

sale or redemption of gifts under this section shall be deposited. The Secretary shall use the money in the account to pay at maturity, or to redeem or buy before maturity, an obligation of the Government included in the public debt. An obligation of the Government that is paid, redeemed, or bought with money from the account shall be canceled and retired and may not be re-issued. Money deposited in the account is appropriated and may be expended to carry out this section.

(e)(1) The Secretary shall redeem a direct obligation of the Government bearing interest or sold on a discount basis on receiving it when the obligation—

- (A) is given to the Government;
- (B) becomes the property of the Government under the conditions of a trust; or
- (C) is payable on the death of the owner to the Government (or to an officer of the Government in the officer's official capacity).

(2) If the gift or transfer to the Government is subject to a gift or inheritance tax, the Secretary shall pay the tax out of the proceeds of redemption.

(Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 943.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
3113(a)	31:901(less (b)(proviso)).	June 27, 1961, Pub. L. 87-58, 75 Stat. 119.
3113(b)	31:901(b)(proviso).	
3113(c)	31:902, 903.	
3113(d)	31:904.	
3113(e)	31:757e.	Sept. 24, 1917, ch. 56, 40 Stat. 288, §24; added Apr. 3, 1945, ch. 51, §4, 59 Stat. 48.

In subsection (a), before clause (1), the words "In order" are omitted as surplus. The words "To provide" are substituted for "to afford" for clarity. The words "for the purpose" are omitted as unnecessary. In clauses (1) and (2), the word "for" is substituted for "on behalf of" for consistency. The word "realized" is omitted as surplus. In clause (2), the word "tangible" is substituted for "real or personal" to eliminate unnecessary words.

In subsections (b) and (c), the words "as the case may be" are omitted as unnecessary.

In subsection (c), the words "under applicable law" are omitted as surplus.

In subsection (d), the words "on the books of" and "special" are omitted as surplus. The words "proceeds from the sale or redemption of gifts" are substituted for "all money received as a result of the conversion into money of gifts of property other than money received" for clarity and consistency.

In subsection (e)(1), the word "Secretary" is substituted for "Treasurer of the United States" because of the source provisions restated in section 321(c) of the revised title. In clause (A), the word "given" is substituted for "is donated . . . is bequeathed by will" to eliminate unnecessary words. In clause (B), the word "conditions" is substituted for "terms" for consistency in the revised title and with other titles of the United States Code. In clause (C), the words "by its terms" are omitted as surplus.

In subsection (e)(2), the words "under applicable law" and "bequest" are omitted as surplus. The words "and shall deposit the balance in the Treasury as miscellaneous receipts or as otherwise authorized by law" are omitted as surplus because of section 3302(a) of the revised title. The text of 31:757e(last sentence) is omitted because of the restatement.

SUBCHAPTER II—ADMINISTRATIVE

§ 3121. Procedure

(a) In issuing obligations under sections 3102-3104 of this title, the Secretary of the Treasury may prescribe—

- (1) whether an obligation is to be issued on an interest-bearing basis, a discount basis, or an interest-bearing and discount basis;
- (2) regulations on the conditions under which the obligation will be offered for sale, including whether it will be offered for sale on a competitive or other basis;
- (3) the offering price and interest rate;
- (4) the method of computing the interest rate;
- (5) the dates for paying principal and interest;
- (6) the form and denominations of the obligations; and
- (7) other conditions.

(b)(1) Under conditions prescribed by the Secretary, an obligation issued under this chapter and redeemable on demand of the owner or holder may be used to pay the United States Government for taxes imposed by it.

(2) An obligation of the Government issued after March 3, 1971, under law may not be redeemed before its maturity to pay a tax imposed by the Government in an amount more than the fair market value of the obligation at the time of its redemption. This paragraph does not apply to a Treasury bill issued under section 3104 of this title.

