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SUBCHAPTER B—FEDERAL OPEN MARKET COMMITTEE

PART 270—OPEN MARKET OPERATIONS OF FEDERAL RESERVE BANKS

REGULATIONS RELATING TO OPEN MARKET OPERATIONS OF FEDERAL RESERVE BANKS

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AUTHORITY: Sec. 8, 48 Stat. 168, as amended (12 U.S.C. 263).

SOURCE: 38 FR 2753, Jan. 30, 1973, unless otherwise noted.

REGULATIONS RELATING TO OPEN MARKET OPERATIONS OF FEDERAL RESERVE BANKS

§ 270.1 Authority.

This part is issued by the Federal Open Market Committee (the ''Committee'') pursuant to authority conferred upon it by sections 12A and 14 of the Federal Reserve Act (12 U.S.C. 263, 355).

§ 270.2 Definitions.

(a) The term *obligations* means Government securities, U.S. agency securities, bankers' acceptances, bills of exchange, cable transfers, bonds, notes, warrants, debentures, and other obligations that Federal Reserve banks are authorized by law to purchase and sell.

(b) The term *Government securities* means direct obligations of the United States (i.e., U.S. bonds, notes, certificates of indebtedness, and Treasury bills) and obligations fully guaranteed as to principal and interest by the United States.

(c) The term *U.S. agency securities* means obligations that are direct obligations of, or are fully guaranteed as to principal and interest by, any agency of the United States.

(d) The term *System Open Market Account* means the obligations acquired pursuant to authorizations and directives issued by the Committee and held on behalf of all Federal Reserve banks.

§ 270.3 Governing principles.

As required by section 12A of the Federal Reserve Act, the time, character, and volume of all purchases and sales of obligations in the open market by Federal Reserve banks are governed with a view to accommodating commerce and business and with regard to their bearing upon the general credit situation of the country.

§ 270.4 Transactions in obligations.

(a) Each Federal Reserve bank shall engage in open market operations under section 14 of the Federal Reserve Act only in accordance with this part and with the authorizations and directives issued by the Committee from time to time, and no Reserve bank shall decline to engage in open market operations as directed by the Committee.

(b) Transactions for the System Open Market Account shall be executed by a Federal Reserve bank selected by the Committee. The participations of the several Federal Reserve banks in such account and in the profits and losses on transactions for the account shall be allocated in accordance with principles determined by the Committee from time to time.

(c) In accordance with such limitations, terms, and conditions as are prescribed by law and in authorizations and directives issued by the Committee, the Reserve bank selected by the Committee is authorized and directed—

(1) To buy and sell Government securities and U.S. agency securities in the open market for the System Open Market Account, and to exchange maturing securities with the issuer;

(2) To buy and sell banker's acceptances in the open market for its own account;

(3) To buy Government securities, U.S. agency securities, and banker's acceptances of the kinds described above, under agreements for repurchase of such obligations, in the open market for its own account; and

(4) To buy and sell foreign currencies in the form of cable transfers in the

open market for the System Open Market Account and to maintain for such account reciprocal currency arrangements with foreign banks among those designated by the Board of Governors of the Federal Reserve System under §214.5 of this chapter (Regulation N).

(d) The Federal Reserve banks are authorized and directed to engage in such other operations as the Committee may from time to time determine to be reasonably necessary to the effective conduct of open market operations and the effectuation of open market policies.

[38 FR 2753, Jan. 30, 1973, as amended at 39 FR 11873, Apr. 1, 1974; 48 FR 32336, July 15, 1983]

PART 271—RULES REGARDING AVAILABILITY OF INFORMATION

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AUTHORITY: 5 U.S.C. 552; 12 U.S.C. 263.

SOURCE: 62 FR 61218, Nov. 17, 1997, unless otherwise noted.

§271.1 Authority and purpose.

(a) *Authority.* This part is issued by the Federal Open Market Committee (the Committee) pursuant to the Freedom of Information Act, 5 U.S.C. 552, and also pursuant to the Committee's authority under section 12A of the Federal Reserve Act, 12 U.S.C. 263, to issue regulations governing the conduct of its business.

(b) *Purpose.* This part sets forth the categories of information made available to the public and the procedures for obtaining documents and records.

§271.2 Definitions.

(a) *Board* means the Board of Governors of the Federal Reserve System established by the Federal Reserve Act of 1913 (38 Stat. 251).

(b) *Commercial use request* refers to a request from or on behalf of one who seeks information for a use or purpose that furthers the commercial, trade, or profit interests of the requester or the person on whose behalf the request is made.

(c) *Direct costs* mean those expenditures that the Committee actually incurs in searching for, reviewing, and duplicating documents in response to a request made under §271.5.

(d) *Duplication* refers to the process of making a copy of a document in response to a request for disclosure of records or for inspection of original records that contain exempt material or that otherwise cannot be inspected directly. Among others, such copies may take the form of paper, microform, audiovisual materials, or machine-readable documentation (*e.g.*, magnetic tape or disk).

(e) *Educational institution* refers to a preschool, a public or private elementary or secondary school, or an institution of undergraduate higher education, graduate higher education, professional education, or an institution of vocational education that operates a program of scholarly research.

(f) *Federal Reserve Bank* means one of the district Banks authorized by the Federal Reserve Act, 12 U.S.C. 222, including any branch of any such Bank.

(g) *Information of the Committee* means all information coming into the possession of the Committee or of any member thereof or of any officer, employee, or agent of the Committee, the Board, or any Federal Reserve Bank, in the performance of duties for, or pursuant to the direction of, the Committee.

(h) *Noncommercial scientific institution* refers to an institution that is not operated on a ''commercial'' basis (as that term is used in this section) and which is operated solely for the purpose of conducting scientific research, the results of which are not intended to promote any particular product or industry.

(i) *Records of the Committee* includes rules, statements, decisions, minutes, memoranda, letters, reports, transcripts, accounts, charts, and other written material, as well as any materials in machine readable form that