§ 357.10 Laws governing a Treasury book-entry security, TRADES, and security interests or entitlements.

(a) What law governs the rights and obligations of the United States and the Federal Reserve Banks; and the rights of any Person against the United States and the Federal Reserve Banks?

The following are governed solely by Treasury regulations, including the regulations of this part, the applicable offering circular (which is 31 CFR part 356, in the case of securities issued on and after March 1, 1993), the announcement of the offering, and Federal Reserve Bank Operating Circulars:

(1) The rights and obligations of the United States and the Federal Reserve Banks with respect to a Book-entry Security or Security Entitlement and the operation of TRADES, and

(2) The rights of any Person, including a Participant, against the United States and the Federal Reserve Banks with respect to a Book-entry Security or Security Entitlement and the operation of TRADES.

(b) What law governs security interests in Security Entitlements that are not recorded on a Federal Reserve Bank’s books?

See the following table:

<table>
<thead>
<tr>
<th>If a security interest in a security entitlement is:</th>
<th>And it is:</th>
<th>Then it is governed by:</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) in favor of a Federal Reserve Bank from a Participant.</td>
<td>not recorded on the books of a Federal Reserve Bank pursuant to §357.12(e)(2).</td>
<td>the law (not including the conflict-of-law rules) of the jurisdiction where the head office of the Federal Reserve Bank maintaining the Participant’s Securities Account is located.</td>
</tr>
<tr>
<td>(2) in favor of a Federal Reserve Bank from a Person that is not a Participant.</td>
<td>not recorded on the books of a Federal Reserve Bank pursuant to §357.12(e)(2).</td>
<td>the law determined in the manner specified in §357.11.</td>
</tr>
</tbody>
</table>

(c) What law governs if the jurisdiction in paragraph (b)(1) of this section did not adopt Revised Article 8, or Revised Article 8 as amended by Revised Article 9 (both incorporated by reference, see Sec. 357.2)?

The law specified in paragraph (b)(1) of this section shall be the law of that State as though that State adopted Revised Article 8.

§ 357.11 Laws governing other interests in Treasury securities.

(a) What does the law (not including the conflict-of-law rules) of a Securities Intermediary’s jurisdiction govern? To the extent not inconsistent with these regulations, the law (not including the conflict-of-law rules) of a Security Intermediary’s jurisdiction governs the following:

(1) When a Person acquires a Security Entitlement from the Securities Intermediary:

(2) The rights and duties of the Securities Intermediary and Entitlement Holder that arise out of a Security Entitlement;

(3) Whether the Securities Intermediary owes any duties to an adverse claimant to a Security Entitlement;

(4) Whether a Person may assert an Adverse Claim against a Person who acquires a Security Entitlement from the Securities Intermediary or against a Person who purchases a Security Entitlement or interest therein from an Entitlement Holder; and