c) Non-callable coupons will be converted to transferable CUBES securities.

### § 358.5 Which bearer corpora or detached bearer coupons are eligible for conversion to non-transferable BECCS or CUBES securities?

If all of the callable coupons associated with the corpus are not submitted with the corpus, the corpus will be converted to a non-transferable BECCS security. Any remaining callable coupons submitted with the corpus will be converted to individual non-transferable CUBES securities.