(c) Under conditions prescribed by the Secretary, an obligation authorized by this chapter may be issued in exchange for an obligation of an agency whose principal and interest are unconditionally guaranteed by the Government at or before maturity.

(d) Under conditions prescribed by the Secretary, the Secretary may issue registered bonds in exchange for and instead of coupon bonds that have been or may be issued. The registered bonds shall be similar in all respects to the registered bonds issued under a law authorizing the issue of coupon bonds offered for exchange.

(e) A decision of the Secretary about an issue of obligations under sections 3102-3104 of this title is final.

(f) The Secretary may accept voluntary services in carrying out the sale of public debt obligations.

(g)(1) In this subsection, "registration-required obligation" means an obligation except an obligation—

- (A) not of a type offered to the public; or
- (B) having a maturity (at issue) of not more than one year.

(2) Every registration-required obligation of the Government shall be in registered form. A book entry obligation is deemed to be in registered form if the right to principal and stated interest on the obligation may be transferred only through a book entry consistent with regulations of the Secretary.

(3) The Secretary shall prescribe regulations necessary to carry out this subsection when there is a nominee.

(h)(1) The Secretary shall prescribe by regulation standards for the safeguarding and use of

obligations issued under this chapter, and obligations otherwise issued or guaranteed as to principal or interest by the United States. Such regulations shall apply only to a depository institution that is not a government securities broker or a government securities dealer and that holds such obligations as fiduciary, custodian, or otherwise for the account of a customer and not for its own account. Such regulations shall provide for the adequate segregation of obligations so held, including obligations which are purchased or sold subject to resale or repurchase.

(2) Violation of a regulation prescribed under paragraph (1) shall constitute adequate basis for the issuance of an order under section 5239(a) or (b) of the Revised Statutes (12 U.S.C. 93(a) or (b)), section 8(b) or 8(c) of the Federal Deposit Insurance Act, section 5(d)(2) or 5(d)(3)¹ of the Home Owners' Loan Act of 1933, section 407(e) or 407(f)¹ of the National Housing Act, or section 206(e) or 206(f) of the Federal Credit Union Act. Such an order may be issued with respect to a depository institution by its appropriate regulatory agency and with respect to a federally insured credit union by the National Credit Union Administration Board.

(3) Nothing in this subsection shall be construed to affect in any way the powers of such agencies under any other provision of law.

(4) The Secretary shall, prior to adopting regulations under this subsection, determine with respect to each appropriate regulatory agency and the National Credit Union Administration Board, whether its rules and standards adequately meet the purposes of regulations to be promulgated under this subsection, and if the Secretary so determines, shall exempt any depository institution subject to such rules or standards from the regulations promulgated under this subsection.

(5) As used in this subsection—

(A) "depository institution" has the meaning stated in clauses (i) through (vi) of section 19(b)(1)(A) of the Federal Reserve Act and also includes a foreign bank, an agency or branch of a foreign bank, and a commercial lending company owned or controlled by a foreign bank (as such terms are defined in the International Banking Act of 1978).

(B) "government securities broker" has the meaning prescribed in section 3(a)(43) of the Securities Exchange Act of 1934.

(C) "government securities dealer" has the meaning prescribed in section 3(a)(44) of the Securities Exchange Act of 1934.

(D) "appropriate regulatory agency" has the meaning prescribed in section 3(a)(34)(G) of the Securities Exchange Act of 1934.

(Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 944; Pub. L. 97-452, §1(9), Jan. 12, 1983, 96 Stat. 2468; Pub. L. 99-571, title II, §201(a), Oct. 28, 1986, 100 Stat. 3222; Pub. L. 111-147, title V, §502(d), Mar. 18, 2010, 124 Stat. 108.)

¹ See References in Text note below.

