

**Frequently Asked Questions  
For  
Aggregate Holdings of Long-Term Securities  
by U.S. and Foreign Residents  
(TIC SLT)**

Questions and answers are grouped together according to the sections of the instructions to which they relate.

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**I. Introduction**

**1. Q. Will the TIC SLT report replace the TIC SHL (A) and the TIC SHC (A) reports?**

**A.** No. The TIC SLT form is not replacing the TIC SHL(A) and the TIC SHC(A) reports. These reports are complementary to each other. The SHL(A) and SHC(A) are collected annually on a more detailed security by security level and the TIC SLT will be collected monthly on an aggregate level.

**II. GENERAL INSTRUCTIONS**

**II. A Who Must Report**

**1. Q. Who is responsible to report, end-investor or custodian, when investments are entrusted to a U.S.-resident custodian?**

**A.** Foreign securities owned by a U.S.-resident end-investor that are entrusted to a U.S.-resident custodian that is unaffiliated with the end-investor and that knows the identity of the end-investor must be reported by the U.S.-resident custodian.

Foreign securities owned by a U.S.-resident end-investor that are not entrusted to an unaffiliated U.S.-resident custodian that knows the identity of the actual end-investor should be reported by the end-investor or the U.S. investment manager (IM) of the actual end-investor on Part B. In the case that the actual U.S. end-investor is a client of a U.S. IM and both the end-investor and the IM could report the same securities as an end-investor, please see the response to question 3 below.

U.S. securities owned by a foreign-resident end-investor that are entrusted to a U.S.-resident custodian that knows the identity of the end-investor or to a U.S.-resident central securities depository (such as DTCC) must be reported by the U.S.-resident custodian or by the U.S.-resident central securities depository.

U.S. securities owned by a foreign-resident end-investor that are held in an omnibus customer account in the name of a U.S. investment manager (IM) should be reported by the IM as custodian on Part A.

2. **Q. Who has the reporting responsibility when a U.S.-resident entrusts long-term foreign securities to a U.S.-resident custodian who then entrusts those securities to a foreign-resident custodian?**
  - A. The U.S.-resident custodian that entrusts the securities to the foreign-resident custodian should report those securities on Part A of the TIC SLT form.
  
3. **Q. Who should report in the case that a U.S. investment manager (IM) manages foreign securities for an unaffiliated U.S.-resident entity (entity not sponsored or created by the IM), such as a pension fund, that could also be a potential TIC SLT reporter as an end-investor?**
  - A. If it is not clear based on the instructions which entity is required to report, the IM or the end-investor that is not a natural person should call the Federal Reserve Bank of New York (FRBNY). If the client of the investment adviser is a natural person, the IM should report. Natural persons do not file TIC reports.
  
4. **Q. Should a U.S. branch or agency of a foreign bank report as end-investor?**
  - A. U.S. branches or agencies of foreign banks (BR) are U.S. residents. These BRs can be U.S.-resident custodians, U.S.-resident issuers, and/or U.S.-resident end-investors. A BR should report as end-investor in Part B all foreign securities held for its own account that are not held in custody by a U.S.-resident custodian and investments in foreign securities of its U.S.-resident clients that it manages and that neither the BR itself nor any other U.S.-resident holds as custodian.  
  
If the BR is also the custodian for any foreign securities that it manages for its U.S. clients, it should report those securities in Part A as custodian.
  
5. **Q. Are International Banking Facilities (IBFs) U.S. entities?**
  - A. Yes

**II. B. Consolidation Rules**

1. **Q. How are the subsidiaries of a bank holding company reported?**
  - A. The top U.S. bank holding company should consolidate all U.S. parts of its organization.

**2. Q. Should U.S. branches or agencies of foreign banks consolidate their reports with other U.S. branches and agencies of the same foreign parent?**

**A.** No. U.S. branches and agencies of foreign banks in the United States are treated as separate legal entities. Therefore, they should file separately. However, U.S. branches and agencies of foreign banks located in the same Federal Reserve District and the same state should submit a consolidated report.

**3. Q. What are the consolidation rules as they apply to master-feeder fund structures?**

**A.** A U.S. investment manager/fund sponsor (IM/FS) should report consolidated data for all U.S.-resident clients and funds that it manages/sponsors, including separately managed accounts and stand-alone funds.

