

(2) Award more or less than the amount of securities specified in the auction announcement;

(3) Waive any provision of this part for any bidder or submitter; and

(4) Change the terms and conditions of an auction.

(b) Our decisions under this part are final. We will provide a public notice if we change any auction provision, term, or condition.

(c) We reserve the right to modify the terms and conditions of new securities and to depart from the customary pattern of securities offerings at any time.

§ 356.34 What could happen if someone does not fully comply with the auction rules or fails to pay for securities?

(a) *General.* If a person or entity fails to comply with any of the auction rules in this part, we will consider the circumstances and take what we deem to be appropriate action. This could include barring the person or entity from participating in future auctions under this part. We also may refer the matter to an appropriate regulatory agency.

(b) *Liquidated damages.* If you fail to pay for awarded securities in a timely manner, we may require you to pay liquidated damages of up to one percent of the par amount of securities we awarded to you. Our use of this liquidated damages remedy does not preclude us from using any other appropriate remedy.

§ 356.35 Who approved the information collections?

The Office of Management and Budget approved the collections of information contained in §§ 356.11, 356.12, 356.13, 356.14, and 356.15 and in Appendix A of this part under control number 1535-0112.

Appendix A to Part 356—Bidder Categories

I. Categories of Eligible Bidders

We describe below various categories of bidders eligible to bid in Treasury auctions. You may use them to determine whether we consider you and other entities to be one bidder or more than one bidder for auction bidding and compliance purposes. For example, we use these definitions to apply the competitive and noncompetitive award limitations and for other requirements. Notwithstanding these definitions, we consider any persons or entities that intentionally act together with respect to bidding in a Treasury auction to collectively be one bidder. Even if an auction participant does not fall under any of the categories listed below, it is our intent that no auction participant receives a larger auction award by acquiring securities through others than it could have received had it been considered one of these types of bidders.

(a) *Corporation*—We consider a corporation to be one bidder. A corporation includes all of its affiliates, which may be persons, partnerships, or other entities. We use the term “corporate structure” to refer to the collection of affiliates that we consider collectively to be one bidder. An affiliate is any:

- entity that is more than 50% owned, directly or indirectly, by the corporation;
- entity that is more than 50% owned, directly or indirectly, by any other affiliate of the corporation;
- person or entity that owns, directly or indirectly, more than 50% of the corporation;
- person or entity that owns, directly or indirectly, more than 50% of any other affiliate of the corporation; or
- entity, a majority of whose board of directors or a majority of whose general partners are directors or officers of the corporation, or of any affiliate of the corporation.

We consider a business trust, such as a Massachusetts or Delaware business trust, to be a corporation.

(b) *Partnership*—We consider a partnership to be one bidder if it is a partnership for which the Internal Revenue Service has assigned a tax-identification number. A partnership includes all of its affiliates, which may be persons, corporations, general partners acting on behalf of the partnership, or other entities. We use the term “partnership structure” to refer to the collection of affiliates that we consider collectively to be one bidder. We may consider a partnership structure that contains one or more corporations as a “partnership” or a “corporation,” but not both.

An affiliate is any:

- entity that is more than 50% owned, directly or indirectly, by the partnership;
- entity that is more than 50% owned, directly or indirectly, by any other affiliate of the partnership;
- person or entity that owns, directly or indirectly, more than 50% of the partnership;
- person or entity that owns, directly or indirectly, more than 50% of any other affiliate of the partnership; or
- entity, a majority of whose general partners or a majority of whose board of directors are general partners or directors of the partnership or of any affiliate of the partnership.

(c) *Government-related entity*—We consider each of the following entities to be one bidder:

- (1) a state government or the government of the District of Columbia.
- (2) a unit of local government, including any county, city, municipality, or township, or other unit of general government as defined by the Bureau of the Census for statistical purposes.
- (3) a commonwealth, territory, or possession of the United States.
- (4) a governmental entity, body, or corporation established under Federal, State, or local law.
- (5) a foreign central bank, the government of a foreign state, or an international organization in which the United States holds membership. This type of entity applies only when such entity is not using

an account at the Federal Reserve Bank of New York (See paragraph (f)).

We generally consider an investment, reserve, or other fund of one of the above government-related entities as part of that entity and not a separate bidder. We will consider a government-related entity's fund to be a separate bidder if it meets the definition of the “trust or other fiduciary estate” category, or if applicable law requires that the investments of such fund be made separately.

(d) *Trust or other fiduciary estate*—We consider a legal entity created under a valid trust instrument, court order, or other legal authority that designates a trustee or fiduciary to act for the benefit of a named beneficiary to be one bidder. The following conditions must also be met for us to consider a trust entity to be one bidder:

- The legal entity must be able to be identified by:
 1. the name or title of the trustee or fiduciary;
 2. specific reference to the trust instrument, court order, or legal authority under which the trustee or fiduciary is acting; and
 3. the unique IRS-assigned employer identification number (not social security number) for the entity.

• The trustee or fiduciary must make the decisions on participating in auctions on behalf of the trust or fiduciary estate.

(e) *Individual*—We consider a person to be one bidder, regardless of whether he or she is acting as an individual, a sole proprietor, or for any entity not otherwise defined as a bidder. If a person meets the definition of an affiliate within a corporate or partnership structure, we will consider him or her to be a bidder in this “individual” category if the corporation or partnership is not bidding in the same auction. We do not consider a person acting in an official capacity as an employee or other representative of a bidder defined in any other category to be an “individual” bidder. We consider a person, his or her spouse, and any children under the age of 21 having a common household to be one “individual” bidder.

(f) *Foreign and International Monetary Authority (“FIMA”)*—We consider one or more parties making up a foreign or international monetary organization that is not private in nature to be a bidder called a FIMA entity if at least one of the parties is a foreign or international entity that is (i) financial in nature, or (ii) not financial in nature but is authorized to open an account at the Federal Reserve Bank of New York. We consider each of the following entities to be a single FIMA entity:

- (1) A foreign central bank or regional central bank.
- (2) A foreign governmental monetary or finance entity.
- (3) A non-governmental international financial organization that is not private in nature (for example, the International Monetary Fund, the World Bank, the Inter-American Development Bank, and the Asian Development Bank).
- (4) A non-financial international organization that the United States participates in (for example, the United Nations).