

§ 343.5

(b) *Correction of error.* The reissue of a bond may be made to correct an error in the original issue upon an appropriate request, supported by satisfactory proof of the error.

(c) *Change of name.* An owner whose name is changed in any legal manner after the issue of the bond should submit the bond with a request for reissue, substituting the new name for the name inscribed on the bond. The signature on the request for reissue should show the new name, the legal reason which caused the change to be made and the former name. It must be supported by satisfactory proof of the change of name.

(d) *Legal succession.* A bond registered in the name of a company which has been succeeded by another company as the result of a merger, consolidation, incorporation, reincorporation, conversion, reorganization, or which has been lawfully succeeded in any manner whereby the business or activities of the original organization are continued without substantial change, will be paid to or reissued in the name of the successor upon an appropriate request on its behalf, supported by satisfactory evidence of succession.

(e) *Conversion to book-entry.* Although not required, any owner of tax and loss bonds held in registered form after the effective date of this regulation, may submit those bonds to the Division of Special Investments, for conversion to book-entry form.

(Approved by the Office of Management and Budget under control number 1535-0127)

§ 343.5 Taxation.

Tax and loss bonds will be exempt from all taxation now or hereafter imposed on the principal by any state or any possession of the United States or of any local taxing authority.

PART 344—U.S. TREASURY SECURITIES—STATE AND LOCAL GOVERNMENT SERIES

Subpart A—General Information

Sec.

344.0 What does this part cover?

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

31 CFR Ch. II (7-1-05 Edition)

344.2 What general provisions apply to SLGS securities?

SLGSAFESM

344.3 What special provisions apply to SLGSafeSM Internet transactions?

Subpart B—Time Deposit Securities

344.4 What are Time Deposit securities?

344.5 How do I subscribe for Time Deposit securities?

344.6 How do I redeem a Time Deposit security before maturity?

Subpart C—Demand Deposit Securities

344.7 What are Demand Deposit securities?

344.8 How do I subscribe for Demand Deposit securities?

344.9 How do I redeem a Demand Deposit security?

Subpart D—Special Zero Interest Securities

344.10 What are Special Zero Interest securities?

344.11 How do I redeem a Special Zero Interest security before maturity?

APPENDIX A TO PART 344—EARLY REDEMPTION MARKET CHARGE FORMULAS AND EXAMPLES FOR SUBSCRIPTIONS FROM DECEMBER 28, 1976, THROUGH OCTOBER 27, 1996

APPENDIX B TO PART 344—FORMULA FOR DETERMINING REDEMPTION VALUE FOR SECURITIES SUBSCRIBED FOR AND EARLY-REDEEMED ON OR AFTER OCTOBER 28, 1996

AUTHORITY: 26 U.S.C. 141 note; 31 U.S.C. 3102, 3103, 3104, and 3121.

SOURCE: 65 FR 55405, Sept. 13, 2000, unless otherwise noted.

Subpart A—General Information

§ 344.0 What does this part cover?

(a) *What is the purpose of the SLGS securities offering?* The Secretary of the Treasury (the Secretary) offers for sale State and Local Government Series (SLGS) securities to provide issuers of tax exempt securities with investments from any amounts that:

(1) Constitute gross proceeds of an issue; or

(2) Assist in complying with applicable provisions of the Internal Revenue Code relating to the tax exemption.

(b) *What types of SLGS securities are governed by this part?* This part governs the following SLGS securities:

SLGS securities	United States Treasury certificates of indebtedness	United States Treasury notes	United States Treasury bonds
(1) Time Deposit	X	X	X
(2) Demand Deposit	X
(3) Special Zero Interest (Discontinued offering on October 28, 1996)	X	X

(c) *In what denominations are SLGS securities issued?* SLGS securities are issued in the following denominations:

(1) *Time deposit securities*—a minimum amount of \$1,000, or in any larger whole dollar amount; and

(2) *Demand deposit securities*—a minimum amount of \$1,000, or in any larger amount, in any increment.

(d) *For how long is the offering in effect?* The offering continues until terminated by the Secretary.

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

As appropriate, the definitions of terms used in this part are those found in the relevant portions of the Internal Revenue Code and the Income tax regulations.

Business Day(s) means Federal business day(s).

Current Treasury borrowing rate means the prevailing market rate, as determined by Treasury, for a Treasury security with the specified period to maturity.

Day(s) means calendar day(s).

Issuer refers to the Government body that issues State or local government bonds described in section 103 of the Internal Revenue Code.

Public Debt's website refers to <http://www.publicdebt.treas.gov/spe/spe.htm>.

SLGS rate means the current Treasury borrowing rate on the day we receive your subscription, less 5 basis points, as released daily by Treasury in a SLGS rate table.

SLGS rate table means a compilation of SLGS rates available for a given day.

“We”, “us”, or “the Secretary” refers to the Secretary and the Secretary’s delegates at the Department of the Treasury (Treasury), Bureau of the Public Debt (Public Debt), and Division of Special Investments (DSI). The term also extends to any fiscal or financial

agent acting on behalf of the United States when designated to act by the Secretary or the Secretary’s delegates.

§ 344.2 What general provisions apply to SLGS securities?

(a) *What other regulations apply to SLGS securities?* SLGS securities are subject to:

(1) The electronic transactions and funds transfers provisions for United States securities, part 370 of this subchapter, “Electronic Transactions and Funds Transfers Related to U.S. Securities”, and

(2) The Appendix to subpart E to part 306 of this subchapter, for rules regarding computation of interest.

(b) *Where are SLGS securities held?* SLGS securities are issued in book-entry form on the books of the Department of the Treasury, Bureau of the Public Debt, Division of Special Investments, Parkersburg, WV.

(c) *Besides DSI, do any other entities administer SLGS securities?* The Secretary may designate selected Federal Reserve Banks and Branches, as fiscal agents of the United States, to perform services relating to SLGS securities.

(d) *Can SLGS securities be transferred?* No. SLGS securities held in an account of any one type, *i.e.*, time deposit, demand deposit, or special zero interest, cannot be transferred within that account, or to an account of any other type. Transfer of securities by sale, exchange, assignment, pledge, or otherwise is not permitted.

(e) *How does a bank or other agent certify its authority?* When a commercial bank or other agent submits an initial or final subscription on behalf of the issuer, it certifies that it is acting under the issuer’s specific authorization. Ordinarily, evidence of such authority is not required.