APPENDIX D TO PART 356—DESCRIPTION OF THE CONSUMER PRICE INDEX

EXHIBIT A TO PART 356—SAMPLE ANNOUNCEMENTS OF TREASURY OFFERINGS TO THE PUBLIC

EXHIBIT B TO PART 356—SAMPLE AUTOCHARGE AGREEMENT TO DELIVER AND CHARGE FOR SECURITIES AWARDED IN DEPARTMENT OF THE TREASURY AUCTIONS (SUBMITTER AND DEPOSITORY INSTITUTION)

AUTHORITY: 5 U.S.C. 301; 31 U.S.C. 3102, *et seq.*; 12 U.S.C. 391.

SOURCE: 58 FR 414, Jan. 5, 1993, unless otherwise noted.

## Subpart A—General Information

### § 356.0 Authority for sale and issue.

The Secretary of the Treasury is authorized under chapter 31 of title 31, United States Code, to issue United States obligations and to offer them for sale under such terms and conditions as the Secretary may prescribe.

### § 356.1 Applicability.

Unless otherwise specified in an offering announcement, the provisions in this part, including the appendices, govern the sale and issuance of all marketable Treasury securities and any other obligations issued by the Secretary that, by the terms of the offering announcement, are made subject to this part.

### § 356.2 Definitions.

In this part, unless the context indicates otherwise:

*Accrued interest* means an amount payable to the Department for such part of the next semiannual interest payment that represents interest income attributed to the period prior to the date of issue. (See appendix B, section I, paragraph C.)

*Adjusted value* means, for an interest component stripped from an inflation-indexed security, an amount derived by multiplying the semiannual interest rate by the par amount and then multiplying this value by 100 divided by the Reference CPI of the original issue date (or dated date, when the dated date is different from the original issue date). (See Appendix B, Section IV to this part, for an example of how to calculate the adjusted value for interest components stripped from an inflation-indexed security.)

*Auction* means a bidding process by which the Department sells marketable Treasury securities to the public.

*Autocharge agreement* means a written agreement between a submitter and a depository institution or between a clearing corporation and a depository institution, acknowledged by a Federal Reserve Bank, which authorizes a Federal Reserve Bank to deliver securities awarded at auction to the book-entry account of the depository institution or, when authorized, to a TREASURY DIRECT account, and to charge a funds account of the depository institution for the settlement amount of the securities. (See exhibit B for a sample autocharge agreement between a submitter and a depository institution.)

*Bid* means an offer to purchase a stated par amount of securities, either competitively or noncompetitively, in an auction. An offer to purchase a stated par amount of securities submitted by a depository institution or dealer to fulfill a guarantee to sell a specified amount of securities at an agreed-upon price or a price fixed in terms of an agreed-upon standard is a bid of the depository institution or dealer and not a bid of a customer.

*Bidder*, as further defined in appendix A, means a person or an entity that bids either directly or through an entity authorized to submit bids for customers in an auction. In some cases, two or more persons or entities are considered to be one bidder based on their relationship or their actions in participating in an auction.

*Bid-to-cover ratio* means the total par amount of securities bid for by the public divided by the total par amount of securities awarded to the public. The bid-to-cover ratio excludes any bids or awards for accounts of foreign and international monetary authorities at Federal Reserve Banks and for the account of the Federal Reserve Banks.

*Book-entry security* means a security the issuance and maintenance of which are represented by an accounting entry or electronic record and not by a certificate. Treasury book-entry securities may generally be held in either TRADES or in TREASURY DIRECT. (See § 356.3.)