HISTORICAL AND REVISION NOTES
1982 ACT

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
3121(a)	31:752(2d par. related to form of bonds). 31:753(a)(related to form of notes, certificates of indebtedness, and Treasury bills). 31:754(a)(related to form of certificates of indebtedness and Treasury bills). 31:754b(a)(less last 12 words). 31:769(words after semicolon).	Sept. 24, 1917, ch. 56, §1(2d par. related to form of bonds), 40 Stat. 288; restated Apr. 4, 1918, ch. 44, §1, 40 Stat. 503. Sept. 24, 1917, ch. 56, 40 Stat. 288, §18(a)(related to form of notes, certificates of indebtedness, and Treasury bills); added Mar. 3, 1919, ch. 100, §1, 40 Stat. 1310; restated Feb. 4, 1935, ch. 5, §4, 49 Stat. 20. Sept. 24, 1917, ch. 56, §5(a)(related to form of certificates of indebtedness and Treasury bills, finality), 40 Stat. 290; restated June 17, 1929, ch. 26, 46 Stat. 20. Sept. 24, 1917, ch. 56, 40 Stat. 288, §20; added Jan. 30, 1934, ch. 6, §14(a)(4), 48 Stat. 343; restated Mar. 28, 1942, ch. 205, §3, 56 Stat. 189. Feb. 4, 1910, ch. 25, §1(words after semicolon), 36 Stat. 192.
3121(b)(1) 3121(b)(2)	31:754b(b). 31:757c-4.	Sept. 24, 1917, ch. 56, 40 Stat. 288, §27; added Mar. 17, 1971, Pub. L. 92-5, §4(b), 85 Stat. 5.
3121(c)	31:754b(c).	R.S. §3706.
3121(d)	31:739.	
3121(e)	31:754(a)(related to finality). 31:754b(a)(last 12 words).	
3121(f)	31:772a.	June 1, 1955, ch. 119, §2, 69 Stat. 82.

In subsection (a)(1), the word "combination" is omitted as surplus.

In subsection (a)(2), the word "conditions" is substituted for "terms and conditions" because it is inclusive.

In subsection (a)(3), the words "offering" and "interest rate" are added for clarity.

In subsection (b)(1), the word "issued" is substituted for "authorized" for clarity. The words "the Commissioner of Internal Revenue" are omitted because of the source provisions restated in section 321 of the revised title.

In subsection (b)(2), the words "In the case of" are omitted as surplus. The words "under law" are substituted for "under this Act or under any other provision of law" because they are inclusive. The words "the terms and conditions of issue" are omitted as unnecessary. The word "permit" is omitted as surplus.

In subsection (c), the word "conditions" is substituted for "regulations and upon such terms" to eliminate unnecessary words and for consistency in the revised title and with other titles of the United States Code. The word "agency" is substituted for "agency or instrumentality of the United States" because of section 101 of the revised title and for consistency.

In subsection (d), the word "conditions" is substituted for "terms and under such regulations" to eliminate unnecessary words and for consistency in the revised title and with other titles of the Code. The words "instead of" are substituted for "in lieu of" for clarity.

In subsection (f), the words "in carrying out" are substituted for "in connection with the program for" to eliminate unnecessary words.

1983 ACT

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
3121(g)	31 App.:757c-5.	Sept. 24, 1917, ch. 56, 40 Stat. 288, §28; added Sept. 3, 1982, Pub. L. 97-248, §310(a), 96 Stat. 595.

In subsection (g)(1), before clause (A), the words "Except as provided in paragraph (2)" and "(2) The term

'registration-required obligation' shall not include any obligation if" are omitted because of the restatement. Clause (C) is added for clarity.

In subsection (g)(2)(B)(i), the words "territories and" are added for consistency in the revised title and with other titles of the United States Code.

In subsection (g)(3), the words "(or of any agency or instrumentality thereof)" are omitted as included in "Government". The words "For purposes of subsection (a)" are omitted as surplus. The words "is deemed to be" are substituted for "shall be treated as" for consistency in the revised title and with other titles of the Code.

In subsection (g)(4), the words "or chain of nominees" are omitted as included in "nominee" and because of 1:1.

