

## Federal Reserve System

§ 210.1

receive a dividend on paid-in capital stock of—

(i) in the case of a bank with total consolidated assets of more than \$10,518,000,000, the lesser of the annual rate equal to the high yield of the 10-year Treasury note auctioned at the last auction held prior to the payment of such dividend and an annual rate of 6 percent, or

(ii) in the case of a bank with total consolidated assets of \$10,518,000,000 or less, an annual rate of 6 percent.

(2) The dividend pursuant to paragraph (e)(1) of this section will be adjusted to reflect the period from the last dividend payment date to the current dividend payment date according to the dividend proration basis.

(3) The entitlement to dividends under paragraph (e)(1) of this section shall be cumulative.

(f) *Annual adjustment to total consolidated assets.* The dollar amounts for total consolidated assets specified in paragraphs (c), (d), and (e) of this section and §§ 209.2 and 209.3 shall be adjusted annually to reflect the change in the Gross Domestic Product Price Index, published by the Bureau of Economic Analysis.

[63 FR 37663, July 13, 1998, as amended by Reg. I, 81 FR 9088, Feb. 24, 2016; 82 FR 11502, Feb. 24, 2017; 82 FR 52174, Nov. 13, 2017; 83 FR 58467, Nov. 20, 2018]

### § 209.5 The share register.

(a) *Electronic or written record.* A member bank's holding of Reserve Bank capital stock shall be represented by one (or at the option of the Reserve Bank, more than one) notation on the Reserve Bank's books. Such books may be electronic or in writing. Upon any issue or cancellation of Reserve Bank capital stock, the Reserve Bank shall record the member bank's new share position in its books (or eliminate the bank's share position from its books, as the case may be).

(b) *Certification.* A Reserve Bank may certify on request as to the number of shares held by a member bank and purchased before March 28, 1942, or as to the purchase and cancellation dates and prices of shares cancelled, as the case may be.

## PART 210—COLLECTION OF CHECKS AND OTHER ITEMS BY FEDERAL RESERVE BANKS AND FUNDS TRANSFERS THROUGH FEDWIRE (REGULATION J)

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APPENDIX A TO SUBPART B OF PART 210—COMMENTARY

APPENDIX B TO SUBPART B OF PART 210—ARTICLE 4A, FUNDS TRANSFERS

AUTHORITY: 12 U.S.C. 248(i), (j), and 248-1, 342, 360, 464, 4001-4010, and 5001-5018.

SOURCE: 45 FR 68634, Oct. 16, 1980, unless otherwise noted.

### Subpart A—Collection of Checks and Other Items By Federal Reserve Banks

#### § 210.1 Authority, purpose, and scope.

The Board of Governors of the Federal Reserve System (Board) has issued

## §210.2

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this subpart pursuant to the Federal Reserve Act, sections 11 (i) and (j) (12 U.S.C. 248 (i) and (j)), section 13 (12 U.S.C. 342), section 16 (12 U.S.C. 248(o) and 360), and section 19(f) (12 U.S.C. 464); the Expedited Funds Availability Act (12 U.S.C. 4001 *et seq.*); the Check Clearing for the 21st Century Act (12 U.S.C. 5001–5018) and other laws. This subpart governs the collection of checks and other cash and noncash items and the handling of returned checks by Federal Reserve Banks. Its purpose is to provide rules for collecting and returning items and settling balances.

[53 FR 21984, June 13, 1988, as amended at Reg. J, 59 FR 22965, May 4, 1994; Reg. J, 69 FR 62557, Oct. 27, 2004]

### §210.2 Definitions.

As used in this subpart, unless the context otherwise requires:

(a) *Account* means an account on the books of a Federal Reserve Bank. A subaccount is an informational record of a subset of transactions that affect an account and is not a separate account.

(b) *Actually and finally collected funds* means cash or any other form of payment that is, or has become, final and irrevocable.

(c) *Administrative Reserve Bank* with respect to an entity means the Reserve Bank in whose District the entity is located, as determined under the procedure described in §204.3(g) of this chapter (Regulation D), even if the entity is not otherwise subject to that section.

(d) *Bank* means any person engaged in the business of banking. A branch or separate office of a bank is a separate bank to the extent provided in the Uniform Commercial Code.

(e) *Bank draft* means a check drawn by one bank on another bank.

(f) *Banking day* means the part of a day on which a bank is open to the public for carrying on substantially all of its banking functions.

(g) *Cash item* means—

(1) A check other than one classified as a noncash item under this section; or

(2) Any other item payable on demand and collectible at par that the Reserve Bank that receives the item is

willing to accept as a cash item. *Cash item* does not include a returned check.

(h) *Check* means a check or an electronic check, as those terms are defined in §229.2 of this chapter (Regulation CC).

(i) *Item*. (1) Means—

(i) An instrument or a promise or order to pay money, whether negotiable or not, that is—

(A) Payable in a Federal Reserve District<sup>1</sup> (District);

(B) Sent by a sender to a Reserve Bank for handling under this subpart; and

(C) Collectible in funds acceptable to the Reserve Bank of the District in which the instrument is payable; or

(ii) A check.

(2) Unless otherwise indicated, *item* includes both a cash and a noncash item, and includes a returned check sent by a paying or returning bank. *Item* does not include a check that cannot be collected at par, or a *payment order* as defined in §210.26(i) and handled under subpart B of this part. The term also does not include an electronically-created item as defined in §229.2 of this chapter (Regulation CC).

(j) *Nonbank payor* means a payor of an item, other than a bank.

(k) *Noncash item* means an item that a receiving Reserve Bank classifies in its operating circulars as requiring special handling. The term also means an item normally received as a cash item if a Reserve Bank decides that special conditions require that it handle the item as a noncash item.

(1) *Paying bank* means—

(1) The bank by which an item is payable unless the item is payable or collectible at or through another bank and is sent to the other bank for payment or collection;

(2) The bank at or through which an item is payable or collectible and to which it sent for payment or collection; or

(3) The bank whose routing number appears on a check in the MICR line or in fractional form (or in the MICR-line

<sup>1</sup>For purposes of this subpart, the Virgin Islands and Puerto Rico are deemed to be in the Second District, and Guam, American Samoa, and the Northern Mariana Islands in the Twelfth District.