

§ 358.13

other actions in respect to book-entry accounts in BECCS and CUBES.

§ 358.13 What is Treasury's liability if the depository institution incurs a loss because it does not follow required procedures?

We are not liable for any loss incurred by the depository institution as a result of its failure to properly follow our procedures.

§ 358.14 What happens when securities are accepted for conversion?

(a) After processing and initial verification, we will transfer the securities accepted to the depository institution's book-entry account, establishing a securities entitlement in TRADES according to 31 CFR part 357 subpart B.

(b) We will do the final verification within twenty (20) business days of initial receipt of the bearer corpora and detached bearer coupons.

(c) If at any time after this twenty (20) day period we determine that the security was improperly credited to the BECCS or CUBES account of the depository institution, such as in the case of a previously undetected, counterfeit security, we reserve the right to adjust the BECCS or CUBES account.

§ 358.15 What happens if securities are adjusted?

(a) If we make an adjustment to all or part of the submitted securities, we will instruct the depository institution to transfer BECCS or CUBES securities of the same payment date and face amount from the depository institution's account to an account that we designate.

(b) If no such BECCS or CUBES securities exist in the depository institution's account, we will instruct the depository institution as to how the adjustment will be made.

(c) If the depository institution fails to comply with our instructions within five (5) business days of receipt of the instructions, we reserve the right to debit the master account of the depository institution for the face value of the adjusted bearer corpora and detached bearer coupons. By the submission of the bearer corpora and detached

31 CFR Ch. II (7-1-12 Edition)

bearer coupons, the depository institution is deemed to agree to this debit.

§ 358.16 Are BECCS and CUBES accounts maintained separately from the STRIPS program?

BECCS and CUBES accounts are maintained separately from accounts maintained in Treasury's STRIPS (Separate Trading of Registered Interest and Principal of Securities) program.

§ 358.17 Can BECCS and CUBES securities be reconstituted to physical form?

After bearer corpora and detached bearer coupons have been converted to book-entry form, reconversion to physical form is prohibited. The reconstitution of a BECCS security with CUBES securities or any combination of Treasury obligations is prohibited.

§ 358.18 What limitations exist on liability?

(a) Except as otherwise provided by regulation, circular, or written agreement, any fiscal agent designated to act on our behalf is liable for its action or omission only if it failed to exercise ordinary care.

(b) We do not assume any responsibility to any party except the sending and receiving depository institutions involved in a BECCS or CUBES transaction.

(c) We do not assume any responsibility in connection with a BECCS or CUBES transaction for the insolvency, neglect, misconduct, mistake, or default of another bank or person, including the immediate participants.

§ 358.19 Who is responsible for any loss resulting from the conversion of a bearer corpus missing callable coupons?

The submitting depository institution shall indemnify the United States against any loss resulting from the conversion of a bearer corpus that is missing one or more associated callable coupons.

§ 358.20 Can these regulations be waived?

We reserve the right to waive or modify any provision of the regulations in this part for the convenience of the

United States or to relieve any person of unnecessary hardship, if such action is not inconsistent with law, does not impair existing rights, and does not subject the United States to any substantial expense or liability.

§ 358.21 Can these regulations be amended?

We may at any time supplement, amend, or revise the regulations in this part.

PART 359—OFFERING OF UNITED STATES SAVINGS BONDS, SERIES I

Subpart A—General Information

Sec.

359.0 What does this part cover?

359.1 What regulations govern Series I savings bonds?

359.2 [Reserved]

359.3 What special terms do I need to know to understand this part?

359.4 In what form are Series I savings bonds issued?

359.5 What is the maturity period of a Series I savings bonds?

359.6 When may I redeem my Series I bond?

359.7 If I redeem a Series I savings bonds before five years after the issue date, is there an interest penalty?

359.8 How does interest accrue on Series I savings bonds?

359.9 When are interest rates for Series I savings bonds announced?

359.10 What is the fixed rate of return?

359.11 What is the semiannual inflation rate?

359.12 What happens in deflationary conditions?

359.13 What are composite rates?

359.14 How are composite rates determined?

359.15 When is the composite rate applied to Series I savings bonds?

359.16 When does interest accrue on Series I savings bonds?

359.17 When is interest payable on Series I savings bonds?

359.18 Is the determination of the Secretary on rates and values final?

359.19 How is interest calculated?

359.20–359.24 [Reserved]

Subpart B—Definitive Series I Savings Bonds

359.25 What were the denominations and prices of definitive Series I savings bonds?

359.26 When are definitive Series I savings bonds validly issued?

359.27 What is the issue date of a definitive Series I savings bonds?

359.28 Are taxpayer identification numbers (TINs) required for the registration of definitive Series I savings bonds?

359.29–359.33 [Reserved]

359.34 May I purchase definitive Series I savings bonds over-the-counter?

359.35 May I purchase definitive Series I savings bonds through a payroll savings plan?

359.36 May I purchase definitive Series I savings bonds through employee thrift, savings, vacation, and similar plans?

359.37 How are definitive Series I savings bonds delivered?

359.38 How is payment made when definitive Series I savings bonds are redeemed?

359.39 How are redemption values calculated for definitive Series I savings bonds?

359.40 How can I find out what my definitive Series I savings bonds are worth?

359.41–359.44 [Reserved]

Subpart C—Book-Entry Series I Savings Bonds

359.45 How are book-entry Series I savings bonds purchased and held?

359.46 What are the denominations and prices of book-entry Series I savings bonds?

359.47 How is payment made for purchases of book-entry Series I savings bonds?

359.48 How are redemption payments made for my redeemed book-entry Series I savings bonds?

359.49 What is the issue date of a book-entry Series I savings bonds?

359.50 What amount of book-entry Series I savings bonds may I acquire per year?

359.51–359.52 [Reserved]

359.53 Are taxpayer identification numbers (TINs) required for the registration of book-entry Series I savings bonds?

359.54 When is a book-entry Series I savings bonds validly issued?

359.55 How are redemption values calculated for book-entry Series I savings bonds?

359.56 How can I find out what my book-entry Series I savings bonds are worth?

359.57–359.64 [Reserved]

Subpart D—Miscellaneous Provisions

359.65 [Reserved]

359.66 Is the Education Savings Bonds Program available for Series I savings bonds?

359.67 Does Public Debt prohibit the issuance of Series I savings bonds in a chain letter scheme?

359.68 [Reserved]

359.69 Does Public Debt make any reservations as to issue of Series I savings bonds?

359.70 May Public Debt waive any provision in this part?