



## Federal Reserve Banks

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November 10, 1998  
Clearing Memo # 210

TO: All Fedwire Securities Participants

SUBJECT: Extension of Treasury CUBES and BECCS Programs

Please refer to the attached which announces the extension of the conversion window for the CUBES and BECCS programs from October 9, 1998 until further notice.

Questions regarding this announcement should be directed to the Federal Reserve Bank of New York at (201) 531-3341.

[Federal Register: November 2, 1998 (Volume 63, Number 211)]  
[Notices]  
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DEPARTMENT OF THE TREASURY

Fiscal Service Coupons Under Book-Entry Safekeeping (CUBES)  
and Bearer Corpora Conversion System (BECCS); Extension of Programs  
AGENCY: Bureau of the Public Debt, Fiscal Service, Department of the Treasury.  
ACTION: Notice.

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SUMMARY: This notice is being published to announce the extension by the Department of the Treasury of its Coupons Under Book-Entry Safekeeping (CUBES) and its Bearer Corpora Conversion System (BECCS) programs, pursuant to 31 CFR part 358. In a notice published on March 6, 1998 (63 FR 11357), the previously announced conversion window for both CUBES and BECCS ended on October 9, 1998. Due to the popularity of the BECCS conversion program, the Department is extending the operation of the conversion window beyond October 9, 1998, and will continue to accept both stripped bearer corpora and detached bearer coupons for conversion to book-entry form until further notice. The Department of the Treasury will publish a notice in the Federal Register not less than thirty (30) calendar days prior to the effective ending date of the CUBES and BECCS conversion window.

The extension of the CUBES window will continue to permit the conversion to book-entry of certain physical coupons detached from U.S. Treasury bearer securities. The extension of the BECCS window will continue to permit the conversion to book-entry of U. S. Treasury stripped bearer corpora to book-entry form. CUBES and BECCS securities will be held in the commercial book-entry system, or TRADES. With the extension of the conversion window for CUBES and BECCS, depository institutions holding eligible coupons and corpora will continue to have the opportunity to convert such coupons and corpora to book-entry form until further notice by the Department. Other entities wishing to convert coupons and corpora must arrange to do so through a depository institution.

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; Edward C. Gronseth, Deputy Chief Counsel, Office of the Chief Counsel, Bureau of the Public Debt (304) 480-5192.

SUPPLEMENTARY INFORMATION: 31 CFR part 358, Regulations governing Book-Entry Conversion of Detached Bearer Coupons and Bearer Corpora permits openings of the CUBES and BECCS windows for conversion to book-entry form of detached, physical coupons and stripped bearer corpora. Accordingly, pursuant to that authority, Treasury is extending the window for conversion under its CUBES and BECCS programs until further notice. Under the programs, depository institutions holding coupons stripped from Treasury securities and bearer corpora that have been stripped of all non-callable coupons will continue to be permitted to convert them to book-entry form. Entities other than depository institutions that hold such coupons and bearer corpora and that wish to convert them to book-entry accounts under the

CUBES and BECCS programs must  
[[Page 58810]] arrange for conversion through a depository institution.

Detached bearer coupons and bearer corpora that are submitted within 30 days of their maturity date or, if the call provision has been invoked, within 30 days of their call date, will not be accepted for conversion.

Presentation of coupons under the CUBES and BECCS windows may be made only at the Federal Reserve Bank of New York and in compliance with the presentation procedures established by the Federal Reserve Bank of New York. Submissions of coupons are subject to the terms and conditions described in part 358.

A depository institution wishing to participate in CUBES or BECCS should contact Grace Jaiman (212) 720-8183 or Joanna Grever (212) 720-8184 of the Federal Reserve Bank of New York as soon as possible to obtain an information package and the necessary supplies required to present the stripped coupons and bearer corpora in acceptable form. The institution should inform the Federal Reserve Bank of New York of its intention to participate as soon as possible, but no later than two weeks before deposit, and should submit a completed holdings statement on the form provided in the information package.

Participants will be charged a separate conversion transaction fee of \$4 for each coupon and each corpus conversion transaction processed. A corpus submitted with all associated callable coupons will be charged one conversion transaction fee. A corpus submitted minus one or more associated callable coupons will be charged a transaction fee for the conversion of the corpus and a transaction fee for each separate callable coupon converted. Each non-callable coupon submitted will be charged a conversion transaction fee. The fee for any coupon or corpus that is rejected by the Department, for whatever reason, is non-refundable.

Submitters of coupons are deemed to agree to the terms and conditions set forth in this notice, 31 CFR part 358, and any other requirements that may be prescribed by the Department of the Treasury and the Federal Reserve Bank of New York.

Dated: October 28, 1998.

R. Lee Grandy,  
Acting Commissioner, Bureau of the Public Debt.  
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