REFERENCES IN TEXT

Section 8(b) or (c) of the Federal Deposit Insurance Act, referred to in subsec. (h)(2), is classified to section 1818(b), (c) of Title 12, Banks and Banking.

Section 5(d)(2) or 5(d)(3) of the Home Owners' Loan Act of 1933, referred to in subsec. (h)(2), is classified to section 1464(d)(2), (3) of Title 12, but was amended generally by Pub. L. 101-73, title III, § 301, Aug. 9, 1989, 103 Stat. 282, and no longer relates to issuance of orders. See section 1464(d)(1) of Title 12.

Section 407 of the National Housing Act, referred to in subsec. (h)(2), which was classified to section 1730 of Title 12, was repealed by Pub. L. 101-73, title IV, § 407, Aug. 9, 1989, 103 Stat. 363.

Section 206(e) or 206(f) of the Federal Credit Union Act, referred to in subsec. (h)(2), is classified to section 1786(e), (f) of Title 12.

Clauses (i) through (vi) of section 19(b)(1)(A) of the Federal Reserve Act, referred to in subsec. (h)(5)(A), are classified to cls. (i) through (vi) of section 461(b)(1)(A) of Title 12.

The International Banking Act of 1978, referred to in subsec. (h)(5)(A), is Pub. L. 95-369, Sept. 17, 1978, 92 Stat. 607, which enacted chapter 32 (§3101 et seq.) and sections 347d and 611a of Title 12, Banks and Banking, amended sections 72, 378, 614, 615, 618, 619, 1813, 1815, 1817, 1818, 1820, 1821, 1822, 1823, 1828, 1829b, 1831b, and 1841 of Title 12, and enacted provisions set out as notes under sections 36, 247, 601, 611a, and 3101 of Title 12. For complete classification of this Act to the Code, see Short Title note set out under section 3101 of Title 12 and Tables.

Section 3(a)(43), (44), (34)(G), of the Securities Exchange Act of 1934, referred to in subsec. (h)(5)(B) to (D), is classified to section 78c(a)(43), (44), (34)(G) of Title 15, Commerce and Trade.

AMENDMENTS

2010—Subsec. (g)(1). Pub. L. 111-147, §502(d)(2), inserted "or" at end of subpar. (A), substituted period for "; or" in subpar. (B), and struck out subpar. (C) which read as follows: "described in paragraph (2) of this subsection."

Subsec. (g)(2) to (4). Pub. L. 111-147, §502(d)(1), redesignated pars. (3) and (4) as (2) and (3), respectively, and struck out former par. (2) which read as follows: "An obligation is not a registration-required obligation if—

"(A) there are arrangements reasonably designed to ensure that the obligation will be sold (or resold in connection with the original issue) only to a person that is not a United States person; and

"(B) for an obligation not in registered form—

"(i) interest on the obligation is payable only outside the United States and its territories and possessions; and

"(ii) a statement is on the face of the obligation that a United States person holding the obligation is subject to limitations under the United States income tax laws."

1986—Subsec. (h). Pub. L. 99-571 added subsec. (h).

1983—Subsec. (g). Pub. L. 97-452 added subsec. (g).

EFFECTIVE DATE OF 2010 AMENDMENT

Amendment by Pub. L. 111-147 applicable to obligations issued after the date which is 2 years after Mar.

18, 2010, see section 502(f) of Pub. L. 111-147, set out as a note under section 149 of Title 26, Internal Revenue Code.

EFFECTIVE DATE OF 1986 AMENDMENT; PROMULGATION OF REGULATIONS

Amendment by Pub. L. 99-571 effective 270 days after Oct. 28, 1986, except that the Secretary of the Treasury and each appropriate regulatory agency shall publish for notice and public comment within 120 days after Oct. 28, 1986, initial implementing regulations to become effective as temporary regulations 210 days after Oct. 28, 1986, and as final regulations not later than 270 days after Oct. 28, 1986, see title IV of Pub. L. 99-571, set out as an Effective Date note under section 780-5 of Title 15, Commerce and Trade.