With regard to master-feeder fund structures:

- The IM/FS should report the equity interests in all U.S. master funds that are owned by foreign feeder funds and that are not held through unaffiliated U.S.-resident custodians in accounts in the names of the foreign feeder funds. The IM/FS reports on Part B of the TIC SLT as representative of the U.S.-resident issuers of those equity interests. The IM/FS should also report any foreign securities owned by the U.S. master funds that are not held in custody by U.S.-resident custodians in accounts in the names of the U.S. master funds on Part B as representative of the U.S.-resident end-investors in those foreign securities.
- The IM/FS should report the equity interests of the U.S. feeder funds in the foreign master funds on Part B as representative of the end-investors, unless those interests are in the custody of U.S.-resident custodians in accounts in the names of the U.S. feeder funds.
- The IM/FS should report the U.S. securities owned by the foreign master funds on Part A of the TIC SLT as custodian, if those securities are not held by a U.S.-resident custodian in an account in the name of the foreign feeder fund, but are held in an omnibus customer account in the name of the IM/FS. In such cases, the IM/FS, not the U.S. custodian, knows the identity of the actual end-investor. Therefore, the IM/FS is effectively the U.S. custodian. The IM/FS must report because only it can identify those entities.

**II. C.      Exemption Level and Reporting Frequency**

1. **Q. Are pension plans that hold assets at U.S.-resident custodians exempt from reporting?**
  - A. Pension plans are exempt from reporting only if 100% of their reportable investments are held by a U.S.-resident custodian. The pension plans are responsible to report, if their foreign investments that are not held through a U.S.-resident custodian have a fair value equal to or greater than \$1 billion.
  
2. **Q. How is the \$1 billion reporting exemption level calculated? If a U.S. end-investor entrusts some of its foreign investments to a U.S.-resident custodian and the end-investor holds directly some other foreign investments, such as its interests in foreign funds, should the end-investor aggregate all its foreign securities (those held by the U.S.-resident custodian and those directly held) to determine if it meets the exemption level?**
  - A. In order to determine whether the end-investor is exempt, the end-investor should aggregate all of its reportable foreign securities, including directly held portfolio investments in funds and limited partnerships, that are not held by a U.S.-resident custodian in an account in the name of the end-investor. The foreign securities that are held by the U.S.-resident custodian on behalf of the end-investor should not be included in determining exemption. However, all reportable U.S. securities issued by the end-investor directly to foreign investors should also be included in the exemption calculation.
  
3. **Q. Should I file a statement or a null report to indicate my organization is exempt?**
  - A. No.
  
4. **Q. If the fair value of the reportable securities of my organization falls below the exemption level, should it continue to report?**
  - A. Yes. Once an organization has met the exemption level and has begun to file the TIC SLT, it is obligated to continue to file for the remainder of the calendar year, even if the fair value of its reportable securities falls below the exemption level.

**II. D.      Accounting, Valuation and Currency Conversion Rules**

1. **Q. Should long and short positions be netted?**
  - A. No. Only gross long position should be reported.

**2. Q. Should commitments to invest be included in the fair value of a fund?**

A. No. The fair value reported on the TIC SLT should exclude the value of unfunded commitments to invest.

**3. Q. How should investment managers determine the fair value of interests in an investment vehicle?**

A. As with all reported assets and liabilities, the fair value of the investment vehicle (IV) should be determined in accordance with U.S. GAAP.

**4. Q. Should the fair value of the investments owned by an investment vehicle reflect the value of the outstanding debt used to purchase those investments?**

A. No. The fair value of any investments owned by an investment vehicle should not be reduced by the amount of debt used by the investment vehicle to purchase those investments.

**5. Q. How are funds valued when valuation is done with a lag?**

A. Reporters are required to provide the fair values of their positions in funds. If your organization can not meet the requirement, it must submit to the FRBNY for its approval an alternative methodology for valuing those investments. Your organization will also be required to provide the FRBNY with a “back-test” of the value calculated by that methodology compared to the actual value to determine whether the methodology continues to be acceptable. Revisions to the reported data may be required.

Please also note, if there is a U.S -resident custodian in the reporting chain and it will be reporting on behalf of the fund manager/advisor, it will be the responsibility of the fund manager/advisor to supply this valuation to the custodian.

**II. E. Reporting the Location of Foreign Counterparties/Determining Residency**

**1. Q. How are global bearer bonds reported when only the country of the exchange on which the securities are listed is known and not the ultimate owner of the securities?**

A. Certificated bearer bonds and global receipts should be reported in “Country Unknown” (row 8886-2), if the holder is unknown. If, however, bearer global receipts or other global securities are held by a central securities depository (CSD), directly or through an affiliated nominee company, then report the country of residence of the CSD or the nominee company that is the holder of record.

