

the contents of the market basket of goods and services, and the weights assigned to the various items, to take into account changes in consumer expenditure patterns.

The CPI is expressed in relative terms in relation to a time base reference period for which the level is set at 100. For example, if the CPI for the 1982-84 reference period is 100.0, an increase of 16.5 percent from that period would be shown as 116.5. The CPI for a particular month is released and published during the following month. From time to time, the CPI is rebased to a more recent base reference period. We provide the base reference period for a particular inflation-protected security on the auction announcement for that security.

Further details about the CPI may be obtained by contacting the BLS.

**PART 357—REGULATIONS GOVERNING BOOK-ENTRY TREASURY BONDS, NOTES AND BILLS (DEPARTMENT OF THE TREASURY CIRCULAR, PUBLIC DEBT SERIES NO. 2-86)**

**Subpart A—General Information**

- Sec.  
357.0 Book-entry systems.  
357.1 Effective date.  
357.2 Definitions.

**Subpart B—Treasury/Reserve Automated Debt Entry System (TRADES)**

- 357.10 Laws governing a Treasury book-entry security, TRADES, and security interests or entitlements.  
357.11 Laws governing other interests in Treasury securities.  
357.12 A Participant's Security Entitlement.  
357.13 Obligations of the United States and the Federal Reserve Banks with respect to Book-entry Securities and security interests.  
357.14 What authority does a Federal Reserve Bank have?  
357.15 How can a debtor's interest in a Security Entitlement be reached by creditors?

**Subpart C—TREASURY DIRECT Book-Entry Securities System (TREASURY DIRECT)**

- 357.20 Securities account in TREASURY DIRECT.  
357.21 Registration.  
357.22 Transfers.  
357.23 Judicial proceedings—sovereign immunity.  
357.24 Availability and disclosure of TREASURY DIRECT records.

- 357.25 Security interests.  
357.26 Direct Deposit.  
357.27 Reinvestment.  
357.28 Transaction requests.  
357.29 Time required for processing transaction request.  
357.30 Cases of delay or suspension of payment.  
357.31 Certifying individuals.  
357.32 Submission of transaction requests; further information.

**Subpart D—Additional Provisions**

- 357.40 Additional requirements.  
357.41 Waiver of regulations.  
357.42 Liability of Department and Federal Reserve Banks.  
357.43 Liability for transfers to and from TREASURY DIRECT.  
357.44 [Reserved]  
357.45 Supplements, amendments, or revisions.

APPENDIX A TO PART 357—DISCUSSION OF FINAL RULE

APPENDIX B TO PART 357—TRADES COMMENTARY

AUTHORITY: 31 U.S.C. chapter 31; 5 U.S.C. 301; 12 U.S.C. 391.

SOURCE: 51 FR 18265, May 16, 1986, unless otherwise noted.

**Subpart A—General Information**

**§357.0 Book-entry systems.**

(a) *Treasury bills, notes and bonds.* Treasury bills, notes and bonds shall be maintained in either of the following two book-entry systems:

(1) *Treasury/Reserve Automated Debt Entry System (TRADES).* A Treasury security is maintained in TRADES if it is credited by a Federal Reserve Bank to a Participant's Securities Account. See subpart B of this part for rules pertaining to TRADES.

(2) *TREASURY DIRECT Book-entry Securities System (TREASURY DIRECT).* A Treasury security is maintained in TREASURY DIRECT if it is credited to a TREASURY DIRECT account as described in §357.20. Such accounts may be accessed by investors in accordance with subpart C of this part through a designated Federal Reserve Bank or the Bureau of the Public Debt. See subpart C of this part for rules pertaining to TREASURY DIRECT.

(b) *Transferability between TRADES and TreasuryDirect.* A Treasury security eligible to be maintained in Treasury Direct under the terms of its offering circular or pursuant to notice published by the Secretary may be transferred to or from an account in TRADES from or to an account in TREASURY DIRECT in accordance with § 357.22(a).

(c) *New Treasury Direct System (New Treasury Direct).* New Treasury Direct is an online (Internet-based), book-entry system maintained by Treasury. The *TreasuryDirect* system is a separate book-entry system for marketable Treasury securities only. The regulations governing New Treasury Direct are found at part 363, and are substantially different from the terms and conditions of securities held in *TreasuryDirect*.

[67 FR 64278, Oct. 17, 2002]

#### § 357.1 Effective date.

Subpart B of this part, the definitions of *Adverse Claim*, *Book-entry Security*, *Entitlement Holder*, *Federal Reserve Bank Operating Circular*, *Funds Account*, *Issue*, *Participant*, *Participant's Securities Account*, *Person*, *Revised Article 8*, *Securities Intermediary*, *Security Entitlement*, *State*, and *Transfer Message* and revisions to the definitions of *Security* and *TRADES*, and §§ 357.42 and 357.44 and the revisions to § 357.41 are effective January 1, 1997. All other provisions in effect prior to January 1, 1997, remain in effect.

[61 FR 43628, Aug. 23, 1996]

#### § 357.2 Definitions.

In this part, unless the context indicates otherwise:

*Adverse Claim* means a claim that a claimant has a property interest in a Security and that it is a violation of the rights of the claimant for another Person to hold, transfer, or deal with the Security.

*Bill* means an obligation of the United States, with a term of not more than one year, issued at a discount, under chapter 31 of title 31 of the United States Code, in book-entry form.

*Bond* means an obligation of the United States, with a term of more

than ten years, issued under chapter 31 of title 31 of the United States Code, in book-entry form.

*Book-entry Security* means, in subpart B of this part, a Treasury Security maintained in TRADES and, in subpart C of this part, a Treasury Security maintained in TREASURY DIRECT.

*Business day* means any day other than a Saturday, Sunday, or other day on which the Federal Reserve Banks are not open for business.

*Department* means the United States Department of the Treasury, and, where appropriate, the Federal Reserve Banks acting as fiscal agents of the United States.

*Depository institution* means an entity described in section 19(b)(1)(A)(i)-(vi) of the Federal Reserve Act (12 U.S.C. 461(b)(1)(A)(i)-(vi)). Under section 19(b) of the Federal Reserve Act, the term *depository institution* includes:

(1) Any insured bank as defined in 12 U.S.C. 1813 or any bank which is eligible to make application to become an insured bank under 12 U.S.C. 1815;

(2) Any mutual savings bank as defined in 12 U.S.C. 1813 or any bank which is eligible to make application to become an insured bank under 12 U.S.C. 1815;

(3) Any savings bank as defined in 12 U.S.C. 1813 or any bank which is eligible to make application to become an insured bank under 12 U.S.C. 1815;

(4) Any insured credit union as defined in 12 U.S.C. 1752 or any credit union which is eligible to make application to become an insured credit union under 12 U.S.C. 1781;

(5) Any member as defined in 12 U.S.C. 1422; and

(6) Any savings association (as defined in 12 U.S.C. 1813) which is an insured depository institution, as defined in the Federal Deposit Insurance Act, 12 U.S.C. 1811, *et seq.*, or is eligible to apply to become an insured depository institution under such Act.

*Entitlement Holder* means a Person to whose account an interest in a Book-entry Security is credited on the records of a Securities Intermediary.

*Federal Reserve Bank* or *Reserve Bank* means a Federal Reserve Bank or Branch.

*Federal Reserve Bank Operating Circular* means the publication issued by