EFFECTIVE DATE OF 1983 AMENDMENT

Pub. L. 98-216, §4(a), (b), Feb. 14, 1984, 98 Stat. 6, 7, as amended by Pub. L. 99-514, §2, Oct. 22, 1986, 100 Stat. 2095, provided that:

"(a)(1) Except as provided in paragraph (2) of this subsection, the amendment made by section 1(9) of the Act of January 12, 1983 (Public Law 97-452, 96 Stat. 2468) [amending this section], applies to an obligation issued under section 3102(a) of title 31, United States Code, after September 3, 1982.

"(2) The amendment made by section 1(9) of the Act of January 12, 1983 (Public Law 97-452, 96 Stat. 2468) [amending this section], applies to an obligation issued after June 30, 1983, if—

"(A) interest on the obligation is exempt from tax (decided without regard to the amendments made by section 310 of the Tax Equity and Fiscal Responsibility Act of 1982 (Public Law 97-248, 96 Stat. 595) [enacting section 4701 of Title 26, Internal Revenue Code, section 757c-5 of former Title 31, Money and Finance, amending sections 103, 103A, 163, 165, 312, and 1232 of Title 26, and enacting a provision set out as a note under section 103 of Title 26]) under law (without regard to the identity of the holder); and

"(B) the obligation was not required to be in registered form under the Internal Revenue Code of 1986 [formerly I.R.C. 1954] (26 U.S.C. 1 et seq.) as in effect on September 2, 1982.

"(b) The amendment made by section 1(9) of the Act of January 12, 1983 (Public Law 97-452, 96 Stat. 2468) [amending this section], applies to an obligation issued under section 3103(a) of title 31, United States Code, after December 31, 1982."

TRANSITIONAL AND SAVINGS PROVISIONS

For transitional and savings provisions of Pub. L. 99-571, see section 301 of Pub. L. 99-571, set out as a note under section 780-5 of Title 15, Commerce and Trade.

COLLECTION OF DEFINITIVE SECURITY AND ANNUAL MAINTENANCE FEES

Pub. L. 103-329, title I, Sept. 30, 1994, 108 Stat. 2386, provided in part: "That in fiscal year 1995 and thereafter, the Secretary is authorized to collect fees of not less than \$46 for each definitive security issue provided to customers, and an annual maintenance fee of not less than \$25 for each Treasury Direct Investor Account exceeding \$100,000 in par value: *Provided further*, That in fiscal year 1995 and thereafter, of the definitive security fees collected, not to exceed \$600,000, and of the annual maintenance fees for Treasury Direct Investor Account collected, not to exceed \$2,500,000, shall be retained and used in the current fiscal year for the specific purpose of offsetting costs of Bureau of the Public Debt's marketable security activities, and any fees collected in excess of said amounts shall be deposited as miscellaneous receipts in the Treasury".

TREASURY AUCTION REFORMS

Pub. L. 103-202, title II, §202, Dec. 17, 1993, 107 Stat. 2356, provided that:

"(a) ABILITY TO SUBMIT COMPUTER TENDERS IN TREASURY AUCTIONS.—By the end of 1995, any bidder shall be

permitted to submit a computer-generated tender to any automated auction system established by the Secretary of the Treasury for the sale upon issuance of securities issued by the Secretary if the bidder—

“(1) meets the minimum creditworthiness standard established by the Secretary; and

“(2) agrees to comply with regulations and procedures applicable to the automated system and the sale upon issuance of securities issued by the Secretary.

“(b) PROHIBITION ON FAVORED PLAYERS.—

“(1) IN GENERAL.—No government securities broker or government securities dealer may receive any advantage, favorable treatment, or other benefit, in connection with the purchase upon issuance of securities issued by the Secretary of the Treasury, which is not generally available to other government securities brokers or government securities dealers under the regulations governing the sale upon issuance of securities issued by the Secretary of the Treasury.

