

## Fiscal Service, Treasury

## § 363.27

guardian. Registration example: “John Doe, Legal Guardian of the estate of William Jones.” The SSN of the incompetent person or the minor will be used.

[70 FR 57434, Sept. 30, 2005, as amended at 74 FR 19417, Apr. 29, 2009; 79 FR 8860, Feb. 14, 2014]

### **§ 363.21 When may you require offline authentication and documentary evidence?**

We may require offline authentication and documentary evidence at our option.

[74 FR 19419, Apr. 29, 2009]

### **§ 363.22 Who has the right to conduct online transactions in book-entry securities?**

(a) *Individual*—(1) *Single owner form of registration*. A single owner can conduct transactions in securities held in his or her TreasuryDirect® account.

(2) *Owner with beneficiary form of registration*. The owner can conduct transactions in securities held in his or her TreasuryDirect account. The beneficiary has no rights during the lifetime of the owner and therefore cannot conduct transactions in the securities.

(3) *Primary owner with secondary owner form of registration*. (i) The primary owner can conduct any permitted transaction in a security held in the primary owner’s TreasuryDirect account. (See § 363.20(e)).

(ii) If the primary owner has given the secondary owner the right to conduct transactions in a security, and has not revoked that right, then the secondary owner can conduct transactions in the security. Transactions that may be conducted by the secondary owner include transferring a marketable security, redeeming a savings bond, and changing the destination of interest and redemption payments for marketable securities.

(b) *Converted savings bonds*. The rules for transactions governing converted savings bonds are contained in subpart E of this part.

(c) *Entity*. The entity account manager can conduct transactions in the securities held within the entity’s account. Initially, the entity account manager is the individual who opens the account. The entity account man-

ager may be changed to a different individual using procedures available on our Web site. The entity account manager must certify that he or she is authorized to act alone on behalf of the entity in accessing and conducting transactions on behalf of the entity with regard to the entity’s account.

[70 FR 57434, Sept. 30, 2005, as amended at 70 FR 57443, Sept. 30, 2005; 74 FR 19419, Apr. 29, 2009; 75 FR 78901, Dec. 17, 2010]

### **§§ 363.23–363.24 [Reserved]**

### **§ 363.25 How do I conduct transactions in my account or in Treasury securities held in my account?**

We will provide online instructions for conducting transactions through your account. If you are unable to conduct a transaction online, you should contact us at the address provided in § 363.5. Offline transactions will require a certified or guaranteed signature. See § 363.43 for instructions for obtaining a certified or guaranteed signature.

### **§ 363.26 What is a transfer?**

(a) A transfer is a transaction to:

(1) Move a Treasury security, or a portion of a Treasury security, from one account to another within TreasuryDirect®;

(2) Move a marketable Treasury security to or from a TreasuryDirect account and an account in the commercial book-entry system;

(3) Move a marketable Treasury security to a TreasuryDirect account from a Legacy Treasury Direct® account.

(b) Transfers of a specific type of security may be limited by the subparts that refer to that security.

(c) *Gift delivery is not a transfer*. A transfer does not include delivery of a gift savings bond from the donor to the recipient. This is referred to as a delivery.

[67 FR 64286, Oct. 17, 2002, as amended at 70 FR 57443, Sept. 30, 2005; 76 FR 18064, Apr. 1, 2011]

### **§ 363.27 What do I need to know about accounts for minors who have not had a legal guardian appointed by a court?**

(a) We do not permit a minor to purchase securities.

(b) *Opening an account in the name of a minor.* (1) A parent or an individual who provides the chief financial support of a minor may open an account for a minor. The person opening the account for a minor is referred to as the custodian of the minor's account.

(2) The custodian is a fiduciary for the minor as to the securities held in the minor's account.

(3) The custodian must have an existing primary TreasuryDirect® account in order to open the minor's account.

(i) The minor's account is an account that is linked to the custodian's primary account.

(ii) The custodian must use his or her primary TreasuryDirect account as a portal to open and access the minor's account.

(4) Securities contained in the minor's account will be registered in the name and SSN of the minor, in either sole owner, owner with beneficiary, or primary owner with secondary owner forms of registration.

(c) *Procedure for opening an account for a minor.* (1) Online instructions will be provided for establishing an account for a minor.

(2) The custodian must certify that all transactions conducted through the account will be on the minor's behalf.

(d) *Procedure for conducting transactions in the minor's account.* The custodian must conduct all transactions in the minor's account on behalf of the minor. Access to the minor's account is through the custodian's primary account.

(e) *Transactions permitted in the minor's account.* (1) The custodian may purchase securities for and on behalf of the minor through the minor's account.

(2) The custodian may redeem savings bonds on behalf of the minor through the minor's account. We will report the interest earned on the security to the name and SSN of the minor.

(3) The custodian may not purchase gift savings bonds from the minor's account.