**2. Q. How is residency determined?**

**A.** For individuals, the country of residence is determined by the filing of an IRS form W-9 (U.S. residents) or IRS form W-8 (foreign residents) whenever possible. For institutions (as issuers, end-investors, and custodians), the country of residence is the country under the laws of which the institution is legally established (incorporated, chartered or licensed). For funds, the country in which the fund is legally established determines residency.

**3. Q. Are international and regional organizations considered foreign entities?**

**A.** Yes. International and regional organizations with extra-territorial status are considered foreign, even if physically located/headquartered in the United States. (See Appendix E for a list of these organizations.)

**II F. What Must be Reported**

**1. Q. Are negotiable and non-negotiable CDs reportable?**

**A.** CDs of any type are **not** reportable on the TIC SLT report. Bank deposits of any type are not reportable.

**2. Q. Should securities involved in repurchase and security lending arrangements be reported on the TIC SLT form?**

**A.** No. Arrangements whereby the ownership of a security is transferred in return for collateral under the condition that the security or a similar security will revert to its original owner at a future date, should not be reported on the TIC SLT form. The security lender (original owner) should report the security as if no repurchase agreement or security lending agreement existed; that is, the security should be reported as if it were continuously held. However, if cash was temporarily received as collateral and was used to purchase reportable securities, those securities should be reported.

**3. Q. How should Ginnie Mae securities be classified on the TIC SLT, as private securities or as securities of a U.S. Federal agency?**

**A.** Securitized pools of Ginnie Mae guaranteed mortgage loans that are issued by private, approved issuers should be classified as securities of a Federal agency, just as they are classified on the Report of Foreign Holdings of U.S. Securities (SHL(A)).

**4. Q. Should U.S. end-investors evaluate for exemption purposes all foreign securities on their balance sheet that are not held by a U.S.-resident custodian for possible reporting on the TIC SLT?**

**A.** Yes. All foreign securities that are owned by the U.S.-resident end-investor and that are not held by an unaffiliated U.S.-resident custodian that knows the identity of the end-investor should be evaluated to identify if they are reportable and should be included in determining exemption. Any U.S. securities that the end-investor may have issued directly to foreign investors should also be evaluated.

**5. Q. What determines if a security is foreign?**

**A.** Foreign securities include all securities issued by entities that are established under the laws of a foreign country (i.e., any entity that is legally incorporated, otherwise legally organized, or licensed (such as branches) in a foreign country) and all securities issued by international or regional organizations, such as the International Bank for Reconstruction and Development (IBRD or World Bank), and the Inter-American Development Bank (IADB), even if these organizations are located in the United States.

However pension funds organized under the laws of the U.S. set up for the employees of international or regional organizations are considered U.S.-residents. Therefore, any U.S. securities owned by these pension plans should be excluded from this report. Any foreign securities owned by these pension plans that are not held through a U.S.-resident custodian should be included in this report.

**6. Q. Should direct investment positions that are reported to the Bureau of Economic Analysis (BEA) of the U.S. Department of Commerce be included on this report?**

**A.** No. All direct investment positions should be reported to the BEA and excluded from this report. (Please reference the Glossary of the SLT instructions for the definition of direct investment.)

**7. Q. Are partnership interests reportable?**

**A.** Limited partnership interests in limited partnerships are considered equity securities for purposes of the TIC reports. Limited partnership interests do not usually have voting rights. Therefore, even if they represent 10% or more of the non-voting equity interests, they are considered reportable portfolio investments.

General partnership interests in general and limited partnerships are direct investments and are not reportable on the TIC SLT. General partner interests should be reported to the Bureau of Economic Analysis (BEA) of the U.S. Department of Commerce.



**8. Q. Are depositary receipts/shares reportable?**

- A. Yes. All depositary receipts/shares (e.g., ADRs, ADSs, GDRs, and IDRs) where the underlying security is a foreign security are reportable as foreign securities, if they are held for a U.S.–resident end-investor. However, the U.S. issuer of the depositary receipts should not report ownership of the underlying foreign securities.

**9. Q. Are securities held in a trading account reportable?**

- A. Yes. All long-term portfolio securities, including those that are held for trading, available-for-sale, or held-to-maturity are reportable.