“(2) EXCEPTION.—

“(A) IN GENERAL.—The Secretary of the Treasury may grant an exception to the application of paragraph (1) if—

“(i) the Secretary determines that any advantage, favorable treatment, or other benefit referred to in such paragraph is necessary and appropriate and in the public interest; and

“(ii) the grant of the exception is designed to minimize any anticompetitive effect.

“(B) ANNUAL REPORT.—The Secretary of the Treasury shall submit an annual report to the Congress describing any exception granted by the Secretary under subparagraph (A) during the year covered by the report and the basis upon which the exception was granted.

“(c) MEETINGS OF TREASURY BORROWING ADVISORY COMMITTEE.—

“(1) OPEN MEETINGS.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), any meeting of the Treasury Borrowing Advisory Committee of the Public Securities Association (hereafter in this subsection referred to as the ‘advisory committee’), or any successor to the advisory committee, shall be open to the public.

“(B) EXCEPTION.—Subparagraph (A) shall not apply with respect to any part of any meeting of the advisory committee in which the advisory committee—

“(i) discusses and debates the issues presented to the advisory committee by the Secretary of the Treasury; or

“(ii) makes recommendations to the Secretary.

“(2) MINUTES OF EACH MEETING.—The detailed minutes required to be maintained under section 10(c) of the Federal Advisory Committee Act [5 U.S.C. App.] for any meeting by the advisory committee shall be made available to the public within 3 business days of the date of the meeting.

“(3) PROHIBITION ON RECEIPT OF GRATUITIES OR EXPENSES BY ANY OFFICER OR EMPLOYEE OF THE BOARD OR DEPARTMENT.—In connection with any meeting of the advisory committee, no officer or employee of the Department of the Treasury, the Board of Governors of the Federal Reserve System, or any Federal reserve bank may accept any gratuity, consideration, expense of any sort, or any other thing of value from any advisory committee described in subsection (c), any member of such committee, or any other person.

“(4) PROHIBITION ON OUTSIDE DISCUSSIONS.—

“(A) IN GENERAL.—Subject to subparagraph (B), a member of the advisory committee may not discuss any part of any discussion, debate, or recommendation at a meeting of the advisory committee which occurs while such meeting is closed to the public (in accordance with paragraph (1)(B)) with, or disclose the contents of such discussion, debate, or recommendation to, anyone other than—

“(i) another member of the advisory committee who is present at the meeting; or

“(ii) an officer or employee of the Department of the Treasury.

“(B) APPLICABLE PERIOD OF PROHIBITION.—The prohibition contained in subparagraph (A) on discussions and disclosures of any discussion, debate, or recommendation at a meeting of the advisory committee shall cease to apply—

“(i) with respect to any discussion, debate, or recommendation which relates to the securities to be auctioned in a midquarter refunding by the Secretary of the Treasury, at the time the Secretary makes a public announcement of the refunding; and

“(ii) with respect to any other discussion, debate, or recommendation at the meeting, at the time the Secretary releases the minutes of the meeting in accordance with paragraph (2).

“(C) REMOVAL FROM ADVISORY COMMITTEE FOR VIOLATIONS OF THIS PARAGRAPH.—In addition to any penalty or enforcement action to which a person who violates a provision of this paragraph may be subject under any other provision of law, the Secretary of the Treasury shall—

“(i) remove a member of the advisory committee who violates a provision of this paragraph from the advisory committee and permanently bar such person from serving as a member of the advisory committee; and

“(ii) prohibit any director, officer, or employee of the firm of which the member referred to in clause (i) is a director, officer, or employee (at the time the member is removed from the advisory committee) from serving as a member of the advisory committee at any time during the 5-year period beginning on the date of such removal.

