

§ 323.12

indemnify Treasury for any loss, liability, cost, or expense associated with the State's receipt, use, or distribution of, or failure to adequately protect, records or any information contained therein.

§ 323.12 Severability.

The provisions of this subpart are severable, and if any section, subsection, clause, paragraph, or phrase of this subpart shall be adjudged to be invalid or unconstitutional by any court of competent jurisdiction, the judgment shall not affect, impair, or invalidate the remainder of this subpart, but shall be confined in its operation to the section, subsection, clause, paragraph, or phrase directly involved in the controversy in which such judgment shall have been rendered, and the remainder of this subpart shall continue to be in force and effect.

PART 328—RESTRICTIVE ENDORSEMENTS OF U.S. BEARER SECURITIES

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AUTHORITY: R.S. 3706; 40 Stat. 288, 502, 1309; 46 Stat. 20; 48 Stat. 343; 49 Stat. 20; 56 Stat. 189; 73 Stat. 622; 85 Stat. 5, 74 (31 U.S.C. 738a, 739, 752, 752a, 753, 754, 754a and 754b); and 5 U.S.C. 301.

SOURCE: 38 FR 10682, Apr. 30, 1973, unless otherwise noted.

§ 328.1 Scope of regulations.

The regulations in this part are applicable only to U.S. bearer securities¹ presented:

(a) By or through banks for payment at or after their maturity or call date,

¹ Certain agencies of the United States and certain Government and Government-sponsored corporations also authorize the restrictive endorsement of bearer securities.

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or in exchange for any securities under any exchange offering,

(b) By banks for conversion to book-entry securities,

(c) By or through banks at any time prior to their maturity or call date for redemption at par and application of the entire proceeds in payment of Federal estate taxes, provided said securities by the terms of their issue are eligible for such redemption, and

(d) By Service Center Directors and District Directors, Internal Revenue Service, for redemption, with the proceeds to be applied in payment of taxes (other than securities presented under paragraph (c) of this section).

These regulations do not apply to bearer securities presented for any other transactions, or to registered securities assigned in blank, or to bearer, or so assigned as to become, in effect, payable to bearer.

§ 328.2 Definitions.

Certain words and terms, as used in these regulations, are defined as follows:

(a) *Banks* refer to, and include, incorporated banks (*i.e.*, banks doing a general commercial banking business), incorporated trust companies (*i.e.*, trust companies doing either a general banking business or a general trust business), and savings and loan associations, building and loan associations, and such other financial institutions as may be designated by the Federal Reserve banks. This definition is limited to institutions incorporated within the United States, its territories and possessions, the Commonwealth of Puerto Rico and the Canal Zone.

(b) *Bearer securities* or *securities* are those which are payable on their face to *bearer*, the ownership of which is not recorded. They include *Treasury bonds*, Treasury notes, Treasury certificates of indebtedness, and *Treasury bills*.

§ 328.3 Authorization for restrictive endorsements.

(a) *By banks.* Banks are authorized, under the conditions and in the form hereinafter provided, to place restrictive endorsements upon the face of bearer securities owned by themselves or their customers for the purpose of