**10. Q. Are investments in real estate reportable?**

- A. No. Only investments in long-term portfolio securities are reportable. However, investments in long-term U.S. and foreign securities that are backed by real estate assets are reportable. Ownership of actual real estate is considered direct investment, should be excluded from the TIC SLT and should be reported to the Bureau of Economic Analysis (BEA) of the U.S. Department of Commerce.

**11. Q. Are securities that are issued under private placement arrangements reportable?**

- A. Yes. Long-term U.S. and foreign portfolio securities are reportable whether they are issued as registered public securities or as private placements, and both are reportable whether or not they are actively and/or publicly traded.

**II. G. How To Report / Funds and Related Equity Holdings**

**1. Q. Who is responsible for reporting the investments of a foreign master fund if they are held by a U.S-resident custodian?**

- A. The U.S. custodian for the foreign master fund (e.g., Cayman fund), is responsible for reporting the U.S. securities held by the foreign master fund on Part A of the TIC SLT, if the securities of the foreign master fund are held by the custodian in an account in the name of the foreign master fund. If, however, the U.S. securities of the foreign master fund are held in an omnibus customer account in the name of the U.S. IM/FS, then the IM/FS is responsible for reporting those securities effectively as the custodian on Part A of the TIC SLT. See Appendix A, Flowcharts 1.3 and 4.1.

Please note that the foreign master fund's holdings of foreign securities are not reportable on Form SLT because those are foreign holdings of foreign securities.

**2. Q. Does the U.S. investment manager (IM) file all investments in U.S. funds by its foreign clients?**

A. The U.S. investment manager should file all reportable investments in U.S. securities that are held for their foreign clients, if the investments are not held by a U.S.-resident custodian that knows the identities of its foreign clients and if the investment manager is effectively acting as a custodian for those securities. The IM is effectively acting as custodian for the U.S. securities of its foreign clients when the IM safe-keeps those securities in an omnibus customer account in its own name at a U.S. custodian.

**3. Q. Who has responsibility for reporting the interests of a U.S.-resident end-investor in foreign hedge funds when the U.S.-resident end-investor is not a U.S. feeder fund of a foreign master fund?**

A. The U.S. end-investor, or its U.S. investment manager (IM) on behalf of the end-investor, reports on the TIC SLT on Part B all equity interests the U.S. end-investor owns in the foreign hedge fund when those interests are not held by a U.S.-resident custodian, unaffiliated with the U.S. end-investor and unaffiliated with the U.S. IM, in the name of the U.S.-resident investor. See the response to question 3 of section II, General Instructions, A. Who Must Report and also Appendix A, Flowcharts 2.1, 2.2, and 4.1. If an unaffiliated U.S.-resident custodian holds the equity interest on behalf of the U.S. end-investor in an account in the name of the end-investor, then the U.S.-resident custodian should report those interests on Part A of the TIC SLT. See Appendix A, Flowchart 1.1.

**4. Q. How should a U.S.-resident end-investor report when it owns greater than 10% of voting equity of an offshore fund that has investments in mostly foreign alternative investment vehicles (hedge funds, private equity companies, venture capital companies)?**

A. If the U.S.-resident end-investor controls 10% or more of the voting securities of a company, this is a direct investment relationship. Therefore, this investment is not reportable on the TIC SLT and should be reported to the Bureau of Economic Analysis of the U.S. Department of Commerce. See Appendix A, Flowchart 5.1.

The investments of the foreign investment vehicle are not relevant in determining reportability.

**5. Q. If the investment manager/fund sponsor firm (IM/FS) has the U.S. securities owned by foreign investment vehicles that it manages/sponsors and/or other foreign clients held in a customer omnibus account in its own name with U.S. custodians and brokers/dealers, does the IM/FS have any reporting responsibility with regard to the TIC SLT?**

A. In the case of U.S. securities owned by foreign investment vehicles and other foreign clients that the IM/FS only advises, since the U.S.-resident

IM/FS is the only entity that knows the identities of the beneficial owners, the IM is effectively functioning as a custodian and should report those U.S. securities as custodian on Part A of the TIC SLT. See Appendix A, Flowchart 4.1.

In the case that the IM/FS is also the sponsor of a U.S. fund (or other investment vehicle), the U.S. IM/FS should report the foreign ownership of securities issued by the U.S. fund as representative of the issuer on Part B of the TIC SLT. The IM/FS acts as a representative of the issuer. An example would be the investment in a U.S. master fund by a foreign feeder fund. See Appendix A, Flowchart 4.2.