“(d) REPORT TO CONGRESS.—

“(1) REPORT REQUIRED.—The Secretary of the Treasury shall submit an annual report to the Congress containing the following information with respect to material violations or suspected material violations of regulations of the Secretary relating to auctions and other offerings of securities upon the issuance of such securities by the Secretary:

“(A) The number of inquiries begun by the Secretary during the year covered by the report regarding such material violations or suspected material violations by any participant in the auction system or any director, officer, or employee of any such participant and the number of inquiries regarding any such violations or suspected violations which remained open at the end of such year.

“(B) A brief description of the nature of the violations.

“(C) A brief description of any action taken by the Secretary during such year with respect to any such violation, including any referrals made to the Attorney General, the Securities and Exchange Commission, any other law enforcement agency, and any Federal banking agency (as defined in section 3 of the Federal Deposit Insurance Act [12 U.S.C. 1813]).

“(2) DELAY IN DISCLOSURE OF INFORMATION IN CERTAIN CASES.—The Secretary of the Treasury shall not be required to include in a report under paragraph (1) any information the disclosure of which could jeopardize an investigation by an agency described in paragraph (1)(C) for so long as such disclosure could jeopardize the investigation.”

NOTICE ON TREASURY MODIFICATIONS TO AUCTION PROCESS

Pub. L. 103-202, title II, §203, Dec. 17, 1993, 107 Stat. 2359, which required the Secretary of the Treasury to notify Congress of any significant modifications to the auction process for issuing United States Treasury obligations at the time such modifications were implemented, was repealed by Pub. L. 113-188, title XVI, §1601(d)(1), Nov. 26, 2014, 128 Stat. 2025.

§ 3122. Banks and trust companies as depositaries

(a) The Secretary of the Treasury may designate incorporated banks and trust companies as depositaries for any part of proceeds of an obligation issued under this chapter. The Secretary may prescribe the conditions under which deposits may be made under this section, including the interest rate on amounts deposited and security requirements.

(b) The Secretary may designate a bank or trust company that is a depositary under subsection (a) of this section as a fiscal agent of the United States Government in selling and delivering bonds and certificates of indebtedness issued by the Government.

(Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 945.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
3122(a)	31:753(d)(last sentence related to 31:771).	Sept. 24, 1917, ch. 56, 40 Stat. 288, §18(d)(last sentence related to §8); added Mar. 3, 1919, ch. 100, §1, 40 Stat. 1309.
	31:771.	Sept. 24, 1917, ch. 56, §8, 40 Stat. 291; restated Apr. 4, 1918, ch. 44, §5, 40 Stat. 504; Jan. 30, 1934, ch. 6, §14(a)(2), 48 Stat. 343; Aug. 27, 1949, ch. 517, §7(b), 63 Stat. 668; Sept. 21, 1966, Pub. L. 89-597, §2(d), 80 Stat. 824.
3122(b)	31:772.	July 9, 1918, ch. 142, §4, 40 Stat. 845.

In the section, the words “war-savings certificates” are omitted because the authority to issue them was ended by section 2(b)(3) of the Public Debt Act of 1941 (ch. 7, 55 Stat. 7).

In subsection (a), the words “in his discretion” are omitted as surplus. The word “obligation” is substituted for “bonds and certificates of indebtedness, Treasury bills” for consistency and to eliminate unnecessary words. The words “and arising from the payment of internal revenue taxes” are omitted as superseded by 26:6302(c). The word “conditions” is substituted for “terms and conditions” because it is inclusive. The words “upon and” are omitted as surplus.

In subsection (b), the words “The Secretary may designate a bank or trust company that is a depositary under subsection (a) of this section” are substituted for “Any incorporated bank or trust company designated as a depositary by the Secretary of the Treasury under the authority conferred by section 771 of this title, which gives security for such deposits as, and to amounts, by him prescribed, may, upon and subject to such terms and conditions as the Secretary of the Treasury may prescribe, act” to eliminate unnecessary words.