(4) The custodian may transfer a security to another TreasuryDirect account, provided the account is a linked account bearing the name and taxpayer identification number of the minor. The custodian can transfer a market-

able Treasury security to an account in the commercial book-entry system.

(5) Securities may be transferred to the minor's account.

(6) Gift savings bonds may be delivered to the minor's account.

(7) The custodian may grant rights to view and conduct transactions in the security as may be permitted by § 363.22.

(8) The custodian may purchase a zero-percent certificate of indebtedness on behalf of the minor. The zero-percent certificate of indebtedness is the property of the minor.

(f) *When the minor reaches the age of 18 years.* (1) The only transactions that the custodian may make in the minor's account after the minor attains the age of 18 years are to purchase new securities, and to transfer the securities contained in the minor's account to another account in the name and SSN of the minor. The receiving account in the name and SSN of the minor may be a primary account established by the minor, or it may be another minor linked account with the same or a different custodian. The custodian may transfer one or more of the securities at a time, or the custodian may de-link the account and transfer all of the securities contained in the account to the minor's previously established primary TreasuryDirect account. The minor must establish his or her own primary TreasuryDirect account prior to transfer of his or her securities.

(2) In order to gain control of the securities held in the minor's account, the minor must first open his or her own primary account.

(3) The minor may gain control of the securities held in the minor's account by the custodian transferring the securities held in the minor's account to the minor's primary account, or the minor may request that Fiscal Service transfer the securities to his or her primary account.

(4) The minor may gain control of his or her zero-percent certificate of indebtedness by the custodian de-linking the account and transferring the zero-percent certificate of indebtedness to the minor's primary account, or the minor may request that Fiscal Service de-link the account and transfer the

zero-percent certificate of indebtedness to his or her primary account.

(g) *Liability.* We rely on the certification of the custodian that he or she is acting on behalf of the minor. We are not liable to the minor, or any other person or party acting on behalf of the minor, for the actions of the custodian, nor are we liable for the application of any proceeds from the transfer or redemption of securities held in the minor's account. The custodian agrees to indemnify and hold harmless the United States in the event that we suffer any loss on account of any claim relating to a minor account.

[69 FR 2507, Jan. 16, 2004, as amended at 69 FR 50309, Aug. 16, 2004; 70 FR 57443, Sept. 30, 2005; 74 FR 19419, Apr. 29, 2009; 75 FR 78901, Dec. 17, 2010; 76 FR 18064, Apr. 1, 2011]

**§ 363.28 Does Fiscal Service reserve the right to require that any TreasuryDirect® transaction be conducted in paper form?**

We reserve the right to require any transaction to be conducted in paper form. Signatures on paper transactions must be certified or guaranteed as provided in § 363.43.

[70 FR 57434, Sept. 30, 2005]

**§ 363.29 May Treasury close an account, suspend transactions in an account, or refuse to open an account?**

We reserve the right to take any of the following actions if, in our sole discretion, we deem the action to be in the best interests of the United States:

(a) Refuse to open an account for any person;

(b) Close any existing account, redeem, sell, or liquidate the securities held in the account, and pay the proceeds to the person entitled;

(c) Suspend transactions with respect to an account or any security held in an account; or

(d) Take any other action with regard to any account that we deem necessary, if not inconsistent with existing law and existing rights.

[70 FR 57434, Sept. 30, 2005, as amended at 72 FR 30978, June 5, 2007]

**§ 363.30 What actions may Treasury take if funds used to purchase a security were credited or debited in error or through fraud?**

(a) If Treasury sustains a loss because the funds used to purchase a security were debited from an account at a financial institution from which the TreasuryDirect account owner did not have the right to authorize such ACH debit entry, we reserve the right to redeem that security from the account and use the proceeds to reimburse Treasury for the loss. If such security has been transferred to another TreasuryDirect account, we reserve the right to reverse the transfer, redeem the security, and use the proceeds to reimburse Treasury for the loss. If such security has been redeemed or has matured and the proceeds paid to the account owner, we reserve the right to take any action that we deem appropriate, including redeeming other securities remaining in the account and using the proceeds to reimburse Treasury for the loss.

(b) If an employer or a third-party agent acting on behalf of one or more employers certifies, under penalty of perjury, that it has made an erroneous ACH credit entry to purchase a TreasuryDirect certificate of indebtedness, we reserve the right to redeem securities from the TreasuryDirect account to which the entry was made in the amount of the erroneous entry and return the funds. No action will be taken if the certification is not received by Treasury within 45 days of the erroneous entry. We will only return funds if the erroneous entry was made to an account that does not belong to the intended recipient, is a duplicate payment, is in an amount that is greater than was authorized by the recipient, or was made in error because the employee was not in a pay status. We reserve the right to refuse to return an entry. By requesting that Treasury correct an erroneous entry, the employer agrees to indemnify Treasury for any loss that Treasury may incur as a result of the correction of the error and agrees to provide such information and assistance as Treasury may require.

(c) If a financial institution, except a financial institution acting on behalf