

**§ 356.16**

**31 CFR Ch. II (7–1–14 Edition)**

the net long position reporting requirement found in § 356.13(a). In addition to its own competitive bids and positions, the investment adviser must also include in the calculation all other competitive bids and positions that it controls. If the net long position is reportable, the investment adviser must report it as a total in connection with only one bid as stated in § 356.13(a). This requirement applies regardless of whether the investment adviser bids in

its own name or in the name of its controlled accounts. The following table shows which positions an investment adviser must include to determine whether it meets the net long position reporting threshold in § 356.13(a). If an investment adviser does meet the reporting threshold, the table also shows which positions must be included in, and which may be excluded from, the net long position calculation.

If an investment adviser is bidding competitively, and . . .	Then . . .
(1) the investment adviser has a net long position for its own account.	that position must be included in the investment adviser's net long position calculation.
(2) the investment adviser's competitive bid is for a controlled account.	any net long position of that account must be included in the investment adviser's net long position calculation.
(3) the investment adviser is not bidding competitively for a controlled account and . . .	
(i) the controlled account has a net long position of \$100 million or more.	that position must be included in the investment adviser's net long position calculation.
(ii) the controlled account has a net long position that is less than \$100 million.	that position may be excluded from the investment adviser's net long position calculation.
(iii) any net long position is excluded under paragraph (b)(3)(ii) of this table.	all net short positions of controlled accounts under \$100 million must also be excluded.

(d) *Certifications.* When an investment adviser bids for a controlled account, we deem the investment adviser to have certified that it is complying with this part and the auction announcement for the security. Further, we deem the investment adviser to have certified that the information it provided about bids for controlled accounts is accurate and complete.

(e) *Proration of awards.* Investment advisers that submit competitive bids in the names of controlled accounts are responsible for prorating any awards at the highest accepted yield, discount rate, or discount margin using the same percentage that we announce. See § 356.21 for examples of how to prorate.

[69 FR 45202, July 28, 2004, as amended at 78 FR 46429, July 31, 2013]

**§ 356.16 Do I have to make any certifications?**

(a) *Submitters.* If you submit bids or other information in an auction, we deem you to have certified that:

- (1) You are in compliance with this part and the auction announcement;
- (2) The information provided with regard to any bids for your own account is accurate and complete; and
- (3) The information provided with regard to any bids for customers accu-

ately and completely reflects information provided by your customers or intermediaries.

(b) *Intermediaries.* If you forward bids in an auction, we deem you to have certified that:

- (1) You are in compliance with this part and the applicable auction announcement; and
- (2) That the information you provided to a submitter or other intermediary with regard to bids for customers accurately and completely reflects information provided by those customers or intermediaries.

(c) *Customers.* By bidding for a security as a customer we deem you to have certified that:

- (1) You are in compliance with this part and the auction announcement and;
- (2) The information you provided to the submitter or intermediary in connection with the bid is accurate and complete.

[69 FR 45202, July 28, 2004, as amended at 72 FR 14938, Mar. 20, 2008]

**§ 356.17 How and when do I pay for securities awarded in an auction?**

(a) *General.* By bidding in an auction, you agree to pay the settlement amount for any securities awarded to

you. (See §356.25.) For notes and bonds, the settlement amount may include a premium amount, accrued interest, and, for inflation-protected securities, an inflation adjustment.

(b) *TreasuryDirect*®. You must pay for your awarded securities by a debit entry to a deposit account that you are authorized to debit or by using the redemption proceeds of your certificate of indebtedness held in your TreasuryDirect account. Payment by debit entry occurs on the settlement date for the actual settlement amount due. (See §356.25.)

(c) *Legacy Treasury Direct*®. Unless you make other provisions, you must pay by debit entry to a deposit account that you are authorized to debit or submit payment with your bids. Payment by debit entry occurs on the settlement date for the actual settlement amount due. (See §356.25.) If you are paying with a check or with maturing securities, you must pay separately for any premium, accrued interest, or inflation adjustment as soon as you receive your Payment Due Notice.

(1) *Bidding and payment by computer or by telephone*. If you are bidding by computer or by telephone, you must pay for any securities awarded to you by debit entry to a deposit account.

(2) *Bidding and payment by paper form*. If you are mailing bids to us on a paper form, you may either enclose your payment with the form or pay for any securities awarded to you by debit entry to a deposit account. For bills, you may pay by depository institution (cashier's or teller's) check, certified check, or currently dated Treasury or fiscal agency check made payable to you. For notes or bonds, in addition to the payment options for bills, you may also pay by personal check. If you submit a personal check, make it payable to Legacy Treasury Direct and mail it with the bid to the Federal Reserve Bank handling your account. In your payment amount you must include the par amount and any announced accrued interest and/or inflation adjustment.

(3) *Payment by maturing securities*. You may use maturing securities held in Legacy Treasury Direct as payment for reinvestments into new securities that we are offering, as long as we re-

ceive the appropriate transaction request on time.

(d) *Commercial book-entry system*. Unless you make other provisions, payment of the settlement amount must be by charge to the funds account of a depository institution at a Federal Reserve Bank.

(1) A submitter that does not have a funds account at a Federal Reserve Bank or that chooses not to pay by charge to its own funds account must have an approved autocharge agreement on file with us before submitting any bids. Any depository institution whose funds account will be charged under an autocharge agreement will receive advance notice from us of the total par amount of, and price to be charged for, securities awarded as a result of the submitter's bids.

(2) A submitter that is a member of a clearing corporation may instruct that delivery and payment be made through the clearing corporation for securities awarded to the submitter for its own account. To do this, the following requirements must be met prior to submitting any bids:

(i) We must have acknowledged and have on file an autocharge agreement between the clearing corporation and a depository institution. By entering into such an agreement, the clearing corporation authorizes us to provide aggregate par and price information to the depository institution whose funds account will be charged under the agreement. The clearing corporation is responsible for remitting payment for auction awards of the clearing corporation member.

(ii) We must have acknowledged and have on file a delivery and payment agreement between the submitter and the clearing corporation. By entering into such an agreement, the submitter authorizes us to provide award and payment information to the clearing corporation.

[69 FR 45202, July 28, 2004, as amended at 70 FR 57440, Sept. 30, 2005; 70 FR 71401, Nov. 29, 2005; 73 FR 14938, Mar. 20, 2008]