§ 3123. Payment of obligations and interest on the public debt

(a) The faith of the United States Government is pledged to pay, in legal tender, principal and interest on the obligations of the Government issued under this chapter.

(b) The Secretary of the Treasury shall pay interest due or accrued on the public debt. As the Secretary considers expedient, the Secretary may pay in advance interest on the public debt by a period of not more than one year, with or without a rebate of interest on the coupons.

(c)(1) The Secretary may issue a bond, note, or certificate of indebtedness authorized under this chapter whose principal and interest are payable

in a foreign currency stated in the bond, note, or certificate. The Secretary may dispose of the bonds, notes, and certificates at a price that is at least par value without complying with section 3102(b)–(d) of this title.

(2) In determining the dollar amount of bonds, notes, and certificates of indebtedness that may be issued under this chapter, the dollar equivalent of the amount of bonds, notes, and certificates payable in a foreign currency is determined by the par of the exchange value on the date of issue of the bonds, notes, or certificates as published by the Secretary under section 5151 of this title.

(3) The Secretary may designate depositaries in foreign countries in which any part of the proceeds of bonds, notes, or certificates of indebtedness payable in the foreign currency may be deposited.

(Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 945.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
3123(a)	31:731. 31:753(d)(2d sentence).	R.S. §3693. Sept. 24, 1917, ch. 56, 40 Stat. 288, §18(d)(2d sentence); added Mar. 3, 1919, ch. 100, §1, 40 Stat. 1310.
	31:768(words before semicolon).	Feb. 4, 1910, ch. 25, §1(words before semicolon), 36 Stat. 192.
3123(b)	31:732. 31:733(words before semicolon).	R.S. §3698. R.S. §3699(words before semicolon); restated Jan. 30, 1934, ch. 6, §9, 48 Stat. 341.
3123(c)	31:766.	Sept. 24, 1917, ch. 56, 40 Stat. 288, §16; added Apr. 4, 1918, ch. 44, §6, 40 Stat. 505; Nov. 13, 1966, Pub. L. 89-809, §401, 80 Stat. 1590.

In subsection (a), the words “legal tender” are substituted for “in coin or its equivalent” in 31:731 and “gold coin of the present standard of value” in section 1 of the Act of Feb. 1, 1910, and section 18(d)(2d sentence) of the Second Liberty Bond Act because of section 1 of the Act of June 5, 1933 (ch. 48, 48 Stat. 113). The words “obligations of the Government” are substituted for 31:731(1st sentence 18th–last words), “thereof” in 31:753(d), and 31:768(1st 17 words) for clarity and consistency and to eliminate unnecessary words. The text of 31:731(last sentence) is omitted as executed.

In subsection (b), the words “cause to be”, “out of any money in the Treasury not otherwise appropriated”, “falling”, “any portion of”, and “authorized by law” in 31:732 are omitted as surplus. The text of 31:733(words between semicolon and colon) is omitted as unnecessary because of chapter 53 of the revised title. The text of 31:733(words after colon) is omitted as superseded by the Bretton Woods Agreement Act (22 U.S.C. 286 et seq.) and sections 6 and 9 of the Act of Oct. 19, 1976 (Pub. L. 94-564, 90 Stat. 2661), repealing 31:449 that provided for parity of the dollar on terms of gold and special drawing rights.

In subsection (c), the word “currency” is substituted for “money or . . . moneys” for clarity and because of 1:1.

In subsection (c)(1), the words “but not also in United States gold coin” and “in such manner” are omitted as surplus.

In subsection (c)(2), the words “dollar” before “amount”, and “value”, are added for clarity. The words “estimated by the Director of the Mint, and” are omitted because of the source provisions restated in section 321(c) of the revised title. The word “published” is substituted for “proclaimed” for clarity.

In subsection (c)(3), the words “as he may determine” are omitted as surplus.