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203.20 Investment account requirements.
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SOURCE: 72 FR 59181, Oct. 19, 2007, unless otherwise noted.

Subpart A—General Information

§ 203.1 Scope.

The regulations in this part govern the processing by financial institutions of electronic and paper-based deposits and payments of Federal taxes; the operation of the Treasury Tax and Loan (TT&L) program; the designation of TT&L depositaries; and the operation of the investment program. A financial institution may participate in the TT&L program by participating in the investment program or by accepting Federal tax payments, or both. A financial institution that accepts Federal tax payments may do so through the paper tax system (PATAX), or Electronic Federal Tax Payment System (EFTPS), or both. However, a financial institution is not designated as a TT&L depositary if it only processes EFTPS payments.

§ 203.2 Definitions.

Advice of credit (AOC) means the paper or electronic form depositaries use to summarize and report Federal Tax Deposit (FTD) coupon deposits to the Internal Revenue Service (IRS) and the Federal Reserve Bank (FRB).

Automated Clearing House (ACH) credit entry means a credit transaction originated by a financial institution, at the direction of the taxpayer, in accordance with applicable ACH formats and applicable laws, regulations, and procedural instructions.

ACH debit entry means a debit transaction originated by the Treasury Financial Agent (TFA), at the direction of the taxpayer, in accordance with applicable ACH formats and applicable laws, regulations, and instructions.

Balance limit means the highest amount a depositary has stated it will accept in its Treasury Investment Program (TIP) main account.

Borrower-In-Custody (BIC) collateral means an arrangement by which a financial institution pledging collateral to secure special direct investments and certain term investments is permitted to retain possession of that collateral, subject to terms and conditions agreed upon between the FRB and the financial institution.

Business day means any day on which a financial institution's FRB is open.

Capacity means a TT&L depositary's ability to accept additional investments in its TIP main account balance and/or its Special Direct Investment (SDI) account balance. With respect to a TT&L depositary's TIP main account balance, capacity means the balance limit or current collateral value, whichever is lower, minus the total of: the depositary's current TIP main account balance and any pending investments, plus any pending withdrawals. With respect to an SDI account balance, capacity means the dollar amount of collateral that the depositary has pledged for SDIs under a BIC arrangement minus the total of: the depositary's current SDI account balance and any pending investments, plus any pending withdrawals.

Collector depositary means a TT&L depositary that accepts paper tax payments from business customers and that may also process electronic tax payments from customers, but that does not retain any such deposits as investments or accept dynamic, direct, or special direct investments. A collector depositary may accept term investments.

Direct investment means the Department of the Treasury's (Treasury's) placement of funds with a TT&L depositary, which results in an increase to