other actions in respect to book-entry accounts in BECCS and CUBES.

§ 358.13 What is Treasury's liability if the depository institution incurs a loss because it does not follow required procedures?
We are not liable for any loss incurred by the depository institution as a result of its failure to properly follow our procedures.

§ 358.14 What happens when securities are accepted for conversion?
(a) After processing and initial verification, we will transfer the securities accepted to the depository institution's book-entry account, establishing a securities entitlement in TRADES according to 31 CFR part 357 subpart B.
(b) We will do the final verification within twenty (20) business days of initial receipt of the bearer corpora and detached bearer coupons.
(c) If at any time after this twenty (20) day period we determine that the security was improperly credited to the BECCS or CUBES account of the depository institution, such as in the case of a previously undetected, counterfeit security, we reserve the right to adjust the BECCS or CUBES account.

§ 358.15 What happens if securities are adjusted?
(a) If we make an adjustment to all or part of the submitted securities, we will instruct the depository institution to transfer BECCS or CUBES securities of the same payment date and face amount from the depository institution's account to an account that we designate.
(b) If no such BECCS or CUBES securities exist in the depository institution's account, we will instruct the depository institution as to how the adjustment will be made.
(c) If the depository institution fails to comply with our instructions within five (5) business days of receipt of the instructions, we reserve the right to debit the master account of the depository institution for the face value of the adjusted bearer corpora and detached bearer coupons. By the submission of the bearer corpora and detached bearer coupons, the depository institution is deemed to agree to this debit.

§ 358.16 Are BECCS and CUBES accounts maintained separately from the STRIPS program?
BECCS and CUBES accounts are maintained separately from accounts maintained in Treasury's STRIPS (Separate Trading of Registered Interest and Principal of Securities) program.

§ 358.17 Can BECCS and CUBES securities be reconstituted to physical form?
After bearer corpora and detached bearer coupons have been converted to book-entry form, reconversion to physical form is prohibited. The reconstitution of a BECCS security with CUBES securities or any combination of Treasury obligations is prohibited.

§ 358.18 What limitations exist on liability?
(a) Except as otherwise provided by regulation, circular, or written agreement, any fiscal agent designated to act on our behalf is liable for its action or omission only if it failed to exercise ordinary care.
(b) We do not assume any responsibility to any party except the sending and receiving depository institutions involved in a BECCS or CUBES transaction.
(c) We do not assume any responsibility in connection with a BECCS or CUBES transaction for the insolvency, neglect, misconduct, mistake, or default of another bank or person, including the immediate participants.

§ 358.19 Who is responsible for any loss resulting from the conversion of a bearer corpus missing callable coupons?
The submitting depository institution shall indemnify the United States against any loss resulting from the conversion of a bearer corpus that is missing one or more associated callable coupons.

§ 358.20 Can these regulations be waived?
We reserve the right to waive or modify any provision of the regulations in this part for the convenience of the