6. **Q. The investment manager/fund sponsor (IM/FS) establishes several U.S. hedge funds that have unaffiliated foreign-end investors who own shares of/interests in these U.S. hedge funds. Who is responsible for reporting on the TIC SLT?**
  - A. The IM/FS is responsible for reporting if no U.S.-resident custodian holds the interests of the foreign end-investors. The IM/FS should report on the TIC SLT Part B as issuer on behalf of the U.S. hedge funds. See Appendix A, Flowchart 3.1.
  
7. **Q. The investment manager/fund sponsor (IM/FS) establishes several foreign hedge funds that have unaffiliated U.S.-end-investors that own interests in the foreign fund. Who is responsible for reporting on the TIC SLT?**
  - A. **If the IM/FS is not also the investment manager for the U.S. end-investors**, the IM/FS is **not** responsible for reporting those interests in its foreign hedge funds. The U.S.-end investors, or their investment managers, are responsible for reporting on the TIC SLT Part B, unless those interests are held by a U.S.-resident custodian. See Appendix A, Flowcharts 2.1, 2.2, and 2.3. If a U.S. resident custodian holds those interests, then the U.S. custodian should report on Part A of the TIC SLT.
  
8. **Q. The investment manager/fund sponsor firm (IM/FS) establishes a U.S. hedge fund that owns a U.S. subsidiary that owns a U.S. subsidiary (intermediate U.S. companies) that owns a limited partner interest in a foreign limited partnership that owns foreign real estate. What, if anything, is reportable on the TIC SLT?**
  - A. The IM/FS is responsible for reporting on the TIC SLT on Part B the interest in the foreign limited partnership on behalf of the U.S. hedge fund and its affiliated, intermediate U.S. companies, unless that interest is held by an unaffiliated U.S.-resident custodian. The IM/FS should report on the TIC SLT Part B as end-investor. See Appendix A, Flowchart 4.5. The foreign LP's interests in the foreign real estate are not reportable and are not relevant. The TIC SLT instructions do not require a reporter to "look through" foreign investments. In addition, direct ownership of real estate (as opposed to ownership of real estate through another company that directly owns real estate), is not ownership of a security.

**III. Part A and Part B Instructions**

**1. Q. A complex U.S.-resident organization contains U.S. subsidiaries that are custodians, end-investors in foreign securities and/or issuers of U.S. securities. The custodian in the organization holds a portion of a particular foreign security as custodian for U.S.-resident clients that are not subsidiaries of the organization. It also holds a portion of that same foreign security as custodian for one of its U.S.-resident affiliates that is an end-investor. On which part of the SLT, A or B, should the organization report this security?**

**A.** The organization should report the portion of the foreign security that it holds on behalf of the unaffiliated U.S. client on Part A of the SLT as custodian and the portion of the foreign security that it holds on behalf of its own U.S. subsidiary on Part B as end-investor.

If the organization, as custodian for a foreign investor, is holding U.S. securities that some part of its organization has issued, those securities should be reported only on Part B of the SLT. It should report the portions of those securities for which it is custodian using the countries of residence of its foreign clients. For the portion for which it is not custodian, it should report the country of the holder of record (possibly a foreign central securities depository or its nominee) or unknown in the case of bearer securities.

**2. Q. What is the difference between foreign official institutions as holders of U.S. securities in column 1 and foreign governments as issuers of foreign securities in column 10?**

**A.** There is no difference. Column 10 should contain the reportable long-term debt issued by all foreign official institutions.

**V. Instructions for the Of Which Rows**

Of Which: By Type of U.S. Issuer

**1. Q. How should the type of issuer of a security for the rows associated with the Of Which: by type of issuer be determined?**

**A.** The type of issuer should be based on the primary business activity of the actual issuer. It should not be based on the primary business of the top holder or ultimate parent of the actual issuer. This classification applies only for those securities that are U.S. Corporate and other Bonds (columns 5 & 6 for rows 8264-3, 8265-1, 8267 -8 and 8268-6), U.S. Equities (columns 7 & 8 for rows 8264-3, 8265-1, 8267-8) and the grand total of these securities (column 9 for those rows).

- 2. Q. What types of securities should be included in the Of Which row by type of securities for fund shares?**
- A.** Equity interests in any entity that serves as an investment vehicle should be included. Some examples of such investment vehicles are mutual funds (including money market mutual funds), index-linked funds, exchange traded funds, separately managed accounts, commingled accounts, investment trusts, common trust funds, private equity companies, venture capital companies, and hedge funds, even if they do not issue shares.