

DEPARTMENT OF THE TREASURY

Fiscal Service

31 CFR Part 357

Regulations Governing Book-Entry Treasury Bonds, Notes and Bills

AGENCY: Bureau of the Public Debt, Fiscal Service, Treasury.

ACTION: Final rule.

SUMMARY: This final rule amends 31 CFR part 357, the general regulations governing book-entry Treasury securities, to provide a new schedule for the provision of a statement of account and to provide for the provision of a confirmation notice to the TREASURY DIRECT investor. This rule also provides that the statement of account and confirmation notice may be sent by electronic means. The change will benefit the TREASURY DIRECT investor by ensuring that each investor will receive a statement of account at least yearly. The confirmation notice will also benefit the investor by providing notification of a change in an account master record, notification upon the scheduling or canceling of a reinvestment and by confirming the interest that an investor has earned on an inflation indexed security.

DATES: Effective on March 10, 1997.

FOR FURTHER INFORMATION CONTACT: Maureen Parker, Director, Division of Securities Systems, Bureau of the Public Debt (304) 480-7761; Susan Klimas, Attorney-Adviser, Office of the Chief Counsel, Bureau of the Public Debt (304) 480-5192.

SUPPLEMENTARY INFORMATION: A revised timetable has been created to provide the TREASURY DIRECT investor a statement of account, which contains detailed information about the investor's TREASURY DIRECT account. Such statement will be sent upon the establishment of an account master record, upon a change in the securities portfolio, at an owner's request, or if it is determined on December 31 that an owner has not received a statement of

account for that current calendar year. In addition to the revised timetable for the statement of account, this amendment provides that the investor will be sent a confirmation notice upon a change in an account master record, the scheduling or cancellation of a reinvestment, or to confirm the interest earned on a Treasury Inflation Indexed Security. In addition, this amendment will permit such statement and notice to be sent by electronic means.

Procedural Requirements

It has been determined that this final rule does not meet the criteria for a "significant regulatory action," as defined in Executive Order 12866. Therefore, the regulatory review procedures contained therein do not apply.

This final rule relates to matters of public contract and procedures for U.S. securities. Accordingly, pursuant to 5 U.S.C. 553(a)(2), the notice, public comment and delayed effective date provisions of the Administrative Procedure Act do not apply. As no notice of proposed rulemaking is required, the provisions of the Regulatory Flexibility Act (5 U.S.C. 601, et seq.) do not apply.

There are no new collections of information contained in this final rule. Therefore, the Paperwork Reduction Act (44 U.S.C. 3504(h)) does not apply.

List of Subjects in 31 CFR Part 357

Banks, Banking, Bonds, Federal Reserve System, Government securities.

Dated: April 4, 1997.

Gerald Murphy, Fiscal Assistant Secretary.

For the reasons set out in the preamble, 31 CFR Part 357 is amended as follows:

PART 357—GENERAL REGULATIONS GOVERNING BOOK-ENTRY TREASURY BONDS, NOTES AND BILLS

1. The authority citation for Part 357 continues to read as follows:

Authority: 31 U.S.C. Chapter 31, 5 U.S.C. 301 and 12 U.S.C. 391.

2. Section 357.20 is amended to revise paragraph (e), to redesignate paragraph (f) as paragraph (g), and to add a new paragraph (f) to read as follows:

§ 357.20 Securities account in TREASURY DIRECT.

\* \* \* \* \*

(e) Statement of account. The Department shall send a statement of account (statement):

- (1) Upon the establishment of an account master record;
(2) Upon a change in the securities portfolio;
(3) At an owner's request; or
(4) Upon the determination on December 31 that an owner has not received a statement of account for that current calendar year.

\* \* \* The statement may be sent to the correspondence address designated in the account master record, or may be sent by electronic means.

\* \* \* \* \*

(f) Confirmation notice. The Department shall send a confirmation notice (notice):

- (1) Upon a change in an account master record;
(2) Upon scheduling or canceling a reinvestment; or
(3) To confirm the interest earned on a Treasury Inflation Indexed Security. The notice shall contain information regarding the account as of the date of such confirmation. The notice may be sent to the correspondence address designated in the account master record, or may be sent by electronic means. All changes reflected in paragraph (f) (1) and (2) of this section will be included in the next regularly scheduled statement of account. See paragraph (e) of this section for the statement schedule.